

## **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 31 December 2021, 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 31 December 2021, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

### **Basis for Opinion**

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

## **Key Audit Matters**

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

Key Audit Matters included Audit Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)

As describe in Note 2.6, 2.14 and 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 Information**

Management is responsible for the other information. The other information comprise the information included in the annual report of the Group, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and the management of the Group.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

(NATSARAK SAROCHANUNJEEN)  
Certified Public Accountant  
Registration No. 4563

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
25 February 2022

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position**  
**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		9,750,257,909	2,586,632,794	278,397,589	189,523,357
Trade receivables - unrelated parties		4,497,003,671	2,193,974,935	59,500,121	7,883,137
<u>Less: allowance for doubtful accounts</u>		(60,508,371)	(53,158,270)	-	-
Trade receivables - unrelated parties, net	5	4,436,495,300	2,140,816,665	59,500,121	7,883,137
Trade receivables - related parties	5 and 18	355,283,788	159,815,101	982,464,182	1,541,799,751
Dividend receivables	7	-	-	229,275,863	-
Other receivables	18	396,505,030	288,104,850	50,251,840	276,716,019
Material supplies		553,607,709	187,424,587	17,871,634	16,741,640
Other current financial assets	6	1,693,928	-	1,693,928	-
Other current assets	18	69,068,259	44,732,844	491,934	306,727
<b>Total current assets</b>		15,562,911,923	5,407,526,841	1,619,947,091	2,032,970,631
<b>Non - current assets</b>					
Other non - current financial assets		11,349,759	10,205,725	-	-
Property investments held for investment		5,066,395	4,647,099	-	-
Investments in subsidiaries, net	7	-	-	8,440,315,758	6,170,611,330
Investments in associates	8.1	301,012,539	215,412,416	55,848,506	50,219,083
Investments in joint ventures	8.2	151,486,403	66,831,951	-	-
Other non - current receivables		11,757,515	32,925,412	-	-
Property and premises, net	9.1, 12 and 13	350,698,679	278,108,867	48,482,397	395,457
Vessels and equipment, net	9.2, and 13	15,159,610,025	10,415,571,959	6,220,496,916	5,728,030,536
Right - of - use assets, net	10	4,745,730,660	1,493,905,741	5,370,824	9,866,889
Intangible assets, net	11	1,674,991	6	-	-
Other non - current assets					
- Payment of advances for vessels and equipment	23.1 (c) and (d)	2,403,514,350	56,139,338	38,551,212	56,139,338
- Others	21	8,469,895	8,033,187	2,267,840	2,677,341
<b>Total non - current assets</b>		23,150,371,211	12,581,781,701	14,811,333,453	12,017,939,974
<b>Total assets</b>	26	38,713,283,134	17,989,308,542	16,431,280,544	14,050,910,605

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

..... DIRECTOR ..... DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	12	-	107,234,140	-	-
Trade payables - unrelated parties		5,767,072,612	3,390,559,407	74,146,095	73,150,802
Trade payables - related parties	18	28,318,750	12,584,317	-	-
Other payables					
- Accrued expenses		718,221,334	334,416,608	288,331,979	141,544,338
- Advance receipt	18	-	1,055,040	6,937,552,833	4,977,994,422
- Payable on purchase of assets		153,018,246	61,165,357	42,898,133	31,411,659
- Revenue Department payable		144,646,514	11,121,013	109,641,232	3,634,576
Current portion of long - term loans	13	351,843,417	1,210,573,502	209,117,400	1,031,771,150
Current portion of lease liabilities	14	1,961,550,544	489,155,938	3,493,720	4,015,615
Income tax payable		4,130,348	583,101	-	-
Other current financial liabilities	6	-	7,101,899	-	7,101,899
Other current liabilities		179,497,258	162,449,945	-	-
<b>Total current liabilities</b>		<b>9,308,299,023</b>	<b>5,788,000,267</b>	<b>7,665,181,392</b>	<b>6,270,624,461</b>
<b>Non - current liabilities</b>					
Long - term loans, net of current portion	13	522,911,510	1,952,718,357	179,542,939	1,439,369,586
Lease liabilities - net of current portion	14	2,899,105,204	1,111,871,873	1,890,873	6,557,288
Deferred tax liabilities	21	8,857,355	8,657,342	-	-
Provisions for employee benefits	15	61,048,006	54,229,053	57,176,643	50,210,247
<b>Total non - current liabilities</b>		<b>3,491,922,075</b>	<b>3,127,476,625</b>	<b>238,610,455</b>	<b>1,496,137,121</b>
<b>Total liabilities</b>	26	<b>12,800,221,098</b>	<b>8,915,476,892</b>	<b>7,903,791,847</b>	<b>7,766,761,582</b>

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

..... DIRECTOR ..... DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2021	2020	2021	2020
<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	82,875,000	71,300,000	82,875,000	71,300,000
Unappropriated		19,299,267,387	4,238,683,735	2,595,456,339	1,219,871,459
Other components of equity		711,805,051	(1,053,841,936)	37,443,171	(818,736,623)
Total equity of parent Company's shareholders		25,905,661,625	9,067,855,986	8,527,488,697	6,284,149,023
Non - controlling interests		7,400,411	5,975,664	-	-
<b>Total shareholders' equity</b>		25,913,062,036	9,073,831,650	8,527,488,697	6,284,149,023
<b>Total liabilities and shareholders' equity</b>	26	38,713,283,134	17,989,308,542	16,431,280,544	14,050,910,605

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

..... DIRECTOR ..... DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements											
Equity holders of parent company											
	Note	Issued and fully paid - up		Retained earnings		Other components of equity			Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
		share capital	Share premium	Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans	Total			
<b>Balance as at 1 January 2020</b>		828,750,000	4,982,964,187	66,300,000	2,495,400,560	(973,060,245)	-	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073
Total comprehensive income (loss) for the year		-	-	-	1,744,793,761	(80,781,691)	3,489,414	(77,292,277)	1,667,501,484	961,093	1,668,462,577
Legal reserve	16	-	-	5,000,000	(5,000,000)	-	-	-	-	-	-
Transferred to retained earnings		-	-	-	3,489,414	-	(3,489,414)	(3,489,414)	-	-	-
<b>Balance as at 31 December 2020</b>		<u>828,750,000</u>	<u>4,982,964,187</u>	<u>71,300,000</u>	<u>4,238,683,735</u>	<u>(1,053,841,936)</u>	<u>-</u>	<u>(1,053,841,936)</u>	<u>9,067,855,986</u>	<u>5,975,664</u>	<u>9,073,831,650</u>
<b>Balance as at 1 January 2021</b>		828,750,000	4,982,964,187	71,300,000	4,238,683,735	(1,053,841,936)	-	(1,053,841,936)	9,067,855,986	5,975,664	9,073,831,650
Total comprehensive income (loss) for the year		-	-	-	17,972,751,281	1,765,646,987	-	1,765,646,987	19,738,398,268	1,424,747	19,739,823,015
Legal reserve	16	-	-	11,575,000	(11,575,000)	-	-	-	-	-	-
Dividend paid	17	-	-	-	(2,900,592,629)	-	-	-	(2,900,592,629)	-	(2,900,592,629)
<b>Balance as at 31 December 2021</b>		<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>19,299,267,387</u>	<u>711,805,051</u>	<u>-</u>	<u>711,805,051</u>	<u>25,905,661,625</u>	<u>7,400,411</u>	<u>25,913,062,036</u>

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

..... DIRECTOR .....

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

**Statements of changes in equity (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

		Separate financial statements							
				Retained earnings		Other components of equity			Total
		Issued and fully paid - up		Appropriated -	Unappropriated	Other comprehensive income (loss)		shareholder's	
Note		share capital	Share premium	legal reserve		Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans	Total	equity
	<b>Balance as at 1 January 2020</b>	828,750,000	4,982,964,187	66,300,000	1,170,505,886	(790,994,425)	-	(790,994,425)	6,257,525,648
	Total comprehensive income (loss) for the year	-	-	-	51,732,463	(27,742,198)	2,633,110	(25,109,088)	26,623,375
	Legal reserve	16	-	5,000,000	(5,000,000)	-	-	-	-
	Transferred to retained earnings	-	-	-	2,633,110	-	(2,633,110)	(2,633,110)	-
	<b>Balance as at 31 December 2020</b>	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>71,300,000</u>	<u>1,219,871,459</u>	<u>(818,736,623)</u>	<u>-</u>	<u>(818,736,623)</u>	<u>6,284,149,023</u>
	<b>Balance as at 1 January 2021</b>	828,750,000	4,982,964,187	71,300,000	1,219,871,459	(818,736,623)	-	(818,736,623)	6,284,149,023
	Total comprehensive income (loss) for the year	-	-	-	4,287,752,509	856,179,794	-	856,179,794	5,143,932,303
	Legal reserve	16	-	11,575,000	(11,575,000)	-	-	-	-
	Dividend paid	17	-	-	(2,900,592,629)	-	-	-	(2,900,592,629)
	<b>Balance as at 31 December 2021</b>	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>2,595,456,339</u>	<u>37,443,171</u>	<u>-</u>	<u>37,443,171</u>	<u>8,527,488,697</u>

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

..... DIRECTOR ..... DIRECTOR

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

**Statements of income**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the years ended 31 December		For the years ended 31 December	
		2021	2020	2021	2020
<b>Revenues</b>					
Freight income	18	37,979,014,982	17,195,236,622	2,113,865,587	1,318,952,877
Others income					
Gain on exchange rate		42,953,863	59,149,110	-	12,214,450
Dividend income	7 and 8.1	-	5,343,487	3,973,609,227	181,189,112
Gain on sales of assets	9.2	24,591,102	59,834,059	-	-
Reversal on impairment of assets	9.2	835,299,104	89,696,975	-	-
Interest income		5,527,456	2,904,653	2,707,344	105,156
Others		22,717,988	51,212,056	1,413,609	314
<b>Total revenues</b>		<b>38,910,104,495</b>	<b>17,463,376,962</b>	<b>6,091,595,767</b>	<b>1,512,461,909</b>
<b>Expenses</b>					
Cost of freight and operations	18	19,176,239,533	14,360,299,785	1,013,699,640	980,639,415
Administrative expenses	18	1,688,555,593	1,134,983,219	648,146,824	353,144,740
Others expense - loss on exchange rate		-	-	106,859,349	-
<b>Total expenses</b>	19	<b>20,864,795,126</b>	<b>15,495,283,004</b>	<b>1,768,705,813</b>	<b>1,333,784,155</b>
<b>Profit (loss) from operating activities</b>		<b>18,045,309,369</b>	<b>1,968,093,958</b>	<b>4,322,889,954</b>	<b>178,677,754</b>
Finance costs		(197,353,784)	(270,326,176)	(44,324,687)	(126,418,788)
Gain (loss) from changes in fair value of derivatives	6	9,187,242	(526,503)	9,187,242	(526,503)
Reversal of impairment loss (impairment loss)					
determined in accordance with TFRS 9	5	(1,861,350)	(4,224,741)	-	-
Share of profit (loss) from investments in associates	8.1	81,082,449	50,399,787	-	-
Share of profit (loss) from investments in joint ventures	8.2	58,819,112	10,467,885	-	-
<b>Profit (loss) before income tax expenses</b>		<b>17,995,183,038</b>	<b>1,753,884,210</b>	<b>4,287,752,509</b>	<b>51,732,463</b>
Tax income (expenses)	21	(18,709,665)	(8,272,233)	-	-
<b>Profit (loss) for the years</b>	26	<b>17,976,473,373</b>	<b>1,745,611,977</b>	<b>4,287,752,509</b>	<b>51,732,463</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the parent		17,972,751,281	1,744,793,761	4,287,752,509	51,732,463
Non - controlling interests		3,722,092	818,216	-	-
		<b>17,976,473,373</b>	<b>1,745,611,977</b>	<b>4,287,752,509</b>	<b>51,732,463</b>
<b>Basic earnings (loss) per share</b>	2.18				
Equity holders of the parent (Baht)		21.687	2.105	5.174	0.062
<b>The weighted average number of ordinary shares (share)</b>		<b>828,750,000</b>	<b>828,750,000</b>	<b>828,750,000</b>	<b>828,750,000</b>

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

..... DIRECTOR .....

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**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2021	2020	2021	2020
<b>Profit (loss) for the years</b>		17,976,473,373	1,745,611,977	4,287,752,509	51,732,463
<b>Other comprehensive income (loss) :</b>					
<b>Item that will be reclassified subsequently to profit or loss :</b>					
Exchange differences on translating financial statement		1,763,349,642	(80,638,814)	856,179,794	(27,742,198)
<b>Total item that will be reclassified subsequently to profit or loss</b>		1,763,349,642	(80,638,814)	856,179,794	(27,742,198)
<b>Item that will not be reclassified subsequently to profit or loss :</b>					
Actuarial gains (losses) on defined employee benefit plans	15	-	3,703,490	-	2,633,110
Deferred tax relating to other component of equity	21	-	(214,076)	-	-
<b>Total item that will not be reclassified subsequently to profit or loss</b>		-	3,489,414	-	2,633,110
<b>Other comprehensive income (loss) for the years</b>		1,763,349,642	(77,149,400)	856,179,794	(25,109,088)
<b>Total comprehensive income (loss) for the years</b>		19,739,823,015	1,668,462,577	5,143,932,303	26,623,375
<b>Total comprehensive income (loss) for the years attributable to :</b>					
Equity holders of the parent		19,738,398,268	1,667,501,484	5,143,932,303	26,623,375
Non - controlling interests		1,424,747	961,093	-	-
		19,739,823,015	1,668,462,577	5,143,932,303	26,623,375

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

..... DIRECTOR ..... DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of cash flows**  
**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit (loss) for the years	17,976,473,373	1,745,611,977	4,287,752,509	51,732,463
Adjustments to reconcile profit (loss) for the years to net cash provided by (used in) operating activities:				
Depreciation	2,610,575,961	1,542,460,861	432,994,636	424,276,250
Amortization	650,788	-	-	-
Loss (gain) on sales and write - off of assets	(24,591,102)	(59,834,059)	6,771,908	17,368,212
Loss on impairment of assets (reversal)	(835,299,104)	(89,696,975)	-	-
Bad debt and doubtful accounts (reversal)	1,861,350	4,224,741	-	-
Dividend income	-	(5,343,487)	(3,973,609,227)	(181,189,112)
Loss (gain) from change in fair value of derivatives	(9,187,242)	526,503	(9,187,242)	526,503
Unrealized loss (gain) on exchange rate	(68,221,667)	(39,622,459)	30,487,090	(20,409,892)
Share of loss (profit) from investments in associates	(81,082,449)	(50,399,787)	-	-
Share of loss (profit) from investments in joint ventures	(58,819,112)	(10,467,885)	-	-
Provisions for employee benefits	10,232,740	10,396,106	9,351,531	9,554,633
Interest income	(5,527,456)	(2,904,653)	(2,707,344)	(105,156)
Finance costs	197,353,784	270,326,176	44,324,687	126,418,788
Tax expenses (income)	18,709,665	8,272,233	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	19,733,129,529	3,323,549,292	826,178,548	428,172,689
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(2,204,711,174)	(248,169,204)	(51,616,984)	3,714,602
Trade receivables - related parties	(195,468,687)	(136,857,222)	(2,250,362,519)	(1,168,467,211)
Other receivables	(107,795,620)	102,214,573	(115,310,714)	(175,802,523)
Material supplies	(366,183,122)	48,515,143	(1,129,994)	1,102,667
Other current assets	(27,491,199)	(468,235)	(185,207)	(75,664)
Other non - current assets	(436,708)	(168,697)	409,501	(123,960)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	2,371,636,878	238,459,915	(4,269,809)	23,688,085
Trade payables - related parties	15,734,433	1,626,335	-	-
Other payables	547,592,150	234,127,867	281,371,196	89,690,515
Advance receipt	(1,055,040)	573,739	7,683,161,249	1,838,306,395
Other current liabilities	16,924,184	42,856,251	-	-
Employee benefit obligation paid	(3,413,787)	(3,616,187)	(2,385,135)	(3,616,187)
Cash received (paid) from operating activities	19,778,461,837	3,602,643,570	6,365,860,132	1,036,589,408
Net Cash received (paid) for income tax	(12,004,214)	(11,691,538)	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>19,766,457,623</b>	<b>3,590,952,032</b>	<b>6,365,860,132</b>	<b>1,036,589,408</b>

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

..... DIRECTOR ..... DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of cash flows (continued)**  
**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Cash received from sales of assets	62,587,108	271,367,469	-	-
Purchase of property, premises, vessels and equipment	(3,577,861,582)	(433,010,093)	(279,952,974)	(316,959,859)
Purchase of right - of - use assets	-	(30,114,483)	-	-
Payment of payable on purchase of assets	(47,584,078)	(100,369,517)	(15,891,111)	(108,229,076)
Purchase of intangible assets	(2,255,103)	-	-	-
Payment of advances for vessels and equipment	(2,277,237,228)	(8,144,399)	(12,052,979)	(8,144,399)
Dividend received	21,637,019	237,777,932	21,637,019	181,189,112
Interest received	4,922,896	2,895,848	2,707,345	105,159
Purchase of investment in subsidiaries, associates and joint ventures	(15,073,771)	-	(908,448,593)	(23,745,483)
<b>Net cash provided by (used in) investing activities</b>	<b>(5,830,864,739)</b>	<b>(59,597,243)</b>	<b>(1,192,001,293)</b>	<b>(275,784,546)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institutions	(114,223,380)	(1,015,924,023)	-	(450,000,000)
Payment of lease liabilities	(1,518,289,840)	(554,744,028)	(3,910,979)	(3,801,605)
Increase (decrease) in long - term loans	(2,526,324,225)	(245,368,037)	(2,254,826,103)	(107,112,360)
Finance costs paid	(214,353,921)	(235,256,654)	(59,553,851)	(86,622,230)
Dividend paid	(2,900,592,629)	-	(2,900,592,629)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(7,273,783,995)</b>	<b>(2,051,292,742)</b>	<b>(5,218,883,562)</b>	<b>(647,536,195)</b>
Exchange differences on translating financial statement	501,816,226	(37,456,530)	133,898,955	18,389,362
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,163,625,115</b>	<b>1,442,605,517</b>	<b>88,874,232</b>	<b>131,658,029</b>
<b>Cash and cash equivalents at beginning of years</b>	<b>2,586,632,794</b>	<b>1,144,027,277</b>	<b>189,523,357</b>	<b>57,865,328</b>
<b>Cash and cash equivalents at end of years</b>	<b>9,750,257,909</b>	<b>2,586,632,794</b>	<b>278,397,589</b>	<b>189,523,357</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :**

**Activities not affecting cash :**

Increase in other non - current receivables from sale of vessels and equipment	-	32,925,412	-	-
Decrease in payment of advance for equipment from purchase of vessels and equipment	17,358,736	64,802,862	17,358,736	64,802,862
Increase in payable on purchase of assets from purchase of vessels and equipment	146,562,336	60,741,264	41,088,241	15,536,549
Increase in right - of - use assets and lease liabilities from recognition of leases	4,481,504,741	-	2,476,832	-
Effects of the adopted of TFRS 16 :				
- Increase in right - of - use assets	-	(2,005,478,817)	-	(14,369,241)
- Decrease in vessels and equipment - net	-	1,442,087,957	-	-
- Increase in lease liabilities	-	606,638,386	-	14,369,241
- Decrease in provision for onerous contracts	-	(43,247,526)	-	-

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

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

**Notes to financial statements**

**For the year ended 31 December 2021**

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

In the 1<sup>st</sup> quarter of year 2021, the Group has decided to discontinue application of the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic for all temporary relief measures on accounting alternatives, which the Group had complied in year 2020, due to the expiration of the period of use of relief measures, which the cancellation of the said Accounting Guidance with no significant impact on the Group’s financial statements.

1.3 Basis for preparation of financial statements

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

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

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

#### 1.4 Basis for consolidation of financial statements

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

<u>Company's Name</u>	<u>Type of business</u>	<u>Place of incorporation</u>	<u>Holding of investment</u>
<u>Subsidiaries operating in Thailand</u>			
a) RCLS Co., Ltd. (Formerly the name of Asian Bulk Shipping Co., Ltd.)	Ship operating	Thailand	100% owned by the Company, commencing on 30 August 2021 (2020 : 51% owned by the Company)
b) RCL Logistics Co., Ltd.	Logistics services	Thailand	100% owned by the Company
c) Santi Bhum Co., Ltd.	Ship owning and operating	Thailand	100% owned by the Company commencing on 25 October 2021
d) Thitti Bhum Co., Ltd.	Ship owning and operating	Thailand	100% owned by the Company commencing on 25 October 2021
<u>Group of subsidiaries operating in Singapore</u>			
e) RCL Investment Pte. Ltd.	Holding company,	Singapore	100% owned by the Company
f) Regional Container Lines Pte. Ltd.	Ship owning and operating	Singapore	100% owned by the Company
g) RCL Shipmanagement Pte. Ltd.	Ship management	Singapore	100% owned by the Company
h) RCL Feeder Pte. Ltd. and its subsidiaries: RCL Agencies (M) Sdn Bhd. (100% owned), RCL Feeder Phils., Inc. (100% owned), Regional Container Lines Shipping Co., Ltd. (100% owned), RCL (Vietnam) Co., Ltd. (80% owned), RCL (Myanmar) Co., Ltd. (65% owned) and Regional Logistics Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	60% owned by Regional Container Lines Pte. Ltd. and 40% owned by the Company, commencing on 10 December 2021 (2020 : 73% owned by Regional Container Lines Pte. Ltd. and 27% owned by the Company)
<u>Group of subsidiaries operating in Hong Kong</u>			
i) Regional Container Lines (H.K.) Ltd.	Holding company, shipping agent and the provision of transportation and cargo handling services	Hong Kong	100% owned by the Company

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

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

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

(e) The financial statements of the subsidiaries, the associates and joint ventures are translated into the Group’s functional currency and into the presentation currency as stated in note 2.12

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

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

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

## 1.5 Adoption of new financial reporting standards

### 1.5.1 Financial Reporting Standards which are effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

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

During the year, the Federation of Accounting professions has revised financial reporting standards, which are effective for financial statements year beginning on or after 1 January 2022, are as follows :

#### Financial reporting standards

TFRS 1 First-time Adoption of Financial Reporting Standards

TFRS 16 Lease

The management of the Group has assessed that TFRS 1 and TFRS 16 will 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.

2.2 Cash and cash equivalents

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

2.3 Material supplies

Material supplies are valued at cost, on a first - in, first - out basis and charged to vessel operating costs whenever consumed.

2.4 Investments

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

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

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

## 2.5 Business combinations

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

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

The Group measures goodwill at the acquisition date as:

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

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

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

## 2.6 Property, premises, vessels and equipment/Depreciation and amortization

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

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

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

No depreciation is provided for land.

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

## 2.7 Borrowing costs

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

## 2.8 Intangible assets

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

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

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

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

## 2.9 Financial instruments

### Classification and measurement

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

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

Financial liabilities are classified and measured at amortised cost.

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

### Impairment of financial assets

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

## 2.10 Leases

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

### The Group as lessee

#### Right - of - use assets

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

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

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

#### Lease liabilities

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

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

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

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

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

## The Group as lessor

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

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

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

## Sub lease

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

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

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

### 2.11 Related party transactions

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

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

## 2.12 Foreign currencies

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

### a) Translation of foreign currency transactions and balances

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

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

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

### b) Translation into the Group's functional currency

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

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

The USD functional currency statements are disclosed in note 26 to the financial statements.

### c) Translation into the presentation currency

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

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

## 2.13 Property investments held for investment

Property investments held for investment are stated at fair value.

## 2.14 Impairment of non - financial assets

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

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

## 2.15 Employee benefits

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

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

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

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

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

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

## 2.16 Provisions

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

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

## 2.17 Income tax

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

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 2.18 Basic earnings (loss) per share

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

## 3. Significant accounting judgments and estimates

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

### 3.1 Allowance for doubtful accounts

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

### 3.2 Premises, vessels and equipment

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

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



3.3 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.

3.4 Provisions for employee benefits

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

3.5 Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

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 increase net income of the Group and the Company for the year ended 31 December 2021 by Baht 36.5 million and Baht 12.3 million, respectively (Baht 0.044 per share and Baht 0.015 per share, respectively).

5. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2021 and 2020 are classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Under 90 days	4,390,110	2,041,831	59,500	2,256
91 - 180 days	13,321	48,133	-	-
181 - 365 days	23,602	24,431	-	5,627
Over 365 days	69,970	79,580	-	-
Total	4,497,003	2,193,975	59,500	7,883
<u>Less</u> Allowance for doubtful accounts	(60,508)	(53,158)	-	-
Net	<u>4,436,495</u>	<u>2,140,817</u>	<u>59,500</u>	<u>7,883</u>

The balances of trade receivables - related parties as at 31 December 2021 and 2020 are classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Under 90 days	355,284	159,815	396,817	301,052
91 - 180 days	-	-	585,647	302,181
181 - 365 days	-	-	-	565,234
Over 365 days	-	-	-	373,333
Total	355,284	159,815	982,464	1,541,800

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

	Note	(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2020		(7,102)	(7,102)
Gain (loss) from changes in fair value		9,187	9,187
Exchange differences on translating financial statement		(391)	(391)
Ending balance as at 31 December 2021	24.1	<u>1,694</u>	<u>1,694</u>

## 7. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the years ended 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) RCLS Co., Ltd. (a)	Baht 25 Million	Baht 25 Million	100	51	15	12	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	4	-	-
c) Santi Bhum Co., Ltd. (b)	Baht 480 Million	-	100	-	473	-	-	-
d) Thitti Bhum Co., Ltd. (b)	Baht 480 Million	-	100	-	473	-	-	-
<u>Subsidiaries operating in Singapore</u>								
e) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	239	215	-	-
f) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,317	4,781	220	-
g) RCL Feeder Pte. Ltd. (c)	USD 138.6 Million	USD 138.6 Million	40	27	1,779	1,034	3,732	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	100	100	108	97	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	244	219	-	-
					8,653	6,362	3,952	-
<u>Less</u> : Allowance for impairment					(213)	(191)		
Total investments in subsidiaries, net					8,440	6,171		

Movement in the investments in subsidiaries for the year ended 31 December 2021 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2020	6,170,611
<u>Add</u> : Investments in subsidiaries	1,511,419
Exchange differences on translating financial statement	758,286
Investment as at 31 December 2021	8,440,316

Investments in subsidiaries during the year 2021 are as follows:

- Extraordinary General Meeting of Shareholders held on 8 July 2021, the Shareholders have approve to change the "Asian Bulk Shipping Co., Ltd." to "RCLS Co., Ltd.". The company has registered with the Ministry of Commerce on 16 July 2021. In 3<sup>rd</sup> quarter of year 2021 the Company purchase of investment from previous shareholder with book value, resulting the proportion of the Company increased from 51% to 100% of share capital.
- At the Board of Directors Meetings held on 15 October 2021, the Board of Directors approved to set up of 2 new subsidiaries in Thailand name Santi Bhum Co., Ltd. and Thitti Bhum Co.,Ltd. to operate as the owner and general management of the new built ships which has been disclosed to SET on 2 August 2021, and the Company incorporated 2 subsidiaries on 25 October 2021. The Company is holding 100% of share capital. The share capital and paid - up capital amounting Baht 10 million.

Later, Santi Bhum Co., Ltd.'s and Thitti Bhum Co., Ltd.'s Extraordinary General Meeting of Shareholders held on 25 November 2021, the shareholders have approve to increase the registered share capital in amount of Baht 470 million from Baht 10 million (10,000 ordinary shares at Baht 1,000 each) to Baht 480 million (480,000 ordinary shares at Baht 1,000 each), This had been registered with the Ministry of Commerce on 3 December 2021, and the Company has invested in each subsidiary in whole amount.

- (c) In the 4<sup>th</sup> quarter of year 2021, the Company purchase of investment in RCL Feeder Pte. Ltd. from Regional Container Lines Pte. Ltd. at par value, resulting the proportion of the Company increased from 27% to 40% of share capital.

## 8. Investments in associates and joint ventures

### 8.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned by the Company		Cost		Equity method		(Unit: Million Baht) Dividend for the years ended 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	22	22	56	50	301	215	22	181
Total investment in associates of the Company					56	50	301	215	22	181
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd. (Port operating)	Baht 30 Million	Baht 30 Million	49	49	15	15	-	-	-	-
N - Square RCL Logistics Co., Ltd. (Warehouse operating)	Baht 5 Million	Baht 5 Million	40	40	2	2	-	-	-	-
Total investment in associates of the subsidiaries					17	17	-	-	-	-
Total investment in associates					73	67	301	215	22	181

Movements in the investment in associates for the year ended 31 December 2021 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2020	215,412	50,219
Dividend income	(21,637)	-
Share of profit under equity method	81,082	-
Exchange differences on translating financial statement	26,156	5,630
Investment as at 31 December 2021	301,013	55,849

## 8.2 Investments in joint ventures

(Unit: Million Baht)

Company's name	Consolidated financial statements							
	Paid - up capital		Percentage directly owned by the Company		Equity method		Dividend for the years ended 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020
			Percent	Percent				
<u>Investment in joint ventures of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40	55	55	72	38	-	51
RCL Agencies East India Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	15	15	55	55	63	29	-	-
Regional Logistics Private Limited (a)	INR 10							
(Logistics service)	Million	-	51	-	2	-	-	-
Shanghai CIMC Grand International Logistics Co., Ltd. (b)	CNY 5							
(Logistics service)	Million	-	51	-	14	-	-	-
Total investment in joint ventures					151	67	-	51

Movements in the investment in joint ventures for the year ended 31 December 2021 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2020	66,832	-
Dividend income	-	-
Additional investment in joint ventures	15,074	
Share of profit under equity method	58,819	-
Exchange differences on translating financial statement	10,761	-
Investment as at 31 December 2021	151,486	-

Investments in joint ventures during the year 2021 are as follows:

- In February 2021, a subsidiary in Singapore and a foreign company in India had entered into a joint venture agreement to setting up company namely Regional Logistics Private Limited, for the purpose of providing logistic services in India. A subsidiary' shareholding is 51% of share capital. The share capital and paid - up capital amounted Indian Rupee 10 million.
- In March 2021, a subsidiary in Singapore and a foreign company in China had entered into a joint venture agreement to setting up company namely Shanghai CIMC Grand International Logistics Co., Ltd., for the purpose of providing logistic services in China. A subsidiary' shareholding is 51% of share capital. The share capital and paid - up capital amounted Chinese Yuan 5 million.

Financial information of the associates and joint ventures is summarized below. (2020: Audited financial statements, 2021: Management's accounts).

Company's name	(Unit: Million Baht)									
	Paid - up capital		Total assets		Total liabilities		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,627	1,318	271	223	1,681	1,436	361	239
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
	Million	Million	18	32	47	52	45	62	(8)	(7)
N - Square RCL Logistics Co., Ltd.	Baht 5	Baht 5								
	Million	Million	2	11	6	15	9	26	-	(7)
<u>Investment in joint ventures of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	172	125	55	51	122	96	52	39
RCL Agencies East India Private Limited	INR 15	INR 15								
	Million	Million	181	336	68	284	140	81	56	31
Regional Logistics Private Limited	INR 10									
	Million	-	4	-	-	-	-	-	(1)	-
Shanghai CIMC Grand International Logistics Co., Ltd.	CNY 5									
	Million	-	51	-	22	-	169	-	2	-

9. Property, premises, vessels and equipment, net

9.1 Property and premises, net

(Unit: Baht)

	Building in Bangkok	Building in Singapore	Building in Hongkong	Improvement of building in Singapore	Improvement of building in Hongkong	Total
<b><u>Cost</u></b>						
As at 31 December 2020	54,010,240	150,639,875	238,046,283	61,039,915	5,310,138	509,046,451
Acquisitions	46,015,671	-	-	1,607,734	-	47,623,405
Write - off	-	-	-	(131,816)	-	(131,816)
Exchange differences on translating financial statement	8,081,340	16,886,320	25,163,387	6,869,383	561,324	57,561,754
As at 31 December 2021	108,107,251	167,526,195	263,209,670	69,385,216	5,871,462	614,099,794
<b><u>Accumulated depreciation</u></b>						
As at 31 December 2020	(53,614,783)	(49,130,268)	(63,164,985)	(59,717,410)	(5,310,138)	(230,937,584)
Depreciation for the year	-	(3,275,856)	(2,672,884)	(713,457)	-	(6,662,197)
Write - off	-	-	-	131,816	-	131,816
Exchange differences on translating financial statement	(6,010,071)	(5,651,667)	(6,785,977)	(6,924,111)	(561,324)	(25,933,150)
As at 31 December 2021	(59,624,854)	(58,057,791)	(72,623,846)	(67,223,162)	(5,871,462)	(263,401,115)
<b><u>Allowance for loss on impairment</u></b>						
As at 31 December 2020	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2021	-	-	-	-	-	-
<b><u>Net book value</u></b>						
As at 31 December 2020	395,457	101,509,607	174,881,298	1,322,505	-	278,108,867
As at 31 December 2021	48,482,397	109,468,404	190,585,824	2,162,054	-	350,698,679

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

As at 31 December 2021 and 2020, building and improvement of buildings items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 132 million and Baht 118 million (The Company: Baht 60 million and Baht 54 million), respectively.

## 9.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

	Vessels and equipment	Major repair and maintenance cost	Container	Office furniture, fixture and equipment	Motor vehicles	Total
<b>Cost</b>						
As at 31 December 2020	23,883,976,688	516,681,572	20,998,285	154,870,575	19,769,195	24,596,296,315
Acquisitions	3,183,823,500	310,910,248	188,236,301	8,309,476	2,879,724	3,694,159,249
Disposals	-	-	(9,063,977)	(768,472)	(2,758,420)	(12,590,869)
Write - off	-	(262,494,013)	-	(1,195,590)	-	(263,689,603)
Exchange differences on translating financial statement	2,817,572,673	60,051,280	10,246,298	15,518,121	1,421,322	2,904,809,694
As at 31 December 2021	29,885,372,861	625,149,087	210,416,907	176,734,110	21,311,821	30,918,984,786
<b>Accumulated depreciation</b>						
As at 31 December 2020	(12,229,508,052)	(288,251,111)	(20,998,285)	(145,437,752)	(13,850,067)	(12,698,045,267)
Depreciation for the year	(845,700,498)	(190,980,560)	(45,229,610)	(4,777,790)	(2,058,780)	(1,088,747,238)
Disposals	-	-	9,062,059	668,621	2,482,578	12,213,258
Write - off	-	248,685,562	-	1,195,590	-	249,881,152
Transfer from allowance for loss on impairment	(744,017,115)	-	-	-	-	(744,017,115)
Exchange differences on translating financial statement	(1,440,919,863)	(29,770,328)	(3,947,093)	(14,954,459)	(1,067,808)	(1,490,659,551)
As at 31 December 2021	(15,260,145,528)	(260,316,437)	(61,112,929)	(163,305,790)	(14,494,077)	(15,759,374,761)
<b>Allowance for loss on impairment</b>						
As at 31 December 2020	(1,482,679,089)	-	-	-	-	(1,482,679,089)
Increase	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reversal	835,299,104	-	-	-	-	835,299,104
Transfer to accumulated depreciation	744,017,115	-	-	-	-	744,017,115
Exchange differences on translating financial statement	(96,637,130)	-	-	-	-	(96,637,130)
As at 31 December 2021	-	-	-	-	-	-
<b>Net book value</b>						
As at 31 December 2020	10,171,789,547	228,430,461	-	9,432,823	5,919,128	10,415,571,959
As at 31 December 2021	14,625,227,333	364,832,650	149,303,978	13,428,320	6,817,744	15,159,610,025



## Vessels and equipment - Separate financial statements

(Unit: Baht)

	Vessels and equipment	Major repair and maintenance cost	Office furniture, fixture and equipment	Motor vehicles	Total
<b><u>Cost</u></b>					
As at 31 December 2020	9,983,653,164	186,732,683	40,604,047	5,435,646	10,216,425,540
Acquisitions	161,299,262	126,054,065	5,030,953	-	292,384,280
Disposals	-	-	-	-	-
Write - off	-	(107,181,199)	-	-	(107,181,199)
Exchange differences on translating financial statement	1,126,245,381	21,763,555	4,773,211	609,321	1,153,391,468
As at 31 December 2021	11,271,197,807	227,369,104	50,408,211	6,044,967	11,555,020,089
<b><u>Accumulated depreciation</u></b>					
As at 31 December 2020	(4,334,929,489)	(109,999,726)	(38,030,143)	(5,435,646)	(4,488,395,004)
Depreciation for the year	(354,914,072)	(71,744,450)	(2,271,121)	-	(428,929,643)
Disposals	-	-	-	-	-
Write - off	-	100,409,291	-	-	100,409,291
Exchange differences on translating financial statement	(501,567,365)	(11,068,015)	(4,363,116)	(609,321)	(517,607,817)
As at 31 December 2021	(5,191,410,926)	(92,402,900)	(44,664,380)	(6,044,967)	(5,334,523,173)
<b><u>Allowance for loss on impairment</u></b>					
As at 31 December 2020	-	-	-	-	-
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-
As at 31 December 2021	-	-	-	-	-
<b><u>Net book value</u></b>					
As at 31 December 2020	5,648,723,675	76,732,957	2,573,904	-	5,728,030,536
As at 31 December 2021	6,079,786,881	134,966,204	5,743,831	-	6,220,496,916

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

As at 31 December 2021 and 2020, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,564 million and Baht 1,419 million (The Company: Baht 575 million and Baht 483 million), respectively.

Transactions occurred in year 2020:

At the end of year 2020, the management determined the recoverable amount of the Company and the Subsidiary in Singapore vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the Group and the Company's recoverable amount was higher than the carrying amount. Hence, the Group recorded the reversal on impairment of vessels amounting to USD 2.9 million or approximately Baht 89.7 million (The Company: USD - million or approximately Baht - million) in the statement of income for the year 2020

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

Transactions occurred in year 2021:

In 2<sup>nd</sup> quarter of year 2021, the Company was delivered a vessel with contract price Baht 73.6 million or approximately USD 2.3 million.

In 3<sup>rd</sup> quarter of year 2021, a subsidiary in Singapore was delivered 4 vessels with contract price USD 78.2 million or approximately Bath 2,514.5 million. The one of vessel contract price USD 13.9 million or approximately Baht 447.2 million was not delivered per contract. Currently the subsidiary is on returning of deposit process amounting USD 1.39 million or approximately Baht 46.7 million.

At the end of year 2021, the management determined the recoverable amount of the Company and the Subsidiary in Singapore vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the Group and the Company's recoverable amount was higher than the carrying amount. Hence, the Group recorded the reversal on impairment of vessels amounting to USD 25.9 million or approximately Baht 835.3 million (The Company: USD - million or approximately Baht - million) in the statement of income for the year 2021

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

Depreciation in the statements of income for the years 2021 and 2020 consisted of the following:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation included in				
Cost of freight and operations	1,081,910,668	985,542,343	426,658,522	417,720,741
Administrative expenses	13,498,767	12,823,594	2,271,121	2,387,468
Total	<u>1,095,409,435</u>	<u>998,365,937</u>	<u>428,929,643</u>	<u>420,108,209</u>

	(Unit: USD)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation included in				
Cost of freight and operations	33,625,190	31,329,129	13,260,313	13,278,807
Administrative expenses	419,534	407,646	70,585	75,895
Total	<u>34,044,724</u>	<u>31,736,775</u>	<u>13,330,898</u>	<u>13,354,702</u>

10. Right - of - use assets, net

(Unit: Baht)

Consolidated financial statements					
	Building	Vessels	Container	Office equipment	Total
Net book value as at 31 December 2020	60,392,874	96,706,903	1,336,652,130	153,834	1,493,905,741
<u>Add</u> Increase during year - at cost	23,777,318	2,141,915,673	2,315,811,750	-	4,481,504,741
<u>Less</u> Depreciation for the year	(37,606,367)	(902,529,844)	(574,866,455)	(163,860)	(1,515,166,526)
<u>Less</u> Write - off	(10,526,627)	(620,764)	-	-	(11,147,391)
Exchange differences on translating financial statement	4,695,433	65,406,836	226,521,800	10,026	296,634,095
Net book value as at 31 December 2021	<u>40,732,631</u>	<u>1,400,878,804</u>	<u>3,304,119,225</u>	<u>-</u>	<u>4,745,730,660</u>

(Unit : Baht)

	Separate financial statements Building
Net book value as at 31 December 2020	9,866,889
<u>Add</u> Increased during year - at cost	2,476,832
<u>Less</u> Depreciation for the year	(4,064,993)
<u>Less</u> Write - off	(3,777,600)
Exchange differences on translating financial statement	869,696
Net book value as at 31 December 2021	<u>5,370,824</u>

The following are the amounts recognised in profit or loss for the year ended 31 December 2021 and 2020.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation of right - of - use assets	1,515,166,526	544,094,924	4,064,993	4,168,041
Interest expense on lease liabilities	134,803,413	96,147,533	507,146	754,206
Expense relating to short - term lease and leases of low - value assets	1,602,177,490	1,301,626,454	952,762	743,471
Total	<u>3,252,147,429</u>	<u>1,941,868,911</u>	<u>5,524,901</u>	<u>5,665,718</u>

	(Unit : USD)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation of right - of - use assets	47,090,555	17,296,081	126,338	132,497
Interest expense on lease liabilities	4,189,616	3,056,407	15,762	23,975
Expense relating to short - term lease and leases of low - value assets	47,693,932	41,377,038	28,362	23,634
Total	<u>98,974,103</u>	<u>61,729,526</u>	<u>170,462</u>	<u>180,106</u>

11. Intangible assets, net

	(Unit: Baht)
	Consolidated financial statements
	<u>Computer software</u>
<u>Cost</u>	
As at 31 December 2020	317,642,603
Increase	2,255,103
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	35,819,752
As at 31 December 2021	<u>355,717,458</u>
<u>Accumulated amortization</u>	
As at 31 December 2020	(317,642,597)
Increase	(650,788)
Decrease	-
Exchange differences on translating financial statement	(35,749,082)
As at 31 December 2021	<u>(354,042,467)</u>
<u>Net book value</u>	
As at 31 December 2020	<u>6</u>
As at 31 December 2021	<u>1,674,991</u>

As at 31 December 2021 and 2020, computer software have been fully amortized but are still in use. The original cost of those assets amounted to approximately Baht 353 million and Baht 318 million, respectively.

12. Short - term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short - term loan	-	107,234	-	-
Total	<u>-</u>	<u>107,234</u>	<u>-</u>	<u>-</u>

As at 31 December 2020, short - term loan is loan from a financial institution amounting to USD 3.55 million with interest at the rate of LIBOR+4.50% p.a. is secured by office building subsidiaries.

### 13. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b><u>Loans of the Company</u></b>				
1) USD - million loan (2020: USD 6.5 million), repayable quarterly until the year 2021.	-	197,562	-	197,562
2) USD - million loan (2020: USD 14.5 million), repayable quarterly until the year 2027.	-	436,685	-	436,685
3) USD - million loan (2020: USD 25.4 million), repayable quarterly until the year 2026.	-	766,075	-	766,075
4) USD - million loan (2020: USD 4.1 million), repayable quarterly until the year 2026.	-	124,103	-	124,103
5) USD 10.2 million loan (2020: USD 11.2 million), repayable quarterly until the year 2029.	343,319	338,920	343,319	338,920
6) USD - million loan (2020: USD 13.2 million), repayable quarterly until the year 2029.	-	399,334	-	399,334
7) USD - million loan (2020: USD 2.6 million), repayable quarterly until the year 2023.	-	79,293	-	79,293
8) USD - million loan (2020: USD 2.7 million), repayable quarterly until the year 2027.	-	80,048	-	80,048
9) THB 45.3 million loan (2020: THB 49.1 million), repayable monthly until the year 2026.	45,341	49,121	45,341	49,121
<b><u>Loans of the Singapore Subsidiaries</u></b>				
10) USD - million loan (2020: USD 4.2 million), repayable quarterly until the year 2023.	-	126,869	-	-
11) USD 4.2 million loan (2020: USD 5.3 million), repayable quarterly until the year 2025.	140,402	159,900	-	-
12) USD 3.2 million loan (2020: USD 4.1 million), repayable quarterly until the year 2025.	108,015	123,008	-	-
13) USD 4.5 million loan (2020: USD 5.7 million), repayable quarterly until the year 2025.	152,105	173,227	-	-
14) USD 0.9 million loan (2020: USD 1.2 million), repayable quarterly until the year 2024.	29,024	34,798	-	-
15) USD 0.9 million loan (2020: USD 1.2 million), repayable quarterly until the year 2025.	31,443	36,973	-	-
<b><u>Loan of the Hong Kong Subsidiary</u></b>				
16) HKD 5.8 million loan (2020: HKD 9.6 million), repayable monthly until the year 2023.	25,106	37,376	-	-
Total	874,755	3,163,292	388,660	2,471,141
<u>Less</u> : Current portion	(351,843)	(1,210,574)	(209,117)	(1,031,771)
Long - term loans, net of current portion	522,912	1,952,718	179,543	1,439,370

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

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Movements in the long - term loans during the year ended 31 December 2021 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2020	3,163,292	2,471,141
<u>Add</u> Borrowings	-	-
<u>Less</u> Repayments	(2,526,324)	(2,254,826)
Exchange differences on translating financial statement	<u>237,787</u>	<u>172,345</u>
Ending balance as at 31 December 2021	<u><u>874,755</u></u>	<u><u>388,660</u></u>

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

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

As at 31 December 2021, the Group and the Company had the remaining credit line of long - term loans are as follows:

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

In January 2022, 2 subsidiaries in Thailand had entered into long - term loan agreements as described in Note 27.1 to the financial statements.

14. Lease liabilities

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
Lease liabilities as at 31 December 2020	1,601,028	10,573
Increase (decrease) during the year:		
<u>Add</u> Lease payments at the commencement date	4,755,788	2,631
<u>Less</u> Deferred interest expenses	(274,283)	(154)
<u>Add</u> Recognition of deferred interest expenses	134,803	507
<u>Less</u> Payments	(1,653,093)	(4,418)
<u>Less</u> Decrease from contract cancellation	(12,092)	(3,886)
Exchange differences on translating financial statement	308,505	132
Lease liabilities as at 31 December 2021	4,860,656	5,385
<u>Less</u> Current portion	(1,961,551)	(3,494)
Lease liabilities - net of current portion	<u>2,899,105</u>	<u>1,891</u>

As at 31 December 2021 and 2020, the Group have committed to pay the lease under the lease agreements are as follows:

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	2021			2020		
	Deferred interest		Total	Deferred interest		Total
	Principal	expenses		Principal	expenses	
Current portion	1,961,551	129,536	2,091,087	489,156	67,989	557,145
1 - 5 years	2,413,552	196,427	2,609,979	1,017,749	102,675	1,120,424
Over 5 years	485,553	10,722	496,275	94,123	2,554	96,677
Total	<u>4,860,656</u>	<u>336,685</u>	<u>5,197,341</u>	<u>1,601,028</u>	<u>173,218</u>	<u>1,774,246</u>



(Unit : Thousand Baht)

	Separate financial statements					
	2021			2020		
	Principal	Deferred interest expenses	Total	Principal	Deferred interest expenses	Total
Current portion	3,494	226	3,720	4,016	523	4,539
1 - 5 years	1,891	42	1,933	6,557	345	6,902
Over 5 years	-	-	-	-	-	-
Total	5,385	268	5,653	10,573	868	11,441

15. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provisions for employee benefits at beginning of year	54.23	51.15	50.21	46.90
Current service cost and interest	10.23	10.40	9.35	9.56
Benefits paid	(3.41)	(3.62)	(2.38)	(3.62)
Actuarial losses (gain) on defined employee benefit plans	-	(3.70)	-	(2.63)
Provisions for employee benefits at ending of year	61.05	54.23	57.18	50.21

- Expenses recognized in the statements of income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current service costs	9.40	9.05	8.58	8.34
Interest cost	0.83	1.35	0.77	1.22
Total	10.23	10.40	9.35	9.56

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidated financial statements for the years ended 31 December 2021 and 2020 are amounted of gains Baht - million and Baht 3.70 million, respectively (the Company : amounted of gains Baht - million and Baht 2.63 million, respectively).

- Principal actuarial assumptions as at 31 December 2021 and 2020 are as follows:

	Percent			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Discount rate	1.57 - 1.59	1.57 - 1.59	1.57	1.57
Salary increase rate	3 - 6.00	3 - 6.00	4 - 6.00	4 - 6.00
Employee turnover rate	0 - 25.00*	0 - 25.00*	0 - 25.00*	0 - 25.00*
Mortality rate	TMO2017**	TMO2017**	TMO2017**	TMO2017**

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

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

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 31 December 2021 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 5.40 million (increase Baht 6.22 million) and Separate financial statements would decrease Baht 5.05 million (increase Baht 5.79 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 6.88 million (decrease Baht 6.06 million) and Separate financial statements would increase Baht 6.41 million (decrease Baht 5.66 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Bath 1.67 million (increase Bath 1.86 million) and Separate financial statements would decrease Baht 1.56 million (increase Baht 1.73 million).
- If the life expectancy increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.22 million (decrease Baht 0.25 million) and Separate financial statements would increase Baht 0.21 million (decrease Baht 0.23 million).

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

#### 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 23 April 2021, the shareholders approved to pay the dividend amounted Baht 414.37 million at Baht 0.50 per share.

At the Board of Directors Meeting held on 13 August 2021, the Board of Directors approved to pay the interim dividend amounted Baht 1,243.12 million at Baht 1.50 per share.

At the Board of Directors Meetings held on 5 November 2021, the Board of Directors approved to pay the interim dividend amounted Baht 1,243.12 million at Baht 1.50 per share.

18. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	2,105	1,215	Market price as at the contract date
Ship management fee	-	-	11	10	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	256	108	-	-	Price approximates market price
Terminal operating service	233	241	-	-	Price per tariff minus volume discount
Ship management fee	1	2	-	-	Price approximates market price
Logistic service fees	84	40	-	-	Price approximates market price
Office rental and service expenses	10	10	9	10	Contract price
Purchase vessel	78	-	78	-	The scrap value price as at the contract date

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	
	2021	2020	2021	2020
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	982	1,542
<u>Related parties</u>				
Ngow Hock Co., Ltd.	355	160	-	-
<u>Other receivables - related parties</u>				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	33	255
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	2	5
<u>Other current assets - short - term loan</u>				
<u>Associates</u>				
N - Square RCL Logistics Co., Ltd.	2	2	-	-
Pu Chao Container Terminal Co., Ltd.	3	-	-	-
	5	2	-	-
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	1	-	-
RCL Agencies East India Private Limited	13	5	-	-
RCL Agencies (India) Private Limited	11	2	-	-
Others	4	5	-	-
	28	13	-	-
<u>Advance receipt from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	5,114	3,917
RCL Shipmanagement Pte. Ltd.	-	-	1,782	1,060
RCLS Co., Ltd.	-	-	42	-
	-	-	6,938	4,977

Short - term loans to associates bears the interest rate of 2% - 7% per annum.

c) Management and directors benefit expenses

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

Management benefit expenses for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short - term employee benefits	245	72	184	42

19. Expenses by nature

Significant expenses by nature for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Employee benefits expenses	1,991	1,606	714	557
Management benefit expenses	245	72	184	42
Depreciations and amortization expenses	2,611	1,542	433	424
Net doubtful debt	2	4	-	-

20. Provident Fund

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

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

During the year 2021, the Group's contributions to these funds totaled Baht 53 million (2020 : Baht 47 million).

21. Tax income (expenses)

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

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

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

As at 31 December 2021 and 2020 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, allowance for impairment of investment, provisions for employee benefits and unused tax losses totaling Baht 2,316.47 million and Baht 267.48 million, respectively, (The Company: Baht 45.29 million and Baht 38.99 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 4.09 million and Baht 3.74 million, respectively.

Tax income (expenses) for the year ended 31 December 2021 and 2020, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Current tax expense	(19,742)	(8,168)	-	-
Deferred tax income (expenses) of temporary differences	1,032	(104)	-	-
Tax income (expenses) reported in the statement of income	<u>(18,710)</u>	<u>(8,272)</u>	<u>-</u>	<u>-</u>

Income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Deferred tax income (expenses) relating to actuarial losses on defined employee benefit plans	-	(214)	-	-

As at 31 December 2021 and 2020 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2021	2020
<u>Deferred tax assets</u>		
Allowance for impairment of investment	3,340	2,940
Provisions for employee benefits	749	804
Total	4,089	3,744
<u>Deferred tax liabilities</u>		
Property and premises, net	8,857	8,657

The Company's operating results for the year 2021 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

	For the year ended 31 December 2021					
	Functional currency					
	Baht currency (a)					
	Tax payer number					
	3101120028		3105114177		Total	Difference
BOI Promoted	Non - BOI Promoted	Tax exempted				
<b>Revenues</b>						
Freight income	815,615,311	1,528,541	1,287,801,448	2,104,945,300	8,920,287	2,113,865,587
Dividend income	-	4,051,553,458	-	4,051,553,458	(77,944,231)	3,973,609,227
Interest income	-	2,766,726	-	2,766,726	(59,382)	2,707,344
Others income	-	1,412,336	-	1,412,336	1,273	1,413,609
<b>Total revenues</b>	<b>815,615,311</b>	<b>4,057,261,061</b>	<b>1,287,801,448</b>	<b>6,160,677,820</b>	<b>(69,082,053)</b>	<b>6,091,595,767</b>
<b>Expenses</b>						
Cost of freight and operations	300,087,871	1,238,791	765,067,026	1,066,393,688	(52,694,048)	1,013,699,640
Administrative expenses	232,001,519	62,895,418	366,314,716	661,211,653	(13,064,829)	648,146,824
Loss on exchange rate	238,449,822	448,309	376,265,734	615,163,865	(508,304,516)	106,859,349
<b>Total expenses</b>	<b>770,539,212</b>	<b>64,582,518</b>	<b>1,507,647,476</b>	<b>2,342,769,206</b>	<b>(574,063,393)</b>	<b>1,768,705,813</b>
<b>Profit (loss) from operating activities</b>	<b>45,076,099</b>	<b>3,992,678,543</b>	<b>(219,846,028)</b>	<b>3,817,908,614</b>	<b>504,981,340</b>	<b>4,322,889,954</b>
Finance costs	(32,574,426)	(1,133)	(12,136,896)	(44,712,455)	387,768	(44,324,687)
Gain (loss) from changes in fair value of derivatives	1,871,693	1,683	6,922,451	8,795,827	391,415	9,187,242
<b>Profit (loss) before income tax expenses</b>	<b>14,373,366</b>	<b>3,992,679,093</b>	<b>(225,060,473)</b>	<b>3,781,991,986</b>	<b>505,760,523</b>	<b>4,287,752,509</b>
Tax income (expenses)	-	-	-	-	-	-
<b>Profit (loss) for the years</b>	<b>14,373,366</b>	<b>3,992,679,093</b>	<b>(225,060,473)</b>	<b>3,781,991,986</b>	<b>505,760,523</b>	<b>4,287,752,509</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".

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## 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	371	245	37,565	16,920	43	30	37,979	17,195	-	-	37,979	17,195
Inter - segment revenues	2,105	1,215	1,927	970	49	15	4,081	2,200	(4,081)	(2,200)	-	-
Freight income	2,476	1,460	39,492	17,890	92	45	42,060	19,395	(4,081)	(2,200)	37,979	17,195
Segment gross profit (loss)	1,164	373	17,546	2,429	74	36	18,784	2,838	19	(3)	18,803	2,835
Gain on exchange rate											43	59
Dividend income											-	5
Gain on sales of assets											25	60
Reversal on impairment of assets											835	90
Others income											28	55
Administrative expenses											(1,689)	(1,135)
Finance costs											(197)	(270)
Gain (loss) from changes in fair value of derivatives											9	(1)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9											(2)	(4)
Share of profit (loss) from investments in associates											81	50
Share of profit (loss) from investments in joint ventures											59	10
Tax income (expenses)											(19)	(8)
Profit (loss) for the years											17,976	1,746

(Unit: Million Baht)

	Consolidated financial statements											
	As at 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Property, premises, vessels and equipment, net	6,270	5,730	9,014	4,630	190	175	15,474	10,535	36	159	15,510	10,694
Others											23,203	7,295
Total assets											38,713	17,989

## 23. Commitments and contingent liabilities

### 23.1 Commitments

- (a) As at 31 December 2021, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for office buildings and equipment of approximately Baht 16 million (31 December 2020 : Baht 25 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 53 million or approximately Baht 1,788 million (31 December 2020 : Baht 1,062 million) in respect of the following agreements.

	(Unit: Million Baht)		
Payment period	Charter hire	Other rental	Total
Within 1 year	1,291	34	1,325
During 1 - 5 years	455	8	463
Over than 5 years	-	-	-
Total	1,746	42	1,788

As at 31 December 2021, the Group had recorded commitments under the long - term lease agreements due to the adoption of TFRS 16 as at 1 January 2020. Therefore the Group recognised the remaining lease liabilities previously classified as operating lease at the present value of the lease payments discounted using the Group's incremental borrowing rate, as described in Note 14 to the financial statements.

- (b) As at 31 December 2021, a subsidiary in Singapore has bunker purchase commitments amounting to USD 41.6 million or approximately Baht 1,397.4 million covering the period of January 2022 - September 2022 at 6,000 - 13,000 MT per month.
- (c) As at 31 December 2021, the Company has sulphur scrubber purchase commitments amounting to USD 2.5 million or approximately Baht 83.8 million.
- (d) On 2 August 2021, a subsidiary in Singapore had entered into 2 vessel building contracts amount of USD 230 million (as at 31 December 2021 approximately Baht 7,726 million). The payment term of each vessel was scheduled in 4 installment periods based on the contract price : 20% for 1<sup>st</sup> installment, 10% for the 2<sup>nd</sup> installment, 20% for the 3<sup>rd</sup> installment and 50% for the 4<sup>th</sup> installment (payment upon delivery of the vessel). Tentative delivery date of both vessels are at the 4<sup>th</sup> quarter of year 2022 and 1<sup>st</sup> quarter of year 2023, respectively.

As at 31 December 2021, a subsidiary in Singapore has made payment for the above - mentioned contracts amounting to USD 69 million or approximately Baht 2,317.9 million.

### 23.2 Guarantees

As at 31 December 2021, the Company has guarantee obligations of USD 24 million, SGD 6 million and HKD 35 million, or approximately Baht 1,115 million (31 December 2020: USD 121 million, SGD 6 million and HKD 35 million or approximately Baht 3,914 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 14 million and HKD 6 million, or approximately Baht 496 million (31 December 2020: USD 24 million and HKD 10 million or approximately Baht 784 million).

## 24. Financial instruments

### 24.1 Financial risk management

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

#### Credit risk

##### a) Trade receivables

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

##### b) Deposits with financial institutions

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

#### Liquidity risk

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

The remaining contractual maturities of financial liabilities as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					Total
	Carrying amount	Contractual cash flows				
		1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2021</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	5,795	5,795	-	-	-	5,795
- Other payables	1,016	1,016	-	-	-	1,016
- Long - term loans	875	352	182	341	-	875
- Lease liabilities	4,861	1,962	984	1,430	485	4,861
- Income tax payable	4	4	-	-	-	4
- Other current liabilities	179	179	-	-	-	179
	<u>12,730</u>	<u>9,308</u>	<u>1,166</u>	<u>1,771</u>	<u>485</u>	<u>12,730</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit: Million Baht)

	Separate financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2021</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	74	74	-	-	-	74
- Other payables	7,378	7,378	-	-	-	7,378
- Long - term loans	389	209	48	132	-	389
- Lease liabilities	5	3	2	-	-	5
	<u>7,846</u>	<u>7,664</u>	<u>50</u>	<u>132</u>	<u>-</u>	<u>7,846</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit: Million Baht)

	Consolidated financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Short - term loans from financial institutions	107	107	-	-	-	107
- Trade payables	3,403	3,403	-	-	-	3,403
- Other payables	408	408	-	-	-	408
- Long - term loans	3,163	1,210	553	885	515	3,163
- Lease liabilities	1,601	489	347	671	94	1,601
- Income tax payable	1	1	-	-	-	1
- Other current liabilities	163	163	-	-	-	163
	<u>8,846</u>	<u>5,781</u>	<u>900</u>	<u>1,556</u>	<u>609</u>	<u>8,846</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	7	7	-	-	-	7
	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

(Unit: Million Baht)

	Separate financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2020</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	73	73	-	-	-	73
- Other payables	5,155	5,155	-	-	-	5,155
- Long - term loans	2,471	1,032	374	550	515	2,471
- Lease liabilities	11	4	4	3	-	11
	<u>7,710</u>	<u>6,264</u>	<u>378</u>	<u>553</u>	<u>515</u>	<u>7,710</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	7	7	-	-	-	7
	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>

Market risk(a) Interest rate risk

Significant financial assets and liabilities as at 31 December 2021 and 2020 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Consolidated financial statements2021

	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	1,363	-	-	6,476	1,911	9,750	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Long - term loans	316	452	-	107	-	875	Note 13
Lease liabilities	1,962	2,414	485	-	-	4,861	Note 14
Total	<u>2,278</u>	<u>2,866</u>	<u>485</u>	<u>107</u>	<u>-</u>	<u>5,736</u>	

2020

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	68	-	-	1,635	884	2,587	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	107	-	107	Note 12
Long - term loans	117	136	15	2,895	-	3,163	Note 13
Lease liabilities	489	1,018	94	-	-	1,601	Note 14
Total	606	1,154	109	3,002	-	4,871	

Separate financial statements

2021

	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	85	-	-	193	-	278	0 - 0.40% p.a.
<u>Financial liabilities</u>							
Long - term loans	209	180	-	-	-	389	Note 13
Lease liabilities	3	2	-	-	-	5	Note 14
Total	212	182	-	-	-	394	

2020

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	106	83	189	0 - 1.00% p.a.
<u>Financial liabilities</u>							
Long - term loans	117	136	15	2,203	-	2,471	Note 13
Lease liabilities	4	7	-	-	-	11	Note 14
Total	121	143	15	2,203	-	2,482	

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 2021, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 2 promise amount of USD 23.69 million (31 December 2020 : 2 promise of amount USD 7.25 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, the contracts expiration date is the year 2025.

As at 31 December 2021, the Company had gain from changes in the fair value of derivatives of USD 0.29 million, or approximately Baht 9.2 million (31 December 2020: gain of USD 0.02 million, or approximately Baht 0.53 million). The Company recorded the gain loss in the statements of income.

(b) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2021 and 2020, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(c) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 31 December 2021, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 23.1 (b) to the financial statements.

## 24.2 Fair values of financial instruments

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

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

## 25. Capital management

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

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

As at 31 December 2021, the Group's debt - to - equity ratio was 0.49 : 1 (31 December 2020 : 0.98 : 1) and the Company's was 0.93 : 1 (31 December 2020 : 1.24 : 1).



## 26. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2021 and 2020 and the statements of income for the years ended 31 December 2021 and 2020, are as follows:

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

#### Statements of financial position

As at 31 December 2021

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	290,247,579	85,630,811	8,287,394	6,274,195
Trade receivables - unrelated parties	133,867,682	72,631,822	1,771,211	260,972
<u>Less:</u> allowance for doubtful accounts	(1,801,225)	(1,759,811)	-	-
Trade receivables - unrelated parties, net	132,066,457	70,872,011	1,771,211	260,972
Trade receivables - related parties	10,576,157	5,290,699	29,246,185	51,041,479
Dividend receivables	-	-	6,825,129	-
Other receivables	11,803,239	9,537,748	1,495,907	9,160,719
Material supplies	16,479,902	6,204,715	532,006	554,234
Other current financial assets	50,425	-	50,425	-
Other current assets	2,056,038	1,480,887	14,644	10,154
<b>Total current assets</b>	<b>463,279,797</b>	<b>179,016,871</b>	<b>48,222,901</b>	<b>67,301,753</b>
<b>Non - current assets</b>				
Other non - current financial assets	337,862	337,862	-	-
Property investments held for investment	150,817	153,843	-	-
Investments in subsidiaries, net	-	-	251,252,966	204,278,882
Investments in associates	8,960,600	7,131,256	1,662,509	1,662,509
Investments in joint ventures	4,509,477	2,212,480	-	-
Other non - current receivables	350,000	1,090,000	-	-
Property and premises, net	10,439,667	9,206,830	1,443,233	13,092
Vessels and equipment, net	451,274,228	344,808,850	185,172,966	189,627,188
Right - of - use assets, net	141,271,836	49,455,942	159,880	326,645
Intangible assets, net	49,861	-	-	-
Other non - current assets				
- Payment of advances for vessels and equipment	71,548,284	1,858,500	1,147,600	1,858,500
- Others	252,133	265,940	67,510	88,634
<b>Total non - current assets</b>	<b>689,144,765</b>	<b>416,521,503</b>	<b>440,906,664</b>	<b>397,855,450</b>
<b>Total assets</b>	<b>1,152,424,562</b>	<b>595,538,374</b>	<b>489,129,565</b>	<b>465,157,203</b>

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

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	As at 31 December		As at	As at 31 December
	2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	-	3,550,000	-	-
Trade payables - unrelated parties	171,675,342	112,244,905	2,207,195	2,421,667
Trade payables - related parties	842,998	416,605	-	-
Other payables				
- Accrued expenses	21,380,153	11,070,905	8,583,123	4,685,844
- Advance receipt	-	34,927	206,518,426	164,797,146
- Payable on purchase of assets	4,555,077	2,024,887	1,277,000	1,039,887
- Revenue Department payable	4,305,866	368,163	3,263,822	120,322
Current portion of long - term loans	10,473,743	40,076,192	6,225,048	34,156,917
Current portion of lease liabilities	58,391,819	16,193,570	104,002	132,937
Income tax payable	122,953	19,304	-	-
Other current financial liabilities	-	235,109	-	235,109
Other current liabilities	5,343,309	5,377,927	-	-
<b>Total current liabilities</b>	<b>277,091,260</b>	<b>191,612,494</b>	<b>228,178,616</b>	<b>207,589,829</b>
<b>Non - current liabilities</b>				
Long - term loans, net of current portion	15,566,132	64,644,992	5,344,669	47,650,515
Lease liabilities, net of current portion	86,301,129	36,808,661	56,288	217,080
Deferred tax liabilities	263,667	286,602	-	-
Provisions for employee benefits	1,817,289	1,795,260	1,702,045	1,662,217
<b>Total non - current liabilities</b>	<b>103,948,217</b>	<b>103,535,515</b>	<b>7,103,002</b>	<b>49,529,812</b>
<b>Total liabilities</b>	<b>381,039,477</b>	<b>295,148,009</b>	<b>235,281,618</b>	<b>257,119,641</b>

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

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
<b>Shareholders' equity</b>				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	2,448,673	2,102,041	2,448,673	2,102,041
Unappropriated	611,122,765	140,336,756	51,675,125	6,211,372
Other components of equity	(42,130,799)	(41,970,406)	-	-
Total equity of parent Company's shareholders	771,164,788	300,192,540	253,847,947	208,037,562
Non - controlling interests	220,297	197,825	-	-
<b>Total shareholders' equity</b>	<b>771,385,085</b>	<b>300,390,365</b>	<b>253,847,947</b>	<b>208,037,562</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,152,424,562</b>	<b>595,538,374</b>	<b>489,129,565</b>	<b>465,157,203</b>

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

**Statements of income**

**For the year ended 31 December 2021**

(Unit: USD)

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
<b>Revenues</b>				
Freight income	1,180,366,955	546,614,553	65,697,783	41,927,823
Others income				
Gain on exchange rate	1,334,983	1,880,274	-	388,281
Dividend income	-	169,863	123,497,595	5,759,770
Gain on sales of assets	764,278	1,902,048	-	-
Reversal on impairment of assets	25,960,638	2,851,352	-	-
Interest income	171,790	92,335	84,143	3,343
Others	706,063	1,627,965	43,935	10
<b>Total revenues</b>	<b>1,209,304,707</b>	<b>555,138,390</b>	<b>189,323,456</b>	<b>48,079,227</b>
<b>Expenses</b>				
Cost of freight and operations	595,987,007	456,495,541	31,505,229	31,173,271
Administrative expenses	52,479,382	36,079,663	20,144,048	11,226,019
Other expenses - loss on exchange rate	-	-	3,321,130	-
<b>Total expenses</b>	<b>648,466,389</b>	<b>492,575,204</b>	<b>54,970,407</b>	<b>42,399,290</b>
<b>Profit (loss) from operating activities</b>	<b>560,838,318</b>	<b>62,563,186</b>	<b>134,353,049</b>	<b>5,679,937</b>
Finance costs	(6,133,647)	(8,593,323)	(1,377,587)	(4,018,691)
Gain (loss) from changes in fair value of derivatives	285,534	(16,737)	285,534	(16,737)
Reversal of impairment loss (impairment loss)				
determined in accordance with TFRS 9	(57,850)	(134,299)	-	-
Share of profit (loss) from investments in associates	2,519,998	1,602,145	-	-
Share of profit (loss) from investments in joint ventures	1,828,066	332,761	-	-
<b>Profit (loss) before income tax expenses</b>	<b>559,280,419</b>	<b>55,753,733</b>	<b>133,260,996</b>	<b>1,644,509</b>
Tax income (expenses)	(581,486)	(262,964)	-	-
<b>Profit (loss) for the years</b>	<b>558,698,933</b>	<b>55,490,769</b>	<b>133,260,996</b>	<b>1,644,509</b>
<b>Profit (loss) for the year attributable to:</b>				
Equity holders of the parent	558,583,252	55,464,759	133,260,996	1,644,509
Non - controlling interests	115,681	26,010	-	-
	<b>558,698,933</b>	<b>55,490,769</b>	<b>133,260,996</b>	<b>1,644,509</b>
<b>Basic earnings (loss) per share</b>				
Equity holders of the parent (USD)	0.674	0.067	0.161	0.002
<b>The weighted average number of ordinary shares (share)</b>	<b>828,750,000</b>	<b>828,750,000</b>	<b>828,750,000</b>	<b>828,750,000</b>

27. Events after the reporting period

- 27.1 In January 2022, 2 subsidiaries in Thailand had entered into long - term loan agreement with a financial institution. This loan has credit line total of USD 138 million or approximately Baht 4,635.8 million which is for the payment of 2 container vessels' construction, at present, the subsidiaries has not drawn down the loan.
- 27.2 On 11 February 2022, the subsidiary in Singapore signed agreement to purchase the second - hand container vessel "MIAMI TRADER" size 2,500 TEU, build in year 2002 with amounting to USD 32 million or approximate Baht 1,075 million from Miami Trader Maritime Limited. Tentative delivery date of vessel as at the 1<sup>st</sup> quarter of year 2022.

28. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 25 February 2022.