

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 at 31 December 2022, 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 at 31 December 2022, 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 Standards on Auditing. 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions under the Royal Patronage of his Majesty the King (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)

As describe in Note 2.6, 2.14 and 10.2 to the financial statement, the Company and its subsidiary's vessels which are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any) are significant amount. The management exercise judgement in determining the impairment loss due to the recoverable amount of the vessels is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of vessels is the significant matter that requires special attention in the audit.

My audit procedure on such matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(NATSARAK SAROCHANUNJEEN)
Certified Public Accountant
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
24 February 2023

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents		19,481,088,466	9,750,257,909	748,626,032	278,397,589
Trade receivables - unrelated parties		4,719,563,105	4,497,003,671	-	59,500,121
<u>Less: allowance for doubtful accounts</u>		<u>(60,303,871)</u>	<u>(60,508,371)</u>	<u>-</u>	<u>-</u>
Trade receivables - unrelated parties, net	5	4,659,259,234	4,436,495,300	-	59,500,121
Trade receivables - related parties	5 and 18	59,084,345	355,283,788	640,547,303	982,464,182
Dividend receivables	7	-	-	-	229,275,863
Other receivables	18	321,253,481	396,505,030	76,468,879	50,251,840
Short - term loan to related parties	18	5,000,000	5,000,000	3,091,281,500	-
Material supplies		669,325,593	553,607,709	20,286,859	17,871,634
Other current financial assets	6	147,588,857	1,693,928	147,588,857	1,693,928
Other current assets		66,736,042	64,068,259	410,845	491,934
Total current assets		25,409,336,018	15,562,911,923	4,725,210,275	1,619,947,091
Non - current assets					
Other non - current financial assets					
- Gain from changes in fair value of derivatives	6	110,710,550	-	110,710,550	-
- Others		11,735,124	11,349,759	-	-
Investments in subsidiaries, net	7	-	-	8,726,894,891	8,440,315,758
Investments in associates	8.1	336,822,881	301,012,539	57,744,764	55,848,506
Investments in joint ventures	8.2	174,617,218	151,486,403	-	-
Other non - current receivables		-	11,757,515	-	-
Investment properties, net	9 and 10.1	5,162,310	5,066,395	49,392,733	-
Property and premises, net	10.1 and 13	364,818,546	350,698,679	454,719	48,482,397
Vessels and equipment, net	10.2 and 13	21,806,873,661	15,159,610,025	5,951,475,290	6,220,496,916
Right - of - use assets, net	11	4,933,490,108	4,745,730,660	1,887,204	5,370,824
Intangible assets, net	12	2,553,972	1,674,991	-	-
Other non - current assets					
- Payment of advances for vessels and equipment	23.1 (c)	5,769,959,130	2,403,514,350	-	38,551,212
- Others	21	5,836,512	8,469,895	2,022,840	2,267,840
Total non - current assets		33,522,580,012	23,150,371,211	14,900,582,991	14,811,333,453
Total assets	26	58,931,916,030	38,713,283,134	19,625,793,266	16,431,280,544

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

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade payables - unrelated parties		4,281,257,906	5,767,072,612	50,160,406	74,146,095
Trade payables - related parties	18	16,752,742	28,318,750	-	-
Other payables					
- Accrued expenses		813,244,679	718,221,334	301,362,568	288,331,979
- Advance receipt	18	-	-	527,788,514	6,937,552,833
- Payable on purchase of assets		138,109,079	153,018,246	-	42,898,133
- Revenue Department payable		163,804,966	144,646,514	122,535,823	109,641,232
Current portion of long - term loans	13	287,585,484	351,843,417	57,724,200	209,117,400
Current portion of lease liabilities	14	1,546,130,906	1,961,550,544	1,890,873	3,493,720
Income tax payable		12,729,312	4,130,348	-	-
Other current liabilities		197,558,464	179,497,258	-	-
Total current liabilities		7,457,173,538	9,308,299,023	1,061,462,384	7,665,181,392
Non - current liabilities					
Long - term loans, net of current portion	13	2,690,797,465	522,911,510	169,020,325	179,542,939
Lease liabilities - net of current portion	14	3,419,327,321	2,899,105,204	-	1,890,873
Deferred tax liabilities	21	9,466,741	8,857,355	-	-
Provisions for employee benefits	15	60,347,226	61,048,006	34,111,922	57,176,643
Total non - current liabilities		6,179,938,753	3,491,922,075	203,132,247	238,610,455
Total liabilities	26	13,637,112,291	12,800,221,098	1,264,594,631	7,903,791,847

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 December 2022

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
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	16	82,875,000	82,875,000	82,875,000
Unappropriated	38,134,601,279	19,299,267,387	12,288,288,804	2,595,456,339
Other components of equity	1,263,535,846	711,805,051	178,320,644	37,443,171
Total equity of parent Company's shareholders	45,292,726,312	25,905,661,625	18,361,198,635	8,527,488,697
Non - controlling interests	2,077,427	7,400,411	-	-
Total shareholders' equity	45,294,803,739	25,913,062,036	18,361,198,635	8,527,488,697
Total liabilities and shareholders' equity	26	58,931,916,030	38,713,283,134	19,625,793,266
		16,431,280,544		

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements										
Equity holders of parent company										
Note	Equity holders of parent company				Other components of equity			Total equity		Total shareholder's equity
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other comprehensive income (loss)		Total	of parent Company's shareholder	Non - controlling interests	
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans				
Balance as at 1 January 2021	828,750,000	4,982,964,187	71,300,000	4,238,683,735	(1,053,841,936)	-	(1,053,841,936)	9,067,855,986	5,975,664	9,073,831,650
Total comprehensive income (loss) for the year	-	-	-	17,972,751,281	1,765,646,987	-	1,765,646,987	19,738,398,268	1,424,747	19,739,823,015
Legal reserve	16	-	11,575,000	(11,575,000)	-	-	-	-	-	-
Dividend paid	17	-	-	(2,900,592,629)	-	-	-	(2,900,592,629)	-	(2,900,592,629)
Balance as at 31 December 2021	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>19,299,267,387</u>	<u>711,805,051</u>	<u>-</u>	<u>711,805,051</u>	<u>25,905,661,625</u>	<u>7,400,411</u>	<u>25,913,062,036</u>
Balance as at 1 January 2022	828,750,000	4,982,964,187	82,875,000	19,299,267,387	711,805,051	-	711,805,051	25,905,661,625	7,400,411	25,913,062,036
Total comprehensive income (loss) for the year	-	-	-	24,625,176,907	551,730,795	11,267,875	562,998,670	25,188,175,577	(5,322,984)	25,182,852,593
Dividend paid	17	-	-	(5,801,110,890)	-	-	-	(5,801,110,890)	-	(5,801,110,890)
Transferred to retained earnings	-	-	-	11,267,875	-	(11,267,875)	(11,267,875)	-	-	-
Balance as at 31 December 2022	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>38,134,601,279</u>	<u>1,263,535,846</u>	<u>-</u>	<u>1,263,535,846</u>	<u>45,292,726,312</u>	<u>2,077,427</u>	<u>45,294,803,739</u>

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

		Separate financial statements							
				Retained earnings		Other components of equity			
		Issued and fully paid - up		Appropriated -		Other comprehensive income (loss)		Total	shareholder's
Note		share capital	Share premium	legal reserve	Unappropriated	Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans	Total	equity
	Balance as at 1 January 2021	828,750,000	4,982,964,187	71,300,000	1,219,871,459	(818,736,623)	-	(818,736,623)	6,284,149,023
	Total comprehensive income (loss) for the year	-	-	-	4,287,752,509	856,179,794	-	856,179,794	5,143,932,303
	Legal reserve	16	-	11,575,000	(11,575,000)	-	-	-	-
	Dividend paid	17	-	-	(2,900,592,629)	-	-	-	(2,900,592,629)
	Balance as at 31 December 2021	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>2,595,456,339</u>	<u>37,443,171</u>	<u>-</u>	<u>37,443,171</u>	<u>8,527,488,697</u>
	Balance as at 1 January 2022	828,750,000	4,982,964,187	82,875,000	2,595,456,339	37,443,171	-	37,443,171	8,527,488,697
	Total comprehensive income (loss) for the year	-	-	-	15,482,558,737	140,877,473	11,384,618	152,262,091	15,634,820,828
	Dividend paid	17	-	-	(5,801,110,890)	-	-	-	(5,801,110,890)
	Transferred to retained earnings	-	-	-	11,384,618	-	(11,384,618)	(11,384,618)	-
	Balance as at 31 December 2022	<u>828,750,000</u>	<u>4,982,964,187</u>	<u>82,875,000</u>	<u>12,288,288,804</u>	<u>178,320,644</u>	<u>-</u>	<u>178,320,644</u>	<u>18,361,198,635</u>

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2022	2021	2022	2021
Revenues					
Freight income	18	52,073,670,793	37,979,014,982	4,847,218,246	2,113,865,587
Others income					
Gain on exchange rate		-	42,953,863	-	-
Dividend income	7 and 8.1	1,568,032	-	12,245,195,635	3,973,609,227
Gain on sales of assets	10.2	960,510,666	24,591,102	32,496,122	-
Reversal on impairment of assets	10.2	-	835,299,104	-	-
Interest income	18	116,922,422	5,527,456	52,489,411	2,707,344
Others		26,836,274	22,717,988	707,397	1,413,609
Total revenues		53,179,508,187	38,910,104,495	17,178,106,811	6,091,595,767
Expenses					
Cost of freight and operations	18	26,511,287,790	19,176,239,533	1,171,718,655	1,013,699,640
Administrative expenses	15 and 18	2,035,069,616	1,688,555,593	635,297,221	648,146,824
Other expense - loss on exchange rate		2,464,879	-	2,853,031	106,859,349
Total expenses	19	28,548,822,285	20,864,795,126	1,809,868,907	1,768,705,813
Profit (loss) from operating activities		24,630,685,902	18,045,309,369	15,368,237,904	4,322,889,954
Finance costs		(221,620,852)	(197,353,784)	(8,986,652)	(44,324,687)
Gain (loss) from changes in fair value of derivatives	6	123,307,485	9,187,242	123,307,485	9,187,242
Reversal of impairment loss (impairment loss)					
determined in accordance with TFRS 9		(6,280,682)	(1,861,350)	-	-
Share of profit (loss) from investments in associates	8.1	57,606,186	81,082,449	-	-
Share of profit (loss) from investments in joint ventures	8.2	76,287,219	58,819,112	-	-
Profit (loss) before income tax expenses		24,659,985,258	17,995,183,038	15,482,558,737	4,287,752,509
Tax income (expenses)	21	(32,436,021)	(18,709,665)	-	-
Profit (loss) for the years	26	24,627,549,237	17,976,473,373	15,482,558,737	4,287,752,509
Profit (loss) for the year attributable to:					
Equity holders of the parent		24,625,176,907	17,972,751,281	15,482,558,737	4,287,752,509
Non - controlling interests		2,372,330	3,722,092	-	-
		24,627,549,237	17,976,473,373	15,482,558,737	4,287,752,509
Basic earnings (loss) per share	2.18				
Equity holders of the parent (Baht)		29.714	21.687	18.682	5.174
The weighted average number of ordinary shares (share)		828,750,000	828,750,000	828,750,000	828,750,000

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2022	2021	2022	2021
Profit (loss) for the years		24,627,549,237	17,976,473,373	15,482,558,737	4,287,752,509
Other comprehensive income (loss) :					
Item that will be reclassified subsequently to profit or loss :					
Exchange differences on translating financial statement		544,035,481	1,763,349,642	140,877,473	856,179,794
Total item that will be reclassified subsequently to profit or loss		544,035,481	1,763,349,642	140,877,473	856,179,794
Item that will not be reclassified subsequently to profit or loss :					
Actuarial gains (losses) on defined employee benefit plans	15	11,267,875	-	11,384,618	-
Deferred tax relating to other component of equity	21	-	-	-	-
Total item that will not be reclassified subsequently to profit or loss		11,267,875	-	11,384,618	-
Other comprehensive income (loss) for the years		555,303,356	1,763,349,642	152,262,091	856,179,794
Total comprehensive income (loss) for the years		<u>25,182,852,593</u>	<u>19,739,823,015</u>	<u>15,634,820,828</u>	<u>5,143,932,303</u>
Total comprehensive income (loss) for the years attributable to :					
Equity holders of the parent		25,188,175,577	19,738,398,268	15,634,820,828	5,143,932,303
Non - controlling interests		(5,322,984)	1,424,747	-	-
		<u>25,182,852,593</u>	<u>19,739,823,015</u>	<u>15,634,820,828</u>	<u>5,143,932,303</u>

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

..... DIRECTOR

..... DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) for the years	24,627,549,237	17,976,473,373	15,482,558,737	4,287,752,509
Adjustments to reconcile profit (loss) for the years to net cash provided by (used in) operating activities:				
Depreciation	3,719,019,833	2,610,575,961	458,739,697	432,994,636
Amortization	1,037,868	650,788	-	-
Loss (gain) on sales and write - off of assets	(947,593,038)	(24,591,102)	(19,578,494)	6,771,908
Loss on impairment of assets (reversal)	-	(835,299,104)	-	-
Loss (gain) on termination of the lease	(10,015,920)	-	-	-
Bad debt and doubtful accounts (reversal)	6,280,682	1,861,350	-	-
Dividend income	(1,568,032)	-	(12,245,195,635)	(3,973,609,227)
Loss (gain) from change in fair value of derivatives	(123,307,485)	(9,187,242)	(123,307,485)	(9,187,242)
Unrealized loss (gain) on exchange rate	239,053,744	(68,221,667)	42,880,165	30,487,090
Share of loss (profit) from investments in associates	(57,606,186)	(81,082,449)	-	-
Share of loss (profit) from investments in joint ventures	(76,287,219)	(58,819,112)	-	-
Provisions for employee benefits	10,567,087	10,232,740	9,855,710	9,351,531
Past service cost - transfer of employees	-	-	(21,535,821)	-
Interest income	(116,922,422)	(5,527,456)	(52,489,411)	(2,707,344)
Finance costs	221,620,852	197,353,784	8,986,652	44,324,687
Tax expenses (income)	32,436,021	18,709,665	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	27,524,265,022	19,733,129,529	3,540,914,115	826,178,548
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(351,937,999)	(2,204,711,174)	59,500,121	(51,616,984)
Trade receivables - related parties	296,199,443	(195,468,687)	(4,835,892,956)	(2,250,362,519)
Other receivables	80,049,108	(107,795,620)	(156,732,326)	(115,310,714)
Material supplies	(115,717,884)	(366,183,122)	(2,415,225)	(1,129,994)
Other current assets	4,106,336	(27,491,199)	81,089	(185,207)
Other non - current assets	2,633,383	(436,708)	245,000	409,501
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	(1,482,718,648)	2,371,636,878	(21,087,597)	(4,269,809)
Trade payables - related parties	(11,566,008)	15,734,433	-	-
Other payables	111,196,240	547,592,150	26,550,081	281,371,196
Advance receipt	-	(1,055,040)	7,016,639,690	7,683,161,249
Other current liabilities	18,061,206	16,924,184	-	-
Employee benefit obligation paid	-	(3,413,787)	-	(2,385,135)
Cash received (paid) from operating activities	26,074,570,199	19,778,461,837	5,627,801,992	6,365,860,132
Net cash received (paid) for income tax	(30,603,120)	(12,004,214)	-	-
Net cash provided by (used in) operating activities	26,043,967,079	19,766,457,623	5,627,801,992	6,365,860,132

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows (continued)
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Cash flows from investing activities				
Increase (decrease) in other current financial assets	(136,954,251)	-	(136,954,251)	-
Cash received from sales of assets	1,498,562,692	62,587,108	172,598,092	-
Purchase of property, premises, vessels and equipment	(6,953,668,773)	(3,577,861,582)	(90,331,642)	(279,952,974)
Payment of payable on purchase of assets	(150,308,632)	(47,584,078)	(34,801,327)	(15,891,111)
Purchase of intangible assets	(1,931,890)	(2,255,103)	-	-
Payment of advances for vessels and equipment	(4,588,665,663)	(2,277,237,228)	-	(12,052,979)
Dividend received	55,640,664	21,637,019	1,390,561,683	21,637,019
Interest received	87,266,117	4,922,896	7,077,378	2,707,345
Purchase of investment in subsidiaries, associates and joint ventures	-	(15,073,771)	-	(908,448,593)
Net cash provided by (used in) investing activities	(10,190,059,736)	(5,830,864,739)	1,308,149,933	(1,192,001,293)
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institutions	-	(114,223,380)	-	-
Payment of lease liabilities	(2,201,938,650)	(1,518,289,840)	(3,492,036)	(3,910,979)
Increase (decrease) in long - term loans	2,105,083,493	(2,526,324,225)	(176,589,546)	(2,254,826,103)
Finance costs paid	(218,731,291)	(214,353,921)	(9,703,081)	(59,553,851)
Dividend paid	(5,801,110,890)	(2,900,592,629)	(5,801,110,890)	(2,900,592,629)
Net cash provided by (used in) financing activities	(6,116,697,338)	(7,273,783,995)	(5,990,895,553)	(5,218,883,562)
Exchange differences on translating financial statement	(6,379,448)	501,816,226	(474,827,929)	133,898,955
Net increase (decrease) in cash and cash equivalents	9,730,830,557	7,163,625,115	470,228,443	88,874,232
Cash and cash equivalents at beginning of years	9,750,257,909	2,586,632,794	278,397,589	189,523,357
Cash and cash equivalents at end of years	19,481,088,466	9,750,257,909	748,626,032	278,397,589

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :

Activities not affecting cash :

Decrease in payment of advance for equipment from purchase of vessels and equipment	1,243,360,133	17,358,736	27,519,550	17,358,736
Increase in payable on purchase of assets from purchase of vessels and equipment	140,108,338	146,562,336	-	41,088,241
Increase in right - of - use assets and lease liabilities from recognition of leases	2,540,673,091	4,481,504,741	-	2,476,832
Offset of trade receivables - related parties, other receivables and advance receipt	-	-	5,278,417,433	-
Decrease in advance receipt and increase in short - term loan to related parties from receive the dividend	-	-	10,854,633,952	-

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

..... DIRECTOR DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2022

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

1.3 Basis for preparation of financial statements

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

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

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

1.4 Basis for consolidation of financial statements

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

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

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

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

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

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

(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.

1.5 Financial Reporting Standards which are not effective for the current year

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

	<u>Year effective</u>
Accounting Standard	
TAS 16 Property, Plant and Equipment	2023
TAS 37 Provisions, Contingent Liabilities and Contingent Assets	2023
TAS 41 Agriculture	2023
Financial Reporting Standard	
TFRS 1 First - time Adoption of Thai Financial Reporting Standards	2023
TFRS 3 Business Combinations	2023
TFRS 9 Financial Instruments	2023
TFRS 17 Insurance Contracts	2025

The management of the Group has assessed that TAS 16, TAS 37, TFRS 3 and TFRS 9 will not have material impact on the financial statements when they are applied. For the other TAS and TFRS are not relevant to the Group’s business, therefore they do not have impact on the financial statement when they are applied.

2. Significant accounting policies

2.1 Revenue recognition

Freight income

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

Interest income

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

Dividends

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

Other income

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

2.2 Cash and cash equivalents

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

2.3 Material supplies

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

2.4 Investments

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

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

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

2.5 Business combinations

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

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

No depreciation is provided for land.

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

2.7 Borrowing costs

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets are capitalized as a cost of the qualifying property until all the activities necessary to prepare the property for their intended uses are substantially completed. When funds are specifically borrowed for the construction or the production of asset, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

2.8 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property.

No depreciation is provided for land of investment property and investment property in progress.

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

Classification and measurement

Non - derivative financial assets that are debt instruments are measured at amortised cost. Except, investments units are measured at fair value through profit or loss.

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

Non - derivative financial liabilities are classified and measured at amortised cost.

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

Impairment of financial assets

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

2.11 Leases

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

The Group as lessee

Right - of - use assets

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

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

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

Lease liabilities

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

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

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

Short - term leases and Leases of low - value assets

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

The Group as lessor

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

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

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

Sub lease

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

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

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

2.12 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.

2.13 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 26 to the financial statements.

c) Translation into the presentation currency

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

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

2.14 Impairment of non - financial assets

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

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

2.15 Employee benefits

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

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

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

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

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

Past service costs are recognized in the statement of income on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring related costs.

2.16 Provisions

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

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

2.17 Income tax

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

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

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

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

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

2.18 Basic earnings (loss) per share

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

3. Significant accounting judgments and estimates

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

3.1 Allowance for doubtful accounts

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

3.2 Premises, vessels and equipment

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

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

3.3 Litigation

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

3.4 Provisions for employee benefits

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

3.5 Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to increase net income of the Group and the Company for the year ended 31 December 2022 by Baht 63.6 million and Baht 24.7 million, respectively (Baht 0.077 per share and Baht 0.030 per share, respectively).

5. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2022 and 2021 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Under 90 days	4,643,247	4,390,110	-	59,500
91 - 180 days	6,557	13,321	-	-
181 - 365 days	5,951	23,602	-	-
Over 365 days	63,808	69,970	-	-
Total	4,719,563	4,497,003	-	59,500
<u>Less</u> Allowance for doubtful accounts	(60,304)	(60,508)	-	-
Net	<u>4,659,259</u>	<u>4,436,495</u>	<u>-</u>	<u>59,500</u>

The balances of trade receivables - related parties as at 31 December 2022 and 2021 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Under 90 days	59,021	355,284	640,547	396,817
91 - 180 days	63	-	-	585,647
181 - 365 days	-	-	-	-
Over 365 days	-	-	-	-
Total	<u>59,084</u>	<u>355,284</u>	<u>640,547</u>	<u>982,464</u>

6. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Gain from changes in fair value of derivatives (a)	122,878	1,694	122,878	1,694
<u>Less</u> Non - current	(110,710)	-	(110,710)	-
Gain from changes in fair value of derivatives - Current	12,168	1,694	12,168	1,694
Investments				
- Investment units	85,454	-	85,454	-
- Structured note due within 1 year	49,967	-	49,967	-
Total other current financial assets	<u>147,589</u>	<u>1,694</u>	<u>147,589</u>	<u>1,694</u>

- (a) As at 31 December 2022, the Company had interest rate swap agreement covering the notional 3 promise amount of USD 92.69 million (31 December 2021 : 2 promise of amount USD 23.69 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 per quarter, the contracts expiration date are the year 2025 and 2027.

Movement in the “Gain from changes in fair value of derivatives” for the year ended 31 December 2022 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statement	financial statement
Beginning balance as at 31 December 2021	1,694	1,694
Gain from changes in fair value	122,880	122,880
Exchange differences on translating financial statement	(1,696)	(1,696)
Ending balance as at 31 December 2022	<u>122,878</u>	<u>122,878</u>

7. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements						Dividend for the years ended 31 December	
	Paid - up capital		Percentage directly owned		Cost			
	2022	2021	2022	2021	2022	2021	2022	2021
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) RCLS Co., Ltd.	Baht 25 Million	Baht 25 Million	100	100	15	15	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
c) Santi Bhum Co., Ltd.	Baht 480 Million	Baht 480 Million	100	100	490	473	-	-
d) Thitti Bhum Co., Ltd.	Baht 480 Million	Baht 480 Million	100	100	490	473	-	-
<u>Subsidiaries operating in Singapore</u>								
e) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	247	239	-	-
f) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,497	5,317	6,012	220
g) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	40	40	1,840	1,779	6,209	3,732
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	100	100	111	108	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	252	244	-	-
					8,947	8,653	12,221	3,952
<u>Less</u> : Allowance for impairment					(220)	(213)		
Total investments in subsidiaries, net					8,727	8,440		

Movement in the investments in subsidiaries for the year ended 31 December 2022 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2021	8,440,316
Exchange differences on translating financial statement	286,579
Investment as at 31 December 2022	8,726,895

8. Investments in associates and joint ventures

8.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned		Cost		Equity method		(Unit: Million Baht) Dividend for the years ended 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			Percent	Percent						
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht	Baht								
(Port operating)	100	100								
	Million	Million	22	22	58	56	337	301	24	22
Total investment in associates of the Company					58	56	337	301	24	22
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd.	-	Baht 30								
(Port operating)		Million	-	49	-	15	-	-	-	-
N - Square RCL Logistics Co., Ltd.	Baht 5	Baht 5								
(Warehouse operating)	Million	Million	40	40	2	2	-	-	-	-
Total investment in associates of the subsidiaries					2	17	-	-	-	-
Total investment in associates					60	73	337	301	24	22

On 20 May 2022, a subsidiary in Thailand has sold all shares of the company's investment in Pu Chao Container Terminal Co., Ltd. to Bangkok Terminal Logistics Co., Ltd. at a price of Baht 1.

Movements in the investment in associates for the year ended 31 December 2022 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2021	301,013	55,849
Dividend income	(23,548)	-
Share of profit under equity method	57,606	-
Exchange differences on translating financial statement	1,752	1,896
Investment as at 31 December 2022	336,823	57,745

8.2 Investments in joint ventures

(Unit: Million Baht)

Company's name	Consolidated financial statements							
	Paid - up capital		Percentage directly owned		Equity method		Dividend for the years ended 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
			Percent	Percent				
<u>Investment in joint ventures of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40	55	55	96	72	-	-
RCL Agencies East India Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	15	15	55	55	64	63	32	-
Regional Logistics Private Limited	INR 10	INR 10						
(Logistics service)	Million	Million	51	51	1	2	-	-
Shanghai CIMC Grand International Logistics Co., Ltd.	CNY 5	CNY 5						
(Logistics service)	Million	Million	51	51	14	14	-	-
Total investment in joint ventures					175	151	32	-

Movements in the investment in joint ventures for the year ended 31 December 2022 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2021	151,486	-
Dividend income	(32,093)	-
Share of profit under equity method	76,287	-
Exchange differences on translating financial statement	(21,063)	-
Investment as at 31 December 2022	174,617	-

Financial information of the associates and joint ventures is summarized below. (2021: Audited financial statements, 2022: 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,707	1,627	191	271	1,628	1,681	259	361
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd.	-	Baht 30								
		Million	-	18	-	47	-	45	-	(8)
N - Square RCL Logistics Co., Ltd.	Baht 5	Baht 5								
	Million	Million	2	2	6	6	8	9	-	-
<u>Investment in joint ventures of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	223	172	50	55	161	122	68	52
RCL Agencies East India Private Limited	INR 15	INR 15								
	Million	Million	199	181	83	68	177	140	71	56
Regional Logistics Private Limited	INR 10	INR 10								
	Million	Million	8	4	6	-	26	-	(1)	(1)
Shanghai CIMC Grand International Logistics Co., Ltd.	CNY 5	CNY 5								
	Million	Million	48	51	21	23	201	169	1	2

9. Investment properties, net

	Consolidated financial statements	(Unit: Baht) Separate financial statements
	<u>Leasehold land and leasehold improvement</u>	<u>Building in Bangkok</u>
<u>Cost</u>		
As at 31 December 2021	6,806,723	-
Acquisitions	-	-
Transfer from property and premises	-	50,392,906
Disposals	-	-
Exchange differences on translating financial statement	228,767	(719,076)
As at 31 December 2022	<u>7,035,490</u>	<u>49,673,830</u>
<u>Accumulated depreciation</u>		
As at 31 December 2021	(1,740,328)	-
Depreciation for the year	(75,143)	(285,167)
Disposals	-	-
Exchange differences on translating financial statement	(57,709)	4,070
As at 31 December 2022	<u>(1,873,180)</u>	<u>(281,097)</u>
<u>Net book value</u>		
As at 31 December 2021	<u>5,066,395</u>	<u>-</u>
As at 31 December 2022	<u>5,162,310</u>	<u>49,392,733</u>

10. Property, premises, vessels and equipment, net

10.1 Property and premises, net

(Unit: Baht)

	Consolidated financial statements						Total
	Building in	Building in	Building in	Improvement	Improvement	Improvement	
	Bangkok	Singapore	Hongkong	of building in Bangkok	of building in Singapore	of building in Hongkong	
<u>Cost</u>							
As at 31 December 2021	108,107,251	167,526,195	263,209,670	-	69,385,216	5,871,462	614,099,794
Acquisitions	-	-	-	8,300,586	1,649,613	-	9,950,199
Disposals	-	-	-	-	-	-	-
Exchange differences on translating financial statement	3,670,631	5,688,118	8,846,205	-	153,433	197,334	18,555,721
As at 31 December 2022	111,777,882	173,214,313	272,055,875	8,300,586	71,188,262	6,068,796	642,605,714
<u>Accumulated depreciation</u>							
As at 31 December 2021	(59,624,854)	(58,057,791)	(72,623,846)	-	(67,223,162)	(5,871,462)	(263,401,115)
Depreciation for the year	(285,167)	(3,587,471)	(2,905,715)	-	(767,890)	-	(7,546,243)
Disposals	-	-	-	-	-	-	-
Exchange differences on translating financial statement	(2,020,409)	(1,920,081)	(2,410,585)	-	(291,401)	(197,334)	(6,839,810)
As at 31 December 2022	(61,930,430)	(63,565,343)	(77,940,146)	-	(68,282,453)	(6,068,796)	(277,787,168)
<u>Allowance for loss on impairment</u>							
As at 31 December 2021	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-
Reversal	-	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-	-
As at 31 December 2022	-	-	-	-	-	-	-
<u>Net book value</u>							
As at 31 December 2021	48,482,397	109,468,404	190,585,824	-	2,162,054	-	350,698,679
As at 31 December 2022	49,847,452	109,648,970	194,115,729	8,300,586	2,905,809	-	364,818,546

..... DIRECTOR DIRECTOR

	(Unit: Baht)
	Separate
	financial statements
	<u>Building in Bangkok</u>
<u>Cost</u>	
As at 31 December 2021	108,107,251
Acquisitions	-
Transfer to investment properties	(50,392,906)
Disposals	-
Exchange differences on translating financial statement	4,389,706
As at 31 December 2022	<u>62,104,051</u>
<u>Accumulated depreciation</u>	
As at 31 December 2021	(59,624,854)
Depreciation for the year	-
Disposals	-
Exchange differences on translating financial statement	(2,024,478)
As at 31 December 2022	<u>(61,649,332)</u>
<u>Allowance for loss on impairment</u>	
As at 31 December 2021	-
Increase	-
Reversal	-
Exchange differences on translating financial statement	-
As at 31 December 2022	<u>-</u>
<u>Net book value</u>	
As at 31 December 2021	<u>48,482,397</u>
As at 31 December 2022	<u><u>454,719</u></u>

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

As at 31 December 2022 and 2021, 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 130 million and Baht 132 million, respectively (The Company: Baht 62 million and Baht 60 million, respectively).

10.2 Vessels and equipment, net

(Unit: Baht)

	Consolidated financial statements					Total
	Vessels and equipment	Major repair and maintenance cost	Container	Office furniture, fixture and equipment	Motor vehicles	
<u>Cost</u>						
As at 31 December 2021	29,885,372,861	625,149,087	210,416,907	176,734,110	21,311,821	30,918,984,786
Acquisitions	8,039,088,026	268,242,198	343,554	16,081,643	3,431,624	8,327,187,045
Disposals	(1,818,190,044)	-	(1,956,640)	(5,569,416)	-	(1,825,716,100)
Write - off	-	(245,985,239)	-	(3,798,792)	-	(249,784,031)
Decrease from adjust equipment	-	(10,195,428)	-	-	-	(10,195,428)
Exchange differences on translating financial statement	925,947,765	21,053,953	7,167,429	3,548,536	(522,345)	957,195,338
As at 31 December 2022	37,032,218,608	658,264,571	215,971,250	186,996,081	24,221,100	38,117,671,610
<u>Accumulated depreciation</u>						
As at 31 December 2021	(15,260,145,528)	(260,316,437)	(61,112,929)	(163,305,790)	(14,494,077)	(15,759,374,761)
Depreciation for the year	(1,217,054,728)	(250,722,778)	(117,930,924)	(7,023,026)	(2,274,661)	(1,595,006,117)
Disposals	1,363,363,280	-	1,756,946	2,979,007	-	1,368,099,233
Write - off	-	203,984,613	-	3,771,826	-	207,756,439
Transfer from allowance for loss on impairment	-	-	-	-	-	-
Exchange differences on translating financial statement	(520,224,654)	(8,171,755)	(417,274)	(3,611,023)	151,963	(532,272,743)
As at 31 December 2022	(15,634,061,630)	(315,226,357)	(177,704,181)	(167,189,006)	(16,616,775)	(16,310,797,949)
<u>Allowance for loss on impairment</u>						
As at 31 December 2021	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reversal	-	-	-	-	-	-
Transfer to accumulated depreciation	-	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-	-
As at 31 December 2022	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 December 2021	14,625,227,333	364,832,650	149,303,978	13,428,320	6,817,744	15,159,610,025
As at 31 December 2022	21,398,156,978	343,038,214	38,267,069	19,807,075	7,604,325	21,806,873,661

..... DIRECTOR DIRECTOR

(Unit: Baht)

	Separate financial statements				Total
	Vessels and equipment	Major repair and maintenance cost	Office furniture, fixture and equipment	Motor vehicles	
<u>Cost</u>					
As at 31 December 2021	11,271,197,807	227,369,104	50,408,211	6,044,967	11,555,020,089
Acquisitions	108,506,087	141,157	5,772,324	3,431,624	117,851,192
Disposals	(1,045,544,573)	-	(5,437,813)	-	(1,050,982,386)
Write - off	-	(31,585,974)	-	-	(31,585,974)
Decrease from adjust equipment	-	(10,195,428)	-	-	(10,195,428)
Exchange differences on translating financial statement	396,068,734	8,314,180	1,706,767	156,282	406,245,963
As at 31 December 2022	10,730,228,055	194,043,039	52,449,489	9,632,873	10,986,353,456
<u>Accumulated depreciation</u>					
As at 31 December 2021	(5,191,410,926)	(92,402,900)	(44,664,380)	(6,044,967)	(5,334,523,173)
Depreciation for the year	(369,133,888)	(82,185,069)	(3,094,988)	(321,538)	(454,735,483)
Disposals	917,888,473	-	2,860,564	-	920,749,037
Write - off	-	21,717,353	-	-	21,717,353
Exchange differences on translating financial statement	(184,097,493)	(2,274,575)	(1,513,171)	(200,661)	(188,085,900)
As at 31 December 2022	(4,826,753,834)	(155,145,191)	(46,411,975)	(6,567,166)	(5,034,878,166)
<u>Allowance for loss on impairment</u>					
As at 31 December 2021	-	-	-	-	-
Increase	-	-	-	-	-
Reversal	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences on translating financial statement	-	-	-	-	-
As at 31 December 2022	-	-	-	-	-
<u>Net book value</u>					
As at 31 December 2021	6,079,786,881	134,966,204	5,743,831	-	6,220,496,916
As at 31 December 2022	5,903,474,221	38,897,848	6,037,514	3,065,707	5,951,475,290

..... DIRECTOR DIRECTOR

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

As at 31 December 2022 and 2021, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,947 million and Baht 1,564 million (The Company: Baht 1,667 million and Baht 575 million), respectively.

Transactions occurred in year 2021:

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

In 3rd quarter of year 2021, a subsidiary in Singapore was delivered 4 vessels with contract price USD 78.2 million or approximately Bath 2,514.5 million. The one of vessel contract price USD 13.9 million or approximately Baht 447.2 million was not delivered per contract. Currently the subsidiary is on returning of deposit process amounting USD 1.39 million or approximately Baht 48.3 million.

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

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

Transactions occurred in year 2022:

In 2nd quarter of year 2022, a subsidiary in Singapore was delivered 1 vessel with contract price USD 32 million or approximately Baht 1,127.6 million. and sold 1 vessel which had net book value of vessel and equipment of USD 6.7 million at USD 30.3 million or approximately Baht 1,067.6 million.

In 3rd quarter of year 2022, a subsidiary in Singapore was delivered 2 vessels with contract price USD 71.8 million or approximately Bath 2,530 million and sold 1 vessel which had net book value of vessel and equipment of USD 1.8 million at USD 3.1 million or approximately Baht 109.7 million.

In 4th quarter of year 2022, a subsidiary in Thailand was delivered 1 vessel with contract price USD 115 million or approximately Bath 4,052.2 million. The Company and the subsidiary in Singapore sold 3 vessels which had net book value of vessels and equipment of USD 5.5 million at USD 8.1 million or approximately Baht 284.6 million.

In November 2022, the subsidiary in Singapore had signed a memorandum of agreement to sell a vessel at USD 7.2 million or approximately Baht 250.9 million. The various conditions are required in the memorandum of agreement. That vessel had sold on mid - January 2023 which had net book value of vessel and equipment of USD 7.3 million.

At the end of year 2022, the management determined the recoverable amount of the Company and 2 subsidiaries vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the vessels of the Group and the Company are not impaired due to the Group and the Company's recoverable amount was higher than the carrying amount.

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

Depreciation in the statements of income for the years 2022 and 2021 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation included in				
Cost of freight and operations	1,585,708,430	1,081,910,668	451,318,957	426,658,522
Administrative expenses	16,843,930	13,498,767	3,416,526	2,271,121
Total	<u>1,602,552,360</u>	<u>1,095,409,435</u>	<u>454,735,483</u>	<u>428,929,643</u>

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation included in				
Cost of freight and operations	45,002,127	33,625,190	12,808,353	13,260,313
Administrative expenses	478,028	419,534	96,960	70,585
Total	<u>45,480,155</u>	<u>34,044,724</u>	<u>12,905,313</u>	<u>13,330,898</u>

(Unit: USD)

11. Right - of - use assets, net

	Consolidated financial statements			
	Building	Vessels	Container	Total
Net book value as at 31 December 2021	40,732,631	1,400,878,804	3,304,119,225	4,745,730,660
<u>Add</u> Increase during year - at cost	131,687,099	-	2,408,985,992	2,540,673,091
<u>Less</u> Depreciation for the year	(39,577,667)	(914,699,253)	(1,162,115,410)	(2,116,392,330)
<u>Less</u> Adjustment relating to termination of the lease	-	(393,190,627)	-	(393,190,627)
Exchange differences on translating financial statement	(3,953,028)	66,227,653	94,394,689	156,669,314
Net book value as at 31 December 2022	<u>128,889,035</u>	<u>159,216,577</u>	<u>4,645,384,496</u>	<u>4,933,490,108</u>

(Unit: Baht)

	Separate financial statements
	Building
Net book value as at 31 December 2021	5,370,824
<u>Add</u> Increased during year - at cost	-
<u>Less</u> Depreciation for the year	(3,719,047)
Exchange differences on translating financial statement	235,427
Net book value as at 31 December 2022	<u>1,887,204</u>

(Unit : Baht)

The following are the amounts recognised in profit or loss for the year ended 31 December 2022 and 2021.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation of right - of - use assets	2,116,392,330	1,515,166,526	3,719,047	4,064,993
Interest expense on lease liabilities	202,124,753	134,803,413	227,845	507,146
Expense relating to short - term lease and leases of low - value assets	939,475,255	1,602,177,490	442,709	952,762
Total	<u>3,257,992,338</u>	<u>3,252,147,429</u>	<u>4,389,601</u>	<u>5,524,901</u>

	(Unit : USD)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation of right - of - use assets	60,062,842	47,090,555	105,546	126,338
Interest expense on lease liabilities	5,736,265	4,189,616	6,466	15,762
Expense relating to short - term lease and leases of low - value assets	26,662,143	47,693,932	12,564	28,362
Total	<u>92,461,250</u>	<u>98,974,103</u>	<u>124,576</u>	<u>170,462</u>

12. Intangible assets, net

	(Unit: Baht)
	Consolidated financial statements
	<u>Computer software</u>
<u>Cost</u>	
As at 31 December 2021	355,717,458
Increase	1,931,890
Decrease	(3,318,412)
Exchange differences on translating financial statement	11,702,666
As at 31 December 2022	<u>366,033,602</u>
<u>Accumulated amortization</u>	
As at 31 December 2021	(354,042,467)
Amortization for the year	(1,037,868)
Decrease	3,318,412
Exchange differences on translating financial statement	(11,717,707)
As at 31 December 2022	<u>(363,479,630)</u>
<u>Net book value</u>	
As at 31 December 2021	<u>1,674,991</u>
As at 31 December 2022	<u>2,553,972</u>

As at 31 December 2022 and 2021, computer software have been fully amortized but are still in use. The original cost of those assets amounted to approximately Baht 362 million and Baht 353 million, respectively.

13. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Loans of the Company</u>				
1) USD 4.2 million loan (2021: USD 10.2 million), repayable quarterly until the year 2029.	146,575	343,319	146,575	343,319
2) Baht 80.2 million loan (2021: Baht 45.3 million), repayable monthly until the year 2026.	80,169	45,341	80,169	45,341
<u>Loans of the Thailand Subsidiary</u>				
3) USD 69 million loan (2021: USD - million), repayable quarterly until the year 2032.	2,396,612	-	-	-
<u>Loans of the Singapore Subsidiary</u>				
4) USD 3.1 million loan (2021: USD 4.2 million), repayable quarterly until the year 2025.	106,476	140,402	-	-
5) USD 2.4 million loan (2021: USD 3.2 million), repayable quarterly until the year 2025.	81,922	108,015	-	-
6) USD 3.3 million loan (2021: USD 4.5 million), repayable quarterly until the year 2025.	115,353	152,105	-	-
7) USD 0.6 million loan (2021: USD 0.9 million), repayable quarterly until the year 2024.	20,006	29,024	-	-
8) USD 0.6 million loan (2021: USD 0.9 million), repayable quarterly until the year 2025.	22,507	31,443	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
9) HKD 2 million loan (2021: HKD 5.8 million), repayable monthly until the year 2023.	8,762	25,106	-	-
Total	2,978,382	874,755	226,744	388,660
Less : Current portion	(287,585)	(351,843)	(57,724)	(209,117)
Long - term loans, net of current portion	2,690,797	522,912	169,020	179,543

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

Movements in the long - term loans for the year ended 31 December 2022 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2021	874,755	388,660
<u>Add</u> Borrowings	2,479,349	48,044
<u>Less</u> Repayments	(374,265)	(224,634)
Exchange differences on translating financial statement	<u>(1,457)</u>	<u>14,674</u>
Ending balance as at 31 December 2022	<u><u>2,978,382</u></u>	<u><u>226,744</u></u>

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

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

As at 31 December 2022, the Group and the Company had the remaining credit line of long - term loans are as follows:

In January 2022, a subsidiary in Thailand had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 69 million (31 December 2022 : approximately Baht 2,396.6 million) which is for the payment of container vessels' construction, at present, a subsidiary has not drawn down the loan.

14. Lease liabilities

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
Lease liabilities as at 31 December 2021	4,860,656	5,385
Increase (decrease) during the year:		
<u>Add</u> Lease payments at the commencement date	2,773,691	-
<u>Less</u> Deferred interest expenses	(233,018)	-
<u>Add</u> Recognition of deferred interest expenses	202,125	228
<u>Less</u> Payments	(2,404,063)	(3,720)
<u>Less</u> Adjustment relating to termination of the lease	(403,207)	-
Exchange differences on translating financial statement	169,274	(2)
Lease liabilities as at 31 December 2022	4,965,458	1,891
<u>Less</u> Current portion	(1,546,131)	(1,891)
Lease liabilities - net of current portion	<u>3,419,327</u>	<u>-</u>

As at 31 December 2022 and 2021 a maturity analysis of lease liabilities are as follows:

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	2022			2021		
	Deferred interest			Deferred interest		
	Principal	expenses	Total	Principal	expenses	Total
Current portion	1,546,131	158,011	1,704,142	1,961,551	129,536	2,091,087
1 - 5 years	3,120,635	211,653	3,332,288	2,413,552	196,427	2,609,979
Over 5 years	298,692	4,022	302,714	485,553	10,722	496,275
Total	<u>4,965,458</u>	<u>373,686</u>	<u>5,339,144</u>	<u>4,860,656</u>	<u>336,685</u>	<u>5,197,341</u>

	(Unit : Thousand Baht)					
	Separate financial statements					
	2022			2021		
	Deferred interest			Deferred interest		
	Principal	expenses	Total	Principal	expenses	Total
Current portion	1,891	42	1,933	3,494	226	3,720
1 - 5 years	-	-	-	1,891	42	1,933
Over 5 years	-	-	-	-	-	-
Total	<u>1,891</u>	<u>42</u>	<u>1,933</u>	<u>5,385</u>	<u>268</u>	<u>5,653</u>

15. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provisions for employee benefits at beginning of year	61.05	54.23	57.17	50.21
Current service cost and interest	10.57	10.23	9.86	9.35
Past service cost - transfer of employees	-	-	(21.54)	-
Benefits paid	-	(3.41)	-	(2.39)
Actuarial losses (gain) on defined employee benefit plans	(11.27)	-	(11.38)	-
Provisions for employee benefits at ending of year	<u>60.35</u>	<u>61.05</u>	<u>34.11</u>	<u>57.17</u>

- Expenses recognized in the statements of income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current service costs	9.61	9.40	8.96	8.58
Past service cost - transfer of employees	-	-	(21.54)	-
Interest cost	0.96	0.83	0.90	0.77
Total	<u>10.57</u>	<u>10.23</u>	<u>(11.68)</u>	<u>9.35</u>

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidated financial statements for the years ended 31 December 2022 and 2021 are amounted of gains Baht 11.27 million and Baht - million, respectively (the Company : amounted of gains Baht 11.38 million and Baht - million, respectively).

- Principal actuarial assumptions as at 31 December 2022 and 2021 are as follows:

	Percent			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	1.59 - 3.10	1.57 - 1.59	2.98	1.57
Salary increase rate	3 - 7.00	3 - 6.00	4 - 7.00	4 - 6.00
Employee turnover rate	0 - 27.00*	0 - 25.00*	0 - 27.00*	0 - 25.00*
Mortality rate	TMO2017**	TMO2017**	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 31 December 2022 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 4.93 million (increase Baht 5.66 million) and Separate financial statements would decrease Baht 2.38 million (increase Baht 2.72 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 5.86 million (decrease Baht 5.19 million) and Separate financial statements would increase Baht 2.77 million (decrease Baht 2.47 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.54 million (increase Baht 1.72 million) and Separate financial statements would decrease Baht 0.78 million (increase Baht 0.86 million).
- If the life expectancy increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.21 million (decrease Baht 0.23 million) and Separate financial statements would increase Baht 0.11 million (decrease Baht 0.13 million).

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

16. Legal reserve

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

17. Dividend paid

At the annual General Meeting of Shareholders held on 23 April 2021, the shareholders approved to pay dividend for the year 2020 amounted Baht 414.37 million at Baht 0.50 per share, which the dividend payment would be made on 21 May 2021.

At the Board of Directors Meeting held on 13 August 2021, the Board of Directors approved to pay the interim dividend amounted Baht 1,243.12 million at Baht 1.50 per share, due for payment on 10 September 2021.

At the Board of Directors Meetings held on 5 November 2021, the Board of Directors approved to pay the interim dividend amounted Baht 1,243.12 million at Baht 1.50 per share, due for payment on 3 December 2021.

At the Annual General Meetings of Shareholders held on 22 April 2022, the shareholders approved to pay dividend for the year 2021 at the rate of Baht 6 per share. Since the interim dividend of Baht 2,486.22 million (Baht 3 per share) were distributed to the shareholders in September and December 2021, the remaining final dividend is Baht 2,486.24 million (Baht 3 per share) will be paid on 20 May 2022.

At the Board of Directors Meeting held on 5 August 2022, the Board of Directors approved to pay the interim dividend amounted Baht 1,450.31 million at Baht 1.75 per share, due for payment on 2 September 2022.

At the Board of Directors Meeting held on 11 November 2022, the Board of Directors resolved to pay interim dividends amounting to Baht 1,864.69 million at the Baht 2.25 per share, due for payment on 9 December 2022.

18. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2022	2021	2022	2021	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	4,847	2,105	Market price as at the contract date
Interest income	-	-	35	-	Interest at the rate of 2.50% p.a.
Office rental and service income	-	-	1	-	Contract price
Ship management fee	-	-	12	11	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	297	256	-	-	Price approximates market price
Terminal operating service	255	233	-	-	Price per tariff minus volume discount
Ship management fee	-	1	-	-	Price approximates market price
Logistic service fees	149	84	-	-	Price approximates market price
Office rental and service expenses	11	10	8	9	Contract price
Purchase vessel	-	78	-	78	The scrap value price as at the contract date

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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	
	2022	2021	2022	2021
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	641	982
<u>Related party</u>				
Ngow Hock Co., Ltd.	59	355	-	-
<u>Other receivables - related parties</u>				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	11	33
RCLS Co., Ltd.	-	-	2	-
	-	-	13	33
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	-	2
- <u>Accrued interest income</u>				
<u>Subsidiaries</u>				
Santi Bhum Co., Ltd.	-	-	17	-
Thitti Bhum Co., Ltd.	-	-	17	-
	-	-	34	-
<u>Short - term loan to related parties</u>				
<u>Subsidiaries</u>				
Santi Bhum Co., Ltd.	-	-	1,546	-
Thitti Bhum Co., Ltd.	-	-	1,545	-
<u>Associates</u>				
N - Square RCL Logistics Co., Ltd.	2	2	-	-
Pu Chao Container Terminal Co., Ltd.	-	3	-	-
<u>Related party</u>				
Pu Chao Container Terminal Co., Ltd.	3	-	-	-
	5	5	3,091	-
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	8	-	-	-
RCL Agencies East India Private Limited	4	13	-	-
RCL Agencies (India) Private Limited	2	11	-	-
Others	3	4	-	-
	17	28	-	-

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	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Advance receipt from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	456	5,114
RCL Shipmanagement Pte. Ltd.	-	-	46	1,782
Regional Container Lines Pte. Ltd.	-	-	1	-
RCLS Co., Ltd.	-	-	25	42
	-	-	528	6,938

On 20 July 2022, the Company received a promissory note at call from 2 subsidiaries in Thailand with total amount of USD 89 million, with interest at the rate of 2.50% p.a. which unsecured.

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

On 20 May 2022, a subsidiary in Thailand has sold all shares of the Company's investment in Pu Chao Container Terminal Co., Ltd. to Bangkok Terminal Logistics Co., Ltd.

c) Management and directors benefit expenses

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

Management and directors benefit expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short - term employee benefits	252	245	205	184

19. Expenses by nature

Significant expenses by nature for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Employee benefits expenses	2,432	1,991	715	714
Management and directors benefit expenses	252	245	205	184
Depreciations and amortization expenses	3,720	2,611	459	433
Net doubtful debt	6	2	-	-

20. Provident Fund

The Company, its subsidiaries in Thailand 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 2022, the Group's contributions to these funds totaled Baht 77 million (2021 : Baht 53 million).

21. Tax income (expenses)

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

The corporate income tax rate being used by the Company and its subsidiaries in Thailand 8% and 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 2022 and 2021 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, allowance for impairment of investment, provisions for employee benefits and unused tax losses totaling Baht 201.82 million and Baht 50.29 million, respectively, (The Company: Baht 14.47 million and Baht 45.29 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 1.28 million and Baht 4.09 million, respectively.

Tax income (expenses) for the year ended 31 December 2022 and 2021, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Current tax expense	(29,310)	(19,742)	-	-
Deferred tax income (expenses) of temporary differences	(3,126)	1,032	-	-
Tax income (expenses) reported in the statement of income	<u>(32,436)</u>	<u>(18,710)</u>	<u>-</u>	<u>-</u>

Income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax income (expenses) relating to actuarial losses on defined employee benefit plans	-	-	-	-

As at 31 December 2022 and 2021 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
<u>Deferred tax assets</u>		
Allowance for impairment of investment	400	3,340
Provisions for employee benefits	878	749
Total	1,278	4,089
<u>Deferred tax liabilities</u>		
Property and premises, net	9,467	8,857

The Company's operating results for the year 2022 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

	For the year ended 31 December 2022					USD currency (b)
	Functional currency					
	Baht currency (a)					
	Tax payer number					
	3101120028		3105114177			
BOI Promoted	Non - BOI Promoted	Tax exempted	Total	Difference		
Revenues						
Freight income	1,681,981,365	-	3,190,547,957	4,872,529,322	(25,311,076)	4,847,218,246
Gain on sales of assets	-	35,115,768	-	35,115,768	(2,619,646)	32,496,122
Dividend income	-	12,516,190,711	-	12,516,190,711	(270,995,076)	12,245,195,635
Interest income	-	51,943,669	-	51,943,669	545,742	52,489,411
Others income	-	712,067	-	712,067	(4,670)	707,397
Total revenues	1,681,981,365	12,603,962,215	3,190,547,957	17,476,491,537	(298,384,726)	17,178,106,811
Expenses						
Cost of freight and operations	304,440,591	-	861,113,886	1,165,554,477	6,164,178	1,171,718,655
Administrative expenses	194,286,845	89,505,915	347,876,047	631,668,807	3,628,414	635,297,221
Loss on exchange rate	159,359,849	199,635,900	307,239,101	666,234,850	(663,381,819)	2,853,031
Total expenses	658,087,285	289,141,815	1,516,229,034	2,463,458,134	(653,589,227)	1,809,868,907
Profit (loss) from operating activities	1,023,894,080	12,314,820,400	1,674,318,923	15,013,033,403	355,204,501	15,368,237,904
Finance costs	(8,886,754)	-	(148,090)	(9,034,844)	48,192	(8,986,652)
Gain (loss) from changes in fair value of derivatives	8,935,768	112,669,712	-	121,605,480	1,702,005	123,307,485
Profit (loss) before income tax expenses	1,023,943,094	12,427,490,112	1,674,170,833	15,125,604,039	356,954,698	15,482,558,737
Tax income (expenses)	-	-	-	-	-	-
Profit (loss) for the years	1,023,943,094	12,427,490,112	1,674,170,833	15,125,604,039	356,954,698	15,482,558,737

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

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

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22. Financial information by segment

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

(Unit: Million Baht)

	Consolidated financial statements											
	For the years ended 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	342	371	51,562	37,565	34	43	51,938	37,979	136	-	52,074	37,979
Inter - segment revenues	4,976	2,105	6,481	1,927	40	49	11,497	4,081	(11,497)	(4,081)	-	-
Freight income	5,318	2,476	58,043	39,492	74	92	63,435	42,060	(11,361)	(4,081)	52,074	37,979
Segment gross profit (loss)	3,830	1,164	21,636	17,546	64	74	25,530	18,784	32	19	25,562	18,803
Gain (loss) on exchange rate											(2)	43
Dividend income											2	-
Gain on sales of assets											961	25
Reversal on impairment of assets											-	835
Others income											143	28
Administrative expenses											(2,035)	(1,689)
Finance costs											(222)	(197)
Gain (loss) from changes in fair value of derivatives											123	9
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9											(6)	(2)
Share of profit (loss) from investments in associates											58	81
Share of profit (loss) from investments in joint ventures											76	59
Tax income (expenses)											(32)	(19)
Profit (loss) for the years											24,628	17,976

(Unit: Million Baht)

	Consolidated financial statements											
	As at 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Property, premises, vessels and equipment, net	9,975	6,270	11,934	9,014	194	190	22,103	15,474	69	36	22,172	15,510
Others											36,760	23,203
Total assets											58,932	38,713

23. Commitments and contingent liabilities

23.1 Commitments

- (a) As at 31 December 2022, the Company and its subsidiaries in Thailand have outstanding commitments relating to the lease agreements for equipment and service agreements of approximately Baht 3 million in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 2 million or approximately Baht 82 million in respect of the following agreements.

	(Unit: Million Baht)		
Payment period	Charter hire	Other rental	Total
Within 1 year	56	7	63
During 1 - 5 years	-	19	19
Over than 5 years	-	-	-
Total	56	26	82

- (b) As at 31 December 2022, a subsidiary in Singapore has bunker purchase commitments amounting to USD 9 million or approximately Baht 308 million covering the period of January 2023 - March 2023 at 3,000 - 6,000 MT per month.
- (c) As at 31 December 2022, 2 subsidiaries have outstanding commitments relating to building of vessels are as follow:

1) Subsidiary in Thailand

- During the 3rd quarter of 2022, a subsidiary in Singapore has nominated a subsidiary in Thailand as the Buyer of the shipbuilding contracts size 11,714 TEU dated 2 August 2021, with amounting to USD 115 million (as at 31 December 2022 approximately Baht 3,994 million). The payment term of vessel was scheduled in 4 installment periods based on the contract price : 20% for 1st installment, 10% for the 2nd installment, 20% for the 3rd installment and 50% for the 4th installment (payment upon delivery of the vessel). Tentative delivery date of vessel as at the 1st quarter of year 2023. On February 2023, a subsidiary has received vessel and paid the remaining amount.

2) Subsidiary in Singapore

- On 11 March 2022, a subsidiary had entered into 2 vessel building contracts size 7,000 TEU with amounting to USD 170 million (as at 31 December 2022 approximately Baht 5,905 million). The payment term of each vessel was scheduled in 5 installment periods based on the contract price : 20% for 1st installment, 10% for the 2nd installment, 10% for the 3rd installment 10% for the 4th installment and 50% for the 5th installment (payment upon delivery of the vessel). Tentative delivery date of both vessels are at the 4th quarter of year 2024 and 1st quarter of year 2025, respectively.
- On 28 March 2022, a subsidiary had entered into 2 vessel building contracts size 11,714 TEU with amounting to USD 266 million (as at 31 December 2022 approximately Baht 9,239 million). The payment term of each vessel was scheduled in 5 installment periods based on the contract price : 15% for 1st installment, 10% for the 2nd installment, 10% for the 3rd installment, 20% for the 4th installment and 45% for the 5th installment (payment upon delivery of the vessel). Tentative delivery date of both vessels are at the 2nd quarter and 4th quarter of year 2024, respectively.

- On 24 May 2022, a subsidiary had entered into 2 vessel building contracts size 7,000 TEU with amounting to USD 158 million (as at 31 December 2022 approximately Baht 5,488 million). The payment term of each vessel was scheduled in 5 installment periods based on the contract price : 20% for 1st installment, 10% for the 2nd installment, 10% for the 3rd installment, 10% for the 4th installment and 50% for the 5th installment (payment upon delivery of the vessel). Tentative delivery date of both vessels are at the 4th quarter of year 2024 and 2nd quarter of year 2025, respectively.

As at 31 December 2022, its subsidiaries has made payment for the above - mentioned contracts amounting to USD 163 million or approximately Baht 5,662 million.

23.2 Guarantees

As at 31 December 2022, the Company has guarantee obligations of USD 165 million, SGD 6 million and HKD 35 million, or approximately Baht 6,046 million (31 December 2021: USD 24 million, SGD 6 million and HKD 35 million or approximately Baht 1,115 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 79 million and HKD 2 million, or approximately Baht 2,763 million (31 December 2021: USD 14 million and HKD 6 million or approximately Baht 496 million).

24. Financial instruments

24.1 Financial risk management

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

Credit risk

a) Trade receivables

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

b) Deposits with financial institutions

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

Liquidity risk

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

The remaining contractual maturities of financial liabilities as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					Total
	Carrying amount	Contractual cash flows				
		1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2022</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	4,298	4,298	-	-	4,298	
- Other payables	1,115	1,115	-	-	1,115	
- Long - term loans	2,978	287	370	741	2,978	
- Lease liabilities	4,965	1,546	1,284	1,837	4,965	
- Income tax payable	13	13	-	-	13	
- Other current liabilities	198	198	-	-	198	
	<u>13,567</u>	<u>7,457</u>	<u>1,654</u>	<u>2,578</u>	<u>13,567</u>	
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

(Unit: Million Baht)

	Separate financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years	
<u>As at 31 December 2022</u>						
<u>Non - derivative financial liabilities</u>						
- Trade payables	50	50	-	-	-	50
- Other payables	952	952	-	-	-	952
- Long - term loans	227	58	58	111	-	227
- Lease liabilities	2	2	-	-	-	2
	<u>1,231</u>	<u>1,062</u>	<u>58</u>	<u>111</u>	<u>-</u>	<u>1,231</u>
<u>Derivative financial liabilities</u>						
- Other current financial liabilities	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit: Million Baht)

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

(Unit: Million Baht)

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

Market risk(a) Interest rate risk

Significant financial assets and liabilities as at 31 December 2022 and 2021 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 statements2022

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	<u>7,208</u>	<u>-</u>	<u>-</u>	<u>11,182</u>	<u>1,091</u>	<u>19,481</u>	0 - 4.80% p.a.
<u>Financial liabilities</u>							
Long - term loans	243	996	1,580	159	-	2,978	Note 13
Lease liabilities	1,546	3,119	300	-	-	4,965	Note 14
Total	<u>1,789</u>	<u>4,115</u>	<u>1,880</u>	<u>159</u>	<u>-</u>	<u>7,943</u>	

2021

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	1,363	-	-	6,476	1,911	9,750	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Long - term loans	316	452	-	107	-	875	Note 13
Lease liabilities	1,962	2,414	485	-	-	4,861	Note 14
Total	2,278	2,866	485	107	-	5,736	

Separate financial statements

2022

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	186	-	-	562	1	749	0 - 2.60% p.a.
<u>Financial liabilities</u>							
Long - term loans	42	105	-	80	-	227	Note 13
Lease liabilities	2	-	-	-	-	2	Note 14
Total	44	105	-	80	-	229	

2021

	Million Baht						Interest rate
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	
	within 1 year	2 - 5 years	Over than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	85	-	-	193	-	278	0 - 0.40% p.a.
<u>Financial liabilities</u>							
Long - term loans	209	180	-	-	-	389	Note 13
Lease liabilities	3	2	-	-	-	5	Note 14
Total	212	182	-	-	-	394	

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 2022, the Company had a interest rate swap agreement covering the notional 3 promise amount of USD 92.69 million (31 December 2021 : 2 promise of amount USD 23.69 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, the contracts expiration date is the year 2025 and 2027.

As at 31 December 2022, the Company had gain from changes in the fair value of derivatives of USD 3.49 million, or approximately Baht 122.88 million (31 December 2021: gain of USD 0.29 million, or approximately Baht 9.2 million). The Company recorded the gain loss in the statements of income.

(b) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2022 and 2021, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(c) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 31 December 2022, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 23.1 (b) to the financial statements.

24.2 Fair values of financial instruments

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

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

25. Capital management

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

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

As at 31 December 2022, the Group's debt - to - equity ratio was 0.30 : 1 (31 December 2021 : 0.49 : 1) and the Company's was 0.07 : 1 (31 December 2021 : 0.93 : 1).

26. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2022 and 2021 and the statements of income for the years ended 31 December 2022 and 2021, are as follows:

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
Assets				
Current assets				
Cash and cash equivalents	560,873,176	290,247,579	21,553,429	8,287,394
Trade receivables - unrelated parties	135,879,284	133,867,682	-	1,771,211
<u>Less</u> : allowance for doubtful accounts	(1,736,188)	(1,801,225)	-	-
Trade receivables - unrelated parties, net	134,143,096	132,066,457	-	1,771,211
Trade receivables - related parties	1,701,077	10,576,157	18,441,772	29,246,185
Dividend receivables	-	-	-	6,825,129
Other receivables	9,249,096	11,803,239	2,201,589	1,495,907
Short - term loan to related parties	143,953	149,000	89,000,000	-
Material supplies	19,270,318	16,479,902	584,072	532,006
Other current financial assets	4,249,179	50,425	4,249,179	50,425
Other current assets	1,921,374	1,907,038	11,828	14,644
Total current assets	731,551,269	463,279,797	136,041,869	48,222,901
Non - current assets				
Other non - current financial assets				
- Gain from changes in fair value of derivatives	3,187,429	-	3,187,429	-
- Others	337,862	337,862	-	-
Investments in subsidiaries, net	-	-	251,252,966	251,252,966
Investments in associates	9,697,349	8,960,600	1,662,509	1,662,509
Investments in joint ventures	5,027,343	4,509,477	-	-
Other non - current receivables	-	350,000	-	-
Investment properties, net	148,626	150,817	1,422,049	-
Property and premises, net	10,503,363	10,439,667	13,092	1,443,233
Vessels and equipment, net	627,834,041	451,274,228	171,346,835	185,172,966
Right - of - use assets, net	142,038,381	141,271,836	54,334	159,880
Intangible assets, net	73,531	49,861	-	-
Other non - current assets				
- Payment of advances for vessels and equipment	166,120,867	71,548,284	-	1,147,600
- Others	168,037	252,133	58,238	67,510
Total non - current assets	965,136,829	689,144,765	428,997,452	440,906,664
Total assets	1,696,688,098	1,152,424,562	565,039,321	489,129,565

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2022

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
Liabilities and shareholders' equity				
Current liabilities				
Trade payables - unrelated parties	123,260,193	171,675,342	1,444,151	2,207,195
Trade payables - related parties	482,322	842,998	-	-
Other payables				
- Accrued expenses	23,413,842	21,380,153	8,676,424	8,583,123
- Advance receipt	-	-	15,195,374	206,518,426
- Payable on purchase of assets	3,976,250	4,555,077	-	1,277,000
- Revenue Department payable	4,716,051	4,305,866	3,527,886	3,263,822
Current portion of long - term loans	8,279,773	10,473,743	1,661,917	6,225,048
Current portion of lease liabilities	44,514,112	58,391,819	54,439	104,002
Income tax payable	366,485	122,953	-	-
Other current liabilities	5,687,836	5,343,309	-	-
Total current liabilities	214,696,864	277,091,260	30,560,191	228,178,616
Non - current liabilities				
Long - term loans, net of current portion	77,469,805	15,566,132	4,866,205	5,344,669
Lease liabilities, net of current portion	98,444,652	86,301,129	-	56,288
Deferred tax liabilities	272,554	263,667	-	-
Provisions for employee benefits	1,737,436	1,817,289	982,104	1,702,045
Total non - current liabilities	177,924,447	103,948,217	5,848,309	7,103,002
Total liabilities	392,621,311	381,039,477	36,408,500	235,281,618

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2022

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
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	2,448,673	2,448,673	2,448,673	2,448,673
Unappropriated	1,145,368,175	611,122,765	326,457,999	51,675,125
Other components of equity	(43,534,020)	(42,130,799)	-	-
Total equity of parent Company's shareholders	1,304,006,977	771,164,788	528,630,821	253,847,947
Non - controlling interests	59,810	220,297	-	-
Total shareholders' equity	1,304,066,787	771,385,085	528,630,821	253,847,947
Total liabilities and shareholders' equity	1,696,688,098	1,152,424,562	565,039,321	489,129,565

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the year ended 31 December 2022

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
Revenues				
Freight income	1,477,841,623	1,180,366,955	137,563,202	65,697,783
Others income				
Gain on exchange rate	-	1,334,983	-	-
Dividend income	44,500	-	347,516,500	123,497,595
Gain on sales of assets	27,259,124	764,278	922,234	-
Reversal on impairment of assets	-	25,960,638	-	-
Interest income	3,318,238	171,790	1,489,640	84,143
Others	761,609	706,063	20,075	43,935
Total revenues	1,509,225,094	1,209,304,707	487,511,651	189,323,456
Expenses				
Cost of freight and operations	752,385,687	595,987,007	33,253,169	31,505,229
Administrative expenses	57,754,917	52,479,382	18,029,623	20,144,048
Other expense - loss on exchange rate	69,953	-	80,969	3,321,130
Total expenses	810,210,557	648,466,389	51,363,761	54,970,407
Profit (loss) from operating activities	699,014,537	560,838,318	436,147,890	134,353,049
Finance costs	(6,289,561)	(6,133,647)	(255,040)	(1,377,587)
Gain (loss) from changes in fair value of derivatives	3,499,445	285,534	3,499,445	285,534
Reversal of impairment loss (impairment loss)				
determined in accordance with TFRS 9	(178,245)	(57,850)	-	-
Share of profit (loss) from investments in associates	1,634,853	2,519,998	-	-
Share of profit (loss) from investments in joint ventures	2,165,018	1,828,066	-	-
Profit (loss) before income tax expenses	699,846,047	559,280,419	439,392,295	133,260,996
Tax income (expenses)	(920,529)	(581,486)	-	-
Profit (loss) for the years	698,925,518	558,698,933	439,392,295	133,260,996
Profit (loss) for the year attributable to:				
Equity holders of the parent	698,858,192	558,583,252	439,392,295	133,260,996
Non - controlling interests	67,326	115,681	-	-
	698,925,518	558,698,933	439,392,295	133,260,996
Basic earnings (loss) per share				
Equity holders of the parent (USD)	0.843	0.674	0.530	0.161
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000

27. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 24 February 2023.

..... DIRECTOR DIRECTOR