



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

## Press Release for Financial Results as at 31 December 2020

The year 2020, especially the second half, was extremely good for the shipping industry, despite the pandemic. For RCL, the Q4 saw a 26% increase in revenue to THB 5,224Mn., even though the handled cargo volume increased only 3 % compared to the previous year to 533,000 TEUs. This was primarily due to a 22% Q on Q surge in freight rates to THB 9,555 per TEU, resulting from severe equipment shortages everywhere.

While the demand spiked up as countries around the world started to open up their economies from lockdown, RCL continued to pursue its cost management. Hence, it's cost of freight and operation declined 11%. Coupled with lower bunker prices, the total expense was down THB 218Mn or 5% from the same quarter in 2019. This in effect turned around the operation from a net loss of THB 169 Mn. in Q4 2019 into a net profit of THB 1,260 Mn. in Q4 2020.

For the whole year, the positive trend of freight rates has been up continuously since the third quarter. The freight income per TEU was higher than that of 2019 by 11% and generated an additional 4% of freight income to THB 17.2 Bn. in 2020. The overall volume of cargos handled was down by 6% from the previous year, partly caused by congestion in ports. With improved productivity, the cost of freight and operation was trimmed from 2019 by 10% or THB 1,595Mn. to THB 14,360Mn. This led to an 8% reduction of total expense and increased margin to almost 10% compared to -3% in 2019.

All in all, as a result of improved market conditions and internal efficiency, RCL has been able to generate profit for the year 2020 in the amount of THB 1,745Mn. against a net loss of THB 493 Mn. in 2019.

03 March 2021

*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 44 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 111,850 TEUs to support its own COC carriage as well. RCL operates a network of 69 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 US\$ MILLION

(million US\$)

	1st Quarter 2019	Half-Year 2019	9 months 2019	Year-End 2019	1st Quarter 2020	Half-Year 2020	9 months 2020	Year-End 2020
Freight income	132.9	267.1	398.5	530.9	133.7	254.4	381.8	546.6
Cost of freight and operations	(125.6)	(251.5)	(385.0)	(512.4)	(125.3)	(232.2)	(343.9)	(456.5)
<b>Gross Profit</b>	<b>7.3</b>	<b>15.6</b>	<b>13.5</b>	<b>18.5</b>	<b>8.4</b>	<b>22.2</b>	<b>37.9</b>	<b>90.1</b>
<b>Gross Profit Margin</b>	<b>5.5%</b>	<b>5.8%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>6.3%</b>	<b>8.7%</b>	<b>9.9%</b>	<b>16.5%</b>
Other income	0.9	2.3	3.1	3.9	0.6	2.2	2.7	3.8
Gain on exchange	0.5	0.7	1.4	1.3	1.4	0.8	1.7	1.9
Gain on sale of assets	0.6	1.4	2.5	3.3	0.6	1.1	1.6	1.9
Reversal of loss on impairment of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9
Total other income	2.0	4.4	7.0	8.5	2.6	4.1	6.0	10.5
Admin expenses	(7.4)	(15.0)	(22.6)	(30.2)	(7.8)	(13.4)	(20.9)	(36.1)
Unrealised loss from changes in the fair value of Derivatives	(0.1)	(0.3)	(0.3)	(0.2)	(0.2)	(0.1)	(0.1)	0.0
Doubtful debt	0.0	0.0	0.0	(0.4)	0.1	(0.1)	(0.1)	(0.1)
Loss on impairment of Vessels and equipment, net	0.0	0.0	0.0	(1.2)	0.0	(0.4)	(0.4)	0.0
Total other expenses	(7.5)	(15.3)	(22.9)	(32.1)	(7.9)	(14.0)	(21.5)	(36.2)
Interest expenses	(2.6)	(5.0)	(7.7)	(10.4)	(2.6)	(4.9)	(6.8)	(8.6)
Profit / (loss) before taxation	(0.8)	(0.3)	(10.1)	(15.5)	0.5	7.4	15.6	55.8
Income tax	(0.1)	(0.2)	(0.2)	(0.3)	(0.1)	(0.2)	(0.3)	(0.3)
Profit / (loss) after taxation	(0.9)	(0.5)	(10.3)	(15.8)	0.4	7.2	15.3	55.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit / (loss) attributable to members</b>	<b>(0.9)</b>	<b>(0.5)</b>	<b>(10.3)</b>	<b>(15.8)</b>	<b>0.4</b>	<b>7.2</b>	<b>15.3</b>	<b>55.5</b>

### COMPUTATION OF EBITDA

Profit / (loss) before taxation	(0.8)	(0.3)	(10.1)	(15.5)	0.5	7.4	15.6	55.8
Add: Impairment loss of assets	0.0	0.0	0.0	1.2	0.0	0.4	0.4	0.0
Less: Reversal of impairment loss of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.9)
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	0.1	0.3	0.3	0.2	0.2	0.1	0.1	0.0
Add: Interest	2.6	5.0	7.7	10.4	2.6	4.9	6.8	8.6
<b>EBIT</b>	<b>1.9</b>	<b>5.0</b>	<b>(2.1)</b>	<b>(3.7)</b>	<b>3.3</b>	<b>12.8</b>	<b>22.9</b>	<b>61.5</b>
Add: Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	11.1	22.2	34.1	46.0	11.9	24.1	36.6	49.0
<b>EBITDA</b>	<b>13.0</b>	<b>27.2</b>	<b>32.0</b>	<b>42.3</b>	<b>15.2</b>	<b>36.9</b>	<b>59.5</b>	<b>110.5</b>

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
THAILAND

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FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
AND  
INDEPENDENT AUDITOR'S REPORT

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EXPRESSED IN  
THAI BAHT

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

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

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**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, 2020, 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, 2020, 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 under the Royal Patronage of his Majesty the King'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 Audit Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)

As describe in Note 2.6, 2.14 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 Matter**

The consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries and the separate financial statements of Regional Container Lines Public Company Limited for the year ended December 31, 2019, presented herein as comparative information, were audited by another auditor in my office, whose report thereon dated February 21, 2020 expressed an unmodified opinion on those statements.

### **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:

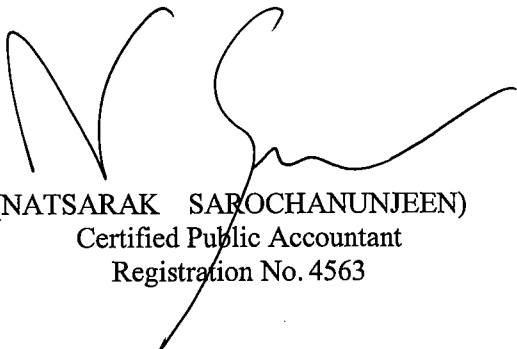
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.



(NATSARAK SAROCHANUNJEEN)  
Certified Public Accountant  
Registration No. 4563

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 25, 2021

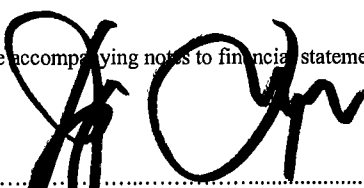
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position**  
**As at 31 December 2020**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2020	2019	2020	2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,586,632,794	1,144,027,277	189,523,357	57,865,328
Trade receivables - unrelated parties		2,193,974,935	1,926,555,091	7,883,137	11,597,739
<u>Less: allowance for doubtful accounts</u>		<u>(53,158,270)</u>	<u>(56,584,247)</u>	-	-
Trade receivables - unrelated parties, net	6	2,140,816,665	1,869,970,844	7,883,137	11,597,739
Trade receivables - related parties		159,815,101	32,557,090	1,541,799,751	374,871,263
<u>Less: allowance for doubtful accounts</u>		<u>-</u>	<u>(9,599,211)</u>	-	-
Trade receivables - related parties, net	6 and 18	159,815,101	22,957,879	1,541,799,751	374,871,263
Other receivables	18	288,104,850	390,310,618	276,716,019	101,255,691
Material supplies		187,424,587	235,939,730	16,741,640	17,844,307
Other current assets	18	44,732,844	43,424,984	306,727	231,063
<b>Total current assets</b>		<b>5,407,526,841</b>	<b>3,706,631,332</b>	<b>2,032,970,631</b>	<b>563,665,391</b>
<b>Non - current assets</b>					
Other non - current financial assets	4.1	10,205,725	-	-	-
Property investments held for investment		4,647,099	4,710,192	-	-
Investments in subsidiaries, net	8	-	-	6,170,611,330	6,173,148,818
Investments in associates	9.1	215,412,416	339,188,673	50,219,083	50,426,066
Investments in joint ventures	9.2	66,831,951	106,424,742	-	-
Other non - current receivables		32,925,412	-	-	-
Other long - term investments	4.1	-	10,247,789	-	-
Property and premises, net	10.1, 13 and 14	278,108,867	284,411,103	395,457	397,087
Vessels and equipment, net	4.2, 10.2, and 14	10,415,571,959	12,467,106,625	5,728,030,536	5,790,377,657
Right - of - use assets, net	4.2 and 11	1,493,905,741	-	9,866,889	-
Intangible assets, net	12	6	6	-	-
Other non - current assets					
- Payment of advances for equipment	23.1 (b)	56,139,338	111,000,425	56,139,338	111,000,425
- Others		8,033,187	7,864,490	2,677,341	2,553,381
<b>Total non - current assets</b>		<b>12,581,781,701</b>	<b>13,330,954,045</b>	<b>12,017,939,974</b>	<b>12,127,903,434</b>
<b>Total assets</b>	26	<b>17,989,308,542</b>	<b>17,037,585,377</b>	<b>14,050,910,605</b>	<b>12,691,568,825</b>



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

  
**Mrs. Sumate Tanthuanit**  
**Director**

DIRECTOR



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

DIRECTOR



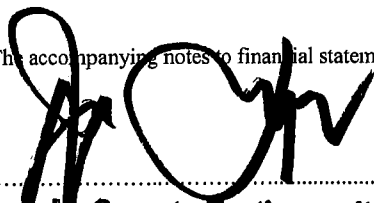
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2020**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	13	107,234,140	1,103,336,202	-	450,000,000
Trade payables - unrelated parties		3,390,559,407	3,151,410,196	73,150,802	48,805,896
Trade payables - related parties	18	12,584,317	10,957,982	-	-
Other payables					
- Accrued expenses		334,416,608	76,005,757	141,544,338	22,722,930
- Advance receipt	18	1,055,040	481,301	4,977,994,422	3,151,722,525
- Payable on purchase of assets	18	61,165,357	100,171,909	31,411,659	120,914,628
Current portion of long - term loans	14	1,210,573,502	743,102,646	1,031,771,150	572,730,393
Current portion of lease liabilities	4.2 and 15	489,155,938	354,251,749	4,015,615	-
Income tax payable		583,101	2,416,604	-	-
Provision for onerous contracts	4.2 and 11	-	43,247,526	-	-
Other current financial liabilities	4.1 and 7	7,101,899	-	7,101,899	-
Other current liabilities	4.1 and 7	173,570,958	129,896,491	3,634,576	10,330,845
<b>Total current liabilities</b>		<b>5,788,000,267</b>	<b>5,715,278,363</b>	<b>6,270,624,461</b>	<b>4,377,227,217</b>
<b>Non - current liabilities</b>					
Long - term loans, net of current portion	14	1,952,718,357	2,667,619,795	1,439,369,586	2,009,911,049
Lease liabilities - net of current portion	4.2 and 15	1,111,871,873	1,189,772,723	6,557,288	-
Deferred tax liabilities	21	8,657,342	8,392,799	-	-
Provisions for employee benefits	16	54,229,053	51,152,624	50,210,247	46,904,911
<b>Total non - current liabilities</b>		<b>3,127,476,625</b>	<b>3,916,937,941</b>	<b>1,496,137,121</b>	<b>2,056,815,960</b>
<b>Total liabilities</b>	26	<b>8,915,476,892</b>	<b>9,632,216,304</b>	<b>7,766,761,582</b>	<b>6,434,043,177</b>



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

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

DIRECTOR

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

DIRECTOR

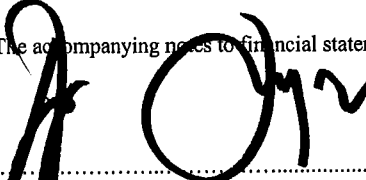
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2020**

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
<b>Shareholders' equity</b>				
<b>Share capital</b>				
Registered				
	828,750,000	828,750,000	828,750,000	828,750,000
	828,750,000 ordinary shares of Baht 1 each			
Issued and fully paid - up				
	828,750,000	828,750,000	828,750,000	828,750,000
	828,750,000 ordinary shares of Baht 1 each			
Share premium				
	4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
Retained earnings				
	71,300,000	66,300,000	71,300,000	66,300,000
	Appropriated - legal reserve 17			
	4,238,683,735	2,495,400,560	1,219,871,459	1,170,505,886
	Unappropriated			
	(1,053,841,936)	(973,060,245)	(818,736,623)	(790,994,425)
	Other components of equity			
	9,067,855,986	7,400,354,502	6,284,149,023	6,257,525,648
	Total equity of parent Company's shareholders			
Non - controlling interests				
	5,975,664	5,014,571	-	-
	9,073,831,650	7,405,369,073	6,284,149,023	6,257,525,648
	<b>Total shareholders' equity</b>			
	17,989,308,542	17,037,585,377	14,050,910,605	12,691,568,825
	<b>Total liabilities and shareholders' equity</b> 26			



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

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

DIRECTOR



DIRECTOR

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

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2020

(Unit: Baht)

Note	Consolidated financial statements												
	Equity holders of parent company					Other components of equity					Total equity of parent Company's shareholder	Non - controlling interests	Total shareholders' equity
	Issued and fully paid - up share capital	Share premium	Appropriated - legal reserve	Retained earnings	Unappropriated	Exchange differences on translating financial statement	Other comprehensive income (loss)	Actuarial gains (losses) on defined employee benefit plans	Total	Company's shareholder			
	828,750,000	4,982,964,187	66,300,000	2,987,147,230	2,495,400,560	(464,367,906)	-	(464,367,906)	8,400,793,511	7,631,091	8,408,424,602		
<b>Balance as at 1 January 2019</b>													
Total comprehensive income (loss) for the year	-	-	-	(491,746,670)	2,495,400,560	(508,692,339)	-	(508,692,339)	(1,000,439,009)	(2,616,520)	(1,003,055,529)		
<b>Balance as at 31 December 2019</b>	828,750,000	4,982,964,187	66,300,000	2,495,400,560	2,495,400,560	(973,060,245)	-	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073		
	828,750,000	4,982,964,187	66,300,000	2,495,400,560	2,495,400,560	(973,060,245)	-	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073		
<b>Balance as at 1 January 2020</b>													
Total comprehensive income (loss) for the year	-	-	-	1,744,793,761	3,489,414	(80,781,691)	3,489,414	(77,292,277)	1,667,501,484	961,093	1,668,462,577		
Legal reserve	-	-	5,000,000	(5,000,000)	-	-	-	-	-	-	-		
Transferred to retained earnings	-	-	-	3,489,414	(3,489,414)	-	(3,489,414)	-	-	-	-		
<b>Balance as at 31 December 2020</b>	828,750,000	4,982,964,187	71,300,000	4,238,683,735	4,238,683,735	(1,053,841,936)	-	(1,053,841,936)	9,067,855,986	5,975,664	9,073,831,650		



*[Handwritten signature]*

**Mr. Sutate Tanthuwaniit**  
Director

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

..... DIRECTOR

*[Handwritten signature]*  
**Mr. Sutep Tranantasin**  
Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Note	Separate financial statements									
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity			Total shareholder's equity		
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Other comprehensive income (loss)	Actuarial gains (losses) on defined employee benefit plans		Total	
<b>Balance as at 1 January 2019</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	
Total comprehensive income (loss) for the year	-	-	-	(311,110,971)	-	(428,555,343)	-	(428,555,343)	(739,666,314)	
<b>Balance as at 31 December 2019</b>	828,750,000	4,982,964,187	66,300,000	1,170,505,886	-	(790,994,425)	-	(790,994,425)	6,257,525,648	
<b>Balance as at 1 January 2020</b>	828,750,000	4,982,964,187	66,300,000	1,170,505,886	-	(790,994,425)	-	(790,994,425)	6,257,525,648	
Total comprehensive income (loss) for the year	-	-	-	51,732,463	2,633,110	(27,742,198)	2,633,110	(25,109,088)	26,623,375	
Legal reserve	-	-	5,000,000	(5,000,000)	-	-	-	-	-	
Transferred to retained earnings	-	-	-	2,633,110	(2,633,110)	-	(2,633,110)	(2,633,110)	-	
<b>Balance as at 31 December 2020</b>	828,750,000	4,982,964,187	71,300,000	1,219,871,459	-	(818,736,623)	-	(818,736,623)	6,284,149,023	



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

*Signature of Mr. Sumate Tanthuwaniit*

DIRECTOR

DIRECTOR

**Mr. Sumate Tanthuwaniit**  
Director

**Mr. Sutep Tranantasin**  
Director

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of income**  
**For the year ended 31 December 2020**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2020	2019	2020	2019
<b>Revenues</b>					
Freight income	18	17,195,236,622	16,531,034,553	1,318,952,877	1,215,794,032
Others income					
Gain on exchange rate		59,149,110	40,286,425	12,214,450	-
Dividend income	8 and 9.1	5,343,487	-	181,189,112	51,085,524
Gain on sales of assets	10.2	59,834,059	102,913,748	-	-
Reversal on impairment of assets	10.2	89,696,975	-	-	-
Interest income		2,904,653	3,669,293	105,156	106,205
Others		51,212,056	31,474,230	314	627
<b>Total revenues</b>		<b>17,463,376,962</b>	<b>16,709,378,249</b>	<b>1,512,461,909</b>	<b>1,266,986,388</b>
<b>Expenses</b>					
Cost of freight and operations	18	14,360,299,785	15,954,913,409	980,639,415	914,648,640
Administrative expenses	18	1,134,983,219	940,695,006	353,144,740	270,770,553
Others expense					
Loss on exchange rate		-	-	-	28,665,819
Loss on impairment of assets	10.2	-	36,289,398	-	-
Loss on impairment of investments	8	-	-	-	194,783,433
<b>Total expenses</b>	19	<b>15,495,283,004</b>	<b>16,931,897,813</b>	<b>1,333,784,155</b>	<b>1,408,868,445</b>
<b>Profit (loss) from operating activities</b>		<b>1,968,093,958</b>	<b>(222,519,564)</b>	<b>178,677,754</b>	<b>(141,882,057)</b>
Finance costs		(270,326,176)	(324,791,976)	(126,418,788)	(161,903,558)
Gain (loss) from changes in fair value of derivatives	7	(526,503)	(7,325,356)	(526,503)	(7,325,356)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	6	(4,224,741)	(13,713,326)	-	-
Share of profit (loss) from investments in associates	9.1	50,399,787	40,313,242	-	-
Share of profit (loss) from investments in joint ventures	9.2	10,467,885	45,808,347	-	-
<b>Profit (loss) before income tax expenses</b>		<b>1,753,884,210</b>	<b>(482,228,633)</b>	<b>51,732,463</b>	<b>(311,110,971)</b>
Tax income (expenses)	21	(8,272,233)	(10,714,283)	-	-
<b>Profit (loss) for the years</b>	26	<b>1,745,611,977</b>	<b>(492,942,916)</b>	<b>51,732,463</b>	<b>(311,110,971)</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the parent		1,744,793,761	(491,746,670)	51,732,463	(311,110,971)
Non - controlling interests		818,216	(1,196,246)	-	-
		<b>1,745,611,977</b>	<b>(492,942,916)</b>	<b>51,732,463</b>	<b>(311,110,971)</b>
<b>Basic earnings (loss) per share</b> <span style="float: right;">2.18</span>					
Profit (loss) attributable to equity holders of the parent		2.105	(0.593)	0.062	(0.375)
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. Somate Tanthuanit**  
Director

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

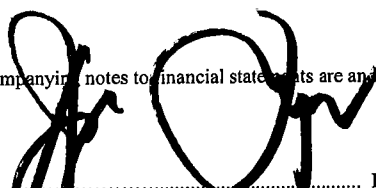
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the year ended 31 December 2020**


(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2020	2019	2020	2019
<b>Profit (loss) for the years</b>		1,745,611,977	(492,942,916)	51,732,463	(311,110,971)
<b>Other comprehensive income (loss) :</b>					
<b>Item that will be reclassified subsequently to profit or loss :</b>					
Exchange differences on translating financial statement		(80,638,814)	(510,112,613)	(27,742,198)	(428,555,343)
<b>Total item that will be reclassified subsequently to profit or loss</b>		(80,638,814)	(510,112,613)	(27,742,198)	(428,555,343)
<b>Item that will not be reclassified subsequently to profit or loss :</b>					
Actuarial gains (losses) on defined employee benefit plans	16	3,703,490	-	2,633,110	-
Deferred tax relating to other component of equity	21	(214,076)	-	-	-
<b>Total item that will not be reclassified subsequently to profit or loss</b>		3,489,414	-	2,633,110	-
<b>Other comprehensive income (loss) for the years</b>		(77,149,400)	(510,112,613)	(25,109,088)	(428,555,343)
<b>Total comprehensive income (loss) for the years</b>		1,668,462,577	(1,003,055,529)	26,623,375	(739,666,314)
<b>Total comprehensive income (loss) for the years attributable to :</b>					
Equity holders of the parent		1,667,501,484	(1,000,439,009)	26,623,375	(739,666,314)
Non - controlling interests		961,093	(2,616,520)	-	-
		1,668,462,577	(1,003,055,529)	26,623,375	(739,666,314)



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

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

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

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of cash flows**  
**For the year ended 31 December 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) for the years	1,745,611,977	(492,942,916)	51,732,463	(311,110,971)
Adjustments to reconcile profit (loss) for the years to net cash provided by (used in) operating activities:				
Depreciation	1,542,460,861	1,431,894,276	424,276,250	399,329,297
Loss (gain) on sales and write - off of assets	(59,834,059)	(102,913,748)	17,368,212	234,690
Loss on impairment of assets (reversal)	(89,696,975)	36,289,398	-	-
Loss on impairment of investments (reversal)	-	-	-	194,783,433
Bad debt and doubtful accounts	4,224,741	13,713,326	-	-
Dividend income	(5,343,487)	-	(181,189,112)	(51,085,524)
Loss (gain) from change in fair value of derivatives	526,503	7,325,356	526,503	7,325,356
Unrealized loss (gain) on exchange rate	(39,622,459)	168,885,060	(20,409,892)	27,242,811
Share of loss (profit) from investments in associates	(50,399,787)	(40,313,242)	-	-
Share of loss (profit) from investments in joint ventures	(10,467,885)	(45,808,347)	-	-
Provisions for employee benefits	10,396,106	18,397,978	9,554,633	16,877,161
Interest income	(2,904,653)	(3,669,293)	(105,156)	(106,205)
Finance costs	270,326,176	324,791,976	126,418,788	161,903,558
Tax expenses (income)	8,272,233	10,714,283	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	3,323,549,292	1,326,364,107	428,172,689	445,393,606
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(248,169,204)	200,419,759	3,714,602	(8,653,956)
Trade receivables - related parties	(136,857,222)	10,883,985	(1,168,467,211)	(869,344,689)
Other receivables	102,214,573	97,584,544	(175,802,523)	(376,294,576)
Material supplies	48,515,143	96,297,447	1,102,667	139,966
Other current assets	(468,235)	3,741,111	(75,664)	896,784
Other non - current assets	(168,697)	(236,013)	(123,960)	(49,201)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	238,459,915	(356,984,529)	23,688,085	(13,547,167)
Trade payables - related parties	1,626,335	(77,109,003)	-	-
Other payables - accrued expenses	234,127,867	18,277,594	89,811,389	(4,181,357)
Advance receipt	573,739	(3,778,873)	1,838,306,395	1,417,453,350
Other current liabilities	42,856,251	(11,913,857)	(120,874)	(141,927)
Employee benefit obligation paid	(3,616,187)	(2,366,273)	(3,616,187)	(1,907,243)
Cash received (paid) from operating activities	3,602,643,570	1,301,179,999	1,036,589,408	589,763,590
Net Cash received (paid) for income tax	(11,691,538)	(15,866,366)	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>3,590,952,032</b>	<b>1,285,313,633</b>	<b>1,036,589,408</b>	<b>589,763,590</b>



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 (continued)**  
**For the year ended 31 December 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Cash received from sales of assets	271,367,469	217,051,898	-	113,846,039
Purchase of property, premises, vessels and equipment	(433,010,093)	(1,326,571,452)	(316,959,859)	(1,132,670,048)
Purchase of right - of - use assets	(30,114,483)	-	-	-
Payment of payable on purchase of assets	(100,369,517)	(77,020,633)	(108,229,076)	(18,804,014)
Payment of advances for equipment	(8,144,399)	(69,708,387)	(8,144,399)	(69,708,387)
Dividend received	237,777,932	21,754,353	181,189,112	51,085,524
Interest received	2,895,848	3,889,693	105,159	106,205
Purchase of investment in subsidiary	-	-	(23,745,483)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(59,597,243)</b>	<b>(1,230,604,528)</b>	<b>(275,784,546)</b>	<b>(1,056,144,681)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institutions	(1,015,924,023)	210,236,662	(450,000,000)	100,000,000
Payment of lease liabilities	(554,744,028)	(348,529,477)	(3,801,605)	-
Increase (decrease) in long - term loans	(245,368,037)	371,326,423	(107,112,360)	491,951,346
Finance costs paid	(235,256,654)	(346,924,342)	(86,622,230)	(150,921,593)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,051,292,742)</b>	<b>(113,890,734)</b>	<b>(647,536,195)</b>	<b>441,029,753</b>
Exchange differences on translating financial statement	(37,456,530)	865,792	18,389,362	62,098,067
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,442,605,517</b>	<b>(58,315,837)</b>	<b>131,658,029</b>	<b>36,746,729</b>
<b>Cash and cash equivalents at beginning of years</b>	<b>1,144,027,277</b>	<b>1,202,343,114</b>	<b>57,865,328</b>	<b>21,118,599</b>
<b>Cash and cash equivalents at end of years</b>	<b>2,586,632,794</b>	<b>1,144,027,277</b>	<b>189,523,357</b>	<b>57,865,328</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :**

**Activities not affecting cash :**

Increase in other non - current receivables from sale of vessels and equipment	32,925,412	-	-	-
Decrease in payment of advance for equipment from purchase of vessels and equipment	64,802,862	265,254,067	64,802,862	257,531,272
Increase in payable on purchase of assets from purchase of vessels and equipment	60,741,264	61,551,668	15,536,549	-
Effects of the adopted of TFRS 16 :				
- Increase in right - of - use assets	(2,005,478,817)	-	(14,369,241)	-
- Decrease in vessels and equipment - net	1,442,087,957	-	-	-
- Increase in lease liabilities	606,638,386	-	14,369,241	-
- Decrease in provision for onerous contracts	(43,247,526)	-	-	-



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

**Ms. Simate Tanthuanit**  
**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 2020**

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.


1.3 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 Tanthuwant  
Director

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR

#### 1.4 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. (The company has ceased its operations)	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 Shipmanagement Pte. Ltd.	Ship management	Singapore	100% owned by the Company
f) 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
<u>Group of subsidiaries operating in Hong Kong</u>			
g) Regional Container Lines (H.K.) Ltd.	Holding company, shipping agent and the provision of transportation and cargo handling services	Hong Kong	100% owned by the Company

(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 2.12

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

  
.....  
Ms. Sumate Tanthuanit  
Director

DIRECTOR

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR



(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.

## 1.5 Adoption of new financial reporting standards

### 1.5.1 Financial reporting standards which are effective for the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### (1) Financial Reporting Standards related to financial instruments

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

##### Accounting Standard

TAS 32 Financial Instruments: Presentation

##### Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

##### Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.



  
.....  
Mr. Sunate Tanthuwani  
Director

DIRECTOR

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR

(2) TFRS 16 “Leases”

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

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

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

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


The Group has selected to apply the following temporary relief measures on accounting alternatives as follows:

Financial Reporting Standards No 9: Financial Instrument

Not to take into forward - looking information using in measurement of expected credit loss for a simplified approach.



  
..... DIRECTOR .....  
**Mrs. Nattaporn Tanthuanit**  
Director

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

### 1.5.2 Financial Reporting Standards which are not effective for the current year

The Federation of Accounting Professions has issued the revised accounting standard, financial reporting standards accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2021 are as follows:

#### Accounting Standard

- TAS 1 Presentation of Financial Statements
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 Events after the Reporting Period
- TAS 34 Interim Financial Reporting
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets

#### Financial Reporting Standard

- TFRS 2 Share - based Payment
- TFRS 3 Business Combinations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments

#### Accounting Standard Interpretations

- TSIC 32 Intangible Assets - Web Site Costs

#### Financial Reporting Standard Interpretations

- TFRIC 12 Service Concession Arrangements
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC 22 Foreign Currency Transactions and Advance Consideration

The management of the Group has assessed that TAS 1, TAS 8, TAS 10, TAS 34, TAS 37, TAS 38, TFRS 7, TFRS 9 and TFRIC 22 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.



  
.....  
**Mr. Sunate Tanthuanit**  
Director

DIRECTOR

  
.....  
**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 Material supplies

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

2.4 Investments

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary, associated and joint ventures companies are accounted for in the separate financial statements using the cost method.

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





Mr. Suphate Tanthuwantit  
Director



Mr. Sutep Tranantasin  
Director

..... DIRECTOR .....

..... DIRECTOR

## 2.5 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non - controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination is expensed as incurred.

## 2.6 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

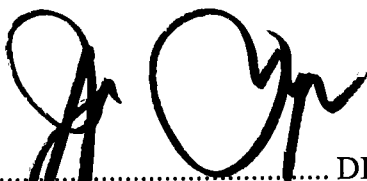
No depreciation is provided for land.

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


## 2.7 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.



  
..... DIRECTOR .....

Mr. Surate Tanthuanit  
Director

  
..... DIRECTOR .....

Mr. Sutep Tranantasin  
Director

## 2.8 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

## 2.9 Financial instruments

### Classification and measurement

Financial assets that are debt instruments are measured at amortised cost.

Financial assets which are the equity in trading securities are measured at fair value through profit or loss. For equity instruments for other purposes are measured at fair value through profit or loss or through other comprehensive income. In the case, the equity securities are measured at fair value through other comprehensive income, the accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

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

### Impairment of financial assets

The Group assesses on a forward - looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit - impaired consideration which depends on the significant of credit risk.

### Initial adoption

Since 1 January 2020, the Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.1 to the financial statements.



  
.....  
Mr. Sumate Tanthuanit  
Director

DIRECTOR

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR



## 2.10 Leases

### For the year ended 31 December 2020

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

#### The Group as lessee

##### Right - of - use assets

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

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right - of - use assets are depreciated on a straight - line basis from the commencement date of the lease to the earlier of the end of the useful life of the right - of - use asset or the end of the lease term.

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognizes interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

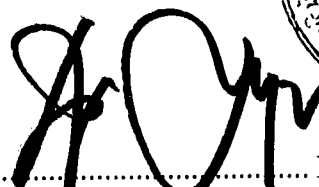
Lease payments included in the measurement of the lease liability comprise:


- Fixed payments (including in - substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low - value assets, are recognised as expenses on a straight-line basis over the lease term.



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

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

### The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight - line basis over the lease term.

### Sub lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub - lease with reference to the right - of - use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short - term lease to which the Group apply the exemption described in "Short - term leases and leases of low - value asset, then it classifies the sub - lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right - of - use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right - of - use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

### Initial adoption

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 4.2 to the financial statements.

### For the year ended 31 December 2019


#### Finance lease agreement

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.

#### Operating Lease

Lease of assets under which all the risks and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight - line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place



.....  
**Mr. Surate Tanthuanit**  
Director

..... DIRECTOR .....

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

..... DIRECTOR .....



## 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 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 26 to the financial statements.

### c) Translation into the presentation currency

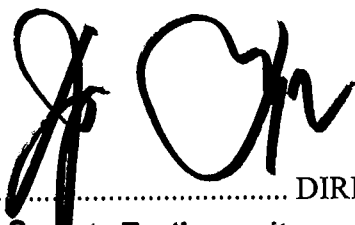
The assets and liabilities of each entity in the Group are translated into the Thai Baht presentation currency financial statements at the exchange rate ruling at the reporting date and the items in their statements of income and statements of comprehensive income are translated at the average exchange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

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

## 2.13 Property investments held for investment

Property investments held for investment are stated at fair value.



  
..... DIRECTOR .....

**Mr. Sunate Tanthuwantit**  
Director

  
..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director

## 2.14 Impairment of non - financial 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 (it 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.

## 2.15 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.

## 2.16 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.

  
..... DIRECTOR .....  
Mr. Sumate Tanthuwant  
Director

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



2.17 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.

2.18 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.

3.3 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.

  
.....  
Mr. Sumate Tanthawanit  
Director

DIRECTOR

  
.....  
Mr. Sutep Tranantasin  
Director

DIRECTOR



3.4 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.

3.5 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.

3.6 Leases

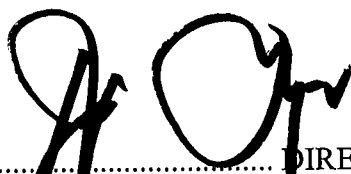
Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.





Mr. Sumat Tanthuwant  
Director



Mr. Sutep Tranantasin  
Director

DIRECTOR

4. Effect of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 1.5.1 to the financial statements, during the current year, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as of 1 January 2020. Therefore, the comparative information was not restated. The impacts on the financial statement from changes in accounting policies due to the adoption of these standards are presented as follows:

4.1 Group of Financial Instruments Standards


The Group has adopted financial reporting standard related to financial instruments as described in Note 1.5.1 (1) to the financial statements which have the material impact for the classification of financial assets as follows:


(Unit: Thousand Baht)

	Consolidated financial statements			Category
	Classification under previous standards as at 31 December 2019	Reclassifications	Classification under TFRS 9 as at 1 January 2020	
<b>Assets</b>				
Other long - term investments	10,248	(10,248)	-	
Other non - current financial assets				
- Non - marketable equity securities	-	10,248	10,248	Equity instruments measured at fair value through other comprehensive income
<b>Liabilities</b>				
Other current liabilities	129,896	(6,623)	123,273	
Other current financial liabilities				
- Derivatives	-	6,623	6,623	Derivatives measured at fair value through profit or loss

Besides, other financial assets and liabilities of the Group are measured at amortized cost.



  
 Mr. Sunate Panthuwani  
 Director

  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

#### 4.2 TFRS 16 “Leases”

The Group has adopted TFRS16 “Leases” as described in Note 1.5.1 (2) to the financial statements as follows:

- The Group recognised a right - of - use and a lease liability previously classified as an operating lease at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate at the date of initial application (as of 1 January 2020). Therefore, the comparative information, which presented based on TAS 17, was not restated. The Group recognised the carrying amount of the right - of - use assets and lease liabilities, previously classified as financial leases, based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

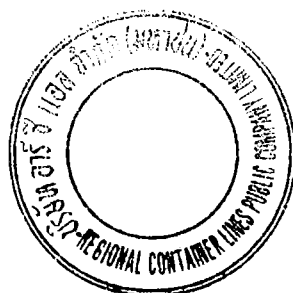
- Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low - value assets, are recognised as expenses on a straight - line basis over the lease term.



Therefore, the impacts from adoption of this standard at the date of initial application (as of 1 January 2020) as following:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
<u>Assets</u>		
Increase in right - of - use assets	1,745,136	14,369
Increase in allowance for impairment of right - of - use assets	(43,248)	-
Decrease in vessels and equipment, net	(1,442,088)	-
	259,800	14,369
<u>Liabilities</u>		
Increase in lease liabilities	328,284	15,997
Increase in deferred interest expenses	(25,236)	(1,628)
Decrease in provision for onerous contracts	(43,248)	-
	259,800	14,369

#### 5. 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 increase net income of the Group and the Company for the year ended 31 December 2020 by Baht 75.4 million and Baht 26.0 million, respectively (Baht 0.091 per share and Baht 0.031 per share, respectively).



.....  
**Mr. Sumat Tanthuwanit**  
 Director

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

DIRECTOR



6. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2020 and 2019 are classified by aging as follows:


	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Under 90 days	2,041,831	1,669,490	2,256	10,854
91 - 180 days	48,133	56,826	-	-
181 - 365 days	24,431	132,944	5,627	744
Over 365 days	79,580	67,295	-	-
Total	2,193,975	1,926,555	7,883	11,598
<u>Less Allowance for doubtful accounts</u>	<u>(53,158)</u>	<u>(56,584)</u>	<u>-</u>	<u>-</u>
Net	<u>2,140,817</u>	<u>1,869,971</u>	<u>7,883</u>	<u>11,598</u>

The balances of trade receivables - related parties as at 31 December 2020 and 2019 are classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Under 90 days	159,815	22,972	301,052	283,518
91 - 180 days	-	9,585	302,181	91,353
181 - 365 days	-	-	565,234	-
Over 365 days	-	-	373,333	-
Total	159,815	32,557	1,541,800	374,871
<u>Less Allowance for doubtful accounts</u>	<u>-</u>	<u>(9,599)</u>	<u>-</u>	<u>-</u>
Net	<u>159,815</u>	<u>22,958</u>	<u>1,541,800</u>	<u>374,871</u>

7. Gain (loss) from changes in fair value of derivatives

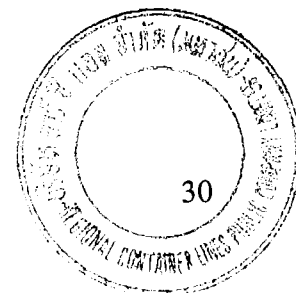
	Note	(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2019		(6,623)	(6,623)
Unrealized gain (loss) on derivatives		(527)	(527)
Exchange differences on translating financial statement		48	48
Ending balance as at 31 December 2020	24.1	<u>(7,102)</u>	<u>(7,102)</u>

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

DIRECTOR

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

DIRECTOR



8. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements						Dividend for	
	Paid - up capital		Percentage directly owned by the Company		Cost		the years ended	
	2020	2019	2020	2019	2020	2019	31 December	
			Percent	Percent			2020	2019
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	12	12	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	4	5	-	29
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	215	216	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	4,781	4,800	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,034	1,038	-	-
f) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	100	49	97	74	-	-
<u>Subsidiary operating in Hong Kong</u>								
g) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	219	220	-	-
					6,362	6,365	-	29
					(191)	(192)		
Less : Allowance for impairment					6,171	6,173		
Total investments in subsidiaries, net								

Movement in the investments in subsidiaries for the year ended 31 December 2020 are summarized below:



(Unit: Thousand Baht)


Investment as at 31 December 2019	6,173,149
<u>Add</u> : Purchase of investments in subsidiary	23,745
Exchange differences on translating financial statement	(26,283)
Investment as at 31 December 2020	<u>6,170,611</u>

In the 2<sup>nd</sup> quarter of 2020, the Company purchase of investments in RCL Shipmanagement Pte. Ltd. from RCL Investment Pte. Ltd. with book value.

As at 31 December 2020 and 2019, the Company provided the allowance for impairment of RCL Investment Pte. Ltd. which is the subsidiary in Singapore. During year 2020, RCL Investment Pte. Ltd. is a dormant company and under the process of dissolution.

On 13 November 2020, the Board of Directors of the Company approved to revoke the process of dissolution, due to the Company might have a plan for RCL Investment Pte. Ltd. to operate business in the future.

  
  
 DIRECTOR  
 Mr. Sumte Tanthuwana  
 Director

  
 DIRECTOR  
 Mr. Sutep Tranantasin  
 Director

9. Investments in associates and joint ventures

9.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned by the Company		Cost		Equity method		(Unit: Million Baht) Dividend for the years ended 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	22	22	50	50	215	337	181	22
Total investment in associates of the Company					50	50	215	337	181	22
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd. (Port operating)	Baht 30 Million	Baht 30 Million	49	49	15	15	-	-	-	-
N - Square RCL Logistics Co., Ltd. (Warehouse operating)	Baht 5 Million	Baht 5 Million	40	40	2	2	-	2	-	-
Total investment in associates of the subsidiaries					17	17	-	2	-	-
Total investment in associates					67	67	215	339	181	22

Movements in the investment in associates for the year ended 31 December 2020 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2019	339,189	50,426
Dividend income	(181,189)	-
Share of profit under equity method	50,400	-
Exchange differences on translating financial statement	7,012	(207)
Investment as at 31 December 2020	215,412	50,219

In August 2019, a subsidiary in Thailand invested in a new company in Thailand, named N - Square RCL Logistics Co., Ltd., to manage the warehouse and distribution centers with 40% of share capital amounting Baht 5 million with paid - up capital amounting to Baht 5 million.



  
..... DIRECTOR .....

Mr. Sumate Tanthuanit  
Director



Mr. Sutep Tranantasin  
Director

..... DIRECTOR .....

## 9.2 Investments in joint ventures

(Unit: Million Baht)

Company's name	Consolidated financial statements							
	Paid - up capital		Percentage directly owned by the Company		Equity method		Dividend for the years ended 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019
			Percent	Percent				
<u>Investment in joint ventures of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40	55	55	38	93	51	-
	Million	Million						
RCL Agencies East India Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	15	15	55	55	29	13	-	-
	Million	Million						
Total investment in joint ventures					67	106	51	-

Movements in the investment in joint ventures for the year ended 31 December 2020 are summarized below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2019	106,425	-
Dividend income	(51,245)	-
Share of profit under equity method	10,468	-
Exchange differences on translating financial statement	1,184	-
Investment as at 31 December 2020	66,832	-



Mr. Sumate Tanthuwant Director

DIRECTOR


Mr. Sutep Tranantasin Director

DIRECTOR

Financial information of the associates and joint ventures is summarized below. (2019: Audited financial statements, 2020: Management's accounts).

Company's name	(Unit: Million Baht)									
	Paid - up capital		Total assets		Total liabilities		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,327	1,791	235	135	1,436	1,313	235	182
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
	Million	Million	32	41	52	54	62	80	(7)	2
N - Square RCL Logistics Co., Ltd.	Baht 5	Baht 5								
	Million	Million	10	8	15	6	26	7	(8)	(2)
<u>Investment in joint ventures of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	125	195	51	65	96	120	39	6
RCL Agencies East India Private Limited	INR 15	INR 15								
	Million	Million	336	112	284	89	81	49	31	17



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

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

10. Property, premises, vessels and equipment, net

10.1 Property and premises, net

(Unit: Baht)

	Building in Bangkok	Building in Singapore	Building in Hongkong	Improvement of building in Singapore	Improvement of building in Hongkong	Total
<b>Cost</b>						
As at 31 December 2019	54,232,848	151,260,751	237,947,076	59,941,667	5,307,925	508,690,267
Acquisitions	-	-	-	32,657	-	32,657
Write - off	-	-	-	-	-	-
Exchange differences on translating financial statement	(222,608)	(620,876)	99,207	1,065,591	2,213	323,527
As at 31 December 2020	54,010,240	150,639,875	238,046,283	61,039,915	5,310,138	509,046,451
<b>Accumulated depreciation</b>						
As at 31 December 2019	(53,835,761)	(46,244,677)	(60,623,993)	(58,266,808)	(5,307,925)	(224,279,164)
Depreciation for the year	-	(3,202,765)	(2,618,713)	(514,800)	-	(6,336,278)
Write - off	-	-	-	-	-	-
Exchange differences on translating financial statement	220,978	317,174	77,721	(935,802)	(2,213)	(322,142)
As at 31 December 2020	(53,614,783)	(49,130,268)	(63,164,985)	(59,717,410)	(5,310,138)	(230,937,584)
<b>Allowance for loss on impairment</b>						
As at 31 December 2019	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2020	-	-	-	-	-	-
<b>Net book value</b>						
As at 31 December 2019	397,087	105,016,074	177,323,083	1,674,859	-	284,411,103
As at 31 December 2020	395,457	101,509,607	174,881,298	1,322,505	-	278,108,867

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

As at 31 December 2020 and 2019, building and improvement of buildings items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 118 million and Baht 117 million (The Company: Baht 54 million and Baht 54 million), respectively.

  
Mr. Sumate Tanthuwantit  
Director

DIRECTOR

  
Mr. Sutep Tranantasin  
Director

DIRECTOR

## 10.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

	Vessels and equipment	Major repair and maintenance cost	Container	Office furniture, fixture and equipment	Motor vehicles	Total
<b>Cost</b>						
As at 31 December 2019	26,081,933,401	532,851,222	2,356,344,604	155,991,357	17,849,582	29,144,970,166
Acquisitions	301,717,701	250,998,636	-	2,773,729	3,031,496	558,521,562
Reclassification to right - of - use assets						
due to adoption of TFRS 16	-	-	(2,272,405,618)	-	-	(2,272,405,618)
Disposals	(2,479,203,311)	(51,901,115)	(65,188,341)	(4,645,915)	(1,697,590)	(2,602,636,272)
Write - off	-	(213,659,023)	-	-	-	(213,659,023)
Exchange differences on						
translating financial statement	(20,471,103)	(1,608,148)	2,247,640	751,404	585,707	(18,494,500)
As at 31 December 2020	23,883,976,688	516,681,572	20,998,285	154,870,575	19,769,195	24,596,296,315
<b>Accumulated depreciation</b>						
As at 31 December 2019	(13,670,956,502)	(317,839,510)	(914,256,648)	(144,089,664)	(14,092,277)	(15,061,234,601)
Depreciation for the year	(794,940,624)	(190,601,719)	-	(5,608,716)	(878,600)	(992,029,659)
Reclassification to right - of - use assets						
due to adoption of TFRS 16	-	-	830,317,661	-	-	830,317,661
Disposals	2,237,642,644	27,546,955	65,188,341	4,594,445	1,464,920	2,336,437,305
Write - off	-	192,509,795	-	-	-	192,509,795
Exchange differences on						
translating financial statement	(1,253,570)	133,368	(2,247,639)	(333,817)	(344,110)	(4,045,768)
As at 31 December 2020	(12,229,508,052)	(288,251,111)	(20,998,285)	(145,437,752)	(13,850,067)	(12,698,045,267)
<b>Allowance for loss on impairment</b>						
As at 31 December 2019	(1,616,628,940)	-	-	-	-	(1,616,628,940)
Increase	-	-	-	-	-	-
Reversal	89,696,975	-	-	-	-	89,696,975
Disposals	42,889,373	-	-	-	-	42,889,373
Exchange differences on						
translating financial statement	1,363,503	-	-	-	-	1,363,503
As at 31 December 2020	(1,482,679,089)	-	-	-	-	(1,482,679,089)
<b>Net book value</b>						
As at 31 December 2019	10,794,347,959	215,011,712	1,442,087,956	11,901,693	3,757,305	12,467,106,625
As at 31 December 2020	10,171,789,547	228,430,461	-	9,432,823	5,919,128	10,415,571,959



Mr. Sumate Tanthuanit  
Director

Mr. Sutep Tranantasin  
Director

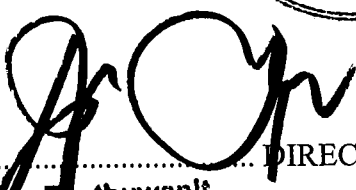
DIRECTOR


Vessels and equipment - Separate financial statements

(Unit: Baht)

	Vessels and equipment	Major repair and maintenance cost	Office furniture, fixture and equipment	Motor vehicles	Total
<b><u>Cost</u></b>					
As at 31 December 2019	9,733,660,038	177,793,840	43,340,658	5,458,050	9,960,252,586
Acquisitions	301,953,634	94,558,015	787,621	-	397,299,270
Disposals	-	-	(3,452,292)	-	(3,452,292)
Write - off	-	(84,488,997)	-	-	(84,488,997)
Exchange differences on translating financial statement	(51,960,508)	(1,130,175)	(71,940)	(22,404)	(53,185,027)
As at 31 December 2020	9,983,653,164	186,732,683	40,604,047	5,435,646	10,216,425,540
<b><u>Accumulated depreciation</u></b>					
As at 31 December 2019	(4,016,844,025)	(108,359,271)	(39,213,583)	(5,458,050)	(4,169,874,929)
Depreciation for the year	(348,428,370)	(69,292,371)	(2,387,468)	-	(420,108,209)
Disposals	-	-	3,452,292	-	3,452,292
Write - off	-	67,120,785	-	-	67,120,785
Exchange differences on translating financial statement	30,342,906	531,131	118,616	22,404	31,015,057
As at 31 December 2020	(4,334,929,489)	(109,999,726)	(38,030,143)	(5,435,646)	(4,488,395,004)
<b><u>Allowance for loss on impairment</u></b>					
As at 31 December 2019	-	-	-	-	-
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-
As at 31 December 2020	-	-	-	-	-
<b><u>Net book value</u></b>					
As at 31 December 2019	5,716,816,013	69,434,569	4,127,075	-	5,790,377,657
As at 31 December 2020	5,648,723,675	76,732,957	2,573,904	-	5,728,030,536



  
 ..... DIRECTOR .....  
 Mr. Sumate Tinthuwant  
 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 2020 and 2019, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Bah 1,419 million and Baht 1,449 million (The Company: Baht 483 million and Baht 432 million), respectively.

Transactions occurred in year 2019:

At the end of year 2019, 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 total allowance for impairment loss which has been recorded is adequate and the Group recorded the loss on impairment of vessels amounting to USD 1.2 million or approximately Baht 36.3 million (The Company : USD - million or approximately Baht - million). Which the Subsidiary in Singapore had signed a memorandum of agreement to sell 2 vessels.

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

Transactions occurred in year 2020:

At the end of year 2020, 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 2.9 million or approximately Baht 89.7 million (The Company: USD - million or approximately Baht - million) in the statement of income for the year 2020

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

Depreciation in the statements of income for the years 2020 and 2019 consisted of the following:

	(Unit: USD)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation included in				
Cost of freight and operations	985,542,343	1,418,397,515	417,720,741	397,087,576
Administrative expenses	12,823,594	13,496,761	2,387,468	2,241,721
<b>Total</b>	<b>998,365,937</b>	<b>1,431,894,276</b>	<b>420,108,209</b>	<b>399,329,297</b>

	(Unit: USD)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation included in				
Cost of freight and operations	31,329,129	45,548,614	13,278,807	12,751,565
Administrative expenses	407,646	433,418	75,895	71,988
<b>Total</b>	<b>31,736,775</b>	<b>45,982,032</b>	<b>13,354,702</b>	<b>12,823,553</b>

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

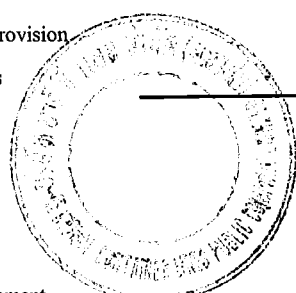
.....  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

11. Right - of - use assets, net

(Unit: Baht)

	Consolidated financial statements				Total
	Building	Vessels	Container	Office equipment	
<b>Cost</b>					
As at 31 December 2019	-	-	-	-	-
Effect of the adopted of TFRS 16:					
- Reclassification from vessels and equipment	-	-	2,272,405,618	-	2,272,405,618
- Recognized from operating leases	95,320,964	207,110,857	-	616,607	303,048,428
As at 1 January 2020	95,320,964	207,110,857	2,272,405,618	616,607	2,575,454,046
Increase	-	30,114,483	303,589,958	-	333,704,441
Exchange differences on translating financial statement	1,178,394	(2,047,609)	(21,399,583)	(2,532)	(22,271,330)
As at 31 December 2020	96,499,358	235,177,731	2,554,595,993	614,075	2,886,887,157
<b>Accumulated depreciation</b>					
As at 31 December 2019	-	-	-	-	-
Effect of the adopted of TFRS 16:					
- Reclassification from vessels and equipment	-	-	(830,317,661)	-	(830,317,661)
As at 1 January 2020	-	-	(830,317,661)	-	(830,317,661)
Depreciation for the year	(37,036,555)	(99,351,481)	(407,227,587)	(479,301)	(544,094,924)
Exchange differences on translating financial statement	930,071	3,950,663	19,601,385	19,060	24,501,179
As at 31 December 2020	(36,106,484)	(95,400,818)	(1,217,943,863)	(460,241)	(1,349,911,406)
<b>Allowance for loss on impairment</b>					
As at 31 December 2019	-	-	-	-	-
Effect of the adopted of TFRS 16:					
- Reclassification from provision for onerous contracts	-	(43,247,526)	-	-	(43,247,526)
As at 1 January 2020	-	(43,247,526)	-	-	(43,247,526)
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Exchange differences on translating financial statement	-	177,516	-	-	177,516
As at 31 December 2020	-	(43,070,010)	-	-	(43,070,010)
<b>Net book value</b>					
As at 31 December 2019	-	-	-	-	-
As at 31 December 2020	60,392,874	96,706,903	1,336,652,130	153,834	1,493,905,741



**Mr. Sumate Tanthuanit**  
Director

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

	(Unit : Baht)
	<u>Separate financial statements</u>
	<u>Building</u>
<b><u>Cost</u></b>	
As at 31 December 2019	-
Effect of the adopted of TFRS 16:	
- Recognized from operating leases	14,369,241
As at 1 January 2020	14,369,241
Increase	-
Exchange differences on translating financial statement	(500,051)
As at 31 December 2020	<u>13,869,190</u>
<b><u>Accumulated depreciation</u></b>	
As at 31 December 2019	-
Effect of the adopted of TFRS 16	-
As at 1 January 2020	-
Depreciation for the year	(4,168,041)
Exchange differences on translating financial statement	165,740
As at 31 December 2020	<u>(4,002,301)</u>
<b><u>Net book value</u></b>	
As at 31 December 2019	-
As at 31 December 2020	<u><u>9,866,889</u></u>


The following are the amounts recognised in profit or loss for the year ended 31 December 2020.

	(Unit : Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Depreciation of right - of - use assets	544,094,924	4,168,041
Interest expense on lease liabilities	96,147,533	754,206
Expense relating to short - term lease and leases of low - value assets	<u>1,301,626,454</u>	<u>743,471</u>
Total	<u><u>1,941,868,911</u></u>	<u><u>5,665,718</u></u>

	(Unit : USD)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Depreciation of right - of - use assets	17,296,081	132,497
Interest expense on lease liabilities	3,056,407	23,975
Expense relating to short - term lease and leases of low - value assets	<u>41,377,038</u>	<u>23,634</u>
Total	<u><u>61,729,526</u></u>	<u><u>180,106</u></u>



  
 ..... DIRECTOR .....  
**Mr. Surate Tanthuanit**  
 Director

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

12. Intangible assets, net

	(Unit: Baht)
	<u>Consolidated financial statements</u>
	<u>Computer software</u>
<b><u>Cost</u></b>	
As at 31 December 2019	318,658,877
Increase	-
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	(1,016,274)
As at 31 December 2020	<u>317,642,603</u>
<b><u>Accumulated amortization</u></b>	
As at 31 December 2019	(318,658,871)
Increase	-
Decrease	-
Exchange differences on translating financial statement	1,016,274
As at 31 December 2020	<u>(317,642,597)</u>
<b><u>Net book value</u></b>	
As at 31 December 2019	<u>6</u>
As at 31 December 2020	<u>6</u>

As at 31 December 2020 and 2019, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 318 million and Baht 319 million, respectively.

13. Short - term loans from financial institutions


	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loans from financial institution no. 1	-	450,000	-	450,000
Loans from financial institution no. 2	107,234	107,373	-	-
Loans from financial institution no. 3	-	545,963	-	-
Total	<u>107,234</u>	<u>1,103,336</u>	<u>-</u>	<u>450,000</u>

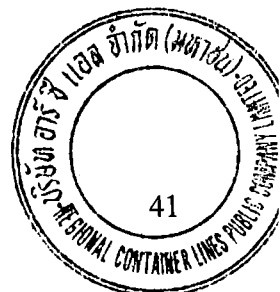
As at 31 December 2019, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 31 December 2020 and 2019, loans from financial institution no. 2 is short - term loan amounting to USD 3.55 million and USD 3.54 million with interest at the rate of LIBOR+4.50% p.a. and LIBOR+4.15% p.a., is secured by office building subsidiaries.

As at 31 December 2019, loans from financial institution no. 3 is short - term loan amounting to USD 18 million with interest at the rate of LIBOR+1.80% p.a., which is unsecured.

  
..... DIRECTOR .....  
**Mr. Sumate Fanthuanit**  
Director

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



14. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b><u>Loans of the Company</u></b>				
1) USD 6.5 million loan (2019: USD 9.5 million), repayable quarterly until the year 2021.	197,562	288,491	197,562	288,491
2) USD 14.5 million loan (2019: USD 15.5 million), repayable quarterly until the year 2027.	436,685	468,725	436,685	468,725
3) USD 25.4 million loan (2019: USD 27.3 million), repayable quarterly until the year 2026.	766,075	828,257	766,075	828,257
4) USD 4.1 million loan (2019: USD 2.4 million), repayable quarterly until the year 2026.	124,103	73,884	124,103	73,884
5) USD 11.2 million loan (2019: USD 13.7 million), repayable quarterly until the year 2029.	338,920	416,145	338,920	416,145
6) USD 13.2 million loan (2019: USD 13.7 million), repayable quarterly until the year 2029.	399,334	416,145	399,334	416,145
7) USD 2.6 million loan (2019: USD 3.0 million), repayable quarterly until the year 2023.	79,293	90,994	79,293	90,994
8) USD 2.7 million loan (2019: USD - million), repayable quarterly until the year 2027.	80,048	-	80,048	-
9) THB 49.1 million loan (2019: THB - million), repayable monthly until the year 2026.	49,121	-	49,121	-
<b><u>Loans of the Singapore Subsidiaries</u></b>				
10) USD 4.2 million loan (2019: USD 5.9 million), repayable quarterly until the year 2023.	126,869	178,348	-	-
11) USD 5.3 million loan (2019: USD 6.4 million), repayable quarterly until the year 2025.	159,900	194,348	-	-
12) USD 4.1 million loan (2019: USD 4.9 million), repayable quarterly until the year 2025.	123,008	149,503	-	-
13) USD 5.7 million loan (2019: USD 6.9 million), repayable quarterly until the year 2025.	173,227	210,545	-	-
14) USD 1.2 million loan (2019: USD 1.4 million), repayable quarterly until the year 2024.	34,798	43,677	-	-
15) USD 1.2 million loan (2019: USD - million), repayable quarterly until the year 2025.	36,973	-	-	-
<b><u>Loan of the Hong Kong Subsidiary</u></b>				
16) HKD 9.6 million loan (2019: HKD 13.3 million), repayable monthly until the year 2023.	37,376	51,661	-	-
Total	3,163,292	3,410,723	2,471,141	2,582,641
Less : Current portion	(1,210,574)	(743,103)	(1,031,771)	(572,730)
Long - term loans, net of current portion	1,952,718	2,667,620	1,439,370	2,009,911



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

Mr. Sumate Tanthuwankit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

Movements in the long - term loans during the year ended 31 December 2020 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2019	3,410,723	2,582,641
<u>Add</u> Borrowings	238,919	193,620
<u>Less</u> Repayments	(484,287)	(300,732)
Exchange differences on translating financial statement	<u>(2,063)</u>	<u>(4,388)</u>
Ending balance as at 31 December 2020	<u><u>3,163,292</u></u>	<u><u>2,471,141</u></u>

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.

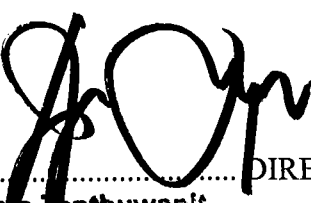
The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.


As at 31 December 2020, the Group and the Company had the remaining credit line of long - term loans are as follows:

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 2020: approximately Baht 196.3 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the Company has drawn down the loan amounting to USD 4.4 million in March 2019, October 2019 and December 2020.

In September 2020, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of Baht 98.2 million Which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the Company has drawn down the loan amounting to Baht 49.1 million in December 2020.



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

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

15. Lease liabilities

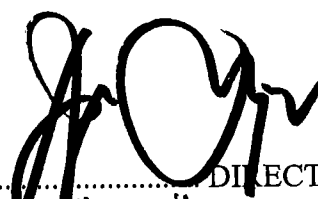
(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Lease liabilities as at 31 December 2019	1,544,025	-
Effects of the adoption of TFRS16:		
Operating lease commitments as at 31 December 2019	267,643	2,977
<u>Less</u> Short - term leases and leases of low - value assets	(2,339)	(176)
<u>Add</u> Extension and termination options reasonably certain to be exercised	62,980	13,196
<u>Less</u> Deferred interest expenses	(25,236)	(1,628)
Lease liabilities as at 1 January 2020	1,847,073	14,369
Increase (decrease) during the year:		
<u>Add</u> Lease payments at the commencement date	329,664	-
<u>Less</u> Deferred interest expenses	(26,074)	-
<u>Add</u> Recognition of deferred interest expenses	96,148	754
<u>Less</u> Payments	(650,892)	(4,556)
Exchange differences on translating financial statement	5,109	6
Lease liabilities as at 31 December 2020	1,601,028	10,573
<u>Less</u> Current portion	(489,156)	(4,016)
Lease liabilities - net of current portion	1,111,872	6,557

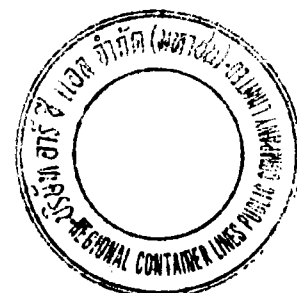
As at 31 December 2020 and 2019, the Group have committed to pay the lease under the lease agreements are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	2020			2019		
	Principal	Deferred interest expenses	Total	Principal	Deferred interest expenses	Total
Current portion	489,156	67,989	557,145	354,252	73,213	427,465
1 - 5 years	1,017,749	102,675	1,120,424	1,041,149	137,218	1,178,367
Over 5 years	94,123	2,554	96,677	148,624	6,123	154,747
Total	1,601,028	173,218	1,774,246	1,544,025	216,554	1,760,579

  
 ..... DIRECTOR .....  
 Mr. Sumate Taithuanit  
 Director

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



(Unit : Thousand Baht)

	Separate financial statements					
	2020			2019		
	Principal	Deferred interest expenses	Total	Principal	Deferred interest expenses	Total
Current portion	4,016	523	4,539	-	-	-
1 - 5 years	6,557	345	6,902	-	-	-
Over 5 years	-	-	-	-	-	-
<b>Total</b>	<b>10,573</b>	<b>868</b>	<b>11,441</b>	<b>-</b>	<b>-</b>	<b>-</b>

16. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefits at beginning of year	51.15	35.12	46.90	31.93
Current service cost and interest	10.40	9.27	9.56	8.57
Past service costs	-	9.13	-	8.31
Benefits paid	(3.62)	(2.37)	(3.62)	(1.91)
Actuarial losses (gain) on defined employee benefit plans	(3.70)	-	(2.63)	-
<b>Provisions for employee benefits at ending of year</b>	<b>54.23</b>	<b>51.15</b>	<b>50.21</b>	<b>46.90</b>

- Expenses recognized in the statements of income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current service costs	9.05	8.05	8.34	7.46
Past service costs	-	9.13	-	8.31
Interest cost	1.35	1.22	1.22	1.11
<b>Total</b>	<b>10.40</b>	<b>18.40</b>	<b>9.56</b>	<b>16.88</b>

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidated financial statements for the years ended 31 December 2020 and 2019 are amounted of gains Baht 3.70 million and Baht - million, respectively (the Company : amounted of gains Baht 2.63 million and Baht - million, respectively).

  
 ..... DIRECTOR .....  
**Mr. Sumate Tantuwant**  
 Director

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



- Principal actuarial assumptions as at 31 December 2020 and 2019 are as follows:

	Percent			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.57 - 1.59	2.81	1.57	2.81
Salary increase rate	3 - 6.00	5 - 6.00	4 - 6.00	6.00
Employee turnover rate	0 - 25.00*	0 - 24.00*	0 - 25.00*	2 - 24.00*
Mortality rate	TMO2017**	TMO2017**	TMO2017**	TMO2017**

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

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

- 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 2020 as follows:

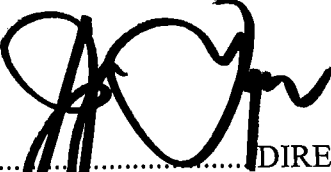
- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 4.81 million (increase Baht 5.54 million) and Separate financial statements would decrease Baht 4.50 million (increase Baht 5.18 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 5.57 million (decrease Baht 4.93 million) and Separate financial statements would increase Baht 5.19 million (decrease Baht 4.61 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.55 million (increase Baht 1.72 million) and Separate financial statements would decrease Baht 1.45 million (increase Baht 1.61 million).
- If the life expectancy increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.20 million (decrease Baht 0.22 million) and Separate financial statements would increase Baht 0.19 million (decrease Baht 0.21 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 5 May 2019, the Company and a subsidiary in Thailand have amended its post-employment benefits plan to conform with Labour Protection Act which the main point is to increase the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The Company and a subsidiary in Thailand have recorded the effect of the change by recognizing past service cost as expenses immediately in the 2<sup>nd</sup> quarter income statement of the year 2019 amounted to Baht 9.13 million (The Company: Baht 8.31 million).

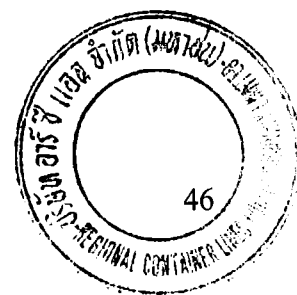
#### 17. Legal reserve

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.

  
 .....  
**Mr. Sumate Anthuwant**  
 Director

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

..... DIRECTOR



18. 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	
	2020	2019	2020	2019	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	1,215	939	Market price as at agreement date
Ship management fee	-	-	10	9	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	108	102	-	-	Price approximates market price
Terminal operating service	241	229	-	-	Price per tariff minus volume discount
Ship management fee	2	2	-	-	Price approximates market price
Logistic service fees	40	42	-	-	Price approximates market price
Office rental and service expenses	10	10	10	9	Contract price



.....  
**Mr. Sumat Tanthuwankit**  
 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	
	2020	2019	2020	2019
<b>Trade receivables - related parties</b>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	1,542	375
<u>Related parties</u>				
Ngow Hock Co., Ltd.	160	18	-	-
RCL Agencies East India Private Limited	-	5	-	-
Siam Paetra International Co., Ltd	-	10	-	-
	160	33	-	-
<u>Less Allowance for doubtful accounts</u>	-	(10)	-	-
	160	23	-	-
<b>Other receivables - related parties</b>				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	255	82
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	5	1
<b>Other current assets - short - term loan</b>				
<u>Associate</u>				
N - Square RCL Logistics Co., Ltd.	2	-	-	-
<b>Trade payables - related parties</b>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	1	-	-	-
RCL Agencies East India Private Limited	5	6	-	-
RCL Agencies (India) Private Limited	2	1	-	-
Others	5	4	-	-
	13	11	-	-
<b>Advance from related parties</b>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	3,917	2,321
RCL Shipmanagement Pte. Ltd.	-	-	1,060	827
Regional Container Lines Pte. Ltd.	-	-	-	3
	-	-	4,977	3,151
<b>Payable on purchase of assets</b>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	-	81

Short - term loan to associate bears the interest rate of 7% per annum.

  
..... DIRECTOR .....

**Mr. Sumate Tanthuanit**  
Director

  
..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director



c) Management and directors benefit expenses

Management and directors benefit expenses consist the benefits paid to the Company's management and directors 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 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short - term employee benefits	72	47	42	30

19. Expenses by nature

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Employee benefits expenses	1,606	1,398	557	467
Management benefit expenses	72	47	42	30
Depreciations	1,542	1,432	424	399
Net doubtful debt	4	14	-	-
Loss on impairment of investments	-	-	-	195
Loss on impairment of assets	-	36	-	-

20. 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 2020, the Group's contributions to these funds totaled Baht 47 million (2019 : Baht 45 million).



*[Handwritten signature of Mr. Sumate Tanhuwanit]*

.....  
**Mr. Sumate Tanhuwanit**  
 Director

*[Handwritten signature of Mr. Sutep Tranantasin]*

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

..... DIRECTOR

21. Tax income (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 2020 and 2019 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, allowance for impairment of investment, provisions for employee benefits and unused tax losses totaling Baht 278.60 million and Baht 361.82 million, respectively, (The Company: Baht 50.11 million and Baht 146.65 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 3.74 million and Baht 3.79 million, respectively.


Tax income (expenses) for the year ended 31 December 2020 and 2019, consisted of:


	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Current tax expense	(8,168)	(10,668)	-	-
Deferred tax income (expenses) of temporary differences	(104)	(46)	-	-
Tax income (expenses) reported in the statement of income	<u>(8,272)</u>	<u>(10,714)</u>	<u>-</u>	<u>-</u>

Income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Deferred tax income (expenses) relating to actuarial losses on defined employee benefit plans	<u>(214)</u>	<u>-</u>	<u>-</u>	<u>-</u>



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

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

As at 31 December 2020 and 2019 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	2,940
Provisions for employee benefits	804	850
Total	<u>3,744</u>	<u>3,790</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,657</u>	<u>8,393</u>



*[Handwritten signature of Mr. Sumate Tanthuanit]*

..... DIRECTOR .....

**Mr. Sumate Tanthuanit**  
Director

*[Handwritten signature of Mr. Sutep Tranantasin]*

..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director

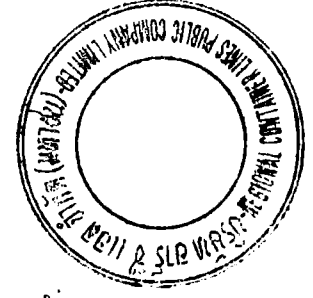
The Company's operating results for the year 2020 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

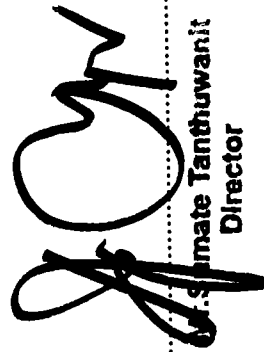
(Unit: Baht)

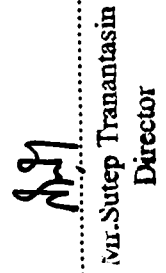
		For the year ended 31 December 2020					
		Baht currency (a)		Functional currency			
		Tax payer number		3105114177			
		BOI		Non - BOI		Tax	
		Promoted		Promoted		exempted	
		Total		Total		Difference	
		USD		currency (b)			
<b>Revenues</b>							
Freight income		722,834,803	-	583,152,285	1,305,987,088	12,965,789	1,318,952,877
Gain on exchange rate		19,574,661	-	16,265,974	35,840,635	(23,626,185)	12,214,450
Dividend income		-	177,777,600	-	177,777,600	3,411,512	181,189,112
Interest income		-	102,059	-	102,059	3,097	105,156
Others income		-	209	-	209	105	314
<b>Total revenues</b>		<b>742,409,464</b>	<b>177,879,868</b>	<b>599,418,259</b>	<b>1,519,707,591</b>	<b>(7,245,682)</b>	<b>1,512,461,909</b>
<b>Expenses</b>							
Cost of freight and operations		396,240,813	-	645,357,341	1,041,598,154	(60,958,739)	980,639,415
Administrative expenses		192,724,661	749,224	155,482,036	348,955,921	4,188,819	353,144,740
<b>Total expenses</b>		<b>588,965,474</b>	<b>749,224</b>	<b>800,839,377</b>	<b>1,390,554,075</b>	<b>(56,769,920)</b>	<b>1,333,784,155</b>
<b>Profit (loss) from operating activities</b>		<b>153,443,990</b>	<b>177,130,644</b>	<b>(201,421,118)</b>	<b>129,153,516</b>	<b>49,524,238</b>	<b>178,677,754</b>
Finance costs		(102,922,010)	-	(24,159,996)	(127,082,006)	663,218	(126,418,788)
Gain (loss) from changes in fair value of derivatives		(1,235,130)	-	756,751	(478,379)	(48,124)	(526,503)
<b>Profit (loss) before income tax expenses</b>		<b>49,286,850</b>	<b>177,130,644</b>	<b>(224,824,363)</b>	<b>1,593,131</b>	<b>50,139,332</b>	<b>51,732,463</b>
Tax income (expenses)		-	-	-	-	-	-
<b>Profit (loss) for the years</b>		<b>49,286,850</b>	<b>177,130,644</b>	<b>(224,824,363)</b>	<b>1,593,131</b>	<b>50,139,332</b>	<b>51,732,463</b>

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

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



  
Simate Tanthuwani  
Director

  
Mr. Sutep Tranantasin  
Director

..... DIRECTOR

..... DIRECTOR

## 22. 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	245	437	16,920	16,054	30	40	17,195	16,531	-	-	17,195	16,531
Inter - segment revenues	1,215	939	970	1,103	15	15	2,200	2,057	(2,200)	(2,057)	-	-
Freight income	1,460	1,376	17,890	17,157	45	55	19,395	18,588	(2,200)	(2,057)	17,195	16,531
Segment gross profit (loss)	373	340	2,429	426	36	43	2,838	809	(3)	(233)	2,835	576
Gain on exchange rate											59	40
Dividend income											5	-
Gain on sales of assets											60	103
Reversal of impairment loss (impairment loss) of assets											90	(36)
Others income											55	35
Administrative expenses											(1,135)	(940)
Finance costs											(270)	(325)
Gain (loss) from changes in fair value of derivatives											(1)	(7)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9											(4)	(14)
Share of profit (loss) from investments in associates											50	40
Share of profit (loss) from investments in joint ventures											10	46
Tax income (expenses)											(8)	(11)
Profit (loss) for the years											1,746	(493)

(Unit: Million Baht)

Consolidated financial statements												
As at 31 December												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Property, premises, vessels and equipment, net	5,730	5,794	4,630	6,857	175	178	10,535	12,829	159	(77)	10,694	12,752
Others											7,295	4,286
Total assets											17,989	17,038



  
**N. Simate Tanthuanit**  
 Director

DIRECTOR

  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR



23. Commitments and contingent liabilities

23.1 Commitments

- (a) As at 31 December 2020, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings and equipment of approximately Baht 25 million (31 December 2019 : Baht 6 Million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 35 million or approximately Baht 1,062 million (31 December 2019 : USD 25 million or approximately Baht 765 million) in respect of the following agreements.

Payment period	(Unit: Million Baht)		
	Charter hire	Other rental	Total
Within 1 year	944	36	980
During 1 - 5 years	55	27	82
Over than 5 years	-	-	-
Total	999	63	1,062

As at 31 December 2020, the Group had recorded commitments under the lease agreements due to the adoption of TFRS 16 as at 1 January 2020. Therefore the Group recognised the remaining lease liabilities previously classified as operating lease at the present value of the lease payments discounted using the Group's incremental borrowing rate, as described in Note 15 to the financial statements.

- (b) As at 31 December 2020, the Company has sulphur scrubber purchase commitments amounting to USD 4.0 million or approximately Baht 121.6 million.

23.2 Guarantees

As at 31 December 2020, the Company has guarantee obligations of USD 121 million, SGD 6 million and HKD 35 million, or approximately Baht 3,914 million (31 December 2019: USD 122 million, SGD 6 million and HKD 35 million or approximately Baht 3,971 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 24 million and HKD 10 million, or approximately Baht 784 million (31 December 2019: USD 33 million and HKD 13 million or approximately Baht 1,071 million).



*[Handwritten Signature]*

DIRECTOR

Mr. Sumate Tanthuan  
Director

*[Handwritten Signature]*

DIRECTOR

Mr. Sutep Tranantasin  
Director

## 24. Financial instruments

### 24.1 Financial risk management

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

#### Credit risk

##### a) Trade receivables

The Group is exposed to credit risk primarily with respect to trade receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables as stated in the statements of financial position.

##### b) Deposits with financial institutions

The Group is exposed to risk arising from deposit with financial institutions. However, the counterparties are banks with a good credit rating, for which the Group considers to have low credit risk.

#### Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operation and to mitigate the effects of fluctuations in cash flows.

The remaining contractual maturities of financial liabilities at the reporting date are as follows:

(Unit: Million Baht)

	Consolidated financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Short - term loans from financial institutions	107	107	-	-	-	107
- Trade payables	3,403	3,403	-	-	-	3,403
- Other payables	397	397	-	-	-	397
- Long - term loans	3,163	1,210	553	885	515	3,163
- Lease liabilities	1,601	489	347	671	94	1,601
- Income tax payable	1	1	-	-	-	1
- Other current liabilities	174	174	-	-	-	174
	<u>8,846</u>	<u>5,781</u>	<u>900</u>	<u>1,556</u>	<u>609</u>	<u>8,846</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	7	7	-	-	-	7
	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

#### Derivative financial liabilities

- Other current financial liabilities

  
**Mr. Sumate Tanthuanit**  
 Director

DIRECTOR

  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

(Unit: Million Baht)

	Separate financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	73	73	-	-	-	73
- Other payables	5,151	5,151	-	-	-	5,151
- Long - term loans	2,471	1,032	374	550	515	2,471
- Lease liabilities	11	4	4	3	-	11
- Other current liabilities	4	4	-	-	-	4
	<u>7,710</u>	<u>6,264</u>	<u>378</u>	<u>553</u>	<u>515</u>	<u>7,710</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	7	7	-	-	-	7
	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

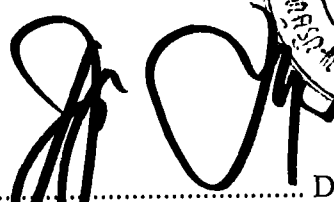
Market risk(a) Interest rate risk

Significant financial assets and liabilities as at 31 December 2020 and 2019 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

2020

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	68	-	-	1,635	884	2,587	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	107	-	107	Note 13
Long - term loans	117	136	15	2,895	-	3,163	Note 14
Lease liabilities	489	1,018	94	-	-	1,601	Note 15
Total	<u>606</u>	<u>1,154</u>	<u>109</u>	<u>3,002</u>	<u>-</u>	<u>4,871</u>	

  
 DIRECTOR  
 Mr. Sumate Tanthuwani  
 Director



  
 DIRECTOR  
 Mr. Sutep Tranantasin  
 Director

2019

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within	2 - 5	Over than				
	1 year	years	5 years				
<u>Financial assets</u>							
Cash and cash equivalents	68	-	-	646	430	1,144	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	1,103	-	1,103	Note 13
Long - term loans	168	220	-	3,023	-	3,411	Note 14
Lease liabilities	354	1,041	149	-	-	1,544	Note 15
<b>Total</b>	<b>522</b>	<b>1,261</b>	<b>149</b>	<b>4,126</b>	<b>-</b>	<b>6,058</b>	

Separate financial statements

2020

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within	2 - 5	Over than				
	1 year	years	5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	106	83	189	0 - 1.00% p.a.
<u>Financial liabilities</u>							
Long - term loans	117	136	15	2,203	-	2,471	Note 14
Lease liabilities	4	7	-	-	-	11	Note 15
<b>Total</b>	<b>121</b>	<b>143</b>	<b>15</b>	<b>2,203</b>	<b>-</b>	<b>2,482</b>	

2019

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within	2 - 5	Over than				
	1 year	years	5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	58	-	58	0 - 1.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	450	-	450	Note 13
Long - term loans	168	220	-	2,195	-	2,583	Note 14
<b>Total</b>	<b>168</b>	<b>220</b>	<b>-</b>	<b>2,645</b>	<b>-</b>	<b>3,033</b>	

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.



**Mr. Sumrit Tanthuwant**  
Director

DIRECTOR

**Mr. Sutep Tranantasi**  
Director

DIRECTOR

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 2020, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 2 promise amount of USD 7.25 million (31 December 2019 : 2 promise of amount USD 12.79 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 1.38 million per quarter, the contracts expiration date is the year 2021 and 2023.

As at 31 December 2020, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.02 million, or approximately Baht 0.53 million (31 December 2019: gain of USD 0.24 million, or approximately Baht 7.33 million). The Company recorded the unrealized gain loss in the statements of income.

(b) 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 2020 and 2019, 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.

(c) 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 2020, a subsidiary in Singapore had not entered into any new contract to hedge the exposure to bunker price fluctuations. Due to the fact that the risk management committee assessed the bunker price in the global market shown a downward trend. And the Company will be able to cope with the risk as the freight rate shall be adapted to higher bunker price accordingly.



  
..... DIRECTOR .....

Mr. Sunate Tanthuanit  
Director



Mr. Sutep Tranantasin  
Director

..... DIRECTOR .....

## 24.2 Fair values of financial instruments

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.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

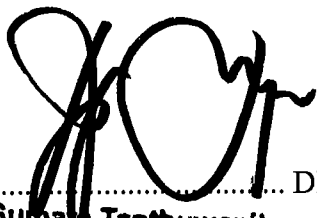
## 25. Capital management

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 2020, the Group's debt - to - equity ratio was 0.98 :1 (31 December 2019 : 1.30 : 1) and the Company's was 1.24 :1 (31 December 2019 : 1.03 : 1).



  
..... DIRECTOR .....

**Mr. Sumat Tanthuanit**  
Director



..... DIRECTOR .....

**Mr. Sutep Tranantasin**  
Director

26. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2020 and 2019 and the statements of income for the years ended 31 December 2020 and 2019, are as follows:

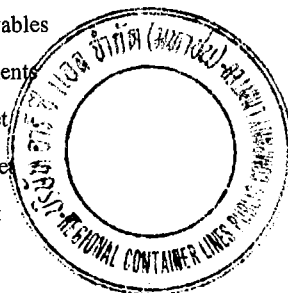
**Regional Container Lines Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 December 2020**

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	85,630,811	37,717,713	6,274,195	1,907,776
Trade receivables - unrelated parties	72,631,822	63,517,063	260,972	382,369
<u>Less: allowance for doubtful accounts</u>	<u>(1,759,811)</u>	<u>(1,865,540)</u>	-	-
Trade receivables - unrelated parties, net	70,872,011	61,651,523	260,972	382,369
Trade receivables - related parties	5,290,699	1,073,383	51,041,479	12,359,222
<u>Less: allowance for doubtful accounts</u>	<u>-</u>	<u>(316,479)</u>	-	-
Trade receivables - related parties, net	5,290,699	756,904	51,041,479	12,359,222
Other receivables	9,537,748	12,868,246	9,160,719	3,338,323
Material supplies	6,204,715	7,778,754	554,234	588,313
Other current assets	1,480,887	1,431,689	10,154	7,618
<b>Total current assets</b>	<b>179,016,871</b>	<b>122,204,829</b>	<b>67,301,753</b>	<b>18,583,621</b>
<b>Non - current assets</b>				
Other non - current financial assets	337,862	-	-	-
Property investments held for investment	153,843	155,291	-	-
Investments in subsidiaries, net	-	-	204,278,882	203,524,043
Investments in associates	7,131,256	11,182,794	1,662,509	1,662,509
Investments in joint ventures	2,212,480	3,508,743	-	-
Other non - current receivables	1,090,000	-	-	-
Other long - term investments	-	337,862	-	-
Property and premises, net	9,206,830	9,376,819	13,092	13,092
Vessels and equipment, net	344,808,850	411,031,068	189,627,188	190,904,368
Right - of - use assets, net	49,455,942	-	326,645	-
Other non - current assets				
- Payment of advances for equipment	1,858,500	3,659,600	1,858,500	3,659,600
- Others	265,940	259,286	88,634	84,183
<b>Total non - current assets</b>	<b>416,521,503</b>	<b>439,511,463</b>	<b>397,855,450</b>	<b>399,847,795</b>
<b>Total assets</b>	<b>595,538,374</b>	<b>561,716,292</b>	<b>465,157,203</b>	<b>418,431,416</b>



.....  
**Mr. Sumale Tanthuwani**  
 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 2020

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	3,550,000	36,376,159	-	14,836,159
Trade payables - unrelated parties	112,244,905	103,899,609	2,421,667	1,609,093
Trade payables - related parties	416,605	361,276	-	-
Other payables				
- Accrued expenses	11,070,905	2,505,852	4,685,844	749,158
- Advance receipt	34,927	15,868	164,797,146	103,909,906
- Payable on purchase of assets	2,024,887	3,302,592	1,039,887	3,986,464
Current portion of long - term loans	40,076,192	24,499,532	34,156,917	18,882,488
Current portion of lease liabilities	16,193,570	11,679,412	132,937	-
Income tax payable	19,304	79,674	-	-
Provision for onerous contracts	-	1,425,838	-	-
Other current financial liabilities	235,109	-	235,109	-
Other current liabilities	5,746,090	4,282,589	120,322	340,599
<b>Total current liabilities</b>	<b>191,612,494</b>	<b>188,428,401</b>	<b>207,589,829</b>	<b>144,313,867</b>
<b>Non - current liabilities</b>				
Long - term loans, net of current portion	64,644,992	87,949,405	47,650,515	66,265,246
Lease liabilities, net of current portion	36,808,661	39,225,906	217,080	-
Provisions for employee benefits	1,795,260	1,686,463	1,662,217	1,546,419
Deferred tax liabilities	286,602	276,704	-	-
<b>Total non - current liabilities</b>	<b>103,535,515</b>	<b>129,138,478</b>	<b>49,529,812</b>	<b>67,811,665</b>
<b>Total liabilities</b>	<b>295,148,009</b>	<b>317,566,879</b>	<b>257,119,641</b>	<b>212,125,532</b>



*[Handwritten signature]*

Mr. Sutate Tanthuwana  
Director

DIRECTOR

*[Handwritten signature]*

Mr. Sutep Tranantasin  
Director

DIRECTOR



Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
<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	2,102,041	1,943,097	2,102,041	1,943,097
Unappropriated	140,336,756	84,917,744	6,211,372	4,638,638
Other components of equity	(41,970,406)	(42,600,904)	-	-
Total equity of parent Company's shareholders	300,192,540	243,984,086	208,037,562	206,305,884
Non - controlling interests	197,825	165,327	-	-
<b>Total shareholders' equity</b>	<b>300,390,365</b>	<b>244,149,413</b>	<b>208,037,562</b>	<b>206,305,884</b>
<b>Total liabilities and shareholders' equity</b>	<b>595,538,374</b>	<b>561,716,292</b>	<b>465,157,203</b>	<b>418,431,416</b>



*[Handwritten signature]*

Mr. Sumate Tanthuanit  
Director

DIRECTOR

*[Handwritten signature]*

Mr. Sutep Tranantasin  
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the year ended 31 December 2020

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2020	2019	2020	2019
<b>Revenues</b>				
Freight income	546,614,553	530,856,625	41,927,823	39,042,464
Others income				
Gain on exchange rate	1,880,274	1,293,707	388,281	-
Dividend income	169,863	-	5,759,770	1,640,496
Gain on sales of assets	1,902,048	3,304,841	-	-
Reversal on impairment of assets	2,851,352	-	-	-
Interest income	92,335	117,831	3,343	3,410
Others	1,627,965	1,010,723	10	20
<b>Total revenues</b>	<b>555,138,390</b>	<b>536,583,727</b>	<b>48,079,227</b>	<b>40,686,390</b>
<b>Expenses</b>				
Cost of freight and operations	456,495,541	512,355,803	31,173,271	29,371,863
Administrative expenses	36,079,663	30,208,283	11,226,019	8,695,182
Other expenses				
Loss on exchange rate	-	-	-	920,538
Loss on impairment of assets	-	1,165,352	-	-
Loss on impairment of investments	-	-	-	6,255,027
<b>Total expenses</b>	<b>492,575,204</b>	<b>543,729,438</b>	<b>42,399,290</b>	<b>45,242,610</b>
<b>Profit (loss) from operating activities</b>	<b>62,563,186</b>	<b>(7,145,711)</b>	<b>5,679,937</b>	<b>(4,556,220)</b>
Finance costs	(8,593,323)	(10,429,956)	(4,018,691)	(5,199,165)
Gain (loss) from changes in fair value of derivatives	(16,737)	(235,237)	(16,737)	(235,237)
Reversal of impairment loss (impairment loss)				
determined in accordance with TFRS 9	(134,299)	(440,372)	-	-
Share of profit (loss) from investments in associates	1,602,145	1,294,568	-	-
Share of profit (loss) from investments in joint ventures	332,761	1,471,031	-	-
<b>Profit (loss) before income tax expenses</b>	<b>55,753,733</b>	<b>(15,485,677)</b>	<b>1,644,509</b>	<b>(9,990,622)</b>
Tax income (expenses)	(262,964)	(344,065)	-	-
<b>Profit (loss) for the years</b>	<b>55,490,769</b>	<b>(15,829,742)</b>	<b>1,644,509</b>	<b>(9,990,622)</b>
<b>Profit (loss) for the year attributable to:</b>				
Equity holders of the parent	55,464,759	(15,791,327)	1,644,509	(9,990,622)
Non - controlling interests	26,010	(38,415)	-	-
	<b>55,490,769</b>	<b>(15,829,742)</b>	<b>1,644,509</b>	<b>(9,990,622)</b>
<b>Basic earnings (loss) per share</b>				
Profit (loss) attributable to equity holders of the parent	0.067	(0.019)	0.002	(0.012)
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000

Mr. Sumate Tanthuanit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

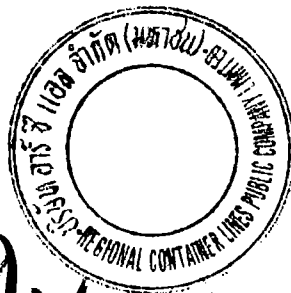
27. Events after the reporting period

On 27 January 2021, the subsidiary in Singapore signed agreement to purchase the second - hand container vessel "APL NORWAY" size 6,310 TEU, build in year 2007 with amounting to USD 31.2 million or approximate Baht 942.5 million from Cypress Maritime (Panama) S.A. and paid 35% of contract price for amounting to USD 10.92 million or approximate Baht 329.86 million.

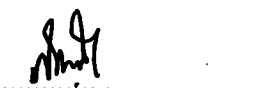
On 25 February 2021, the Company committee has approved to purchase the second - hand container vessel "RATANA THIDA" size 1,094 TEU, build in year 1996 with amounting to Baht 73.6 million or approximate USD 2.45 million which is the scrap value price from Tian Asia Co., Ltd.

28. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 25 February 2021.



  
..... DIRECTOR .....  
Mr. Sunate Tanthuanit  
Director

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