



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

**Regional Container Lines Public Company Limited**

**Press Release for Financial Results as at 31 December 2017**

RCL Group reported an increase in profit of 138.8% at THB 533.3 Mil for the year 2017 against a loss of THB 1,375.9 Mil in 2016. The profit was substantially driven by the Group's better quarter to quarter performance and its effective reduction in cost factors.

RCL's total revenues for the year 2017 grew 11% over 2016 to THB 11,713.8 Mil. THB 114.7 Mil gain on sales of assets and a reversal gain on provision for loss under onerous contracts which stood at THB 263.7 Mil, were recorded for the year whereas there was no loss nor gain for the year 2016. The gain on sales of assets was however noted to have gone up by 544.6% vis-à-vis 2016.

Total liftings from the two core businesses for year 2017 were 792,314 TEUs for Shipper Owned Container (SOC) and 1,109,507 TEUs for Carrier Owned Container (COC), representing a year-on-year increase of 8.1% and 5.8%, respectively.

SOC liftings in 4Q 2017 locked in 219,525 TEUs, a rise of 17% over 187,573 TEUs in 4Q 2016 and a 13% increase when compared to 194,188 TEUs in 3Q 2017. COC liftings of 295,152 TEUs for 4Q 2017 was an improvement of 5.5% against 279,682 TEUs for 4Q 2016, and was 1.6% more than 290,383 TEUs of 3Q 2017. As a result, total 4Q 2017 TEUs liftings amounted to 514,677, a 10% growth over and above Q4 2016 and was 6.2% higher, when compared with 3Q 2017.

Year-on-year average freight rate inched up 4.7% above that of the year 2016. 4Q 2017's average freight rate ascended 10% better than 4Q 2016, although it was 3.2% lower than the previous quarter.

During the year, there was a 42.6% rise in bunker cost vis-à-vis 2016, and a quarter-to-quarter increase of 26.6% for 4Q 2017 and yet a 15.8% rise vis-vis in 3Q 2017,

Against the above backdrop, RCL reported a year-on-year 7.8% increase in freight income of THB 11,252.4 Mil, while total expenses posted was THB 11,267.5 Mil, a reduction of 5.8%. These expenses comprised cost of freight & operations and administration cost, both of which were well managed as depicted by the savings of THB 481 Mil (4.5%) and THB 53.2 Mil (5.7%) respectively.

Moving forward, with improving economic conditions in Europe and the USA as well as throughout Asia, growth in export from Vietnam, Thailand, Malaysia, Indonesia and Singapore to China in particular, it renders a brighter future prospect for the shipping industry, despite the persistent issue of over-capacity.

23 February 2018

*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 48 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 94,955 TEUs to support its own COC carriage as well. RCL operates a network of 66 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.*



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

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services  
491/27 Silom Plaza, Silom Road, Bangruak, Bangkok 10500, Thailand.  
Tel: +66 (0) 2234-1676, 2234-1678, 2237-2132 • Fax: +66 (0) 2237-2133

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

I have audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Regional Container Lines Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2017, 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, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

#### **Impairment of vessels (the consolidated and separate financial statement)**

As describe in Note 2.6, 2.14 and 9.2 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, 2016, presented herein as comparative information, were audited by another auditor in my office, whose report thereon dated February 24, 2017 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.

A.M.T. & ASSOCIATES

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(CHAIYUTH ANGSUWITHAYA)  
Certified Public Accountant  
Registration No. 3885

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 23, 2018

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100

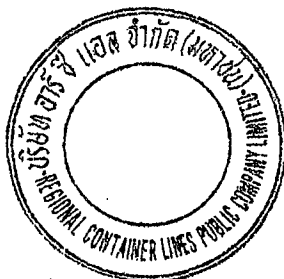
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,639,979,798	1,255,452,277	77,813,272	35,931,860
Trade receivables - unrelated parties		1,633,591,376	1,583,663,319	10,973,647	23,495,134
Less: allowance for doubtful accounts		(56,384,722)	(62,019,921)	-	-
Trade receivables - unrelated parties, net	5	1,577,206,654	1,521,643,398	10,973,647	23,495,134
Trade receivables - related parties	5 and 18	49,003,459	12,085,312	187,174,100	122,871,090
Other receivables					
- Dividend receivables	7	-	-	-	19,999,976
- Others	18	766,950,290	360,013,773	401,890,610	443,555,363
Material supplies		240,076,159	243,114,946	13,078,696	27,803,492
Other current assets	6	33,544,485	45,087,049	2,701,331	1,305,709
<b>Total current assets</b>		<b>4,306,760,845</b>	<b>3,437,396,755</b>	<b>693,631,656</b>	<b>674,962,624</b>
<b>Non - current assets</b>					
Property investments held for					
long - term investment		5,182,451	5,824,205	-	-
Investments in subsidiaries, net	7	-	-	6,838,625,155	7,527,105,527
Investments in associates	8.1	354,430,907	379,990,014	54,164,550	59,617,580
Investments in joint venture	8.2	30,312,619	11,671,381	-	-
Other long - term investments		11,007,538	12,115,725	-	-
Property and premises, net	9.1, 11 and 13	315,589,787	357,753,488	426,526	469,467
Vessels and equipment, net	9.2, 12 and 13	11,943,365,743	13,750,285,551	4,024,138,246	4,901,888,694
Intangible assets, net	10	9,159	30,940	-	-
Other non - current assets					
- Advances for vessel constructions	24	438,458,269	164,812,560	438,458,269	164,812,560
- Other		4,449,268	4,472,335	2,428,918	2,404,868
<b>Total non - current assets</b>		<b>13,102,805,741</b>	<b>14,686,956,199</b>	<b>11,358,241,664</b>	<b>12,656,298,696</b>
<b>Total assets</b>	27	<b>17,409,566,586</b>	<b>18,124,352,954</b>	<b>12,051,873,320</b>	<b>13,331,261,320</b>



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

Mr. Sumate Tanthuanit  
Director

DIRECTOR

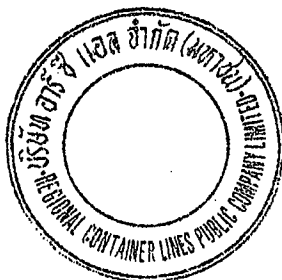
Mr. Sutep Tranantasin  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2017	2016	2017	2016
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	11	1,379,895,000	1,271,194,000	801,600,000	1,167,200,000
Trade payables - unrelated parties		3,082,437,334	2,580,879,526	48,337,371	64,687,891
Trade payables - related parties	18	7,570,296	181,356,906	-	-
Other payables					
- Accrued expenses		80,272,228	97,377,475	22,180,641	24,849,234
- Advance receipt	18	2,423,952	7,089,522	2,026,622,940	1,165,611,179
- Payable on purchase of assets	18	-	22,035,970	86,674,556	95,400,540
Current portion of liabilities					
under financial lease agreement	12	229,545,290	103,842,882	-	-
Current portion of long - term loans	13	1,073,930,166	1,525,285,310	356,294,880	1,071,568,520
Provision for onerous contracts	23.1	120,267,027	411,045,081	-	-
Income tax payable		2,685,847	3,154,757	-	-
Other current liabilities		105,480,893	87,502,710	2,531,500	2,481,041
<b>Total current liabilities</b>		<b>6,084,508,033</b>	<b>6,290,764,139</b>	<b>3,344,241,888</b>	<b>3,591,798,405</b>
<b>Non - current liabilities</b>					
Liabilities under financial lease agreements,					
net of current portion	12	966,414,089	511,985,233	-	-
Long - term loans, net of current portion	13	1,398,517,019	2,024,889,438	1,242,954,148	1,063,081,651
Employee benefit obligation	15	28,296,552	37,362,335	25,605,956	35,182,265
Other non - current liabilities	21	8,560,845	8,711,942	-	-
<b>Total non - current liabilities</b>		<b>2,401,788,505</b>	<b>2,582,948,948</b>	<b>1,268,560,104</b>	<b>1,098,263,916</b>
<b>Total liabilities</b>	27	<b>8,486,296,538</b>	<b>8,873,713,087</b>	<b>4,612,801,992</b>	<b>4,690,062,321</b>



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

**Mr. Sumate Tanthuwant**  
**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 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2017	2016	2017	2016
<b>Shareholders' equity</b>					
Share capital					
Registered					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Issued and fully paid - up					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Share premium		4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
Retained earnings					
Appropriated - legal reserve	16	66,300,000	66,300,000	66,300,000	66,300,000
Unappropriated		3,427,763,783	2,877,943,240	1,869,950,228	2,299,515,279
Other components of equity		(384,125,418)	474,707,794	(308,893,087)	463,669,533
Total equity of parent Company's shareholders		8,921,652,552	9,230,665,221	7,439,071,328	8,641,198,999
Non - controlling interests		1,617,496	19,974,646	-	-
<b>Total shareholders' equity</b>		<b>8,923,270,048</b>	<b>9,250,639,867</b>	<b>7,439,071,328</b>	<b>8,641,198,999</b>
<b>Total liabilities and shareholders' equity</b>	27	<b>17,409,566,586</b>	<b>18,124,352,954</b>	<b>12,051,873,320</b>	<b>13,331,261,320</b>



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

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

DIRECTOR

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

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries  
 Statements of changes in equity  
 For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements										
Equity holders of parent company										
Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity			Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Achuarial gains (losses) on defined employee benefit plans	Total			
Balance as at 1 January 2016	828,750,000	4,982,964,187	66,300,000	4,294,051,549	564,865,002	-	564,865,002	10,736,930,738	32,320,822	10,769,251,560
Total comprehensive income (loss) for the year	-	-	-	(1,374,670,909)	(90,157,208)	-	(90,157,208)	(1,464,828,117)	(12,346,176)	(1,477,174,293)
Dividend paid	17	-	-	(41,437,400)	-	-	-	(41,437,400)	-	(41,437,400)
Balance as at 31 December 2016	828,750,000	4,982,964,187	66,300,000	2,877,943,240	474,707,794	-	474,707,794	9,230,665,221	19,974,646	9,250,639,867
Balance as at 1 January 2017	828,750,000	4,982,964,187	66,300,000	2,877,943,240	474,707,794	-	474,707,794	9,230,665,221	19,974,646	9,250,639,867
Subsidiaries dissolve and liquidate	-	-	-	-	(6,337,397)	-	(6,337,397)	(6,337,397)	(18,363,246)	(24,700,643)
Total comprehensive income (loss) for the year	-	-	-	533,258,437	(852,495,815)	15,226,364	(837,269,451)	(304,011,014)	6,096	(304,004,918)
Transferred to retained earnings	-	-	-	15,226,364	-	(15,226,364)	(15,226,364)	-	-	-
Reversal of unpaid dividend to shareholders	-	-	-	1,335,742	-	-	-	1,335,742	-	1,335,742
Balance as at 31 December 2017	828,750,000	4,982,964,187	66,300,000	3,427,763,783	(384,125,418)	-	(384,125,418)	8,921,652,552	1,617,496	8,923,270,048

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

Mr. Sumate Tanthuwant  
 Director

Mr. Sutep Tranantasin  
 Director



(Unit: Baht)

## Separate financial statements

Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity			Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)			
					Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans	Total	
Balance as at 1 January 2016	828,750,000	4,982,964,187	66,300,000	2,921,628,844	519,640,431	-	519,640,431	9,319,283,462
Total comprehensive income (loss) for the year	-	-	-	(580,676,165)	(55,970,898)	-	(55,970,898)	(636,647,063)
Dividend paid	-	-	-	(41,437,400)	-	-	-	(41,437,400)
Balance as at 31 December 2016	828,750,000	4,982,964,187	66,300,000	2,299,515,279	463,669,533	-	463,669,533	8,641,198,999
Balance as at 1 January 2017	828,750,000	4,982,964,187	66,300,000	2,299,515,279	463,669,533	-	463,669,533	8,641,198,999
Total comprehensive income (loss) for the year	-	-	-	(446,127,157)	(772,562,620)	15,226,364	(757,336,256)	(1,203,463,413)
Transferred to retained earnings	-	-	-	15,226,364	-	(15,226,364)	(15,226,364)	-
Reversal of unpaid dividend to shareholders	-	-	-	1,335,742	-	-	-	1,335,742
Balance as at 31 December 2017	828,750,000	4,982,964,187	66,300,000	1,869,950,228	(308,893,087)	-	(308,893,087)	7,439,071,328

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



Mr. Sumate Tanthuwani  
Director

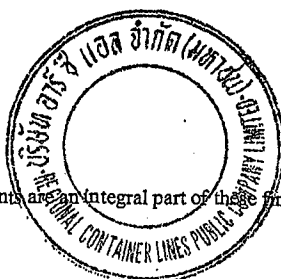
Mr. Sutep Tranantasin  
Director

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of income**  
**For the year ended 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2017	2016	2017	2016
<b>Revenues</b>					
Freight income	18	11,252,389,293	10,440,653,791	834,522,783	901,354,696
Others income					
Gain on exchange rate		33,268,665	57,850,750	-	-
Dividend income	7 and 8	-	2,737,878	66,422,750	41,873,080
Gain on sales of assets	9.2	114,670,959	17,788,931	-	168,203
Gain on sales of investments		-	847,237	-	-
Reversal on impairment of vessels	9.2	27,462,696	-	-	-
Reversal of provision for loss under onerous contracts	23.1	263,723,287	-	-	-
Interest income		3,982,905	4,157,432	254,485	459,855
Unrealized gain on derivatives	6	1,340,564	1,077,642	1,340,564	1,077,642
Others		16,986,087	26,900,738	186,594	3,363
<b>Total revenues</b>		<b>11,713,824,456</b>	<b>10,552,014,399</b>	<b>902,727,176</b>	<b>944,936,839</b>
<b>Expenses</b>					
Cost of freight and operations	18	10,178,107,460	10,659,104,817	973,853,143	1,028,621,629
Administrative expenses	18	887,481,160	940,641,171	224,025,615	217,379,070
Others expense					
Net doubtful debt		4,539,453	25,569,144	-	-
Loss on exchange rate		-	-	27,701,894	4,589,070
Loss on impairment of vessels	9.2	-	136,664,317	-	-
Provision for loss under onerous contracts	23.1	-	26,777,355	-	-
Loss on impairment of investment	7	-	-	-	164,443,902
Finance costs		197,412,208	174,614,270	123,273,681	110,579,333
<b>Total expenses</b>	19	<b>11,267,540,281</b>	<b>11,963,371,074</b>	<b>1,348,854,333</b>	<b>1,525,613,004</b>
Share of profit (loss) from investment in associates	8.1	79,170,708	40,320,699	-	-
Share of profit (loss) from investment in joint venture	8.2	20,529,437	-	-	-
<b>Profit (loss) before income tax expenses</b>		<b>545,984,320</b>	<b>(1,371,035,976)</b>	<b>(446,127,157)</b>	<b>(580,676,165)</b>
Tax expenses (income)	21	12,719,787	4,860,161	-	-
<b>Profit (loss) for the years</b>	27	<b>533,264,533</b>	<b>(1,375,896,137)</b>	<b>(446,127,157)</b>	<b>(580,676,165)</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the parent		533,258,437	(1,374,670,909)	(446,127,157)	(580,676,165)
Non - controlling interests		6,096	(1,225,228)	-	-
		<b>533,264,533</b>	<b>(1,375,896,137)</b>	<b>(446,127,157)</b>	<b>(580,676,165)</b>
<b>Basic earnings (loss) per share</b>	2.17				
Profit (loss) attributable to equity holders of the parent		0.64	(1.66)	(0.54)	(0.70)
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.



DIRECTOR

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

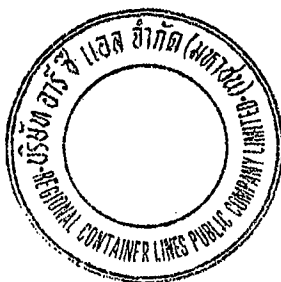
**Mr. Sutep Tranantasin**  
**Director**

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the year ended 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2017	2016	2017	2016
Profit (loss) for the years		533,264,533	(1,375,896,137)	(446,127,157)	(580,676,165)
Other comprehensive income (loss):					
Item that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statement		(852,495,815)	(101,278,156)	(772,562,620)	(55,970,898)
Total item that will be reclassified subsequently to profit or loss		(852,495,815)	(101,278,156)	(772,562,620)	(55,970,898)
Item that will not be reclassified subsequently to profit or losses:					
Actuarial gains (losses) on defined employee benefit plans	15	15,226,364	-	15,226,364	-
Total item that will not be reclassified subsequently to profit or losses		15,226,364	-	15,226,364	-
Other comprehensive income (loss) for the years		(837,269,451)	(101,278,156)	(757,336,256)	(55,970,898)
Total comprehensive income (loss) for the years		(304,004,918)	(1,477,174,293)	(1,203,463,413)	(636,647,063)
Total comprehensive income (loss) for the years attributable to:					
Equity holders of the parent		(304,011,014)	(1,464,828,117)	(1,203,463,413)	(636,647,063)
Non - controlling interests		6,096	(12,346,176)	-	-
		(304,004,918)	(1,477,174,293)	(1,203,463,413)	(636,647,063)



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

**Mr.Sumate Tanthuwant**  
Director

DIRECTOR

**Mr.Sutep Tranantasin**  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of cash flows**  
**For the year ended 31 December 2017**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>For the years ended 31 December</b>		<b>For the years ended 31 December</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	545,984,320	(1,371,035,976)	(446,127,157)	(580,676,165)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	1,537,669,239	1,424,026,387	449,830,782	462,736,404
Amortization	20,913	54,797	-	-
Loss (gain) on sales and write - off of assets	(114,670,959)	(17,788,931)	-	(168,203)
Loss on impairment of vessels (reversal)	(27,462,696)	136,664,317	-	-
Loss on impairment of investment (reversal)	-	-	-	164,443,902
Provision for loss under onerous contracts (reversal)	(263,723,287)	26,777,355	-	-
Increase (decrease) in allowance for doubtful accounts	(5,635,199)	61,699,096	-	-
Dividend income	-	(2,737,878)	(66,422,750)	(41,873,080)
Unrealized loss (gain) on derivatives	(1,340,564)	-	(1,340,564)	-
Unrealized loss (gain) on exchange rate	(51,035,819)	(81,395,681)	16,082,215	(3,815,708)
Share of loss (profit) from investment in associates	(79,170,708)	(40,320,699)	-	-
Share of loss (profit) from investment in joint venture	(20,529,437)	-	-	-
Employee benefit obligation	7,208,521	6,790,011	6,697,995	6,337,426
Interest income	(3,982,905)	(4,157,432)	(254,485)	(459,855)
Finance costs	197,412,208	174,614,270	123,273,681	110,579,333
Profit (loss) from operating activities before changes in operating assets and liabilities	1,720,743,627	313,189,636	81,739,717	117,104,054
Operating assets decrease (increase)				
Trade receivables - unrelated parties	17,402,957	184,111,161	12,521,487	(16,189,899)
Trade receivables - related parties	(36,918,147)	32,116,539	(64,303,010)	576,297
Other receivables	(407,108,274)	(136,117,799)	41,697,035	(46,324,236)
Material supplies	3,038,787	(32,005,754)	14,724,796	(9,511,727)
Other current assets	16,848,968	22,398,449	(55,058)	6,032,370
Other non - current assets	23,067	906,518	(24,050)	576,028
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	497,964,585	(89,628,553)	(19,721,382)	(14,250,886)
Trade payables - related parties	(173,786,610)	176,225,115	-	-
Other payables - accrued expenses	(26,092,046)	14,665,183	(11,798,684)	574,189
Advance receipt	(4,665,570)	(8,174,499)	754,397,020	(102,199,645)
Other current liabilities	17,972,087	8,487,307	50,456	56,840
Employee benefit obligation paid	(1,047,940)	(8,298,347)	(1,047,940)	(8,113,504)
Cash from operating activities	1,624,375,491	477,874,956	808,180,387	(71,670,119)
Cash received (paid) for income tax expenses	(17,145,156)	(14,693,851)	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,607,230,335</b>	<b>463,181,105</b>	<b>808,180,387</b>	<b>(71,670,119)</b>

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

**Mr. Sumate Tanthuwant**  
Director

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

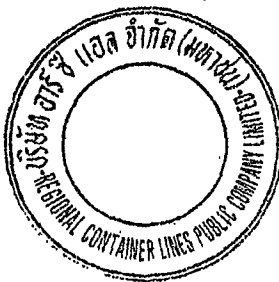
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Decrease (increase) in property, premises, vessels and equipment	(814,525,757)	(909,118,484)	(2,561,082)	(99,702,617)
Decrease (increase) in payable on purchase of assets	(22,035,970)	(72,268,528)	(8,725,984)	(676,096,196)
Decrease (increase) in advances for vessel constructions	(288,720,589)	-	(288,720,589)	-
Dividend received	69,346,519	24,925,817	86,422,726	41,873,080
Interest received	4,154,662	4,918,690	222,203	567,401
Proceeds from subsidiaries dissolve and liquidate	48,060,467	-	-	-
Investments in associates paid	-	(25,956,249)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(1,003,720,668)</b>	<b>(977,498,754)</b>	<b>(213,362,726)</b>	<b>(733,358,332)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institutions	203,958,510	251,431,538	(300,000,000)	147,437,538
Increase (decrease) in short - term loan from related party	-	(300,000,000)	-	(300,000,000)
Increase (decrease) in liabilities under financial lease agreements	580,131,264	615,828,115	-	-
Increase (decrease) in long - term loans	(783,623,668)	(563,620,263)	(354,315,072)	788,407,346
Finance costs paid	(188,425,409)	(169,171,746)	(114,143,590)	(103,827,457)
Dividend paid	-	(41,437,400)	-	(41,437,400)
Payment of liquidated subsidiaries to non - controlling interests	(18,363,246)	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(206,322,549)</b>	<b>(206,969,756)</b>	<b>(768,458,662)</b>	<b>490,580,027</b>
Exchange differences on translating financial statement	(12,659,597)	(37,639,430)	215,522,413	8,757,057
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>384,527,521</b>	<b>(758,926,835)</b>	<b>41,881,412</b>	<b>(305,691,367)</b>
<b>Cash and cash equivalents at beginning of years</b>	<b>1,255,452,277</b>	<b>2,014,379,112</b>	<b>35,931,860</b>	<b>341,623,227</b>
<b>Cash and cash equivalents at end of years</b>	<b>1,639,979,798</b>	<b>1,255,452,277</b>	<b>77,813,272</b>	<b>35,931,860</b>



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

*[Signature]*  
**Mr. Sumate Tanthuwant**  
 Director

DIRECTOR

*[Signature]*  
**Mr. Sutep Tranantasia**  
 Director

DIRECTOR

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

**Notes to financial statements**

**For the year ended 31 December 2017**

**1. General information**

**1.1 Corporate information**

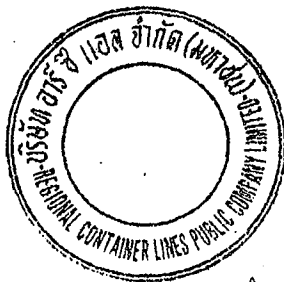
Regional Container Lines Public Company Limited ("the Company") was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations. The Company's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

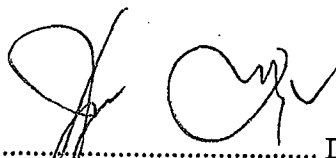
**1.2 Basis for preparation of financial statements**

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

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

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





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

DIRECTOR



DIRECTOR

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



1.3 Basis for consolidation of financial statements

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

Company's Name	Type of business	Place of incorporation	Holding of investment
<u>Subsidiaries operating in Thailand</u>			
a) Asian Bulk Shipping Co., Ltd. (The company has ceased its operations)	Ship operating	Thailand	51% owned by the Company
b) RCL Logistics Co., Ltd.	Logistics services	Thailand	100% owned by the Company
<u>Group of subsidiaries operating in Singapore</u>			
c) RCL Investment Pte. Ltd.	Holding company	Singapore	100% owned by the Company
d) Regional Container Lines Pte. Ltd.	Ship owning and operating	Singapore	100% owned by the Company
e) RCL Feeder Pte. Ltd. and its subsidiaries, RCL Agencies (M) Sdn Bhd. (100% owned), RCL Feeder Phils., Inc. (100% owned) and Regional Container Lines Shipping Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	73% owned by Regional Container Lines Pte. Ltd. and 27% owned by the Company
f) RCL Services S.A. (The company has ceased its operations and in the process of liquidation)	Ship operating	Panama	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
g) RCL Holdings Ltd. (The company has ceased its operations and completeness of liquidation in year 2017)	Ship operating	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
h) RCL Shipmanagement Pte. Ltd.	Ship management	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
<u>Group of subsidiaries operating in Hong Kong</u>			
i) Regional Container Lines (H.K.) Ltd. and its subsidiaries, Regional Merchants Maritime Ltd. (80% owned and the company has ceased its operations and completeness of liquidation in year 2017) and Regional Merchants International Freight Forwarding Co., Ltd. (80% owned and the company has ceased its operations during the year 2016 and completeness of liquidation in year 2017)	Holding company, shipping agent and the provision of transportation and cargo handling services	Hong Kong	100% owned by the Company

Mr. Sumate Tanthuwant  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

(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.

(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.

#### 1.4 Adoption of new financial reporting standards

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

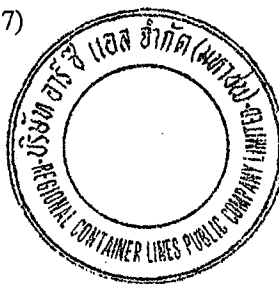
During the year, the Company adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2017. Adoption of the above financial reporting standards in the current year do not have material effect on the financial statements.

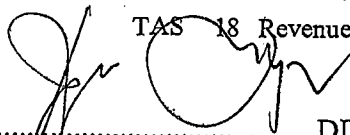
##### 1.4.2 Financial reporting standards which are not effective for the current year

During the year, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2018 as follows.


##### Accounting Standards

- |     |    |  |
|-----|----|--|
| TAS | 1  | Presentation of Financial Statements (revised 2017)                            |
| TAS | 2  | Inventories (revised 2017)   |
| TAS | 7  | Statement of Cash Flows (revised 2017)   |
| TAS | 8  | Accounting Policies, Changes in Accounting Estimates and Errors (revised 2017) |
| TAS | 10 | Events after the Reporting Period (revised 2017)                               |
| TAS | 11 | Construction Contracts (revised 2017)  |
| TAS | 12 | Income Taxes (revised 2017)  |
| TAS | 16 | Property, Plant and Equipment (revised 2017)                                   |
| TAS | 17 | Leases (revised 2017)  |
| TAS | 18 | Revenue (revised 2017)   |



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

DIRECTOR

  
.....  
**Mr. Sutep Truantasin**  
Director

DIRECTOR

Accounting Standards


- TAS 19 Employee Benefits (revised 2017)
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2017)
- TAS 21 The Effects of Changes in Foreign Exchange Rate (revised 2017)
- TAS 23 Borrowing Costs (revised 2017)
- TAS 24 Related Party Disclosures (revised 2017)
- TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2017)
- TAS 27 Separate Financial Statements (revised 2017)
- TAS 28 Investments in Associates and Joint Ventures (revised 2017)
- TAS 29 Financial Reporting in Hyperinflationary Economics (revised 2017)
- TAS 33 Earnings per Share (revised 2017)
- TAS 34 Interim Financial Reporting (revised 2017)
- TAS 36 Impairment of Assets (revised 2017)
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2017)
- TAS 38 Intangible Assets (revised 2017)
- TAS 40 Investment Property (revised 2017)
- TAS 41 Agriculture (revised 2017)

Financial Reporting Standards

- TFRS 2 Share - Based Payment (revised 2017)
- TFRS 3 Business Combinations (revised 2017)
- TFRS 4 Insurance Contracts (revised 2017)
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2017)
- TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2017)
- TFRS 8 Operating Segments (revised 2017)
- TFRS 10 Consolidated Financial Statement (revised 2017)
- TFRS 11 Joint Arrangements (revised 2017)
- TFRS 12 Disclosure of Interests in Other Entities (revised 2017)
- TFRS 13 Fair Value Measurement (revised 2017)

Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2017)
- TSIC 15 Operating Leases - Incentives (revised 2017)
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2017)
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2017)
- TSIC 29 Service Concession Arrangements : Disclosures (revised 2017)
- TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2017)
- TSIC 32 Intangible Assets - Web Site Costs (revised 2017)

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

  
.....  
DIRECTOR

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

.....  
DIRECTOR

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Liabilities (revised 2017)
- TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2017)
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2017)
- TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2017)  
Financial Reporting in Hyperinflationary Economies (revised 2017)
- TFRIC 10 Interim Financial Reporting and Impairment (revised 2017)
- TFRIC 12 Service Concession Arrangements (revised 2017)
- TFRIC 13 Customer Loyalty Programmes (revised 2017)
- TFRIC 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2017)
- TFRIC 15 Agreements for the Construction of Real Estate (revised 2017)
- TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2017)
- TFRIC 18 Transfers of Assets from Customers (revised 2017)
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017)
- TFRIC 21 Levies (revised 2017)

The management of the Company has assessed that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 23, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40 and TFRS 8, TFRS 10, TFRS 11, TFRS 12 and TFRS 13 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's business, therefore they do not have impact on the financial statement when they are applied.

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.

  
.....  
Mr.Sumate Tanthuanit  
Director

DIRECTOR

  
.....  
Mr.Sutep Tranantasin  
Director

DIRECTOR

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 with an original maturity of three months or less and not subject to withdrawal restrictions.

2.3 Trade receivables

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

2.4 Material supplies

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

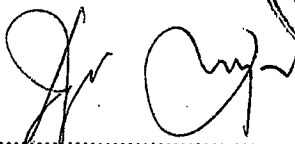
2.5 Investments

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

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

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





Mr.Sumate Tanthuwankit  
Director



Mr.Sutep Tranantasin  
Director

DIRECTOR

DIRECTOR

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 and vessels installation.

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

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.

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:

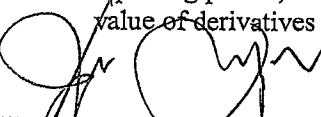
	<u>Useful lives</u>
Computer software	3 years

2.9 Financial instruments

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

Cross interest rate swap contracts

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

  
**Mr. Sumate Tanthuwant**  
 Director

DIRECTOR

  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

2.10 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.

2.11 Long - term leases

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

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 27 to the financial statements.

  
.....  
**Mr.Sumate Tanthawanit**  
**Director**

DIRECTOR

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

DIRECTOR

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 long - term investment

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

2.14 Impairment of assets

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

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the lower of its recoverable amount (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 Thai Law are recognized as expenses in the statements of income along the service period of employees. The Company and its subsidiary in Thailand'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 Company and its subsidiary in Thailand shall recognize the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

  
Mr. Sumate Tanthuwant  
Director

DIRECTOR

  
Mr. Sutep Tranantasin  
Director

DIRECTOR



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.

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 periodic basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

  
Mr. Sumate Tanthuwant  
Director

DIRECTOR

  
Mr. Sutep Tranantasin  
Director

DIRECTOR

3.3 Leases

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

3.4 Intangible assets

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

3.5 Litigation

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

3.6 Provision for onerous contracts


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

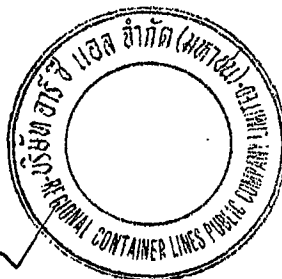
3.7 Post - employment benefits under defined benefit plans


The obligation under the defined benefit plan is estimated using the actuarial method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to decrease net income of the Company and the Group for the year ended 31 December 2017 by Baht 26.70 million and Baht 83.54 million, respectively (Baht 0.03 per share and Baht 0.10 per share, respectively).

  
.....  
**Mr. Sumate Tanthuwankit**  
**Director**



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

DIRECTOR

5. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2017 and 2016 are classified by aging as follows:

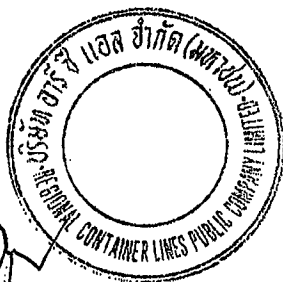
	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Under 90 days	1,543,307	1,440,535	2,155	22,957
91 - 180 days	21,578	82,263	-	538
181 - 365 days	12,596	27,445	8,004	-
Over 365 days	56,110	33,420	815	-
Total	1,633,591	1,583,663	10,974	23,495
Less Allowance for doubtful accounts	(56,385)	(62,020)	-	-
Net	1,577,206	1,521,643	10,974	23,495

The balances of trade receivables - related parties as at 31 December 2017 and 2016 are classified by aging as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Under 90 days	49,003	12,085	79,559	52,009
91 - 180 days	-	-	64,330	53,434
181 - 365 days	-	-	43,285	17,428
Over 365 days	-	-	-	-
Total	49,003	12,085	187,174	122,871

6. Unrealized gain from changes in the fair value of derivatives

	Note	(Unit: Thousand Baht)	
		Consolidated financial statement	Separate financial statement
Beginning balance as at 31 December 2016		1,095	1,095
Unrealized gain on derivatives		1,341	1,341
Exchange differences on translating financial statement		(154)	(154)
Ending balance as at 31 December 2017	25.1 (2)	2,282	2,282



Mr. Sumate Tanthuwani  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

7. Investments in subsidiaries - net

(Unit: Million Baht)

Company's name	Separate financial statements						Dividend for the years ended 31 December	
	Paid - up capital		Percentage directly owned by the Company		Cost			
	2017	2016	2017	2016	2017	2016	2017	2016
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	14	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	20
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	232	255	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,156	5,675	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,115	1,228	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	-	S\$ 0.3 Million	-	49	-	167	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	80	88	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	236	260	-	-
					6,839	7,694		
<u>Less : Allowance for impairment</u>					-	(167)		
<u>Investments in subsidiaries - net</u>					6,839	7,527		

Movement in the investments in subsidiaries for the year ended 31 December 2017 are summarized below:

(Unit: Thousand Baht)

Investment as at 31 December 2016

7,527,106

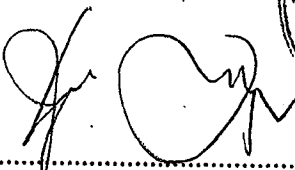
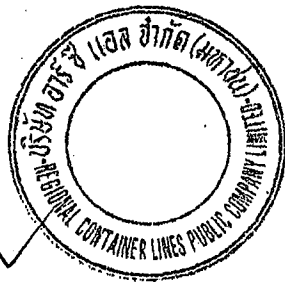
Exchange differences on translating financial statement

(688,481)

Investment as at 31 December 2017

6,838,625

In July 2017, RCL Holding Ltd. Has been dissolved. The dissolution of the aforesaid subsidiary does not affect the operation of the Company.

  
  
 Mr. Sumate Tanthuanit  
 Director

  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

8. Investments in associates and joint venture8.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		(Unit: Million Baht) Dividend for the years ended 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TPS Co., Ltd.	Baht	Baht								
(Port operating)	100	100								
	Million	Million	22	22	54	60	331	353	66	22
Total investment in associates of the Company					54	60	331	353	66	22
<u>Investment in associates of the subsidiaries</u>										
RCL (Vietnam) Co., Ltd.	VND	VND								
(Ship agency)	4,748	4,748								
	Million	Million	49	49	5	5	10	13	3	5
PT Daerah Indah Shipping	USD	USD								
(Ship agency)	0.75	0.75								
	Million	Million	49	49	12	13	13	14	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
(Port operating)	Million	Million	49	49	15	15	-	-	-	-
Total investment in associates of the subsidiaries					32	33	23	27	3	5
Total investment in associates					86	93	354	380	69	27

Movements in the investment in associates for the year ended 31 December 2017 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2016	379,990	59,618
Dividend income	(69,347)	-
Share of profit under equity method	79,171	-
Exchange differences on translating financial statement	(35,384)	(5,453)
Investment as at 31 December 2017	354,430	54,165

Mr. Sumate Tanthuwant  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

## 8.2 Investments in joint venture

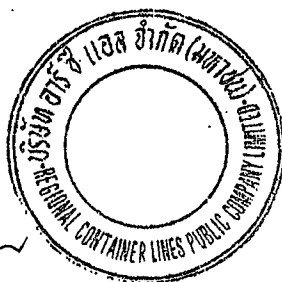
(Unit: Million Baht)

Company's name	Consolidated financial statements							
	Paid - up capital		Percentage directly owned by the Company		Equity method		Dividend for the years ended 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016
			Percent	Percent				
<u>Investment in joint venture of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation	40	40						
and cargo handling services)	Million	Million	55	55	30	12	-	-
Total investment in joint venture					30	12	-	-

Movements in the investment in joint venture for the year ended 31 December 2017 are summarized below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2016	11,671	-
Dividend income	-	-
Share of profit under equity method	20,529	-
Exchange differences on translating financial statement	(1,887)	-
Investment as at 31 December 2017	30,313	-



*[Signature]*  
 .....  
 Mr.Sumate Tanthuanit  
 Director

DIRECTOR

*[Signature]*  
 .....  
 Mr.Sutep Tranantasin  
 Director

DIRECTOR



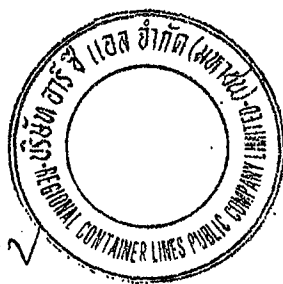
Financial information of the associates and joint venture is summarised below. (2016: Audited financial statements, 2017: Management's accounts).

(Unit: Million Baht)										
Company's name	Paid - up capital		Total assets		Total liabilities		Total revenues for the years ended		Profit (loss) for the years ended	
							31 December		31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,796	1,758	267	289	1,728	1,563	360	232
<u>Investment in associates of the subsidiaries</u>										
RCL (Vietnam) Co., Ltd.	VND 4,748	VND 4,748								
	Million	Million	19	18	8	3	29	28	2	8
PT Daerah Indah Shipping	USD 0.75	USD 0.75								
	Million	Million	25	28	-	-	-	-	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
	Million	Million	33	22	52	21	152	16	(15)	(29)
<u>Investment in joint venture of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	67	23	12	3	91	-	37	(1)

In June 2016, a subsidiary in Thailand invested in a new company in Thailand, named Pu Chao Container Terminal Co., Ltd., to manage the container terminal with 49% of share capital amounting Baht 30 million with paid - up capital amounting to Baht 30 million.

In October 2016, a subsidiary in Singapore and a foreign company in India had entered into a joint venture agreement to setting up company namely RCL Agencies (India) Private Limited, for the purpose of shipping agent and providing transportation and cargo handling services, which has been registered in 4<sup>th</sup> quarter of year 2016. A subsidiary' shareholding is 55% of share capital. The share capital and paid - up capital amounted Indian Rupee 40 million.

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

Mr.Sumate Tanthuwant  
Director

DIRECTOR

Mr.Sutep Tranantasin  
Director

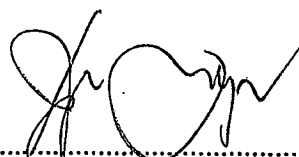
DIRECTOR

9. Property, premises, vessels and equipment, net9.1 Property and premises, net

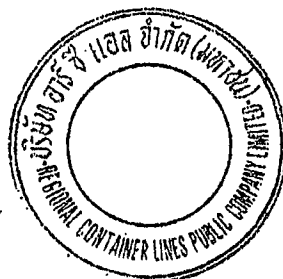
(Unit: Baht)

	Building in Bangkok	Building in Singapore	Building in Hong Kong	Improvement of buildings in Singapore	Improvement of buildings in Hong Kong	Total
<u>Cost</u>						
As at 31 December 2016	64,118,251	178,832,115	282,523,743	69,584,388	6,302,304	601,360,801
Acquisitions	-	-	-	310,459	-	310,459
Write - off	-	-	-	(612,816)	-	(612,816)
Exchange differences on translating financial statement	(5,864,692)	(16,357,204)	(27,753,580)	(5,082,913)	(619,104)	(55,677,493)
As at 31 December 2017	58,253,559	162,474,911	254,770,163	64,199,118	5,683,200	545,380,951
<u>Accumulated depreciation</u>						
As at 31 December 2016	(63,648,784)	(43,721,091)	(63,025,028)	(66,910,106)	(6,302,304)	(243,607,313)
Depreciation for the year	-	(3,455,147)	(2,811,361)	(2,336,722)	-	(8,603,230)
Write - off	-	-	-	585,336	-	585,336
Exchange differences on translating financial statement	5,821,751	4,137,132	6,310,644	4,945,412	619,104	21,834,043
As at 31 December 2017	(57,827,033)	(43,039,106)	(59,525,745)	(63,716,080)	(5,683,200)	(229,791,164)
<u>Allowance for loss on impairment</u>						
As at 31 December 2016	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2017	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 December 2016	469,467	135,111,024	219,498,715	2,674,282	-	357,753,488
As at 31 December 2017	426,526	119,435,805	195,244,418	483,038	-	315,589,787

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



**Mr. Sumate Tanthuanit**  
Director




**Mr. Sutep Trantasin**  
Director

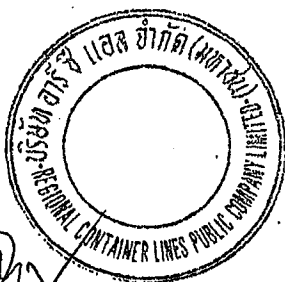
DIRECTOR



9.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Container	Office furniture, fixtures and equipment	Motor vehicles	Total
<u>Cost</u>						
As at 31 December 2016	29,581,941,559	700,674,272	1,160,452,819	199,125,877	22,028,521	31,664,223,048
Acquisitions	-	141,728,264	811,302,604	5,866,646	3,359,999	962,257,513
Disposals	-	-	(142,694,818)	(3,009,106)	(6,798,501)	(152,502,425)
Write - off	-	(170,516,405)	(17,774,873)	(446,869)	-	(188,738,147)
Exchange differences on translating financial statement	(2,705,766,008)	(62,937,652)	(132,159,671)	(16,000,148)	(994,675)	(2,917,858,154)
As at 31 December 2017	26,876,175,551	608,948,479	1,679,126,061	185,536,400	17,595,344	29,367,381,835
<u>Accumulated depreciation</u>						
As at 31 December 2016	(14,793,952,355)	(322,536,752)	(555,246,196)	(184,336,116)	(20,184,832)	(15,876,256,251)
Depreciation for the year	(1,104,030,542)	(246,728,275)	(171,506,896)	(6,098,017)	(702,279)	(1,529,066,009)
Disposals	-	-	142,315,760	2,976,828	6,520,029	151,812,617
Write - off	-	137,894,620	17,774,873	414,686	-	156,084,179
Exchange differences on translating financial statement	1,397,288,844	33,851,985	51,242,961	15,014,995	946,732	1,498,345,517
As at 31 December 2017	(14,500,694,053)	(397,518,422)	(515,419,498)	(172,027,624)	(13,420,350)	(15,599,079,947)
<u>Allowance for loss on impairment</u>						
As at 31 December 2016	(2,037,681,246)	-	-	-	-	(2,037,681,246)
Increase	-	-	-	-	-	-
Reversal	27,462,696	-	-	-	-	27,462,696
Exchange differences on translating financial statement	185,282,405	-	-	-	-	185,282,405
As at 31 December 2017	(1,824,936,145)	-	-	-	-	(1,824,936,145)
<u>Net book value</u>						
As at 31 December 2016	12,750,307,958	378,137,520	605,206,623	14,789,761	1,843,689	13,750,285,551
As at 31 December 2017	10,550,545,353	211,430,057	1,163,706,563	13,508,776	4,174,994	11,943,365,743



Mr. Sumate Tanthuanit  
Director

DIRECTOR

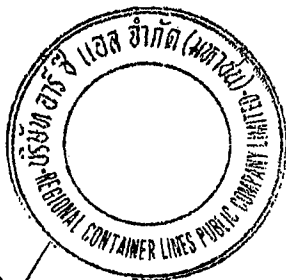
Mr. Sutep Tranantasin  
Director

DIRECTOR

Vessels and equipment - Separate financial statements

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Office furniture, fixtures and equipment	Motor vehicles	Total
<u>Cost</u>					
As at 31 December 2016	9,796,071,893	253,438,122	45,545,888	6,452,927	10,101,508,830
Acquisitions	-	190,021	2,371,060	-	2,561,081
Disposals	-	-	(2,698,969)	-	(2,698,969)
Write - off	-	(30,332,190)	-	-	(30,332,190)
Exchange differences on translating financial statement	(896,015,500)	(21,976,259)	(4,152,829)	(590,229)	(922,734,817)
As at 31 December 2017	8,900,056,393	201,319,694	41,065,150	5,862,698	9,148,303,935
<u>Accumulated depreciation</u>					
As at 31 December 2016	(5,016,897,031)	(132,956,328)	(43,313,850)	(6,452,927)	(5,199,620,136)
Depreciation for the year	(366,659,266)	(81,901,684)	(1,269,832)	-	(449,830,782)
Disposals	-	-	2,698,969	-	2,698,969
Write - off	-	30,332,190	-	-	30,332,190
Exchange differences on translating financial statement	473,536,631	14,222,558	3,904,652	590,229	492,254,070
As at 31 December 2017	(4,910,019,666)	(170,303,264)	(37,980,061)	(5,862,698)	(5,124,165,689)
<u>Allowance for loss on impairment</u>					
As at 31 December 2016	-	-	-	-	-
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-
As at 31 December 2017	-	-	-	-	-
<u>Net book value</u>					
As at 31 December 2016	4,779,174,862	120,481,794	2,232,038	-	4,901,888,694
As at 31 December 2017	3,990,036,727	31,016,430	3,085,089	-	4,024,138,246



*[Signature]*  
 DIRECTOR

*[Signature]*  
 DIRECTOR

**Mr. Sumate Tanthuanit**  
 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 2017 and 2016, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,330 million and Baht 1,495 million (The Company: Baht 522 million and Baht 511 million), respectively.

As at 31 December 2017 and 2016, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 35.7 million (approximately Baht 1,163.7 million) and USD 16.9 million (approximately Baht 604.4 million), respectively (the Company only: amounted to approximately Baht - million and Baht - million, respectively).

Transactions occurred in year 2016:

At the end of year 2016, the management determined the recoverable amount of the Group and the Company's vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the Group's recoverable amount was lower than the carrying amount and the Company's recoverable amount was higher than the carrying amount. Hence, the Group recorded the loss on impairment of vessels amounting to USD 3.9 million or approximately Baht 136.7 million (The Company: USD - million or approximately Baht - million) in the statement of income for the year 2016.

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

Transactions occurred in year 2017:

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

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


Depreciation in the statements of income for the years 2017 and 2016 consisted of the following:

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	1,522,265,713	1,409,137,526	448,560,950	461,654,541
Administrative expenses	15,403,526	14,888,861	1,269,832	1,081,863
Total	<u>1,537,669,239</u>	<u>1,424,026,387</u>	<u>449,830,782</u>	<u>462,736,404</u>

			(Unit: USD)	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	44,856,165	39,923,999	13,217,616	13,079,700
Administrative expenses	453,891	421,835	37,418	30,651
Total	<u>45,310,056</u>	<u>40,345,834</u>	<u>13,255,034</u>	<u>13,110,351</u>

  
 Mr. Sumate Tanthuanit  
 Director



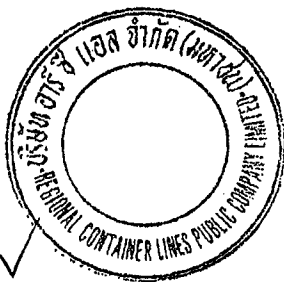
  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

10. Intangible assets, net

	(Unit: Baht)
	Consolidated financial statements
	<u>Computer software</u>
<u>Cost</u>	
As at 31 December 2016	376,763,857
Increase	-
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	(34,153,048)
As at 31 December 2017	<u>342,610,809</u>
<u>Accumulated amortization</u>	
As at 31 December 2016	(376,732,917)
Increase	(20,913)
Decrease	
Exchange differences on translating financial statement	34,152,180
As at 31 December 2017	<u>(342,601,650)</u>
<u>Net book value</u>	
As at 31 December 2016	<u>30,940</u>
As at 31 December 2017	<u>9,159</u>

As at 31 December 2017 and 2016, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 343 million and Baht 372 million, respectively.



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

DIRECTOR

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

DIRECTOR

11. Short - term loans from financial institutions

(Unit: Thousand Baht)

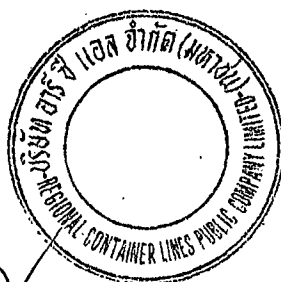
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loans from financial institution no. 1	150,000	450,000	150,000	450,000
Loans from financial institution no. 2	651,600	717,200	651,600	717,200
Loans from financial institution no. 3	122,175	103,994	-	-
Loans from financial institution no. 4	456,120	-	-	-
Total	1,379,895	1,271,194	801,600	1,167,200

As at 31 December 2017 and 2016, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 31 December 2017 and 2016, loans from financial institution no. 2 are promissory note amounting to USD 20 million, with interest at the rate of 4.50% - 4.52% p.a., and 3.61% p.a., respectively, which is unsecured.

As at 31 December 2017 and 2016, loans from financial institution no. 3 is short - term loan amounting to USD 3.75 million and USD 2.90 million, with interest at the rate of LIBOR+6% and LIBOR+2% p.a., respectively, is secured by office building subsidiaries.

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



Mr. Sumate Tanthuwani  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

12. Liabilities under finance lease agreements

(Unit: Thousand Baht)

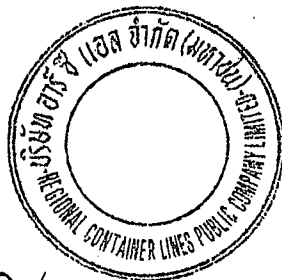
	Consolidated financial statements		Separate Financial statements	
	2017	2016	2017	2016
Liabilities under finance lease agreements	1,300,826	677,506	-	-
<u>Less : deferred interest</u>	<u>(104,867)</u>	<u>(61,678)</u>	<u>-</u>	<u>-</u>
	1,195,959	615,828	-	-
<u>Less : current portion due within one year</u>	<u>(229,545)</u>	<u>(103,843)</u>	<u>-</u>	<u>-</u>
Liabilities under finance lease agreements net of current portion	<u>966,414</u>	<u>511,985</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	Consolidated financial statements					
	2017			2016		
	Deffered			Deffered		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	861,793	64,487	926,280	417,900	38,923	456,823
Over 5 years	104,621	2,591	107,212	94,085	1,608	95,693
Total	<u>966,414</u>	<u>67,078</u>	<u>1,033,492</u>	<u>511,985</u>	<u>40,531</u>	<u>552,516</u>

(Unit: Thousand Baht)

	Separate financial statements					
	2017			2016		
	Deffered			Deffered		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



*[Signature]*  
.....

DIRECTOR

Mr.Sumate Tanthuwant  
Director

*[Signature]*  
.....

DIRECTOR


Mr.Sutep Tranantasin  
Director

13. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Loans of the Company</u>				
1) USD - million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	-	375,454	-	375,454
2) USD - million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	-	375,454	-	375,454
3) USD 8.3 million loan (2016: USD 11.3 million), repayable quarterly until the year 2020.	268,785	403,425	268,785	403,425
4) USD 21.4 million loan (2016: USD 27.3 million), repayable quarterly until the year 2021.	697,060	980,317	697,060	980,317
5) USD 19.4 million loan (2016: USD - million), repayable quarterly until the year 2027.	633,404	-	633,404	-
<u>Loans of the Singapore Subsidiaries</u>				
6) USD 8.1 million loan (2016: USD 10.5 million), repayable quarterly until the year 2018.	263,898	376,530	-	-
7) USD 5.4 million loan (2016: USD 10.7 million), repayable semi - annually until the year 2018.	174,629	384,419	-	-
8) USD 5.5 million loan (2016: USD 7.3 million), repayable quarterly until the year 2018.	179,190	262,973	-	-
9) USD 5.2 million loan (2016: USD 7.9 million), repayable semi - annually until the year 2019.	170,719	281,860	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
10) HKD 20.3 million loan (2016: HKD 23.7 million), repayable monthly until the year 2023.	84,762	109,742	-	-
Total	2,472,447	3,550,174	1,599,249	2,134,650
<u>Less</u> Current portion	(1,073,930)	(1,525,285)	(356,295)	(1,071,568)
Long - term loans, net of current portion	1,398,517	2,024,889	1,242,954	1,063,082

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



..... DIRECTOR .....

**Mr.Sumate Tanthuwani**  
Director

..... DIRECTOR .....

**Mr.Sutep Tranantasin**  
Director

Movements in the long - term loans during the year ended 31 December 2017 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2016	3,550,174	2,134,650
<u>Add</u> Borrowings	676,696	676,696
<u>Less</u> Repayments	(1,460,319)	(1,031,011)
Exchange differences on translating financial statement	(294,104)	(181,086)
Ending balance as at 31 December 2017	<u>2,472,447</u>	<u>1,599,249</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.

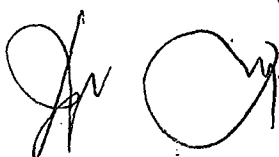
In January 2016, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 32.5 million (31 December 2017: approximately Baht 1,059 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

In October 2017, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 27.4 million (31 December 2017: approximately Baht 894 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

#### 14. Debenture

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



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

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



15. Employee benefit obligation

- Movement in the present value of the employee benefit obligation for the years ended 31 December 2017 and 2016

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Employee benefit obligation at beginning of year	37.36	38.87	35.18	36.96
Benefits paid	(1.05)	(8.09)	(1.05)	(7.85)
Current service cost and interest	7.22	6.79	6.70	6.33
Losses (gains) on the settlement of employee benefit	-	(0.21)	-	(0.26)
Actuarial losses (gain) on defined employee benefit plans	(15.23)	-	(15.23)	-
Employee benefit obligation at ending of year	28.30	37.36	25.60	35.18

- Expenses recognized in the statements of income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current service costs	5.87	5.50	5.43	5.12
Interest cost	1.35	1.29	1.27	1.21
Losses (gains) on the settlement of employee benefit	-	(0.21)	-	(0.26)
Total	7.22	6.58	6.70	6.07

- Principal actuarial assumptions as at 31 December 2017 and 2016 are as follows:

	Percent			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.81	3.39 - 3.67	2.81	3.39
Salary increase rate	5 - 6.00	6.00	6.00	6.00
Employee turnover rate	0 - 24.00*	0 - 24.00*	2 - 24.00*	0 - 24.00*
Mortality rate	TMO2017***	TMO2008**	TMO2017***	TMO2008**

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

\*\* Reference from TMO2008 : Thai Mortality Ordinary Table 2008

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

Mr. Sumate Tanthuwant  
Director

Mr. Sutep Tranantasin  
Director

DIRECTOR

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as at 31 December 2017 as follows:

- If the discount rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would decrease Baht 2.55 million (increase Baht 2.92 million) and Separate financial statements would decrease Baht 2.31 million (increase Baht 2.66 million).
- If the salary increase rate increases (decreases) by 1%, the employee benefit obligation in Consolidated financial statements would increase Baht 2.93 million (decrease Baht 2.60 million) and Separate financial statements would increase Baht 2.65 million (decrease Baht 2.35 million).
- If the employee turnover rate increases (decreases) by 10%, the employee benefit obligation would decrease Baht 1.21 million (increase Baht 1.34 million) and Separate financial statements would decrease Baht 1.16 million (increase Baht 1.27 million).
- If the mortality rate decreases (increases) by one year for all employees, the employee benefit obligation in Consolidated financial statements would decrease Baht 0.12 million (increase Baht 0.11 million) and Separate financial statements would decrease Baht 0.11 million (increase Baht 0.10 million).

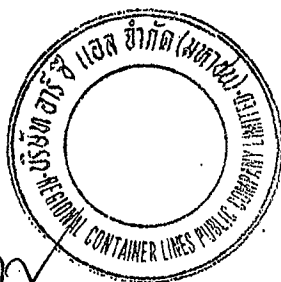
In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

16. 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.

17. Dividend paid

At the Annual General Meeting of Shareholders held on 29 April 2016, the shareholders approved pay dividend amounted Baht 41.44 million at Baht 0.05 per share.





DIRECTOR

**Mr. Sumate Tanthuanit**  
Director



DIRECTOR

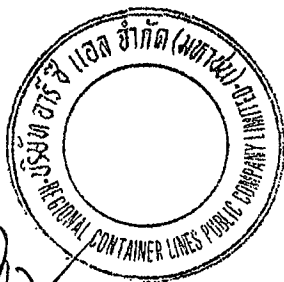
**Mr. Sutep Tranantasin**  
Director

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				
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	Pricing policy
<u>Transactions with its subsidiaries</u>					
Charter freight income	-	-	261	220	Market price as at agreement date
Ship management fee	-	-	8	8	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	152	116	-	-	Price approximates market price
Terminal operating service	242	281	-	-	Price per tariff minus volume discount
Logistic service fees	10	17	-	-	Price approximates market price



Mr. Sumate Tanthuanit  
Director

DIRECTOR

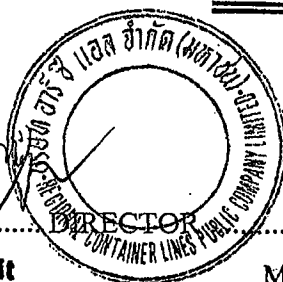
Mr. Sutep Tranantasin  
Director

DIRECTOR

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

		(Unit: Million Baht)	
		Consolidated financial statements	Separate financial statements
		2017	2016
		2017	2016
<u>Trade receivables - related parties</u>			
<u>Subsidiary</u>			
RCL Feeder Pte. Ltd.	-	-	187
<u>Related parties</u>			
Ngow Hock Co., Ltd.	38	-	-
Siam Paetra International Co., Ltd	7	12	-
RCL Agencies (India) Private Limited	4	-	-
	49	12	-
<u>Other receivables - related parties</u>			
<u>Receipt on behalf of the Company</u>			
<u>Subsidiaries</u>			
RCL Feeder Pte. Ltd.	-	-	348
Regional Container Lines Pte. Ltd.	-	-	6
	-	-	354
<u>Advances payment</u>			
<u>Subsidiary</u>			
RCL Shipmanagement Pte. Ltd.	-	-	24
	-	-	20
<u>Trade payables - related parties</u>			
<u>Related parties</u>			
Ngow Hock Co., Ltd.	2	171	-
RCL (Vietnam) Co., Ltd.	5	8	-
Others	1	2	-
	8	181	-
<u>Advance from related parties</u>			
<u>Subsidiaries</u>			
RCL Feeder Pte. Ltd.	-	-	1,792
RCL Shipmanagement Pte. Ltd.	-	-	144
Regional Container Lines Pte. Ltd.	-	-	9
RCL Services S.A. Limited	-	-	79
	-	-	2,024
	-	-	1,158
<u>Payable on purchase of assets</u>			
<u>Subsidiary</u>			
Regional Container Lines Pte. Ltd.	-	-	87
	-	-	95

Mr.Sumate Tanthuanit  
Director



Mr.Sutep Tranantasin  
Director

DIRECTOR

c) Management benefit expenses

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

Management benefit expenses for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short - term employee benefits	30	33	15	16

19. Expenses by nature

Significant expenses by nature for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Employee benefits expenses	1,408	1,486	429	429
Management benefit expenses	30	33	15	16
Depreciations	1,538	1,424	450	463
Net doubtful debt	5	25	-	-
Loss on impairment of vessels	-	137	-	-
Loss under onerous contract	-	27	-	-
Loss on impairment of investment	-	-	-	164

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 2017, the Group's contributions to these funds totaled Baht 44 million (2016 : Baht 46 million).

  
**Mr. Sumate Tanthuwani**  
 Director

  
**Mr. Sutep Tranantasin**  
 Director

 DIRECTOR

21. Tax expenses

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

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

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

As at 31 December 2017 and 2016 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, employee benefit obligation and unused tax losses totaling Baht 343.69 million and Baht 371.12 million, respectively, (the Company Baht 52.58 million and Baht 64.31 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 0.54 million and Baht 0.44 million, respectively.

As at 31 December 2017 and 2016 the Group has temporary difference arising from exchange difference from the translation of the financial statements from functional currency into presentation currency associated with investments in subsidiaries for which deferred tax liability has not been recognized, aggregating Baht 194.08million and Baht 285.86 million, respectively.

Tax expense (income) for the year ended 31 December 2017 and 2016, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current tax expense	12,086	4,204	-	-
Deferred tax expense (income) of temporary differences	634	656	-	-
Tax expense (income) reported in the statement of income	<u>12,720</u>	<u>4,860</u>	<u>-</u>	<u>-</u>

As at 31 December 2017 and 2016 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
<u>Deferred tax assets</u>		
Employee benefit obligation	538	436
Unused tax benefits on loss carry forward	-	-
Total	<u>538</u>	<u>436</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,561</u>	<u>8,712</u>

Mr. Sumate Tanthuanit  
Director

Mr. Sutep Tranantasin  
Director

DIRECTOR

45

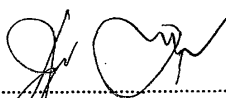
The Company's operating results for the year 2017 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)


	For the year ended 31 December 2017					
	Functional currency					
	Baht currency (a)					
	Tax payer number					
	3101120028	3105114177				
	BOI Promoted	Non - BOI Promoted	Tax exempted	Total	Difference	USD currency (b)
<b>Revenues</b>						
Freight income	176,115,660	-	652,846,165	828,961,825	5,560,958	834,522,783
Gain on exchange rate	63,166,719	-	273,039,432	336,206,151	(336,206,151)	-
Dividend income	-	66,666,600	-	66,666,600	(243,850)	66,422,750
Interest income	-	249,703	-	249,703	4,782	254,485
Unrealized gain on derivatives	-	-	1,186,830	1,186,830	153,734	1,340,564
Other income	-	189,534	-	189,534	(2,940)	186,594
<b>Total revenues</b>	<b>239,282,379</b>	<b>67,105,837</b>	<b>927,072,427</b>	<b>1,233,460,643</b>	<b>(330,733,467)</b>	<b>902,727,176</b>
<b>Expenses</b>						
Cost of freight and operations	126,349,355	-	850,784,438	977,133,793	(3,280,650)	973,853,143
Administrative expenses	47,111,712	433,421	174,639,215	222,184,348	1,841,267	224,025,615
Loss on exchange rate	-	-	-	-	27,701,894	27,701,894
Finance costs	35,439,968	-	87,019,948	122,459,916	813,765	123,273,681
<b>Total expenses</b>	<b>208,901,035</b>	<b>433,421</b>	<b>1,112,443,601</b>	<b>1,321,778,057</b>	<b>27,076,276</b>	<b>1,348,854,333</b>
<b>Profit (loss) before income tax expense</b>	<b>30,381,344</b>	<b>66,672,416</b>	<b>(185,371,174)</b>	<b>(88,317,414)</b>	<b>(357,809,743)</b>	<b>(446,127,157)</b>
Tax expenses (income)	-	-	-	-	-	-
<b>Profit (loss) for the years</b>	<b>30,381,344</b>	<b>66,672,416</b>	<b>(185,371,174)</b>	<b>(88,317,414)</b>	<b>(357,809,743)</b>	<b>(446,127,157)</b>

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

(b) In case the Company's functional currency is USD currency is prepared in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates (reused 2016)".

  
**Mr. Sumate Tanthuwani**  
 Director



  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

22. Financial information by segment

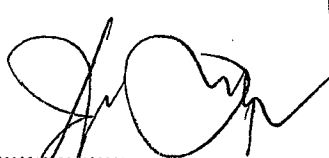
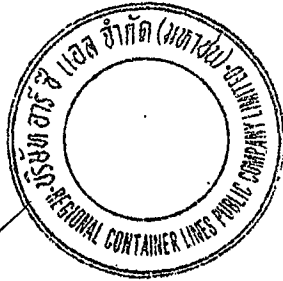
The Group's operations involve mainly a single industry segment, the business of feeder and vessel operations, and are carried on in geographic areas in Thailand, Singapore, Hong Kong, The People's Republic of China, Taiwan and other countries around the South China Sea. Financial information of the 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external customers	731	849	10,463	9,400	58	192	11,252	10,441	-	-	11,252	10,441
Inter - segment revenues	261	219	886	1,021	23	23	1,170	1,263	(1,170)	(1,263)	-	-
Freight income	992	1,068	11,349	10,421	81	215	12,422	11,704	(1,170)	(1,263)	11,252	10,441
Segment gross profit (loss)	(104)	(93)	1,168	(202)	59	73	1,123	(222)	(49)	4	1,074	(218)
Gain (loss) on exchange rate											33	58
Dividend income											-	3
Gain on sales of assets											115	18
Interest income											4	4
Other income											18	29
Share of profit (loss) from investment in associates											79	40
Share of profit (loss) from investment in joint venture											20	-
Administrative expenses											887	941
Net doubtful debt											5	25
Loss on impairment of vessels (reversal)											(27)	137
Loss under onerous contract (reversal)											(264)	27
Finance costs											197	175
Tax expenses (income)											12	5
Profit (loss) for the years											533	(1,376)

(Unit: Million Baht)

Consolidated financial statements												
As at 31 December												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Property, premises, vessels and equipment, net	4,030	4,906	7,622	8,481	195	220	11,847	13,607	412	501	12,259	14,108
Others											5,151	4,016
Total assets											17,410	18,124

DIRECTOR

Mr. Sumate Tanthawanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director




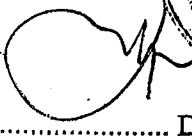
23. Commitments and contingent liabilities23.1 Commitments

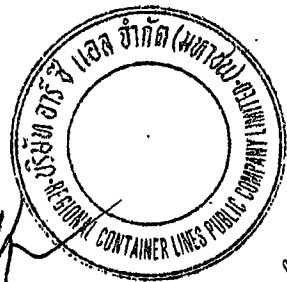

As at 31 December 2017, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 8 million (31 December 2016: Baht 6 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 35 million or approximately Baht 1,121 million (31 December 2016: USD 35 million or approximately Baht 1,246 million) in respect of the following agreements.

(Unit: Million Baht)				
Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	555	-	36	591
During 1 - 5 years	477	-	53	530
Over than 5 years	-	-	-	-
Total	1,032	-	89	1,121

23.2 Guarantees

As at 31 December 2017, the Company has guarantee obligations of USD 253 million, SGD 6 million and HKD 35 million, or approximately Baht 8,551 million (31 December 2016: USD 253 million, SGD 6 million and HKD 35 million or approximately Baht 9,400 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 46 million and HKD 20 million, or approximately Baht 1,598 million (31 December 2016 : USD 66 million and HKD 24 million, or approximately Baht 2,470 million).

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

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

24. Shipbuilding contracts

On 5 November 2015, the Company entered into 2 vessel building contracts amount of USD 46 million (as at 31 December 2017 approximately Baht 1,497.4 million). The payment term of each vessel was scheduled in 5 installment periods with different percentages based on the contract price: 10% for 1<sup>st</sup> and 2<sup>nd</sup> installment, 0% for the 3<sup>rd</sup> installment, 5% for the 4<sup>th</sup> installment and 75% for the 5<sup>th</sup> installment (payment upon delivery of the vessel). On 28 December 2016, the Company extended the payment of 2<sup>nd</sup> installment of each vessel to July 2017 and September 2017, respectively and on 5 July 2017, the Company postponed the delivery date of both vessels to August 2018 and October 2018, respectively.

On 5 July 2017, the Company entered into 2 optional vessel building contracts amount of USD 39.2 million (as at 31 December 2017 approximately Baht 1,277.1 million). The payment term of vessel was scheduled in 5 installment periods with different percentages based on the contract price: 10% for the 1<sup>st</sup> and 2<sup>nd</sup> installment, 0% for the 3<sup>rd</sup> installment, 5% for the 4<sup>th</sup> installment and 75% for the 5<sup>th</sup> installment (payment upon delivery of the vessel). On 4 January 2018, the Company postponed the delivery date of both vessels to July 2019 and August 2019, respectively.

On 16 November 2017, the Company entered into the buying contract of one vessel amounting to USD 3 million (as at 31 December 2017 approximately Baht 96.9 million). According to the agreement, the payment term was scheduled in two installment periods with different percentages based on the contract price: 10% for 1<sup>st</sup> installment period and 90% for the final installment (payment upon delivery of the vessel), which currently the Company has already made payment for the final installment upon vessel delivery in January 2018.

As at 31 December 2017, the Company had made payment for the above - mentioned contracts amounting to USD 13.4 million (approximately Baht 438.5 million).

25. Financial instruments

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

25.1 Financial risk management

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

(1) Credit risk

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

(2) Interest rate risk

Significant financial assets and liabilities as at 31 December 2017 and 2016 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.

  
 Mr. Sumate Tanthuanit  
 Director



  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

Consolidated financial statements

2017

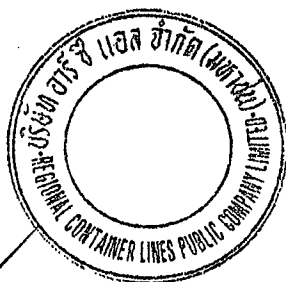
Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	207	-	-	852	581	1,640	0 - 1.45% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	652	-	-	728	-	1,380	Note 11
Financial lease agreement	230	862	104	-	-	1,196	Note 12
Long - term loans	98	171	-	2,203	-	2,472	Note 13
Total	980	1,033	104	2,931	-	5,048	

2016

Million Baht

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	264	-	-	515	476	1,255	0 - 1.48% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	717	-	-	554	-	1,271	Note 11
Financial lease agreement	104	418	94	-	-	616	Note 12
Long - term loans	107	296	-	3,147	-	3,550	Note 13
Total	928	714	94	3,701	-	5,437	



*[Signature]*  
**Mr. Sumate Tanthuanit**  
 Director

DIRECTOR

*[Signature]*  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

Separate financial statements2017

2017	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within	2 - 5	Over than				
	1 year	years	5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	42	36	78	0 - 1.20% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	652	-	-	150	-	802	Note 11
Long - term loans	98	171	-	1,330	-	1,599	Note 13
Total	750	171	-	1,480	-	2,401	

2016

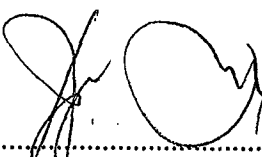
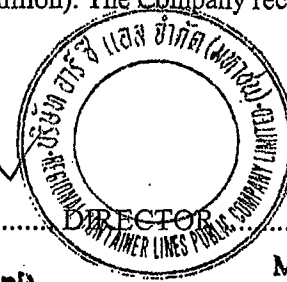
2016	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	25	11	36	0 - 0.88% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	717	-	-	450	-	1,167	Note 11
Long - term loans	107	296	-	1,732	-	2,135	Note 13
Total	824	296	-	2,182	-	3,302	


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

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

As at 31 December 2017, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional amount of USD 8.30 million (31 December 2016: USD 11.30 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized at a rate of USD 0.75 million per quarter over the period from 2015 to 2020.

As at 31 December 2017, the Company had unrealized gain from changes in the fair value of derivatives of USD 0.03 million, or approximately Baht 1.34 million (31 December 2016: USD 0.03 million, or approximately Baht 1.09 million). The Company recorded the unrealized gain in the statements of income.

  
  
**Mr. Sumate Tanthuwani**  
 Director

  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

51

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2017 and 2016, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(4) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 31 December 2017, 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.

25.2 Fair value

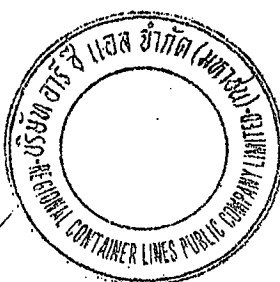
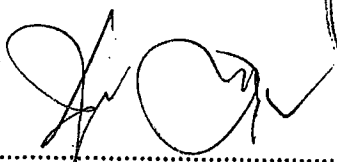
Other than the long - term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short - term, and their carrying values do not materially differ from their fair values.

26. 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 2017, the Group's debt - to - equity ratio was 0.95 : 1 (31 December 2016 : 0.96 : 1) and the Company's was 0.62 : 1 (31 December 2016 : 0.54 : 1).



Mr. Sumate Tanthuwani  
Director



Mr. Sutep Tranantasin  
Director

DIRECTOR

27. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2017 and 2016 and the statements of income for the years ended 31 December 2017 and 2016 are as follows:

## Regional Container Lines Public Company Limited and its subsidiaries

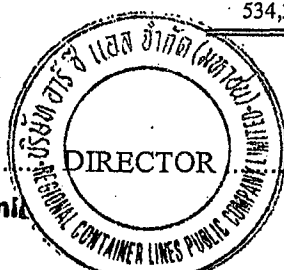
## Statements of financial position

As at 31 December 2017

(Unit: USD)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2017	2016	2017	2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	50,337,010	35,009,824	2,388,375	1,002,004
Trade receivables - unrelated parties	50,140,926	44,162,390	336,822	655,191
<u>Less: allowance for doubtful accounts</u>	<u>(1,730,654)</u>	<u>(1,729,501)</u>	-	-
Trade receivables - unrelated parties, net	48,410,272	42,432,889	336,822	655,191
Trade receivables - related parties	1,504,096	337,014	5,745,061	3,426,411
Other receivables				
- Dividend receivables	-	-	-	557,724
- Others	23,540,525	10,039,425	12,335,501	12,369,084
Material supplies	7,368,820	6,779,558	401,433	775,334
Other current assets	1,029,604	1,257,307	82,914	36,411
<b>Total current assets</b>	<b>132,190,327</b>	<b>95,856,017</b>	<b>21,290,106</b>	<b>18,822,159</b>
<b>Non - current assets</b>				
Property investments held for long - term investment	159,068	162,415	-	-
Investments in subsidiaries, net	-	-	209,902,552	209,902,552
Investments in associates	10,878,788	10,596,487	1,662,509	1,662,509
Investments in joint venture	930,406	325,470	-	-
Other long - term investments	337,862	337,862	-	-
Property and premises, net	9,686,611	9,976,394	13,092	13,092
Vessels and equipment, net	366,585,811	383,443,546	123,515,600	136,695,167
Intangible assets, net	281	863	-	-
Other non - current assets				
- Advance for vessel constructions	13,457,897	4,596,000	13,457,897	4,596,000
- Other	136,564	124,716	74,552	67,063
<b>Total non - current assets</b>	<b>402,173,288</b>	<b>409,563,753</b>	<b>348,626,202</b>	<b>352,936,383</b>
<b>Total assets</b>	<b>534,363,615</b>	<b>505,419,770</b>	<b>369,916,308</b>	<b>371,758,542</b>

  
**Mr. Sumate Tanthuwani**  
 Director



  
**Mr. Sutep Tranantasin**  
 Director

DIRECTOR

A.M.T. & ASSOCIATES

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

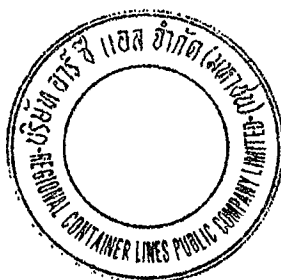
As at 31 December 2017

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2017	2016	2017	2016
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	42,354,052	35,448,801	24,604,052	32,548,801
Trade payables - unrelated parties	94,611,336	71,970,985	1,483,652	1,803,901
Trade payables - related parties	232,360	5,057,359	-	-
Other payables				
- Accrued expenses	2,463,850	2,715,490	680,805	692,951
- Advance receipt	74,400	197,700	62,204,510	32,504,495
- Payable on purchase of assets	-	614,500	2,660,361	2,660,361
Current portion of liabilities				
Under financial lease agreement	7,045,589	2,895,786	-	-
Current portion of long - term loans	32,962,866	42,534,448	10,936,000	29,882,000
Provision for onerous contracts	3,691,437	11,462,495	-	-
Income tax payable	82,439	87,974	-	-
Other current liabilities	3,237,596	2,440,121	77,700	69,186
<b>Total current liabilities</b>	<b>186,755,925</b>	<b>175,425,659</b>	<b>102,647,080</b>	<b>100,161,695</b>
<b>Non - current liabilities</b>				
Liabilities under financial lease agreements,				
net of current portion	29,662,802	14,277,335	-	-
Long - term loans, net of current portion	42,925,630	56,466,521	38,150,833	29,645,333
Employee benefit obligation	868,525	1,041,895	785,941	981,101
Other non - current liabilities	262,764	242,943	-	-
<b>Total non - current liabilities</b>	<b>73,719,721</b>	<b>72,028,694</b>	<b>38,936,774</b>	<b>30,626,434</b>
<b>Total liabilities</b>	<b>260,475,646</b>	<b>247,454,353</b>	<b>141,583,854</b>	<b>130,788,129</b>



Mr. Sumate Tanthuwani  
Director



DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR

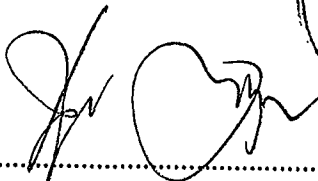
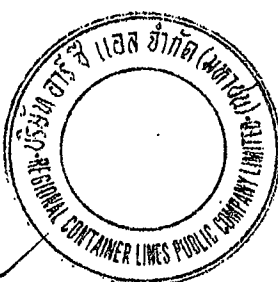
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of financial position (continued)

As at 31 December 2017

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2017	2016	2017	2016
<b>Shareholders' equity</b>				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	1,943,097	1,943,097	1,943,097	1,943,097
Unappropriated	114,361,981	98,140,668	26,665,208	39,303,167
Other components of equity	(42,190,905)	(42,558,707)	-	-
Total equity of parent Company's shareholders	273,838,322	257,249,207	228,332,454	240,970,413
Non - controlling interests	49,647	716,210	-	-
Total shareholders' equity	273,887,969	257,965,417	228,332,454	240,970,413
Total liabilities and shareholders' equity	534,363,615	505,419,770	369,916,308	371,758,542

Mr. Sumate Tanthuanit  
Director

DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR



A.M.T. & ASSOCIATES

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the year ended 31 December 2017

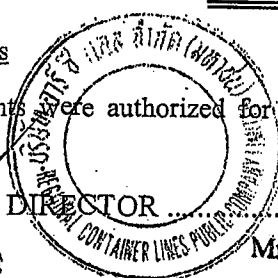
(Unit: USD)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2017	2016	2017	2016
<b>Revenues</b>				
Freight income	331,570,909	295,806,938	24,590,642	25,537,383
Others income				
Gain on exchange rate	980,318	1,639,040	-	-
Dividend income	-	77,570	1,957,260	1,186,357
Gain on sales of assets	3,378,976	504,000	-	4,766
Gain on sales of investment	-	24,004	-	-
Reversal of provision for loss on impairment of vessels	809,235	-	-	-
Reversal of provision for loss under onerous contracts	7,771,058	-	-	-
Interest income	117,363	117,789	7,499	13,029
Unrealized gain on derivatives	39,502	30,532	39,502	30,532
Others	500,524	762,159	5,498	95
<b>Total revenues</b>	<b>345,167,885</b>	<b>298,962,032</b>	<b>26,600,401</b>	<b>26,772,162</b>
<b>Expenses</b>				
Cost of freight and operations	299,915,356	301,996,142	28,696,249	29,143,138
Administrative expenses	26,151,151	26,650,456	6,601,298	6,158,833
Other expenses				
Net doubtful debt	133,763	724,431	-	-
Loss on exchange rate	-	-	816,284	130,019
Loss on impairment of vessels	-	3,872,004	-	-
Loss under onerous contracts	-	758,662	-	-
Loss on impairment of investment	-	-	-	4,659,061
Finance costs	5,817,088	4,947,210	3,632,470	3,132,958
<b>Total expenses</b>	<b>332,017,358</b>	<b>338,948,905</b>	<b>39,746,301</b>	<b>43,224,009</b>
Share of profit (loss) from investment in associates	2,332,900	1,142,375	-	-
Share of profit (loss) from investment in joint ventures	604,935	-	-	-
<b>Profit (loss) before income tax expenses</b>	<b>16,088,362</b>	<b>(38,844,498)</b>	<b>(13,145,900)</b>	<b>(16,451,847)</b>
Tax expenses (income)	374,810	137,699	-	-
<b>Profit (loss) for the years</b>	<b>15,713,552</b>	<b>(38,982,197)</b>	<b>(13,145,900)</b>	<b>(16,451,847)</b>
<b>Profit (loss) for the year attributable to:</b>				
Equity holders of the parent	15,713,372	(38,947,484)	(13,145,900)	(16,451,847)
Non - controlling interests	180	(34,713)	-	-
	<b>15,713,552</b>	<b>(38,982,197)</b>	<b>(13,145,900)</b>	<b>(16,451,847)</b>
<b>Basic earnings (loss) per share</b>				
Profit (loss) attributable to equity holders of the parent	0.019	(0.047)	(0.016)	(0.020)
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000

28. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 23 February 2018.

Mr. Sumate Tanthuwant  
Director



Mr. Sutep Tranantasin  
Director

DIRECTOR

56