



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

56-1

One Report 2021
แบบแสดงรายการข้อมูลประจำปี/รายงานประจำปี 2564





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MESSAGE FROM CHAIRMAN



Valued Shareholders,

The year 2021 has been a phenomenal period for the container shipping industry in general. In RCL, we were able to use part of the liquidity to invest in a modern up infrastructure of both tonnage and system processes to enable us to meet the challenges that we face in our extremely cyclical industry.

Improving our competitiveness in a challenging market, where customer needs are frequently influenced by uncontrollable events, was and is for us as a regional operator to focus on forward directed strategies.

Expanding our activities to include logistic services in our core service pattern was well received by many customers in several countries. In addition, we expanded our service pattern into growth and strong yield areas.

The 2021 financial results, which generated THB 17,973 million profit with an ROE of 102.78 percent, high Ebitda, high cashflow were supported to a large extent by the overall market condition in the liner shipping sector. Key to the success, however, was our employees' passion to strive for customer satisfaction and revenue as well as cost efficiency for us.

During the year, we accelerated adjustment to our fleet deployment and tonnage provision; and this will be an ongoing process in the next few years to come.

Adoption of latest technology such as robotics and digitalization helps us to further our internal process efficiency and foster customer relationships.

We are happy that the 2021 financial results enable us to provide the shareholders with high returns. On behalf of the Board of Directors, I would like to thank our shareholders for their full support throughout the good and bad years alike. Thanks also go to our employees in all locations for their dedication to create this great outcome. We will continue to follow the cost-competitiveness mind-set so that we can further serve our customers with greater efficiency.

Thank you.

A handwritten signature in blue ink, appearing to read 'J. Atikul', is positioned above the printed name of the Chairman.

Dr. Jamlong Atikul

Chairman

จุดเด่นทางการเงิน

Financial Highlights

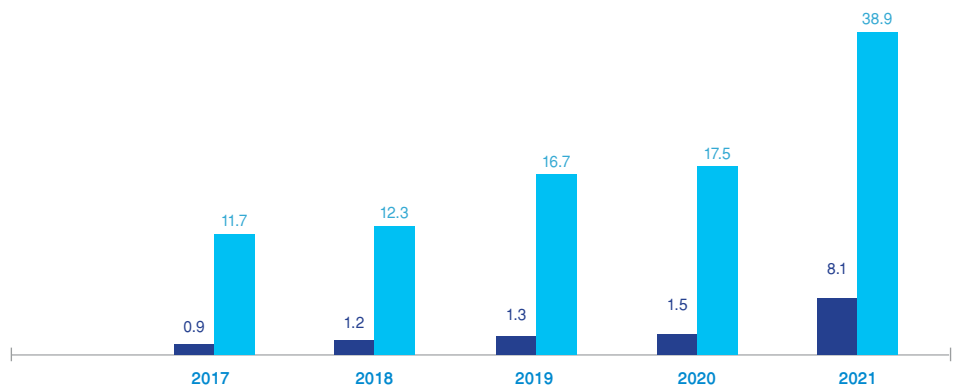
เฉพาะบริษัทฯ / COMPANY (‘000 บาท / Baht)		2564 2021	เปลี่ยนแปลง (ร้อยละ) % Change	2563 2020	เปลี่ยนแปลง (ร้อยละ) % Change	2562 2019
สินทรัพย์ถาวร	Fixed Assets	6,274,350	9	5,738,293	(1)	5,790,775
สินทรัพย์รวม	Total Assets	16,431,281	17	14,050,911	11	12,691,569
หนี้สินรวม	Total Liabilities	7,903,792	(2)	7,766,762	(21)	6,434,043
ส่วนของผู้ถือหุ้น	Shareholders' Equities	8,527,489	36	6,284,149	0	6,257,526
รายได้จากการเดินเรือ	Freight Income	2,113,866	60	1,318,953	8	1,215,794
รายได้รวม	Total Income	6,091,596	303	1,512,462	19	1,266,986
กำไรขั้นต้น (จากการเดินเรือ)	Gross Profit (from freight income)	1,100,166	225	338,313	12	301,145
กำไร/(ขาดทุน)สุทธิส่วนที่เป็นของ ผู้ถือหุ้นบริษัทใหญ่	Net Profit / (Loss) attributable to equity holders of the parent	4,287,753	8,188	51,732	117	(311,111)
กำไรต่อหุ้น(บาท)	Earnings Per Share (Baht)	5.17	8,188	0.06	117	(0.38)
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.93		1.24		1.03
อัตราส่วนกำไรสุทธิต่อส่วนของผู้ถือหุ้น	Net Profit to Shareholders'Equity	50.28%		0.82%		-4.97%
อัตราส่วนกำไรสุทธิต่อรายได้รวม	Net Profit Margin	70.39%		3.42%		-24.56%
ราคาตามบัญชีต่อหุ้น (บาท)	Book Value Per Share (Baht)	10.29		7.58		7.55

กลุ่มบริษัทฯ / GROUP (‘000 บาท / Baht)		2564 2021	เปลี่ยนแปลง (ร้อยละ) % Change	2563 2020	เปลี่ยนแปลง (ร้อยละ) % Change	2562 2019
สินทรัพย์ถาวร	Fixed Assets	20,256,039	66	12,187,587	(4)	12,751,518
สินทรัพย์รวม	Total Assets	38,713,283	115	17,989,309	6	17,037,585
หนี้สินรวม	Total Liabilities	12,800,221	(44)	8,915,477	7	9,632,216
ส่วนของผู้ถือหุ้น	Shareholders' Equities	25,913,062	186	9,073,832	23	7,405,369
รายได้จากการเดินเรือ	Freight Income	37,979,015	121	17,195,237	4	16,531,035
รายได้รวม	Total Income	38,910,104	123	17,463,377	5	16,709,378
กำไรขั้นต้น (จากการเดินเรือ)	Gross Profit (from freight income)	18,802,775	563	2,834,937	392	576,121
กำไร/(ขาดทุน) สุทธิส่วนที่เป็น ของผู้ถือหุ้นบริษัทใหญ่	Net Profit / (Loss) attributable to equity holders of the parent	17,972,751	930	1,744,794	455	(491,747)
กำไรต่อหุ้น(บาท)	Earnings Per Share (Baht)	21.69	930	2.11	455	(0.59)
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.49		0.98		1.30
อัตราส่วนกำไรสุทธิต่อส่วนของผู้ถือหุ้น	Net Profit to Shareholders'Equity	69.36%		19.23%		-6.64%
อัตราส่วนกำไรสุทธิต่อรายได้รวม	Net Profit Margin	46.19%		9.99%		-2.94%
ราคาตามบัญชีต่อหุ้น (บาท)	Book Value Per Share (Baht)	31.27		10.95		8.94

TOTAL REVENUES

(Billion baht)

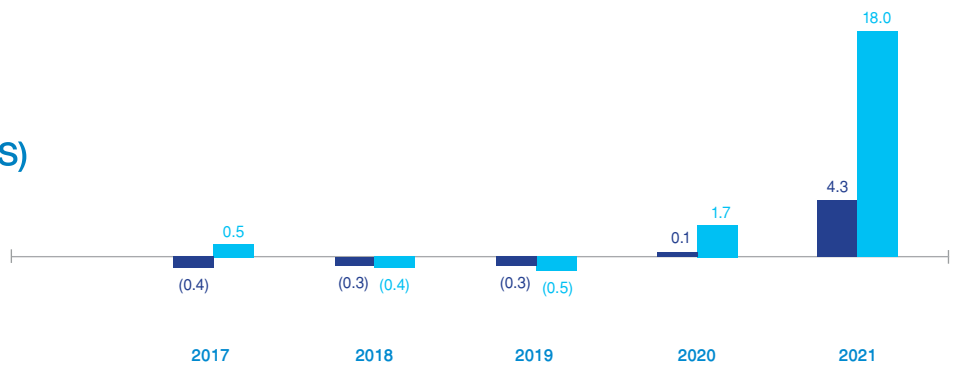
■ Company
■ Group



NET PROFIT / (LOSS)

(Billion baht)

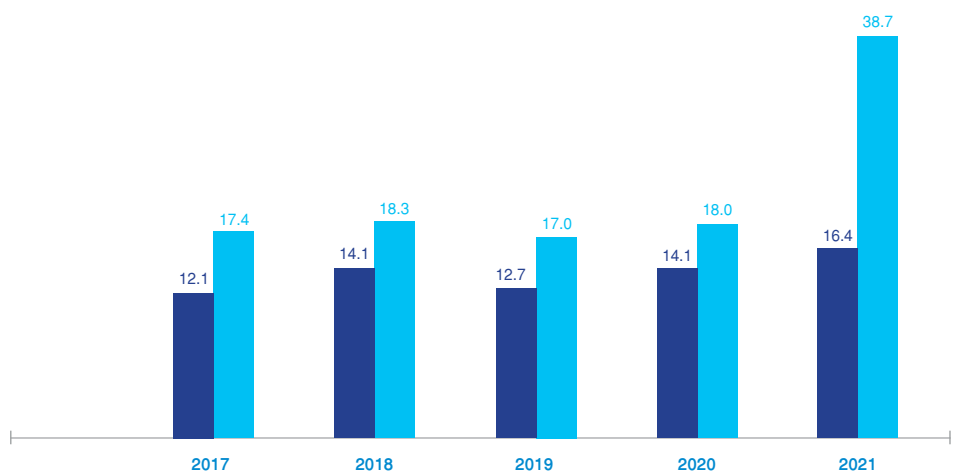
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TOTAL ASSETS

(Billion baht)

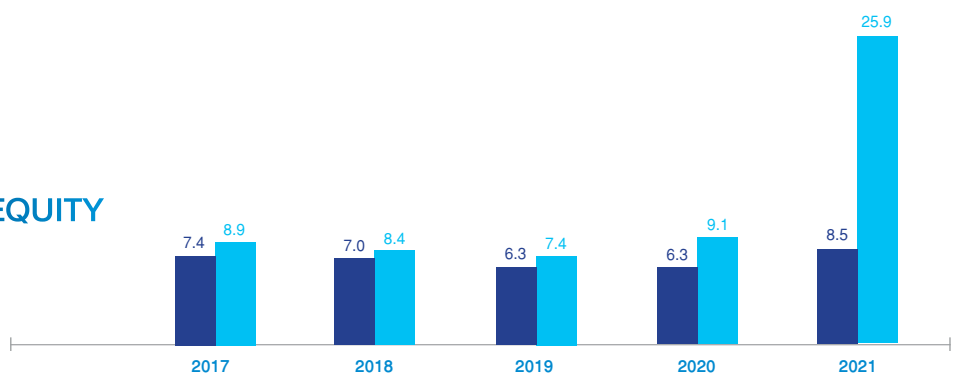
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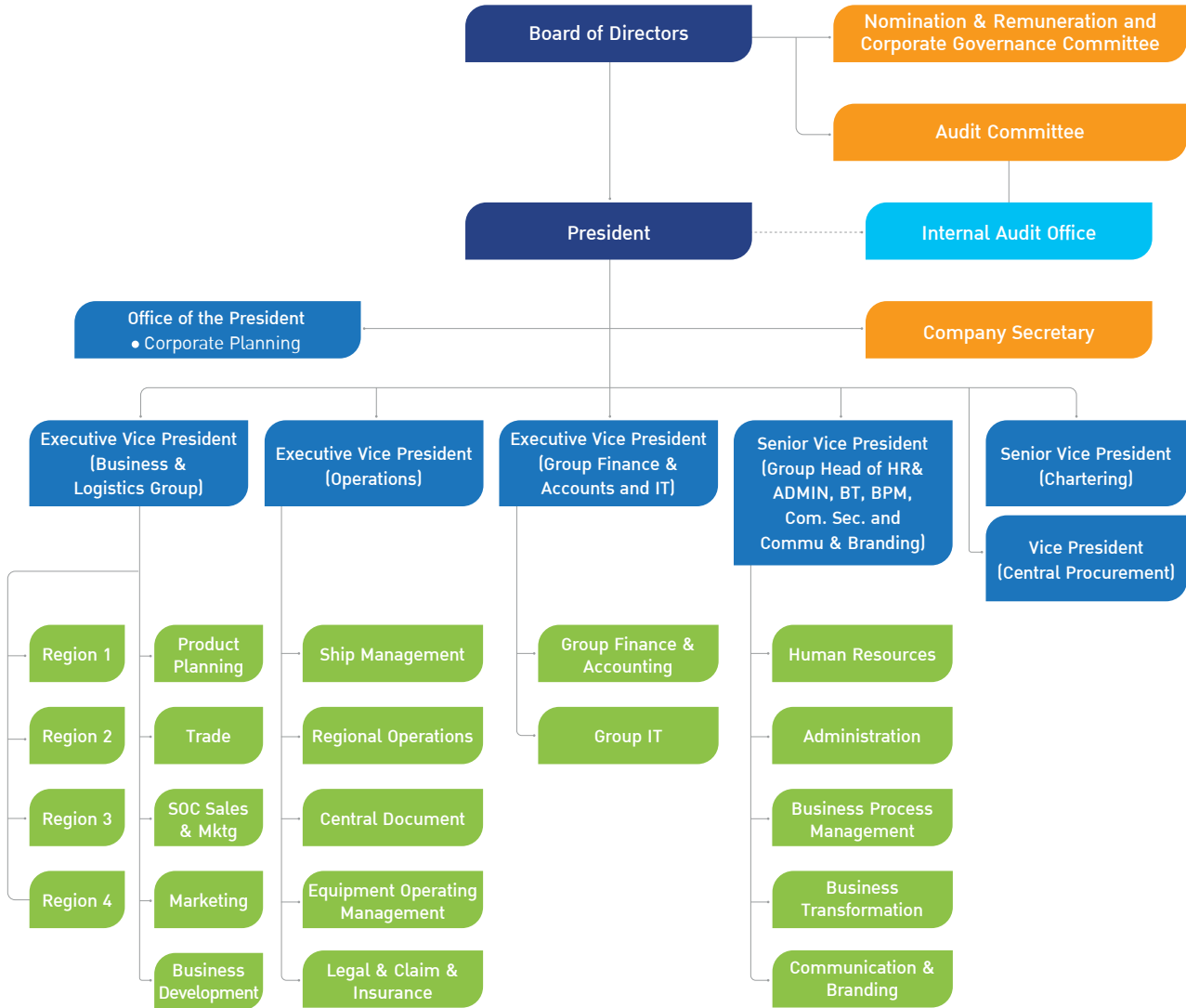
SHAREHOLDERS' EQUITY

(Billion baht)

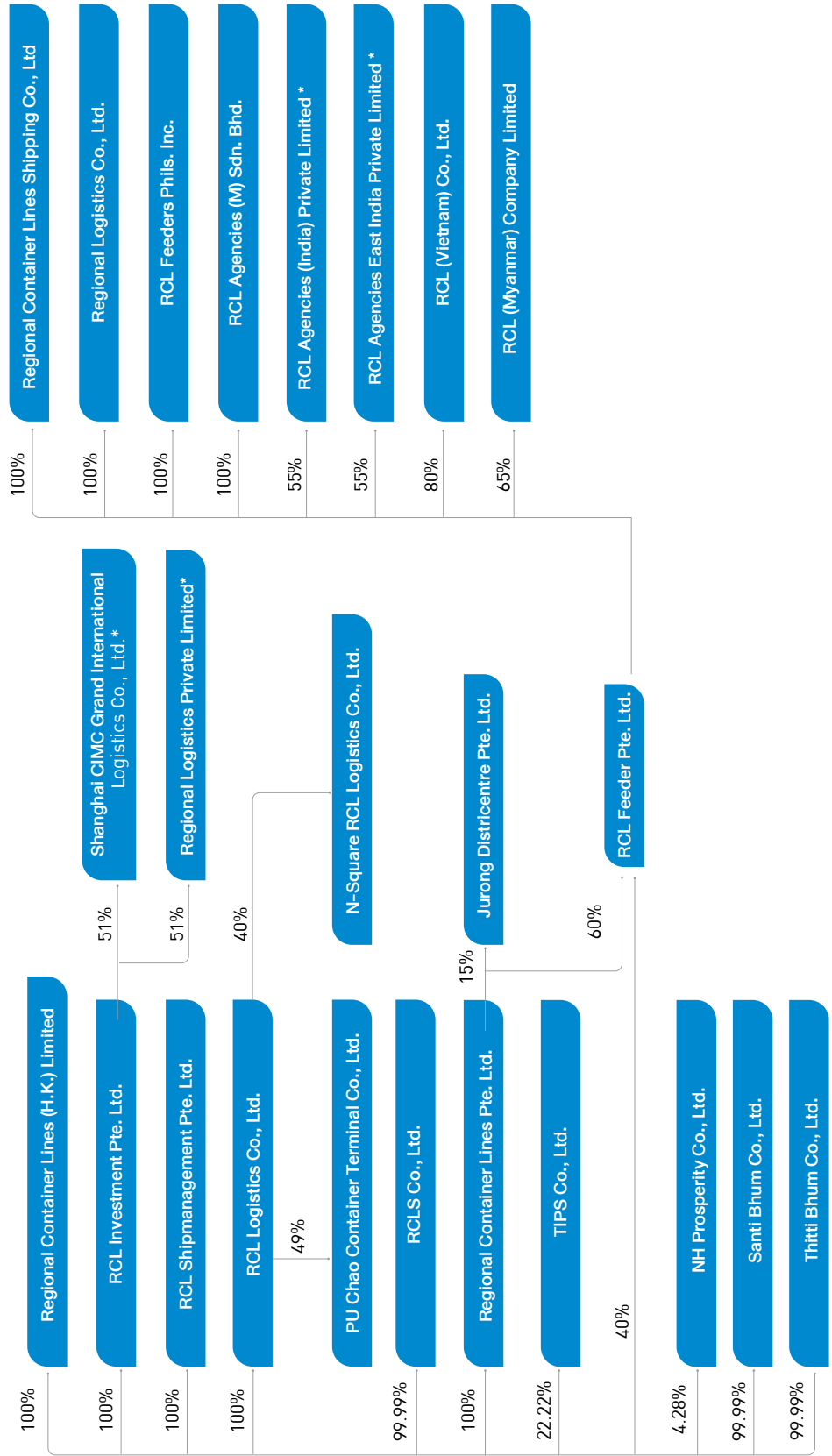
■ Company
■ Group



GROUP ORGANIZATION STRUCTURE



RCL GROUP STRUCTURE 2021



THE BOARD OF DIRECTORS



Dr. Jamlong Atikul

Chairman



Mr. Sumate Tanthuwant

Director & Managing Director



Mr. Kua Hock Eng

Director
(Executive Director)



Mr. Sutep Tranantasin

Director
(Executive Director)



Mr. Amornsuk Noparumpa

Independent Director /
Chairman of the Audit Committee /
Nomination & Remuneration and Corporate
Governance Committee Member



Mr. Viset Choopiban

Independent Director /
Audit Committee Member /
Chairman of the Nomination & Remuneration
and Corporate Governance Committee



Mrs. Arpavadee Meekun-lam

Independent Director /
Audit Committee Member /
Nomination & Remuneration and Corporate
Governance Committee Member



Mr. Charlie Chu

Director
(Executive Director)



Mr. Twinchok Tanthuwant

Director
(Executive Director)

THE GROUP OF MANAGEMENT COMMITTEE



Mr. Sumate Tanthuanit

President



Mr. Kua Hock Eng

Executive Director



Mr. Sutep Tranantasin

Director & Executive Vice President
(Operations)



Mr. Charlie Chu

Director & Executive Vice President
(Business and Logistics Group)



Mr. Twinchok Tanthuanit

Directors & Senior Vice President
(Chief of Regions, Operations, Business)



Ms. Nadrudee Rungruengphon

Executive Vice President
(Group Finance & Accounts and IT)



Mrs. Suporn Amnuaypan

Senior Vice President
(Group Head of Human Resources,
Administration, Business Transformation,
Business Process Management, Corporate Secretary
and Communication & Branding)



Mr. Chatgamol Phitaksuteephong

Vice President
(Group Information Technology)



Vision

A trusted and reliable regional container carrier and logistics provider committed to quality, sustainability, efficiency and innovations.

Mission

- 1. To be trusted as a reliable Asian container carrier and logistic service provider**
- 2. To positively contribute to our environment and society**
- 3. To strengthen our liner and feeder service network to create an accessibility of trade to the different parts of Asia, India ISC and Mideast.**
- 4. To provide a swift and utmost quality of service to our customers**
- 5. To closely work with our business partners to expand our service and reach to our new and existing Customers**
- 6. To Digitize our tools, processes, enhance situation awareness to be an efficient service provider (CP)**
- 7. To be a container shipping specialized assistant to our customers**
- 8. To provide the value-added logistics solutions to meet the customer demand.**

PART 1 BUSINESS OPERATION AND OPERATING RESULTS

Organizational structure and operation of the group of companies

Vision, Corporate Goal and Success

Vision

RCL Group is committed to continuously enhance its position as a leading asset-based regional transportation provider with emphasis on meeting the expectations of its customers and shareholders through the dedication of the management and staff. In addition to promoting its competencies with up-to-date techniques and resources, the group embraces its 5 core values introduced in 2011, namely Accountability, Teamwork, Result Orientation, Customer Focus and Leadership with Integrity, to achieve this mission.

The Group's vision is "A trusted and reliable regional container carrier and logistics provider committed to quality, sustainability, efficiency and innovations".

Corporate Goal

The Group's goal is to uphold its leadership position amongst the containerized shipping operators focusing on the inter-Asia regional trades. RCL's geographical business coverage includes North East Asia, South East Asia, Indian Sub-continent and Middle East.

Success

The Group is currently ranked 23th amongst the world container shipping operators and recognized as amongst the top regional operators by leading industrial publications.

Following are key factors in supporting the Group's performance and achievements;

- Maintaining its position as a key regional carrier.
- Enhanced presence in the regional trades it serves.
- Loyal and large diverse customer base support.
- Strong customer-oriented business units ensuring customer expectations are met.
- Competent and motivated management, staff and vessel crew.
- Complementing business strategy between Shipper-Owned-Container (SOC) and Carrier-Owned-Container activities (COC).
- Comprehensive and effective service network.
- Competitive operating cost structure

Chronicles of RCL

Incorporation

1980 : Founded with Ngow Hock Co., Ltd. as a major shareholder.

Years of Pioneering and Going Public

1981 : Purchased its first vessel, M.V. Siri Bhum to commence Bangkok - Singapore route.

1988 : Had its stock listed in the Stock Exchange of Thailand.

: Raised registered capital from Baht 55 million to Baht 70 million.

1993 : Converted to a public company and raised registered capital to Baht 221 million.

Regional Scale of Operation

1989 : Incorporated RCL Investment Pte. Ltd. to hold 50% interest in four RCL Singapore subsidiaries (holding 51% interest in 1991 to become their major shareholder) to extend the operation network into Southeast Asia Region.

: Raised registered capital from Baht 70 million to Baht 84 million.

Years of Expansion 1990 - 1994

: Took delivery of two newly-built vessels, M.V. Maha Bhum and Nanta Bhum from Korea.

: Acquired 20% interest in TIPS Co., Ltd. an operator of one of Laem Chabang's deep sea ports, and 70% interest in Regional Container Lines (H.K.) Co., Ltd. and its subsidiaries in Hong Kong.

: Directly purchased the remaining 49% interest in four RCL Singapore subsidiaries for 100% control.

: Invested 20% interest in NH Prosperity Co., Ltd. an operator of Inland Container Depot.

: Further acquired the remaining 30% interest in Regional Container Lines (H.K.) Ltd. and its subsidiaries for 100% control.

Years of Asset Building-Up 1995 - 1998

: Took delivery of nine newly built vessels from Japan and Singapore.

: Acquired a freehold 12 - storey office building in Singapore as RCL regional operation centre.

: Raised registered capital from Baht 221 million to Baht 663 million.

: Joined Mitsui O.S.K. Lines Ltd. to start its first dry bulk shipping business.

Years of Strengthening Service Network 2000 - 2004

: Launched E-commerce facility, namely BHUMNET.

: Extended service to West Asia and the Middle East.

: Incorporated four wholly owned subsidiary companies, Regional Container Lines Shipping Co., Ltd. in Shanghai, RCL Agencies (M) Sdn. Bhd. and Regional Container Lines (M) Sdn. Bhd. in Malaysia and RCL Logistics Co., Ltd. in Thailand.

: Regional Container Lines Shipping Company Limited a subsidiary company established in Shanghai increased its registered capital to USD 1.6 million and set up five branch offices in Qingdao, Tianjin, Xiamen, Guangzhou and Shenzhen to enhance market expansion in north and south PRC.

Years of Investment in Assets and Subsidiaries 2005 – 2010

- : Took delivery of thirteen newly-built vessels from Japan, China and Poland.
- : Holding 100% interest in the RCL Feeders Phils., Inc. in Philippines.
- : Incorporated and held 80% interest in Regional Merchants Maritime Ltd. in Hong Kong and Regional Merchants International Freight Forwarding Co., Ltd. in PRC to expand shipping and logistics business into North East Asia.
- : Incorporated and holding 49% in RCL (Vietnam) Co., Ltd. in Vietnam to expand shipping and logistics business into Indochina.
- : Raised registered capital in wholly owned subsidiary in Hong Kong, namely Regional Container Lines (H.K.) Co., Ltd. to HK\$ 20 million; and subsidiary in Thailand, namely RCL Logistics Co., Ltd. to Baht 5 million.
- : Held 100% interest in RCL (Australia) Pty Ltd. to control agency business in Australia.
- : Incorporated and held 85% interest in RCL (Korea) Ltd.; acquired another 15% interest for effective control and increased the registered capital from KRW 340 million to KRW 400 million in 2007 to expand the business in Korea.
- : Incorporated and holding 49% interest in PT Daerah Indah Shipping to expand the services in Indonesia.
- : Regional Container Lines Shipping Co., Ltd. a subsidiary company established in Shanghai increased its registered capital to USD 1.72 million and set up its 6th branch office in Ningbo to enhance market expansion in PRC.
- : Changing of group holding structure in a subsidiary in China where RCL Feeder Pte. Ltd. (100% owned by the Company) hold 100% interest in Regional Container Lines Shipping Co., Ltd.
- : Regional Container Lines Shipping Co., Ltd. a subsidiary company in Shanghai increased its registered capital to USD 1.84 million and set up its 7th branch office in Foshan to expand business operations into the West Bank of Pearl River Delta, PRC.
- : Changing of group holding structure from 85% to 100% direct holding in Regional Container Lines Pte. Ltd. a subsidiary in Singapore; and increased the registered capital from US\$ 24 million to US\$ 51.95 million.
- : Raised registered capital in a subsidiary in Singapore, namely RCL Feeder Pte. Ltd. from US\$ 12.2 million to US\$ 32.7 million.
- : Raised registered capital from Baht 663 million to Baht 828.7 million.
- : Raised registered capital in a wholly owned subsidiary in Singapore, namely Regional Container Lines Pte. Ltd. from US\$ 51.95 million to US\$ 91.95 million to strengthen the financial position for overall group operational efficiency.
- : Raised registered capital in a subsidiary in Singapore, namely RCL Feeder Pte. Ltd. from US\$ 32.7 million to US\$ 138.55 million for overall group operational efficiency.
- : Raised registered capital increase in a subsidiary in Malaysia, namely RCL Agencies (M) Sdn. Bhd. (100% owned by RCL Feeder Pte. Ltd.) from RM 200,000 to RM 500,000 to support group business operation in Malaysia.

Years of Consolidation and Systems Enhancements 2011 – 2014

Corporate

- : Took deliveries of Daesun vessels Hull nos : SB521 (Siri Bhum) and SB522 (Intra Bhum) respectively on 25 February 2013 and 30 May 2013.
- : Obtained extension of investment license in Vietnam under our joint venture investing arm, RCL (Vietnam) Co., Ltd.
- : Consolidation and streamline of services with dissolution of RCL (Korea) Ltd. as well as closure of Fremantle and Semarang branch offices in year 2012 and 2013, respectively.

Ship Management

- : Commenced installation of the mandatory Electronic Chart Display and Information System (ECDIS), which facilitates navigation and significantly improves safety at sea. About 27% of RCL's fleet has so far completed installation of ECDIS on board.
- : About 27% of the Group's vessels have achieved complete verification and obtained from classification society, Ballast Water Management (BWM) certification, which is a set of technical standards and requirements for the control and management of ships' ballast water and sediments.

Human Resource

- : Launched RCL's five (5) core values-Integrity/Loyalty, Result Orientation, Customer Focus, Teamwork and Accountability as well as the reinforcement of Performances Management System, which strives to provide goals-oriented assessment and objective evaluation of staff's performance.

IT

- : Dolphin EZ Load list, an integrated module in Dolphin Carrier System went live successfully in 2011. It covers all RCL locations and facilitates the use and integration with other modules, allowing the operation teams to complete the loading and discharging of containers timely and accurately.
- : Dolphin SAP, the financial system was successfully rolled out in 2011 and to be implemented throughout the network in stages.

Year of Enhancement of System 2015

- : 2015 focus was on enhancement of the system to integrate with local government of each location, such as authorized Chinese government accounting system. With the completion of this integration, data-transfer errors will be reduced. Information and requirements will also be aligned with those of local authorities.

Year of Award Achievement and New Services 2016

- : The Best Container Liner for Small and Medium Liners Group Award 2016 by Thai National Shipper Council (TNSC)
- : New service cooperation for north and central PRC to Vietnam and Thailand
- : The first carrier to launch service from South China to Myanmar
- : Added additional frequency from Far East to India Sub-continent and Middle East

Year of Service Expansion, Business Alignment and Infra-structure Enhancements 2017

Services and New Orders

- : Launched new service from China to Pakistan and Middle East
- : Launched New South China / Philippines / Songkhla Service
- : Launched second Straits of Malacca service to serve Belawan and Penang
- : Ordered additional 3 New Vessels, tailor-made design for our services

Business Alignment

- : Established RCL office in Mumbai, India
- : Dissolution of 3 subsidiaries:
 1. Regional Merchants Maritime Limited in HK,
 2. Regional Merchants International Freight Forwarding Co., Ltd. in China
 3. RCL Holding Ltd. in Singapore

IT, HR and Corporate Governance Enhancements

- : Strengthened IT Infrastructure with migration to Cloud
- : Applied Big Data analysis to monitor company performance
- : Launched Online Performance Management System (ePMS) to monitor goal alignment and to measure performance real time with transparency
- : Reviewed Corporate Governance rules and procedures

Years of enhancement continuity 2018 – 2021

2018

- : Took deliveries of 2 X 1668 TEU ships out of total 4 ordered, namely M.V. Jaru Bhum and M.V. Khuna Bhum.
- : Launched 1st feeder service in Colombo Hub on January 2018, plying between Colombo and Tuticorin, India.
- : Strengthened market presence through the setting up of own office in Myanmar and also started logistics business in China to add more value to customers.
- : Continuous improving in IT development as IT is key factor for our business, by:
 - Implemented Pricing System and upgrading Cost Function to support better and faster business decisions.
 - Acquired new technology - Robotic System to work on repeated tasks and processes for more efficiency.
- : Modernized RCL website to enhance customers' communication.
- : Focused on Human Resources Development, employees' engagement and embedded culture

2019 – 2021

- : Established RCL office in Chennai, India.
- : Revamped several routes coverage and re-brandings as well as adding new ports of call at Thai Sugar Terminal, Nansha, Calcutta, Kattupalli and Dongguan, through co-operation with partners.
- : Took deliveries of the other remaining 2 X 1668 TEU ships, namely M.V. Latit Bhum and M.V. Makha Bhum in July and August respectively.
- : Beginning of scrubber installations phase, commencing with Sattha Bhum and Racha Bhum in second half of year 2019.
- : Commemoration of RCL's 40th anniversary.
- : Adoption Business Continuity Plan (BCP) to cope with unexpected events.
- : Acquisition of 4 second-hand vessels with capacity ranging from 2,741 to 6,310 TEUs in year 2021, including commitment to 2 new-buildings of 11,714 TEUs each, by far the largest order books in RCL's record.

Business Activities

Lines of Business

The company operates on three core lines of business, namely;

- (1) Shipper-Owned-Container (SOC),
- (2) Carrier-Owned-Container (COC) and
- (3) Value-added logistic services.

Privileges and restrictions of the Company to perform business are described below.

The Company receives the BOI investment promotion certification for 5 vessels as shown in the table.

Vessel name	Date of promotion	Expiration date
Ati Bhum	30 May 2018	29 May 2026
Jaru Bhum	25 July 2018	24 July 2026
Khuna Bhum	25 July 2018	24 July 2026
Lalit Bhum	9 April 2019	8 April 2027
Makha Bhum	9 April 2019	8 April 2027

Under the BOI promotion in Thailand, those 5 vessels are granted Tax privileges as follows.

- (1) Exemption of 8 years corporate income tax on net profits since the commencement of income generating from the promoted business.
- (2) Exemption of not including dividends, receiving from the promoted business which are exempted from corporate income tax under Section 31, in the calculation of corporate income tax throughout the period of such corporate income tax exemption promotion.
- (3) Exemption of import duties on vessels.

In addition, the Company also has another 11 vessels, namely Itha Bhum, Ratha Bhum, Supa Bhum, Nanta Bhum, Uru Bhum, Vira Bhum, Wana Bhum, Xutra Bhum, Intra Bhum, Siri Bhum, and Ratana Thida which are applied and eligible for rights under Royal Decree No. 314 after the end of BOI promotion.

Aside from the above mentioned, one of the Company's subsidiaries in Singapore namely Regional Container Lines Pte, Ltd., currently owning 25 vessels is entitled to exempt from corporate income tax for an indefinite period. Additionally, the Subsidiary is also exempted from import duties under ITA S13A for vessels imported into the country.

Market and Competition

Marketing nature

As the Group has subsidiaries in various countries in the region i.e. Thailand, Singapore, Hong Kong, Malaysia, the Philippines, the People's Republic of China and India, thus, the revenue structure of the Group can be categorized by geography and divided by the company & its subsidiaries. However, in fact, the Group manages its business in the form of a regional network (Regional Network). The container transportation service routing provided by the Group is among several countries, and sometimes the route could service up to 4 – 5 ports in a few countries. Therefore, it is difficult to categorize the income of each port according to their geographical income structure. This network management enables the Group to provide more thorough and efficient service coverage to meet our

customers' demand. At the same time, the Group's large fleet size enables the Group to provide higher frequency and more regular service which is a strategic advantage over competitors.

In the case of Main Line Operators (MLO) or SOC customers, the Group uses direct distribution method whereas for direct shippers/consignees or COC customers, the Group uses Agents to distribute our services. In countries where there is high volume demand of inbound or outbound or both, the Group will establish a subsidiary/associated company to act as an Agent. But if the volume is minimum, the Group will appoint representatives in that country to provide the service and manage the sales through management fee. The Group can terminate the contract with the appointing representative if the representative's performance is poor and/or had breached the contract.

At present, the Group has few representatives. Most of them are subsidiaries or affiliates of the Group.

Industry competition

With no restriction to entry into maritime transportation, competitors can freely enter the shipping market easily. However, the success of the business depends on the advantage in marketing, financing, operating, and service routing. Apparently, routes that yield higher return will invite more new entrants into the market. And as the profit potential decreases, the players can easily drop off and the competition reduce. For the future prospect and growth of the Feeder transportation industry,

Network has been developed to Multimodal transport. This means a transportation service shall covers from the origin of the seller to the destination of the buyer, including land and rail transport, etc. Container Shipping is a highly competitive business and depends mainly on the demand and supply of goods and the fleet size. Through several past years, trade volume growth is concentrated only in the Asia region causing this region to grow.

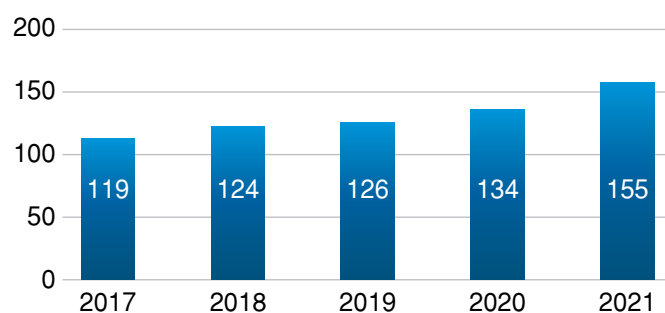
Procurement of Product or services

In 2021, RCL operated 49 container vessels. Of the 49 vessels operated, 41 vessels were owned whilst 8 were chartered in for various term periods.

The group in 2021 continued to cautiously balance the fleet deployment with a strategic mix of owned versus chartered ratio. The flexibility allowed RCL in achieving competitive cost structure and meeting incremental demand in selective trade lanes. The average utilization factor for 2021 was 155%, which was higher than 2020 due to the improvement on COC volume and SOC volume.

RCL deploys its fleet across its four Regions as well as within each Region. The Group manages its flexibility through the use of added chartered vessels, slot purchases,

Capacity Utilization



RCL's sailing routes link the countries in North Asia, North East Asia, South East Asia, Indian Sub-Continent and Middle East with each other through its main trunk services. In addition, secondary services within regions and between regions are also available to complement the main trunk services. In total RCL operates 25 services independently and collaboratively through joint services and slot exchanges and slot ownerships.

Assets used in business

Main fixed assets

Vessels and equipment

At the end of 2021, the Company and its subsidiaries in Singapore owns a total of 41 vessels and equipment with a net book value of 15,160 million baht (the Company owns 16 vessels and a subsidiary owns 25 vessels). These vessels are having capacities between 388 — 6,310 TEUs with DWT between 4,827 - 72,807 tons. They are used to carry general purpose and reefer containers providing service transportation sailing within the regions and neighboring regions.

At the end of 2021, the Company and its subsidiaries in Singapore have mortgaged 6 vessels to secure their loan credit facilities amounting to 875 million baht.

At the end of 2021, the Company and its subsidiaries in Singapore have engaged independent professional appraiser to perform vessel valuation.

Property and premises

The Company and its subsidiaries own 3 office buildings for use as operating offices in Bangkok, Hong Kong and the People's Republic of China with the net book value of the office building and building improvements totaling 351 million baht.

Bangkok office is located at 127/35 Panjathani Tower, 30th Floor, Ratchadaphisek Road. Chong Nonsi Sub-District, Yannawa District, Bangkok 10120 with an area of 1,059 square meters and it has free from mortgage.

Hong Kong office is located at 9 Des Voeux West Street, 11th Floor with an area of 6,884 square feet and it is under mortgage.

The office in the People's Republic of China is located at No. 18 Xi Zang Middle Road, 26th Floor, Harbor Ring Building, Huangpu District, Shanghai, with an area of 1,269 square meters and it has free from mortgage.

Investment Policy

The Company has investments in subsidiaries totaling 15 companies and invests in 4 associated companies and related companies operating in Thailand.

The Company's investment policy is mainly to invest in businesses relating to the marine transportation business.

Property appraisal

The Company and its subsidiaries have engaged independent professional appraiser to perform vessel valuation.

Under-construction project

None

Nature of Business Operation

RCL, a Thai-based container shipping line, was incorporated in 1980 and listed in the Stock Exchange of Thailand since 1988. The company operates on three core lines of business, namely; Shipper-Owned-Container (SOC), Carrier-Owned-Container (COC) and Value-added logistic services. The geographical business scope is Asian-centric with business activities covering North East Asia, South East Asia, Indian Sub-Continent and Middle East.

The Group currently operates a fleet of 49 vessels with sizes ranging from 380 TEUs to 8,500 TEUs. This range of vessel sizes is tailored-made for servicing the regional trades. To cater for the COC activity in 2021, the Group owns and operates an average container box fleet of 94,439 TEUs. A network of 75 offices comprising both owned-offices and agency representations supports the direct links with RCL customers.

RCL is recognized as a leading SOC and Intra COC operator by both peers and customers alike.

Lines of Business

The SOC activity entails RCL offering space on vessels to container owning customers. These customers include main-line operators, non-vessel operating common carriers (NVOCC), ISO tank operators and other container box owners requiring transportation of their boxes between ports.

In particular, main line operators will require feeder services for movements of their boxes between a transshipment hub port and the neighboring ports. With increasingly larger vessels employed for the East-West trades, fast cargo feeds to and from these vessels with neighboring ports are essential to meet their customers' requirements and to ensure fast turnaround time of these vessels.

Such "hub and spoke" activities form a significant part of RCL's SOC business. Currently RCL offers feeder services for various hub ports in Asia.

In addition, RCL operates its own COC business. Currently we manage container box fleet in excess of 94,439 TEUs. These boxes are offered directly to exporters and importers to load for transportation in the trading lanes that RCL serves. RCL's COC business has expanded since its beginning in the early nineties and the group has experienced consecutive annual significant growths for the past few years.

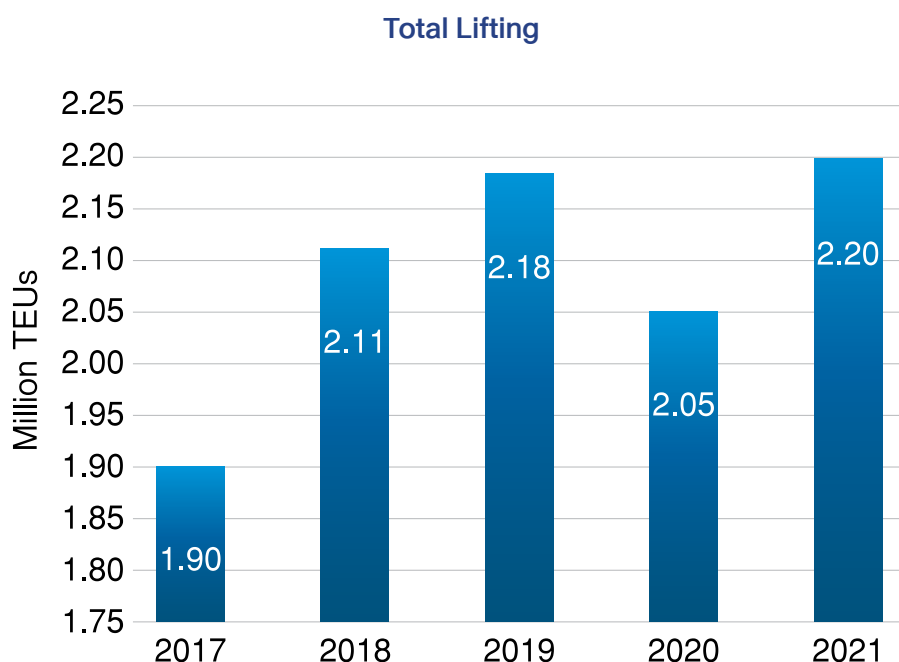
The Value-added logistic services grew steadily over the past few years. This business unit offers services ranging from the basics in custom house brokerage and domestic haulage to contract logistics arrangements including inventory management and cross-country haulage and to multi country supply chain management. The Value-added logistic services are designed to offer RCL's customers the convenience of a seamless management of their transportation needs.

Total Liftings

2021 RCL liftings was higher by 9.3% and 4.8% for COC and SOC business respectively. RCL total liftings increased by 7.5% with utilization ratio at 155%.

	2017	2018	2019	2022	2021
Total Liftings (TEUs)	1,901,821	2,110,899	2,183,955	2,045,984	2,200,308
Growth (%)	6.7%	11.0%	3.5%	-6.3%	7.5%
COC Volume (TEUs)	1,109,507	1,241,574	1,270,508	1,231,027	1,346,125
Growth (%)	5.8%	12%	2.3%	-3.1%	9.3%
SOC Volume (TEUs)	792,314	869,325	913,487	814,957	854,183
Growth (%)	8.1%	10%	5.1%	-10.8%	4.8%

TOTAL LIFTINGS

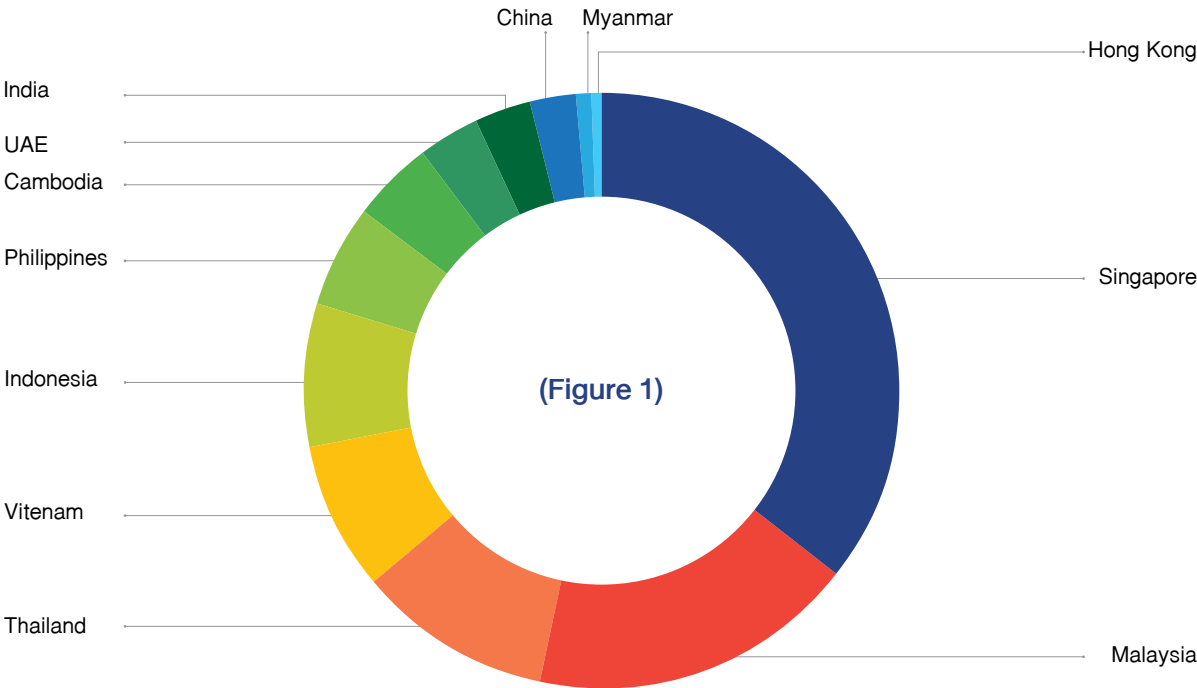


Trade Composition

For SOC, the transshipment hub ports activities continued to be concentrated at Singapore hub where cargo was moved between neighboring ports. In addition, RCL also moved SOC boxes between ports within and across the four Regions.

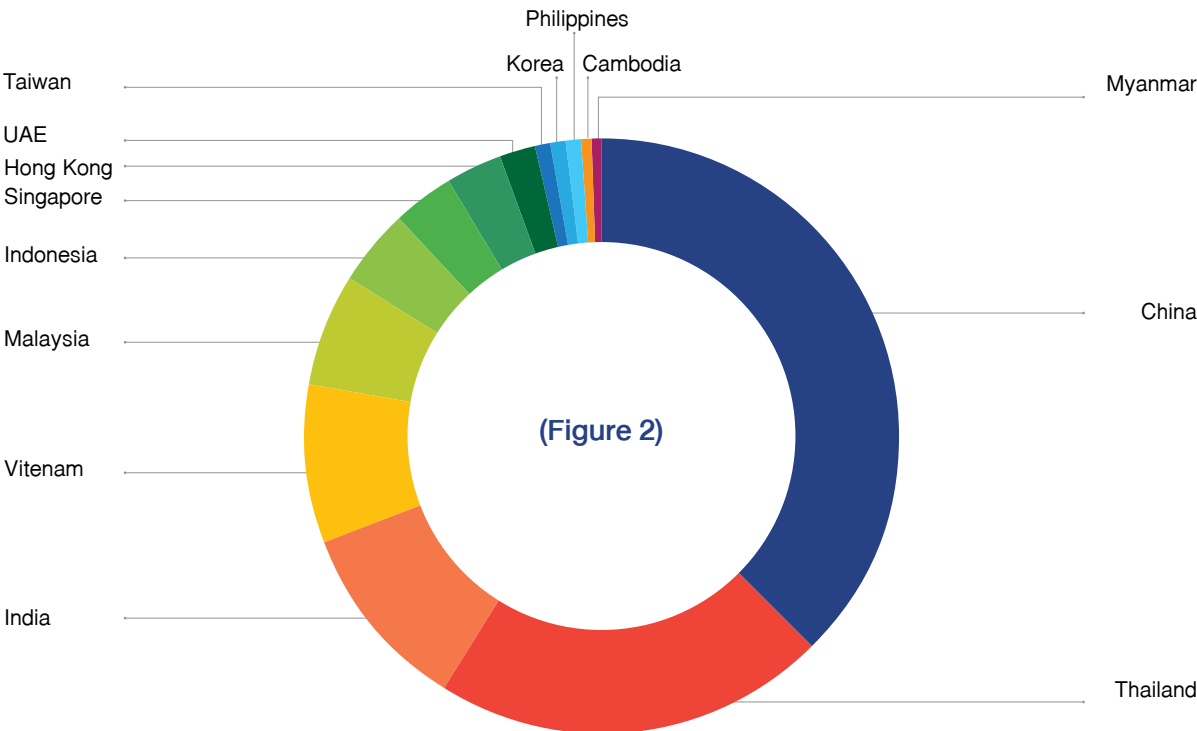
1) Figure 1 shows the SOC volume composition by origin ports of loading.

SOC Volume Composition (Figure 1)



For COC in Figure 2, the top three export areas (PRC, Thailand and India) made up almost 68% of the volume composition.

SOC Volume Composition



Capacity, Network and Fleet Deployment

In 2021, RCL operated 49 container vessels. Of the 49 vessels operated, 41 vessels were owned whilst 8 were chartered in for various term periods.

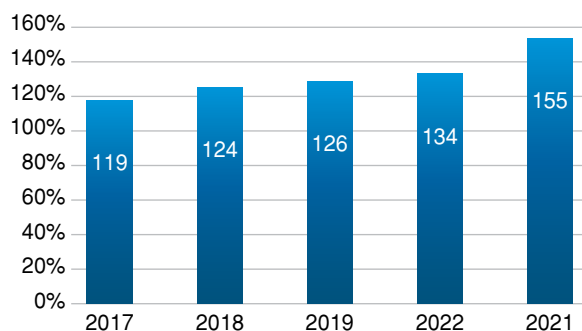
The group in 2021 continued to cautiously balance the fleet deployment with a strategic mix of owned versus chartered ratio. The flexibility allowed RCL in achieving competitive cost structure and meeting incremental demand in selective trade lanes.

The average utilization factor for 2021 was 155%, which was higher than 2020 due to the improvement on COC volume and SOC volume.

RCL's Fleet Composition (Nominal Capacity)	As of 2021			As of 2020		
	Number of Vessels	Capacity (TEUS)	%	Number of Vessels	Capacity (TEUS)	%
Owned	31	53,835	57	19	23,251	31
Chartered in	8	25,190	27	9	26,158	35
Chartered out	10	13,854	15	15	21,822	29
Space Purchase		1,560	2		3,660	5
Number of Vessels Operating	49	94,439	100	43	74,891	100

RCL deploys its fleet across its four Regions as well as within each Region. The Group manages its flexibility through the use of added chartered vessels, slot purchases, reassignments of differing vessel sizes and realignment of services to meet the changing cargo trade patterns.

Capacity Utilization



RCL's sailing routes link the countries in North Asia, North East Asia, South East Asia, Indian Sub-Continent and Middle East with each other through its main trunk services.

In addition, secondary services within regions and between regions are also available to complement the main trunk services. In total RCL operates 25 services independently and collaboratively through joint services and slot exchanges and slot ownerships.

Vessels' Trading Route as at 31 Dec 2021

No.	Type of Vessel	Operator	Vessel Name	Vessel Code	Trading Routes	Service	Changes to Trading Routes, if any	When changed, if any (Estimated)	Days per round voyage
1	Rcl Own Vsl.	RCL	AKA BHUM	AKB	Pusan-Qingdao-Shanghai-Shekou-Singapore-Portklang(Wp)-Chennai-Visakhapatnam-Portklang(Wp)-Singapore-Pusan	RFM3	N/A	N/A	42
2	Rcl Own Vsl.	RCL	ATI BHUM	ATB	Singapore-Pasir Gudang-Singapore-Palembang-Singapore	RPE2	N/A	N/A	7
3	Rcl Own Vsl.	RCL	BHUDTHI BHUM	BTB	Tianjin Xingang-Pusan-Shanghai-Xiamen-Hong Kong(HIT)-Shekou-Singapore-Colombo-Nhava Sheva-Pipavav-Portklang(Wp)-Singapore-Hong Kong(HIT)-Tianjin Xingang	RK110	N/A	N/A	49
4	Rcl Own Vsl.	RCL	DANU BHUM	DNB	Singapore-Songkhla-Singapore	RSE	N/A	N/A	7
5	Rcl Own Vsl.	RCL	GANTA BHUM	GTB	Ningbo-Nansha-Shekou-Jebel Ali-Dammam-Ningbo	RCG	N/A	N/A	42
6	Rcl Own Vsl.	RCL	ITHA BHUM	IHB	Bangkok(PAT)-Bangkok(TST)-Laemchabang-Vietnam(CLI)-Wenzhou-Ningbo-Shanghai-Laemchabang-Bangkok(PAT)	RBC13	N/A	N/A	21
7	Rcl Own Vsl.	RCL	JARU BHUM	JRB	Bangkok(TST)-Laemchabang-Vietnam(HPH)-Nansha-Shekou-Laemchabang-Bangkok(TST)	RBH9	N/A	N/A	14
8	Rcl Own Vsl.	RCL	JITRA BHUM	JTB	Bangkok (PAT)-Bangkok (TST)-Laemchabang-Vietnam(CLI)-Wenzhou-Ningbo-Shanghai-Laemchabang-Bangkok (PAT)	RBC13	NA	NA	21
9	Rcl Own Vsl.	RCL	KAMA BHUM	KMB	Bangkok(PAT)-Laemchabang-Ningbo-Shanghai-Shekou-Sihanoukville-Bangkok(PAT)	RBC2	N/A	N/A	21
10	Rcl Own Vsl.	RCL	KITI BHUM	KTB	Songkhla-Hong Kong(HIT)-Xiamen-Keelung-Taichung-Hong Kong(HIT)-Sihanoukville-Songkhla	RSK7	NA	NA	21
11	Rcl Own Vsl.	RCL	LILA BHUM	LLB	Songkhla-Haiphong-Hong Kong(HIT)-Xiamen-Keelung-Taichung-Hong Kong(HIT)-Sihanoukville-Songkhla	RSK8	NA	NA	21
12	Rcl Own Vsl.	RCL	METHI BHUM	MEB	Singapore-Haiphong-Shanghai-Vietnam(CLI)-Portklang(Wp)	ROP	NA	NA	21

No.	Type of Vessel	Operator	Vessel Name	Vessel Code	Trading Routes	Service	Changes to Trading Routes, if any	When changed, if any (Estimated)	Days per round voyage
13	Rcl Own Vsl.	RCL	MAKHA BHUM	MKB	Bangkok(TST)-Laemchabang-Vietnam(HPH)-Nansha-Shekou-Laemchabang-Bangkok(TST)	RBH9	NA	NA	14
14	Rcl Own Vsl.	RCL	MATHU BHUM	MTB	Portklang(Wp)-Singapore-Bangkok(PAT)-Singapore-Portklang(Wp)-Belawan-Portklang(Wp)	RTB2	NA	NA	14
15	Rcl Own Vsl.	RCL	NANTA BHUM	NTB	Portklang(Wp)-Kolkata-Portklang(Wp)	RCH8	NA	NA	14
16	Rcl Own Vsl.	RCL	NAWATA BHUM	NWB	Singapore-Sihanoukville-Singapore	RCX2	NA	NA	7
17	Rcl Own Vsl.	RCL	ORA BHUM	ORB	Songkhla-Haiphong-Hong Kong(HIT)-Xiamen-Keelung-Taichung-Hong Kong(HIT)-Sihanoukville-Songkhla	RSK8	NA	NA	21
18	Rcl Own Vsl.	RCL	PANJA BHUM	PJB	Portklang(Wp)-Yangon-Portklang(Wp)	RSY6	NA	NA	9
19	Rcl Own Vsl.	RCL	PIRA BHUM	PRB	Singapore-Cebu-Cagayan de Oro-Singapore	RSP6	NA	NA	14
20	Rcl Own Vsl.	RCL	RACHA BHUM	RCB	Dalian-Tianjin Xingang-Qingdao-Ningbo-Singapore-Portklang(Wp&Np)-Shekou-Inchon-Dalian	RCM1	NA	NA	28
21	Charter Vsl. In	RCL	RATANA THIDA	RTD	Nansha-Shekou-Laemchabang-Bangkok (PAT)-Laemchabang-Nansha	RBS	NA	NA	14
22	Rcl Own Vsl.	RCL	RATHA BHUM	RTB	Singapore-Cebu-Cagayan de Oro-Bintulu-Singapore	RSP6	NA	NA	14
23	Rcl Own Vsl.	RCL	SATTHA BHUM	STB	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha	RWA1	NA	NA	35
24	Rcl Own Vsl.	RCL	SUPA BHUM	SPB	Singapore-Portklang(Wp)-Penang-Singapore	RMS13	NA	NA	7
25	Rcl Own Vsl.	RCL	THANA BHUM	TNB	Portklang(Wp)-Vietnam(CLI)-Portklang(Wp)	RHS03	NA	NA	7
26	Rcl Own Vsl.	RCL	URU BHUM	URB	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha	RWA1	NA	NA	35
27	Rcl Own Vsl.	RCL	VIRA BHUM	VRB	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha	RWA1	NA	NA	35

No.	Type of Vessel	Operator	Vessel Name	Vessel Code	Trading Routes	Service	Changes to Trading Routes, if any	When changed, if any (Estimated)	Days per round voyage
28	Rcl Own Vsl.	RCL	WANA BHUM	WNB	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha	RWA1	NA	NA	35
29	Rcl Own Vsl.	RCL	WHUTTHI BHUM	WTB	Jebel Ali-Karachi-Singapore-Laemchabang-Hong Kong(HIT)-Shekou-Nansha	ROP	NA	NA	27
30	Rcl Own Vsl.	RCL	XETHA BHUM	XTB	Portklang(Wp)-Kolkata-Paradip-Portklang(Wp)	RCH8	NA	NA	14
31	Rcl Own Vsl.	RCL	XUTRA BHUM	XUB	Tianjin Xingang-Dalian-Qingdao-Hongkong-Shekou-Vietnam(CLI)-Hongkong-Shekou-Incheon-Tianjin Xingang	RNV	NA	NA	21
32	Charter Vsl. In	RCL	YANTRA BHUM	YTB	Singapore-Vietnam(CLI)-Singapore	RHS8	NA	NA	7
33	Charter Vsl. In	RCL	AS CARINTHIA	ASC	Laemchabang-Singapore-Jakarta-Singapore-Laemchabang	RTI02	N/A	N/A	14
34	Charter Vsl. In	RCL	CHANA BHUM	CNB	Portklang(Wp)-Kolkata-Portklang(Wp)	RCH8	NA	N/A	14
35	Charter Vsl. In	RCL	CHARLESTON	CLN	Qingdao-Pusan-Shanghai-Ningbo-Xiamen-Da Chan Bay-Portklang(Wp)-Khor Al Fakkan-Jebel Ali-Sohar-Portklang(Wp)-Qingdao	RIM10	N/A	N/A	49
36	Charter Vsl. In	RCL	LUCKY MERRY	LMR	Bangkok (PAT)-Bangkok(TST)-Laemchabang-Vietnam(CLI)-Wenzhou-Ningbo-Shanghai-Laemchabang-Bangkok(PAT)	RBC13	N/A	NA	21
37	Charter Vsl. In	RCL	MIAMI TRADER	MII	Laemchabang-Vietnam(CMT)-Mamila(Np)-Qingdao-Pusan-Shanghai-Laemchabang	RLM2	N/A	NA	28
38	Charter Vsl. In	RCL	VERMONT TRADER	VMT	Laemchabang-Singapore-Portklang(Wp)-Kattupalli-Chennai-Portklang(Wp)-Singapore-Laemchabang	RMB7	N/A	NA	28
39	Charter Vsl.Out	Cosco	INTRA BHUM	ITB	Shanghai-Nagoya-Shanghai	NA	NA	NA	NA
	Charter Vsl.Out	Cosco	INTRA BHUM	ITB	Shanghai-Osaka-Kobe-Shanghai	NA	NA	NA	NA
40	Charter Vsl.Out	Sinotrans	ISARA BHUM	ISB	Lianyungang-Qingdao-Nagoya-Lianyungang	NA	NA	NA	NA
41	Charter Vsl.Out	New Golden Sea Shipping	KHUNA BHUM	KNB	Xiao Chan Tan-Portklang-Chittagong-Singapore-Xiao Chan Tan	NA	NA	NA	NA

No.	Type of Vessel	Operator	Vessel Name	Vessel Code	Trading Routes	Service	Changes to Trading Routes, if any	When changed, if any (Estimated)	Days per round voyage
42	Charter Vsl.Out	TS lines	LALIT BHUM	LTB	Bangkok-Laemchabang-Hong Kong-Shanghai	NA	NA	NA	NA
43	Charter Vsl.Out	TS lines	MITRA BHUM	MIB	China(CN0NW/NICT)-Hong Kong-Shekou-Laemchabang-Bangkok(PAT)-Laemchabang-China(CN0NW/NICT)	NA	NA	NA	NA
44	Charter Vsl.Out	Sea Consortium Pte. Ltd	MTT SENARI	SNR	Portklang(Wp)-Kolkata-Portklang(Wp)	RCH8	N/A	NA	16
45	Charter Vsl.Out	TS Lines	NITHI BHUM	NIB	Hong Kong-Shekou-China(CN0NW)-Osaka-Kobe-Yokohama-Tokyo-Keelung-Taichung-Kaohsiung-Hong Kong	NA	NA	NA	NA
46	Charter Vsl.Out	TS lines	OTANA BHUM	OTB	China(CN0NW/NICT)-Hong Kong-Shekou-Laemchabang-Bangkok(PAT)-Laemchabang-China(CN0NW/NICT)	NA	NA	NA	NA
47	Charter Vsl.Out	TS lines	SIRI BHUM	SRB	Shanghai-Osaka-Kobe-Shanghai-Yokohama-Tokyo-Shanghai	NA	NA	NA	NA
48	Charter Vsl.Out	New Golden Sea Shipping	TEERA BHUM	TRB	Jebel Ali-Qasim-Karachi-Jebel Ali-Sharjah-Khalifa-Jebel Ali	NA	NA	NA	NA

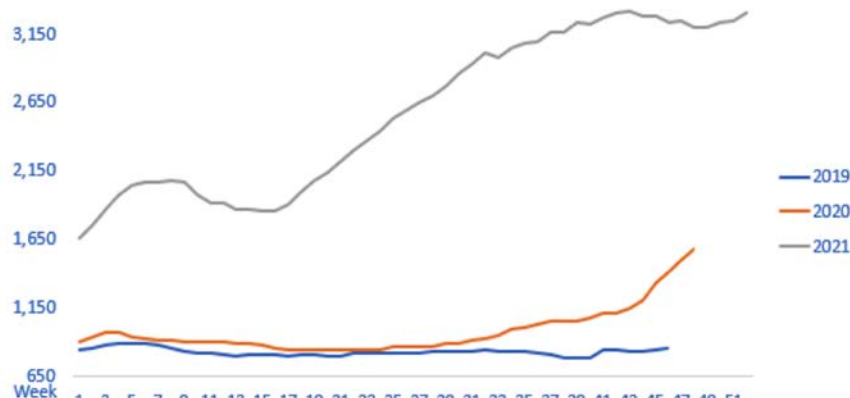
Industrial Environment

In 2021, the world continues to struggle with uncertainty brought by COVID-19. Government imposing lockdowns to curb the spread of the virus has impacted greatly on manufacturing production across Asia, leading to disruption in the supply chain. Fiscal stimulus boosting consumers disposable income and change in consumer purchasing behavior has led to the rebound of trade activity. At the same time, the uneven demand has led to port congestion, with a spike in freight rates. RCL has also benefited from the global trade flows, rise in freight rates and increasing profits in 2021. With no clear signal of easing of congestion in sight, freight rates are expected to remain strong into Q1/Q2 2022.

Recovery in trade is ongoing but with moderated growth rates in 2022. Intra-Asia trade outlook remains promising in 2022, with Regional Comprehensive Economic Partnership (RCEP) agreement entering into force from January 1, 2022 driving ASEAN economic recovery and further strengthening trade ties. This presents an opportunity for RCL to capitalize on, and to strengthen our service network.

The China Containerized Freight Index (CCFI) averaged at 2,542 points in 2021, which was higher than 975 points in 2020. Towards end of 2020, and into 2021, freight rates reached to record high, notably on the routes from China to Europe and the United States. Freight rates are driven by strong demand in the United States & Europe, Covid-19 disruptions leading to port congestion and slowing down container turnaround time.

CCFI Composite Index



Source: Shanghai Shipping Exchange

Container shipping demand picked up in the second half of 2020, and outpaced capacity supply in 2021. The overall impact of Covid-19 on global trade and global economy depends on the duration, severity, and uneven spatial and temporal distribution of pandemic and the associated severity taken by individual countries. The market demand-supply could possibly be re-balanced again after consumer demand taper down in 2022 and onshore bottlenecks to be easing. The dynamics of digitalization, de-carbonization for shipping lines and trade equipment imbalance are to be managed accordingly.

As of 31 December 2021, container fleet was 5,516 vessels, a slight increase from 5,377 in 2020. The growth is mainly from bigger vessels and subdue in TEU scrapped. While the total capacity increased from 23.9 million TEU at the end of 2020 to 25.0 million at the end of 2021. There was a significant decrease in idling TEU from 1,454,343 in 2020 to 197,725 in 2021. Strong consumer demand and congestion has led to exceptionally high freight rates with carriers deploying all available vessels into the market, lowering the idle fleets.

The current outlook of world fleet capacity for cellular container vessels of different size range is presented as follows:

Nominal TEU	In Service End 2021		End 2022		End 2023		%TEU Growth 2021-2022	%TEU Growth 2022-2023
	No.	TEU	No.	TEU	No.	TEU		
18,000 - 24,000	146	3,044,783	156	3,284,899	185	3,973,559	7.9%	21.0%
15,200 - 17,999	60	985,459	73	1,184,813	98	1,576,793	20.2%	33.1%
12,500 - 15,199 NPX	269	3,712,857	281	3,882,017	327	4,537,505	4.6%	16.9%
10,000 - 12,499	191	2,083,355	206	2,262,185	207	2,274,045	8.6%	0.5%
7,500 - 9,999	478	4,235,748	478	4,235,748	478	4,235,748	0.0%	0.0%
5,100 - 7,499	438	2,731,759	439	2,737,773	474	2,958,395	0.2%	8.1%
4,000 - 5,099	624	2,827,711	631	2,860,009	640	2,901,535	1.1%	1.5%
3,000 - 3,999	262	909,238	272	940,303	306	1,046,601	3.4%	11.3%
2,000 - 2,999	756	1,927,192	789	2,007,204	831	2,111,354	4.2%	5.2%
1,500 - 1,999	644	1,115,334	697	1,214,088	740	1,292,760	8.9%	6.5%
1,000 - 1,499	711	816,823	728	834,930	750	860,028	2.2%	3.0%
500 - 999	773	571,638	774	572,308	774	572,308	0.1%	0.0%
100 - 499	164	53,044	167	53,994	168	54,114	1.8%	0.2%
Total	5,516	25,014,941	5,691	26,070,271	5,978	28,394,745	4.2%	8.9%
Adjusted Total	5,505	24,983,462	5,660	26,008,792	5,822	28,033,266	4.1%	7.8%
Annual Growth		4.5%		4.1%		7.8%		

Source: Alphaliner, Monthly Monitoring Dec' 21

Market Outlook for Container Activity

Year 2022 would see continued positive growth prospect as indicated in The International Monetary Fund (IMF) forecast at 5.9%. The growth is broad-based in Asia Pacific region and emerging economies. Much potential remains in China, India and Intra-Asean region, with growth rate higher than global growth.

Global supply chain disruptions may start to normalize in the second half of 2022, cooling in consumer demand, restoring to healthy inventory levels and increased shipping capacity.

GDP Growth *	← Projections →			
	2020	2021	2022	2023
World	-3.1	5.9	4.9	3.6
US	-3.4	6.0	5.2	2.2
Euro	-6.3	5.0	4.3	2.0
Emerging market	-2.1	6.4	5.1	4.6
China	2.3	8.0	5.6	5.3
India	-7.3	9.5	8.5	6.6
Asean 5#	-3.4	2.9	5.8	6.0
Container Volume (Total Trade)	-1.3	6.5	4.2	

Average of growth rates for export and import volumes (goods and services)

Source: World Economic Outlook 2021, IMF; Clarksons Container Intelligence Monthly Dec 2021

* Figures are in percentage

Indonesia, Malaysia, Philippines, Thailand, Vietnam

On the supply side, capacity growth is expected to grow in 2022 by 3.8% with 0.95 million teus of net capacity due.

The majority of capacity growth in 2022 is expected to be absorbed by the East-West services continuing to Asia to Europe / US routes with the Alliances offering direct calls. Capacity in the Intra-Asia trade is expected to grow in 2022.

Breakdown of 2021 Revenues

The Group's main source of revenue was from freight rates that were priced in US dollars and payable either in US dollars or in local currency equivalents. Freight income for the year was derived from the two main activities - SOC and COC.

A balanced combination of COC and SOC activities assures the optimal use of the Company's assets. While COC business flows relied mainly on regional economies, SOC activities tended to be more global in nature given the fact that the throughput demands from Main Line Operators (MLOs) depended on major East-West trades.

Relentless merger & acquisition activities in global shipping market coupled with oversupply in capacity continued to add pressure on freight rates in shipping market. The bunker price fluctuation also remained a crucial factor for the market strategy of shipping industry. Similar to all other container carriers in the industry, the lockdown to contain Covid-19 and subsequent impact remains to be seen as a challenge to RCL in 2022. The Group's strategy is still to focus on service optimization, unit cost reduction and cargo mix enhancement.

Income Classified by Nature of Activities

In 2021, COC services accounted for 61% of the total volume, around 82% of the total freight income for the whole RCL Group. SOC accounted for 39% of volume, with 18% of freight income.

Breakdown of Total Income by Geographical Location

Freight income	2021		2020		2019		2018*		2017		
	GDP Growth *	฿ million	%	฿ million	%	฿ million	%	฿ million	%	฿ million	%
Thailand		2,476	6.52	1,460	8.49	1,376	8.32	1,189	6.92	992	8.82
Singapore		39,492	103.96	17,890	104.04	17,157	103.79	17,394	101.24	11,349	100.86
Hong Kong		92	0.26	45	0.26	55	0.33	71	0.41	81	0.72
(Elimination of inter-company transactions)		-4,081	-10.74	-2,200	-12.79	-2,057	-12.44	-1,472	-8.57	-1,170	-10.40
Total Freight IncomeThailand		37,979	100	17,195	100	16,531	100	17,182	100	11,252	100

*2018 figure restated based on TFRS15

Breakdown of Total Income by the Company and its Subsidiaries

Freight income	2021	2020	2019	2018*	2017
Regional Container Lines Public Company Limited	฿ million 2,114	฿ million 1,319	฿ million 1,216	฿ million 1,017	฿ million 835
Subsidiary companies operating in Singapore	US\$ million 85.9	US\$ million 53.3	US\$ million 54.6	US\$ million 54.1	US\$ million 49.6
Regional Container Lines Pte. Ltd.					
RCL Feeder Pte. Ltd.	1,139.0	512.7	493.7	481.9	283.6
Subsidiary company operating in Hong Kong	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Regional Container Lines (H.K.) Limited	24.1	11.1	13.9	17.2	18.5

*2018 figure restated based on TFRS15

Logistics

The role of the logistics division is to offer our clients door-to-door services including customs formality, inland haulage, warehousing, and other value-added services.

The global supply chain has been disrupted by the coronavirus pandemic and so were our business partners. Manufacturers were suffering from shortage of space on the vessels, blank sailings, and port omissions. To add to the pain, fighting for containers were also very common during this difficult time. Businesses have to adapt and they manage their supply chain from the normal just-in-time to just-in-case, as well as increase their inventory. To our benefits, a part of our revenue was visible from the increase in warehousing demand throughout the year for both export and import.

We saw a significant growth in sales revenue this year due to several factors. While our main exporting countries were still based within Asia, we extended our scope of service to cover Europe and the U.S. trade lane which generated much more revenue and margin per TEU than that of Asia. This also created a multiple effect on the increase in freight rates of about 3-4 times from pre-covid situation.

We also started to offer a multimodal transportation in the market where we combined sea-freight and rail transportation together on a single shipment. Our pilot shipment was from Songkhla, Thailand to Tianjin, China by sea then continue on a railroad to Ulaanbaatar, Mongolia. The client benefited from the shorter transit time when compared to sea-freight alone and still being able to compete on price. We will continue to offer a similar multimodal transportation in the market but perhaps to a further destination like Central Asia or even to the EU.

Looking ahead, we will continue to develop more product offerings in the market. A service we are aiming for, would be an air-freight unit. Although it is obvious that airline industry is struggling, but we think it is a right time to set up a unit and prepare for the days ahead when business picks up. We believe that having an air-freight unit will complement the sea-freight services we are currently offering, which we can expand our customer base and able to service our existing clients who has air shipments through other logistics service providers.

Major Developments during 2021

Human Resources

Information related to Human Resources disclosed in No. 7 Corporate governance structure and materials facts related to the board, the sub-committee, executive, employees and others.

Regions – Development

a) Geographical Offices

For 2021, there were 6 new offices setup in Mid East and East Africa. With this, the total numbers of geographical offices increased to 75.

b) Service Development

In 2021, RCL successfully rationalized many key services and expanded our network coverage to match the change of market trend. This was achieved by capitalizing economy of scale and rationalization, optimization with strategic consortium partnership. Service network enhancement in Intra-Asia trade and West, East India trade and Middle East trade.

Biz-Technology

2021 was another challenging year due to the prolonged Covid-19 Pandemic and more importantly the prevalent cyber-attack incidents in many companies. RCL realized and took this opportunity to upgrade our internal infrastructure/system to face the challenge.

One of the major challenges was cyber-attack which occurred in container shipping industry and the other sectors. It caused many companies to lose millions of dollars as well as some loss of business opportunities. Similar to last year, RCL was still confronted with several external virus threats including malware and phishing e-mails. To avoid the complex security issue, RCL complied with the standard security practices and procedures in addition to carrying out the security protection requirements.

The second major challenge was the same as in 2020 ie the Covid-19 crisis. In 2020, it has forced organizations to implement Work from Home (WFH) policy across the regions and we expanded our infrastructure to bring in new facilities to support the new normal with well secured control features. For 2021, we focused on customer digital centric due to the changing of business practice and customers' requests for more digitalization. This will remain our strategies in 2022 as well.

System wise, we launched our new e-commerce. We upgraded our electronic booking and shipping instruction for better and faster service. Additionally, we released the new function called 'e-Quotation' which enable customers to request quotation through our website automatically. This is to support our customer digital centric and we will continue to introduce new functions through our website this year. Similar to the past years, we implemented continuous improvement projects for our system to support the high competition in the market while being cost conscious. Most of these projects were related to commercial and cost control. For instance, the Bill of lading project and Invoice project - are applications designed to assist the commercial team to issue the documents and billings accurately and timely. Also, the new function called Utilization was implemented to support commercial department to have a crystal view of the used and unused space allocations on each vessel and routing timely. We are not only implementing systems to support the customer services but also to obtain customers' feedback for our service improvement.

Besides, we have since 2019 brought in Robotic Process Automation (RPA) technology and in 2021, we have converted and replaced many internal processes with RPA.

Data wise, RCL continues to use analytic in many areas. It supported the business team to view and analyze the data precisely. Previously, they were using analytic for decision making, however in 2021, this was applied to streamline the working process and to open new business opportunities.

With the gaining importance of ship management, some improvements were done in vessel systems for better overview of fleet operation, performance and as well as cost control. Additionally, we also implemented the cyber security policy to comply with IMO 2021 cyber security regulations.

Finally, for year 2022, RCL IT will continue to improve on our services with regard to e-commerce and functions related matters to support the growth of RCL, while attentively scrutinizing on cost control processes.

Ship Management

RCL Shipmanagement achieved regulatory compliance in 2021.

a) Global Sulphur Cap 2021

All vessels have been using compliant fuel (Sulphur content less than 0.50% m/m). The Port State Control Inspection continued throughout 2021 and as result of inspection, all vessels were found to be in compliance with international and local regulations.

b) Installation of Exhaust Gas Cleaning System (EGCS) or Scrubber

In 2021, one ship was installed with EGCS.

c) Ballast Water Treatment System (BWTS)

In 2021, a total of 12 ships were installed with BWTS.

d) Maritime Cyber Risk Management

The procedures for cyber risk management were audited and verified by certification body and have been implemented on board ships.

e) Crew Changes and Repatriation during Pandemic of COVID-19

Crew change and repatriation were crucial tasks in 2021 for reason that crew working on board ship beyond employment contract is in violation of the Maritime Labour Convention. RCL was able to manage the intricacy of crew changes under such challenging situation to comply with flag & port states.

Plans for 2022**a) Ballast Water Treatment System (BWTS)**

In total there are 15 ships to be installed with BWTS.

The remaining 5 ships will be installed in 2023.

b) Installation of Exhaust Gas Cleaning System (EGCS) or Scrubber EGCS

RCL has identified one ship to be installed with EGCS.

c) War-risk area, Piracy and Armed Robbery Attacks in The Strait of Malacca

RCL Shipmanagement will continue to work closely with Ship Masters to effectively implement security measures while ships are in piracy areas such as in the Middle East and the Strait of Malacca.

d) Regulations on the Carbon Intensity of International Shipping

The goal of the regulations is to reduce the carbon intensity of international shipping, working towards the levels of achievement set out in the initial IMO Strategy on reduction of Green House Gas (GHG) emissions from ships.

MARPOL Annex VI — technical and operational measures to reduce the Carbon Intensity of international shipping Amendments to MARPOL Annex VI were adopted, introducing mandatory goal-based technical and operational measures to reduce carbon intensity of international shipping. The measures included:

- The Energy Efficiency Ship Index (EEXI), applicable from the first annual, intermediate or renewal of International Air Pollution Prevention (IAPP) Certificate survey after 1 January 2023.
- The enhanced Ship Energy Efficiency Management Plan (SEEMP), whereby an approved SEEMP needs to be kept on board from 1 January 2023.
- The operational Carbon Intensity Indicator (CII) rating scheme, taking effect from 1 January 2023.

The MARPOL amendments will come into force on 1 November 2022. All of RCL ships have to comply with these requirements and plans have been laid out to attain the new EEXI Technical File (certify and approve by Class Society) before 1 November 2022.

Future Plans

Global economic expansion is unevenly progressing, is predicted to recover gradually to pre Covid-19 level in 2022. Shipping capacity supply and market demand would be shifting in a balanced condition particularly for long haul trade. Caution optimism appears base on macroeconomic indicators signaling a gradual improvement in terms of trade growth for Asia Pacific Region and activity in emerging market and developing economies which RCL is operating in. Regardless of the uncertainties from different aspects, such as risks relating to Covid-19 on global / regional trades, geopolitical tensions, China - USA conflicts, US protectionism policy, and the soaring ship charter fee, RCL will continue to work on our unit cost strategy and stay focus in our growth planning for 2022. The Group is positioned to capitalize on positive regional trade environment, to strategize, enhance and expand on RCL's network coverage. We will continue to improve on our cost competitiveness, strengthen our niche expertise and to manage trade, equipment flows efficiently. We will focus in serving our customer and meeting their requirement.

It is expected that the challenging environment resulting from the fluctuating ocean freight and the accelerating drive for digitalization environment for shipping industry will continue into 2022. However, RCL is nonetheless cautiously optimistic on its performance as always.

RCL viewed that our niche market remains and to develop on secondary ports is no doubt in our pipe line. With growth prospect and our flexibility in operating own vessels and chartered vessels, RCL is confident in lifting the Group's operating cost competitiveness and enabling us to work on growth opportunity.

The Group will continue to focus on previous year's successful strategies giving rise to our unit cost efficiency.

This will be managed by both internal operational efficiency and external synergy with selective partners.

Our external synergies will involve more businesses with potential partnerships to further enhance service network coverage, to increase trade connectivity and to achieve economy of scale in our operations through a competitive cost base structure.

RCL Fleet Profile 2021

SHIPS OWNED AND OPERATED

Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
Aka Bhum	S'pore	2006	Koyo Dockyard Co., Ltd., Mihara, Japan	66,940	5,888	15	-
Ati Bhum	Thai	2018	Zhejiang Hexin Shipyard, China	4,827	388	3	-
Bhudthi Bhum	S'pore	2007	Koyo Dockyard Co., Ltd., Mihara, Japan	72,807	6,310	14	-
Danu Bhum	S'pore	1996	Singapore Shipbuilding & Engineering	13,825	993	25	2x40
Ganta Bhum	S'pore	2005	Hyundai Mipo Dockyard Co., Ltd. (H.M.D.)	39,396	2,824	16	-
Intra Bhum	Thai	2013	Daesun Shipbuilding & Engineering Co., Ltd.	13,021	958	8	-
Isara Bhum	S'pore	2008	Murakami Hide Shipbuilding Co., Ltd., Japan	12,475	1,088	13	-
Ittha Bhum	Thai	1996	Mitsubishi Heavy Industries, Japan	21,813	1,324	25	-
Jaru Bhum	Thai	2018	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	20,026	1,668	3	-
Jitra Bhum	S'pore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	24	-
Kama Bhum	S'pore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	24	-
Khuna Bhum	Thai	2018	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,981	1,668	3	-
Kiti Bhum	S'pore	1997	Miho Shipyard Co., Ltd., Japan	10,908	865	24	2x40
Lalit Bhum	Thai	2019	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,779	1,668	2	-
Lila Bhum	S'pore	1997	Miho Shipyard Co., Ltd., Japan	10,908	865	24	2x40
Makha Bhum	Thai	2019	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,925	1,668	2	-
Mathu Bhum	S'pore	1990	Hanjin Shipbuilding Co., Ltd., Korea	15,152	1,036	31	2x40
Methi Bhum	S'pore	2001	Mitsubishi Heavy Industries, Japan	11,655	928	20	-
Mitra Bhum	S'pore	2007	Jiangsu Eastern Shipyard, China	13,760	1,108	14	-
Nanta Bhum	Thai	1990	Hanjin Shipbuilding Co., Ltd., Korea	15,161	1,036	31	2x40
Nawata Bhum (Resourceful)	S'pore	2008	Jiangsu Eastern Shipyard, China	13,760	1,108	13	-
Nithi Bhum	S'pore	2002	Mitsubishi Heavy Industries, Japan	11,655	928	19	-
Ora Bhum	S'pore	1997	Kyokuyo Shipyard Corporation, Japan	8,006	628	24	2x36
Otana Bhum	S'pore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	13	-
Panja Bhum	S'pore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	13	-
Pira Bhum	S'pore	1997	Kyokuyo Shipyard Corporation, Japan	7,988	628	24	2x36
Racha Bhum	S'pore	2008	Stocznia Gdynia, Gdynia, Poland	38,968	2,732	13	-
Ratana Thida	Thai	1996	Mitsubishi Heavy Industries Ltd., Kobe, Japan	18,196	1,094	25	-
Ratha Bhum	Thai	1998	Kyokuyo Shipyard Corporation, Japan	8,018	628	23	2x36
Sattha Bhum	S'pore	2009	Stocznia Gdynia, Gdynia, Poland	38,948	2,732	12	-
Siri Bhum	Thai	2013	Daesun Shipbuilding & Engineering Co., Ltd.,	13,017	958	8	-

Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
Supa Bhum	Thai	1998	Kyokuyo Shipyard Corporation, Japan	8,016	628	23	2x36
Teera Bhum	S'pore	2005	Jiangsu Yangzijiang Shipyard, China	24,279	1,858	16	-
Thana Bhum	S'pore	2005	Jiangsu Yangzijiang Shipyard, China	24,279	1,858	16	-
Uru Bhum	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	16	-
Vira Bhum	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	16	-
Wana Bhum	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	16	-
Whutthi Bhum	S'pore	2005	Akerostsee, Wismar/Warnemuende Germany	37,882	2,741	16	-
Xetha Bhum	S'pore	1993	Hanjin Shipbuilding Co Ltd, Korea	15,301	1,098	28	2x40
Xutra Bhum	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	16	-
Yantra Bhum	S'pore	1993	Hanjin Shipbuilding Co Ltd, Korea	15,346	1,098	28	2x40
TOTAL OWN CAPACITY 67,644 TEUs							
Total 41 vessel with the average age of 17 years							

SHIPS OPERATED ON CHARTERED

Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
AS CARINTHIA	Liberia	2003	Hyundai Mipo Dockyard, Ulsan	39,418	2,824	18	-
CALAIS TRADER	Liberia	2001	Kvaener Warnow Werft, Germany	33,715	2,524	20	3x45
CHANA BHUM	S'pore	1996	Singapore Shipbuilding & Engineering	13,825	993	25	2x40
CHARLESTON	Liberia	2005	Hyundai Samho Heavy Industries Co., Ltd., Mokpo, South Korea	103,378	8,533	16	-
LUCKY MERRY	Liberia	2007	Imaburi Shipbuilding Co., Ltd.	21,436	1,577	14	3x40
MIAMI TRADER	Liberia	2002	Nordseewerke, Emden, Germany	33,940	2,460	19	3x45
MTT SENARI	Malaysia	2020	Hyundai Merchant Marine Co., Ltd.,	15,356	1,162	1	-
VERMONT TRADER	Malta	2004	Hanjin Heavy Industries Co., Ltd., Busan, Korea	67,677	4,992	17	-

RCL FLEET CAPACITY 92,709 TEUs

	No of VsIs	Capacity Teus	%
Owned	41	67,644	73%
Chartered	8	25,065	27%
No of VsIs Operating	49	92,709	100%

RCL GROUP STRUCTURE 2021



Subsidiaries, Associated, Related and Joint Venture Companies

NAME OF COMPANY	GROUP EFFECTIVE CONTROL		COUNTRY OF INCORPORATION / OPERATION	กิจการหลัก	สถานที่ติดต่อ
	2021	2020			
1. Regional Container Lines Public Company Limited	-	-	Thailand	Ship operating, owning, related shipping activities and investment holding	30 th Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
2. RCL Investment Pte Ltd.	100	100	Singapore	Holding company	11 Keppel Road, 8 th Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760
3. RCL Feeder Pte Ltd.	100	100	Singapore	Holding company, cargo consolidation and operating	11 Keppel Road, 8 th Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760
4. Regional Container Lines Pte Ltd.	100	100	Singapore	Ship owning and operating	11 Keppel Road, 8 th Fl., ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760
5. RCL Shipmanagement Pte Ltd.	100	100	Singapore	Ship management	11 Keppel Road, 8 th Fl., ABI Plaza, Singapore 089057 Tel (65) 6220 0388, 6221 7488 Fax (65) 6221 9727
6. Regional Container Lines (H.K.) Ltd.	100	100	Hong Kong	Holding company, shipping agent and the provision of transportation and cargo handling services	11 th Fl. No.9 Des Voeux Road West, Hong Kong Tel (852) 2526 3318 Fax (852) 2537 5463
7. Regional Container Lines Shipping Co., Ltd.	100	100	China	Shipping agent and broker	Room 2601-2603, Harbour Ring Plaza, No.18, Xi Zang Middle Road, Shanghai, China Tel (8621) 6132 4500 Fax (8621) 6132 4505
8. RCL Logistics Co., Ltd.	100	100	Thailand	Logistics services	14 th Fl. Panjathani Tower Bldg., 127/18 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1284-6 Fax (662) 296 1279
9. RCL Agencies (M) Sdn Bhd	100	100	Malaysia	Shipping agent	Suite 6.02, Level 6 IMS 2, 88 Jalan Batai Laut 4, Taman Intan, 41300 Klang Selangor, Malaysia Tel (603) 33422722 Fax (603) 33422871

NAME OF COMPANY	GROUP EFFECTIVE CONTROL		COUNTRY OF INCORPORATION / OPERATION	กิจกรรมหลัก	สถานที่ติดต่อ
	2021	2020			
10. RCL Feeders Phils., Inc.	100	100	Philippines	Shipping agent	10 th Fl, BPI-Philam Life Makati, 6811 Ayala Avenue, Makati City, Philippines Tel (632) 815 3187 Fax (632) 815 2102
11. RCL Agencies (India) Private Limited	55	55	India	Shipping agent	608 - 611 A Wing, 6 th Floor, Dynasty Business Park Commercial Premises Co-Operative Society Ltd., Andheri Kurla Road, Andheri East, Mumbai 400059 India Tel (9122) 49426000
12. RCL Agencies East India Private Limited	55	55	India	Shipping agent	No. 40, 1 st Floor, Rajaji Salai, Chennai - 600001, India Tel (9144) 40191600
13. RCLS Co., Ltd. ¹	99.99	51	Thailand	International Business Center for the group	14 th Fl. Panjathani Tower Bldg., 127/18 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
14. RCL (Vietnam) Co., Ltd.	80	80	Vietnam	Shipping agent	10 th Floor, Unit 1001, SGGP Building, 436 - 438 Nguyen Thi Minh Khai St., Ward 5, Dist. 3, Ho Chi Minh City, Vietnam Tel (84-28) 38181522 Fax (84-28) 38181523
15. Pu Chao Container Terminal Co., Ltd.	49	49	Thailand	To manage the container terminal	30 th Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
16. N-Square RCL Logistics Co., Ltd.	40	40	Thailand	Warehouse and distribution center for e-commerce business	876 Lasalle Road, Bangna-Tai, Bangna, Bangkok, Thailand Tel (662) 398 0162-3 Fax (662) 398 9730
17. TIPS Co., Ltd.	22.22	22.22	Thailand	Terminal operating	29 th Fl. Panjathani Tower Bldg., 127/34 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel 66 38 408 400 Fax 66 38 408 433
18. Jurong Districentre Pte Ltd.	15	15	Singapore	Warehouse Facilities for Rental, Data Storage And Container Storage & Handling	38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039 Tel (65) 62626888 Fax (65) 62612373

NAME OF COMPANY	GROUP EFFECTIVE CONTROL		COUNTRY OF INCORPORATION / OPERATION	กิจกรรมหลัก	สถานที่ติดต่อ
	2021	2020			
19. NH Prosperity Co., Ltd.	4.28	4.28	Thailand	Inland container depot operating	109 Moo 6 Bangkok-Chonburi Inter-City Motorway, Tubyao, Ladkrabang, Bangkok, Thailand Tel (662) 737 4560-79 Fax (662) 737 4550-1
20. Regional Logistics Co., Ltd.	100	100	China	Logistics Services	Room 2604, Harbour Ring Plaza, No.18, Xi Zang Middle Road, Shanghai, China Tel (8621) 6132 4500 Fax (8621) 6132 4505
21. RCL (Myanmar) Company Limited	65	65	Myanmar	Shipping Agent	#11-01, No. 422/426, Corner of Strand Road and Botahtaung Pagoda Road, Botahtaung Township, Yangon, Myanmar Tel (95-1)202065/(95-1)-202067/ (95-1)202103
22. Shanghai CIMC Grand International Logistics Co., Ltd. ²	51	-	China	Logistics Services	Room 2605A, Harbour Ring Plaza, No.18, Xi Zang Middle Road, Shanghai, China Tel (8621) 6132 4500 Fax (8621) 6132 4505
23. Regional Logistics Private Limited ³	51	-	India	Logistics Services	Unit 611, A Wing, Dynasty Business Park Andheri Kurla Road, Chakala, Andheri East, Mumbai 400059, India Tel (9122) 49426000
24. Santi Bhum Co., Ltd. ⁴	99.99	-	Thai	Ship owning and operating	30 th Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
25. Thitti Bhum Co., Ltd. ⁵	99.99	-	Thai	Ship owning and operating	30 th Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098

Noted:

¹ RCLS Co., Ltd. The previous name is Asian Bulk Shipping Co., Ltd. Change name and principal activity on 8 July 2021.

² Shanghai CIMC Grand International Logistics Co., Ltd. The joint venture incorporated on 2 June 2021.

³ Regional Logistics Private Limited The joint venture incorporated on 29 August 2020.

⁴ Santi Bhum Co., Ltd. The company set up on 25 October 2021.

⁵ Thiti Bhum Co., Ltd. The company set up on 25 October 2021.

Relationship with major shareholder's business

The Company has connected transactions with Ngow Hock Co., Ltd., which is a shareholder of 25.2%, as shown in the connected transactions report which is a normal business relationship and has been approved by the Board of Directors.

Shareholding & Management Structure

Shareholding Structure

List of 10 Major Shareholders as at 19th November 2021.

No.	Name	No. of Shares	%
1.	Ngow Hock Group	387,770,337	46.80%
2.	Tanthuwanit Family	71,031,050	8.57%
3.	Thai NVDR Company Limited	50,750,026	6.12
4.	Mr.Thirachai Kirtitechakorn	18,959,300	2.28
5.	Mr. Teeraphon Noparumpa	17,123,600	2.07
6.	Mr. Chaivith Arunneththong	15,520,000	1.87
7.	STATE STREET EUROPE LIMITED	12,518,752	1.51
8.	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	8,248,700	1.00
9.	Madis Group Co., Ltd.	4,880,000	0.59
10.	SE ASIA (TYPE B) NOMINEES LLC	3,880,300	0.47

1. Ngow Hock Group comprises 4 companies as follows:

	No. of Shares	%	Principal Activities
Ngow Hock Co., Ltd.	208,812,500	25.20	Ship agent
Panjamitr Holding Co., Ltd.	153,311,587	18.50	Investment holding
Ngow Hock Agency Co., Ltd.	24,426,250	2.95	Ship agent
Sintanachote Co., Ltd.	1,220,000	0.15	Container Depot

2. List of 5 major shareholders of Ngow Hock Co., Ltd.

	Number of Shares	%
Bulsook Family	26,167	26.17
Tanthuwanit Family	24,968	24.97
Allied Assets Co., Ltd.	12,973	12.97
Sotikul Family	11,855	11.86
Bulkul Family	6,462	6.46

(Total number of shares of Ngow Hock Co., Ltd. is 100,000 shares at par Baht 200 each.)

3. List of 5 major shareholders of Panjamitr Holding Co., Ltd.

	Number of Shares	%
Bulsook Family	261,670	26.17
Tanthuwanit Family	249,680	24.97
Allied Assets Co., Ltd.	129,730	12.97
Sotikul Family	118,550	11.86
Bulkul Family	64,620	6.46

(Total number of shares of Panjamitr Holding Co., Ltd. is 1 million shares at par Baht 1,000 each.)

4. List of 5 major shareholders of Ngow Hock Agency Co., Ltd.

	Number of Shares	%
Bulsook Family	26,167	26.17
Tanthuwanit Family	24,968	24.97
Allied Assets Co., Ltd.	12,973	12.97
Sotikul Family	11,855	11.86
Bulkul Family	6,462	6.46

(Total number of shares of Ngow Hock Agency Co., Ltd. is 100,000 shares at par Baht 10 each.)

5. List of 3 major shareholders of Sintanachote Co., Ltd.

	Number of Shares	%
NH Prosperity Co., Ltd.	4,245	49.94
Panjamitr Holding Co., Ltd.	2,126	25.01
Ngow Hock Agency Co., Ltd.	2,125	25.00

(Total number of shares of Sintanachote Co., Ltd. is 8,500 shares at par Baht 10,000 each.)

Management

1. The Board of Directors comprising at least 5 and not exceeding 10 members. As at 31st December 2021, the Board of Directors comprised 9 members as follows:

Mr. Jamlong Atikul	Chairman (Non-Executive Director)
Mr. Sumate Tanthuwanit	Managing Director
Mr. Kua Hock Eng	Director (Executive Director)
Mr. Sutep Tranantasin	Director (Executive Director)
Mr. Charlie Chu	Director (Executive Director)
Mr. Twinchok Tanthuwanit	Director (Executive Director)
Mr. Amornsuk Noparumpa	Director (Independent Director)
Mr. Viset Choopiban	Director (Independent Director)
Mrs. Arpavadee Meekun-lam	Director (Independent Director)

Authorised directors to sign the documents for and on behalf of the company are any two of the following jointly with the affixture of the company seal thereon: Mr. Sumate Tanthuwanit or Mr. Jamlong Atikul or Mr. Sutep Tranantasin or Mr. Twinchok Tanthuwanit.

The Board of Directors is entrusted with the accountabilities prescribed as highlighted below:

- (a) To operate the business in compliance with the laws, the Stock Exchange of Thailand's regulations, the Company's objectives and the Articles of Association, as well as by shareholders' resolutions.
- (b) To be responsible for defining the policy framework and direction of the Company; monitoring and supervising the management to successfully and effectively operate the business in line with the defined policies and directions.
- (c) To be responsible for selecting and appointing and/or terminating the services of the Manager(s) of the Company, the Audit Committee and other committees.
- (d) The directors are empowered to do any act in order to acquire, purchase, sell, mortgage, pledge, make legal binding to the immovable and moveable properties for the Company's business, and shall be empowered to hire out the immovable property for a period exceeding 3 years.
- (e) The directors may act as guarantor or surety in the name of the Company in accordance with the objectives of the Company.
- (f) The directors are empowered to make juristic act with the government department, ministry or relevant authorities.

The directors shall be elected in the Annual Shareholders' Meeting according to the following criteria's and procedures:

- (a) One shareholder shall have one vote for each share.
- (b) Each shareholder shall exercise all the votes he has under (a) to elect a person or several persons to be directors; but he/she cannot split his/her votes to any person to any extent.
- (c) Persons receiving most votes will be appointed directors, in descending order, to the number of directors to be elected. In case of equal votes for the last to be elected, the presiding chairman shall cast the vote.

At the Annual Shareholders' Meeting, one-third of directors must retire from office. The retiring directors are eligible for re-election. The meeting of the shareholders may pass a resolution to remove any director from office prior to expiration of his/her term, provided that such resolution has been passed by the majority of not less than three-fourth of shareholders attending the meeting and holding the total number of shares of not less than half of shares held by shareholders attending the meeting.

Nomination & Remuneration and Corporate Governance Committee will select the persons nominated for directorship, taking into account their expertise experience in the area contributory to the business operation of the Company.

The Company has defined "an independent director" of the Company. The Board of Directors comprises a proportion of at least 3 independent directors.

2. The Audit Committee comprises following 3 independent directors:

Mr. Amornsuk Noparumpa	Chairman of the Audit Committee
Mr. Viset Choopiban	Committee Member
Mrs. Arpavadee Meekun-lam	Committee Member

whose current term in office will expire in May 2022.

The Audit Committee has a 3-year term in office with the scope and authority as stipulated in the Charter:

- (a) Ensure that the financial reports of the Company are correct with sufficient disclosure of the information;
- (b) Review the internal control systems to ensure that the Company has effective internal control systems and transparency;
- (c) Review the operations to ensure compliance with the Securities and Exchange Act as well as other relevant laws;
- (d) Review disclosure of information relating to connected transactions to ensure accuracy and Completeness;
- (e) Consider the appointment, removal of the Company's external auditors, review the annual audit fee and recommend to the Board to propose to the Shareholders' Meeting; and
- (f) Give an opinion to the appointment, removal or transfer of the Head of Internal Audit as well as the appointment of Secretary to Audit Committee.

The Audit Committee has presented the quarterly report to the Board of Directors, as well as report to the Shareholders published in Form 56-1 One Report. Mrs. Arpavadee Meekun-lam, Audit Committee member, has possessed knowledge in accounting and adequate experience in reviewing the credibility of the financial statements.

In addition to the scope and authority as stipulated in the above charter, the Audit Committee was entrusted by the Board of Directors to supervise the corporate risk management function.

3. The Nomination & Remuneration and Corporate Governance Committee comprises a minimum number of 3 but not more than 4 members from independent and non-executive directors. The current Committee comprises 3 independent directors as follows:

Mr. Viset Choopiban	Chairman
Mr. Amornsuk Noparumpa	Committee Member
Mrs. Arpavadee Meekun-lam	Committee Member

whose current term in office will expire in August 2023.

The Nomination & Remuneration and Corporate Governance Committee has a 3-year term in office. The duties and responsibilities are summarized as follows:

- a) **Nomination** : consider and propose the criteria and method for the nomination of the Company's directors, Board's sub-committees and senior management; recruit, select and nominate the qualified persons to be appointed as the Company's directors, sub-committees and senior management to the Board of Directors for consideration; consider and propose the criteria and method for the performance evaluation of the Company's directors, CEO / Company's Managers.
- b) **Remuneration** : consider and propose the criteria and method for the remuneration of the Company's directors, Board's sub-committees and senior management; review the policy and structure for the remuneration of the Company's directors, Board's sub-committees and senior management, and to propose to the Board of Directors for consideration.
- c) **Corporate Governance** : establish clear leadership role and responsibilities of the Board, define objectives that promote sustainable value creation, strengthen board effectiveness, ensure effective CEO and people management, nurture innovation and responsible business, strengthen effective risk management and internal control, ensure disclosure and financial integrity and ensure engagement and communication with shareholders.

4. The Group of Management Committee comprising 8 members of executive directors and top management as at 31st December 2021 as follows:

Mr. Sumate Tanthuanit	President
Mr. Kua Hock Eng	Executive Director
Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Director & Executive Vice President (Business and Logistics Group)
Mr. Twinchok Tanthuanit	Directors & Senior Vice President (Chief of Regions, Operations, Business)
Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts and IT)
Mrs. Suporn Amnuaypan	Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Corporate Secretary and Communication & Branding)
Mr. Chatgamol Phitaksuteephong	Vice President (Group Information Technology)

The Group Management Committee is entrusted with the following accountabilities:

- Implement strictly the overall management policies and strategies for the Group; formulate business plan / marketing strategies ; determine service routes and vessel deployment.
- Formulate investment / funding plans / acquisition of vessels / chartering in and out arrangements.
- Approve the Group's annual budget.
- Review the issues in relation to group business operations for obtaining Board's approval.
- Apply industry experience and knowledge in ways that will continue to create growth and value for shareholders and stakeholders.
- Achieve the Board's objectives, monitor both the performance of the Group in relation to its financial objectives, major goals, strategies and competitors; and offer the President constructive advice and feedback.
- Assure that the Company's Management Committee and employees perform their duties legally and ethically with loyalty.

The Group Management Committee has established **a sub-committee, namely Risk Management Committee** comprising the Chief Officer of each line of command as follows:

Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Director & Executive Vice President (Business and Logistics Group)
Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts and IT)

The above sub-committee has meetings regularly and updates the risk management status to the Audit Committee Meeting for their review in every time of the quarterly meetings.

Details of Risk Management Policy, Committee and Authority and Responsibilities of the Risk Management Committee is disclosed in the Company's website at <http://www.rclgroup.com>.

Amounts of registered capital and paid-up capital

Registered capital and paid-up capital

- (1) As of December 31, 2021, the Company has registered capital of Baht 828,750,000 and fully paid-up share value, divided into 828,750,000 ordinary shares with a par value of Baht 1.00 per share.
- (2) The Company does not have preferred shares or other types of shares with different rights or conditions than ordinary shares.
- (3) The Company has never issued shares or convertible securities or options.
- (4) There is no agreement between the group of major shareholders.

Issuance of other securities

None

Dividend Policy

The Company has set the policy to pay dividend to the shareholders at the rate of not exceeding 50% of the consolidated net earnings, upon obtaining approval from the shareholders based on majority votes at general meetings. The Board of Directors may declare interim dividend to the shareholders from time to time if the Board opines that the earnings of the Company justify such payment. The dividend payout, when made, shall be reported to the shareholders at the next general meeting.



RISK MANAGEMENT

The Group Management Committee embraces a top-down and cross-functional approach for purpose of evaluating and managing the Group's risk factors.

Having established its sub-committee, namely Risk Management Committee comprising Executive Vice President (Operations), Executive Vice President (Business and Logistics Group) and Executive Vice President (Group Finance & Account, Cost Verification and IT), these groups of top management are tasked with the responsibility of driving business results and are accountable for the associated risks. The sub-committee has identified three major risk areas that may adversely affect our Group's business and performance. They are Business Risk, Financial Risk and Operation Risk.

Risk Factors

1. Business Risk

1.1 The Risk from the impact of Covid-19

Covid-19 Pandemic was one of the major issues to affect the global economy and supply chain in 2021. With vaccines available since Dec 2020, it gave hope for the world to minimize the impact of the global economy, however, the new variants of Covid-19 and the vaccines application may still have big hiccup at different time for different countries. The uneven recovery situation may have risk for the trade with those countries lagging behind to contain the spread over of Covid-19.

However, our Group remains vigilant to cope with any potential adverse situations and makes decisive actions to adjust our business strategies appropriately in order to adapt to the current and upcoming circumstances.

1.2 The shrinking on SOC market

With more and more direct calls of Long-haul services to Asian Ports, the demand for SOC services is shrinking year by year. More aggressive expansion in Intra Asia trade from Main line Operators will come on stream when both Covid -19 situation as well as the supply chain disruption improve. This will be one of the risks for the ROI of the shuttle services which depend heavily on SOC business. The group strategy is to expand more on COC sector to offset the loss on SOC sector.

1.3 Supply Chain Disruption

Total annual volume in 2021 was 7.5% higher than that of 2020 although more tonnage was deployed in the network. 10-15% of net tonnage being wasted due to poor productivities of ports and longer waiting time for berth of most ports in the network. RCL believes these supply chain disruptions like port closures due to Covid-19 infection, insufficient basic infrastructure to manage the normal cargo flow and etc, will continue in 2022. This will inadvertently result in higher operation cost of carriers, an issue to be resolved, besides having to maintain customers' satisfactions on services from shipping companies.

1.4 Worsening US-China ties force a full decoupling in the global economy

The US and China are vying for global influence with the US trying to convince "like-minded" (mostly Western) countries to collaboratively put pressure on China. This has included restrictions in the areas of trade, technology, finance and investment, along with sanctions, forcing some markets (and companies) to choose sides. Although most evident in the technology arena, there is a risk that this strategy will encompass industrial or consumer-facing sectors. In an extreme scenario, this could lead to a neutral stance becoming economically prohibitive for third countries, dividing China-supporting and US-supporting economies.

Full global economic bifurcation would force companies to operate two supply chains with different technological standards. Implementation of 5G telecommunications networks could be postponed in some countries, and sanctions by China would heighten uncertainty surrounding global trade and investment.

2. Financial Risk

2.1 Currency Risk

Our Group's revenues are based on the US Dollar via an established pricing mechanism. Freight rates are quoted in US Dollars whilst freight revenues are collected either in US Dollars, or in the corresponding amount of loading port currencies. Our Group's operating costs are predominantly in US Dollars with the balance proportionately distributed among major loading port currencies (such as Thai Baht and Singapore Dollar).

Thus, the risk from the currency fluctuation did not have major impact on our cash flow from operations, due to the fact that our main assets being container vessels, were bought and sold in US Dollars. Furthermore, our loan portfolios, as well as fixed assets are mainly in US Dollars denomination. With the exception of certain accounting translation effects, our Group has been able to enjoy a natural foreign exchange hedging.

2.2 Interest Rate Risk

Our Group is exposed to interest rate risk due to the nature of the vessel financing loan requirements. In order to reduce the exposure in the volatile economy, we have partially secured our long-term obligations with fixed interest rate since 2015.

Our Group's total borrowings, as at year ended 2021, combining both short term and long-term loan constituted up to Baht 860 million, compared to that of Baht 3.3 billion at the end of year 2020. We have prepaid the more expensive loans which are mostly with floating rate, transforming most of our fixed interest rate loan to floating interest rate loan for year ended 2021, at a ratio of 50:50 or approximately Baht 425 million of the total borrowings.

2.3 Vessel Valuation Risk

Vessels are the Group's key fixed assets and resources for operation. The value of vessels fluctuates according to the global economy - appreciates with the upturn and adversely drops with the downturn.

2.4 Funding Risk

The adverse impact from COVID-19 pandemic since early 2020 followed by the market disruption in 2020 and throughout 2021 had continuously boost up the freight rate in 2021, resulting in the Group's healthy financial position, reduction in cost of fund and funding risk.

3. Operation Risk – Risk on Managing the Fleet

3.1 Oil Price Risk

Our bunker cost of operation in 2021 was one of the major expenses to the tune of US\$ 117.0 mil. Being a dicey risk to manage, we have to be extremely cautious in order to achieve cost reduction. In this aspect, RCL was successful in terms of consumption coupled with appropriate deployment of fleet and right pricing strategy. Effectively, it was an intricate combination of spot purchases at the right ports and timing, and forward purchases to cover of 3-6 months duration at the lowest possible price.

3.2 Port Operation Risk

In general, 2021 has proven to be a challenging year for global supply chains, vessel operators facing congestion from bottlenecks and significant disruptions around the world, especially hub ports of RCL's network, i.e. Singapore, Port Klang, including Main China ports across and over North/Central and South.

Furthermore, when terminals encountered a COVID-19 outbreak situation, the congestion became extraordinarily high. Unfortunately, 2022 has not started off on a better footing as we have hoped. The pandemic is still undeniably strong and port congestions may continue to impact our ability to move vessels/cargoes around. The situation is particularly challenging at several Hub Ports and Gateway terminals, as we foresee the strain to be prevalent for some time to come.

RCL recognizes that this is causing delays to our customers' supply-chains and mitigating those disruptions is of the utmost importance to us. Part of our contingency plans is to minimize vessel delays by working closely with all respective port authorities and coordinating with all parties involved, to help alleviate the situation.

The SOP for handling contingencies i.e. Maximize Crane Intensity with Sufficient Stowage Instruction, have been addressed and attained full co-operation and best efforts from all ports in our networks.

Enhanced operational efficiency of terminals, berth occupancies, daily average arrival and departure statistics of ship calls in said ports have to be planned efficiently in order to optimize operations.

RCL will try to develop vessel track functionality to enable customers to track in real time for predictive analysis and estimated times of arrival (ETA) via our website. RCL will manoeuvre this situation as best as we can.

3.3 Schedule Integrity Risk

Container line schedule reliability has been at all time low this year and apparently will remain so. According to analysts Sea-Intelligence, global container line schedule reliability stood at 34% in September 2021, as an average across 34 different trades.

The lead time at sea and also the dwell times on the terminals are moving further and further increasing and this creates a large backlog. This situation is believed to continue throughout 2022.

Schedule reliability would therefore also be considered as part of our risk. Nonetheless, RCL will do our best to gain reliability in this aspect.

RCL will carry out timely decision making on vessel schedule integrity matters, with consensus and full co-operation from our alliance service partners, to be supported by strategies on alternate port calls and cargoes management.

BUSINESS SUSTAINABILITY DEVELOPMENT

Sustainability Report

Overview Policy

Conducting business with fairness and sustainability

The Company operates a policy of free and fair trade competition in accordance with the legal framework in the country in which the company operates the business to cope with the treatment to business partners as the rules for the benefit of partners, customers including all groups of stakeholders for sustainability of all parties.

Operation and Reporting

1. Policy and sustainability goal

In order to be consistent and in the same direction as the business operation reflecting the intention to develop businesses that are concerned with the environment, society, good corporate governance. and covering all groups of stakeholders, apart from the Business Code and Corporate Governance Policy as disclosed in the attachment, the Company has clearly defined policies and guidelines on various matters in the Employee Code of Conduct. It is published on the Company's website <http://www.rclgroup.com> including notifying the employees to be aware of these matters and to give their signature to acknowledge it annually.

Employee Code of Conduct:

The RCL code of Conduct governs the following:

1. Attitude towards RCL
2. Usage of the name "RCL"
3. Personal ethical core values
4. Relationship with fellow colleagues
5. Competitor, partner and supplier relationships
6. Sexual, other unlawful harassment and workplace violence
7. Confidential information
8. Use of E-mails, Internet, information access, software, telecommunication facilities and office equipment
9. Environment and society
10. Personal privacy
11. Anti-Corruption
12. Whistle Blower

In addition, the Company promotes a conducive working environment by establishing 5 core values (ATRCL) to guide the staff of all levels in the RCL Group:

A = Accountability

T = Teamwork

R = Result Orientation

C = Customer Focus (external and internal)

L = Leadership with Integrity

The company realized that only leadership in staff is not enough. It should be together with moral and good governance. Therefore, the company recognizes and cultivated employees with leadership in good governance as our core value no.5 “Leadership with Integrity”.

In 2021, the Company has reviewed its vision and mission.

VISION

A trusted and reliable regional container carrier and logistics provider committed to quality, sustainability, efficiency and innovations.

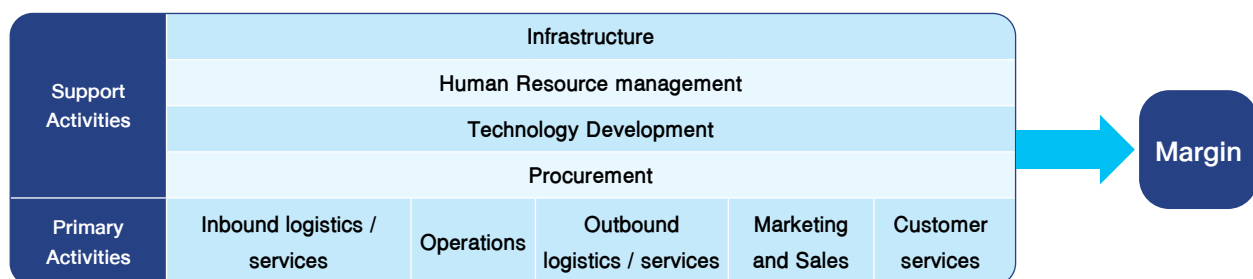
Mission

1. To be trusted as a reliable Asian container carrier and logistic service provider
2. To positively contribute to our environment and society
3. To strengthen our liner and feeder service network to create an accessibility of trade to the different parts of Asia, India ISC and Mideast.
4. To provide a swift and utmost quality of service to our customers
5. To closely work with our business partners to expand our service and reach to our new and existing customers
6. To Digitize our tools, processes, enhance situation awareness to be an efficient service provider (CP)
7. To be a container shipping specialized assistant to our customers
8. To provide the value-added logistics solutions to meet the customer demand.

In addition, the contents related to business drive for sustainability whether it is related to “Corporate Governance”, “Internal Control”, “Risk Management”, “Organization Structure”, “Report of the Board of Directors”, “Report of the Board of Directors Responsibility on Financial Report”, “Board Opinion on Internal Control System” are disclosed in each topic in this Form of 56-1 One Report.

2. Management of impacts on stakeholders in the business value chain

2.1 Business value chain



Primary Activities

Inbound logistics / services	Operations	services	Marketing and Sales	Customer services
To provide container shipping line services	Container shipping by vessel with service routes	Provides shipping delivery services	Through the representative office	cargo tracking system, customer service

Support activities

Supporting activities to drive the Company's main activities to be carried out continuously and efficiently.

1. Procurement

The company has a policy of procurement that is transparent, fair and responds to needs in a timely.

2. Technology Development

The Company has adopted the latest technology such as robotics and digitalization helps us to further our internal process efficiency and foster customer relationships.

With the gaining importance of ship management, some improvements were done in vessel systems for better overview of fleet operation, performance and as well as cost control. Additionally, we also implemented the cyber security policy to comply with IMO 2021 cyber security regulations.

3. Human Resources Management

As the Company realized that the employee is the key success, therefore the Company has given importance to them. By optimizing the manpower needs, employees' skills were upgraded in order to be rotated, to gain well-rounded knowledge in other roles within the organization. The focus on developing a more adaptable and multi-skilled work force, equips the company with the ability to schedule and arrange staff to best suit the business's needs as well as to remain dynamics and competitive alongside with the corporate's directions. The key areas of focus were performance management, succession plan, rotation plan, talent and leadership development, to promote and reward both in the short term are bonuses based on employee performance and long-term is a provident fund which is a welfare for employees, which involved initiatives on talent acquisition, overseas assignment posting to garner experience, cross function training, RCL value chain on-the-job training for as long as 6 months, including leadership-skills development for career progression.

In addition, the company also arranges for employee welfare; accident and health insurances, as well as performance-based annual rewards, and long-service awards are provided by the Company for all levels of staff. Furthermore, the Company registered a provident fund scheme under the Provident Fund Act B.E. 2530.

In addition, The Company provides annual health check for employees at all levels, safety practice for fire drill annually and also exercise activities such as yoga, badminton, etc.

4. Infrastructure

The company has taken care of, developed and improved the important work systems in the company's business to be up-to-date all the time. To be able to serve customers quickly, accurately, accurately and efficiently, such as accounting and finance systems. E-commerce system

The Company also expanded our infrastructure to bring in new facilities to support the new normal with well secured control features. For 2021, we focused on customer digital centric due to the changing of business practice and customers' requests for more digitalization. This will remain our strategies in 2022 as well.

Analysis of stakeholder in the business value chain

Group of Stakeholders	Practice to the stakeholders	Expectation of stakeholders	Response to such expectation to the stakeholders
Internal Organization			
Shareholder	<ul style="list-style-type: none"> The Company manages its business activities with the ultimate goal of maximizing shareholders' economic satisfaction, driving for a long-term growth in the Company's value and creating a continual flow of good earnings. 	<ul style="list-style-type: none"> Generating returns 	<ul style="list-style-type: none"> Generate the suitable returns Communication. to the shareholders.
Company staff	<ul style="list-style-type: none"> The company realizes that employees are the key to success. The company is committed to providing a favorable working environment for its employees. The company expects the full cooperation of all employees to promote and maintain unity. 	<ul style="list-style-type: none"> Growth and advance in the position Reasonable compensation and welfare Workplace environment is conducive to work. 	<ul style="list-style-type: none"> The Company has increased efforts to value-add the skills for career advancement through job rotations, promote and appropriately remunerate the staff taking into consideration their knowledge, accountability and performance. The Company promotes Performance Management System (PMS), Training Roadmap, staff development. In-house trainings are arranged to improve staff's knowledge and competencies, as well as sponsoring public courses relating to the Company's business operations and environment The Company provides appropriately remunerate both in short-term - bonus for employees based on performance appraisal, and long-term - provident fund. IT system and applications are continuously upgraded to better support staff handling of their routines. The company has a system in terms of developing the potential of employees. There is a program called Job Rotation for employees to achieve work rotation in the organization, a succession plan and personal development in various positions. For employee welfare and recreation, the Company provides accident and health insurances, as well as performance-based annual rewards, and long-service awards for all levels of staff. Furthermore, the Company registered a provident fund and annual medical check-up for all staff. The company has organized activities and various forms of competition to promote the relationship between the company and employees.

Group of Stakeholders	Practice to the stakeholders	Expectation of stakeholders	Response to such expectation to the stakeholders
			<p>Even during COVID-19 pandemic, the company provided cleanliness maintenance by complying with safety regulations and occupational health the company provides services for employees, to urge and provide vaccinations to employee, creating the VDO clips to strengthen employees who are infected and needs to be quarantined including delivering necessary food to who need to be quarantined.</p> <p>While the company has measures to work from home to reduce the epidemic of Covid-19, the company provides notebook to employees, preparing health clips, virtual tours of overseas offices. To organize online meeting between the executive and all employees in Thailand and at abroad in order to promote better understanding between the company and employees.</p> <ul style="list-style-type: none"> • To promote ONE RCL for collaboration among employees throughout the company. • The Company uses up-to-date technologies for employees to easier and more convenient working.
Outside the organization			
Customer, Business environment	<ul style="list-style-type: none"> • The Company applies free and fair trade policies. Within the legal framework prevailing in the trade areas, the Company believes in lawful cooperation with counter-partners for the benefit of both the Company and its customers. 	<ul style="list-style-type: none"> • Getting the appropriate service that meet the needs. 	<ul style="list-style-type: none"> • Customers are supplied with needed information on the Company's services and commercial activities via various communication channels, such as: <ul style="list-style-type: none"> - The Company's website (http://www.rclgroup.com), where they are able to access information on the ports of service, vessel fleet, sailing schedules, container specifications, oversized cargo, dangerous goods, e-services, etc., select destination port, check departure/arrival schedules of the vessels and container box position during the shipment. - Contact agents at their respective locations for above information, as well as freight rates and other details. - The Company assigns local agents, either its own subsidiary or appointed agent, at every port of service to attend to its customers, efficiently and quickly in order to accommodate their needs in selecting their desired services.
Community and environment	<ul style="list-style-type: none"> • The company sets it as one of employee code of conduct in the aspect of the environment and society, opportunities offer and community development. 	<ul style="list-style-type: none"> • Maritime Compliance which is the International Convention on the Prevention of Pollution from Ships (MARPOL Convention 73/78). 	<ul style="list-style-type: none"> • RCL seeks to comply with the provisions of health, safety and environment of the local laws, one of which, is the adherence to international conventions, such as the International Maritime Organization's codes in order to preserve the social and public environment. • The company has activities to take care of society and the public.

3. Environmental Sustainability Management

3.1 Environmental policy and guidelines

Nature of Business Operation of RCL

The company operates on three core lines of business, namely; Shipper-Owned-Container (SOC), Carrier-Owned-Container (COC) and Value-added logistic services. Therefore, the Company is committed to reducing the negative impact on the environment, whether it is the emission of pollution, waste into the sea, which will affect the marine ecology.

3.2 Environmental operating results

The Company has complied with international law regulations. Country specific laws Compliance with international conventions, such as the rules of the International Maritime Organization to maintain the social and public environment. RCL ship complied with 14.1 garbage disposal under Annex V of the International Convention for Prevention of Pollution from Ships or MARPOL 73/78.

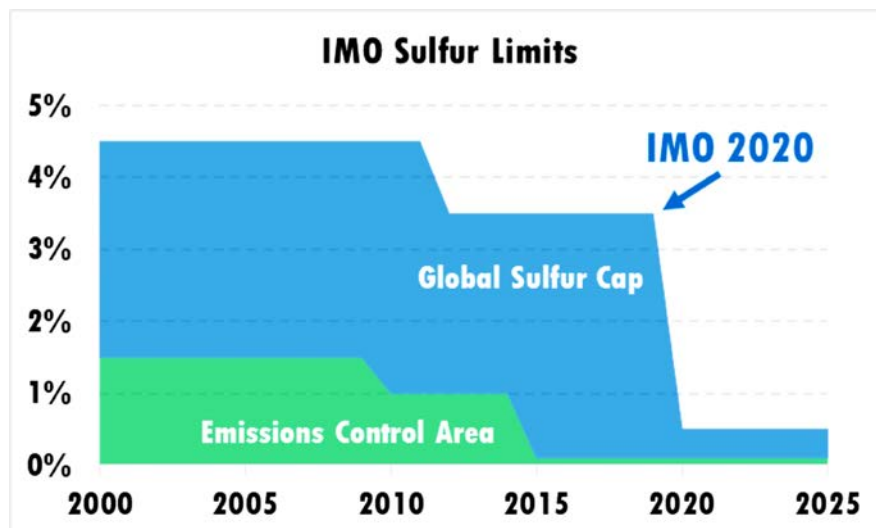
Environmental Sustainability Management

Reduction of Air Pollution

1. Global Sulphur Cap 2020

1.1 Selection of Compliant Fuel

Use Low Sulphur fuel oil (LSFO): All RCL vessel are running with Low Sulphur Fuel Oil (LSFO) As of January 1st 2020, the new regulations on shipping emissions have come into force, reducing the maximum Sulphur content of marine fuel oil to 0.5% S, except in the SECA zone where the maximum level is 0.1%.



All of RCL vessels have been using compliant fuel (Sulphur content less than 0.50% m/m). The Port State Control Inspection continued throughout 2021 and, as result of inspection, all vessels were found to be in compliance with international and local regulations.

1.2 Installation of Exhaust Gas Cleaning System (EGCS) or Scrubber

10 of RCL vessels outfitted with exhaust gas cleaning system - commonly referred to as scrubbers - the engine exhaust gas is bypassed through chambers that contain a carefully generated "scrubbing cloud" of water. SOx pollution present in the exhaust is removed when it reacts with the high number of water droplets.

Vessels with scrubber installed can use high sulfur fuel (3.5%), while the sulfur content in the waste gas is still low. is in the specified value.

From 2018 to 2021, RCL has installed a waste gas cleaning system on nine ships, with one more being installed by 2022.





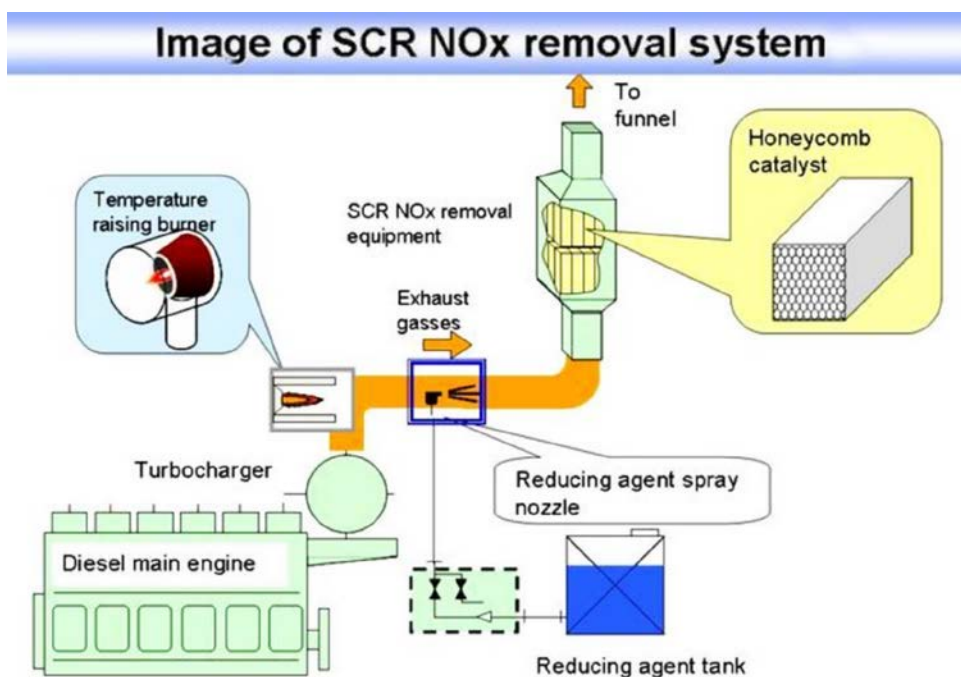
1.3 Nitrogen Oxides (NOx) Regulation

The control of diesel engine NOx emissions is achieved through the survey and certification requirements leading to the issue of an Engine International Air Pollution Prevention (EIAPP) Certificate and the subsequent demonstration of in service compliance in accordance with the requirements of the mandatory, regulations 13.8 and 5.3.2 respectively, NOx Technical Code 2008 (resolution MEPC.177 (58) as amended by resolution MEPC.251.(66)).

1 January 2016 and operating in the North American ECA and the United States Caribbean Sea ECA; or 1 January 2021 and operating in the Baltic Sea ECA or the North Sea ECA.

Tier III technologies, To ensure compliance with IMO Tier III regulations, EGR or SCR NOx reduction technology must be selected. New ship will be installed with Selective catalytic reduction (SCR).

The new 7,000 TEU RCL ships will be powered by Tier III technologies, which have adopted waste gas back into burn again and use an electronic system to control the engine to have maximum power while using minimal fuel and waste gas



1.4 CO2 Reduction

IMO agreement on technical regulations will reduce ships' CO₂

MARPOL Annex VI, Chapter 4 adopted July 2011, which entered into force in January 2013



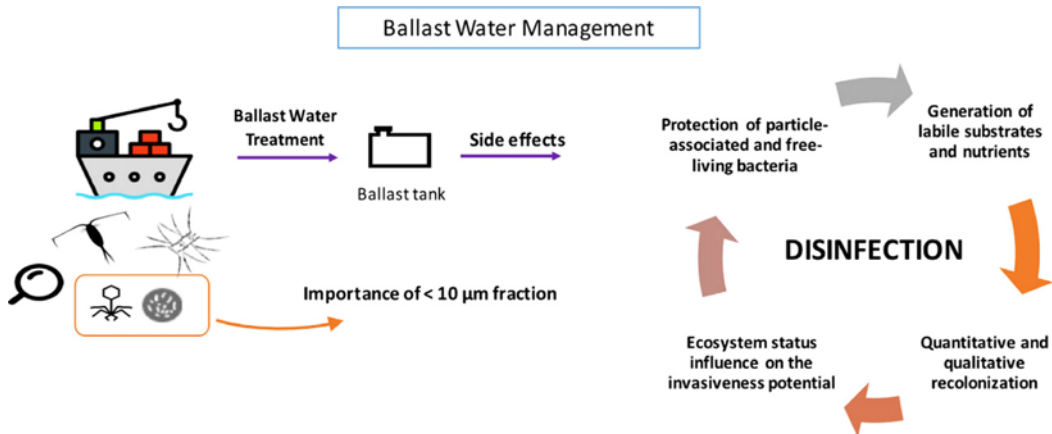
1.4.1 Regulations on the Carbon Intensity of International Shipping

The goal of the regulations is to reduce the Carbon Intensity of international shipping, working towards the levels of achievement set out in the initial IMO Strategy on reduction of Green House Gas (GHG) emissions from ships.

MARPOL Annex VI - technical and operational measures to reduce the Carbon Intensity of international shipping Amendments to MARPOL Annex VI were adopted, introducing mandatory goal-based technical and operational measures to reduce carbon intensity of international shipping. The measures included:

The Energy Efficiency Existing Ship Index (EEXI), applicable from the first annual, intermediate or renewal of International Air Pollution Prevention (IAPP) Certificate survey after 1 January 2023. The enhanced Ship Energy Efficiency Management Plan (SEEMP), whereby an approved SEEMP needs to be kept on board from 1 January 2023 and the operational Carbon Intensity Indicator (CII) rating scheme, taking effect from 1 January 2023. The amendments will enter into force on 1 November 2022

All of RCL ships have to be complied with these requirements and plan to get the new EEXI Technical File (certified and approved by Class Society) before 1 November 2022.



2.2 Antifouling System, AFS

At the 76th MEPC session, IMO adopted amendments to the AFS Convention regarding controls on cybutryne and the form of the International Anti-fouling System Certificate. The amendments will enter into force on 1 January 2023. From this date, the application or re-application of an AFS containing cybutryne will not be permitted.

All RCL ships using Anti fouling paint without cybutryne.





Operation Risk – Risk on Managing the Fleet

1. Oil Price Risk

Our bunker cost of operation in 2021 was one of the major expenses to the tune of US\$ 117.0 mil. Being a dicey risk to manage, we have to be extremely cautious in order to achieve cost reduction. In this aspect, RCL was successful in terms of consumption coupled with appropriate deployment of fleet and right pricing strategy. Effectively, it was an intricate combination of spot purchases at the right ports and timing, and forward purchases to cover of 3-6 months duration at the lowest possible price.

2. Port Operation Risk

In general, 2021 has proven to be a challenging year for global supply chains, vessel operators facing congestion from bottlenecks and significant disruptions around the world, especially hub ports of RCL's network, i.e. Singapore, Port Klang, including Main China ports across and over North/Central and South.

Furthermore, when terminals encountered a COVID-19 outbreak situation, the congestion became extraordinarily high. Unfortunately, 2022 has not started off on a better footing as we have hoped. The pandemic is still undeniably strong and port congestions may continue to impact our ability to move vessels/cargoes around. The situation is particularly challenging at several Hub Ports and Gateway terminals, as we foresee the strain to be prevalent for some time to come.

RCL recognizes that this is causing delays to our customers' supply-chains and mitigating those disruptions is of the utmost importance to us. Part of our contingency plans is to minimize vessel delays by working closely with all respective port authorities and coordinating with all parties involved, to help alleviate the situation.

The SOP for handling contingencies i.e. Maximize Crane Intensity with Sufficient Stowage Instruction, have been addressed and attained full co-operation and best efforts from all ports in our networks.

Enhanced operational efficiency of terminals, berth occupancies, daily average arrival and departure statistics of ship calls in said ports have to be planned efficiently in order to optimize operations.

RCL will try to develop vessel track functionality to enable customers to track in real time for predictive analysis and estimated times of arrival (ETA) via our website. RCL will manoeuvre this situation as best as we can.

3. Schedule Integrity Risk

Container line schedule reliability has been at all time low this year and apparently will remain so. According to analysts Sea-Intelligence, global container line schedule reliability stood at 34% in September 2021, as an average across 34 different trades.

The lead time at sea and also the dwell times on the terminals are moving further and further increasing and this creates a large backlog. This situation is believed to continue throughout 2022.

Schedule reliability would therefore also be considered as part of our risk. Nonetheless, RCL will do our best to gain reliability in this aspect.

RCL will carry out timely decision making on vessel schedule integrity matters, with consensus and full co-operation from our alliance service partners, to be supported by strategies on alternate port calls and cargoes management.

Plans for 2022

a) Ballast Water Treatment System (BWTS)

In total there are 15 ships to be installed with BWTS.

The remaining 5 ships will be installed in 2023.

b) Installation of Exhaust Gas Cleaning System (EGCS) or Scrubber EGCS

RCL has identified one ship to be installed with EGCS.

c) War-risk area, Piracy and Armed Robbery Attacks in The Strait of Malacca

RCL Shipmanagement will continue to work closely with Ship Masters to effectively implement security measures while ships are in piracy areas such as in the Middle East and the Strait of Malacca.

d) Regulations on the Carbon Intensity of International Shipping

The goal of the regulations is to reduce the carbon intensity of international shipping, working towards the levels of achievement set out in the initial IMO Strategy on reduction of Green House Gas (GHG) emissions from ships.

MARPOL Annex VI - technical and operational measures to reduce the Carbon Intensity of international shipping Amendments to MARPOL Annex VI were adopted, introducing mandatory goal-based technical and operational measures to reduce carbon intensity of international shipping. The measures included:

- The Energy Efficiency Ship Index (EEXI), applicable from the first annual, intermediate or renewal of International Air Pollution Prevention (IAPP) Certificate survey after 1 January 2023.
- The enhanced Ship Energy Efficiency Management Plan (SEEMP), whereby an approved SEEMP needs to be kept on board from 1 January 2023.
- The operational Carbon Intensity Indicator (CII) rating scheme, taking effect from 1 January 2023

The MARPOL amendments will come into force on 1 November 2022.

All of RCL ships have to comply with these requirements and plans have been laid out to attain the new EEXI Technical File (certify and approve by Class Society) before 1 November 2022.

4. Social sustainability management

4.1 Social policy and guideline

The company has set a policy for social management, which includes respect for human rights, fair treatment of labor, including participation in community and social development.

In addition, the company also has a policy on various matters related to the stakeholders are:

Sexual, other unlawful harassment and workplace

RCL is committed to maintaining a working environment that is free of unlawful discrimination. In keeping with this commitment, RCL will not tolerate harassment of its staff, vendors, suppliers or business associates. Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based upon a person's protected status, such as race, color, region, sex, age, ancestry, national origin, disability, marital status or any other characteristics protected by law.

Sexual harassment consists of any sexual activities, verbal, physical violation or use of obscenities, initiated by one employee on another, and in doing so, creates distress or an intimidating, hostile or offensive work environment. Employees must be aware that certain behavior can be deemed as harassment, even though it may be unintentional.

In addition, RCL prohibits workplace violence, some examples of which are not limited to include threats, intimidation, assaults, possession, distribution or usage of firearms, explosives, dangerous materials, other weapons, drugs or being under the influence of drugs while working in/for RCL.

If any employee believes that he/she or other person was harassed or threatened, he/she should report the incident to his/her superior or a representative from the Human Resource Department as soon as possible. The management shall then investigate such claim and take appropriate action accordingly. Every employee must refrain from any of such undesirable behavior.

This condition is deemed to be part of the employment contract for all staff. Any employee who violates this code will be subject to appropriate severe disciplinary action, without any exception, including termination of employment without any severance pay.

This policy also extends to cover employee's behavior towards business customers, contractors and/or suppliers.

Anti-Corruption

Perform duty with honesty, integrity and fairness, and avoid any acts that may be construed as otherwise. Employees:

1. must not use or permit others to use his/her job related authority, directly or indirectly, to seek personal benefits or benefits for others.
2. (including his/her family), must refrain from giving or accepting gifts, cash, services, or other benefits from any individuals doing, or seeking to do business with RCL, except on traditional events or occasions. However, this is permissible if the cost of such benefits is not substantial in value and the act itself is not construed as a bribe or kickback.

3. must abstain from being lavishly entertained by any individual doing or seeking to do business with RCL.
4. are prohibiting from disclosing or utilizing RCL's non-public information which could have an effect on RCL's share /stock price, with an intention of seeking profit or benefiting from the trading of or tipping others to trade in RCL shares/stock, directly or indirectly.

(Please refer to Insider Trading posted in the RCL's website)

Whistle Blower

Protection for Employees Who Inform on or Disclose of Wrongful Conduct or Non-Compliance

1. Complaints or Information

The corruption or any action that violates the laws, regulations or the Code of Conduct that affects the reputation, image, value, financial status of the Company or conflicts with the business operation policy and is related to high-ranking executives.

2. Channels of complaint or giving information

2.1 Send an e-mail to sumate@rcigroup.com

2.2 Complain verbally or in writing to President

3. Procedure for Investigating Facts

3.1 The person handling complaints will be the one to investigate the facts or may authorize a person or group of persons to investigate the facts.

3.2 If the investigation reveals that a violation did occur and affects the reputation, value and image of the organization, the person handling complaints shall submit the matter to the Executive Directors and present to the Audit Committee consecutively for consideration of courses of action according to company rules and regulations.

4. Protection of the Complainant or Informant

4.1 The protection will be provided immediately the complaint is submitted.

4.2 The Company will regard the related information as secret and will disclose only so much of it as necessary to ensure the safety of the complainant.

4.3 If the complainant believes that he/she will not be safe or incur harm, he/she may ask the Company to provide appropriate protection, or the Company provides such protection without the complainant's request if it is believed that danger or harm is likely to occur.

In addition, the company has published a policy to protect complainants. Those who provide information or whistle-blowers about corruption, illegal activities and the Whistle Blower Policy on the Company's website www.rcigroup.com.

Social Operating Result

Social Sustainability Management

Through the year 2021, the Company has continually organized social activities such as



On 22nd June 2021, Mr. Sumate Tanthuanit, Managing Director and Mrs. Suporn Amnuaypan, Head of Group Human Resources, Communications and Branding of Regional Container Lines Public Company Limited, graciously contributed Baht 2,000,000 to the Chaipattana Foundation, via Dr. Sumet Tantivejkul Member and Secretary-General of the Chaipattana Foundation, for the purpose of implementing royalty-initiated projects under the Foundation and as well as other related projects, which aim to benefit the people and the country of Thailand that to install the True Negative Pressure room at Napho Hospital, Buriram Province.

Donating Medical appliances for COVID-19 prevention

With the surge in COVID-19 outbreak, RCL has stepped up to fight against it alongside the white warriors to get all of us pass through this crisis. With this small effort on our part, we hope to alleviate the shortage of medical appliances as well as provide them for the general communities in some ways. RCL supported and provided the medical appliances for COVID-19 prevention to;



1. Bangkok Metropolitan Administration, Health Department (Public Health Service Center 41 Klongtoey), Bangkok, Thailand via Mrs. Anchalee Pornprasatpol, Social Worker, Senior Professional.



2. Charoenkrung Pracharak Hospital via Mrs. Kannika Thanapiroje, Chief of Medical Equipment Center.



3. Wat Saphan, Klongtoey District via Phrakhrupipithvarakijanukarn, Asst. Prof. Dr. Assistant Abbot of Wat Saphan



The Company has donated two High Flow Oxygen ventilators to alleviate the problem of equipment shortage and treat COVID-19 patients to Panyanantaphikku Chonlatham Medical Center. Srinakharinwirot University on August 17, 2022



Klang Hospital



Bungkan Hospital



Mongkutwattana Hospital



Songkhla Hospital



Saraburi Hospital



HRH Princess Maha Chakri Sirindhorn Medical Center,
Nakhon Nayok Province



Taksin Hospital



Prapokkiao Hospital, Chanthaburi Province

The subsidiary



RCL Agencies (India) Pvt. Ltd., a subsidiary of RCL, has joined with the Blind People's Association (BPA) to implement skill development come income-generating program for women with disabilities. RCL Agencies (India) Pvt. Ltd. Under CSR activities. BPA has decided to implement this project in 3 districts namely Rajkot, Surendranagar, and Morbi. The primary purpose to enable an empower women with disabilities who are from remote area and having poor financial background with the Support of RCL India Ltd. and BPA able to reach 60 such women with disability from 3 districts.

In 2020-2021, RCL Agencies (India) Pvt. Ltd. also made a donation to the Hrudaya Cure a Little Heart Foundation to help 11 children with heart disease.

Scholarships

The company, in partnership with the Asian Institute of Technology (AIT), is offering the MOA Objectives Scholarship to provide 3 fully funded master's degree scholarships for students of any nationality enrolled in the School of Engineering and Technology (SET), the School of the Environment. Resources and Development (SERD) and School of Management (SOM), one student per school. A total of three students received scholarships of Baht 848,000 per person starting from admission in January 2022 as follows:

Organizing activities and training for employees

Throughout the year 2021, the company has organized activities, awarding and training for employees. To promote morale and good relationship between the company and employees. and between employees, such as;

Engage & Embed Culture



Training



MANAGEMENT DISCUSSION & FINANCIAL ANALYSIS

The company operates on three core lines of business, namely Shipper-Owned-Container [SOC], Carrier-Owned Container [COC] and Value-added services. The geographical business scope is Asian-centric with business activities covering North East Asia, South East Asia, the Sub-continent, Middle East.

Results of Operations

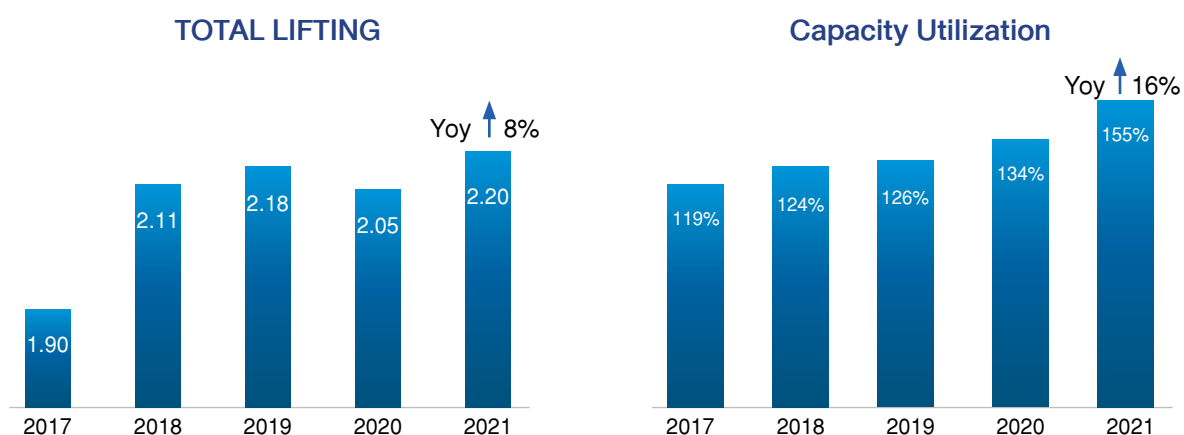
With the serious supply chain disruption caused by Covid-19, the supply capacity of container shipping market was exceptionally short in 2021 and the demand exceeded supply substantially. As the result, the capacity utilization registered a 16% YOY growth ratio in 2021.

The increase of oil price and charter fee in the 2nd half of 2021 added pressure on the running cost of shipping lines. The Group strongly focused on cost controlling, ad hoc services, service rationalization and cargo mix to be the main strategy for operating. These were the key factors contributing to the positive results of operations in this year.

In 2021, SOC liftings was 0.85 million TEUs, increased by 5% from year 2020. COC liftings was 1.35 million TEUs, increased by 9% from year 2020. The total liftings increased by 8% to 2.20 million TEUs, while overall utilization was 155% in 2021.

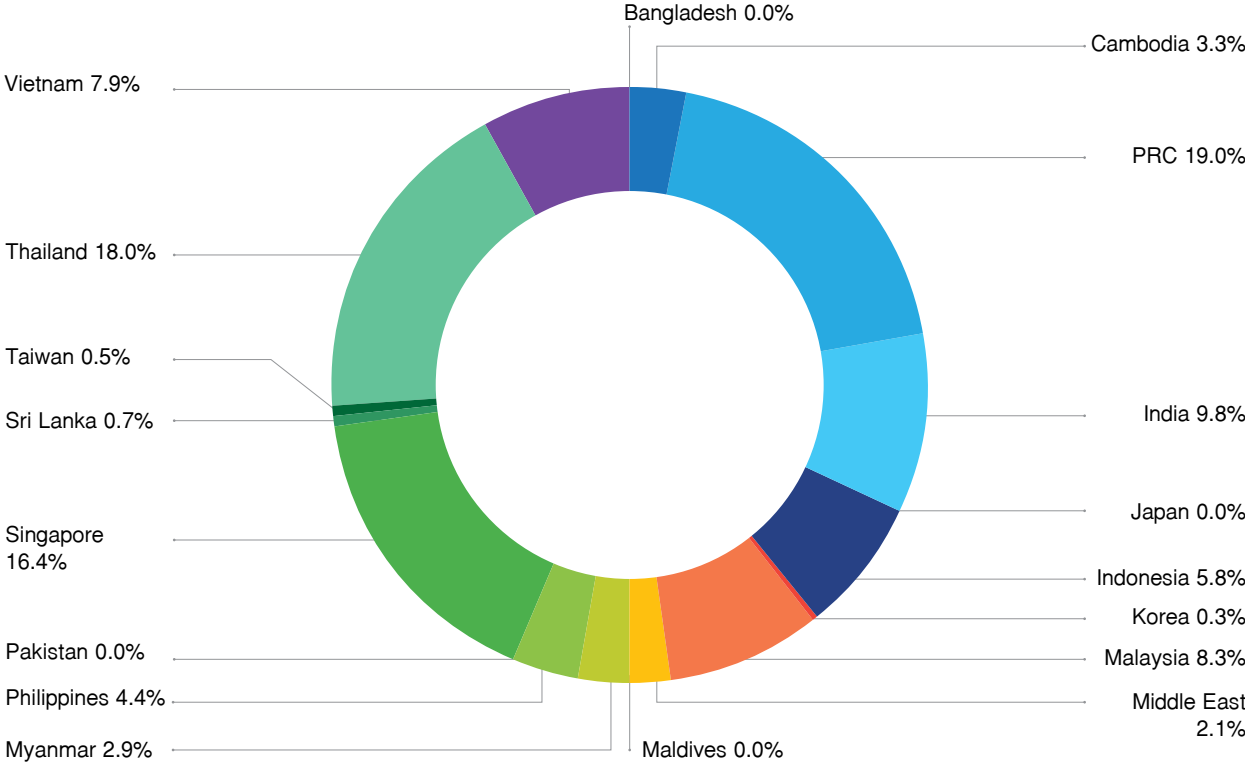
The consolidated revenues from freight income for the year was Baht 37,979 million increased from Baht 17,195 million in 2020, because of the increased in freight rate. Total revenues also increased by 123% to Baht 38,910 million in 2021 compared to Baht 17,463 million in 2020.

In 2021, the year-on-year average rate for the Thai Baht weakened against the USD, as our Group's revenues and majority of its costs were denominated in the US dollar. For 2021, the Group recorded an exchange gain of Baht 43.0 million as compared to the exchange gain of Baht 59.1 million in 2020.

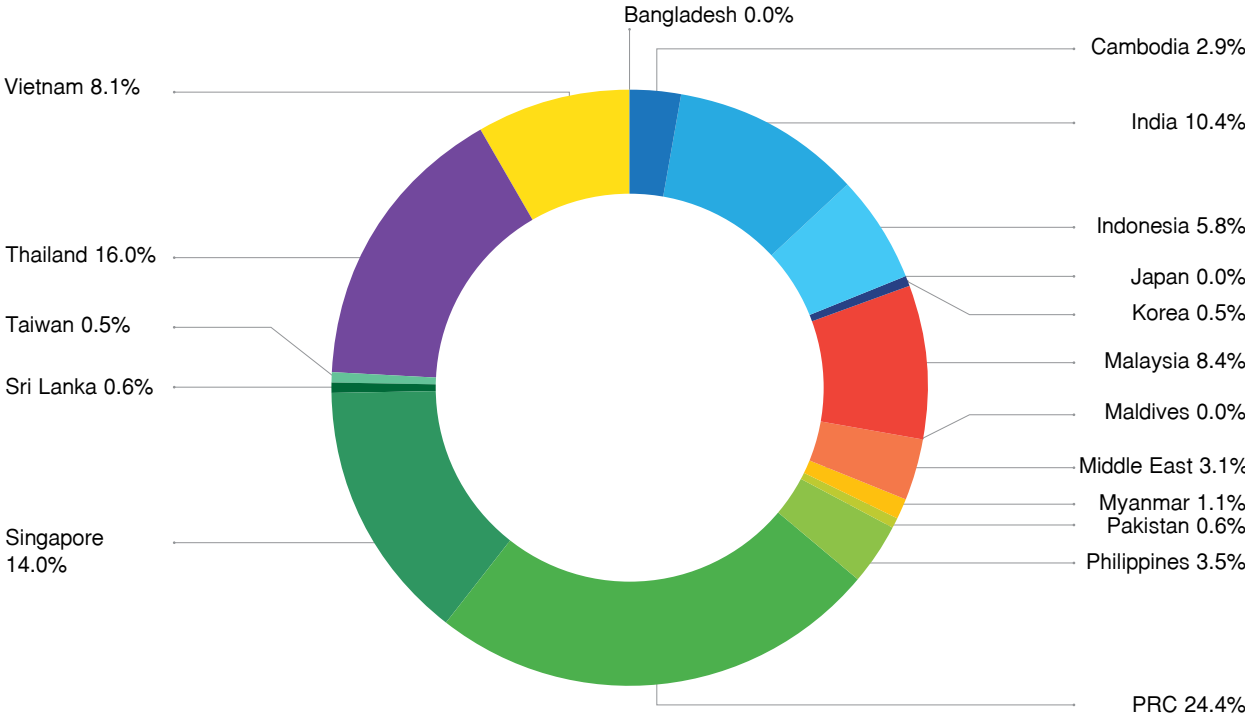


Trade Composition

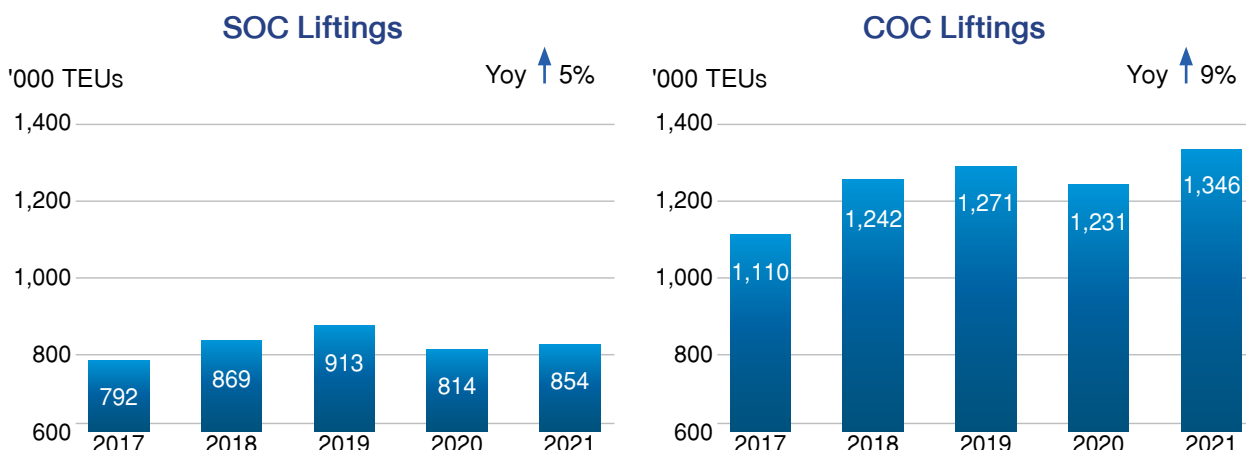
Total lifting (2020) 2,045,984 TEUs



Total Lifting (2021) 2,200,308 TEUs



Operational Overview



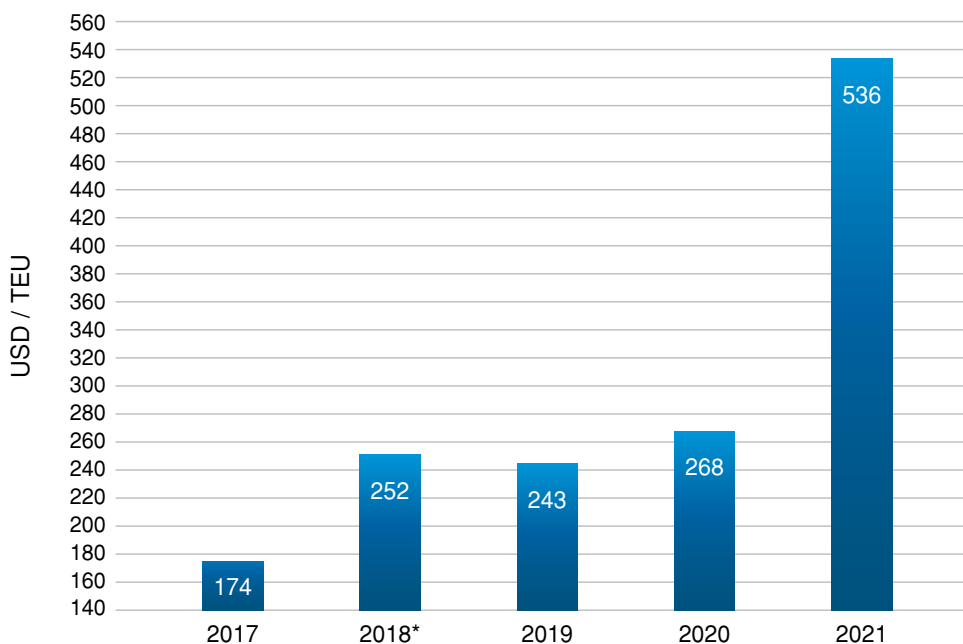
Freight Rates

In the shipping industry, freight rate fluctuations are highly influenced by business demand and capacity supply. In addition, freight rates in the different Intra-Asia corridors are also particularly dependent on the individual carrier's business objectives. Different carriers will view a trade corridor differently depending on their own business needs. Some carriers will see a certain port pair as a core segment. Others will see the same corridor as secondary trade while another group will use the corridor for container equipment repositioning. The different views will lead to the different ways carriers price their business in the trade.

In 2021, the overall capacity in Intra Asia, India and Mideast was cut by many carriers who switched the capacity to meet their business demand in Europe and USA trade. In addition to that, combined with serious port congestion made the effective capacity in the market reduced substantially and could not meet the demand in the market. The average freight rate per teu in 2021 was therefore increased over 100% of that in 2020.

RCL Freight Rate Movement

The average freight rate in 2021 was USD 536 per TEU when compared with USD 268 per TEU in 2020.



*2018 figure restated based on TFRS15

Profitability

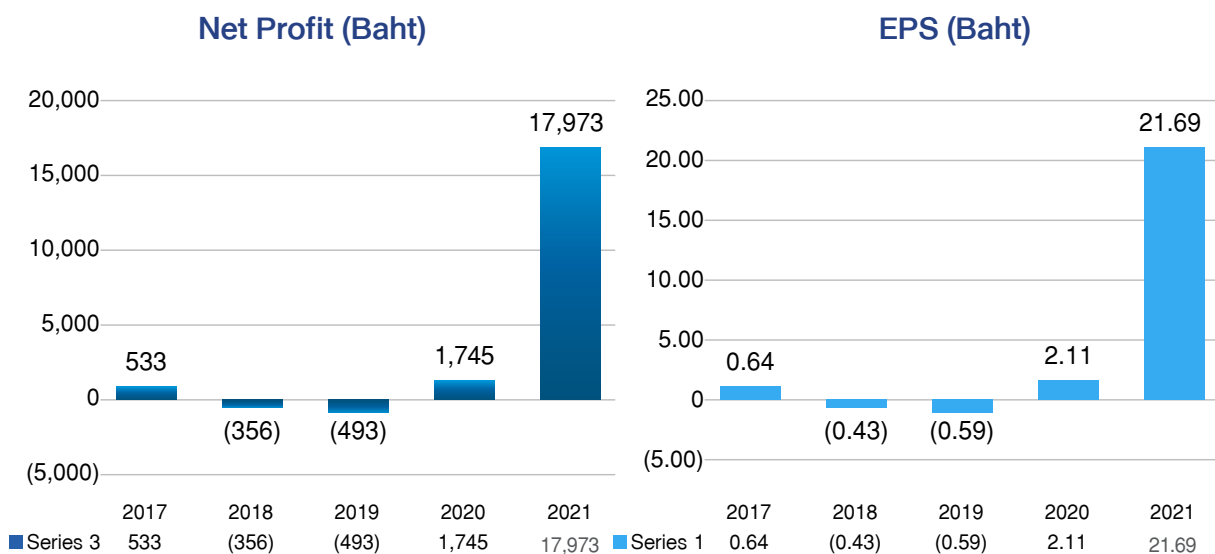
US\$ per TEU	Year 2017	Year 2018*	Year 2019	Year 2020	Year 2021
Average Freight income	174	252	243	268	536
Average Cost of freight and operations	158	245	235	224	271
Gross Margin	9%	3%	3%	15%	49%

*2018 figure restated based on TFRS15

In 2021 the freight has steadily increased from \$453/Teu in the first quarter to \$505/Teu in the third quarter and increased sharply to \$702/Teu in the fourth quarter.

US\$ per TEU	1Q21	2Q21	3Q21	4Q21	Year 2021
Average Freight income	453	467	505	702	536
Average Cost of freight and operations	245	256	282	296	271
Gross Margin	46%	45%	44%	58%	49%

With the emphasis on cost-conscious and cost optimization strategies, the Cost of freight and operations increased 34% from Baht 14.36 billion in 2020 to Baht 19.18 billion in 2021.



For the full year of 2021, the group recorded a net profit of Baht 17,973 million attributable to equity holders of the Company, compared to a net profit attributable to equity holders of the Company of Baht 1,745 million in 2020.

Profit per share for 2021 was Baht 21.687, compared to a profit per share of Baht 2.105 in 2020.

Financial Condition

Total assets increased by 115% to Baht 38.7 billion. Total shareholders' equity increased 186% to Baht 25.9 billion. Cash flow from operations was positive at Baht 19,766 million in comparison to the positive of Baht 3,591 million, the year before. As at 31 December 2021, the Group held cash and cash equivalent amounted to Baht 9.8 billion, an increase from Baht 2.6 billion in 2020.

The 2021 EBITDA was Baht 19,959.4 million, compared to EBITDA of Baht 3,477.5 million in 2020.

Computation of EBITDA	2021	2020
Profit / (loss) before taxation	17,995.2	1,753.9
Add: Impairment loss of assets / Provision for loss under onerous contracts	-	-
Less: Reversal of impairment loss of assets / provision for loss under onerous contracts	(835.3)	(89.7)
Less: Unrealised gain from change in fair value of derivatives	(9.2)	-
Add: loss from changes in fair value of derivatives	-	0.5
Add: Interest	197.4	270.3
EBIT	17,348.1	1,935.0
Add: Amortisation	0.7	-
Add: Depreciation	2,610.6	1,542.5
EBITDA	19,959.4	3,477.5

In the past year, the Group witnessed fluctuations of the Thai Baht against the US dollar. Nevertheless, the Group was not so overly affected as freight charges were priced in US dollars and paid in local currency equivalents. A natural foreign currency hedge was created by matching the currency of income flows (linked to the US dollar) to the currency of indebtedness. This mechanism was a key factor that enabled the Group to manage its foreign exchange exposure. Most of the loans extended to the Group were thus denominated in currencies similar to that of its income flows.

The Group's cash position stood at Baht 9.8 billion as at end 2021. The year-end trade accounts receivables increased from Baht 2.3 billion in the previous year to Baht 4.8 billion in 2021. Cash and trade account receivables accounted for Baht 14.5 billion, or 93.44% of the total current assets.

Total current assets increased from Baht 5.41 billion in 2020 to Baht 15.56 billion in 2021.

Non-current assets accounted for 59.80% of the total assets. The majority of non-current assets comprised vessels, container and equipment which amounted to Baht 15.2 billion as at end 2021.

Capital Structure

As at end 2021, total liabilities were Baht 12.8 billion versus Baht 8.9 billion in 2020. Shareholders' equity increased 185.58% from Baht 9.1 billion in 2020 to Baht 25.9 billion in 2021.

Total debt to shareholders' equity decreased from 0.98 to 1 in 2020 to 0.49 to 1 in 2021.

GENERAL INFORMATION AND OTHER MATERIAL FACTS

Name	Regional Container Lines Public Company Limited
Address	30 th Floor Panjathani Tower Building, 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok 10120, Thailand TEL: 66 2296 1096 FAX: 66 2296 1098
Website:	http://www.rcigroup.com
Type Of Business	Container Feeder Services and Regional Trade in Asia Region
Incorporated	June 25, 1980
Set Listing	December 9, 1988
Registered As A Public Company	January 11, 1993
Registration No.	0107536000021
Bankers	Bangkok Bank Plc., Citibank AG., Export-Import Bank of Thailand, Industrial and Commercial Bank of China (Thai) Public Company Limited Krung Thai Bank Plc., United Overseas Bank (Thai) Plc. The Siam Commercial Bank Public Company Limited
Auditors	A.M.T. & Associates 491/27 Silom Plaza, Silom Road, Bangruak Bangkok 10500
Registrars	
Ordinary Shares	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400 TEL: 66 2009 9999 FAX: 66 2009 9991
Registered Capital	828,750,000 shares par Baht 1.00 each, amounting Baht 828,750,000

REGIONAL OFFICES AND AGENTS

COUNTRY	CITY	COMPANY	TELEPHONE	FAX
BAHRAIN	Al Adiyah Capital Governorate	Alsharif Group W.L.L	(00973) 1751 5050	(00973) 1751 5051
BANGLADESH	Chattogram	Integrated Transportation Services Limited (ITSL)	(880) 31 713 147-8	(880) 31 710 847
CAMBODIA	Phnom Phen Sihanoukville	Arrow Shipping Agency Co., Ltd.	(855-23) 880 241/242 (855-34) 933 748	(855-23) 885 706/ 607 (855-34) 933 749
CHINA	Qingdao	Regional Container Lines Shipping Co., Ltd.	(86532) 8668 5577	-
	Tianjin	Regional Container Lines Shipping Co., Ltd.	(86-22) 2317 4001	-
	Fangcheng	China Ocean Shipping Agency Fangcheng	(86770) 282 2556	(86770) 610 2204
	Guangzhou	Regional Container Lines Shipping Co., Ltd.	(8620) 8363 3236	(8620) 8363 4004
	Shenzhen	Regional Container Lines Shipping Co., Ltd.	(86755) 2518 1150	-
	Xiamen	Regional Container Lines Shipping Co., Ltd.	(86592) 2628356	-
	Ningbo	Regional Container Lines Shipping Co., Ltd.	(86574) 2787 2801	(86574) 2786 2523
	Wenzhou	Wenzhou Zheyuan Shipping Agency Co., Ltd.	(86577) 8893 8605	(86577) 8893 8618
	Zhapu	Jiaxing Xinggang International Shipping Agency Co., Ltd.	(86573) 83998989	(86573) 83698669
	Shanghai	Regional Container Lines Shipping Co., Ltd.	(86-21) 6132 4500	(86-21) 6132 4505
	Dalian	China Marine Shipping Agency Liaoning Co., Ltd	(86-411) 8255 1167	-
HONG KONG	Hong Kong	Regional Container Lines (H.K.) Limited	(852) 2526 3318	(852) 2537 5463/ 5452
DJIBOUTI	Djibouti	Djibouti Shipping Services SARL	(253) 21354640	(253) 21354660
INDIA	Chennai	RCL Agencies East India Pvt. Ltd	(91 44) 4019 1600	-
	Bangalore	Chakiat Shipping Services Pvt. Ltd.	(91 80) 2558 2096	(91 80) 2558 9737
	Hyderabad	Chakiat Shipping Services Pvt. Ltd.	(91 40) 4904 5678	(91 40) 4904 5688
	Haldia	Chakiat Shipping Services Pvt. Ltd	(9133) 6615 2900	(9133) 2289 2172
	Paradip	Chakiat Shipping Services Pvt. Ltd.	(9106722) 221101	-
	Tuticorin	Chakiat Shipping Services Pvt. Ltd.	(91 461) 425 2680	(91 461) 425 2681
	Cochin	Chakiat Shipping Services Pvt. Ltd.	(91 484) 266 6166	(91 484) 266 8085
	Kolkata	Chakiat Shipping Services Pvt. Ltd.	(91 33) 6615 2900	(91 33) 2289 2172
	Vizag	Chakiat Shipping Services Pvt Ltd.	(91 891) 454 6444	(91 891) 454 6455
	Krishnapatnam	Chakiat Shipping Services Pvt. Ltd.	(91 861) 237 7043	-
	Mumbai	RCL Agencies (India) Pvt. Ltd.	(91 22) 4942 6000/6002	-
	New Delhi	Sea Trade Shipping (India) Pvt. Ltd.	(91 11) 46109000	-
	Ludhiana	Sea Trade Shipping (India) Pvt. Ltd.	(91 161) 505 5480/ 84480/84	-
	Ahmedhabad	Sea Trade Shipping (India) Pvt. Ltd.	(91 79) 66226622	-
	Jaipur	Sea Trade Shipping (India) Pvt. Ltd.	(91 141) 2221 061/71/81	-
	Baroda (Vadodara)	Sea Trade Shipping (India) Pvt. Ltd.	(91 265) 6626 116/6161	-
Hazira	Sea Trade Shipping (India) Pvt. Ltd.	(91 261) 234 0028/29	-	
Pipavav	Sea Trade Shipping (India) Pvt. Ltd.	(91 2794) 286 327	-	

COUNTRY	CITY	COMPANY	TELEPHONE	FAX
INDIA	Rajkot (Commercial Office for Pipavav)	Sea Trade Shipping (India) Pvt. Ltd.	(91 281) 257 6603/257 6604	-
	Mundra	Sea Trade Shipping (India) Pvt. Ltd.	(91 2838) 259 146/41/42	-
INDONESIA	Jakarta	PT Bhum Mulia Prima	(6221) 3516602	-
	Medan / Belawan	PT Bintika Bangunusa	(6261) 845 5883	-
	Surabaya	PT Bhum Mulia Prima	(6231) 535 2609	-
	Palembang	PT Bintika Bangunusa	(62-711) 716 380	-
IRAQ	Umm Qasr	Sharaf Shipping Company Iraq	(964) 780102 2323	-
KOREA	Seoul	Chun Jee Shipping Co., Ltd.	(822) 36710634	(822) 36710642
	Busan	Chun Jee Shipping Co., Ltd.	(8251) 468 2937	(8251) 468 6791
KUWAIT	Safat	Al Kazemi International General Trading & Contracting Group Co., WLL.	(965) 2573 3870	(965) 25733864
MALAYSIA	Johore Bahru / Pasir Gudang	RCL Agencies (M) Sdn. Bhd.	(607) 352 2388	(607) 352 1288
	Penang	RCL Agencies (M) Sdn. Bhd.	(604) 370 2666	(604) 370 7268
	Port Klang	RCL Agencies (M) Sdn. Bhd.	(603) 3342 2722	(603) 3342 2844
MALDIVES	Male	One World Logistics Maldives Pvt. Ltd.	(960) 330 0616	(960) 301 1999
MYANMAR	Yangon	RCL (Myanmar) Co., Ltd.	(95) 1202 067/065/103	-
OMAN	Sohar	Global Corp Logistics LLC	(968) 2470 2744	(968) 2470 1748
	Muscat	Global Corp Logistics LLC	(968) 2470 2744	(968) 2470 1748
PAKISTAN	Karachi	United Marine Agencies Pvt. Ltd.	(9221) 111111862	(9221) 3514 7951
PHILIPPINES	Cebu	Eagle Express Lines, Inc.	(6332) 420 2365	(6332) 420 2366
	Davao	Eagle Express Lines, Inc.	(6382) 321 7139	(6382) 321 7138
	General Santos	Eagle Express Lines, Inc.	(6383) 552 1779	-
	Manila	RCL Feeders Phils., Inc.	(632) 815 3187	(632) 815 2102
QATAR	Doha	GWC Shipping Services	(974) 40119602	-
SAUDI ARABIA	Dammam	Gulf Shipping Co., Ltd.	(966) 13 8352777	(966) 13 8355365/ 835 5468
	Jeddah	Pride Shipping Company Ltd.	(966) 12 6576657	(966) 12 6528258
SINGAPORE	Singapore	RCL Feeder Pte. Ltd.	(65) 6220 0388	(65) 6221 9760
SOMALILAND	Somaliland	Pioneer Shipping Agency	(252) 636696664	-
SRI LANKA	Colombo	Delmege Forsyth & Co (Shipping) Ltd.	(9411) 772 9563/ 564/558/559	(9411) 772 9556
SUDAN	Sudan	Sharaf Shipping Company Limited	(249) 311828678	(249) 311828557
TAIWAN	Taipei	Grand Maritime Transport Ltd.	(8862) 2547 1786	(8862) 2547 3063
	Keelung	Grand Maritime Transport Ltd.	(8862) 2547 1786	(8862) 2547 3063
	Taichung	Grand Maritime Transport Ltd.	(8864) 2327 0593	(8864)2327 0573

COUNTRY	CITY	COMPANY	TELEPHONE	FAX
THAILAND	Bangkok (Head Office)	Regional Container Lines Public Co., Ltd.	(662) 296 1096	(662) 296 1098
	Bangkok (Agent)	Ngow Hock Co., Ltd.	(662) 295 3737	(662) 296 1001
	Laem Chabang	Ngow Hock Agency Co., Ltd.	(6638) 330 727 - 9	(6638) 330 730
	Songkhla	Songkhla Shipping Agency Co., Ltd.	(6674) 245 574	(6674) 232 345
UNITED ARAB EMIRATES	Dubai	Peninsula Shipping Company LLC.	(9714) 312 2900	(9714) 355 6806
VIETNAM	Ho Chi Minh	RCL (Vietnam) Co., Ltd.	(8428) 3818 1522	(8428) 3818 1523
	Haiphong	VNT Logistics Haiphong	(84225) 362 9139	(84225) 3769167
YEMEN	Yemen	Sharaf Shipping Agencies Co., Ltd.	(967) 774365688	-

Legal Dispute

-None-

PART 2 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

The Company recognizes the importance and responsibilities towards all its shareholders and stakeholders. Thus, the Corporate Governance policy, thus, has been set up since the year 2005 of which details shown as Attachment 5.

In addition, the Board of Directors places great emphasis on the importance to comply with the corporate governance principles in order to increase the confidence of shareholders, investors and all parties involved. Thus, Corporate Governance Policy, Business Ethics, Employee Code of Conduct were reviewed and disclosed on the Company's website to publicize and communicate with outsiders and RCL group's employees for acknowledgment including encouraging them to participate in the implementation of such policies.

In order to promote and support RCL's corporate governance, the Nomination & Remuneration Committee was in 2018, tasked with additional roles to cover the scopes of Corporate Governance. With this move, the committee adopted a new name which is the "Nomination & Remuneration and Corporate Governance Committee". These additional roles are as follows:

- Establish clear leadership role and responsibilities of the Board
- Define objectives that promote sustainable value creation
- Strengthen board effectiveness
- Ensure effective CEO and people management
- Nurture innovation and responsible business
- Strengthen effective risk management and internal control
- Ensure disclosure and financial integrity
- Ensure engagement and communication with shareholders

The Company can comply with the principles of corporate governance code by SEC as mentioned above in every principle.

Policies and guideline related to the Board of Directors and the executives

Selection of Director and the top executive

Independent Director

In addition to the requisite qualifications of directorships, the Board of Directors has defined "Independent Director" in compliance with the standard set by the Securities and Exchange Commission, as a Director who:

1. holds shares not exceeding one percent of the total number of voting rights of the Company, its subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;

2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of appointment;
3. not being a person related by blood or registration under laws, such as parents, spouse, siblings, son and daughter, including son's and daughter's spouse of the executive, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
4. not having a business relationship with the company, its subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of appointment.

Nomination of Directors and Top Executives

The Nomination & Remuneration and Corporate Governance Committee has considered this matter precisely according to the committee charter. The committee is responsible for nomination, remuneration and corporate governance, that consider and propose the criteria and method for the nomination of the Company's directors, Board's sub-committees and senior management; recruit, select and nominate the qualified persons to be appointed as the Company's directors, sub-committees and senior management to the Board of Directors for consideration or to replace the retiring directors.

Determination of remuneration for directors and executives

The Nomination & Remuneration and Corporate Governance Committee has considered this matter precisely according to the committee charter. The committee is responsible for consideration and to propose the criteria and method, review the policy and structure for the remuneration of the Company's directors, Board's sub-committees and senior management, and to propose to the Board of Directors for consideration. To review the performance and remuneration of Company's Manager and undertaking Board self-assessment to improve the performance effectiveness.

Board and Management Development

All new board members must participate actively in orientation programs with an aim for them to acquire knowledge and understand the business operations in order to work efficiently.

Board's Self-Assessment

The Nomination & Remuneration and Corporate Governance Committee establishes the annual assessment of Board performance. The self-assessment, aimed to review and improve the performance of the board as a team and of directors as a collective body, has been undertaken by adopting SET's self-assessment form. The result from self-assessment exercise will be reviewed by Nomination & Remuneration and Corporate Governance Committee and improvements will be recommended for Board's discussion.

President Performance Evaluation

The Board of Directors response to evaluate the president, this performance evaluation is to compare his achievements with the Company's goals. The key factors of considering are as follows:

Supervision of operations of subsidiaries and associated companies

The Company has established a subsidiary to clearly separate the nature of business operations. Executive directors of the company to hold directorships in subsidiaries as detailed below:

1. RCL Investment Pte. Ltd.	To operate a holding company
2. RCL Feeder Pte. Ltd.	To operate holding company, cargo consolidation and operating
3. Regional Container Lines Pte. Ltd.	To operate ship owning and operating
4. RCL Shipmanagement Pte. Ltd.	To operate ship management
5. Regional Container Lines (H.K.) Ltd.	To operate holding company, shipping agent and the provision of transportation and cargo handling services
6. Regional Container Lines Shipping Co., Ltd.	To operate shipping agent and broker
7. RCL Logistics Co., Ltd.	To operate Logistics services
8. RCL Agencies (M) Sdn Bhd	To operate shipping agent
9. RCL Feeder Phils., Inc.	To operate shipping agent
10. RCL Agencies (India) Private Limited	To operate shipping agent
11. RCLS Co., Ltd.	To operate international business center for the group
12. RCL (Vietnam) Co., Ltd.	To operate shipping agent
13. Pu Chao Container Terminal Co., Ltd.	To manage the container terminal
14. TIPS Co., Ltd.	Terminal operating
15. Jurong Districentre Pte. Ltd.	Warehouse Facilities for Rental, Data Storage and Container Storage & Handling
16. Regional Logistics Co., Ltd.	To operate Logistics Services
17. RCL (Myanmar) Company Limited	To operate shipping agent
18. RCL Agencies East India Private Limited	To operate shipping agent
19. Santi Bhum Co., Ltd.	To operate Ship owning and operating
20. Thitti Bhum Co., Ltd.	To operate Ship owning and operating
21. Shanghai CIMC Grand International Logistics Co., Ltd.	To operate Logistics Services
22. Regional Logistics Private Limited	To operate Logistics Services

Therefore, the business operation guidelines of all subsidiaries will operate under supervision in accordance with the policies and controls from the company through the Executive Committee. The policies, goals and strategies of all subsidiaries' operations will direct from the Board of Directors. All employees of the subsidiary will be treated in the same way as the company, including benefits, compensation, regulations and core value.

Policy and guidelines related to the shareholder and stakeholders

Equitable Treatment of Shareholders

The Company treats all shareholders without bias, regardless of their engagement or non-engagement in the management, as well as nationality. It also acts with prudence in emphasizing unbiased entitlements and equitable treatment for all shareholders.

The Company also prescribes written guidelines for storage and protection of internal information. Such guidelines are distributed to all employees in the organization for compliance. In accordance with the applicable laws and the Stock Exchange of Thailand's regulations, the Company's Board members and Group management team are required to submit and file their securities holding report.

The Board of Directors and the management give emphasis to a prudent and unbiased review of related transactions and conflict of interests.

The Company complies with the Exchange and Securities Act B.E 2551 and the regulations issued by the Office of the Securities and Exchange Commission in relation to connected transactions. The transaction if any, is approved with transparency, in the best interests of the Company and at arm's length. The type and value of the transactions requiring approvals from the Board of Directors will have to be reviewed and recommended by the Audit Committee prior to Board's decision, whereby the interested person will be excluded from the decision-making. The Company has disclosed all connected transactions in the Company's Form 56-1 One Report in topic "Related Transactions" and in the Notes to Financial Statements.

To promote Rights of Shareholders

The Company protects its shareholders' statutory rights and provides sufficient information on its business operations, whilst promoting good communication with its shareholders.

The Company realizes its responsibility to emphasize unbiased entitlement and fair treatment to all shareholders; owes a duty to protect shareholders' equitable benefits and rights, honor dissemination of information, as well as ensure accessibility of management accountability through shareholder's meeting arrangements, whereby the Company has fully accommodated its shareholders in each annual meeting.

Usually, within four months after the Company's financial year-end, the Company organizes an Annual General Shareholder's Meeting. The meeting process is arranged in accordance with applicable laws, from scheduling of the meeting date, fixing the record date, announcing the meeting agenda, delivery of meeting materials, up to advertising the notification in the Thai daily newspapers for 3 consecutive days at least 14 days prior to the Annual General Shareholder's Meeting.

Annual Shareholder's Meeting Procedures

- **Prior to the Meeting**

The Company invites the shareholders to propose agenda of the Annual General Shareholder's Meeting and director-nominee in advance. The Company posts the criteria and procedures on its website well in advance before the meeting date. In 2021, there was no shareholder proposing agenda for the Annual General Meeting of Shareholders or to nominate a person to be considered for a director.

The Company delivers the meeting notification to the shareholders, the Stock Exchange of Thailand, and the Ministry of Commerce in advance of the meeting date in accordance with regulatory requirements (at least 7 days prior to the meeting).

Details such as date, time, venue, meeting location map, meeting agenda, the Company's annual report in QR Code, practical guidelines for attending the AGM amidst the COVID-19 epidemic situation, proxy forms (forms A, B and C), explanations on appointing proxy and lists of documents required for meeting attendance are also attached thereto. If shareholders are not able to attend the meeting personally, they can appoint others or any of the Company's designated three (3) independent directors to be their proxy. Each item of the agenda is supported with Board's opinions and sufficient disclosure of facts and reasons, so that shareholders can make decisions based on equitable receipt of adequate information. Names and credential details of proposed candidates for directorship position(s), to be appointed in replacement of the retiring directors or those nominated to resume directorship position for another term, are distributed together with the meeting notification.

In addition, for quick and easy access to the information, the Company posts the meeting notification and all supporting details for the Annual General Shareholder's Meeting in both Thai and English on its website (<http://www.rcigroup.com>) at least 30 days before the meeting date.

Due to the epidemic situation of COVID-19 in the year 2021, the company provided QR Code for the "Thaichana" application for everyone in the meeting to scan. Everyone must wear a mask. Alcohol gel service at the various risk points in the meeting venue. The shareholder must attach stickers. Operating staff wore gloves. Spacing between seats for meeting attendees and provide audio and video systems for shareholders to see and express their opinions throughout the meeting area.

- **During the Meeting**

The Company provides a team of staff, equipment and other conveniences to facilitate document verification, duty stamp for proxy forms to facilitate the shareholders, and uses the e-voting program to enhance registration process including the counting votes that can be inspected. Shareholders can register to attend the meeting at the meeting venue two (2) hours ahead of the meeting's scheduled time.

All members of the Company, Board of Directors who lived in Thailand, Chief Executive Financial Officer and the Company's auditors are to participate in the meeting. The meeting is conducted and proceeded in accordance with the outlined agenda, without insertion of non-agenda item.

Without prejudicing the rights of any shareholder, regardless of majority or minority, shareholders are entitled to vote equitably and are free to express their views and suggestions. Sufficient time is allotted to the shareholders to ask questions about any issues relating to the Company's operations as well as items in the Company's financial statements.

Voting ballots are distributed to the shareholders for vote casting, in particular "not approving" or "abstaining". Vote counting by "approving", "not approving", "abstaining" and "void ballots" categories for each agenda are announced and shown on the screen and minutes.

Process relating to the re-election of the retiring Director/s for another term in office allows shareholders to cast vote on the individual's directorship re-appointment.

• Procedures following the Meetings

The Company prepares and submits the resolutions, the minutes of the meeting to the Stock Exchange of Thailand within the required time frame and posts both Thai and English on its website for all shareholders to be equally informed. The Company files the minutes of meetings properly for investigation / reference.

Policy and guidelines related to the stakeholders

The Company's stakeholders include shareholders, customers, creditors, counterparts, competitors, business environment, staff and communities and environment. The Board of Directors thus, act in accordance with the Corporate Governance policy, RCL Ethics, Code of Conduct and applicable laws and regulations to ensure that the rights of concerned parties are recognized and well-protected. Details are shown in topic "Nurture Innovation and Responsible Business".

Business Code of conduct.

The company disclosed as Attachment 5.

Material changes and development in the preceding year

Review on vision, mission

In 2021, the company has reviewed and set vision and mission that is in line with corporate governance for sustainability and publicized to everyone in the organization to be aware, develop and to practice respectively.

Compliance with good corporate governance principles in other matters

In the past year, the Company has complied with the corporate governance code for listed companies 2017 by the Office of the Securities and Exchange Commission (SEC) as follows:

1. Establish clear leadership role and responsibilities of the Board
2. Define objectives that promote sustainable value creation
3. Strengthen board effectiveness
4. Ensure effective CEO and people management
5. Nurture innovation and responsible business
6. Strengthen effective risk management and internal control
7. Ensure disclosure and financial integrity
8. Ensure engagement and communication with shareholders

1. Establish clear leadership role and responsibilities of the Board

The Company has complied with the principle as following:

Roles and Responsibilities of the Board of Directors

The Board of Directors prescribes, considers and approves, on a case by case basis, the corporate visions, missions, objectives and policies of the Company. It monitors management's execution of the annual business plan and budget submitted to the Board. The Board has established the policy on corporate governance, appointment of sub-committees, to ensure that the roles and duties of the Board of Directors and sub-committees are disclosed appropriately, number of meetings and number of times each director attended the meeting, and report on the performance of every sub-committee.

Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interest of the Company and its shareholders. The Board is independent in performing its fiduciary duties and establishes the requisite qualifications required of the Company's directors as follows:

- Not having prohibited characteristics as prescribed in Section 68 of the Public Limited Company Act;
- May or may not be a shareholder of the Company (in accordance with the Company's Article of Association Clause 20);
- Obtain bachelor's degree and above; or lower level but having not less than 10-year practical experience in maritime business or international transport management;
- Being a professional with recognized skills, knowledge, expertise and vast experience in transportation industry, international trade, finance and accounting, law or other areas beneficial to organizational management; and being successful as executive in a large organization
- Possess strong leadership, broad vision; independent in decision-making, and highly determined to drive the Company to success
- Being ethical and having transparent professional records
- Being able to work devotedly towards maximizing the Company's interest.

These qualifications are essential for the Board to effectively perform its fiduciary duties in overseeing the Group Management Committee and ensure that the Group Management Committee operates the business with far-sighted managerial vision and adhere to virtuous corporate missions. The Board also ensures that the management team exercises prudence in daily operations and is accountable for its decisions, so as to maximize corporate and shareholder's benefits.

Segregation of duties and responsibility amongst the Board and the Management is clearly defined.

The Board of Directors is accountable for accurately and clearly reporting the Company's operational performance at the Annual Shareholder's Meeting as well as monitoring risk management through proper internal control systems conducted with transparency and adequate disclosure of information.

In addition to the requisite qualifications of directorships, the Board of Directors has defined "Independent Director" in compliance with the standard set by the Securities and Exchange Commission

2. Define objectives that promote sustainable value creation

The Company has complied with the principle as following:

The Company has set the vision, mission, and goals of the organization as shown in the “Nature of Business Operation” and published on the Company’s website at <http://www.rclgroup.com> for acknowledgement of employees and general outsiders.

In addition, the Board of Directors is of the opinion the Company has taken appropriate measurements, including monitoring its performance in accordance with the Company’s business ethics and code of conducts, as well as disclosures in related transactions with major shareholders, directors, management and connected person. Besides having processes on succession planning for key personnel, more emphasis was placed on risk management, cost control and green environment. Awareness of environmental and socio-economic issues has come to the force amid the pandemic and transformation to holistically integrate ESG (Environmental, Social and Governance) principles into business strategy to support sustainability were emphasized. In addition, the misconduct and anti-corruption policies were communicated to all levels of management and employees for their acknowledgment, involvements and compliances.

3. Strengthen board effectiveness

The Company has complied with the principle as following:

Board Structure

Selection of persons to be nominated for directorship is the responsibility of the Nomination & Remuneration and Corporate Governance Committee by considering expertise and experience in various fields that is helpful to the Company’s business operations.

The committee structure consists of 3 committees:

1. Board of Directors
2. Audit Committee
3. Nomination Committee Remuneration and good governance

As at 31st December 2021, the Board of Directors comprised:

- Five executive directors,
- One non-executive directors, and
- Three independent and on-executive directors

Totaling nine (9) members.

Election of director

The meeting of shareholders shall elect the directors according to the following manners:

- A each shareholder shall have one vote per one share.
- B each shareholder must use the existing votes as stipulated in case (1) to elect a person or several persons to be the directors, but it is prohibited to divide the votes to any specific person.
- C the person who has received the maximum votes will be appointed the directors according to the number of directors available for such time. In case of equal votes, the chairman shall have a casting vote.

At every annual general meeting of shareholders one-third of directors must retire from office. If the number of directors is not a multiple three, then the number nearest to one-third must retire from office. The retiring director is eligible for re-election.

In addition, the shareholders' meeting may pass a resolution to remove any director from office prior to the expiration of his/her term by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and holding shares in aggregate not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote

Chairman and Managing Director

The Chairman of the Board of Directors and the Managing Director (President of the Company) have separate roles and are not the same person.

Duties and responsibilities of the Chairman of the Board of Directors are:

- a. To conduct and ensure the pre-scheduled regular meetings pertaining to directing and supervising the business management of the Company are carried out accordingly.
- b. To ensure that the Board members perform their duties in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- c. To achieve the Board's goals in building long-term value for the shareholders of the Company and to assure the viability of the Company for its stakeholders.

The President is appointed by the Board to manage the Company and its subsidiaries (RCL Group). There is a clear written scope of duty and authority for each management level. Segregation of roles and responsibilities and approving authority in respect of acquisition and disposal of assets, service acquisition, investment, joint-venture, vessel chartering, purchase/lease-purchase of container boxes and vessel operating costs are defined for check and balance purpose.

Board and Management Development

All new board members must participate actively in orientation programs with an aim for them to acquire knowledge and understand the business operations in order to work efficiently. Having said the above, the Company's Board of Directors also obtain training relating to their duties and good corporate governance, namely Director Accreditation Program, Director Certification Program, Chairman, Audit Committee Program, Chartered Directors Class organized by the Thai Institute of Directors Association (IOD), to name a few. Training courses for director are shown in Attachment 1.

Board's Self-Assessment

The Nomination & Remuneration and Corporate Governance Committee establishes the annual assessment of Board performance. The self-assessment, aimed to review and improve the performance of the board as a team and of directors as a collective body, has been undertaken by adopting SET's self-assessment form. The result from self-assessment exercise will be reviewed by Nomination & Remuneration and Corporate Governance Committee and improvements will be recommended for Board's discussion.

The assessment consists of 6 areas:

1. Structure and characteristics of the board
2. Roles and responsibilities of the board
3. Board meetings
4. The board's performance of duties
5. Relationship with management
6. Self-development of directors and executive development

President Performance Evaluation

The Board of Directors response to evaluate the president, this performance evaluation is to compare his achievements with the Company's goals. The key factors of considering are as follows:

1. Leadership
2. Strategic planning
3. Financial results
4. Management of operation,
5. Management development and succession planning
6. Human resources
7. Communications
8. Board relations

4. Ensure effective CEO and people management

The Company has complied with the principle as following:

Training and Development

In optimizing the manpower needs, employees' skills were upgraded in order to be rotated, to gain well- rounded knowledge in other roles within the organization. The focus on developing a more adaptable and multi- skilled work force, equips the company with the ability to schedule and arrange staff to best suit the business's needs as well as to remain dynamics and competitive alongside with the corporate's directions.

The key areas of focus were performance management, succession plan, rotation plan, talent and leadership development, which involved initiatives on talent acquisition, overseas assignment posting to garner experience, cross function training, RCL value chain on-the-job training for as long as 6 months, including leadership-skills development for career progression.

Whilst we introduced our on-line Performance Management System (ePMS) across the regions to monitor goals and performances, RCL was also mindful of our staff's general opinions of their working environment in RCL. Riding on this concern, to continue employee development, we developed more training programs in Leadership, Managerial training and Technical training, data analytics, etc.

5. Nurture innovation and responsible business

The Company has complied with the principle as following:

Equal rights of various groups of stakeholders are fully recognized by the Board of Directors. Efforts have been made to instill confidence among all parties involved, and good cooperation has been mutually promoted between the Company and all its stakeholders for ultimate and mutual achievement of sustainable wealth and business growth.

The Company's stakeholders include shareholders, customers, creditors, counterparts, competitors, business environment, staff and communities and environment. The Board of Directors thus, act in accordance with the Corporate Governance policy, RCL Ethics, Code of Conduct and applicable laws and regulations to ensure that the rights of concerned parties are recognized and well-protected as detailed below:

1. **Shareholders** : The Company manages its business activities with the ultimate goal of maximizing shareholders' economic satisfaction, driving for a long-term growth in the Company's value and creating a continual flow of good earnings.

2. **Customers** : Customers are supplied with needed information on the Company's services and commercial activities via various communication channels, such as:

- The Company's website (<http://www.rclgroup.com>), where they are able to access information on the ports of service, vessel fleet, sailing schedules, container specifications, oversized cargo, dangerous goods, e-services, etc., select destination port, check departure/arrival schedules of the vessels and container box position during the shipment.
- Contact agents at their respective locations for above information, as well as freight rates and other details.
- The Company assigns local agents, either its own subsidiary or appointed agent, at every port of service to attend to its customers, efficiently and quickly in order to accommodate their needs in selecting their desired services.

3. **Creditors** : The Company strictly complies with all existing loan covenants and regularly reports its operational and financial results to the creditors.

4. **Business Environment** : The Company applies free and fair trade policies. Within the legal framework prevailing in the trade areas, the Company believes in lawful cooperation with counter-partners for the benefit of both the Company and its customers.

5. **Staff** : The Company promotes a conducive working environment by establishing 5 core values (ATRCL) to guide the staff of all levels in the RCL Group:

1. Accountability
2. Teamwork
3. Result Orientation
4. Customer Focus (external and internal)
5. Leadership with Integrity

The company realized that only leadership in staff is not enough. It should be together with moral and good governance. Therefore, the company recognizes and cultivated employees with leadership in good governance as

our core value no.5 “Leadership with Integrity”.

In addition, the company has also established Vision, Mission, Corporate Goals as shown in “Nature of Business Operation” and posted them on the Company’s website (<http://www.rclgroup.com>) for acknowledgement of all employees and the third party.

To elevate the performance platform to effectively achieve the corporate goals and with consistent observance of the business ethics prescribed as

6. **Community and environment** : The company set it as one of employee code of conduct in the aspect of the environment and society, opportunities offer and community development.

6. Strengthen effective risk management and internal control

The Company has complied with the principle as following:

Audit Committee Reviewed the adequacy of internal control system with internal audit team, support the internal audit team to audit overseas subsidiaries, follow up with the recommended actions and performing post audit reviews via the system and remote approach during this ongoing travelling restricted year. The Audit Committee emphasized to the Internal Audit Office, the reliability of their audit findings as well as the acceptance by the parties being audited. The Audit Committee recognizes the importance of tracking internal control systems, the integrated control within the IT system, which constantly affect the accuracy of information and reliability of Financial Reporting and passed on such findings to the Management for further action.

As the internal control and risk management are critically important, the Board of Directors and its senior management regard such good corporate governance as vital to the safe and sound functioning of the Group.

Details related to risk management is as shown in topic “Risk Management” and details related to internal control and related transaction are as shown in topic “Internal Control and related party transaction”.

Conflict of interests, Insider Trading Policy and Reporting of the interests of directors and executives

The Company safeguard against misuse of the Company’s unofficially disclosed insider’s information for personal benefit prior to public disclosure. Such information could have an effect on the Company’s share price traded in the Stock Exchange of Thailand.

The Company sets **insider’s trading policy** prohibiting the directors and executives of the Company, its subsidiaries and affiliates to wrongfully disclose such insider’s information or make use of such information for personal benefits. Directors and executives are required to report the movement of their trading/holding of the Company’s shares. Directors and executives who have access to material insider’s information must restrain from share trading activities during a one-month period prior to the official public release of the Company’s financial statements.

Movement of directors holding of the Company's shares as at December 31st, 2021

Name of Directors	Shareholding As at 1 st January 2021	Shareholding As at 31 st December 2021	Change during the year Increase (Decrease)
1. Dr. Jamlong Atikul	-	-	-
2. Mr. Sumate Tanthuanit	60,955,950	59,735,950	(1,220,000)
3. Mr. Kua Hock Eng	-	-	-
4. Mr. Sutep Tranantasin	-	-	-
5. Mr. Amornsuk Noparumpa	3,003,900	2,003,900	(1,000,000)
6. Mr. Viset Choopiban	-	-	-
7. Mrs. Arpavadee Meekun-lam	100,000	-	(100,000)
8. Mr. Charlie Chu	-	-	-
9. Mr. Twinchok Tanthuanit	2,709,500	3,612,875	903,375

The Company follows such policy and guidelines on insider's trading and instructs all staff in the RCL Group to observe the policy and guidelines. Any staff in possession of insider's information before official public release is prohibited to misuse the information for security trading benefits, whether directly or indirectly. The insider's trading policy is posted on the Company's website (<http://www.rclgroup.com>).

Anti-Corruption, Whistle Blower and channels for complaining

The Company has established Anti-Corruption policies in 2015 as one of the items in its Code of Conduct, to be the direction of the business operation in accordance with the good corporate governance emphasizing the responsibilities in all aspects of the operations. Directors, management team and all staffs are prohibited from engaging in or accepting any type of corruption, both direct or indirect manner and must strictly comply with the policy and not to ignore nor neglect any corruption activities which may involve the Company directly or otherwise.

In the case of clues and channels for complaining or information about wrongdoing, the Company has clearly defined the principles and guidelines in the Code of Conduct. The Company has provided channels for complaining as following;

1. E-mail: company.secretary@rclgroup.com
2. By words or in writin

As the company considered and revised Whistle Blower Policy by set managing director to be person handling complaints.

Details about the Anti-Corruption Policy and the Whistleblowing Policy are disclosed in the Code of Conduct.

7. Ensure disclosure and financial integrity

The Company has complied with the principle as following:

The Company discloses information related to its financial and operations, in a full, fair, accurate and timely manner and in accordance to the corporate governance practices.

The Board of Directors is responsible for all financial information presented in Form 56-1 One Report of the Regional Container Lines Public Company Limited and its subsidiaries. Responsibility statement made by the Board on the financial information and report of the Audit Committee are presented alongside the report of Independent

Auditor in the Company's Form 56-1 One Report.

8. Ensure engagement and communication with shareholders

The Company has complied with the principle as following:

The Board recognizes the importance of full, fair and transparent disclosure of the Company's financial information and other general information, as well as material information that may have an impact on the Company's share prices. In addition to news release via the Stock Exchange of Thailand, the Company also discloses the information in its website ([http:// www.rclgroup.com](http://www.rclgroup.com)). Ms. Suporn Amnuaypan (Bangkok office-telephone number (66) 2296 1076) and Ms. Michelle Ng (Singapore office)-telephone number (65) 6229 2087 attend to the queries and provide explanation/additional information to shareholders, investors, analysts, and creditors; and/or arrange company visits for financial and operational overview for the benefit of complete, accurate and equitable disclosure.

The Company invites the analysts to attend quarterly and year-end presentations, which cover business overview, current situation and industrial outlook, and answers all queries related to business operations.

In the year 2021, the company organized activities of investor relations, in addition to answering questions by email or phone, as follows:

Activities	Total
1. Company Visit	2
2. The analysts meet the management	6
3. Opportunity Day	3
4. Publicize news on the Company's website in Investor Relations webpage.	31 topics

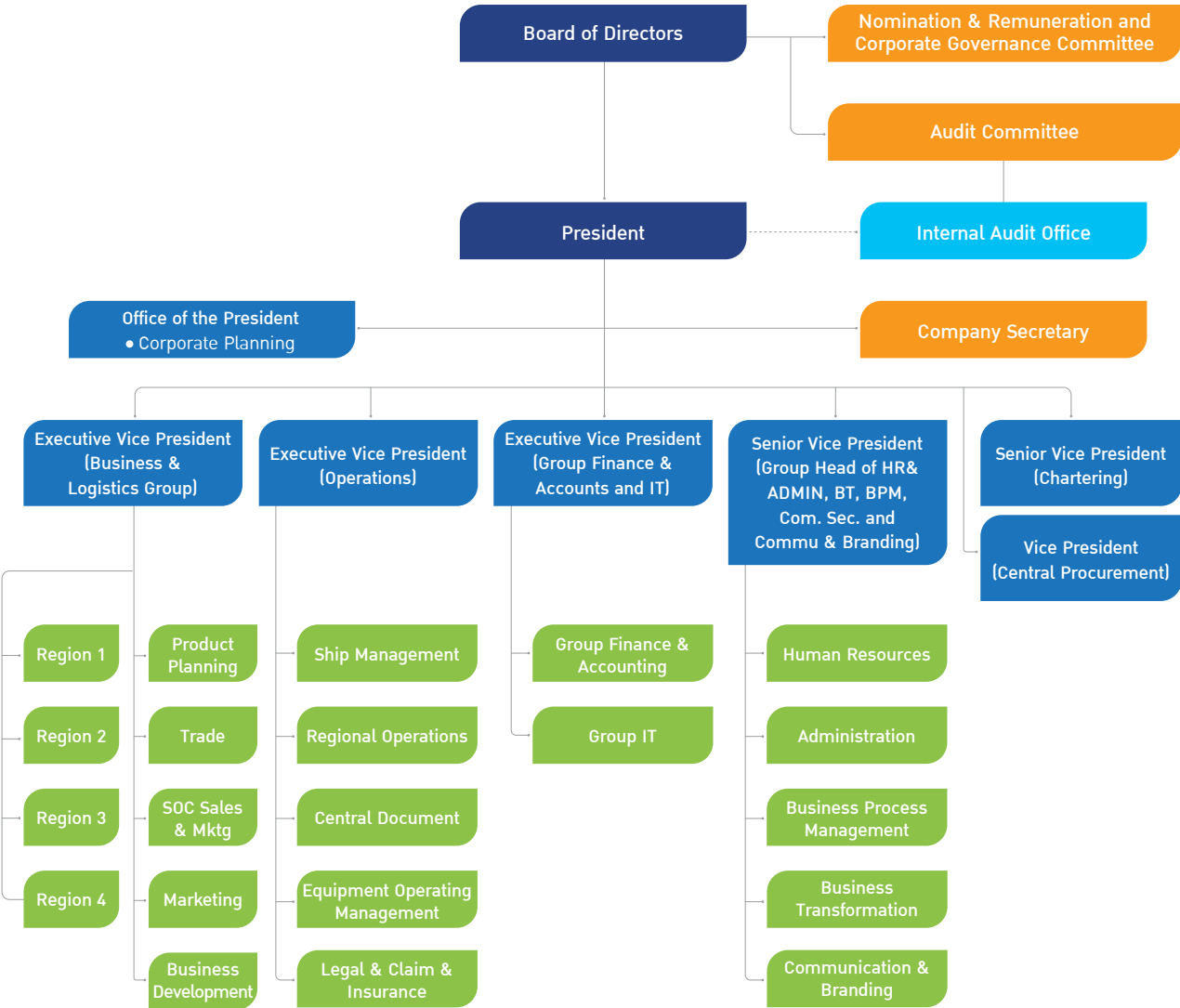
As the company more focus on good corporate governance, it results the company CGR Assessment Score of the 2021, "very good" (4 stars) as same as last year.

The Company achieved a score of 92 of 100 accredited by Thai Investors Association for the organization of its 2021 Annual General Shareholders' Meeting.

CORPORATE GOVERNANCE STRUCTURE AND MATERIAL FACTS RELATED TO THE BOARD, SUB-COMMITTEE, EXECUTIVES, EMPLOYEES AND OTHERS

Corporate Governance Structure

GROUP ORGANIZATION STRUCTURE



Information on the Board of Directors

The Board of Directors comprising at least 5 and not exceeding 10 members. As at 31st December 2021, the Board of Directors comprised 9 members as follows:

Mr. Jamlong	Atikul	Chairman	(Non-Executive Director)
Mr. Sumate	Tanthuwanit	Managing Director	
Mr. Kua	Hock Eng	Director	(Executive Director)
Mr. Sutep	Tranantasin	Director	(Executive Director)
Mr. Charlie	Chu	Director	(Executive Director)
Mr. Twinchok	Tanthuwanit	Director	(Executive Director)
Mr. Amornsuk	Noparumpa	Director	(Independent Director)
Mr. Viset	Choopiban	Director	(Independent Director)
Mrs. Arpavadee	Meekun-lam	Director	(Independent Director)

Authorised directors to sign the documents for and on behalf of the company are any two of the following jointly with the affixture of the company seal thereon: Mr. Sumate Tanthuwanit or Mr. Jamlong Atikul or Mr. Sutep Tranantasin or Mr. Twinchok Tanthuwanit.

As of December 31, 2021, the proportion of independent directors to total number of directors is 33.33% and the proportion of non-executive directors to total number of directors is 44.44%

Roles and Responsibilities of the Board of Directors

The Board of Directors prescribes, considers and approves, on a case by case basis, the corporate visions, missions, objectives and policies of the Company. It monitors the management's execution of the annual business plan and budget submitted to the Board. The Board has also established the policy on corporate governance and the appointment of sub-committees. To ensure that the roles and duties of the Board of Directors and sub-committees are disclosed appropriately as well as number of meetings and number of meeting attendance of each director and report on the performance of every sub-committee.

The Board of Directors is entrusted with the **accountabilities** prescribed as highlighted below:

- (a) To operate the business in compliance with the laws, the Stock Exchange of Thailand's regulations, the Company's objectives and the Articles of Association, as well as by shareholders' resolutions.
- (b) To be responsible for defining the policy framework and direction of the Company; monitoring and supervising the management to successfully and effectively operate the business in line with the defined policies and directions.
- (c) To be responsible for selecting and appointing and/or terminating the services of the Manager(s) of the Company, the Audit Committee and other committees.
- (d) The directors are empowered to do any act in order to acquire, purchase, sell, mortgage, pledge, make legal binding to the immovable and moveable properties for the Company's business, and shall be empowered to hire out the immovable property for a period exceeding 3 years.
- (e) The directors may act as guarantor or surety in the name of the Company in accordance with the objectives of the Company.
- (f) The directors are empowered to make juristic act with the government department, ministry or relevant authorities.

In addition, the approval authority of the Board of Directors has been set under requirements of the office of Securities and Exchange Commission which requires the Board of Directors to seek approval from shareholders on the following matters:

- (1) Matters required by law to have a resolution of the shareholders' meeting.
- (2) Connected transactions with a value greater than or equal to 20 million baht or 3% of the net tangible asset value whichever is higher.
- (3) Buying or selling important assets with a value greater than 50% of the net tangible asset value.

The directors shall be elected in the Annual Shareholders' Meeting according to the following **criteria's and procedures:**

- (a) One shareholder shall have one vote for each share.
- (b) Each shareholder shall exercise all the votes he has under (a) to elect a person or several persons to be directors; but he/she cannot split his/her votes to any person to any extent.
- (c) Persons receiving most votes will be appointed directors, in descending order, to the number of directors to be elected. In case of equal votes for the last to be elected, the presiding chairman shall cast the vote.

At the Annual Shareholders' Meeting, one-third of directors must retire from office. The retiring directors are eligible for re-election. The meeting of the shareholders may pass a resolution to remove any director from office prior to expiration of his/her term, provided that such resolution has been passed by the majority of not less than three-fourth of shareholders attending the meeting and holding the total number of shares of not less than half of shares held by shareholders attending the meeting.

Nomination & Remuneration and Corporate Governance Committee will select the persons nominated for directorship, taking into account their expertise experience in the area contributory to the business operation of the Company.

The Company has defined "an independent director" of the Company. The Board of Directors comprises a proportion of at least 3 independent directors.

Board of Directors' Meetings

The Board meets regularly every quarter, on yearly pre-scheduled dates. In addition to regular meetings, special meetings are held to support the business operation decisions. The meeting's agenda is clearly set and delivered to the directors together with the supplementary information at least 7 days in ahead of meeting, thus allowing sufficient time to analyze facts and figures to be discussed in the meeting. The quorum required for a board meeting is at least two-third of board members and all directors are required to have at least 75% attendance of all meetings conducted in the whole year.

The minutes of the meeting is drafted and presented to the directors within 7 days for review and to be adopted at the next meeting and properly filed at all times for inspection purposes.

In 2021, the Board held 11 meetings comprising 4 regular quarterly and 7 special sessions. The director's attendance was recorded as follows:

Director	Regular Quarterly		Special Session	
	Regular Quarterly Sessions	via Tele-Conference ⁽¹⁾	Regular Quarterly Sessions	via Tele-Conference ⁽¹⁾
Mr. Jamlong Atikul	2	2	5	2
Mr. Sumate Tanthuwani	3	1	5	2
Mr. Amornsuk Noparumpa	3	1	5	2
Mr. Viset Choopiban	2	2	5	2
Ms. Arpavadee Meekun-lam	2	2	4	3
Mr. Sutep Tranantasin	3	1	5	2
Mr. Kua Hock Eng ¹	-	4	-	7
Mr. Charlie Chu ¹	-	4	-	7
Mr. Twinchok Tanthuwani	3	1	5	2

Remarks: ¹ Teleconferencing facilities between offices in Bangkok, Singapore and Hong Kong are provided for special sessions to support the management in their business decisions. In the year 2021, the foreign directors attended via teleconferencing to save travelling costs and in accordance with the COVID-19 outbreak situation.

Annual General Meeting of Shareholders

It is a meeting that is scheduled once a year. In 2021, there was 1 meeting.

Meetings of non-executive directors

In 2021, there were 4 meetings of non-executive directors in absence of the management prior to the board meeting.

Information on sub-committees

Board-Appointed Committees,

1. Audit Committee

Mr. Amornsuk Noparumpa Chairman of the Audit Committee

Mr. Viset Choopiban Committee Member

Mrs. Arpavadee Meekun-lam Committee Member

whose current term in office will expire in May 2022.

The Audit Committee has a **3-year term in office** with the scope and authority as stipulated in the **Audit Committee Charter**:

- Ensure that the financial reports of the Company are correct with sufficient disclosure of the information;
- Review the internal control systems to ensure that the Company has effective internal control systems and transparency;
- Review the operations to ensure compliance with the Securities and Exchange Act as well as other relevant laws;
- Review disclosure of information relating to connected transactions to ensure accuracy and Completeness;

- (e) Consider the appointment, removal of the Company's external auditors, review the annual audit fee and recommend to the Board to propose to the Shareholders' Meeting; and
- (f) Give an opinion to the appointment, removal or transfer of the Head of Internal Audit as well as the appointment of Secretary to Audit Committee.

The Audit Committee has presented the quarterly report to the Board of Directors, as well as report to the Shareholders published in the Form 56-1 One Report. Mrs. Arpavadee Meekun-lam, Audit Committee member, has possessed knowledge in accounting and adequate experience in reviewing the credibility of the financial statements.

In addition to the scope and authority as stipulated in the above charter, the Audit Committee was entrusted by the Board of Directors to **supervise the corporate risk management function**.

In 2021, the Audit Committee held quarterly meetings with the Company's internal auditors and the Company's external auditors (A.M.T. & Associates) and relevant responsible executives. In addition, the Committee also held internal meetings as deemed appropriate with the Company's internal auditing team, and Executive Vice President (Group Finance & Accounting and IT).

The members of Audit Committee regularly have informal and formal discussions with internal auditors in connection with the results of the various areas of review undertaken by internal auditors.

The Audit Committee held totaling of 6 meetings throughout the year 2021 with following details:

Meeting No.	Date	Agenda & Topic
1.	24 February 2021	To approve Financial Statement of 2020
2.	21 March 2021	To approve acquisition of vessels for the company's business operation
3.	12 May 2021	To approve the 1 st quarter of 2021 Financial Statement
4.	23 July 2021	To approve acquisition of vessels for the company's business operation
5.	11 August 2021	To approve the 2 nd quarter of 2021 Financial Statement
6.	11 August 2021	To approve the 3 rd quarter of 2021 Financial Statement

In the year 2021, Audit Committee held 4 regular meetings and 2 ad-hoc meetings, (2020: 4 meetings). The record of attendance of the members of Audit Committee is summarized as follows:

Audit Committee Members	Number of Attendances
1. Mr. Amornsuk Noparumpa	6/6
2. Mr. Viset Choopiban	6/6
3. Mrs. Arpavadee Meekun-lam	6/6

2. Nomination & Remuneration and Corporate Governance Committee

The Nomination & Remuneration and Corporate Governance Committee comprises a minimum number of 3 but not more than 4 members from independent and non-executive directors. The current Committee comprises 3 independent directors as follows:

Mr. Viset Choopiban	Chairman
Mr. Amornsuk Noparumpa	Committee Member
Mrs. Arpavadee Meekun-lam	Committee Member

whose current term in office will expire in August 2023

The Nomination & Remuneration and Corporate Governance Committee has a 3-year term in office. **The duties and responsibilities as Nomination & Remuneration and Corporate Governance Committee Charter** are summarized as follows:

- a) **Nomination** : consider and propose the criteria and method for the nomination of the Company's directors, Board's sub-committees and senior management; recruit, select and nominate the qualified persons to be appointed as the Company's directors, sub-committees and senior management to the Board of Directors for consideration; consider and propose the criteria and method for the performance evaluation of the Company's directors, CEO / Company's Managers.
- b) **Remuneration** : consider and propose the criteria and method for the remuneration of the Company's directors, Board's sub-committees and senior management; review the policy and structure for the remuneration of the Company's directors, Board's sub-committees and senior management, and to propose to the Board of Directors for consideration.
- c) **Corporate Governance** : establish clear leadership role and responsibilities of the Board, define objectives that promote sustainable value creation, strengthen board effectiveness, ensure effective CEO and people management, nurture innovation and responsible business, strengthen effective risk management and internal control, ensure disclosure and financial integrity and ensure engagement and communication with shareholders.

In 2021, the Nomination & Remuneration and Corporate Governance Committee held 4 meetings. The attendance was recorded as follows:

Nomination & Remuneration and Corporate Governance Committee Members	Number of Attendances
1. Mr. Amornsuk Noparumpa	4/4
2. Mr. Viset Choopiban	4/4
3. Mrs. Arpavadee Meekun-lam	4/4

Information on executives

As at 31st December 2021 Group Management Committee consists of five (5) executive directors, three (3) other high level executives, totaling eight (8) members. as follows:

Mr. Sumate Tanthuwani	President
Mr. Kua Hock Eng	Executive Director
Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Director & Executive Vice President (Business and Logistics Group)
Mr. Twinchok Tanthuwani	Directors & Senior Vice President (Chief of Regions, Operations, Business)
Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts and IT)
Mrs. Suporn Amnuaypan	Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Corporate Secretary and Communication & Branding)
Mr. Chatgamol Phitaksuteephong	Vice President (Group Information Technology)

The Group Management Committee has a meeting at least once a month.

The Group Management Committee is entrusted with the following accountabilities:

- (a) Implement strictly the overall management policies and strategies for the Group; formulate business plan / marketing strategies ; determine service routes and vessel deployment.
- (b) Formulate investment / funding plans / acquisition of vessels / chartering in and out arrangements.
- (c) Approve the Group's annual budget.
- (d) Review the issues in relation to group business operations for obtaining Board's approval.
- (e) Apply industry experience and knowledge in ways that will continue to create growth and value for shareholders and stakeholders.
- (f) Achieve the Board's objectives, monitor both the performance of the Group in relation to its financial objectives, major goals, strategies and competitors; and offer the President constructive advice and feedback.
- (g) Assure that the Company's Management Committee and employees perform their duties legally and ethically with loyalty.

The Group Management Committee has established a sub-committee, namely Risk Management Committee comprising the Chief Officer of each line of command as follows:

Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Director & Executive Vice President (Business and Logistics Group)
Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts and IT)

The above sub-committee has meetings regularly and updates the risk management status to the Audit Committee Meeting for their review in every time of the quarterly meetings.

Details of Risk Management Policy, Committee and Authority and Responsibilities of the Risk Management Committee is disclosed in the Company's website at <http://www.rclgroup.com>.

Remuneration for Directors and Management

The remuneration of the Board members and the Management are determined in line with the industry norm, fair and adequate enough to motivate and retain qualified persons.

The management's remuneration of is set in accordance with the role and accountabilities. Annual adjustment usually links to corporate performance and individual contribution. Remuneration of Board members requires approval from the shareholders. In 2021, the Company remunerated its directors in accordance with the remuneration criteria approved by the resolution of the 26th Annual General Shareholders' Meeting held on 29 April 2005, which are as follows:

1. In the event that the Company's net profit is less than Baht 1 billion, the "standard remuneration" structure approved by the resolution of the 25th Annual General Shareholders' Meeting on 30th April 2004 will be applied.
2. In the event that the Company's net profit exceeds Baht 1 billion, an additional remuneration of 0.5% of the amount in excess of the first Baht 1 billion profits will be proportionately paid to all directors, each in accordance with their remuneration entitlement as prescribed in the "standard remuneration" structure.

The approved remuneration of Baht 5.95 million for the year 2021 is based on:

1. Remuneration of 9 directors totaling Baht 4.6 million
2. Remuneration of 3 Audit Committee members totaling Baht 0.9 million
3. Remuneration of 3 Nomination & Remuneration and Corporate Governance Committee members totaling Baht 0.45 million (Refer to the resolution from the 39th Annual Shareholders General Meeting 2018 on April 27th, 2018 that to approve to increase Directors' remuneration for the Nomination and Remuneration Committee for Bath 50,000 per year per director of the committee for the year 2018 onwards due to additional role of Corporate Governance and adopted the new name to Nomination & Remuneration and Corporate Governance Committee.)

For 2021 operating year, the Company recorded the consolidated net profit amounted to Baht 17,973 million. The total standard remuneration amounting to Baht 5,950,000.00 and the additional remuneration amounted to Baht 84.86 million based on 0.5% of the amount in excess of the first Baht 1 billion profit will be proportionately paid to all directors as detailed below:

Board Members ⁽¹⁾	Board Members		Audit Committee		Nomination & Remuneration and Corporate Governance Committee	
	Standard Remuneration	Additional Remuneration	Standard Remuneration	Additional Remuneration	Standard Remuneration	Additional Remuneration
Mr. Jamlong Atikul	1,000,000.00	14,262,816.20				
Mr. Sumate Tanthuwani	800,000.00	11,410,252.96				
Mr. Amornsuk Noparumpa	400,000.00	5,705,126.48	300,000.00	4,278,844.86	150,000.00	2,139,422.43
Mr. Viset Choopiban	400,000.00	5,705,126.48	300,000.00	4,278,844.86	150,000.00	2,139,422.43
Mrs. Arpavadee Meekun-lam	400,000.00	5,705,126.48	300,000.00	4,278,844.86	150,000.00	2,139,422.43
Mr. Sutep Tranantasin	400,000.00	5,705,126.48				
Mr. Kua Hock Eng	400,000.00	5,705,126.48				
Mr. Charlie Chu	400,000.00	5,705,126.48				
Mr. Twinchok Tanthuwani	400,000.00	5,705,126.48				
Total	4,600,000.00	65,608,954.53	900,000.00	12,836,534.58	450,000.00	6,418,267.29

Remarks:

¹ Board members did not receive any meeting attendance fee and those appointed in subsidiaries' Boards received neither additional remuneration nor meeting attendance fees.

Total Management Remuneration of nine Management members (Managing Director, four executives in the level secondary to the Managing Director, all other executives in the same level of the fourth executive plus Chief Accountant of the Company) was Baht 167,680,214.64 (salary, annual rewards, fixed allowances, transport, and housing)

Other remunerations the Company paid a total of Baht 602,411.68 to the provident fund for the above Management members (only those entitled to the Company's contribution)

Neither annual remuneration nor meeting attendance fees were paid to the Group Management Committee members in 2021.

Information on employees

Employees

Employees by country	31 Dec 2020	31 Dec 2021
Thailand	269	298
Singapore	113	120
China	136	135
Hong Kong	28	24
Malaysia	55	57
Philippines	31	32
Vietnam	39	40
Myanmar	39	36
Total	710	742

As at 31 December 2021, RCL Group has 742 employees on permanent contracts at RCL Offices in the regions, excluding part-time employees on temporary and relief assignments. Compared with 710 employees in 2020, there was an increase of 32 employees, representing 4.5% increase from the previous year.

Training and Development

In optimizing the manpower needs, employees' skills were upgraded in order to be rotated, to gain well-rounded knowledge in other roles within the organization. The focus on developing a more adaptable and multi-skilled work force, equips the company with the ability to schedule and arrange staff to best suit the business's needs as well as to remain dynamics and competitive alongside with the corporate's directions.

The key areas of focus were performance management, succession plan, rotation plan, talent and leadership development, which involved initiatives on talent acquisition, overseas assignment posting to garner experience, cross function training, RCL value chain on-the-job training for as long as 6 months, including leadership-skills development for career progression.

Whilst we introduced our on-line Performance Management System (ePMS) across the regions to monitor goals and performances, RCL was also mindful of our staff's general opinions of their working environment in RCL. Riding on this concern, to continue employee development, we developed more training programs in Leadership, Managerial training and Technical training, Dash board, data analytics, etc.

Cultural & Core Values

The Company embedded RCL Culture and our ATRCL values for the whole year, with the rolling out of Productivity Improvement Competition throughout RCL Network, to develop and strengthen RCL culture of Improving Productivity as well as Power of One.

Employee Potential Promotion, Rewards and Development

In addition to monetary compensation, the company has established group health insurance, group accident insurance and annual health checks for employees at all levels.

Having realized the importance of employees as a valuable resource that drive the Company, RCL promotes Performance Management System, Training Roadmap, staff development. In-house trainings are arranged to improve staff's knowledge and competencies, as well as sponsoring public courses relating to the Company's business operations organized by domestic and overseas institutions. The Company has increased efforts to value-add the skills for career advancement through job rotations, promote and appropriately remunerate the staff taking into consideration their knowledge, accountability and performance both in **short-term : bonus for employees based performance appraisal, and long-term : provident fund**. In addition, the IT system and applications are continuously upgraded to better support staff handling of their routines as well as to enhance human resources management and development.

The company took more action to promote innovation which has improved the IT system to be up-to-date, coped with any changes, informed employees at all levels about the PDPA policy, educated employees about Information Security Management.

In 2021, the company has launched new vision, mission and disseminated to employees at all levels. In addition to disseminating through various channel, the company has also organized activities to encourage employees to be aware, develop and further practice respectively.

Employee welfare and recreation

Accident and health insurances, as well as performance-based annual rewards, and long-service awards are provided by the Company for all levels of staff. Furthermore, the Company registered a provident fund scheme under the Provident Fund Act B.E. 2530.

In addition, The Company provides annual health check for employees at all levels, safety practice for fire drill annually and also exercise activities such as yoga, badminton, etc.

Other significant information

Accounting Oversight

Ms. Nadrudee Rungruengphon, Executive Vice President, Group Accounting & Finance and IT, has been responsible for the group accounting since 1 September 2015.

Company secretary

Mrs. Suporn Amnuaypan was appointed as Company Secretary on November 14, 2016.

Investor Relations

Mrs. Suporn Amnuaypan, Telephone Number: (66) 2296 1076, Email: investor.relations@rcigroup.com

Head of Internal Audit

The Executive Committee has approved the appointment of Mr. Pornchai Wimolratana as the head of the Internal Audit of the company due to his experience in internal auditing and the ability to perform duties appropriately.

In this regard, the approval for appointment, removal, and transfer of the head of the Internal Audit Office must be approved by Audit Committee

Remuneration of the Auditors

The details of 2021 remuneration of the auditors of the Company and its subsidiary companies are as follows :

Auditors' Remuneration	Amounts of Auditors' Remuneration (Mil. Baht)		
	The Company & subsidiaries whose financial statements were audited by A. M. T. & Associates - Thailand	Subsidiaries whose financial statements were audited by Ernst & Young Office Limited (Singapore)	Total
Audit fee	1.878	4.030	5.908
Non audit fee (Tax services)			
• Paid during the year 2021	0.080	0.190	0.270
• Obligation to be paid in the future	0.000	0.000	0.000
Total	1.958	4.220	6.178

REPORT ON KEY OPERATING RESULTS RELATED TO CORPORATE GOVERNANCE

Directors' Report

Dear Shareholders

The directors are pleased to present their report to the shareholders together with the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31st December 2021, which were prepared to reflect their financial status in accordance with the generally accepted accounting standards.

Results of the Operation

Further increase in freight rates has led the annual profit of 2021 to a new high of THB 17,976 million or 930% growth over the previous year with an average profit per share of THB 21.60 baht per share. A revenue growth was 123%, while the volume grew by 8%.

Global supply chain disruptions not only produced favourable market conditions for the shipping lines but also created substantial increases in costs such as bunker price and other operating items. However, the management has been able to keep these cost increases to within 35%, substantially lower than the growth in the revenue. Despite such high volatility, RCL still has been able to reap benefits from market conditions through its careful planning and agility.

During 2021, RCL has been able to enlarge its capacities through acquiring additional new fleet and also provided extra services to its customers in certain needed routes.

The Board of Directors monitored the business situation closely, provided guidance and fully supported the Group Management in their various aspects of businesses. The Board was fully committed to work more on strategies as well as to focus on overseeing and providing directions to the Group Management especially in area of Corporate Governance Code and Principle, in order to improve the performance as per shareholders' expectations.

For the Board of Directors

Regional Container Lines Public Company Limited



Mr. Sumate Tanthuanit
Managing Director

25th February 2022

Report from Nomination & Remuneration and Corporate Governance Committee

The Nomination & Remuneration and Corporate Governance Committee of Regional Container Lines Public Company Limited comprising 3 independent and non-executive directors is responsible for 3 areas; nomination, remuneration and corporate governance, that consider and propose the criteria and method for the nomination of the Company's directors, Board's sub-committees and senior management; recruit, select and nominate the qualified persons to be appointed as the Company's directors, sub-committees and senior management to the Board of Directors for consideration or to replace the retiring directors. To consider and propose the criteria and method, review the policy and structure for the remuneration of the Company's directors, Board's sub-committees and senior management, and to propose to the Board of Directors for consideration. To review the performance and remuneration of Company's Manager and undertaking Board self-assessment to improve the performance effectiveness. To establish clear leadership role and responsibilities of the Board, define objectives that promote sustainable value creation, strengthen board effectiveness, ensure effective CEO and people management, nurture innovation and responsible business, strengthen effective risk management and internal control, ensure disclosure and financial integrity and ensure engagement and communication with shareholders. The Nomination & Remuneration and Corporate Governance Committee shall report its annual performance to the Board of Directors and the shareholders respectively.

During the year 2021, the Nomination & Remuneration and Corporate Governance Committee performed its duties in accordance with the scope of responsibility as summarized below:

1. Reviewed the qualifications and nominated the candidates for directorship in place of the retiring directors and/or nominated the retiring directors for re-election, based on their contribution in the past operational year as well as their devoted efforts in performing the duties, to the Board of Directors for proposing to the Annual General Shareholders' Meeting. In an event that any Committee member is due to retire from directorship, the Committee will not nominate such member for re-election. The Meeting of the Board of Directors will decide on the nomination whereby the interested Committee member will abstain from voting.
2. Reviewed the directors' remuneration for the year 2020 in accordance with the criteria and structure approved at the 26th and 39th Annual General Shareholders' Meeting held on 29th April 2005 and 27th April 2018 respectively then reported to the Board of Directors for acknowledgement before the directors were remunerated for their performing the duties in 2020. The remuneration of individual director was disclosed in the Form 56-1 One Report 2021 under Section "Corporate Governance".
3. Arranged Board self-assessment exercise for 2020 performance, reviewed the assessment result and brought forward to the Meeting of the Board of Directors to improve the performance level.

4. Arranged Board's evaluation of the Company's Manager/CEO by adopting IOD's framework whereby each director evaluated the Company's Manager/CEO from 8 perspectives. The Committee reviewed the evaluation results and reported to the Board of Directors prior to conveying to CEO to more effectively manage the Company's business operations.
5. Informed the Board of Directors about 2021 CGR Assessment Result of RCL. 716 listed companies participating in the assessment while last year was 692 listed companies, RCL received a "very good" assessment (rating score 80-89%) or ▲▲▲▲. The company got score of 83% lesser than last year result of 85% and lesser than the overall listed companies average score of 84%. The result of overall assessment by each category was also informed the Board of Directors to realize the importance of good governance in every aspect, including Board Responsibilities, Disclosure and Transparency, Role of Stakeholders, Equitable Treatment of Shareholders, Rights of Shareholders.
6. To promote the company to realize the importance of sustainability. The company has carried out activities to join the fight against COVID-19 along with society and communities around the company by supporting and providing the medical appliances & supplies and High Flow Nasal Cannula Oxygen Therapy Devices, to the community isolations, the hospitals, the public health service centers and the medical centers both nearby and far from the company. In addition, the company contributed money to the Chaipattana Foundation, for the purpose of implementing royalty-initiated projects under the Foundation that to install the True Negative Pressure room at Napho Hospital, Buriram Province which aim to benefit the people and the country.



Mr. Viset Choopiban

**Chairman of Nomination & Remuneration
and Corporate Governance Committee**

25th February 2022

Directors' Report on Internal Control

The Board of Directors has assessed the internal control report provided by the Audit Committee during the Board of Directors Meeting No. 2/2022 on 25th February 2022. The internal control assessment covered control environment, risk assessment, control activities, information & communication and monitoring activities.

The Board of Directors is of the opinion the Company has taken appropriate measurements, including monitoring its performance in accordance with the Company's business ethics and code of conducts, as well as disclosures in related transactions with major shareholders, directors, management and connected person. Besides having processes on succession planning for key personnel, more emphasis was placed on risk management, cost control and green environment. Awareness of environmental and socio-economic issues has come to the force amid the pandemic and transformation to holistically integrate ESG (Environmental, Social and Governance) principles into business strategy to support sustainability were emphasized. In addition, the misconduct and anti-corruption policies were communicated to all levels of management and employees for their acknowledgment, involvements and compliances.

As the internal control and risk management are critically important, the Board of Directors and its senior management regard such good corporate governance as vital to the safe and sound functioning of the Group.

The company realizes the importance of internal audit notes thus have reviewed and updated such processes to constantly improve and to ascertain the efficiency and effectiveness of the Company's operations in both short and long term.



Dr. Jamlong Atikul
Chairman

Report on the Board of Directors' Responsibilities for Financial Statements

Dear Shareholders,

The Board of Directors is responsible for the Company and its subsidiaries' financial statements and financial information presented in this Annual Report. The aforementioned financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles, using appropriate accounting policies consistently employed by the Company after applying prudent judgement and best estimation. Important information is adequately disclosed in the Notes to Financial Statements.

The Board of Directors has appointed the Audit Committee comprising 3 independent directors to be responsible for the financial reporting presented in the financial statements and internal control systems. Comments on these issues were presented in the Audit Committee's report.

The Board of Directors is of the opinion that the financial statements for the year ended 31st December 2021 presented the true and accurate financial and operational status of the Company and its subsidiaries.

Regional Container Lines Public Company Limited



Dr. Jamlong Atikul

Chairman



Mr. Sumate Tanthuanit

Managing Director

25th February 2022

INTERNAL CONTROL AND RELATED PARTY TRANSACTION

Internal Control

Summarize the opinion of the Board of Directors regarding the internal control – SA

The Board of Directors has assessed the internal control report provided by the Audit Committee during the Board of Directors Meeting No. 2/2022 on 25th February 2022. The internal control assessment covered control environment, risk assessment, control activities, information & communication and monitoring activities. The Board of Directors is of the opinion the Company has taken appropriate measurements of internal control regarding disclosures in related transactions with major shareholders, directors, management and connected person, including for the following;

Internal control

- 1) Process for monitoring and evaluating compliance with the Code of Conduct
- 2) A process that enables violations of integrity and ethics requirements to be detected in a timely manner.

Risk assessment

- 1) Communicating the risk management policy to all executives and employees for acknowledgment and compliance.
- 2) Executives at all levels are involved in risk management.

However, the company has a guideline to fix it by defining it as a practice of the internal audit department. personnel management unit, related executives to improve the aforementioned as well as the preparation of written regulations.

Specify the opinion of the Audit Committee in case of differences in opinion with the Board of Directors

None

Head of the Internal Audit

Head of the Internal Audit has educational qualifications, experiences and training suitable and sufficient for such duty performance. Head of the Internal Audit unit will act as the secretary of the Audit Committee by position.

The Executive Committee has approved the appointment of Mr. Pornchai Vimolratana as the head of the Company's Internal Audit due to his experience in internal auditing and the ability to perform his duties appropriately.

The appointment, discharge, transfer of Head of the Internal Audit must be approved by the Audit Committee.

Controlling System and Internal Audit

The Board of Directors is responsible in overseeing that the business activities are managed towards maximizing the shareholders' benefits while maintaining equitable concerns over stakeholders' interests. Thus, it is the Board's vital concern in having and keeping adequate internal control systems which are well suited for the nature of the Company's business and overseeing the risk management function. In this respect, the Board adopts the practice guidelines set by the Securities and Exchange Commission and Stock Exchange of Thailand.

The Audit Committee entrusts the internal audit team with the duties in auditing and assessing the Company's internal control systems and corporate governance practices, to ensure that these systems and practice are adequate, appropriate and efficient enough to meet the business objective, approve the annual audit plan and oversees that the performance results are dully reported.

The Company announced Anti-Corruption Policy and Whistle Blower Policy in 2015 and remind employee in yearly basis

Related Transactions

1. The related transactions between the Company and its subsidiaries and among its subsidiaries and among its subsidiaries, associated companies or related companies as below:

No	Related Parties	Related Transactions	Value of related transactions						Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		As of 31 December 2021 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
1	Regional Container Lines Public Co., Ltd. and RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore)	RCL Feeder Pte. Ltd. chartered ship from Regional Container Lines Public Co., Ltd. <ul style="list-style-type: none"> Total charter freight income Trade account receivable - subsidiary company Other receivable - subsidiary company Advance from related party 	938.73 374.87	1,214.74 1,541.80	2,105.00 982.46			RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. The Company is the shareholder in RCL Feeder Pte. Ltd. with 27.24% and increase to 40% in 2021 The Company director is also the director of RCL Feeder Pte. Ltd. Condition/Pricing policy: Market price as at agreement date	
2	Regional Container Lines Public Co., Ltd. and Ngow Hook Co., Ltd. - Related Company (incorporated in Thailand) Leasing of office space in Bangkok Short term loan agreement	Regional Container Lines Public Co., Ltd. leased office space on 5 th , 8 th and 14 th floors in Panjithani Tower 1,430 squaremeters from Ngow Hook Co., Ltd., the owner <ul style="list-style-type: none"> Total Value of leasing agreement Total accounts payable - related parties in financial statements Short term Loan 	7.20	7.20	7.31	7.31	6.93	Ngow Hook Co., Ltd. is the Company shareholder with 25.20% shareholding and Panjamitir Holding Co., Ltd. is the Company shareholder with 11.68% shareholding The Company managing director is also the director of Ngow Hook Co., Ltd. and Panjamitir Holding Co., Ltd. Condition/Pricing policy: Market price as at agreement date	
3	Regional Container Lines Public Co., Ltd. And Panjamitir Holding Co., Ltd. - Related Company (incorporated in Thailand) Leasing of office space in Bangkok	Regional Container Lines Public Co., Ltd. Leased office space on 13 th floors in Panjithani Tower 492 squaremeters from Panjamitir Holding Co., Ltd., the owner <ul style="list-style-type: none"> Total Value of leasing agreement Total accounts payable - related parties in financial statements 	2.29	2.29	2.31	2.31	2.35		

No	Related Parties	Related Transactions	Value of related transactions						Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		As of 31 December 2021 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
4	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and Ngow Hock group of companies - Related Companies	Ngow Hock group of companies acted as ship agent to RCL Feeder Pte. Ltd. <ul style="list-style-type: none"> Total commission expenses Terminal operating service charged from Ngow Hock group of companies which Ngow Hock group of companies, acting as ship agent, paid during the year on behalf of RCL Feeder Pte. Ltd. The settlement was then made afterwards. Trade account receivable - related company Trade account payable - related company 	86.92 228.81	89.36 240.90	227.40 233.00			RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. Ngow Hock group of companies are the Company shareholder with 37.47% shareholding. The Company managing director is also the director of Ngow Hock group of companies. Condition/Pricing policy: <ul style="list-style-type: none"> Commission expenses: Price approximates market price. Terminal Operating service: Price per tariff minus volume discount. 	
5	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider- incorporated in Thailand) and Ngow Hock group of companies - Related Companies	Ngow Hock group of companies provided logistic services to RCL Logistics Co., Ltd. <ul style="list-style-type: none"> Total logistic service fees Total accounts payable - related companies 	41.93 4.25	40.24 5.46	79.36 4.06			RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company. Ngow Hock group of companies are the Company shareholder with 37.47% shareholding. The Company managing director is also the director of Ngow Hock group of companies. Condition/Pricing policy: Market price	
6	Regional Container Lines Public Co., Ltd. and RCL Shipmanagement Pte. Ltd. - Subsidiary Company (Ship management - incorporated in Singapore)	RCL Shipmanagement Pte. Ltd. services ship management to Regional Container Lines Public Co., Ltd. <ul style="list-style-type: none"> Ship management Fee Advance from related party Advance payment to related party 	9.48 826.59 1.30	10.19 1,060.30 4.89	10.83 1,781.80 2.44			RCL Shipmanagement Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. The Company is the shareholder in RCL Shipmanagement Pte. Ltd. with 49% and increase to 100% in 2020 The Company managing director is also the director RCL Shipmanagement Pte. Ltd. Condition/Pricing policy: <ul style="list-style-type: none"> Ship management fee: Price approximates market price Expenses related to cost of freight and operations advanced by a subsidiary: Actual payment 	

No	Related Parties	Related Transactions	Value of related transactions						Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		As of 31 December 2021 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
7	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider- incorporated in Thailand) and Ngow Hock Co., Ltd. - Related Companies (incorporated in Thailand) Leasing of office space in Bangkok	RCL Logistics Co., Ltd. leased office space on 14 th floors in Panjathani Tower 150 squaremeters from Ngow Hock Co., Ltd., the owner • Total Value of leasing agreement • Total accounts payable - related parties in financial statements	0.68	0.69	0.70			RCL Logistics Co., Ltd. is the Company's 100% owned subsidiary company. Ngow Hock Co., Ltd. is the Company shareholder with 25.20% shareholding The Company managing director is also the director of Ngow Hock Co., Ltd. Condition/Pricing policy: Market price as at agreement date	
8	Regional Container Lines Public Co., Ltd. and Regional Container Lines Pte. Ltd. - Subsidiary Company (Ship owning and operating - incorporated in Singapore)	Regional Container Lines Public Co., Ltd. Increased share capital of Regional Container Lines Pte. Ltd. • Purchase investment in subsidiary • Transfer of vessels ownership • Payable on purchase of assets • Advance from related party • Other receivable - related company	- - 80.69 3.33 -	- - 0.04 -	- - 0.15 0.10			Regional Container Lines Pte. Ltd. is the Company's 100% owned subsidiary company. The Company managing director is also the executive director of Regional Container Lines Pte. Ltd. Condition/Pricing policy: Price at book value	
9	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and RCL Agencies (India) Private Co., Ltd. - Subsidiary Company (incorporated in India)	RCL Agencies (India) Private Co., Ltd. acted as ship agent for RCL Feeder Pte. Ltd. • Trade account receivable - subsidiary company • Trade account payable - subsidiary company	- 0.71	- 2.00	- 11.49			RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. RCL Feeder Pte. Ltd. is the shareholder and jointly controlled in RCL Agencies (India) Private Co., Ltd. with 55% shareholding. The Company director is also the director of RCL Agencies (India) Private Co., Ltd. Condition/Pricing policy: Price approximates market price.	
10	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and RCL Agencies East India Private Co., Ltd. - Subsidiary Company (incorporated in India)	RCL Agencies East India Private Co., Ltd. acted as ship agent for RCL Feeder Pte. Ltd. • Trade account receivable - subsidiary company • Trade account payable - subsidiary company	5.15 6.00	- 5.13	- 12.77			RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. RCL Feeder Pte. Ltd. is the shareholder and jointly controlled in RCL Agencies East India Private Co., Ltd. with 55% shareholding. The Company director is also the director of RCL Agencies East India Private Co., Ltd. Condition/Pricing policy: Price approximates market price.	

No	Related Parties	Related Transactions	Value of related transactions						Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		As of 31 December 2021 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
11	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and Songkhla Shipping Agency Co., Ltd. - Related Company (incorporated in Thailand)	Songkhla Shipping Agency Co., Ltd. acted as ship agent for RCL Feeder Pte. Ltd. <ul style="list-style-type: none"> Total commission expenses 	14.65	18.26	28.46		RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. Ngow Hock Group of companies are the Company shareholder with 37.47% shareholding and Songkhla Shipping Agency shareholders with 99.90% shareholding The Company managing director is also the director of Songkhla Shipping Agency Co., Ltd. Condition/Pricing policy: Price approximates market price.		
12	RCL Shipmanagement Pte. Ltd. - Subsidiary Company (Ship management - incorporated in Singapore) and Siam Paetra International Co., Ltd. - Related Company (incorporated in Thailand)	RCL Shipmanagement Pte. Ltd. services ship management to Siam Paetra International Co., Ltd. <ul style="list-style-type: none"> Ship management Fee Trade account receivable - related company 	0.89	-	-		RCL Shipmanagement Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. Panjamitir Holding Co., Ltd. is the Company shareholder with 11.68% shareholding and Siam Paetra International Co., Ltd. shareholder with 80.04% shareholding The Company managing director is also the director of Panjamitir Holding Co., Ltd. <ul style="list-style-type: none"> Ship management fee: Price approximates market price Expenses related to vessel operation settle on behalf: Actual payment 		
13	RCL Shipmanagement Pte. Ltd. - Subsidiary Company (Ship management - incorporated in Singapore) and Tian Asia Co., Ltd. - Related Company (incorporated in Thailand)	RCL Shipmanagement Pte. Ltd. services ship management to Tian Asia Co., Ltd. <ul style="list-style-type: none"> Ship management Fee Trade account receivable - related company 	0.89	1.79	0.76		RCL Shipmanagement Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. The Company managing director have family relationship with director of Tian Asia Co., Ltd. <ul style="list-style-type: none"> Ship management fee: Price approximates market price Expenses related to vessel operation settle on behalf: Actual payment 		
14	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and N-Square RCL Logistic Co., Ltd. - Related Companies (incorporated in Thailand)	N-Square Logistic Co., Ltd. provided service warehouse and distribution centers to RCL Logistic Co., Ltd. <ul style="list-style-type: none"> Short Term Loan 		2.00		2.00	RCL Logistics Co., Ltd. is the Company's 100% owned subsidiary company. RCL Logistics Co., Ltd. is the shareholder in N-Square Logistic Co., Ltd 39.99%		

No	Related Parties	Related Transactions	Value of related transactions						Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		As of 31 December 2021 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
15	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and Pu Chao Container Terminal Co., Ltd. - Related Companies (incorporated in Thailand)	Pu Chao Container Terminal Co., Ltd. provide service container terminal to RCL Logistic Co., Ltd. • Short Term Loan							RCL Logistics Co., Ltd. is the Company's 100% owned subsidiary company. RCL Logistics Co., Ltd. is the shareholder in Pu Chao Container Terminal Co., Ltd. 49%
16	Regional Container Lines Public Co., Ltd. And Tian Asia Co., Ltd. - Related Company (incorporated in Thailand)	Regional Container Lines Public Co., Ltd. purchase vessel from Tian Asia Co., Ltd. • Purchase vessel		-	77.76	77.76	3.00		The Company managing director have family relationship with director of Tian Asia Co., Ltd. The scrap value price as at The contract date
17	Regional Container Lines Public Co., Ltd. And RCLS Co., Ltd. - Subsidiary Company (Operate an international business to provide services and consulting to affiliated enterprises in foreign countries - incorporated in Thailand)	Regional Container Lines Public Co., Ltd. investment in RCLS Co., Ltd. • Purchase investment in subsidiary • Advance from related party				41.52			RCLS Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of RCLS Co., Ltd.
18	Regional Container Lines Public Co., Ltd. And Santi Bhum Co., Ltd. - Subsidiary Company (Ship owner - incorporated in Thailand)	Regional Container Lines Public Co., Ltd. investment in Santi Bhum Co., Ltd. • Purchase investment in subsidiary • Advance payment to related party				0.01			Santi Bhum Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of Santi Bhum Co., Ltd.
19	Regional Container Lines Public Co., Ltd. And Thiti Bhum Co., Ltd. - Subsidiary Company (Ship owner - incorporated in Thailand)	Regional Container Lines Public Co., Ltd. investment in Thiti Bhum Co., Ltd. • Purchase investment in subsidiary • Advance payment to related party				0.01			Thitti Bhum Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of Thitti Bhum Co., Ltd.
20	RCLS Co., Ltd. - Subsidiary Company (Operate an international business to provide services and consulting to affiliated enterprises in foreign countries - incorporated in Thailand) and Ngow Hook Co., Ltd. - Related Companies (incorporated in Thailand) Leasing of office space in Bangkok	RCLS Co., Ltd. leased office space on 14 th floors in Panjathani Tower 350 squaremeters from Ngow Hook Co., Ltd., the owner • Total Value of leasing agreement • Total accounts payable - related parties in financial statements					0.41		RCLS Co., Ltd. is the Company's 100% owned subsidiary company. Ngow Hook Co., Ltd. is the Company shareholder with 25.20% shareholding The Company director is also the director of Ngow Hook Co., Ltd. Condition/Pricing policy: Market price as at agreement date

No	Related Parties	Related Transactions	Value of related transactions				Relationships
			As of 31 December 2019 (Million Baht)		As of 31 December 2020 (Million Baht)		
			The Company Only	Consolidated	The Company Only	Consolidated	
21	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and Regional Logistic Co., Ltd. - Related Companies (incorporated in China)	<ul style="list-style-type: none"> Regional Container Lines (H.K.) Limited. logistic services to RCL Logistics Co., Ltd Total logistic service fees Total accounts receivable - related companies Total accounts payable - related companies 				<ul style="list-style-type: none"> RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company. Regional Logistic Co., Ltd. is the company's 100% indirect owned subsidiary company.. 	
22	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and Regional Container Lines (H.K.) Limited. - Subsidiary Companies (incorporated in Hong Kong)	<ul style="list-style-type: none"> Regional Container Lines (H.K.) Limited. logistic services to RCL Logistics Co., Ltd Total logistic service fees Total accounts receivable - related companies Total accounts payable - related companies 			<ul style="list-style-type: none"> 0.58 - 0.01 	<ul style="list-style-type: none"> RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company. Regional Container Lines (H.K.) Limited is the company's 100% owned subsidiary company The Company managing director is also the director of Regional Container Lines (H.K.) Limited. Condition/Pricing policy: Market price as at agreement date 	
23	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and Shanghai CIMC Grand International Logistics Co., Ltd. - Related Companies (incorporated in China)	<ul style="list-style-type: none"> Shanghai CIMC Grand International Logistics Co., Ltd. provide logistic services to RCL Logistic Co., Ltd. Total logistic service fees Total accounts receivable - related companies Total accounts payable - related companies 			<ul style="list-style-type: none"> 0.67 0.23 0.04 	<ul style="list-style-type: none"> RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company. Shanghai CIMC Grand International Logistics Co., Ltd. is the company's 51% indirectly owned jointly controlled company. The Company director is also the director of Shanghai CIMC Grand International Logistics Co., Ltd. Condition/Pricing policy: Market price as at agreement date 	

2. The necessity and appropriateness of transactions

The Group Management Committee realizes the conflict of interests and thus closely monitors the company's business operation. The transactions between the Company and related companies are freight and related service charges. Most of subsidiary companies are wholly owned by the Company. The related transactions have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies.

3. Procedures in approving related transactions

The approval of the above related transactions follows the normal course of business transactions in accordance with the operating procedures and guidelines set by Group Management Committee.

4. Policy for future related transactions

The Company enters into related transactions as normal business operation with outsiders who have no conflicts of interests taking into account reasonableness, fair market prices and disclosing such related transactions in compliance with the rules and regulations of SEC and SET.

PART
3

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Regional Container Lines Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as of 31 December 2021, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries and of Regional Container Lines Public Company Limited as of 31 December 2021, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)

As describe in Note 2.6, 2.14 and 9.2 to the financial statement, the Company and its subsidiary's vessels which are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any) are significant amount. The management exercise judgement in determining the impairment loss due to the recoverable amount of the vessels is determined on value in use by estimate future cash flows that the entity expects to derive from the assets which related to the projection of future operating performance, future plan and determination of an appropriate discount rate and key assumptions. Therefore, I have identified that considering the impairment loss of vessels is the significant matter that requires special attention in the audit.

My audit procedure on such matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



(NATSARAK SAROCHANUNJEEN)

Certified Public Accountant

Registration No. 4563

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

STATEMENTS OF FINANCIAL POSITION

Regional Container Lines Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Regional Container Lines Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Regional Container Lines Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF CHANGES IN EQUITY

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

Note	Consolidated financial statements									
	Equity holders of parent company					Total equity of parent				
	Issued and fully paid - up share capital	Share premium	Retained earnings		Exchange differences on translating financial statement	Other components of equity		Total	Non - controlling interests	Total shareholder's equity
			Appropriated - legal reserve	Unappropriated		Other comprehensive income (loss)	Actuarial gains (losses) on defined employee benefit plans			
Balance as at 1 January 2020	828,750,000	4,982,964,187	66,300,000	2,495,400,560	(973,060,245)	-	(973,060,245)	7,400,354,502	5,014,571	7,405,369,073
Total comprehensive income (loss) for the year	-	-	-	1,744,793,761	(80,781,691)	3,489,414	(77,292,277)	1,667,501,484	961,093	1,668,462,577
Legal reserve	-	-	5,000,000	(5,000,000)	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	3,489,414	-	(3,489,414)	(3,489,414)	-	-	-
Balance as at 31 December 2020	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
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	-	-	11,575,000	(11,575,000)	-	-	-	-	-	-
Dividend paid	-	-	-	(2,900,592,629)	-	-	-	(2,900,592,629)	-	(2,900,592,629)
Balance as at 31 December 2021	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

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF INCOME

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

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

STATEMENTS OF COMPREHENSIVE INCOME

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF CASH FLOWS

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

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

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

STATEMENTS OF CASH FLOWS (CONTINUED)

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

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

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :

Activities not affecting cash :

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

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

NOTES TO FINANCIAL STATEMENTS

Regional Container Lines Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Regional Container Lines Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

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

1.3 Basis for preparation of financial statements

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

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

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

1.4 Basis for consolidation of financial statements

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

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

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

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

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

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

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

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

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

1.5 Adoption of new financial reporting standards

1.5.1 Financial Reporting Standards which are effective in the current year

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

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

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

Financial reporting standards

TFRS 1 First-time Adoption of Financial Reporting Standards

TFRS 16 Lease

The management of the Group has assessed that TFRS 1 and TFRS 16 will not have impact on the financial statement when they are applied.

2. Significant accounting policies

2.1 Revenue recognition

Freight income

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

Interest income

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

Dividends

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

Other income

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

2.2 Cash and cash equivalents

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

2.3 Material supplies

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

2.4 Investments

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

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

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

2.5 Business combinations

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

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

No depreciation is provided for land.

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

2.7 Borrowing costs

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

2.8 Intangible assets

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

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

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

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

2.9 Financial instruments

Classification and measurement

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

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

Financial liabilities are classified and measured at amortised cost.

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

Impairment of financial assets

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

2.10 Leases

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

The Group as lessee

Right - of - use assets

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

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

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

Lease liabilities

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

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

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

Short - term leases and Leases of low - value assets

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

The Group as lessor

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

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

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

Sub lease

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

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

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

2.11 Related party transactions

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

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

2.12 Foreign currencies

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

a) Translation of foreign currency transactions and balances

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

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

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

b) Translation into the Group's functional currency

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

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

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

c) Translation into the presentation currency

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

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

2.13 Property investments held for investment

Property investments held for investment are stated at fair value.

2.14 Impairment of non - financial assets

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

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

2.16 Provisions

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

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

2.17 Income tax

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

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

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

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

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

2.18 Basic earnings (loss) per share

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

3. Significant accounting judgments and estimates

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

3.1 Allowance for doubtful accounts

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

3.2 Premises, vessels and equipment

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

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

3.3 Litigation

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

3.4 Provisions for employee benefits

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

3.5 Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to increase net income of the Group and the Company for the year ended 31 December 2021 by Baht 36.5 million and Baht 12.3 million, respectively (Baht 0.044 per share and Baht 0.015 per share, respectively).

5. Trade receivables

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

7. Investments in subsidiaries, net

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

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

Investments in subsidiaries during the year 2021 are as follows:

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

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

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

8. Investments in associates and joint ventures

8.1 Investments in associates

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

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

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

8.2 Investments in joint ventures

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

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

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

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

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

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

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

(Unit: Baht)

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

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

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

9.2 Vessels and equipment - Consolidated financial statement

(Unit: Baht)

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

Vessels and equipment - Separate financial statements

(Unit: Baht)

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

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

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

Transactions occurred in year 2020:

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

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

Transactions occurred in year 2021:

In 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 46.7 million.

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

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

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

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

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

10. Right - of - use assets, net

(Unit: Baht)

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

(Unit : Baht)

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

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

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

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

11. Intangible assets, net

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

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

12. Short - term loans from financial institutions

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

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

13. Long - term loans

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

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

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

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

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

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

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

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

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

14. Lease liabilities

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

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

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

(Unit : Thousand Baht)

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

15. Provisions for employee benefits

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

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

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

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

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

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

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

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Sensitivity analysis of significant actuarial assumptions

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

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

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

16. Legal reserve

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

17. Dividend paid

At the annual General Meeting of Shareholders held on 23 April 2021, the shareholders approved to pay the dividend amounted Baht 414.37 million at Baht 0.50 per share.

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

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

18. Related party transactions

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

(Unit: Million Baht)

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

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

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

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

c) Management and directors benefit expenses

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

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

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

19. Expenses by nature

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

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

20. Provident Fund

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

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

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

21. Tax income (expenses)

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

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

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

As at 31 December 2021 and 2020 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, allowance for impairment of investment, provisions for employee benefits and unused tax losses totaling Baht 2,316.47 million and Baht 267.48 million, respectively, (The Company: Baht 45.29 million and Baht 38.99 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 4.09 million and Baht 3.74 million, respectively.

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

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

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

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

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

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

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

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

(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".

22. Financial information by segment

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

(Unit: Million Baht)

	Consolidated financial statements											
	For the years ended 31 December											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	371	245	37,565	16,920	43	30	37,979	17,195	-	-	37,979	17,195
Inter - segment revenues	2,105	1,215	1,927	970	49	15	4,081	2,200	(4,081)	(2,200)	-	-
Freight income	2,476	1,460	39,492	17,890	92	45	42,060	19,395	(4,081)	(2,200)	37,979	17,195
Segment gross profit (loss)	1,164	373	17,546	2,429	74	36	18,784	2,838	19	(3)	18,803	2,835
Gain on exchange rate											43	59
Dividend income											-	5
Gain on sales of assets											25	60
Reversal on impairment of assets											835	90
Others income											28	55
Administrative expenses											(1,689)	(1,135)
Finance costs											(197)	(270)
Gain (loss) from changes in fair value of derivatives											9	(1)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9											(2)	(4)
Share of profit (loss) from investments in associates											81	50
Share of profit (loss) from investments in joint ventures											59	10
Tax income (expenses)											(19)	(8)
Profit (loss) for the years											17,976	1,746

(Unit: Million Baht)

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

23. Commitments and contingent liabilities

23.1 Commitments

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

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

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

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

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

23.2 Guarantees

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

Market risk(a) Interest rate risk

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

Consolidated financial statements

	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>2021</u>							
<u>Financial assets</u>							
Cash and cash equivalents	1,363	-	-	6,476	1,911	9,750	0 - 2.00% p.a.
<u>Financial liabilities</u>							
Long - term loans	316	452	-	107	-	875	Note 13
Lease liabilities	1,962	2,414	485	-	-	4,861	Note 14
Total	<u>2,278</u>	<u>2,866</u>	<u>485</u>	<u>107</u>	<u>-</u>	<u>5,736</u>	

2020

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

Separate financial statements

2021

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

2020

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

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

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

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

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

(b) Foreign currency risk

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

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

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

(c) Commodity price risk

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

24.2 Fair values of financial instruments

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

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

25. Capital management

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

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

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

26. Functional currency financial statements

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

Regional Container Lines Public Company Limited and its subsidiaries**Statements of financial position**

As at 31 December 2021

(Unit: USD)

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

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2021

(Unit: USD)

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

Regional Container Lines Public Company Limited and its subsidiaries**Statements of financial position (continued)**

As at 31 December 2021

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2021	2020	2021	2020
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	2,102,041	2,448,673	2,102,041
Unappropriated	611,122,765	140,336,756	51,675,125	6,211,372
Other components of equity	(42,130,799)	(41,970,406)	-	-
Total equity of parent Company's shareholders	771,164,788	300,192,540	253,847,947	208,037,562
Non - controlling interests	220,297	197,825	-	-
Total shareholders' equity	771,385,085	300,390,365	253,847,947	208,037,562
Total liabilities and shareholders' equity	1,152,424,562	595,538,374	489,129,565	465,157,203

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

(Unit: USD)

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

27. Events after the reporting period

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

28. Approval of financial statements

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



ATTACHMENT

Attachment 1

Details of Directors, Management, Controlling Persons Person assigned to the highest responsibility in accounting and finance Those assigned to take direct responsibility for accounting supervision. Company secretary

Board of Directors

Dr. Jamlong Atikul

Chairman

Directorship since 2006

Authorized director

Age 74 years

Education

- Ph.D. (City & Regional Planning),
Cornell University, USA
- M.Com. (Economics),
University of Auckland, New Zealand
- B.C.A. (Economics),
Victoria University of Wellington, New Zealand
- IT Security Trend Update
- IT Governance and Cyber Resilience
- ESG and Sustainable Banking Development,
including response to the Covid-19 situation
- IT Security Awareness,
Virtual Training
- Bangkok FinTech Fair 2021
"Shaping Digital Finance in the New Decade"

Training

- Director Accreditation Program #55/2006,
Thai Institute of Directors Association
- Director Certification Program #77/2006,
Thai Institute of Directors Association
- Role of the Chairman Program #26/2011,
Thai Institute of Directors Association

Experience

- President,
Bank of Ayudhya Public Company Limited
- Executive Director, The Thai Bankers' Association
- Director, Siam City Cement Public Company Limited
- Director, Member of the Audit Committee,
Council of National Institute of Development
Administration
- Director, Executive Director and
Chairman of Risk Management Committee,
Krungthai Bank Public Company Limited
- Director & Chairman of Executive Committee,
Krungthai AXA Life Insurance Co., Ltd.
- Audit Committee member, Assumption University
- Member of Monetary Policy Committee,
Bank of Thailand
- Nomination and Remuneration Committee member,
Regional Container Lines Public Company Limited

Other Positions currently held

- Chairman of Nomination and Remuneration
Committee, Nomination and Remuneration
Committee member, Independent Director,
Audit Committee Member,
Bank of Ayudhya Public Company Limited
- Chairman of the Board of Directors,
Independent Director,
Allianz Ayudhya Capital Public Company Limited

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Sumate Tanthuanit

Director & Managing Director

Directorship since 1980

Authorized director

Age 76 years

Education

- Honorary Doctorate in Logistics Management, Chulalongkorn University
- Ph.D. in Business Administration (Honorary), Mae Fah Luang University
- Master of Management Engineering, Asian Institute of Technology
- Bachelor of Engineering (Hons), Chulalongkorn University
- Diploma, Thailand National Defence College

Training

- Director Certification Program #33/2003, Thai Institute of Directors Association

Other positions currently held

- President, Ngow Hock Group
- Executive Director, RCL Group
- Honorary Chairman, Thai Shipowners' Association
- Executive Director, Board of Trade of Thailand
- Director, subsidiary companies and associated company, RCL Group

Shares held

As of December 31, 2021: 59,735,950 shares (7.207%)

Relation with other director and management

Father of Mr. Twinchok Tanthuanit

Illegal record in the past 5 years

Nil

Mr. Kua Hock Eng

Director (Executive Director)

Directorship since 2003

Age 82 years

Education

- B.A., English Language & Literature, Nanjing University, China
- Diploma in Management of Executive Development, the Chinese University of Hong Kong, Hong Kong

Training

- Director Accreditation Program # 57/2006, Thai Institute of Directors Association

Experience

- Fellow Member of The Hong Kong Institute of Directors
- Senior Vice President, North Asia Business / Research & Development, RCL Group
- Advisor to Board of Directors, RCL Group

Other positions currently held

- Executive Committee member, Hong Kong Sea Transport and Logistics Association
- Chairman, Regional Container Lines Shipping Co., Ltd. (subsidiary company)
- Chairman, Regional Logistics Co., Ltd. (subsidiary company)
- Executive Director, Regional Container Lines (H.K.) Limited (subsidiary company)

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Sutep Tranantasin

Director (Executive Director)

Directorship since 2014

Authorized director

Age 70 years

Education

- Bachelor Degree, Master Marine, Merchant Marine Training Center, Thailand

Training

- Certificate of Competency "Master Mariner", Harbour Department, Ministry of Transportation and Communication

Experience

- Senior Vice President (Group Operations), Regional Container Lines Public Company Limited

Other positions currently held

- The Chairman of Thai Committee of Class NK (Nippon Kaiji Kyokai)
- Director, Through Transport Mutual Insurance Association Ltd
- Director, Thai Shipowners' Association
- Executive Vice President (Operations), Regional Container Lines Public Company Limited
- Director, subsidiary companies and associated companies, RCL Group

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Amornsuk Noparumpa

Independent Director /

Chairman of the Audit Committee /

Nomination & Remuneration

and Corporate Governance Committee Member

Directorship since 1998

Age 77 years

Education

- Barrister-at-Law, Lincoln's Inn, London, England
- Barrister-at-Law, Council of Legal Education, Thailand
- Bachelor of Law (Hons), Thammasat University
- Diploma, Thailand National Defence College #399

Training

- Director Certification Program # 30/2003, Thai Institute of Directors Association
- Audit Committee Program # 23/2008, Thai Institute of Directors Association
- Role of Compensation Committee Program #9/2009, Thai Institute of Directors Association
- Role of the Chairman Program #36/2015, Thai Institute of Directors Association
- Curriculum in Securities Psychology, Class 31
- Curriculum in Advanced Management, Class 7

Experience

- Chairman of Audit Committee and Chairman of Nomination, Remuneration and Good Corporate Governance Committee, L.P.N. Development Public Company Limited
- Deputy Director-General, Legal Execution Department, Ministry of Justice
- Director-General, Department of Probation, Ministry of Justice
- Director, Audit Committee, Executive Director and Nomination, Remuneration and Human Resource Development Committee and Advisor to the Executive Committee, Thai Airways International Public Company Limited
- Chairman of Board of Directors, Siam Realty and Services Co., Ltd.
- Chairman of Board of Directors, Ayudhya Securities Public Company Limited
- Senior Executive Vice President, Bank of Ayudhya Public Company Limited

Mr. Amornsuk Noparumpa (next)

Other positions currently held

- Chairman of the Board and Independent Director, L.P.N. Development Public Company Limited
- Independent Director, Energy Absolute Public Company Limited

Shares held

As of December 31, 2021: 2,003,900 shares (0.24%)

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Viset Choopiban

Independent Director /

Audit Committee Member /

Chairman of the Nomination & Remuneration and Corporate Governance Committee

Directorship since 2008

Age 77 years

Education

- Ph.D. (Honorary in Engineering, Chulalongkorn University)
- Master Degree in Electrical Engineering, Chulalongkorn University
- Bachelor Degree in Electrical Engineering, Chulalongkorn University
- Diploma, The Joint State - private Sector Course, Class 8, Thailand National Defence College of Thailand

Training

- Director Accreditation Program (DAP) #130/2016, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) #3/2001, Thai Institute of Directors Association

Experience

- Independent Director and Chairman of the Board of Directors, Gulf Energy Development Company Limited
- Director, CUEL Company Limited
- Minister to the Ministry of Energy
- President, PTT Public Company Limited
- Chairman of the Board of Directors, PTT Exploration and Production Public Company Limited
- Governor, Petroleum Authority of Thailand

Other positions currently held

- Member of PTIT Foundation Board & Council of Trustees, The Petroleum Institute of Thailand
- Independent Director and Chairman of the Board of Directors, Gulf Energy Development Public Company Limited
- Chairman of the Board of Directors, Gulf JP Company Limited
- Director, TIPS Co., Ltd.

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mrs. Arpavadee Meekun-lam

Independent Director /

Audit Committee Member /

Nomination & Remuneration and

Corporate Governance Committee Member

Directorship since 2013

Age 74 years

Education

- Master of Accounting, St. Louis University, USA
- Bachelor of Accounting,
Faculty of Commerce and Accountancy,
Chulalongkorn University

Training

- Directors Accreditation Program #118/2015,
Thai Institute of Directors Association
- Advanced Audit Committee Program # 19/2015,
Thai Institute of Directors Association
- Director Certification Program # 209/2015,
Thai Institute of Directors Association

Experiences

- First Executive Vice President,
Bank of Ayudhaya Public Company Limited
(In charge of International Trade Dept.)
- Senior Vice President,
Bank of Asia Public Company Limited
(Marketing & Credit Group)
- Director,
National Finance and Securities Company Limited
- Senior Vice President,
Siam Commercial Bank Public Company Limited
(International Trade Finance)

Other positions currently held

- Director, ITBC Business Consultant Group Co., Ltd.

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Charlie Chu

Director (Executive Director)

(Resigned from Executive Director on February 1, 2022)

Directorship since 2018

Age 64 years

Education

- MBA, Rutgers University, New Jersey, USA
- Bachelor of Engineering,
National Cheng Kung University, Taiwan

Training

- Directors Certification Program #284/2019,
Thai Institute of Directors Association
- The Logistic Executive Program
at Ohio State University, USA 2005
- The TMW Supply Chain Development
at Cranfield School of Management, London 2004
- The Strategic Role of Management
at CEIBS, Shanghai 2000

Experience

- Vice President (China Region), RCL Group
- Senior Vice President (Business), RCL Group
- Executive Vice President (Business), RCL Group
- Executive Director, Regional Container Lines Public
Company

Other positions currently held

- Chairman, RCL Feeders Phils., Inc.
(Subsidiary company)
- Chairman, RCL (Vietnam) Co., Ltd.
(Subsidiary company)
- Chairman, RCL Agencies (India) Private Limited
(Joint Venture company)
- Director, subsidiary Companies, related companies,
(joint venture companies), RCL Group

Shares held

As of December 31, 2021: -

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Mr. Twinchok Tanthuwani

Director (Executive Director) /

Directorship since 2020

Authorized director

Age 40 years

Education

- Master of Science in Biomedical Engineering,
Fachhochschule Aachen Julich, Germany
- Bachelor of Engineering in Electrical Engineering
(Automation & Microsystem),
Fachhochschule Aachen Julich, Germany

Experience

- Senior Vice President
(Chief of Regions, Operations and Business
Development),
Regional Container Lines Public Company Limited
- Senior Vice President
(Chief of Regions and Business Development),
Regional Container Lines Public Company Limited
- General Manager, Marketing,
Regional Container Lines Public Company Limited

Other positions currently held

- Director, subsidiary companies,
joint venture companies, RCL Group
- Senior Vice President
(Chief of Regions, Operations, Business),
Regional Container Lines Public Company Limited

Shares held

As of December 31, 2021: 3,612,875 shares (0.435%)

Relation with other director and management

Son of Mr. Sumate Tanthuwani

Illegal record in the past 5 years

Nil

Group Management Profile

Name / Position	Age	Education	Share holding (%)	Relation with Other Management	Work Experience		
					Year	Position	Company/ Type of Business
Dr. Jamlong Atikul Chairman (Authorized Director)	74	<ul style="list-style-type: none"> • Ph.D (City & Regional Planning), Cornell University, USA • Master of Commerce (Economics) University of Auckland, New Zealand • B.C.A. (Economics), Victoria University of Wellington, New Zealand • IT Security Trend Update • IT Governance and Cyber Resilience • ESG and Sustainable Banking Development, including response to the Covid-19 situation • IT Security Awareness, Virtual Training • Bangkok FinTech Fair 2021 “Shaping Digital Finance in the New Decade” • Attended Director Accreditation Program Course (IOD) • Attended Director Certification Program Course (IOD) • Attended Role of the Chairman Course (IOD) 	-	Nil	2006 - 2013	Director & Nomination and Remuneration Committee	Regional Container Lines Pcl. / Maritime Transportation
					2013 - Present	Chairman	
Mr. Sumate Tanthuwani Managing Director (Authorized Director)	76	<ul style="list-style-type: none"> • Honorary Doctorate in Logistics Management, Her Royal Highness Princess Maha Chakri Sirindhorn • Ph.D. in Business Administration (Honorary), Mae Fah Luang University, Thailand • Attended Director Certification Program Course (IOD) 	7.21	Father of Mr. Twinchok Tanthuwani	1980 - Present	Managing Director	Regional Container Lines Pcl. / Maritime Transportation

Name / Position	Age	Education	Share holding (%)	Relation with Other Management	Work Experience		
					Year	Position	Company/ Type of Business
Mr. Kua Hock Eng Executive Director	82	<ul style="list-style-type: none"> B.A., English Language & Literature, Nanjing University, China Attended Director Accreditation Program Course (IOD) 	-	Nil	2003 - Apr 2010 May 2010 - Mar 2011 Apr 2011 - Present	Executive Director Advisor to Board of Directors Executive Director	RCL Group / Maritime Transportation
Mr. Sutep Tranantasin Director & Executive Vice President (Operations) (Authorized Director)	70	<ul style="list-style-type: none"> Bachelor Degree, Master Marine, Merchant Marine Training Center, Thailand Certificate of Competency "Master Mariner", Harbour Department, Ministry of Transportation and Communications 	-	Nil	2003 - Aug 2014 Aug 2014 - Present	Executive Vice President (Operations) Director & Executive Vice President (Operations)	RCL Group / Maritime Transportation
Mr. Charlie Chu Director & Executive Vice President (Business and Logistic Group)	64	<ul style="list-style-type: none"> MBA, Rutgers University, New Jersey, USA. Bachelor in Engineering, National Cheng Kung University, Taiwan Attended Directors Certification Program (IOD) 	-	Nil	Sep 2008 - Jun 2011 Jul 2011 - Jul 2012 Aug 2012 - Mar 2018 Apr 2018 - Jun 30, 2020 Jul 1, 2020 - Present	Vice President (China Region) Senior Vice President (Business) Executive Vice President (Business) Director & Executive Vice President (Business) Director & Executive Vice President (Business and Logistic Group)	RCL Group / Maritime Transportation

Name / Position	Age	Education	Share holding (%)	Relation with Other Management	Work Experience		
					Year	Position	Company/ Type of Business
Mr. Twinchok Tanthuanit Director and Senior Vice President (Chief of Regions, Operations, Business)	40	<ul style="list-style-type: none"> • Master of Science in Biomedical Engineering, Fachhochschule Aachen Julich, Germany • Bachelor of Engineering in Electrical Engineering (Automation & Microsystem), Fachhochschule Aachen Julich, Germany 	0.44	Son of Mr. Sumate Tanthuanit	Jun 2015 - Nov. 2018	General Manager, Marketing	Regional Container Lines Pcl. /
					Dec. 2018 - Jul.2019	Senior Vice President (Chief of Regions and Business Development)	Maritime Transportation
					Aug.2019 - Jun 30, 2020	Director and Senior Vice President (Chief of Regions, Operations and Business Development)	
					Jul 1, 2020 - Present	Director and Senior Vice President (Chief of Regions, Operations, Business)	
Ms. Nadrudee Rungruengphon Executive Vice President (Group Finance & Accounts and IT)	58	<ul style="list-style-type: none"> • Master in Accounting, Thammasat University • Bachelor in Accounting (1st Class Hons), Thammasat University • Bachelor of Law (2nd Class Hons), Thammasat University • Various training in Accounting Standard, Digital Technology, Business Laws and International Business Center set up in Thailand 	-	Nil	Sep 2015 - Jun 2017	Senior Vice President (Group Finance & Accounts)	Regional Container Lines Pcl. /
					Jul 2017 - Present	Executive Vice President (Group Finance & Accounts and IT)	Maritime Transportation

Attachment 2

Details of the directors of the subsidiary

(Only those whose income exceeds 10 percent of the total income presented on the consolidated income statement of the latest fiscal year)

Director	RCL Feeder PTE Co., Ltd.
Mr. Charlie Chu	//
Mr. Twinchok Tanthuwani	//

Note : *The said subsidiary does not have a chairman of the board of directors. All directors have the same powers and duties.*

Directors in Subsidiaries, Associated, Related, and Joint Venture Companies

Company Name	Directors									Executives		
	Jamlong Atikul	Sumate Tanthuwaniit	Kua Hock Eng	Sutep Tranantasin	Amornsuk Noparumpa	Viset Choopiban	Arpavadee Meekun-lam	Charlie Chu	Twinchok Tanthuwaniit	Nadrudee Rungruengphon	Suporn Amnuaypan	Chatgamol Phitaksuteephong
Regional Container Lines Public Company Limited	X	//	//	//	/	/	/	//	//	-	-	-
Subsidiary Companies												
1. RCL Investment Pte. Ltd.	-	//	-	-	-	-	-	-	/	-	-	-
2. Regional Container Lines Pte. Ltd.	-	//	-	//	-	-	-	-	/	-	-	-
3. RCL Shipmanagement Pte. Ltd.	-	//	-	//	-	-	-	-	/	-	-	-
4. RCL Feeder Pte. Ltd.	-	-	-	-	-	-	-	//	/	-	-	-
5. Regional Container Lines (H.K.) Limited	-	//	/	-	-	-	-	-	/	-	-	-
6. RCLS Co., Ltd.	-	-	-	/	-	-	-	/	/	-	/	-
7. Regional Container Lines Shipping Co., Ltd.	-	/	X	/	-	-	-	-	/	-	-	-
8. RCL Logistics Co., Ltd.	-	/	-	/	-	-	-	-	/	/	-	-
9. RCL Agencies (M) Sdn. Bhd.	-	/	-	-	-	-	-	/	-	-	-	-
10. RCL Feeders Phils., Inc.	-	-	-	-	-	-	-	X	/	-	-	-
11. RCL (Vietnam) Co., Ltd.	-	-	-	-	-	-	-	X	/	/	-	-
12. Regional Logistics Co., Ltd.	-	-	X	/	-	-	-	-	/	-	-	-
13. RCL (Myanmar) Company Limited	-	-	-	-	-	-	-	-	/	/	-	-
14. Santi Bhum Co., Ltd.	-	-	-	X	-	-	-	/	/	/	-	-
15. Thitti Bhum Co., Ltd.	-	-	-	X	-	-	-	/	/	/	-	-
Associated Companies												
1. TIPS Co., Ltd.	-	/	-	/	-	/	-	-	-	-	-	-
2. Pu Chao Container Terminal Co., Ltd.	-	-	-	/	-	-	-	-	-	/	-	-
3. N-Square RCL Logistics Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Related Companies												
1. Jurong Districentre Pte. Ltd.	-	-	-	-	-	-	-	/	-	-	-	-
2. NH Prosperity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Joint Venture Companies												
1. RCL Agencies (India) Private Limited	-	-	-	-	-	-	-	X	/	/	-	-
2. RCL Agencies East India Private Limited	-	-	-	-	-	-	-	/	/	/	-	-
3. Shanghai CIMC Grand International Logistics Co., Ltd.	-	-	-	-	-	-	-	-	X	-	-	-
4. Regional Logistics Private Limited	-	-	-	-	-	-	-	/	/	/	-	-

Remark : X = Chairman / = Director // = Executive Director

Attachment 3

Head of Internal Auditor / Compliance

Mr. Pornchai Vimolratana

Senior Vice President (Internal Audit)

Age 69 years

Education

- Bachelor's Degree, School of Accounting (with First Class honours), Bangkok University

Training

- Board Reporting Program, Thai Institute of Directors (IOD)
- CIA Review Part I, Federation of Accounting Professions (FAP)

Experience

- Senior Vice President (Region), Regional Containers Line Public Company Limited
- Senior Vice President (Region 3), Regional Containers Line Public Company Limited
- Senior Vice President (Logistics), Regional Containers Line Public Company Limited

Shares held (including spouse)

As of December 31, 2021: - shares

Relation with other director and management

Nil

Illegal record in the past 5 years

Nil

Attachment 4

Main fixed assets

Vessels and equipment

At the end of 2021, the Company and its subsidiaries in Singapore owns a total of 41 vessels and equipment with a net book value of 15,160 million baht (the Company owns 16 vessels and a subsidiary owns 25 vessels). These vessels are having capacities between 388 - 6,310 TEUs with DWT between 4,827 - 72,807 tons. They are used to carry general purpose and reefer containers providing service transportation sailing within the regions and neighboring regions.

At the end of 2021, the Company and its subsidiaries in Singapore have mortgaged 6 vessels to secure their loan credit facilities amounting to 875 million baht.

At the end of 2021, the Company and its subsidiaries in Singapore have engaged independent professional appraiser to perform vessel valuation.

Property and premises

The Company and its subsidiaries own 3 office buildings for use as operating offices in Bangkok, Hong Kong and the People's Republic of China with the net book value of the office building and building improvements totaling 351 million baht.

Bangkok office is located at 127/35 Panjathani Tower, 30th Floor, Ratchadaphisek Road, Chong Nonsi Sub-District, Yannawa District, Bangkok 10120 with an area of 1,059 square meters and it has free from mortgage.

Hong Kong office is located at 9 Des Voeux West Street, 11th Floor with an area of 6,884 square feet and it is under mortgage.

The office in the People's Republic of China is located at No. 18 Xi Zang Middle Road, 26th Floor, Harbor Ring Building, Huangpu District, Shanghai, with an area of 1,269 square meters and it has free from mortgage.

Details about the property appraisal list

The Company and its subsidiaries have engaged independent professional appraiser to perform vessel valuation.

Attachment 5

Business Ethics

1. Maintaining the high ethical standards and undertaking business duties with prudence, honesty and fairness with regard to shareholders and all stakeholders.
2. Cooperating with all concerned parties in offering efficient services in the best interest of customers.
3. Conducting duties with awareness of effective and economical utilization of the Company's assets.
4. Develop processing routines that include the principle of check and balance without unduly hampering the smooth workflow.
5. Providing accurate and reliable information on corporate business and services, keeping customer's secrets and avoiding any misappropriate utilization of such information for personal benefits or for the benefit of the others.
6. Treating counterparts and creditors alike and complying with agreements made earlier.
7. Competing under fair business conducts and avoiding any unlawful or dishonest acts of destruction towards competitors.
8. Diligently conducting business; offering useful opinions to the Company based on acquired knowledge, capability, personal experiences and independent professional judgment; eager to learn and apply such knowledge to improve work performance for self-achievement and corporate benefits.
9. Creating a good harmonious working environment and adopting a humble and straightforward attitude as well as exchanging ideas with colleagues and applying perspective thinking in solving any problems, free from office politics.
10. Adhering to international conventions, where applicable, such as the International Maritime Organization's codes to preserve the social and public environment.
11. Uphold our RCL's brand reputation for excellence, to be the best regional container carrier and total logistics service provider.

The Company has promoted the "Employee Code of Conduct" to compliment the above ethical guidelines of which details are as followings:

Employee Code of Conduct:

1. Attitude towards RCL
2. Usage of the name "RCL"
3. Personal ethical core values
4. Relationship with fellow colleagues
5. Competitor, partner and supplier relationships
6. Sexual, other unlawful harassment and workplace violence
7. Confidential information
8. Use of E-mails, Internet, information access, software, telecommunication facilities and office equipment
9. Environment and society
10. Personal privacy

11. Anti-Corruption

12. Whistle Blower

Details are shown in the Company's website (<http://www.rclgroup.com>) in topic of "About / Group Policy".

Corporate Governance Policy

The good corporate governance not only defines the suitable structure and proper role of the Company's Board of Directors, but also aspires approaches in which the Company sets its objectives and missions towards maximized benefits of, and equitable responsibilities to, its shareholders and stakeholders; and assuring the existence of effective internal controlling and auditing framework. These principles govern:

- (1) the principles of good corporate governance is an on-going process that requires relevant assessments and updates, whereby the Board of Directors as well as the Company's high level executives are both responsible for monitoring that these principles are duly complied with.
- (2) the Board of Directors will review these principles and other aspects of governance, if deemed necessary or within an applicable timeframe.
- (3) the Company's high level executives and the Board of Directors to assure that proper standards of good corporate governance code are maintained. Business ethics and morals are the keys behind the formulation of corporate strategies and business goals. Emphasis is given to the following responsibilities:
 - a selection of suitable nominees, who are diversified in their wealth of experience, appropriate knowledge, farsighted vision, professional integrity and leadership calibre, for executive posts and for election to the positions of Board members, all of whom are subject to appointment and re-appointment by shareholders in general meetings.
 - effective management of corporate activities; maintain sufficient and suitable internal controls and audits, carry out prudent risk management practices, and conduct business in accordance with the highest standards of professional integrity to comply with applicable laws and regulations and protect long-term equitable interests of shareholders and stakeholders.
 - avoidance of conflicts of interest and assurance of equal rights of shareholders and stakeholders. The Company values its relationship with its shareholders, stakeholders, customers, staff and the communities in which it operates, as well as recognizes the importance of good communication with them.
 - emphasis on transparency, clear accountability, sufficient disclosure, whilst encouraging creation of shareholder value as well as, integrity, morals, social responsibility and environmental awareness.
 - anti-corruption

Attachment 6

Audit Committee Report

The Audit Committee of Regional Container Lines Public Company Limited comprises of three independent directors, who have the duties and responsibilities as assigned by the Board of Directors of the Company. The Audit Committee members are fully qualified as stipulated in the Audit Committee Charter, in accordance with the Notification of the Securities and Exchange Commission. They are:

Mr. Amornsuk Noparumpa	Chairman of Audit Committee
Mr. Viset Choopiban	Member of Audit Committee
Mrs. Arpavadee Meekhun-lam	Member of Audit Committee

The Audit Committee maintains independency in decision-making and relies on discretionary judgement for the best benefits of the Company, shareholders and all other stakeholders. It also promotes and supports compliance of good corporate governance practices.

During the year, 2021 the Audit Committee performed its duties in accordance with the scope and authorities, as summarized as follow:

1. Reviewing the Company's quarterly and the year-end consolidated financial statements 2021 as well as the notes to financial statements which have been reviewed and audited by the auditors, before presenting to the Board of Directors. This is to ensure the adequacy of disclosure and the compliance to the generally accepted accounting standards.

2. Reviewing the adequacy of internal control system with internal audit team, support the internal audit team to audit overseas subsidiaries and follow up with the recommended actions via the system and remote approach during this pandemic year. The Audit Committee emphasized to the Internal Audit Office, the reliability of their audit findings as well as the acceptance by the parties being audited. The Audit Committee recognizes the importance of tracking internal control systems, the integrated control within the IT system, which constantly affect the accuracy of information and reliability of Financial Reporting and passed on such findings to the Management for further action.

3. Reviewing of Corporate Governance, in year 2021, the Audit Committee continued to focus on the transparency for good governance and in accordance with sustainable development principle. To support the Internal Audit's work, the Audit Committee has approved the additional task force to carry out the work more effectively and approved, as special case, to have specialists from business and operation departments to join the audit on ad hoc basis.

4. Reviewing the compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and the laws related to the Company's business.

5. Reviewing appointment of Auditor and Auditor Fee for 2021 and recommending to the Board of Directors on the appointment of Mr. Chaiyuth Angsuwithaya, registration no. 3885, Mrs. Natsarak Sarochanunjeen, registration no. 4563, Ms. Daranee Somkamnerd, registration no. 5007 and Ms. Jarunee Nuammae, registration no. 5596 of A.M.T. & Associates as the Company's auditor for the year 2021. In the event that any of the auditors is unable to perform their duties, A.M.T. & Associates is authorized to nominate a qualified auditor to perform the audit and express an opinion on the Company's financial statement in his / her place.

6. Reviewing the connected transactions with due consideration in respect of conflict of interests to ensure that these transactions, if any, are performed as normal business on arm's length basis, and were sufficiently disclosed according to the Notifications and Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

7. Audit Committee held quarterly meetings with the Company's external auditors to review the quarterly and year-end consolidated financial statements 2021 which all members, i.e. Mr. Amornsuk Noparumpa, Mr. Viset Choopiban, and Mrs. Arpavadee Meekhun-lam attended all four meetings accordingly. Chairman of the Audit Committee called for additional meetings with Internal Audit Office and Executive Vice President of Finance & Account to consider matters arising from internal audit, financial analysis, regulation and legal issues with all Audit Committee members present in all six meetings accordingly.

8. In performing its duties in accordance with the scope and authorities described in Audit Committee Charter, the Audit Committee is of the opinion that the Company has disclosed the information, complied with generally accepted accounting standards and should intensively implement the internal control activities. The Internal audit procedures were within the internal audit framework and the business operation was monitored in compliance with related laws and regulations.



Mr. Amornsuk Noparumpa

Chairman of Audit Committee



CORE VALUES



ACCOUNTABILITY

Accountable for customers, partners, employees, and community by returning the best service quality and the best support/contribution to them.

Accountable for our action. Taking ownership of the company and customer success.



TEAMWORK

Collaborating within and outside the company to give the best result and align with the company goals.



RESULT ORIENTATION

Strives to achieve high performance levels and concrete results and outcomes at work minimizing errors committed.



CUSTOMER FOCUS

An inclination to constantly factor the customers' needs and convenience whatever one does.



LEADERSHIP WITH INTEGRITY

Ability to initiate, coordinate and direct, drive for success with effective communication.

Develop self & others to have continuous improvement, share knowledge, skill and information among and across teams.

Integrity to keep the group honorable and adhering to moral and ethical principles, conduct all aspects of work with unwavering ethical behavior and honesty



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