



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

Press Release for Financial Results as at 31 December 2019

For the 12 months period ending 2019, RCL's total lifting grew by 3% to 2,183,995 TEUs compared with the performance in 2018, contributed by a growth in both COC and SOC business of 2% and 5% respectively. Despite lifting growth, the prolong trade dispute between China and U.S. has posed disruption to the global supply chain, where Southeast Asia has been targeted as a replacement source of China, for various goods. Liners realized the potential of this region and continuously added new tonnage within the region which forced freight rate per TEU in 2019 down from the level in 2018. Therefore, RCL's total revenue for the year 2019 decreased by 4% to THB 16,709 Mil compared to that of 2018. Total freight income reduced to THB 16,531 Mil or 4% reduction year-over-year. Also gain on sales of asset was 23% less than 2018, totalling at THB 103 Mil for 2019.

Nonetheless, our continuous effort on cost savings and internal efficiency improvement through various projects did materialize. The effort in exploiting the benefit of Big Data, combining with Business Intelligence system for more accurate and swift decision making resulted in a reduction of RCL's total expense compared with 2018, by 4% to THB 17,278 Mil; mainly contributed by a reduction of Cost of Freight and Operation, a 5% or THB 758 Mil reduction from 2018. RCL's financial cost increased by 30% in accordance with the consecutive delivery of 4 newly built vessels, joining the fleet as from latter part of 2018, reducing average age of the fleet and improving our fleet efficiency. Administrative Expense also increased slightly by 2% year-over-year following our continuous effort to improve our system efficiency through upgrading our IT system.

As a result of the above circumstances and actions taken, RCL reports a net loss of THB 493 Mil for 2019. We will continue our effort to reach the desired sustainable level to strengthen our business against an uncertain future.

26 February 2020

Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 44 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 110,925 TEUs to support its own COC carriage as well. RCL operates a network of 69 offices made up of both owned and agency partner offices to support its operations. Today, RCL is recognised as amongst the leading SOC and Intra Asian operator by both peers and customers alike.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN THAI BAHT MILLION

(million baht)

	1st Quarter 2018	Half-Year 2018	9 months 2018	Year-End 2018	1st Quarter 2019	Half-Year 2019	9 months 2019	Year-End 2019
Freight income	4,059.4	8,129.2	12,548.5	17,181.0	4,205.8	8,445.8	12,501.4	16,531.0
Cost of freight and operations	(4,023.7)	(7,972.8)	(12,253.5)	(16,712.8)	(3,975.6)	(7,954.2)	(12,076.9)	(15,954.9)
Gross Profit	35.7	156.4	295.0	468.2	230.2	491.6	424.5	576.1
Gross Profit Margin	1.3%	2.8%	3.4%	3.9%	5.5%	5.8%	3.4%	3.5%
Other income	37.7	72.0	104.6	129.9	29.0	71.9	97.3	121.3
Unrealised gain from changes in the fair value of Derivatives	1.0	0.9	1.4	0.0	0.0	0.0	0.0	0.0
Gain on exchange	3.4	39.7	39.8	74.0	14.6	22.3	45.2	40.3
Gain on sale of assets	12.9	61.9	97.9	132.9	20.5	44.8	77.7	102.9
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	73.2	0.0	0.0	0.0	0.0
Total other income	55.0	174.5	243.7	410.0	64.1	139.0	220.2	264.5
Admin expenses	(228.7)	(456.4)	(691.9)	(921.7)	(234.6)	(474.4)	(709.3)	(940.7)
Unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	(1.7)	(3.5)	(8.1)	(8.2)	(7.3)
Doubtful debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(13.7)
Loss on sale of investments	(3.9)	(3.9)	(3.9)	(4.0)	0.0	0.0	0.0	0.0
Loss on impairment of Vessels and equipment, net	0.0	0.0	0.0	(49.9)	0.0	0.0	0.0	(36.3)
Total other expenses	(232.6)	(460.3)	(695.8)	(977.3)	(238.1)	(482.5)	(717.5)	(998.0)
Interest expenses	(50.1)	(102.6)	(166.8)	(249.5)	(80.6)	(159.3)	(243.1)	(324.8)
Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)	(24.4)	(11.2)	(315.9)	(482.2)
Income tax	0.7	(2.3)	(3.7)	(7.7)	(4.0)	(5.8)	(8.0)	(10.7)
Profit / (loss) after taxation	(191.3)	(234.3)	(327.6)	(356.3)	(28.4)	(17.0)	(323.9)	(492.9)
Minority interest	(0.4)	(0.5)	(0.8)	(1.4)	0.7	0.5	0.9	1.2
Net profit / (loss) attributable to members	(191.7)	(234.8)	(328.4)	(357.7)	(27.7)	(16.5)	(323.0)	(491.7)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)	(24.4)	(11.2)	(315.9)	(482.2)
Add: Impairment loss of assets	0.0	0.0	0.0	49.9	0.0	0.0	0.0	36.3
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(73.2)	0.0	0.0	0.0	0.0
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	(1.0)	(0.9)	(1.4)	1.7	3.5	8.1	8.2	7.3
Add: Interest	50.1	102.6	166.8	249.5	80.6	159.3	243.1	324.8
EBIT	(142.9)	(130.3)	(158.5)	(120.6)	59.7	156.2	(64.6)	(113.8)
Add: Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	378.8	763.0	1,165.9	1,591.0	351.8	702.7	1,069.1	1,431.9
EBITDA	235.9	632.7	1,007.4	1,470.4	411.5	858.9	1,004.5	1,318.1

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
AND
INDEPENDENT AUDITOR'S REPORT

EXPRESSED IN
THAI BAHT



A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Regional Container Lines Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2019, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries and of Regional Container Lines Public Company Limited as of December 31, 2019, 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 2.7, 2.15 and 10.2 to the financial statement, the Company and its subsidiary's vessels which are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any) are significant amount. The management exercise judgement in determining the impairment loss due to the recoverable amount of the vessels is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of vessels is the significant matter that requires special attention in the audit.

My audit procedure on such matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(CHAIYUTH ANGSUWITHAYA)
Certified Public Accountant
Registration No. 3885

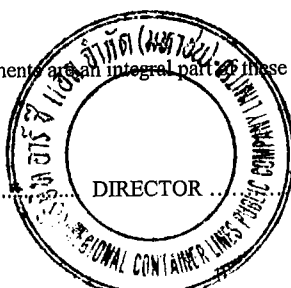
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents		1,144,027,277	1,202,343,114	57,865,328	21,118,599
Trade receivables - unrelated parties		1,926,555,091	2,271,165,948	11,597,739	2,943,783
Less: allowance for doubtful accounts		(56,584,247)	(56,105,502)	-	-
Trade receivables - unrelated parties, net	6	1,869,970,844	2,215,060,446	11,597,739	2,943,783
Trade receivables - related parties		32,557,090	43,697,106	374,871,263	725,253,004
Less: allowance for doubtful accounts		(9,599,211)	-	-	-
Trade receivables - related parties, net	6 and 19	22,957,879	43,697,106	374,871,263	725,253,004
Other receivables	19	390,310,618	488,115,562	101,255,691	958,439,934
Material supplies		235,939,730	332,237,177	17,844,307	17,984,273
Other current assets	7	43,424,984	42,457,173	231,063	1,127,847
Total current assets		3,706,631,332	4,323,910,578	563,665,391	1,726,867,440
Non - current assets					
Property investments held for long - term investment		4,710,192	5,064,616	-	-
Investments in subsidiaries, net	8	-	-	6,173,148,818	6,786,352,944
Investments in associates	9.1	339,188,673	353,353,178	50,426,066	53,782,173
Investments in joint ventures	9.2	106,424,742	62,085,206	-	-
Other long - term investments		10,247,789	10,929,830	-	-
Property and premises, net	10.1, 12 and 14	284,411,103	307,837,647	397,087	423,515
Vessels and equipment, net	10.2, 13 and 14	12,467,106,625	12,949,722,250	5,790,377,657	5,264,904,503
Intangible assets, net	11	6	6	-	-
Other non - current assets					
- Advances for vessel constructions and equipment	24.1 (c) and 25	111,000,425	275,558,330	111,000,425	267,535,530
- Others		7,864,490	7,628,477	2,553,381	2,504,180
Total non - current assets		13,330,954,045	13,972,179,540	12,127,903,434	12,375,502,845
Total assets	28	17,037,585,377	18,296,090,118	12,691,568,825	14,102,370,285

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

Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

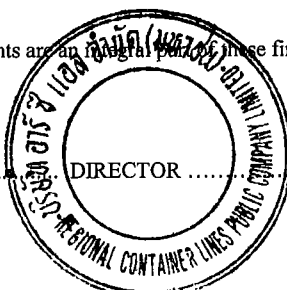
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short - term loans from financial institutions	12	1,103,336,202	932,300,000	450,000,000	350,000,000
Trade payables - unrelated parties		3,151,410,196	3,504,735,363	48,805,896	59,517,174
Trade payables - related parties	19	10,957,982	88,066,985	-	-
Other payables					
- Accrued expenses		76,005,757	79,860,530	22,722,930	15,922,322
- Advance receipt	19	481,301	4,260,174	3,151,722,525	4,296,703,314
- Payable on purchase of assets	19	100,171,909	77,237,048	120,914,628	104,485,998
Current portion of liabilities					
under financial lease agreement	13	354,251,749	326,335,542	-	-
Current portion of long - term loans	14	743,102,646	651,583,982	572,730,393	479,685,800
Provision for onerous contracts	24.1 (a)	43,247,526	46,125,866	-	-
Income tax payable		2,416,604	2,852,748	-	-
Other current liabilities	7	129,896,491	134,484,991	10,330,845	3,147,416
Total current liabilities		5,715,278,363	5,847,843,229	4,377,227,217	5,309,462,024
Non - current liabilities					
Liabilities under financial lease agreements,					
net of current portion	13	1,189,772,723	1,395,981,208	-	-
Long - term loans, net of current portion	14	2,667,619,795	2,600,087,215	2,009,911,049	1,763,781,306
Provisions for employee benefits	16	51,152,624	35,120,919	46,904,911	31,934,993
Deferred tax liabilities	22	8,392,799	8,632,945	-	-
Total non - current liabilities		3,916,937,941	4,039,822,287	2,056,815,960	1,795,716,299
Total liabilities	28	9,632,216,304	9,887,665,516	6,434,043,177	7,105,178,323

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

Mr. Sumate Tanthuwant
Director



Mr. Sutep Trauantasin
Director

DIRECTOR

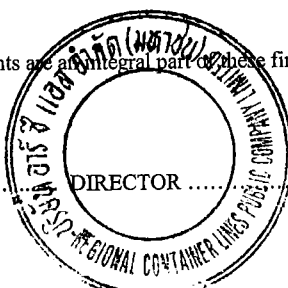
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 December 2019

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2019	2018	2019	2018
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares of Baht 1 each	828,750,000	828,750,000	828,750,000	828,750,000
Issued and fully paid - up				
828,750,000 ordinary shares of Baht 1 each	828,750,000	828,750,000	828,750,000	828,750,000
Share premium	4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
Retained earnings				
Appropriated - legal reserve	17 66,300,000	66,300,000	66,300,000	66,300,000
Unappropriated	2,495,400,560	2,987,147,230	1,170,505,886	1,481,616,857
Other components of equity	(973,060,245)	(464,367,906)	(790,994,425)	(362,439,082)
Total equity of parent Company's shareholders	7,400,354,502	8,400,793,511	6,257,525,648	6,997,191,962
Non - controlling interests	5,014,571	7,631,091	-	-
Total shareholders' equity	7,405,369,073	8,408,424,602	6,257,525,648	6,997,191,962
Total liabilities and shareholders' equity	28 17,037,585,377	18,296,090,118	12,691,568,825	14,102,370,285

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

Mr. Sumate Tanthuanit
Director



Mr. Sutop Thumontasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

Consolidated financial statements								
Equity holders of parent company								
Note	Issued and fully paid - up share capital	Retained earnings		Other components of equity		Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
		Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)				
				Exchange differences on translating financial statement				
	828,750,000	4,982,964,187	66,300,000	3,427,763,783	(384,125,418)	8,921,652,552	1,617,496	8,923,270,048
	-	-	-	-	9,453,967	9,453,967	-	9,453,967
5	-	-	-	-	-	-	4,604,971	4,604,971
	-	-	-	(357,741,773)	(89,696,455)	(447,438,228)	1,408,624	(446,029,604)
18	-	-	-	(82,874,780)	-	(82,874,780)	-	(82,874,780)
	828,750,000	4,982,964,187	66,300,000	2,987,147,230	(464,367,906)	8,400,793,511	7,631,091	8,408,424,602
	828,750,000	4,982,964,187	66,300,000	2,987,147,230	(464,367,906)	8,400,793,511	7,631,091	8,408,424,602
	-	-	-	(491,746,670)	(508,692,339)	(1,000,439,009)	(2,616,520)	(1,003,055,529)
	828,750,000	4,982,964,187	66,300,000	2,495,400,560	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073
	828,750,000	4,982,964,187	66,300,000	2,495,400,560	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073
Balance as at 1 January 2018								
Subsidiaries dissolve and liquidate								
Purchase of investment in subsidiary								
Total comprehensive income (loss) for the year								
Dividend paid								
Balance as at 31 December 2018								
Balance as at 1 January 2019								
Total comprehensive income (loss) for the year								
Balance as at 31 December 2019								

Balance as at 1 January 2018

Subsidiaries dissolve and liquidate

Purchase of investment in subsidiary

Total comprehensive income (loss) for the year

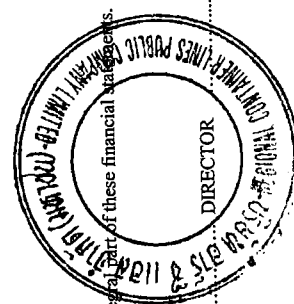
Dividend paid

Balance as at 31 December 2018

Balance as at 1 January 2019

Total comprehensive income (loss) for the year

Balance as at 31 December 2019



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

[Signature]

Mr. Sumate Tanthuwatit
Director

[Signature]

DIRECTOR

Mr. Sutep Tanantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

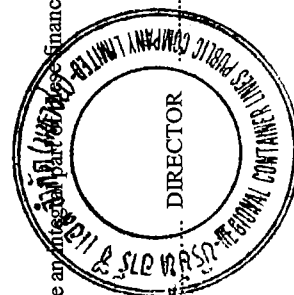
For the year ended 31 December 2019

(Unit: Baht)

Separate financial statements

Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity		Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	Exchange differences on translating financial statement	
Balance as at 1 January 2018	828,750,000	4,982,964,187	66,300,000	1,869,950,228	(308,893,087)		7,439,071,328
Total comprehensive income (loss) for the year	-	-	-	(305,458,591)	(53,545,995)		(359,004,586)
Dividend paid	-	-	-	(82,874,780)	-		(82,874,780)
Balance as at 31 December 2018	828,750,000	4,982,964,187	66,300,000	1,481,616,857	(362,439,082)		6,997,191,962
Balance as at 1 January 2019	828,750,000	4,982,964,187	66,300,000	1,481,616,857	(362,439,082)		6,997,191,962
Total comprehensive income (loss) for the year	-	-	-	(311,110,971)	(428,555,343)		(739,666,314)
Balance as at 31 December 2019	828,750,000	4,982,964,187	66,300,000	1,170,505,886	(790,994,425)		6,257,525,648

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



Mr. Sumate Tanthuwatit
Director

[Signature]

Mr. Sutop Tananatsin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

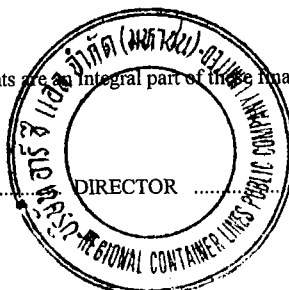
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2019	2018	2019	2018
Revenues					
Freight income	1.4.1 and 19	16,531,034,553	17,181,026,974	1,215,794,032	1,016,881,142
Others income					
Gain on exchange rate		40,286,425	74,043,647	-	1,231,439
Dividend income	8 and 9.1	-	-	51,085,524	67,886,521
Gain on sales of assets	10.2	102,913,748	132,886,013	-	-
Gain on dissolution of subsidiary, net	8	-	-	-	74,270,410
Reversal of provision for loss under onerous contracts	24.1 (a)	-	73,256,334	-	-
Interest income		3,669,293	6,278,189	106,205	422,327
Others		31,474,230	13,293,056	627	609
Total revenues		<u>16,709,378,249</u>	<u>17,480,784,213</u>	<u>1,266,986,388</u>	<u>1,160,692,448</u>
Expenses					
Cost of freight and operations	1.4.1 and 19	15,954,913,409	16,712,819,790	914,648,640	983,862,043
Administrative expenses	19	940,695,006	921,718,244	270,535,863	247,296,537
Others expense					
Net doubtful debt		13,713,326	-	-	-
Loss on exchange rate		-	-	28,665,819	-
Loss on dissolution of subsidiary	8	-	3,938,600	-	-
Loss on sales of assets	10.2	-	-	234,690	-
Loss on impairment of investments	8	-	-	194,783,433	-
Loss on impairment of vessels and equipment, net	10.2	36,289,398	49,933,584	-	105,437,234
Unrealized loss on derivatives	7	7,325,356	1,719,184	7,325,356	1,719,184
Finance costs		324,791,976	249,540,463	161,903,558	127,836,041
Total expenses	20	<u>17,277,728,471</u>	<u>17,939,669,865</u>	<u>1,578,097,359</u>	<u>1,466,151,039</u>
Share of profit (loss) from invesments in associates	9.1	40,313,242	78,335,297	-	-
Share of profit (loss) from invesments in joint ventures	9.2	45,808,347	31,970,958	-	-
Profit (loss) before income tax expenses		<u>(482,228,633)</u>	<u>(348,579,397)</u>	<u>(311,110,971)</u>	<u>(305,458,591)</u>
Tax expenses (income)	22	10,714,283	7,753,752	-	-
Profit (loss) for the years	28	<u>(492,942,916)</u>	<u>(356,333,149)</u>	<u>(311,110,971)</u>	<u>(305,458,591)</u>
Profit (loss) for the year attributable to:					
Equity holders of the parent		(491,746,670)	(357,741,773)	(311,110,971)	(305,458,591)
Non - controlling interests		(1,196,246)	1,408,624	-	-
		<u>(492,942,916)</u>	<u>(356,333,149)</u>	<u>(311,110,971)</u>	<u>(305,458,591)</u>
Basic earnings (loss) per share	2.19				
Profit (loss) attributable to equity holders of the parent		(0.59)	(0.43)	(0.38)	(0.37)
The weighted average number of ordinary shares (share)		<u>828,750,000</u>	<u>828,750,000</u>	<u>828,750,000</u>	<u>828,750,000</u>

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

Mr. Sumate Tanthuwani
Director



Mr. Sutep Traantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
Profit (loss) for the years	<u>(492,942,916)</u>	<u>(356,333,149)</u>	<u>(311,110,971)</u>	<u>(305,458,591)</u>
Other comprehensive income (loss) :				
Item that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	<u>(510,112,613)</u>	<u>(89,696,455)</u>	<u>(428,555,343)</u>	<u>(53,545,995)</u>
Total item that will be reclassified subsequently to profit or loss	<u>(510,112,613)</u>	<u>(89,696,455)</u>	<u>(428,555,343)</u>	<u>(53,545,995)</u>
Other comprehensive income (loss) for the years	<u>(510,112,613)</u>	<u>(89,696,455)</u>	<u>(428,555,343)</u>	<u>(53,545,995)</u>
Total comprehensive income (loss) for the years	<u><u>(1,003,055,529)</u></u>	<u><u>(446,029,604)</u></u>	<u><u>(739,666,314)</u></u>	<u><u>(359,004,586)</u></u>
Total comprehensive income (loss) for the years attributable to :				
Equity holders of the parent	<u>(1,000,439,009)</u>	<u>(447,438,228)</u>	<u>(739,666,314)</u>	<u>(359,004,586)</u>
Non - controlling interests	<u>(2,616,520)</u>	<u>1,408,624</u>	<u>-</u>	<u>-</u>
	<u><u>(1,003,055,529)</u></u>	<u><u>(446,029,604)</u></u>	<u><u>(739,666,314)</u></u>	<u><u>(359,004,586)</u></u>

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

Mr. Sumate Tanthuanit
Director



Mr. Sutep Trauantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) for the years	(492,942,916)	(356,333,149)	(311,110,971)	(305,458,591)
Adjustments to reconcile profit (loss) for the years to net cash provided by (used in) operating activities:				
Depreciation	1,431,894,276	1,591,025,760	399,329,297	438,988,244
Amortization	-	8,930	-	-
Loss (gain) on sales and write - off of assets	(102,913,748)	(132,886,013)	234,690	1,966,581
Loss (gain) on dissolution of subsidiary, net	-	-	-	(74,270,410)
Loss on impairment of vessels and equipment, net (reversal)	36,289,398	49,933,584	-	105,437,234
Loss on impairment of investments (reversal)	-	-	194,783,433	-
Provision for loss under onerous contracts (reversal)	-	(73,256,334)	-	-
Increase (decrease) in allowance for doubtful accounts	13,713,326	(279,220)	-	-
Dividend income	-	-	(51,085,524)	(67,886,521)
Unrealized loss (gain) on derivatives	7,325,356	1,719,184	7,325,356	1,719,184
Unrealized loss (gain) on exchange rate	168,885,060	(74,760,899)	27,242,811	(17,050,984)
Share of loss (profit) from investments in associates	(40,313,242)	(78,335,297)	-	-
Share of loss (profit) from investments in joint ventures	(45,808,347)	(31,970,958)	-	-
Provisions for employee benefits	18,341,706	6,824,367	16,877,161	6,329,037
Interest income	(3,669,293)	(6,278,189)	(106,205)	(422,327)
Finance costs	324,791,976	249,540,463	161,903,558	127,836,041
Tax expenses (income)	10,714,283	7,753,752	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	1,326,307,835	1,152,705,981	445,393,606	217,187,488
Operating assets decrease (increase)				
Trade receivables - unrelated parties	200,419,759	(576,309,362)	(8,653,956)	8,029,864
Trade receivables - related parties	10,883,985	5,577,163	(869,344,689)	(538,078,904)
Other receivables	97,584,544	281,623,130	(376,294,576)	(556,580,082)
Material supplies	96,297,447	(92,161,018)	139,966	(4,905,577)
Other current assets	3,741,111	(5,984,337)	896,784	(145,700)
Other non - current assets	(236,013)	(8,087,598)	(49,201)	(75,262)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	(356,984,529)	422,329,661	(13,547,167)	10,994,492
Trade payables - related parties	(77,109,003)	78,193,995	-	-
Other payables - accrued expenses	18,277,594	(10,144,251)	(4,181,357)	(5,230,365)
Advance receipt	(3,778,873)	1,836,222	1,417,453,350	2,361,407,882
Other current liabilities	(11,913,857)	27,595,474	(141,927)	615,916
Employee benefit obligation paid	(2,310,001)	-	(1,907,243)	-
Cash from operating activities	1,301,179,999	1,277,175,060	589,763,590	1,493,219,752
Cash received (paid) for income tax expenses	(15,866,366)	(15,379,997)	-	-
Net cash provided by (used in) operating activities	1,285,313,633	1,261,795,063	589,763,590	1,493,219,752

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

Mr. Supate Tanthuwant
Director



Mr. Sutop Tanantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash received from sales of assets	217,051,898	201,172,465	113,846,039	-
Purchase of property, premises, vessels and equipment	(1,326,571,452)	(1,646,643,527)	(1,132,670,048)	(1,488,132,447)
Payment of payable on purchase of assets	(77,020,633)	-	(18,804,014)	-
Payment of advances for vessel constructions and equipment	(69,708,387)	(140,654,799)	(69,708,387)	(140,654,799)
Dividend received	21,754,353	67,886,521	51,085,524	67,886,521
Interest received	3,889,693	6,149,877	106,205	453,085
Net cash and equivalents received from business combination	-	13,140,475	-	-
Proceeds from purchase of non - controlling interests	-	4,074,526	-	-
Net cash provided by (used in) investing activities	(1,230,604,528)	(1,494,874,462)	(1,056,144,681)	(1,560,447,640)
Cash flows from financing activities				
Increase (decrease) in short - term loans				
from financial institutions	210,236,662	(438,702,963)	100,000,000	(446,786,513)
Payment of liabilities under financial lease agreements	(348,529,477)	(227,813,424)	-	-
Increase (decrease) in long - term loans	371,326,423	796,500,966	491,951,346	655,187,894
Finance costs paid	(346,924,342)	(248,088,956)	(150,921,593)	(128,863,995)
Dividend paid	-	(82,874,780)	-	(82,874,780)
Net cash provided by (used in) financing activities	(113,890,734)	(200,979,157)	441,029,753	(3,337,394)
Exchange differences on translating financial statement	865,792	(3,578,128)	62,098,067	13,870,609
Net increase (decrease) in cash and cash equivalents	(58,315,837)	(437,636,684)	36,746,729	(56,694,673)
Cash and cash equivalents at beginning of years	1,202,343,114	1,639,979,798	21,118,599	77,813,272
Cash and cash equivalents at end of years	1,144,027,277	1,202,343,114	57,865,328	21,118,599

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

Mr. S. Tanthuanit
Director



Mr. Sutep Tantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2019

1. General information

1.1 Corporate information

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

1.2 Basis for preparation of financial statements

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


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

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




.....
Mr. Sumate Tanthuanit
Director

DIRECTOR

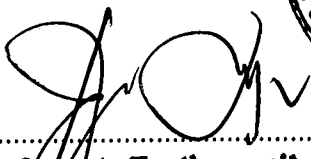

.....
Mr. Sutep Trantasin
Director

DIRECTOR


1.3 Basis for consolidation of financial statements

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

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


Mr. Sumate Tanthuanit
 Director




Mr. Sutep Tanantasin
 Director

DIRECTOR

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

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

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

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

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

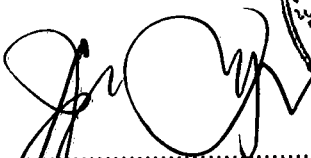

(d) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

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


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

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

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



 Mrs. Sumate Tanthuwatit
 Director

DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

1.4 Adoption of new financial reporting standards

1.4.1 Financial reporting standards which are effective for the current year

During the year, the Group adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after 1 January 2019. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements. Accordingly, the Group reclassified revenues recovered from customers from “cost of freight and operations” to “freight income” for the years ended 31 December 2019 and 2018 amounting to USD 163.84 million or approximately Baht 5,102.16 million and USD 161.39 million or approximately Baht 5,218.43 million, respectively (The Company amounting to USD 0.04 million or approximately Baht 1.22 million and USD 0.09 million or approximately Baht 2.83 million, respectively)

The above reclassification, due to initial adoption of TFRS 15 Revenue from Contract with Customers, superseding TAS 11 (revised 2017) Construction Contracts and TAS 18 (revised 2017) Revenue and the interpretation of relevant financial reporting standards, has no impact to the beginning retained earnings and profit and loss of the Group.

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

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2020 as follows:


Accounting Standard

- TAS 1 Presentation of Financial Statements
- TAS 2 Inventories
- TAS 7 Statement of Cash Flows
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 Events after the Reporting Period
- TAS 12 Income Taxes
- TAS 16 Property, Plant and Equipment
- TAS 19 Employee Benefits
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 The Effects of Changes in Foreign Exchange Rates
- TAS 23 Borrowing Costs
- TAS 24 Related Party Disclosures
- TAS 26 Accounting and Reporting by Retirement Benefit Plans
- TAS 27 Separate Financial Statements
- TAS 28 Investments in Associates and Joint Ventures
- TAS 29 Financial Reporting in Hyperinflationary Economies
- TAS 32 Financial Instruments: Presentation
- TAS 33 Earnings per Share
- TAS 34 Interim Financial Reporting




Mr. Sumate Tanthuwant
Director

DIRECTOR


Mr. Sutop Trantasin
Director

DIRECTOR

Accounting Standard

- TAS 36 Impairment of Assets
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets
- TAS 40 Investment Property
- TAS 41 Agriculture

Financial Reporting Standard

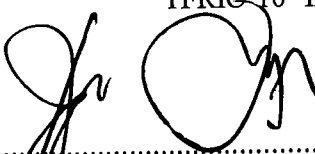
- TFRS 1 First - time Adoption of Thai Financial Reporting Standards
- TFRS 2 Share - based Payment
- TFRS 3 Business Combinations
- TFRS 4 Insurance Contract
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 8 Operating Segments
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements
- TFRS 11 Joint Arrangements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement
- TFRS 15 Revenue from Contracts with Customers
- TFRS 16 Leases

Accounting Standard Interpretations


- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment


Mr. Sumate Tanthuanit
Director

DIRECTOR


Mr. Sutep Tranantasin
Director

DIRECTOR



Financial Reporting Standard Interpretations

TFRIC 12 Service Concession Arrangements

TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their Interaction

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 17 Distributions of Non - Cash Assets to Owners

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

TFRIC 21 Levies

TFRIC 22 Foreign Currency Transactions and Advance Consideration


TFRIC 23 Uncertainty over Income Tax Treatments


The management of the Group has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after 1 January 2020 as follows:


1) TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 19, TAS 21, TAS 23, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40, TFRS 8, TFRS 10, TFRS 11, TFRS 12, TFRS 13, TFRS 15 and TFRIC 22 will not have material impact on the financial statements when they are applied.

2) The management of the Group is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16, TFRIC 16 and TFRIC 19 to the financial statements when they are adopted.

3) The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) and No.2) are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.


..... DIRECTOR


..... DIRECTOR


..... DIRECTOR

Mr. Sunate Tanthuwant
Director

Mr. Sutep Tronantasin
Director

2. Significant accounting policies

2.1 Revenue recognition

Freight income

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

Interest income

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

Dividends

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

Other income

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

2.2 Cash and cash equivalents

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

2.3 Trade receivables

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

2.4 Material supplies

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

2.5 Investments


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

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

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

Mr. Sumate Tanthuwant
Director

...DIRECTOR

..... DIRECTOR
Mr. Sutep Tanontasin
Director

2.6 Business combinations

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

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

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

The Group measures goodwill at the acquisition date as :

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

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

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

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

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

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

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

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

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

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

No depreciation is provided for land and vessels installation.

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



Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutop Truantasin
Director

DIRECTOR

2.8 Borrowing costs

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

2.9 Intangible assets

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

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

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

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

2.10 Financial instruments

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

Cross interest rate swap contracts

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

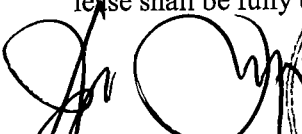
2.11 Related party transactions

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

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

2.12 Long - term leases

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


Mr. Sunate Tanthuwant
Director



Mr. Sutop Tanontasin
Director

DIRECTOR

2.13 Foreign currencies

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

a) Translation of foreign currency transactions and balances

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

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

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

b) Translation into the Group's functional currency

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

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

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

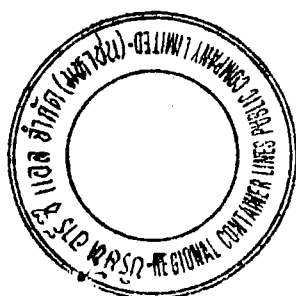
c) Translation into the presentation currency

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

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

2.14 Property investments held for long - term investment

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




Mr. Sumate Tanthuwant
Director

DIRECTOR


Mr. Sutep Truantasin
Director

DIRECTOR

2.15 Impairment of assets

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

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the lower of its recoverable amount (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.

2.16 Employee benefits

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

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

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

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

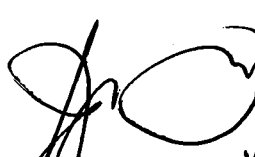
The Group recognized termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

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

2.17 Provisions

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

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


Mr. Sumate Tanthawanit
Director


Mr. Sutep Trauantasin
Director

DIRECTOR

2.18 Income tax

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

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

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

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

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

2.19 Basic earnings (loss) per share

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

3. Significant accounting judgments and estimates

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

3.1 Allowance for doubtful accounts

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

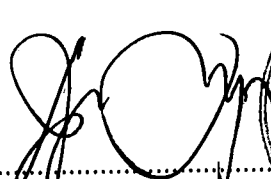
3.2 Premises, vessels and equipment


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

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

3.3 Leases

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


.....
Mr. Sumato Tanthuwank
Director


.....
Mr. Sutop Transutasin
Director

DIRECTOR

3.4 Intangible assets

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

3.5 Litigation

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

3.6 Provision for onerous contracts

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

3.7 Provisions for employee benefits

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

4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to increase net income of the Group and the Company for the year ended 31 December 2019 by Baht 85.4 million and Baht 23.9 million, respectively (Baht 0.103 per share and Baht 0.029 per share, respectively).


5. Business acquisitions


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

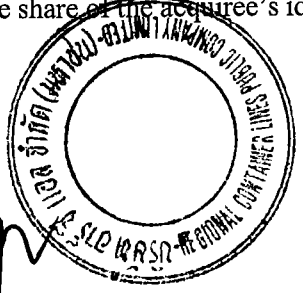
RCL (Vietnam) Co., Ltd. operates as Shipping Agent. As a result of obtaining control of RCV shall increase capacities in expanding business in Vietnam.

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

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


..... DIRECTOR


..... DIRECTOR



Mr. S. Mate Tanthavanchi
Director

Mr. Sutop Trantasin
Director

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

(Unit: Thousand Baht)

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

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

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

(Unit: Thousand Baht)

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



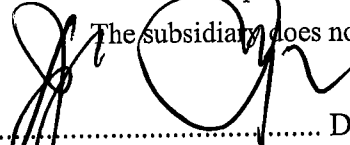
The subsidiary recognized the gain from purchase in the statements of income for 1st quarter of 2018.

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

(Unit: Thousand Baht)

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

The subsidiary does not have any acquisition costs.


Mr. Sumate Tanthuwat
Director

DIRECTOR


Mr. Sutop Trantasin
Director

DIRECTOR

6. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2019 and 2018 are classified by aging as follows:

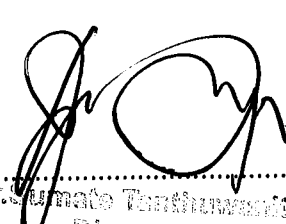
		(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements
	2019	2018	2019 2018
Under 90 days	1,669,490	2,036,573	10,854 2,417
91 - 180 days	56,826	97,959	- -
181 - 365 days	132,944	54,557	744 527
Over 365 days	67,295	82,077	- -
Total	1,926,555	2,271,166	11,598 2,944
Less Allowance for doubtful accounts	(56,584)	(56,106)	- -
Net	1,869,971	2,215,060	11,598 2,944

The balances of trade receivables - related parties as at 31 December 2019 and 2018 are classified by aging as follows:


		(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements
	2019	2018	2019 2018
Under 90 days	22,972	28,677	283,518 206,438
91 - 180 days	9,585	15,020	91,353 144,366
181 - 365 days	-	-	- 188,596
Over 365 days	-	-	- 185,853
Total	32,557	43,697	374,871 725,253
Less Allowance for doubtful accounts	(9,599)	-	- -
Net	22,958	43,697	374,871 725,253

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

		(Unit: Thousand Baht)	
	Note	Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2018		546	546
Unrealized gain (loss) on derivatives		(7,325)	(7,325)
Exchange differences on translating financial statement		156	156
Ending balance as at 31 December 2019	26.1 (2)	(6,623)	(6,623)


 Mr. Sumate Thanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

8. Investments in subsidiaries, net

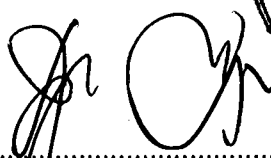
(Unit: Million Baht)


Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the years ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	12	12	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	29	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	216	230	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	4,800	5,120	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,038	1,107	-	-
f) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	74	79	-	-
<u>Subsidiary operating in Hong Kong</u>								
g) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	220	235	-	-
					6,365	6,788	29	-
<u>Less</u> : Allowance for impairment					(192)	(2)		
Total investments in subsidiaries, net					6,173	6,786		

Movement in the investments in subsidiaries for the year ended 31 December 2019 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2018	6,786,353
<u>Less</u> : Loss on impairment of investments	(194,783)
Exchange differences on translating financial statement	(418,421)
Investment as at 31 December 2019	6,173,149

As at 31 December 2019, the Company provided the allowance for impairment due to plan to close the RCL Investment Pte. Ltd which is the subsidiary in Singapore.


 Mr. Sutrak Tanthuwanki
 Director


 Mr. Sulep Tranantasin
 Director

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

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

9. Investments in associates and joint ventures

9.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned by the Company		Cost		Equity method		(Unit: Million Baht) Dividend for the years ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht	Baht								
(Port operating)	100	100								
	Million	Million	22	22	50	54	337	341	22	68
Total investment in associates of the Company					50	54	337	341	22	68
<u>Investment in associates of the subsidiaries</u>										
PT Daerah Indah Shipping	USD									
(Ship agency) (a)		0.75								
	-	Million	-	49	-	12	-	12	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
(Port operating)	Million	Million	49	49	15	15	-	-	-	-
N - Square RCL Logistics Co., Ltd.	Baht 5									
(Warehouse operating) (b)	Million	-	40	-	2	-	2	-	-	-
Total investment in associates of the subsidiaries					17	27	2	12	-	-
Total investment in associates					67	81	339	353	22	68



Mr. Sungrat Tanthuwach
Director

DIRECTOR

Mr. Sutop Trantasin
Director

DIRECTOR

Movements in the investment in associates for the year ended 31 December 2019 are summarized below:

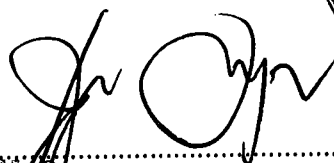
	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2018	353,353	53,782
Dividend income	(21,754)	-
Additional investment (b)	2,023	-
Share of profit under equity method	40,313	-
Associates dissolve and liquidate (a)	(12,118)	-
Exchange differences on translating financial statement	(22,628)	(3,356)
Investment as at 31 December 2019	339,189	50,426

(a) In August 2019, PT Daerah Indah Shipping which is an associated of subsidiary in Singapore has been dissolved.

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


9.2 Investments in joint venture

		(Unit: Million Baht)						
		Consolidated financial statements						Dividend for the years ended 31 December
Company's name	Paid - up capital		Percentage directly owned by the Company		Equity method			
	2019	2018	2019	2018	2019	2018	2019	2018
			Percent	Percent				
<u>Investment in joint venture of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40						
	Million	Million	55	55	93	62	-	-
RCL Agencies East India Private Limited	INR							
(Shipping agent and providing transportation and cargo handling services)	15							
	Million	-	55	-	13	-	-	-
Total investment in joint venture					106	62	-	-


M. Umatae Tansuwant
Director



DIRECTOR


M. Sutop Tranantasin
Director

DIRECTOR



Movements in the investment in joint ventures for the year ended 31 December 2019 are summarized below:


	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2018	62,085	-
Dividend income	-	-
Additional investment	3,691	-
Share of profit under equity method	45,808	-
Exchange differences on translating financial statement	(5,159)	-
Investment as at 31 December 2019	106,425	-

In April 2019, a subsidiary in Singapore and a foreign company in India had entered into a joint venture agreement to setting up company namely RCL Agencies East India Private Limited, for the purpose of shipping agent and providing transportation and cargo handling services, which has been registered in 1st quarter of year 2019. A subsidiary' shareholding is 55% of share capital. The share capital and paid - up capital amounted Indian Rupee 15 million.

Financial information of the associates and joint ventures is summarised below. (2018: Audited financial statements, 2019: 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,793	1,830	137	257	1,314	1,666	181	343
<u>Investment in associates of the subsidiaries</u>										
PT Daerah Indah Shipping		USD 0.67								
	-	Million	-	22	-	-	-	-	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
	Million	Million	41	36	54	53	80	73	2	4
N - Square RCL Logistics Co., Ltd.	Baht 5									
	Million	-	8	-	6	-	7	-	(2)	-
<u>Investment in joint ventures of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	195	119	65	15	120	101	66	54
RCL Agencies East India Private Limited	INR 15									
	Million	-	112	-	89	-	49	-	17	-



 Mr. Sumate Tanthuwant
 Director


 Mr. Sutop Tanantasin
 Director

DIRECTOR

10. Property, premises, vessels and equipment, net

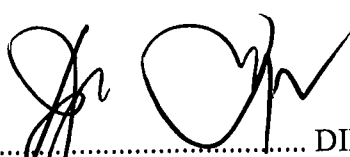
10.1 Property and premises, net

(Unit: Baht)

	Building in Bangkok	Building in Singapore	Building in Hong Kong	Improvement of buildings in Singapore	Improvement of buildings in Hong Kong	Total
<u>Cost</u>						
As at 31 December 2018	57,842,315	161,327,911	252,367,580	63,979,094	5,629,606	541,146,506
Acquisitions	-	-	-	865,486	-	865,486
Write - off	-	-	-	(785,967)	-	(785,967)
Exchange differences on translating financial statement	(3,609,467)	(10,067,160)	(14,420,504)	(4,116,946)	(321,681)	(32,535,758)
As at 31 December 2019	54,232,848	151,260,751	237,947,076	59,941,667	5,307,925	508,690,267
<u>Accumulated depreciation</u>						
As at 31 December 2018	(57,418,800)	(46,028,881)	(61,631,135)	(62,600,437)	(5,629,606)	(233,308,859)
Depreciation for the year	-	(3,170,450)	(2,565,998)	(451,606)	-	(6,188,054)
Write - off	-	-	-	728,547	-	728,547
Exchange differences on translating financial statement	3,583,039	2,954,654	3,573,140	4,056,688	321,681	14,489,202
As at 31 December 2019	(53,835,761)	(46,244,677)	(60,623,993)	(58,266,808)	(5,307,925)	(224,279,164)
<u>Allowance for loss on impairment</u>						
As at 31 December 2018	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2019	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 December 2018	423,515	115,299,030	190,736,445	1,378,657	-	307,837,647
As at 31 December 2019	397,087	105,016,074	177,323,083	1,674,859	-	284,411,103

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

As at 31 December 2019 and 2018, 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 117 million and Baht 125 million (The Company: Baht 54 million and Baht 57 million), respectively.


.....
Mr. Sumato Tanthuwant
Director

DIRECTOR


.....
Mr. Sutep Tranantasin
Director

DIRECTOR



10.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Container	Office furniture, fixtures and equipment	Motor vehicles	Total
Cost						
As at 31 December 2018	27,744,677,225	631,396,801	2,353,483,884	161,560,298	18,691,754	30,909,809,962
Acquisitions	1,534,251,879	113,048,332	257,349,636	5,249,124	61,377	1,909,960,348
Disposals	(1,463,847,333)	-	(103,633,741)	(991,044)	-	(1,568,472,118)
Write - off	-	(173,771,109)	-	-	-	(173,771,109)
Exchange differences on translating financial statement	(1,733,148,370)	(37,822,802)	(150,855,175)	(9,827,021)	(903,549)	(1,932,556,917)
As at 31 December 2019	26,081,933,401	532,851,222	2,356,344,604	155,991,357	17,849,582	29,144,970,166
Accumulated depreciation						
As at 31 December 2018	(14,996,740,673)	(309,872,750)	(697,791,240)	(147,853,833)	(13,900,232)	(16,166,158,728)
Depreciation for the year	(846,017,696)	(201,802,741)	(370,577,078)	(6,297,491)	(1,011,216)	(1,425,706,222)
Disposals	1,246,378,486	-	103,633,217	891,939	-	1,350,903,642
Write - off	-	173,771,109	-	-	-	173,771,109
Exchange differences on translating financial statement	925,423,381	20,064,872	50,478,453	9,169,721	819,171	1,005,955,598
As at 31 December 2019	(13,670,956,502)	(317,839,510)	(914,256,648)	(144,089,664)	(14,092,277)	(15,061,234,601)
Allowance for loss on impairment						
As at 31 December 2018	(1,793,928,984)	-	-	-	-	(1,793,928,984)
Increase	(36,289,398)	-	-	-	-	(36,289,398)
Reversal	-	-	-	-	-	-
Disposals	103,388,117	-	-	-	-	103,388,117
Exchange differences on translating financial statement	110,201,325	-	-	-	-	110,201,325
As at 31 December 2019	(1,616,628,940)	-	-	-	-	(1,616,628,940)
Net book value						
As at 31 December 2018	10,954,007,568	321,524,051	1,655,692,644	13,706,465	4,791,522	12,949,722,250
As at 31 December 2019	10,794,347,959	215,011,712	1,442,087,956	11,901,693	3,757,305	12,467,106,625



[Signature]
Mr. Suteop Tanthuvant
Director

DIRECTOR

[Signature]
Mr. Suteop Tanthuvant
Director

DIRECTOR

Vessels and equipment - Separate financial statements

(Unit: Baht)

	Vessels	Major repair and maintenance cost	Office furniture, fixtures and equipment	Motor vehicles	Total
Cost					
As at 31 December 2018	10,480,996,302	222,011,213	43,363,476	5,821,310	10,752,192,301
Acquisitions	1,368,056,098	19,390,515	2,754,708	-	1,390,201,321
Disposals	(1,463,847,333)	-	-	-	(1,463,847,333)
Write - off	-	(50,563,834)	-	-	(50,563,834)
Exchange differences on translating financial statement	(651,545,029)	(13,044,054)	(2,777,526)	(363,260)	(667,729,869)
As at 31 December 2019	9,733,660,038	177,793,840	43,340,658	5,458,050	9,960,252,586
Accumulated depreciation					
As at 31 December 2018	(5,243,957,924)	(92,525,169)	(39,494,639)	(5,821,310)	(5,381,799,042)
Depreciation for the year	(324,339,571)	(72,748,005)	(2,241,721)	-	(399,329,297)
Disposals	1,248,222,507	-	-	-	1,248,222,507
Write - off	-	50,563,834	-	-	50,563,834
Exchange differences on translating financial statement	303,230,963	6,350,069	2,522,777	363,260	312,467,069
As at 31 December 2019	(4,016,844,025)	(108,359,271)	(39,213,583)	(5,458,050)	(4,169,874,929)
Allowance for loss on impairment					
As at 31 December 2018	(105,488,756)	-	-	-	(105,488,756)
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Disposals	101,544,096	-	-	-	101,544,096
Exchange differences on translating financial statement	3,944,660	-	-	-	3,944,660
As at 31 December 2019	-	-	-	-	-
Net book value					
As at 31 December 2018	5,131,549,622	129,486,044	3,868,837	-	5,264,904,503
As at 31 December 2019	5,716,816,013	69,434,569	4,127,075	-	5,790,377,657

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

As at 31 December 2019 and 2018, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,449 million and Baht 1,185 million (The Company: Baht 432 million and Baht 497 million), respectively.

As at 31 December 2019 and 2018, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 47.5 million (approximately Baht 1,442.1 million) and USD 51.2 million (approximately Baht 1,655.7 million), respectively (the Company only: amounted to approximately Baht - million and Baht - million, respectively).

Mr. Sate Tanchuwant
Director

DIRECTOR

Mr. Sutep Nantasin
Director

DIRECTOR

Transactions occurred in year 2018:

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

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

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

Transactions occurred in year 2019:

During the year 2019, a subsidiary in Singapore sold containers which the gain on the sale was USD 3.3 million (approximately Baht 103.3 million).

At the end of year 2019, the management determined the recoverable amount of the Company and the Subsidiary in Singapore vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the total allowance for impairment loss which has been recorded is adequate and the Group recorded the loss on impairment of the vessels which the Company had signed a memorandum of agreement to sell are disclosed in Note 29 to the financial statement amounting to USD 1.2 million or approximately Baht 36.3 million (The Company : USD - million or approximately Baht - million).

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


Depreciation in the statements of income for the years 2019 and 2018 consisted of the following:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	1,418,397,515	1,577,016,807	397,087,576	437,206,415
Administrative expenses	13,496,761	14,008,953	2,241,721	1,781,829
Total	1,431,894,276	1,591,025,760	399,329,297	438,988,244

	(Unit: USD)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	45,548,614	48,772,408	12,751,565	13,521,485
Administrative expenses	433,418	433,255	71,988	55,107
Total	45,982,032	49,205,663	12,823,553	13,576,592


Mr. Surate Tenthumvong
Director


DIRECTOR


Mr. Sutop Tranantasin
Director

11. Intangible assets, net

	(Unit: Baht)
	Consolidated financial statements
	Computer software
<u>Cost</u>	
As at 31 December 2018	339,929,705
Increase	-
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	(21,270,828)
As at 31 December 2019	318,658,877
<u>Accumulated amortization</u>	
As at 31 December 2018	(339,929,699)
Increase	-
Decrease	-
Exchange differences on translating financial statement	21,270,828
As at 31 December 2019	(318,658,871)
<u>Net book value</u>	
As at 31 December 2018	6
As at 31 December 2019	6

As at 31 December 2019 and 2018, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 319 million and Baht 340 million, respectively.

12. Short - term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Loans from financial institution no. 1	450,000	350,000	450,000	350,000
Loans from financial institution no. 2	107,373	-	-	-
Loans from financial institution no. 3	545,963	582,300	-	-
Total	1,103,336	932,300	450,000	350,000

As at 31 December 2019 and 2018, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 31 December 2019, loans from financial institution no. 2 is short - term loan amounting to USD 3.5 million, with interest at the rate of LIBOR+4.15% p.a., is secured by office building subsidiaries.

As at 31 December 2019 and 2018, loans from financial institution no. 3 is short - term loan amounting to USD 18 million with interest at the rate of LIBOR+1.80% p.a., which is unsecured.

Mr. Surapate Tanthuanant
Director

DIRECTOR

Mr. Sutop Tranantasin
Director

DIRECTOR

13. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate Financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	1,760,578	1,987,216	-	-
<u>Less</u> : deferred interest	(216,553)	(264,899)	-	-
	1,544,025	1,722,317	-	-
<u>Less</u> : current portion due within one year	(354,252)	(326,336)	-	-
Liabilities under finance lease agreements net of current portion	1,189,773	1,395,981	-	-

(Unit: Thousand Baht)

	Consolidated financial statements					
	2019			2018		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	1,041,149	137,218	1,178,367	1,134,852	168,207	1,303,059
Over 5 years	148,624	6,123	154,747	261,129	13,408	274,537
Total	1,189,773	143,341	1,333,114	1,395,981	181,615	1,577,596

(Unit: Thousand Baht)

	Separate financial statements					
	2019			2018		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	-	-	-	-	-	-



Mr. Suchalee Tonthuvong
Director

DIRECTOR

Mr. Sutop Tranantasin
Director

DIRECTOR

14. Long - term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Loans of the Company</u>				
1) USD - million loan (2018: USD 5.3 million), repayable quarterly until the year 2020.	-	169,837	-	169,837
2) USD 9.5 million loan (2018: USD 15.5 million), repayable quarterly until the year 2021.	288,491	499,915	288,491	499,915
3) USD 15.5 million loan (2018: USD 17.4 million), repayable quarterly until the year 2027.	468,725	564,427	468,725	564,427
4) USD 27.3 million loan (2018: USD 31.2 million), repayable quarterly until the year 2026.	828,257	1,009,288	828,257	1,009,288
5) USD 2.4 million loan (2018: USD - million), repayable quarterly until the year 2026.	73,884	-	73,884	-
6) USD 13.7 million loan (2018: USD - million), repayable quarterly until the year 2029.	416,145	-	416,145	-
7) USD 13.7 million loan (2018: USD - million), repayable quarterly until the year 2029.	416,145	-	416,145	-
8) USD 3.0 million loan (2018: USD - million), repayable quarterly until the year 2023.	90,994	-	90,994	-
<u>Loans of the Singapore Subsidiaries</u>				
9) USD 5.9 million loan (2018: USD 7.6 million), repayable quarterly until the year 2023.	178,348	244,566	-	-
10) USD 6.4 million loan (2018: USD 7.5 million), repayable quarterly until the year 2025.	194,348	243,321	-	-
11) USD 4.9 million loan (2018: USD 5.8 million), repayable quarterly until the year 2025.	149,503	187,171	-	-
12) USD 6.9 million loan (2018: USD 8.1 million), repayable quarterly until the year 2025.	210,545	263,597	-	-
13) USD 1.4 million loan (2018: USD - million), repayable quarterly until the year 2024.	43,677	-	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
14) HKD 13.3 million loan (2018: HKD 16.8 million), repayable monthly until the year 2023.	51,661	69,549	-	-
Total	3,410,723	3,251,671	2,582,641	2,243,467
Less : Current portion	(743,103)	(651,584)	(572,730)	(479,686)
Long - term loans, net of current portion	2,667,620	2,600,087	2,009,911	1,763,781

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

Mr. Sumrit Tantawant
Director

DIRECTOR

Mr. Sutop Tronantasin
Director

DIRECTOR

Movements in the long - term loans during the year ended 31 December 2019 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2018	3,251,671	2,243,467
<u>Add</u> Borrowings	1,068,607	1,023,765
<u>Less</u> Repayments	(697,281)	(531,814)
Exchange differences on translating financial statement	<u>(212,274)</u>	<u>(152,777)</u>
Ending balance as at 31 December 2019	<u><u>3,410,723</u></u>	<u><u>2,582,641</u></u>

These long - term 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 2019, the Group and the Company had the remaining credit line of long - term loans are as follows:

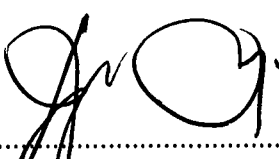
In October 2018, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 6.5 million (31 December 2019: approximately Baht 197.2million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the Company has drawn down the loan amounting to USD 2.4 million in March and October 2019.

In July 2019, the subsidiary in Singapore had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 2.9 million (31 December 2019: approximately Baht 87.4 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the subsidiary has drawn down the loan total amount in November 2019 and February 2020.


In January 2020, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 2.7 million (31 December 2019: approximately Baht 80.4 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", at present, the Company has not drawn down the loan.

15. Debenture

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


 Mr. Sunanta Tanthuwant
 Director




 Mr. Sutop Tanantasin
 Director

16. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provisions for employee benefits at beginning of year	35.12	28.30	31.93	25.60
Current service cost and interest	9.27	6.82	8.57	6.33
Past service costs	9.13	-	8.31	-
Benefits paid	(2.37)	-	(1.91)	-
Provisions for employee benefits at ending of year	51.15	35.12	46.90	31.93

- Expenses recognized in the statements of income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current service costs	8.05	6.03	7.46	5.61
Past service costs	9.13	-	8.31	-
Interest cost	1.22	0.79	1.11	0.72
Total	18.40	6.82	16.88	6.33

- Principal actuarial assumptions as at 31 December 2019 and 2018 are as follows:


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

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017



 DIRECTOR


 DIRECTOR

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 31 December 2019 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 4.32 million (increase Baht 4.95 million) and Separate financial statements would decrease Baht 3.95 million (increase Baht 4.53 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 6.04 million (decrease Baht 5.31 million) and Separate financial statements would increase Baht 5.50 million (decrease Baht 4.83 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 2.05 million (increase Baht 2.27 million) and Separate financial statements would decrease Baht 1.94 million (increase Baht 2.13 million).
- If the mortality rate increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.18 million (decrease Baht 0.21 million) and Separate financial statements would increase Baht 0.17 million (decrease Baht 0.19 million).

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


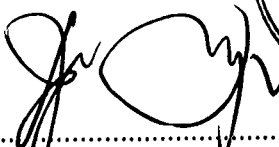

On 5 May 2019, the Company and a subsidiary in Thailand have amended its post-employment benefits plan to conform with Labour Protection Act which the main point is to increase the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The Company and a subsidiary in Thailand have recorded the effect of the change by recognizing past service cost as expenses immediately in the 2nd quarter income statement of the year 2019 amounted to Baht 9.13 million (The Company : Baht 8.31 million).

17. Legal reserve

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

18. Dividend paid

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

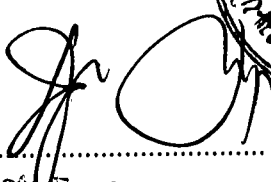

 DIRECTOR
Mr. Sumrit Tonthuwong
Director
 DIRECTOR
Mr. Sutep Thuanasin
Director


19. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	939	539	Market price as at agreement date
Ship management fee	-	-	9	9	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	102	169	-	-	Price approximates market price
Terminal operating service	229	225	-	-	Price per tariff minus volume discount
Logistic service fees	42	12	-	-	Price approximates market price
Office rental	10	10	9	9	Contract price


 Mr. Sumate Tanthuvankit
 Director

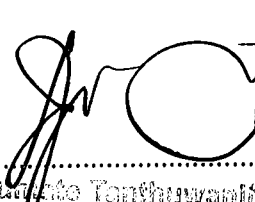
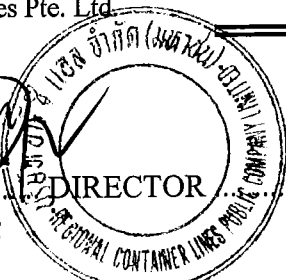

 Mr. Sutop Trauantasin
 Director

DIRECTOR


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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	375	725
<u>Related parties</u>				
Ngow Hock Co., Ltd.	18	-	-	-
RCL Agencies East India Private Limited	5	-	-	-
Siam Paetra International Co., Ltd	10	44	-	-
	33	44	-	-
<u>Less Allowance for doubtful accounts</u>	(10)	-	-	-
	23	44	-	-
Other receivables - related parties				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	82	899
Regional Container Lines Pte. Ltd.	-	-	-	6
	-	-	82	905
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	1	30
Trade payables - related parties				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	77	-	-
RCL Agencies East India Private Limited	6	-	-	-
RCL Agencies (India) Private Limited	1	7	-	-
Others	4	4	-	-
	11	88	-	-
Advance from related parties				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	2,321	3,713
RCL Shipmanagement Pte. Ltd.	-	-	827	570
Regional Container Lines Pte. Ltd.	-	-	3	9
	-	-	3,151	4,292
Payable on purchase of assets				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	81	86

 Mr. Sutop Tanthuvantit
 Director



 Mr. Sutop Tanantasin
 Director

DIRECTOR

c) Management benefit expenses

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

Management benefit expenses for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short - term employee benefits	47	40	30	26

20. Expenses by nature

Significant expenses by nature for the years ended 31 December 2019 and 2018 are as follows:


	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Employee benefits expenses	1,398	1,421	467	446
Management benefit expenses	47	40	30	26
Depreciations	1,432	1,591	399	439
Net doubtful debt	14	-	-	-
Loss on impairment of investments	-	-	195	-
Loss on impairment of vessels and equipment, net	36	50	-	105

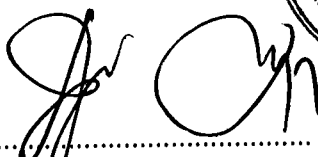

21. Provident Fund

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

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

During the year 2019, the Group's contributions to these funds totaled Baht 45 million (2018 : Baht 45 million).



 DIRECTOR  DIRECTOR

 Mr. Sunate Tanthuwana Mr. Sutop Tanantasin

 Director

22. Tax expenses

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

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

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

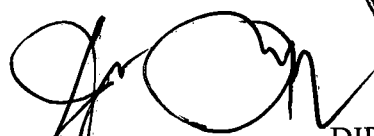
As at 31 December 2019 and 2018 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, provisions for employee benefits and unused tax losses totaling Baht million 329.64 and Baht 129.86 million, respectively, (Separate Baht 114.47 million and Baht 22.12 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 3.79 million and Baht 3.58 million, respectively.

Tax expense (income) for the years ended 31 December 2019 and 2018, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current tax expense	10,668	10,640	-	-
Deferred tax expense (income) of temporary differences	46	(2,886)	-	-
Tax expense (income) reported in the statement of income	<u>10,714</u>	<u>7,754</u>	<u>-</u>	<u>-</u>

As at 31 December 2019 and 2018 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	2,940
Provisions for employee benefits	850	637
Total	<u>3,790</u>	<u>3,577</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,393</u>	<u>8,633</u>


 Mr. Sumate Tanthuwant
 Director



DIRECTOR



Mr. Sutop Tanantasin
 Director

DIRECTOR

The Company's operating results for the year 2019 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

		For the year ended 31 December 2019			
		Functional currency			
		Baht currency (a)			
		Tax payer number			
		3101120028	3105114177		
		BOI	Non - BOI		
		Promoted	Promoted	exempted	Total
				Tax	
					USD
					currency (b)
Revenues					
Freight income	579,974,937	-	620,494,634		1,200,469,571
Gain on exchange rate	113,073,858	-	278,404,530		391,478,388
Dividend income	-	52,221,840	-		52,221,840
Gain on sales assets	-	-	24,662,463		24,662,463
Interest income	-	104,628	-		104,628
Other income	-	624	-		624
Total revenues	693,048,795	52,327,092	923,561,627		1,668,937,514
Expenses					
Cost of freight and operations	329,776,272	-	636,396,597		966,172,869
Administrative expenses	130,278,532	270,101	139,380,385		269,929,018
Loss on exchange rate	-	-	-		-
Loss on sales of assets	-	-	-		-
Loss on impairment of investments	-	118,532,982	-		118,532,982
Unrealized loss on derivatives	5,926,448	-	1,242,646		7,169,094
Finance costs	117,388,873	-	44,051,059		161,439,932
Total expenses	583,370,125	118,803,083	821,070,687		1,523,243,895
Profit (loss) before income tax expense	109,678,670	(66,475,991)	102,490,940		145,693,619
Tax expenses (income)	-	-	-		-
Profit (loss) for the years	109,678,670	(66,475,991)	102,490,940		145,693,619
					(311,110,971)
					(456,804,590)
					(311,110,971)

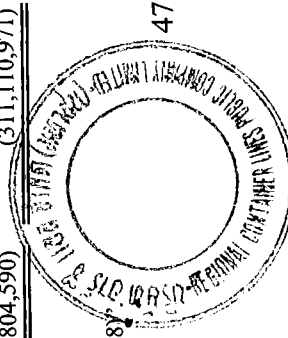
(a) Increase the Company's functional currency is Baht currency which is prepared in accordance with the revenue Code.

(b) Increase the Company's functional currency is USD currency is prepared in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates (revised 2018)".

..... DIRECTOR DIRECTOR

Mr. Sumate Tanthuwant
Director

Mr. Suwop Tanantasin
Director



23. Financial information by segment

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

(Unit: Million Baht)

	Consolidated financial statements											
	For the years ended 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	437	650	16,054	16,482	40	49	16,531	17,181	-	-	16,531	17,181
Inter - segment revenues	939	539	1,103	911	15	22	2,057	1,472	(2,057)	(1,472)	-	-
Freight income	1,376	1,189	17,157	17,393	55	71	18,588	18,653	(2,057)	(1,472)	16,531	17,181
Segment gross profit (loss)	340	76	426	379	43	60	809	515	(233)	(47)	576	468
Gain on exchange rate											40	74
Gain on sales of assets											103	133
Reversal of provision for loss under onerous contracts											-	73
Others income											35	21
Share of profit (loss) from investments in associates											40	78
Share of profit (loss) from investments in joint ventures											46	32
Administrative expenses											940	922
Net doubtful debt											14	-
Loss on impairment of vessels and equipment, net											36	50
Unrealized loss on derivatives											7	2
Loss on dissolution of subsidiary											-	4
Finance costs											325	249
Tax expenses (income)											11	8
Profit (loss) for the years											(493)	(356)

(Unit: Million Baht)

Consolidated financial statements												
As at 31 December												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Property, premises, vessels												
and equipment, net	5,794	5,269	6,857	7,549	178	191	12,829	13,009	(77)	248	12,752	13,257
Others											4,286	5,039
Total assets											17,038	18,296




DIRECTOR

Mr. Sumate Tantuwant
Director



DIRECTOR

Mr. Sutop Tanantasin
Director

24. Commitments and contingent liabilities

24.1 Commitments

- (a) As at 31 December 2019, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings and equipment of approximately Baht 6 million (31 December 2018: Baht 15 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 25 million or approximately Baht 765 million (31 December 2018: USD 30 million or approximately Baht 955 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	641	-	32	673
During 1 - 5 years	80	-	12	92
Over than 5 years	-	-	-	-
Total	721	-	44	765

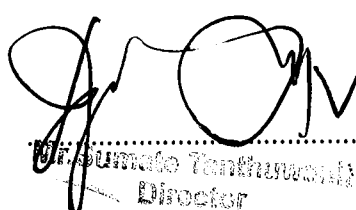
- (b) As at 31 December 2019, a subsidiary in Singapore has bunker purchase commitments amounting to USD 5 million or approximately Baht 151.5 million covering the period of January 2020 at 9,000 MT per month (As at 31 December 2018, a subsidiary in Singapore has bunker purchase commitments amounting to USD 23.5 million or approximately Baht 758.8 million covering the period of January 2019 - June 2019 at 6,000 - 10,000 MT per month).
- (c) As at 31 December 2019, the Company has sulphur scrubber purchase commitments amounting to USD 5.2 million or approximately Baht 156.6 million.

24.2 Guarantees

As at 31 December 2019, the Company has guarantee obligations of USD 122 million, SGD 6 million and HKD 35 million, or approximately Baht 3,971 million (31 December 2018: USD 121 million, SGD 6 million and HKD 35 million or approximately Baht 4,186 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 33 million and HKD 13 million, or approximately Baht 1,071 million (31 December 2018: USD 44 million and HKD 17 million, or approximately Baht 1,497 million).

25. Shipbuilding contracts

On 5 July 2017, the Company entered into 2 optional vessel building contracts amount of USD 39.2 million. The payment term of vessel was scheduled in 5th installment periods with different percentages based on the contract price: 10% for the 1st and 2nd installment, 0% for the 3rd installment, 5% for the 4th installment and 75% for the 5th installment (payment upon delivery of the vessel). On 4 January 2018, the Company postponed the delivery date of both vessels to July 2019 and August 2019, respectively (As at 31 December 2018, the Company had made payment amounting to USD 7.8 million). The Company has received 2 vessels and paid the remaining amount as scheduled.


Mr. Sumato Tenthunont
Director



DIRECTOR



Mr. Sutop Tranantasin
Director

DIRECTOR

26. Financial instruments

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

26.1 Financial risk management

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

(1) Credit risk

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

(2) Interest rate risk

Significant financial assets and liabilities as at 31 December 2019 and 2018 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Consolidated financial statements

2019

Million Baht

	<u>Fixed interest rates</u>			<u>Floating interest rate</u>	<u>Non - interest bearing</u>	<u>Total</u>	<u>Interest rate</u>
	<u>within 1 year</u>	<u>2 - 5 years</u>	<u>Over than 5 years</u>				
<u>Financial assets</u>							
Cash and cash equivalents	71	-	-	643	430	1,144	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	1,103	-	1,103	Note 12
Financial lease agreement	354	1,041	149	-	-	1,544	Note 13
Long - term loans	168	220	-	3,023	-	3,411	Note 14
Total	522	1,261	149	4,126	-	6,058	

2018

Million Baht

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



Mr. Sumato Tonthuwong
Director

DIRECTOR

Mr. Sutop Tranantasin
Director

DIRECTOR

Separate financial statements

2019

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within	2 - 5	Over than				
	1 year	years	5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	58	-	58	0 - 1.00% p.a.
<u>Financial liabilities</u>							
Short - term loan from financial institution	-	-	-	450	-	450	Note 12
Long - term loans	168	220	-	2,195	-	2,583	Note 14
Total	168	220	-	2,645	-	3,033	

2018

2018

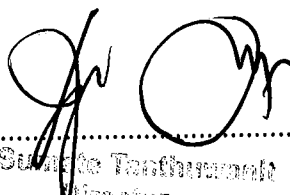
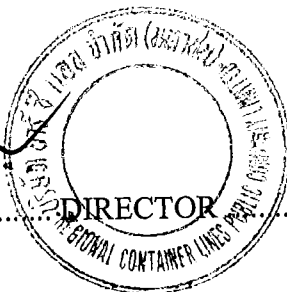

Million Baht						
Fixed interest rates			Floating	Non -	Total	Interest rate
within	2 - 5	Over than	interest	interest		
1 year	years	5 years	rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	12	9	21	0 - 1.00% p.a.
Financial liabilities						
Short - term loan from						
financial institution	-	-	350	-	350	Note 12
Long - term loans	161	315	1,767	-	2,243	Note 14
Total	161	315	2,117	-	2,593	

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 2019, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 2 promise amount of USD 12.79 million (31 December 2018 : 2 promise of amount USD 14.72 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized at a rate of USD 1.38 million per quarter, the contracts expiration date is the year 2021 and 2023.

As at 31 December 2019, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.24 million, or approximately Baht 7.33 million (31 December 2018: gain of USD 0.05 million, or approximately Baht 1.72 million). The Company recorded the unrealized gain loss in the statements of income.

Mr. Sutep Tantawan
Director

Mr. Sutep Tantawan
Director

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2019 and 2018, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(4) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 31 December 2019, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 24.1 (b) to the financial statements.

26.2 Fair value

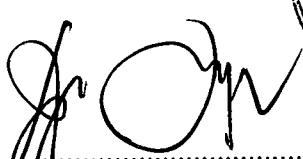
Other than the long - term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short - term, and their carrying values do not materially differ from their fair values.


27. Capital management


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

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

As at 31 December 2019, the Group's debt - to - equity ratio was 1.30 : 1 (31 December 2018 : 1.18 : 1) and the Company's was 1.03 : 1 (31 December 2018 : 1.02 : 1).


..... DIRECTOR


..... DIRECTOR


..... DIRECTOR

Mr. Sumato Tanthuwant
Director

Mr. Sutop Tantantasin
Director

28. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2019 and 2018 and the statements of income for the years ended 31 December 2019 and 2018, are as follows:

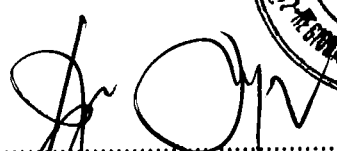
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2019

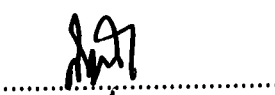
(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2019	2018	2019	2018
Assets				
Current assets				
Cash and cash equivalents	37,717,713	37,166,711	1,907,776	652,816
Trade receivables - unrelated parties	63,517,063	70,206,057	382,369	90,998
<u>Less:</u> allowance for doubtful accounts	(1,865,540)	(1,734,328)	-	-
Trade receivables - unrelated parties, net	61,651,523	68,471,729	382,369	90,998
Trade receivables - related parties	1,073,383	1,350,761	12,359,222	22,418,949
<u>Less:</u> allowance for doubtful accounts	(316,479)	-	-	-
Trade receivables - related parties, net	756,904	1,350,761	12,359,222	22,418,949
Other receivables	12,868,246	15,088,580	3,338,323	29,627,200
Material supplies	7,778,754	10,270,083	588,313	555,928
Other current assets	1,431,689	1,312,432	7,618	34,864
Total current assets	122,204,829	133,660,296	18,583,621	53,380,755
Non - current assets				
Property investments held for long - term investment	155,291	156,557	-	-
Investments in subsidiaries, net	-	-	203,524,043	209,779,071
Investments in associates	11,182,794	10,922,818	1,662,509	1,662,509
Investments in joint ventures	3,508,743	1,919,172	-	-
Other long - term investments	337,862	337,862	-	-
Property and premises, net	9,376,819	9,515,847	13,092	13,092
Vessels and equipment, net	411,031,068	400,300,533	190,904,368	162,748,207
Other non - current assets				
- Advance for vessel constructions and equipment	3,659,600	8,518,032	3,659,600	8,270,032
- Others	259,286	235,811	84,183	77,409
Total non - current assets	439,511,463	431,906,632	399,847,795	382,550,320
Total assets	561,716,292	565,566,928	418,431,416	435,931,075


Mr. Samat Tantuwana
Director



DIRECTOR


Mr. Sutep Triantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2019

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2019	2018	2019	2018
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	36,376,159	28,819,165	14,836,159	10,819,165
Trade payables - unrelated parties	103,899,609	108,338,033	1,609,093	1,839,789
Trade payables - related parties	361,276	2,722,318	-	-
Other payables				
- Accrued expenses	2,505,852	2,468,641	749,158	492,189
- Advance receipt	15,868	131,690	103,909,906	132,819,268
- Payable on purchase of assets	3,302,592	2,387,544	3,986,464	3,229,861
Current portion of liabilities				
under financial lease agreement	11,679,412	10,087,652	-	-
Current portion of long - term loans	24,499,532	20,141,700	18,882,488	14,828,000
Provision for onerous contracts	1,425,838	1,425,838	-	-
Income tax payable	79,674	88,184	-	-
Other current liabilities	4,282,589	4,157,186	340,599	97,293
Total current liabilities	188,428,401	180,767,951	144,313,867	164,125,565
Non - current liabilities				
Liabilities under financial lease agreements,				
net of current portion	39,225,906	43,152,433	-	-
Long - term loans, net of current portion	87,949,405	80,373,639	66,265,246	54,521,833
Provisions for employee benefits	1,686,463	1,085,654	1,546,419	987,171
Deferred tax liabilities	276,704	266,861	-	-
Total non - current liabilities	129,138,478	124,878,587	67,811,665	55,509,004
Total liabilities	317,566,879	305,646,538	212,125,532	219,634,569



[Signature]
Mr. Sanchai Kothuwant
Director

DIRECTOR

[Signature]
Mr. Sutop Trantasin
Director

DIRECTOR

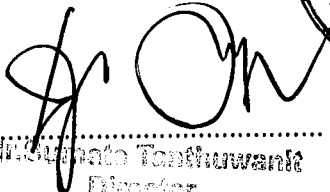


Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2019

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2019	2018	2019	2018
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	1,943,097	1,943,097	1,943,097	1,943,097
Unappropriated	84,917,744	100,709,071	4,638,638	14,629,260
Other components of equity	(42,600,904)	(42,691,819)	-	-
Total equity of parent Company's shareholders	243,984,086	259,684,498	206,305,884	216,296,506
Non - controlling interests	165,327	235,892	-	-
Total shareholders' equity	244,149,413	259,920,390	206,305,884	216,296,506
Total liabilities and shareholders' equity	561,716,292	565,566,928	418,431,416	435,931,075

..... DIRECTOR DIRECTOR

Mr. Sutech Tanthuwankit
 Director

Mr. Sutech Tanthuwankit
 Director

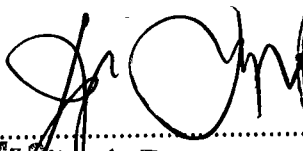
Regional Container Lines Public Company Limited and its subsidiaries

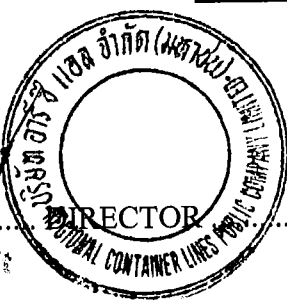
Statements of income


For the year ended 31 December 2019

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2019	2018	2019	2018
Revenues				
Freight income	530,856,625	531,357,726	39,042,464	31,449,089
Others income				
Gain on exchange rate	1,293,707	2,289,948	-	38,085
Dividend income	-	-	1,640,496	2,099,527
Gain on sales of assets	3,304,841	4,109,767	-	-
Gain on dissolution subsidiary, net	-	-	-	2,296,961
Reversal of provision for loss under onerous contracts	-	2,265,599	-	-
Interest income	117,831	194,166	3,410	13,061
Others	1,010,723	411,114	20	19
Total revenues	536,583,727	540,628,320	40,686,390	35,896,742
Expenses				
Cost of freight and operations	512,355,803	516,877,480	29,371,863	30,427,907
Administrative expenses	30,208,283	28,505,986	8,687,645	7,648,142
Other expenses				
Net doubtful debt	440,372	-	-	-
Loss on exchange rate	-	-	920,538	-
Loss on dissolution of subsidiary	-	121,809	-	-
Loss on sales assets	-	-	7,537	-
Loss on impairment of investments	-	-	6,255,027	-
Loss on impairment of vessels and equipment, net	1,165,352	1,544,296	-	3,260,858
Unrealized loss on derivatives	235,237	53,169	235,237	53,169
Finance costs	10,429,956	7,717,539	5,199,165	3,953,586
Total expenses	554,835,003	554,820,279	50,677,012	45,343,662
Share of profit (loss) from investments in associates	1,294,568	2,422,676	-	-
Share of profit (loss) from investments in joint ventures	1,471,031	988,766	-	-
Profit (loss) before income tax expenses	(15,485,677)	(10,780,517)	(9,990,622)	(9,446,920)
Tax expenses (income)	344,065	239,800	-	-
Profit (loss) for the years	(15,829,742)	(11,020,317)	(9,990,622)	(9,446,920)
Profit (loss) for the year attributable to:				
Equity holders of the parent	(15,791,327)	(11,063,882)	(9,990,622)	(9,446,920)
Non - controlling interests	(38,415)	43,565	-	-
	(15,829,742)	(11,020,317)	(9,990,622)	(9,446,920)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent	(0.019)	(0.013)	(0.012)	(0.011)
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000


 Mr. Sunate Tanchuwant
 Director





 Mr. Sutep Traantasi
 Director


29. Events after the reporting period


On 14 January 2020, the subsidiary in Singapore had signed a memorandum of agreement to sell 2 vessels which has net book value as at 31 December 2019 of USD 6.1 million to a company in Singapore at USD 4.7 million. The various conditions are required in the memorandum of agreement.

30. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 21 February 2020.


..... DIRECTOR


..... DIRECTOR


..... DIRECTOR

Mr. Sumet Tantuwat
Director

Mr. Sutop Truantasin
Director