



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



แบบ 56-1 ONE REPORT
แบบแสดงรายการข้อมูลประจำปี/รายงานประจำปี 2565



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RCL





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.



Message from Chairman

The year 2022 had been marked as a banner year for Regional Container Lines Public Company Limited (the “Company”) with its highest-ever record total revenues of Baht 53,180 million. The Company delivered net profits of Baht 24,625 million, increased 37% compared to the previous year. In addition, the Company’s earnings per share for the year 2022 increased to Baht 29.71 per share from Baht 21.69 per share in 2021.

In 2022 there were both favorable and adverse factors affecting the container shipping industry such as prolonged port congestion which continued to push the freight rate to a high level but began to gradually drop since the second half of 2022. On the other hand, factors including high bunker prices, geopolitical conflicts, inflation, high-interest rates, upcoming recession, and supply chain disruption consequently led to the increase in the cost of shipping. The Company, therefore, gives priority to effective cost management, which is the Company’s main operational strategy, especially efficient bunker consumption, vessels’ speed control as well as cargo management both inbound and outbound and financial risk management. These endeavours eventually led the Company to the highest record profit once again in the year 2022.

The Company also focuses on the development and improvement of internal efficiency to strengthen customer service capability and support the Company’s business growth in the future. The Company has implemented Robotic Process Automation or RPA to reduce redundant processes and workflows as well as the utilization of Power Platform which enables the Company to enhance internal efficiency in coordination within the organization and helps to respond to customers’ needs in a timely manner.

The Company is aware of the importance of the customers’ supply chain management. The Company, therefore, continuously expands its logistics services from China, India, Thailand, and Myanmar to other areas such as Vietnam, Indonesia, Hongkong, Singapore, Malaysia, Cambodia and others. Our growing focuses on logistics solutions including e-commerce, and other logistics value-added services. With these end-to-end solutions, it will help the customers to achieve their business objectives and ensure their sustainable growth together with the Company’s.

In addition to the financial performance, the Company adheres to the growth in tandem with all stakeholders and takes Environmental, Social, and Governance (ESG) impacts into consideration. In 2022, the Company improved its fleet profile by replacing retired vessels with new and modern vessels which enhance the Company’s fleet capability as well as reduce greenhouse gas emissions and energy consumption rates. In the meantime, the Company also nurtured society through various activities such as donating to foundations and projects that aim for social responsibility, supporting the Democratic Socialist Republic of Sri Lanka, where the Company operates its business, during its economic crisis, supporting the education through scholarship projects and developing the employee’s capacity.

The Company has continuously committed to its mission to all stakeholders. On behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, customers, business partners, and strategic alliances who always put their trust in and support the Company. Furthermore, I would like to thank all executives and employees who dedicated their efforts to this outstanding achievement. Finally, the Company reaffirms to operate the business under its strategic framework and adheres to optimize benefits to all stakeholders for sustainable growth together.

(Dr. Jamlong Atikul)

Chairman of the Board of Directors

Regional Container Lines Public Company Limited



ACCOUNTABILITY

A

TEAMWORK

T

RESULT ORIENTATION

R

C

LEADERSHIP
WITH INTEGRITY

L

CUSTOMER FOCUS
(EXTERNAL AND INTERNAL)



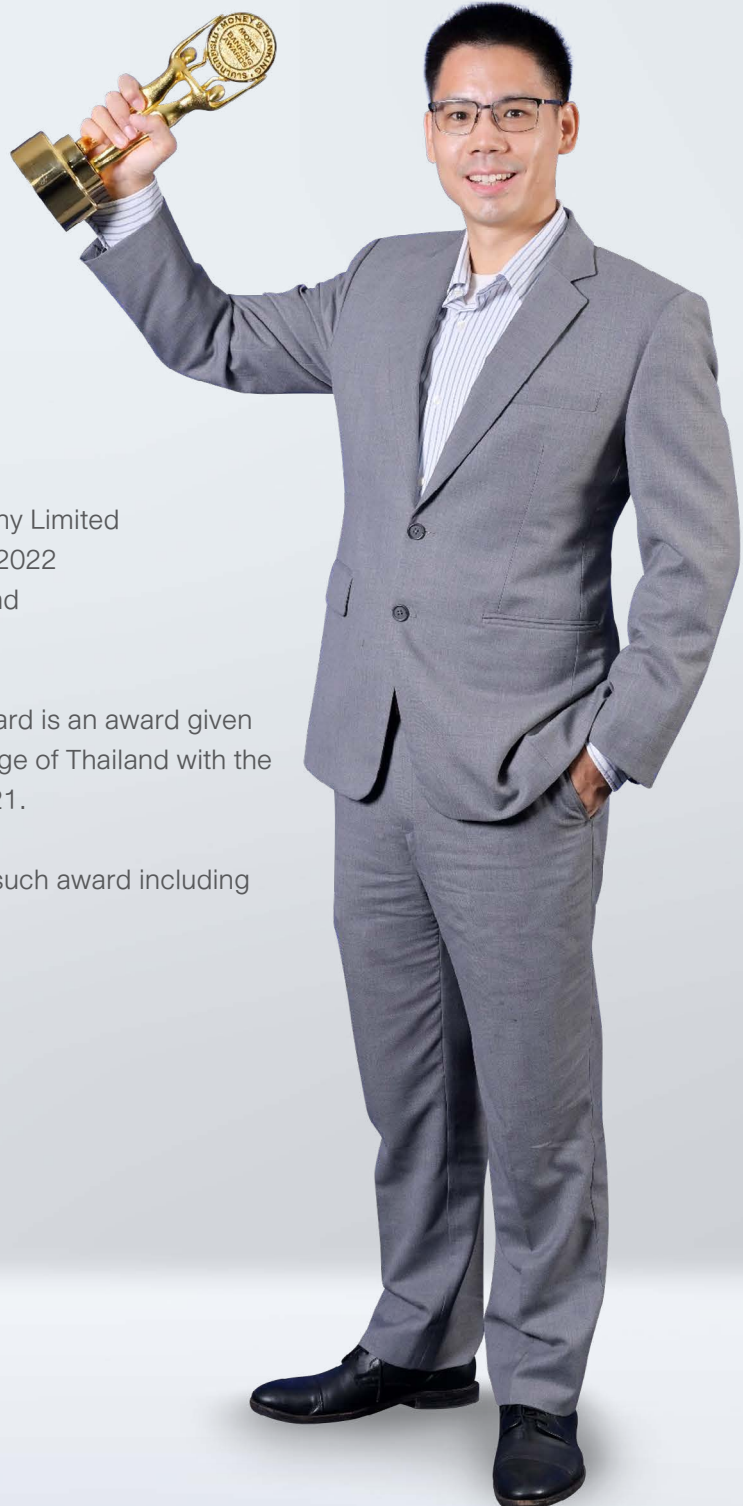
MONEY & BANKING AWARDS 2022

Regional Container Lines Public Company Limited received the Best Company of the Year 2022 Award – Service Industry from Money and Banking Awards 2022.

The Best Company of the Year 2022 award is an award given to companies listed in the Stock Exchange of Thailand with the best overall performance of the year 2021.

There are 4 criteria as a benchmark for such award including

- 1) Size of the Company
- 2) Profitability
- 3) Return on Investment
- 4) Investment Liquidity.





Financial Highlights

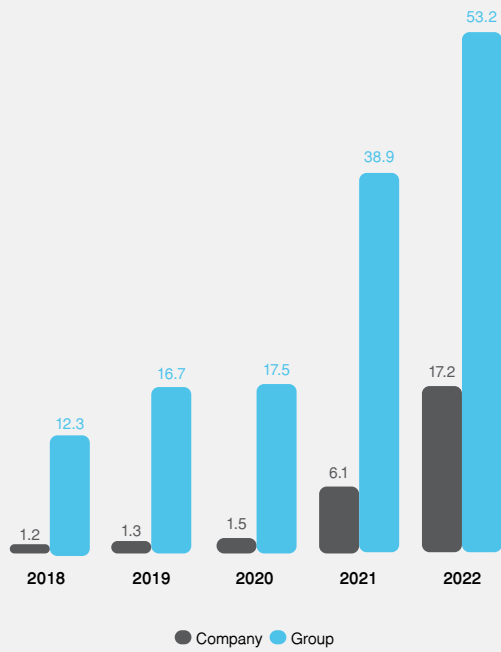
Company (Baht)	2022	% Change	2021	% Change	2020
Fixed Assets	5,953,817	(5)	6,274,350	9	5,738,293
Total Assets	19,625,793	19	16,431,281	17	14,050,911
Total Liabilities	1,264,595	(84)	7,903,792	2	7,766,762
Shareholders' Equities	18,361,199	115	8,527,489	36	6,284,149
Freight Income	4,847,218	129	2,113,866	60	1,318,953
Total Income	17,178,107	182	6,091,596	303	1,512,462
Gross Profit (from freight income)	3,675,500	234	1,100,166	225	338,313
Net Profit attributable to equity holders of the parent	15,482,559	261	4,287,753	8,188	51,732
Earnings Per Share (Baht)	18.68	261	5.17	8,188	0.06
Debt to Equity Ratio	0.07		0.93		1.24
Net Profit to Shareholders' Equity	84.32%		50.28%		0.82%
Net Profit Margin	90.13%		70.39%		3.42%
Book Value Per Share (Baht)	22.16		10.29		7.58

Group (Baht)	2022	% Change	2021	% Change	2020
Fixed Assets	27,105,182	34	20,256,039	66	12,187,587
Total Assets	58,931,916	52	38,713,283	115	17,989,309
Total Liabilities	13,637,112	7	12,800,221	44	8,915,477
Shareholders' Equities	45,294,804	75	25,913,062	186	9,073,832
Freight Income	52,073,671	37	37,979,015	121	17,195,237
Total Income	53,179,508	37	38,910,104	123	17,463,377
Gross Profit (from freight income)	25,562,383	36	18,802,775	563	2,834,937
Net Profit attributable to equity holders of the parent	24,625,177	37	17,972,751	930	1,744,794
Earnings Per Share (Baht)	29.71	37	21.69	930	2.11
Debt to Equity Ratio	0.30		0.49		0.98
Net Profit to Shareholders' Equity	54.37%		69.36%		19.23%
Net Profit Margin	46.31%		46.19%		9.99%
Book Value Per Share (Baht)	54.65		31.27		10.95



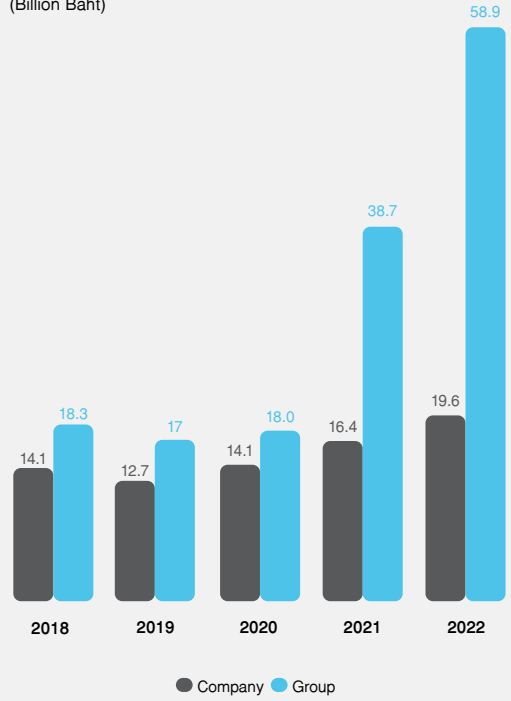
TOTAL REVENUES

(Billion Baht)



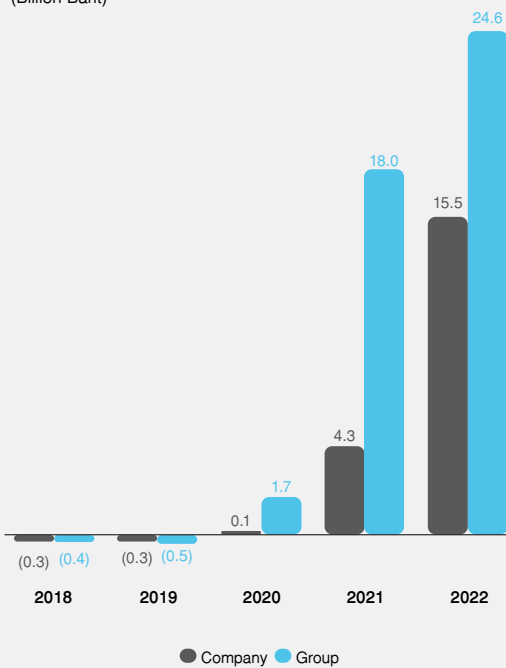
TOTAL ASSETS

(Billion Baht)



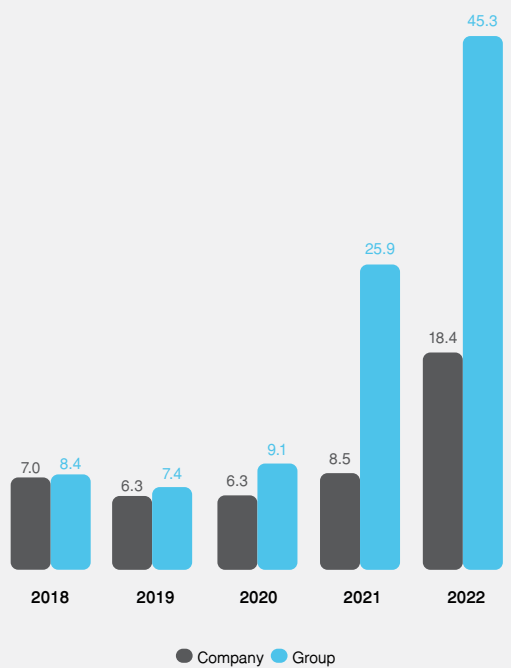
Net Profit / (Loss) attributable to equity holders of the parent

(Billion Baht)



SHAREHOLDERS' EQUITY

(Billion Baht)





Board of Directors



Dr. Jamlong Atikul

Chairman of the
Board of Directors



Mr. Sumate Tanthuanit

Director / Chairman of the Executive
Committee



Mr. Twinchok Tanthuanit

Director (Executive Director) /
President



Mr. Amornsuk Noparumpa

Independent Director /
Chairman of 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. Sutep Tranantasin

Director (Executive Director)



Mr. Charlie Chu

Director
(Executive Director)



Mr. Goh Pek Yang

Director
(Executive Director)



Group Management Committee



Mr. Sumate Tanthuwant

Director and Chairman of Executive Committee



Mr. Twinchok Tanthuwant

Director and President



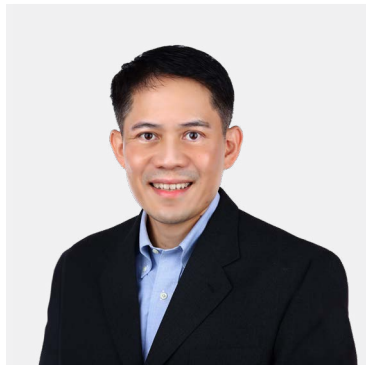
Mr. Kua Hock Eng

Executive and Advisor to the Board of Directors



Mr. Sutep Tranantasin

Director and Executive Vice President (Operations)



Mr. Joseph Jerome Mendis

Executive Vice President (Commercial Group)



Ms. Nadrudee Rungruengphon

Executive Vice President (Group Finance & Accounts) and Company Secretary



Mrs. Suporn Amnuaypan

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



Mr. Chatgamol Phitaksuteephong

Vice President (Group Information Technology)

Part

1

Business Operation and Operating Results

Organizational structure and operation of the Group of companies

Policy and Business Overview

Nature of Business

Major Developments during 2022

Shareholding Structure of the Group

Securities and Shareholders Information

Dividend Payment Policy

Risks Management

Business Sustainability Development

Management Discussion and Analysis (MD&A)

General Information and Other Material Facts



1. Organizational Structure and Operation of the Group

1.1 Policy and Business Overview

1.1.1 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 the Middle East.

Success

In 2022 the Group is currently ranked 26th amongst the world container shipping operators and recognized as amongst the top regional operators by leading industrial publications. In addition, RCL received the award "Best Public Company - Service Industry 2022" from the Money & Banking Awards 2022. The Best Company of the Year 2022 award is an award given to companies listed on the Stock Exchange of Thailand with the best overall performance of the year 2021. There are 4 criteria as a benchmark for such award including 1) Size of the Company 2) Profitability 3) Return on Investment 4) Investment Liquidity.

The 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.



1.1.2 Chronicles and Major Developments

1980 Incorporation

- Founded by Ngow Hock Co., Ltd.

1981–1993 Years of Pioneering and Going Public

- 1981: Purchased its first vessel, M.V. Siri Bhum to commence Bangkok – Singapore route.
- 1988: Listed in the Stock Exchange of Thailand.
- 1993: Converted to a public company and raised registered capital to Baht 221 million.

1995 – 1998 Years of Asset Building-Up

- Took delivery of nine newly built vessels from Japan and Singapore.
- Acquired a freehold 12 - storey office building in Singapore as RCL regional operation center.
- 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.

2000 –2004 Years of Strengthening Service Network

- 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.

2005 –2010 Years of Investment in Assets and Subsidiaries

- Took delivery of thirteen newly-built vessels from Japan, China and Poland.
- Holding 100% of shares in the RCL Feeders Phils., Inc. in the Philippines.
- Incorporated and held 80% of shares 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% of shares in RCL (Vietnam) Co., Ltd. in Vietnam to expand shipping and logistics business into Indochina.
- Incorporate and held 85% of shares in RCL (Korea) Ltd. And increased the registered capital from KRW 340 million to KRW 400 million and held 100% of shares in 2007 to expand the business of the Group in Korea
- Incorporated and holding 49% of shares in PT Daerah Indah Shipping to expand the Group's services in Indonesia.
- 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 of the 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 of the Group operational efficiency.



- Raised registered capital 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 the Group's business operation in Malaysia.

2011 – 2014 Years of Corporate Value Creation and Systems Enhancements

- Obtained extension of investment license in Vietnam under our joint venture investing arm, RCL (Vietnam) Co., Ltd.
- Commenced installation of the mandatory Electronic Chart Display and Information System (ECDIS), which facilitates navigation and significantly improves safety at sea.
- The Group's vessels have achieved complete verification and obtained from the 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.
- Launched RCL's five (5) core values namely (1) Accountability, (2) Teamwork, (3) Result Orientation, (4) Customer Focus, and (5) Leadership with Integrity as well as the reinforcement of Performances Management System, which strives to provide goals-oriented assessment and objective evaluation of staff's performance.
- 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 Company's network.

2015 – 2016 Year of Award Achievement and New Services

- Continued developing the SAP, especially in the Group's subsidiaries to respond to the needs of the users in coordinating with the government's organizations. SAP is a system that improves the working process between organizations such as the government accounting system of the PRC and the implementation of the SAP system helps to reduce errors in data transmission.
- 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 the Far East to India Sub-continent and Middle East

2017 – 2019 Year of Service Expansion, Business Alignment and Infra-structure Enhancements

- Launched a new service from China to Pakistan and the Middle East
- Launched New South China / Philippines / Songkhla Service
- Launched second Straits of Malacca service to serve Belawan and Penang
- Established RCL office in Mumbai, India
- Took deliveries of 2 X 1668 TEUs, namely M.V. Jaru Bhum and M.V. Khuna Bhum.

- 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.
- Established RCL office in Chennai, India.
- Revamped several routes coverage and re-brandings as well as added 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 1,668 TEUs ships, namely M.V. Latit Bhum and M.V. Makha Bhum in July and August 2019 respectively.
- Beginning of scrubber installations phase, commencing with Sattha Bhum and Racha Bhum in the second half of the year 2019.

2020 – 2021 Years of Building a Strong Business Foundation

- Commemoration of RCL's 40th anniversary in the year 2020.
- 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 a commitment to 2 new-buildings of 11,714 TEUs each, by far the largest order books in RCL's record.
- Incorporated 2 subsidiaries namely Santi Bhum Co., Ltd. And Thitti Bhum Co., Ltd where the Company holding 99% of shares and increased registered capital to Baht 480 million to support the growth of the Company in the future.

2022 Years of Carry on the Intentions and Driving Success

- Appointed Mr. Sumate Tanthuanit as Chairman of Executive Committee and Mr. Twinchok Tanthuanit as President effective on 1st June 2022.
- Received the Best Company of the Year 2022 Award — Service Industry from Money and Banking Awards 2022. The event organized by Money and Banking Magazine in collaboration with Suan Dusit Poll which is given to listed companies in the Stock Exchange of Thailand with the best overall performance of the year 2021
- Organized naming ceremony for 2 of 12,000 TEUs vessels, "Santi Bhum" and "Thanya Bhum" which are the largest vessels in the Company's fleet. Santi Bhum entered the fleet in the 4th quarter of 2022 and Thanya Bhum will enter to the fleet in the 1st quarter of 2023 respectively. This is to increase the capability of the Company's business and services.
- Expanded and improved the Company's fleet. As of 31st December 2022, the Company has 44 vessels with capacity of 95,991 TEUs which will increase service efficiency, response to customer's demand and drive the Group to the success



1.2 Nature of Business

1.2.1 Information of Product or Services

(1) Product or Services Information and Business Innovation Development

Regional Container Lines Public Company Limited and its companies in the group (“RCL” or the “Group”) operates on three core lines of business, namely;

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

Business Activities

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

The Group currently operates a fleet of 44 container vessels with sizes ranging from 388 TEUs to 11,714 TEUs. For its COC business, the Group also operates a container box fleet of 150,000 TEUs comprising of both owned and leased boxes. RCL also has a network of 76 offices comprising both owned-offices and agency representations to serve and support its customers and their business activities.

Today, RCL is recognized as a leading COC and SOC operator by both peers and customers alike in the Intra Asia, Indian sub-continent and Middle East trades.

Lines of Business

SOC business 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.

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 are a big component of RCL’s SOC business. Currently RCL offers feeder services for various hub ports in Asia.

RCL also operates its own COC business with a fleet of 150,000 TEUs comprising of both owned and leased boxes to support its customer's activities. These boxes are offered directly to exporters and importers to load for transportation in the trading lanes that RCL serves. In a span of few years, RCL has concentrated its effort to grow and strengthen its COC business and its customer relationships with both BCOs (Beneficial cargo owners) and the international and local freight forwarders alike.

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

The Company and Company's subsidiaries receives the BOI investment promotion certification for 6 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
Santi Bhum	18 Oct 2022	4 Nov 2030

Under the BOI promotion in Thailand, those 6 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 9 vessels, namely Itha 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.

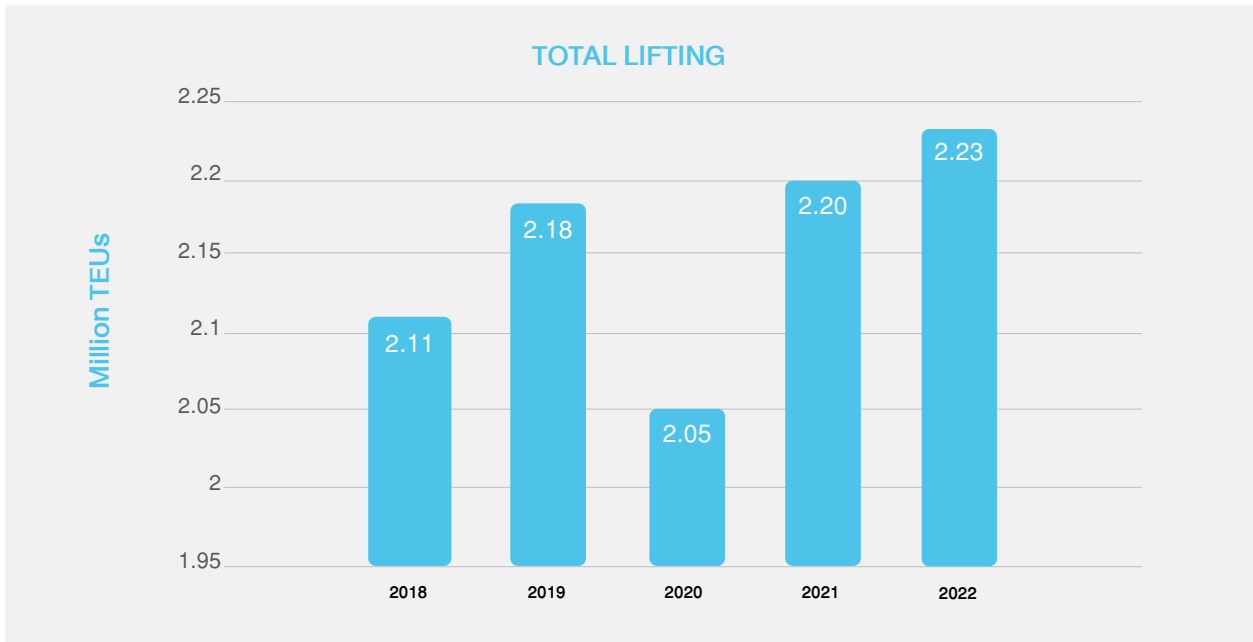
Total Liftings

2022 RCL liftings was higher by 20.7% for COC, but lower by 29% for SOC. RCL's total liftings increased 1.4% with a utilization ratio of 135%.

	2018	2019	2020	2021	2022
Total Liftings (TEUs)	2,110,899	2,183,955	2,045,984	2,200,308	2,231,819
Growth (%)	11.0%	3.5%	-6.3%	7.5%	1.4%
COC Volume (TEUs)	1,241,574	1,270,508	1,231,027	1,346,125	1,624,928
Growth (%)	12%	2.3%	-3.1%	9.3%	20.7%
SOC Volume (TEUs)	869,325	913,487	814,957	854,183	606,891
Growth (%)	10%	5.1%	-10.8%	4.8%	-29.0%



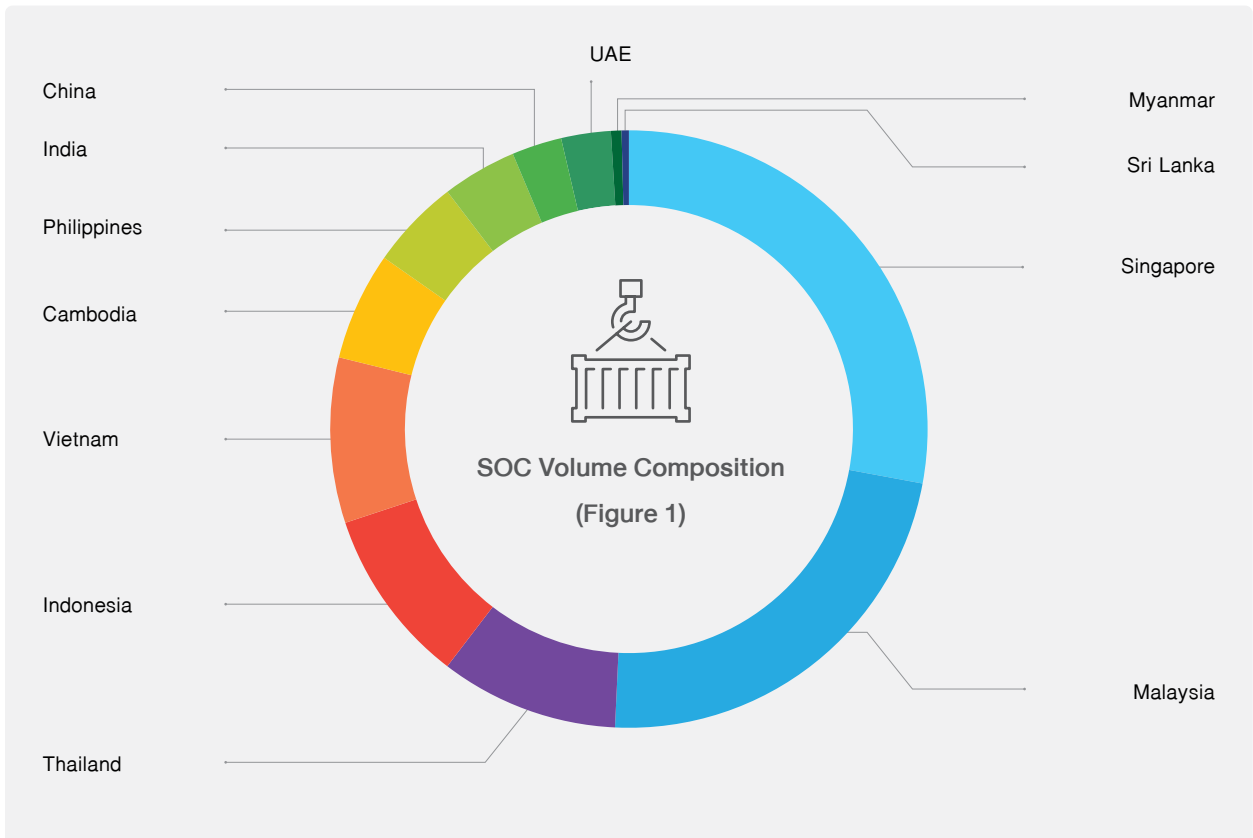
Total Liftings



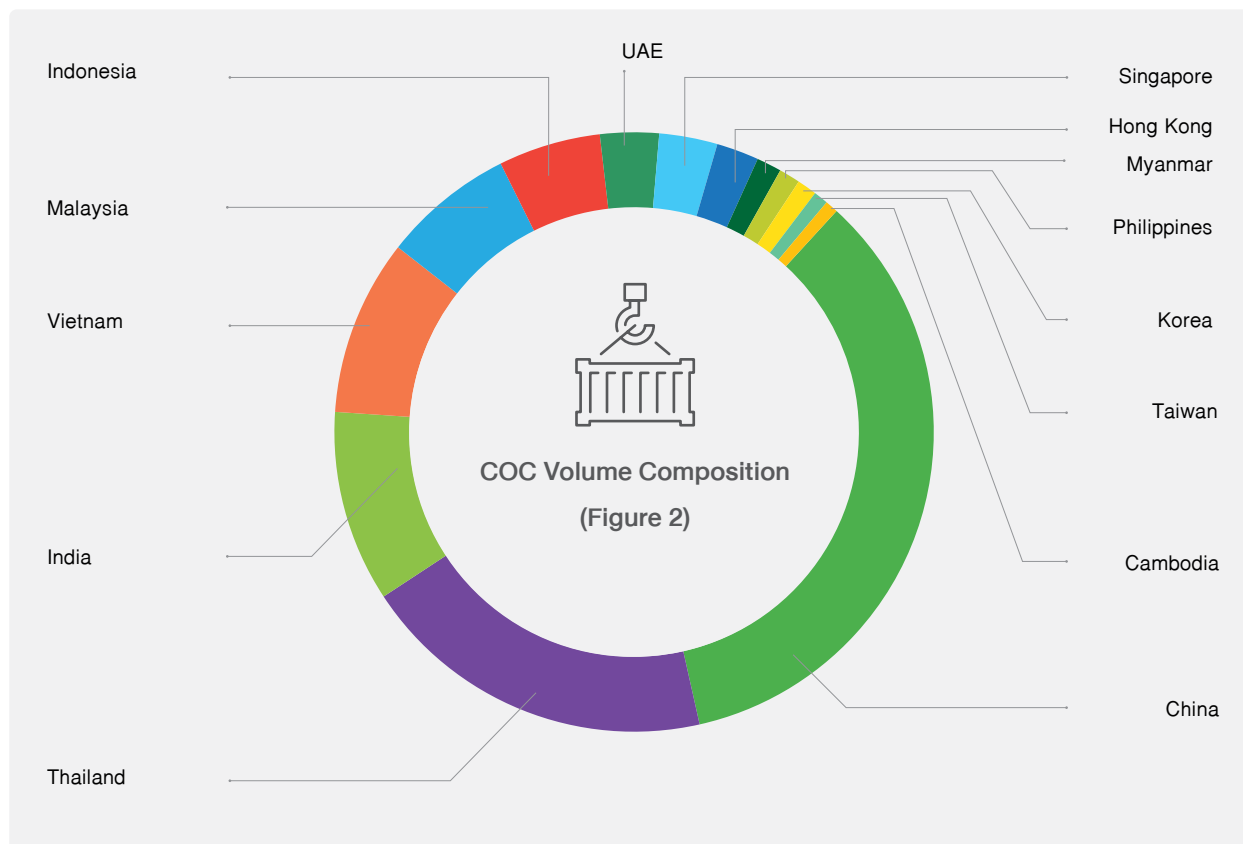
Trade Composition

RCL's SOC activities are largely focused in Singapore. PSA which operates the Singapore terminals is a global transshipment hub for many of the main line operators who are RCL's customers.

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



For COC in Figure 2, the top three export areas (PRC, Thailand and India) made up almost 64% of the volume composition.



(2) Marketing 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.

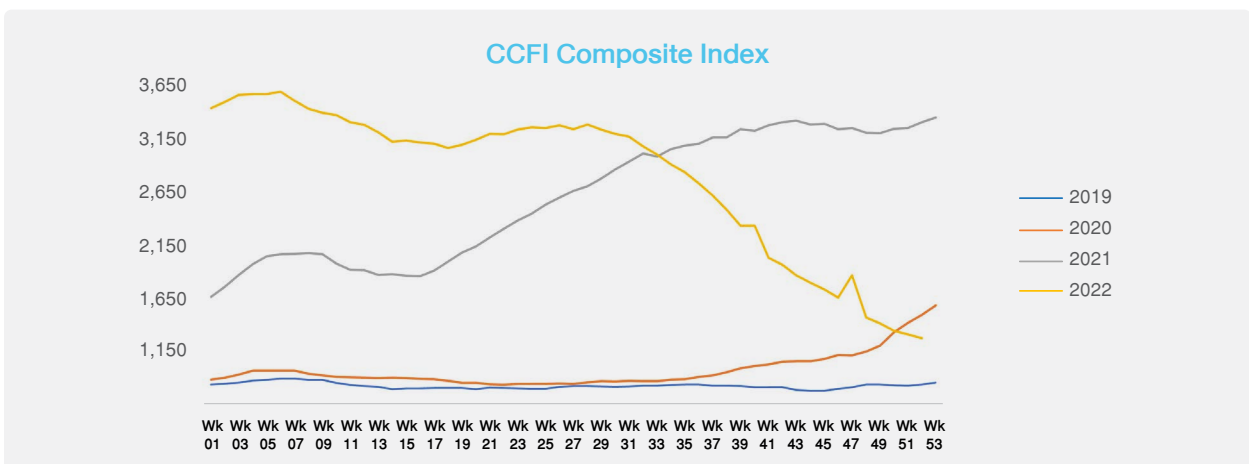
or the future prospect and growth of the Feeder transportation industry, network has been developed to Multimodal transport. This means a transportation service shall covers from the origin of the seller to the destination of the buyer, including land and rail transport, etc. Container Shipping is a 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.

Industrial Environment

In 2022, the world continues to struggle with uncertainty brought by COVID-19. While most countries opened their borders, the Chinese Government’s strict zero-Covid policy to curb the spread of the virus 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 at the start of 2022. Freight rates have since dropped from its peak and ongoing normalization of rates as congestion eases.

Normalization in global supply chains is ongoing with anticipated slower growth rates in 2023. Asia trade outlook is offering better prospect, whereby both the Regional Comprehensive Economic Partnership (RCEP) agreement and China+1 policy is critical in driving ASEAN economic recovery and further strengthening trade ties. Medium term we remained focused on trade fundamentals for India and Middle East. This presents an opportunity for RCL to capitalize on and to strengthen our service network.

The China Containerized Freight Index (CCFI) averaged at 2,804 points in 2022, which was higher than 2,542 in 2021. Towards end of 2021, and into 2022, freight rates reached record levels, 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.



Source: Shanghai Shipping Exchange

Container shipping demand picked up in the first half of 2022, 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 2023 and onshore bottlenecks to be easing. Looking ahead, China's reopening, structural and cyclical tailwinds in India as well as the easing of inflation in Asean and Middle East, might form a buffer against recessions risks in US and Europe. The dynamics of digitalization, de-carbonization for shipping lines and trade equipment imbalance are to be managed accordingly.

As of 31 December 2022, container fleet was 5,719 vessels, a slight increase from 5,526 in 2021. The growth is mainly from bigger vessels and subdue in TEU scrapped. While the total capacity increased from 25.0 million TEU at the end of 2021 to 26.1 million at the end of 2022. There was a significant increase in idling TEU from 197,725 in 2021 to 562,251 in 2022. Muted consumer demand and congestion has led to a continued decline in freight rates with carriers blanking their sailings, redeploying their vessels, and increasing the idle fleets.

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

Fleet as at: Nominal TEU	In Service End 2022		End 2023		End 2024		%TEU Growth 2022-2023	%TEU Growth 2023-2024
	No.	TEU	No.	TEU	No.	TEU		
18,000 - 24,000	155	3,261,361	185	3,980,095	198	4,288,859	22.04%	7.76%
15,200 - 17,999	80	1,292,541	113	1,810,977	151	2,409,931	40.11%	33.07%
12,500-15,199 NPX	276	3,807,354	305	4,212,420	362	5,018,480	10.64%	19.14%
10,000-12,499	206	2,262,213	207	2,274,063	209	2,297,763	0.52%	1.04%
7,500 - 9,999	478	4,231,600	493	4,345,250	554	4,817,340	2.69%	10.86%
5,100 - 7,499	439	2,737,773	462	2,878,722	504	3,128,637	5.15%	8.68%
4,000 - 5,099	628	2,846,475	640	2,902,107	645	2,924,015	1.95%	0.75%
3,000 - 3,999	272	940,663	301	1,032,064	334	1,142,972	9.72%	10.75%
2,000 - 2,999	797	2,025,000	853	2,173,598	904	2,306,382	7.34%	6.11%
1,500 - 1,999	700	1,218,161	774	1,352,642	816	1,428,444	11.04%	5.60%
1,000 - 1,499	740	850,776	783	899,155	813	934,905	5.69%	3.98%
500 - 999	770	570,429	776	574,349	781	577,739	0.69%	0.59%
100 - 499	178	58,263	181	59,198	184	59,558	1.60%	0.61%
Total	5,719	26,102,609	6,073	28,494,640	6,455	31,335,025	9.16%	9.97%
Adjusted Total	5,706	26,019,844	5,970	28,141,875	6,232	30,532,260	8.16%	8.49%
Annual Growth		4.5%		8.20%		8.50%		

Source: Alphaliner, Monthly Monitoring December 2022



Market Outlook for Container Activity

Year 2023 would see much slower growth prospect as indicated in The International Monetary Fund (IMF) forecast at 2.9%. The growth is broad-based in Asia Pacific region and emerging economies. Much potential remains in China, India, ASEAN, Middle East, Red Sea and East Africa with growth rate higher than global growth.

Global supply chain disruptions will be easing, cooling in consumer demand, restoring to healthy inventory levels in second half of 2023 and increased shipping capacity.

GDP Growth *	Projections			
	2021	2022	2023	2024
World	6.2	3.4	2.9	3.1
US	5.9	2.0	1.4	1.0
Euro	5.3	3.5	0.7	1.6
Emerging market	6.7	3.9	4.0	4.2
China	8.4	3.0	5.2	4.5
India	8.7	6.8	6.1	6.8
Asean 5#	3.8	5.2	4.3	4.7
Container Volume (Total Trade)	6.6	-3.8	-1.6	3.3

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

Source: World Economic Outlook 2023, IMF; Clarksons Container Intelligence Monthly January 2023

** Figures are in percentage*

Indonesia, Malaysia, Philippines, Thailand, Vietnam

On the supply side, capacity growth is expected to grow in 2023 by 6.7% with 1.7 million TEUs of net capacity due. Majority of capacity growth in 2023 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 2023.

(3) Procurement of Product or Services

Capacity, Network and Fleet Deployment

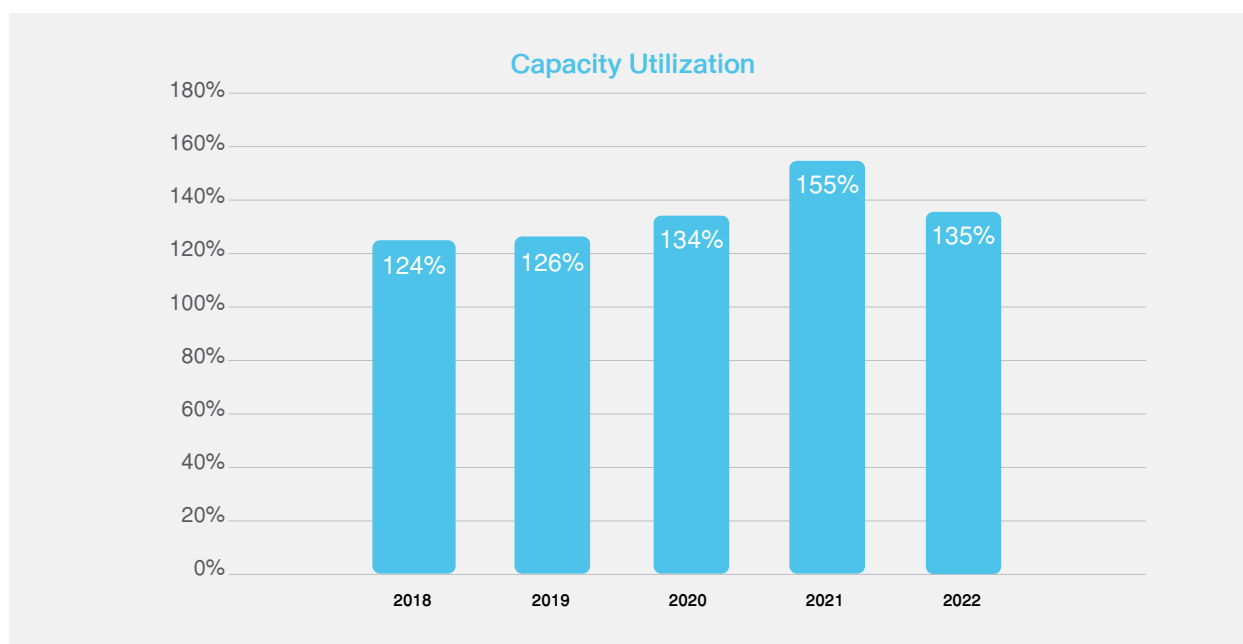
In 2022, RCL operated 44 container vessels. Of the 44 vessels operated, 40 vessels were owned whilst 4 were chartered in for various term periods.

The group in 2022 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 2022 was 135%, which was lower than 2021 mainly due to decrease in SOC volume.

RCL's Fleet Composition (Nominal Capacity)	As of 2022			As of 2021		
	Number of Vessels	Capacity (TEUS)	%	Number of Vessels	Capacity (TEUS)	%
Owned	31	60,646	63	31	53,835	57
Chartered in	4	8,541	9	8	25,190	27
Chartered out	9	26,804	26	10	13,854	15
Space Purchase		1,442	2		1,560	2
Number of Vessels Operating	44	97,433	100	49	94,439	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.



RCL's sailing routes link the countries in North Asia, South East Asia, Indian Sub-Continent, Middle East, Red Sea and the East Africa 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 53 services independently and collaboratively through joint services and slot exchanges and slot ownerships.



Vessels' Trading Route as at December 31st, 2022

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 Vessel	RCL	AKA BHUM	AKB	Tianjin Xingang-Pusan-Shanghai-Xiamen-Hong Kong(HIT)-Shekou-Singapore-Colombo-Nhava Sheva-Pipavav-Portklang(Wp)-Singapore-Hong Kong(HIT)-Tianjin Xingang	RK110	NA	NA	49
2	RCL Own Vessel	RCL	ATI BHUM	ATB	Singapore-Pasir Gudang-Singapore-Palembang-Singapore	RPE2	NA	NA	7
3	RCL Own Vessel	RCL	ARAYA BHUM	AYB	Pusan-Qingdao-Shanghai-Shekou-Singapore-Portklang(Wp)-Chennai-Visakhapatnam-Portklang(Wp)-Singapore-Manila-Pusan	RFM3	NA	NA	49
4	RCL Own Vessel	RCL	BHUDTHI BHUM	BTB	Shanghai-Ningbo-Nansha-Shekou-Jebel Ali-Dammam-Singapore-Shanghai	RCG	NA	NA	49
5	RCL Own Vessel	RCL	DANU BHUM	DNB	Singapore-Kota Kinabalu-Muara-Bintulu-Singapore	REM			14
6	RCL Own Vessel	RCL	GANTA BHUM	GTB	Tianjin Xingang-Dalian-Qingdao-Hongkong-Shekou-Vietnam(CLI)-Hongkong-Shekou-Incheon-Tianjin Xingang	RNV			21
7	RCL Own Vessel	RCL	ITHA BHUM	IHB	Bangkok(PAT)-Bangkok(SSW)-Laemchabang-Vietnam(CLI)-Wenzhou-Ningbo-Shanghai-Laemchabang-Bangkok(PAT)	RBC13	NA	NA	21
8	RCL Own Vessel	RCL	JARU BHUM	JRB	Bangkok(SSW)-Laemchabang-Vietnam(HPH)-Nansha-Shekou-Laemchabang-Bangkok(SSW)	RBH9	NA	NA	14
9	RCL Own Vessel	RCL	JITRA BHUM	JTB	Bangkok(PAT)-Bangkok(SSW)-Laemchabang-Vietnam(CLI)-Wenzhou-Ningbo-Shanghai-Laemchabang-Bangkok(PAT)	RBC13			21
10	RCL Own Vessel	RCL	KAMA BHUM	KMB	Bangkok(PAT)-Laemchabang-Ningbo-Shanghai-Shekou-Sihanoukville-Bangkok(PAT)	RBC2	NA	NA	21
11	RCL Own Vessel	RCL	KHUNA BHUM	KNB	Tianjin Xingang-Dalian-Incheon-Qingdao-Shanghai-Laemchabang-Vietnam(SPI)-Tianjin Xingang	RNT2			28
12	RCL Own Vessel	RCL	KITI BHUM	KTB	Songkhla-Hong Kong(MTL)-Keelung-Taichung-Shekou-Hong Kong(MTL)-Sihanoukville-Songkhla	RSK7	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 Vessel	RCL	LILA BHUM	LLB	Songkhla-Haiphong-Hong Kong(MTL)-Keelung-Taichung-Shekou-Hong Kong(MTL)-Sihanouville-Songkhla	RSK8	NA	NA	21
14	RCL Own Vessel	RCL	METHI BHUM	MEB	Nansha-Shekou-Laemchabang-Bangkok(PAT)-Laemchabang-Nansha	RBS	NA	NA	14
15	RCL Own Vessel	RCL	MITRA BHUM	MIB	Singapore-Portklang(Wp)-Kolkata	RCH8			14
16	RCL Own Vessel	RCL	MAKHA BHUM	MKB	Bangkok(SSW)-Laemchabang-Vietnam(HPH)-Nansha-Shekou-Laemchabang-Bangkok(SSW)	RBH9	NA	NA	14
17	RCL Own Vessel	RCL	NITHI BHUM	NIB	Singapore-Surabaya-Singapore-Portklang(Wp)-Penang-Portklang(Wp)-Singapore	RMI3	NA	NA	14
18	RCL Own Vessel	RCL	NANTA BHUM	NTB	Singapore-Sihanouville-Songkhla-Singapore	RSZ			7
19	RCL Own Vessel	RCL	ORA BHUM	ORB	Songkhla-Haiphong-Hong Kong(MTL)-Keelung-Taichung-Shekou-Hong Kong(MTL)-Sihanouville-Songkhla	RSK8			21
20	RCL Own Vessel	RCL	OTANA BHUM	OTB	Singapore-Surabaya-Singapore-Portklang(Wp)-Penang-Portklang(Wp)-Singapore	RMI3	NA	NA	14
21	RCL Own Vessel	RCL	PANJA BHUM	PJB	Vietnam(CLI)-Singapore-Portklang(Wp-NP)-Yangon(MIT)-Yangon(AWP)-Portklang(Wp-Np)-Singapore-Vietnam(CLI)	RYH			21
22	RCL Own Vessel	RCL	PIRA BHUM	PRB	Singapore-Cebu-General De Oro-Zamboanga-Bintulu-Singapore	RSP6			14
23	RCL Own Vessel	RCL	RACHA BHUM	RCB	Dalian-Tianjin Xingang-Qingdao-Ningbo-Portklang(Wp)-Portklang(Np)-Shekou-Incheon-Dalian	RCM1	NA	NA	28
24	RCL Own Vessel	RCL	RATANA THIDA	RTD	Portklang(Wp)-Vietnam(CLI)-Portklang(Wp)-Jakarta-Portklang(Wp)	RVI			14
25	RCL Own Vessel	RCL	SATTHA BHUM	STB	Laemchabang-Singapore-Portklang(Wp)-Kattupalli-Portklang(Wp)-Singapore-Laemchabang	RMB8	NA	NA	28
26	RCL Own Vessel	RCL	URU BHUM	URB	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha-Shekou	RWA1			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
27	RCL Own Vessel	RCL	VIRA BHUM	VRB	Vietnam(SPI)-Laemchabang-Portklang(Wp)-Jebel Ali-Sohar-Nhava Sheva-Portklang(Wp)-Vietnam(SPI)	RGA	NA	NA	35
28	RCL Own Vessel	RCL	WANA BHUM	WNB	Laemchabang-Vietnam-Manila-Qingdao-Pusan-Shanghai-Laemchabang	RLM2	NA	NA	28
29	RCL Own Vessel	RCL	WHUTTHI BHUM	WTB	Chennai-Colombo-Cochin-Jebel Ali-Cochin-Colombo-Chennai	RIG3	NA	NA	21
30	RCL Own Vessel	RCL	XUTRA BHUM	XUB	Ningbo-Shanghai-Vietnam-Singapore-Chennai-Visakhapatnam-Portklang(Wp)-Vietnam-Ningbo	RFM2	NA	NA	35
31	Charter Vessel In	RCL	YANTRA BHUM	YTB	Portklang(Wp)-Singapore-Kolkata-Portklang(Wp)	RCH8			14
32	Charter Vessel In	RCL	AS CARINTHIA	ASC	Laemchabang-Singapore-Jakarta-Singapore-Laemchabang	RTI02	NA	NA	14
33	Charter Vessel In	RCL	CALAIS TRADER	CAR	Nansha-Shekou-Singapore-Portklang(Wp)-Portklang(Np)-Nhava Sheva-Mundra-Portklang(Wp)-Haiphong-Nansha	RWA1	NA	NA	35
34	Charter Vessel In	RCL	CHANA BHUM	CNB	Singapore-Davao-General Santos-Singapore	RSP5	NA	NA	14
35	Charter Vessel In	RCL	ELEFTERIA EXPRESS	ELX	Ningbo-Shanghai-Vietnam-Singapore-Chennai-Visakhapatnam-Portklang(Wp)-Vietnam-Ningbo	RFM2	NA	NA	35
36	Charter Vessel Out	Sea Lead Pte Ltd	API BHUM	APB	Shanghai-Ningbo-Nansha-Jebel Ali-Qingdao	NA	NA	NA	NA
37	Charter Vessel Out	C.U.LINES LIMITED	HUNSA BHUM	HSB	Vietnam-Laemchabang-Portklang(Wp)-Jebel Ali-Sohar-Nhava Sheva-Portklang-Vietnam	NA	NA	NA	NA
38	Charter Vessel Out	TS Lines	INTRA BHUM	ITB	Tokyo-Yokohama-Nagoya-Osaka-Kobe-Keelung-Kaohsiung-Hong Kong(HIT)-Nansha-Shekou-Haiphong-Shekou-Hong Kong(HIT)-Tokyo	NA	NA	NA	NA
39	Charter Vessel Out	Sinotrans	ISARA BHUM	ISB	Shanghai-Tokyo-Yokohama-Shanghai-Tokyo	NA	NA	NA	NA
40	Charter Vessel Out	TS lines	LALIT BHUM	LTB	Osaka-Kobe-Nagoya-Yokohama-Tokyo-Hong Kong(HIT)-Portklang(NP&Wp)-Singapore-Hong Kong(HIT)-Shekou-Kaohsiung-Osaka	NA	NA	NA	NA
41	Charter Vessel Out	SITC	NAWATA BHUM	NWB	Shanghai-Nagoya-Tokyo-Sendai-Shanghai-Taicang	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 Vessel Out	TS lines	SIRI BHUM	SRB	Shanghai-Yokohama-Tokyo-Shanghai	NA	NA	NA	NA
43	Charter Vessel Out	New Golden Sea Shipping	TEERA BHUM	TRB	Jebel Ali-Qasim-Karachi-Jebel Ali-Sharjah-Khalifa-Jebel Ali	NA	NA	NA	NA
44	Charter Vessel Out	ZIM Integrated Shipping Services Ltd.	ZIM THAILAND	ZTH	Qingdao-Ningbo-Shanghai-Pusan-Panama Canal-Kingston-Savannah-Charleston-Wilmington-Jacksonville-Kingston-Panama Canal-Pusan	NA	NA	NA	NA

(4) Asset Used in Business

The details of asset used in business operation are illustrated in Attachment 2 “Assets for Business Undertaking and Details of Asset Appraisal”.

(5) Under-construction Projects

Company’s subsidiaries in Thailand have 1 vessel under construction and Company’s subsidiaries in Singapore have 6 vessels under construction.

(6) Investment Policy

The Company has investments in subsidiaries as presented in “Subsidiaries, Associated, Related, and Joint Ventures Companies” The Company’s investment policy is mainly to invest in businesses relating to the marine transportation business and value-added logistic services.

1.2.2 Income Structure

Breakdown of 2022 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.

Global trade is increasingly uncertain and will depend on the outcome of various unpredictable factors such as potential recession, inflation, and geopolitical tensions. The change in trade pattern post Covid-19 and consumers’ demand will add pressure on freight rate volatility in 2023. The bunker price fluctuation will still



remain a crucial factor for the market strategy of shipping industry whilst, we adopt active capacity management. 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 2022, COC services accounted for 73% of the total volume, around 81% of the total freight income for the whole RCL Group. SOC accounted for 27% of volume, with 19% of freight income.

Breakdown of Total Income by Geographical Location

Freight income	2022		2021		2020		2019		2018*	
	฿ million	%	฿ million	%	฿ million	%	฿ million	%	฿ million	%
Thailand	5,318	10.21	2,476	6.52	1,460	8.49	1,376	8.32	1,189	6.92
Singapore	58,043	111.47	39,492	103.99	17,890	104.04	17,157	103.79	17,394	101.24
Hong Kong	74	0.14	92	0.24	45	0.26	55	0.33	71	0.41
(Elimination of inter-company transactions)	-11,361	-21.82	-4,081	-10.75	-2,200	-12.79	-2,057	-12.44	-1,472	-8.57
Total Freight Income	52,074	100	37,979	100	17,195	100	16,531	100	17,182	100

*2018 figure restated based on TFRS15

Breakdown of Total Income by the Company and its Subsidiaries

Freight income	2022	2021	2020	2019	2018*
Regional Container Lines Public Company Limited	฿ million 4,847	฿ million 2,114	฿ million 1,319	฿ million 1,216	฿ million 1,017
Subsidiary companies operating in Singapore	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
Regional Container Lines Pte. Ltd.	214.6	85.9	53.3	54.6	54.1
RCL Feeder Pte. Ltd.	1,431.4	1,139.0	512.7	493.7	481.9
Subsidiary company operating in Hong Kong	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Regional Container Lines (H.K.) Limited	16.6	24.1	11.1	13.9	17.2

*2018 figure restated based on TFRS15

1.2.3 Logistics

The key goal of our Group is to continuously develop and expand logistics solutions, helping customers to achieve their business objectives, regardless of their preferred modes of transport.

RCL Logistics continues to provide international standards services to many multi-national companies in 2022. Due to the situation of constraint vessel space and the scarcity of the containers, we expanded our portfolio to provide warehousing and yard management services to our existing clients, to cope with the surge in demand aside from the normal freight management services.

The above project was carried out in the premises of our client's new factory in Amata, Rayong area, where RCL Logistics handled their import containers coming from various origin, unloading the containers (including oversized machineries), storing at our assigned warehouse and delivering them to the construction site on demand. This project will continue through 2023.

At the beginning of 2022, we saw a drop in export volume for some of our key accounts due to the surge in freight prices. This has impacted our performance as the end market shifted their procurement pattern to other countries instead of Thailand. Although, we lagged in terms of revenue when compared to last year, we were able to better control our operating expense, which consequently produced higher profit.

At the same time, we were able to secure export shipments of industrial trucks to the Middle East. These are considered out-of-gauge cargo which requires special equipment and handling process. The shipments earn higher returns than the normal general-purposes containers. With the expectation of higher volume for this nature of cargo, we will continue with this service. in 2023.

Customers being at the very core of our business, our growth is necessary in order to support their needs. Thus, RCL has opened two joint venture logistics companies in China and India, namely Shanghai CIMC Grand International Logistics Company Limited (CGL) and Regional Logistics Private Limited (RLPL), which started operations since July 2021 and February 2022 respectively.

CGL is the joint venture company by RCL and CIMC Wetrans, registered in Shanghai, with service coverage in the seaports such as Dalian, Xingang, Qingdao, Shanghai, Ningbo, Xiamen, Nansha, and river ports of Yangtze River and Pearl River, and a lot of hinterland railway stations in China.

With the support of RCL's liner service and logistics service network as well as CIMC Wetrans' intermodal transport, ship agency, freight forwarding, warehousing, equipment and other resources, CGL is an integrated intermodal transport service provider, focusing on Asia. Hence CGL is able to provide the comprehensive logistics solutions for end-to-end logistics and intermodal transport services to customers.

CGL has served about 3,000 TEU volume in 2022 satisfying the diversified demand of customers including but not limited, to international sea freight and air freight, Cross-border intermodal transport (China-Laos, China-Mongolia, China-South East Asia), Sea-rail combined transport, River-sea combined transport and logistics value-added services such as customs brokerage and domestic haulage. The biggest milestone was serving the first direct block train service from Xuzhou to Qingdao, carrying 44 x 40-foot containers on 18th November 2022, providing tailor made logistics solution for customers.



CGL plans to set up four branch offices in Ningbo, Qingdao, Nanjing and Zhongshan in 2023/2024 to service customers in China main ports and hinterlands.

RLPL is an international freight forwarding company offering end-to-end logistics for Imports and Exports from/to India. Through a robust network of offices and extremely close connections with reputed sea carriers, RLPL is able to provide confirmed, prompt, cost-efficient and reliable ocean freight services. RLPL handles all conventional cargo transportation and provides optimum services for both Full Container Load (FCL) and Less than Container Load (LCL). RLPL further offers service that assures timely transportation of goods across the multitude of services with multiple frequencies and transit times, on any given trade lane/route.

RLPL has clocked in about 1,000 TEU volume in 2022 with various freight forwarding and logistics services including but not limited to international sea freight and air freight, LCL services, handling special cargo, inland transport and logistics value-added services, such as customs brokerage and domestic haulage.

RLPL plans to set up new branches in Gandhidham/Mundra, New Delhi, Chennai and Vizag in 2023/2024 to serve customers in every part of India.

As the Group is constantly seeking to improve customer's supply chains, we have further plan to expand to Vietnam, Indonesia, Hongkong, Singapore, Malaysia, Cambodia and others for better connectivity worldwide.

Our growing focus on logistics solutions include e-commerce, warehousing, and other logistics value-added services, creating more streamlined and impactful end-to-end solutions for our customers. The Group will focus on most important trends impacting logistics in recent years, such as Digitalization and E-Commerce, to harness the potential long-term growth in our core logistics businesses and at the same time enhancing our digital transformation.

1.2.4 Major Developments during 2022

(1) Human Resources

Information related to Human Resources disclosed under "Corporate Governance Structure and Significant Information Related to the Board of Directors, Subcommittees, Executives, Employees, and others".

(2) Regions – Development

a) Geographical Offices

For 2022, there was one new agent appointment in East Africa. With this, the total numbers of geographical offices increased to 76.

b) Service Development

In 2022, 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.

(3) Biz-Technology

As per global statistics, the number of incidents of Cyber-Attack in 2022 increased sharply in comparison with 2021. It was quite a challenging period for IT Infrastructure teams. RCL IT Infra has improved to prevent virus / malware / phishing attempts. Furthermore, there was a need to implement PDPA ACT (Personal Data Protection Act) and RCL IT took necessary steps to fulfill the compliance / regulation requirements for IT related matters.

With respect to Systems, during the first half of the year 2022, we enhanced our current modules to support the dynamic changes in the global business and in line with RCL's business strategy, to increase revenue and margin.

In the latter half of the year, we focused on cost modules to manage and control the cost too. For instance, the Dangerous Goods management process was to support our booking system effectively. Cost controlling was a major challenge for the business teams and IT systems were supporting the business team adequately, in order to strengthen their resources, including Container Leasing and Container MNR (Maintenance and Repair) modules. This was where the logic was developed as per business needs to reduce maintenance cost, which in turn contribute to the profit.

Along with that, we implemented/developed various mechanisms/logics for revenue and cost calculation for SOC segment. Our focus was also on the space allocation process. We did some changes to support the rapid changes of space volume request.

Besides above, in the year 2021, Ship Management teams focused on changes to comply with Marine Regulations, eg: IMO and in 2022 it was on Cyber Security. IT teams engaged Ship Management teams to upgrade the system relating to the Ship Management, which helps in cost controlling, forecasting of expenses. Also implemented were remote monitoring and support for vessel operation and container management.

Above all, as many of us are aware, Bunker is a major cost component and having recognized the fact we enhanced our Bunker Management process digitally in collaboration with Bunker Management Teams. This helped them to manage bunker cost more efficiently.

Finally, RCL IT will continue to enhance our e-commerce features in 2023 to support our customers, focusing on digitalization and continuing our efforts in development / support of ship management's requirements.

(4) Ship Management

RCL Shipmanagement fulfilled regulatory compliance in 2022.

A) Ballast Water Treatment System (BWTS)

15 vessels were successfully installed with BWTS as planned. In 2023 the remaining four (4) vessels will be installed according to our schedules. (one of the vessels was sold out)

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

In March 2022, one unit of EGCS (Scrubber) was successfully installed on one vessel in China.



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

RCL Shipmanagement continuously work with ship Masters closely to implement security measures while ships were operating in piracy areas, such as in the Middle East and the Strait of Malacca.

There was no security incident in 2022.

d) Regulations on the Carbon Intensity of International Shipping

MARPOL Annex VI ;-

SEEMP Part III and EEXI Technical file of RCL vessels are ready to comply with the IMO Regulation and requirements.

1.2.5 Future Plans

Slowing global economic growth and cargo flow are expected to normalize to pre Covid-19 level, in 2023. Shipping capacity supply and market demand will be more balanced in the long-haul trade. Macroeconomic indicators are signaling a gradual improvement for 2023, in terms of trade growth for Asia Pacific Region, South Asia, Middle East and activity in emerging market and developing economies, in which RCL is operating.

With uncertainties such as risks relating to Covid-19 on global / regional trades, geopolitical tensions, China - USA conflicts, US protectionism policy, inflation, rising interest rates and the increased in operating costs, RCL will continue to work on our unit cost strategy and stay focus in our growth planning for 2023.

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, improve our niche trade expertise and to manage trade, equipment flows efficiently. Our focus will be on meeting customers' needs through providing higher frequencies, quality service and being more digital.

With GDP growth in RCL's geographical area projected higher by most analysts than the rest of the advanced economies and our agility in operating own and chartered vessels, RCL is confident in improving the Group's operating cost competitiveness and capability while scaling up its business in the regions that it operates in.

RCL Fleet Profile 2022

SHIPS OWNED AND OPERATED

No.	Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
1	AKA BHUM	Singapore	2006	Koyo Dockyard Co., Ltd. Mihara, Japan	66,940	5,888	16	-
2	API BHUM	Singapore	2004	Hanjin Heavy Industries Co., Ltd.	67,698	4,992	18	-
3	ATI BHUM	Thai	2018	Zhejiang Hexin Shipyard, China	4,827	388	4	-
4	ARAYA BHUM	Singapore	2006	Koyo Dockyard Co., Ltd. Mihara, Japan	66,940	5,888	16	-
5	BHUDTHI BHUM	Singapore	2007	Koyo Dockyard Co., Ltd. Mihara, Japan	72,807	6,310	15	-
6	DANU BHUM	Singapore	1996	Singapore Shipbuilding & Engineering	13,825	993	26	2x40
7	GANTA BHUM	Singapore	2005	Hyundai Mipo Dockyard Co., Ltd. (H.M.D.)	39,396	2,824	17	-
8	HUNSA BHUM	Singapore	2002	Nordseewerke, Emden, Germany	33,941	2,460	20	3x45
9	INTRA BHUM	Thai	2013	Daesun Shipbuilding & Engineering Co., Ltd.	13,021	958	9	-
10	ISARA BHUM	Singapore	2008	Murakami Hide Shipbuilding Co., Ltd., Japan	12,475	1,088	14	-
11	ITHA BHUM	Thai	1996	Mitsubishi Heavy Industries, Japan	21,813	1,324	26	-
12	JARU BHUM	Thai	2018	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	20,026	1,668	4	-
13	JITRA BHUM	Singapore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	25	-
14	KAMA BHUM	Singapore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	25	-
15	KHUNA BHUM	Thai	2018	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,981	1,668	4	-
16	KITI BHUM	Singapore	1997	Miho Shipyard Co., Ltd., Japan	10,908	865	25	2x40
17	LALIT BHUM	Thai	2019	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,779	1,668	3	-
18	LILA BHUM	Singapore	1997	Miho Shipyard Co., Ltd., Japan	10,908	865	25	2x40
19	MAKHA BHUM	Thai	2019	Jiangsu New Yangzi Shipbuilding Co., Ltd., China	19,925	1,668	3	-
20	METHI BHUM	Singapore	2001	Mitsubishi Heavy Industries, Japan	11,655	928	21	-
21	MITRA BHUM	Singapore	2007	Jiangsu Eastern Shipyard, China	13,760	1,108	15	-
22	NANTA BHUM	Thai	1990	Hanjin Shipbuilding Co., Ltd., Korea	15,161	1,036	32	2x40
23	NAWATA BHUM	Singapore	2008	Jiangsu Eastern Shipyard, China	13,760	1,108	14	-
24	NITHI BHUM	Singapore	2002	Mitsubishi Heavy Industries, Japan	11,655	928	20	-
25	ORA BHUM	Singapore	1997	Kyokuyo Shipyard Coporation, Japan	8,006	628	25	2x36
26	OTANA BHUM	Singapore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	14	-
27	PANJA BHUM	Singapore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	14	-
28	PIRA BHUM	Singapore	1997	Kyokuyo Shipyard Coporation, Japan	7,988	628	25	2x36
29	RACHA BHUM	Singapore	2008	Stocznia Gdynia, Gdynia, Poland	38,968	2,732	14	-
30	RATANA THIDA	Thai	1996	Mitsubishi Heavy Industries Ltd., Kobe Japan	18,196	1,094	26	-
31	SATTHA BHUM	Singapore	2009	Stocznia Gdynia, Gdynia, Poland	38,948	2,732	13	-
32	SIRI BHUM	Thai	2013	Daesun Shipbuilding & Engineering Co., Ltd.	13,017	958	9	-
33	TEERA BHUM	Singapore	2005	Jiangsu Yangzijiang Shipyard, China	24,279	1,858	17	-
34	URU BHUM	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	17	-
35	VIRA BHUM	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	17	-
36	WANA BHUM	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	17	-



No.	Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
37	WHUTTHI BHUM	Singapore	2005	Akerostsee, Wismar/Warnemuende Germany	37,882	2,741	17	-
38	XUTRA BHUM	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	17	-
39	YANTRA BHUM	Singapore	1993	Hanjin Shipbuilding Co., Ltd., Korea	15,346	1,098	29	2x40
40	ZIM THAILAND	Thai	2022	Imabari Shipbuilding Co., Ltd.- Hiroshima Shipyard, Japan	137,022	11,714	0	-
Total Own Capacity 87,450 TEUs								
Total 40 vessels with the average age of 17 years								

SHIPS OPERATED ON CHARTERED

No.	Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
1	AS CARINTHIA	Liberia	2003	Hyundai Mipo Dockyard, Ulsan	39,418	2,824	19	-
2	CALAIS TRADER	Liberia	2001	Kvaerner Warnow Werft, Germany	33,715	2,524	21	3x45
3	CHANA BHUM	Singapore	1996	Singapore Shipbuilding & Engineering	13,825	993	26	2x40
4	ELEFTERIA EXPRESS	Panama	2014	Guangzhou Wenchong Shipyard	25,294	2,200	8	3x45
Total Own Chartered Capacity 8,541 TEUs								
Total 4 vessels with the average age of 19 years								

RCL FLEET CAPACITY 95,991 TEUs

	No of Vessels	Capacity TEUs	%
Owned	40	87,450	91%
Chartered	4	8,541	9%
No of Vessels Operating	44	95,991	100%



1.3.1 Subsidiaries, Associated, Related and Joint Venture Companies

Name of Company	Group Effective Control		Country of Incorporation/ Operation	Principal Activities	Contact Address
	2022	2021			
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 Nonsi Road (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 Nonsi Road (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	Principal Activities	Contact Address
	2022	2021			
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	Unit No. 72, 7 th Floor, Kalpataru Square, Kondivita Lane, Off 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.	99.99	99.99	Thailand	International Business Center for the Group	14 th Fl. Panjathani Tower Bldg., 127/18 Nonsi Road (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. 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
16. TIPS Co., Ltd.	22.22	22.22	Thailand	Terminal operating	112/2 Moo. 3, Thung Sukhla Subdistrict, Si Racha District, Chon Buri, Thailand Tel 66 38 408 400 Fax 66 38 408 433
17. 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
18. 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



Name of Company	Group Effective Control		Country of Incorporation/ Operation	Principal Activities	Contact Address
	2022	2021			
19. 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
20. 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
21. Shanghai CIMC Grand International Logistics Co., Ltd.	51	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
22. Regional Logistics Private Limited	51	51	India	Logistics Services	Unit No. 72, 7 th Floor, Kalpataru Square, Kondivita Lane, Off Andheri Kurla Road, Andheri East, Mumbai 400059 India Tel (9122) 41897600
23. Santi Bhum Co., Ltd.	99.99	99.99	Thailand	Ship owning and operating	30 th Fl. Panjathani Tower Bldg., 127/35 Nonsi Road (Ratchadapisek Road), Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
24. Thitti Bhum Co., Ltd.	99.99	99.99	Thailand	Ship owning and operating	30 th Fl. Panjathani Tower Bldg., 127/35 Nonsi Road (Ratchadapisek Road), Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098

Remarks: Pu Chao Container Terminal Co., Ltd. - The company ceased to be part of RCL Group since May 2022.

1.3.2 Relationship with major shareholder's business

The Company has connected transactions with Ngow Hok 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.

1.4 Securities and Shareholders Information

- (1) As of December 31st, 2022, 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.

1.4.1 Issuance of other securities

- None -

1.4.2 List of Major Shareholders

List of 10 Major Shareholders as at 25th November 2022.

No.	Name	No. of Shares	%
1.	Ngow Hock Group	387,770,337	46.80
2.	Tanthuwanit Family	73,359,075	8.85
3.	Thai NVDR Company Limited	49,727,256	6.00
4.	Mr. Thirachai Kirtitechakorn	18,959,300	2.29
5.	Mr. Chaivith Arunneththong	15,485,000	1.87
6.	STATE STREET EUROPE LIMITED	8,325,879	1.00
7.	UBS AG LONDON BRANCH	4,028,700	0.49
8.	BHUREEMAS NAVY COMPANY LIMITED	3,700,000	0.45
9.	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS CH AG-FM CLIENT ASSETS	3,443,800	0.42
10.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	3,434,000	0.41

1. Ngow Hock Group comprises 4 companies as follows:

Name	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.

Name	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.**

Name	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 1,000,000 shares at par Baht 1,000 each.)

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

Name	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.

Name	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.)

1.5 Dividend Payment Policy of the Company

Dividend Policy of the Company

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.

The Company's dividend payment records for the past 3 years

	2020	2021	2022
Earnings per share (THB/share)	2.11	21.69	29.71
Dividend per share (THB/share)	0.50	6.00	7.00
Dividend payout ratio (%)	24	28	24

*Remarks : The Company had already declared and made two interim dividend payments during the year 2022 on September 2nd, 2022 at Baht 1.75 per share and on December 9th, 2022 at Baht 2.25 per share. The remaining dividend will be paid at rate Baht 3 per share must be approved from the shareholders at the Annual General Meeting of Shareholders on April 21st, 2023.

Dividend Policy of Subsidiaries

The dividend payment of the subsidiaries shall be subject to consideration and approval of the Board of Directors or the Meeting of the Shareholders of each Subsidiary (as the case may be) under the requirement of concern on overall operations, liquidity, cash flow, financial position, investment plan of each subsidiary, as well as other factors as deemed appropriate by the Board of Directors or the Meeting of Shareholders of each Subsidiary as deemed appropriate. However, in paying dividend of the subsidiary (whether located inside the country or abroad), dividend payment shall be considered from the net profit of separate financial statements after tax and statutory legal reserves deduction of that country.



2. Risks Management

2.1 Risk Management Policy and Plans

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

The above functions are managed by RCL's sub-committee, namely Risk Management Committee which now comprises four (4) members - the President of the Group, Executive Vice President (Business), Executive Vice President (Group Finance & Accounting) and Vice President (IT). This specialised taskforce bears the responsibility of driving business results and is accountable for the associated risks.

The sub-committee has identified four (4) major risk areas that may adversely affect our Group's business and performance. They are Marketing Risk, Financial Risk, Operation Risk and IT Risk.

2.2 Risk Factors

1. Marketing Risk

1.1 COVID in its 3rd year - 2023

COVID risks for the world has largely abated except for China's overall re-opening on 8th January 2023 which has drawn concerns from many countries on another round of COVID cases from virus mutations that will escape current immunity. While this is surely some risks, the business opportunities and desire for overseas travel from a Chinese population that has been locked for the past three years will be immense. We expect the Chinese government to support its economy as part of its "dual circulation" goals focus going forward. RCL's network can benefit from the rise of imports to China when China shifts to more domestic consumption.

1.2 SOC business remains under pressure

With more direct calls from global operators and ports in Asia increasingly capable of handling larger ships, the demand for 3rd party common feeder will remain under pressure. Global operators are also shifting their volumes to their own services as a result, with some imposing restrictions on 3rd party slot purchases going forward. The Group's strategy is to grow its own COC volumes while concurrently pursue slot exchanges with global operators on various corridors for our own COC expansion as well. In addition, while opportunities from the global operators continue to reduce, there is opportunity from the smaller SOC operator group called the Non-Vessel Operating Common Operator (NVOCC).

1.3 US and China rivalry continues

The US and China rivalry continues with no signs that the trajectory will change going forward. We are seeing slow but surely relocation of supply chains from China to SE Asia and the Indian sub-continent going forward as a consequence of this competition. This is also an opportunity for RCL to recalibrate its network based on customers' requirements to both deepen and expand our involvement into many non or less traditional areas.

1.4 Shift to the East

With Asia, Indian sub-continent and the Middle East enjoying higher growth and accounting for a larger percentage of global GDP, global carriers will also focus their resources and expansion into this RCL's part of the world. Greater competition can be expected from both regional and global operators. With RCL's origins, long and deep involvement in SE Asia for instance, we have partners who are keen to collaborate with us.

1.5 Geographic concentration

RCL's network has traditionally been mostly reliant on China, SE Asia and a smaller exposure in Indian sub-continent, Middle East and no exposure in the Red Sea and Africa areas. With the rise of India within the Indian sub-continent and a Middle East financially well off from oil and gas with high energy prices, there is opportunity to diversify the portfolio and expand our business in RCL's non-traditional areas while also reducing business risks due to events such as concerns with China's COVID or impact of long holidays such as Chinese New Year in China and Asia for instance.

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). While currency fluctuation had been one of the key concerns during 2022, the continuous rise of US interest rate, as a remedial instrument to curb inflation, had swung the US Dollars against the other currencies.

However, the risk from the currency fluctuation did not have a major impact on our cash flow from operations, due to the fact that our assets, for example, 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

With the direction to expand our fleet size amidst the rising interest rate environment, our Group is exposed to the interest rate risk due to the nature of the vessel financing loan requirements. With the interest rate gradually rising since the beginning of 2022, we have decided to mitigate the additional risk exposure by securing some long-term obligations into fixed interest rate.

Our Group's total borrowings, as at year ended 2022, combining both short-term and long-term loan constituted up to Baht 3.0 billion compared to that of Baht 860 million at the end of year 2021. We have entered into new vessel financing loan fixing the interest rate for a period of 5 years. Our fixed interest rate loan to floating interest rate loan for year ended 2022 is at the ratio of 96:4 or approximately Baht 2.9 billion of the total borrowings.

At the same time, the rising interest rate resulted in a rise in our Group's interest income. As at ended 2022, the Group's interest income reached Baht 116.7 million compare to that of Baht 5.5million in 2021.

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 Group's healthy financial position for the past two years resulted from the excellent operating results since early 2020 has supported the Group in upholding a strong financial position and enabling us to attain a modest cost of fund and reducing the funding risk.

3. Operation Risk – Risk on Managing the Fleet

3.1 Crew crisis VS RCL fleet in growth

The ongoing intense preventive measures on COVID-19 pandemic in all ports worldwide with its existing regulation "Maritime Labor Convention 2006 (MLC 2006) does not allow crew to work onboard longer than 12 months, have immensely impacted the change of crew these days. Such procedures can only be done in compliance to the regulations at only permissible ports, under limited time and conditions.

While RCL's fleet is expanding to compete in the growing market and to grasp higher revenue, others are also heading the same way. This in turn lead to critical shortage of crew supply in the market. Under the new challenging situations, crew manning department initiated RCL DNA project for recruitment of Thai crew as well as other international crew, to ensure a continuous stream of qualified crew for fleet expansion in the future.

3.2 Bunker Consumption

The maritime transportation is notably one of the main contributors to global greenhouse gases (GHG) emissions. In support of reducing the Green House effect, RCL's fleet fuel consumption and cost efficiency are just two of the key success factors. RCL has also established a roadmap to decarbonization, as per IMO set targets, with the help of our well organized systems:

- The Energy Efficiency Existing Ship Index (EEXI) has been addressed to meet with the technical efficiency of ships.
- The SEEMP (Ship Energy Efficiency Management Plan) has been implemented. The procedures to improve the energy efficiency of whole fleet with a cost-effectiveness in the pipeline are progressing well.
- The Carbon Intensity Indicator (CII) rating scheme has been addressed for operational efficiency.
- Vessel Operation efficiency being accounted for, Example - reduce vessel idling time waiting for berth, sailing from Port A to Port B with slow stream and/or reducing speed to match with available slot timing at next port, in order to save / reduce bunker consumption.

3.3 Port Operation Constraints

From 2021 towards 2022, the zero-COVID policy in China coupled with the climate crisis have badly affected the maritime transportation and logistics sectors. Main China ports, crossover North/Central and South, Malaysia Port Klang, India West coast Nava Shiva are still facing congestions, extension of delays, reconfiguring of routes, all of which, are pushing up vessel operating costs. Risks and uncertainty remain high on the agenda.

RCL fully recognized that this is causing delays to our customers' supply-chains. We have on-going contingency plans in placed with the objective of minimizing vessel delays. In addition, we are working closely with all respective port authorities and coordinating with all parties involved, to help alleviate the situation. Some examples are :

- Planned efficiency on berth occupancy
- Evaluate records of daily average arrival and departure statistics of ship calls in ports
- Shorten port stay
- Maximize crane intensity
- Sufficient stowage instruction

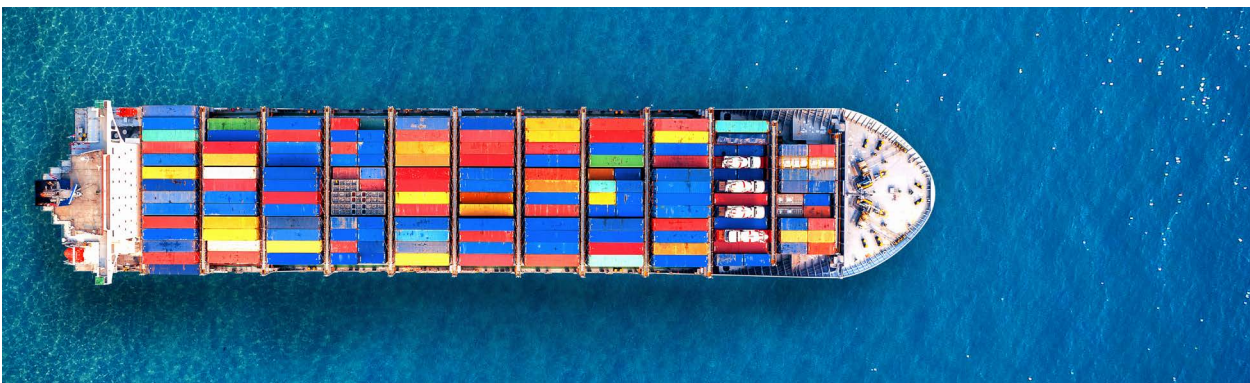
Those elements been addressed with the aim of improving productivity by assessments of each procedure of port operation, identify problems in order to make corrective actions, ensuring full co-operation and best efforts are extended to and from all ports in our networks. Thus, resulting in optimizing the port/terminal operational efficiency.

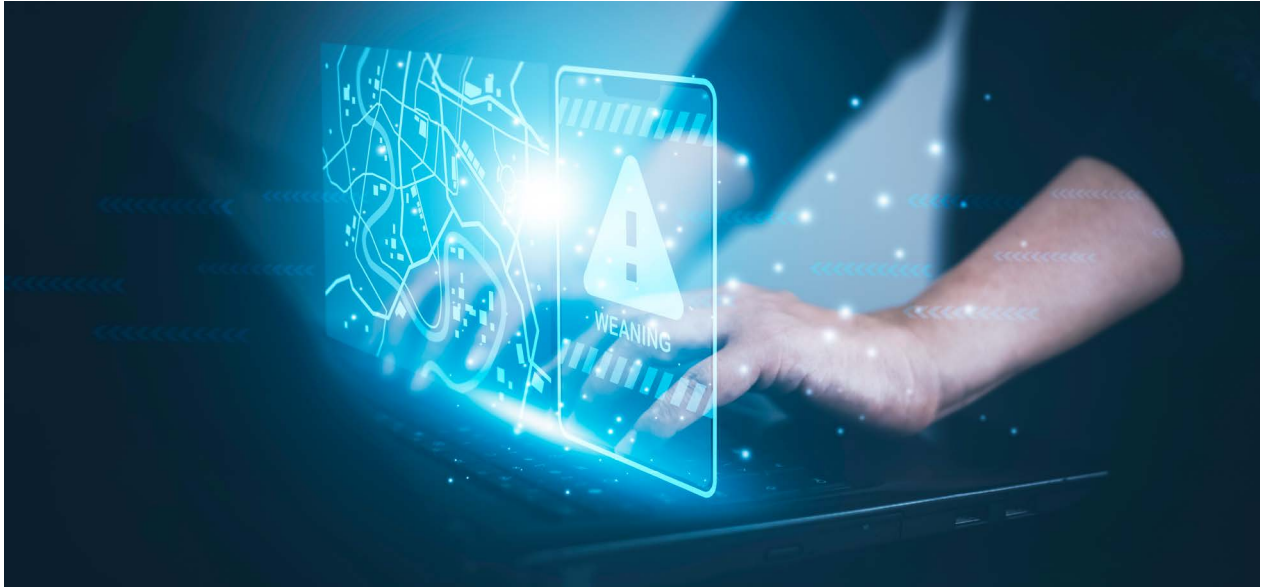
RCL continues to develop vessel track functionality for purpose of enabling customers to track in real time, the predictive analysis and estimated times of arrival (ETA) via our website. RCL will maneuver this situation as best as we can.

3.4 Schedule Integrity

Container lines have steadily shown improvement in their reliability scores during 2021. According to analysts Sea-Intelligence, global container lines of the top-14 carriers have recorded a month-on-month improvement in schedule reliability. The report, which covered schedule reliability across 34 different trade lanes and over 60 carriers indicated that global schedule reliability improved by 4.7% in November, compared to October and reached 56.6%. The average delay for late vessel arrivals has also been improving consistently since the start of the year. In November, average delay improved once again, dropping by another -0.58 days month-on-month to 5.04 days. Both schedule reliability and average delay of 2021 was better than 2020 level, despite continued schedule disruption.

Schedule reliability would also be our risk as RCL saw November 2022's reliability reached 52.8% and 55.2% in December 2022. RCL will continue to do our best in achieving higher reliability scoring to overcome this problem. RCL will carry out timely decision-making in respect of vessels' schedule integrity, and to fully cooperate with alliances/partners in procuring strategies on alternate port calls and cargoes management.





4 IT Risk

4.1 Cyber Attack

Cyber-attack is a key major risk for all companies world-wide. In late 2021, we were under a lot of Malware attacks. Sometimes, we were not aware of what had happened. Most of the time, the anti-virus protection feature in user devices is unable to identify the cause. We do not know locations are being attacked, but only after being informed. However, there is no impact due to the security protection is able to block the threat. In year 2022, we mitigated this issue by implementing new Malware and Virus Detection for all RCL's locations. With this new implementation, the whole network becomes visible. Additionally, phishing was also another issue which has surfaced significantly in 2022. We also enhanced our system to alert our users. At the same time, security awareness training programmes were arranged to educate our staff on the importance of cyber security and how to prevent/protect.

4.2 Personal Data Protection

Personal Data Protection Act, a new regulation effective in mid-2022 is also one of the risk factors. RCL took over a year in preparation to comply with the ACT and has done many things including data breach protection.

4.3 Remote Workplace Management

Remote workplace is still a risk since Covid-19 time. Staff is still on hybrid work arrangement and IT needs to continuously improve on the security protection from time to time, due to emerging new threats every day.

4.4 IT Equipment

Last but not the least, IT equipment shortage in the world market poses an obstacle to many new implementations delay. This problem is likely to continue in 2023. At the same time, IT investment cost, especially cost of resource will increase sharply. Since Covid-19 started, many companies enhanced their own IT systems and required IT specialists.

For 2023, Cyber security will continue to be the top priority which we need to monitor. As for now, the expansion of such threats is also prevalent in vessels.



3. Business Sustainability Development

3.1 Policy and Objectives of Sustainable Management

Overview of the Policy and Procedures Relating Sustainable Management

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 of business partners as the rules for the benefit of partners, customers including all groups of stakeholders for the sustainability of all parties.

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, 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> as well as communicated to employees to raise their awareness and acknowledge of these matters annually.

The RCL Code of Conduct governs the followings:

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 staffs 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 staffs 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

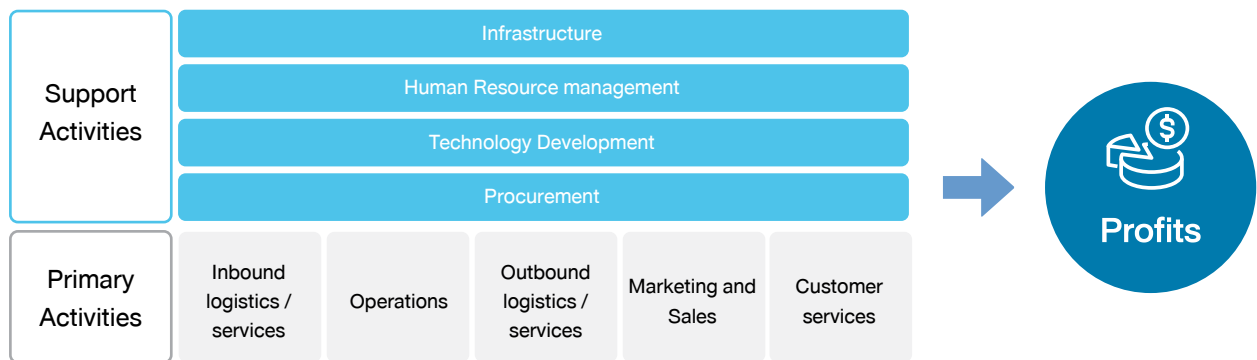
A trusted and reliable regional container carrier and logistics provider committed to quality, sustainability, efficiency and innovations.

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 the 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.

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 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 help 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.

In the year 2022, the Company's technology team has developed a system related to expenses to support effective cost management, for example, develop in Dangerous Goods in order to make the reservation system more efficient cost management. In addition, the technology team has also developed and improved the management of the leasing system and container maintenance and repair system to have more efficient with the objective of reducing costs.

3. Human Resources Management

Having realized the importance of employees as a valuable resource that drives the Company, RCL promotes the performance management system, training roadmap, and staff development. In-house trainings have been 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, especially environmental training. The Company has increased efforts to value-add the skills for career advancement through job rotations and promotion.

In addition, the Company appropriately remunerates the staff both in the short-term (bonus for employees based performance appraisal) and long-term (provident fund) Such remuneration is based on the staff's knowledge, accountability and performance. In addition, the Company also arranges for employee welfare; accident and health insurance, 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 an annual health check for employees at all levels, safety practice for fire drills annually and also exercise activities such as yoga, badminton, etc.

Apart from that, IT systems and applications are continuously upgraded to better support staff handling of their routines as well as to enhance human resources management and development.

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 2022, we focused on customer digital-centric due to the changing of business practices and customers' requests for more digitalization. This will remain our strategies in 2023 as well.

3.2.2 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 stable and sustainable returns Business development, usage of innovation and technology Good corporate governance and risk management in business operations 	<ul style="list-style-type: none"> Generate the suitable returns Communication to the shareholders, offers the opportunity to shareholders to express their opinions to the Company Provide transparent information in a timely manner
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 both in short-term - bonus 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.

Group of Stakeholders	Practice to the stakeholders	Expectation of stakeholders	Response to such expectation to the stakeholders
Company staff			<ul style="list-style-type: none"> • 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. • The Company registers 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. • The Company provided cleanliness maintenance during COVID-19 pandemic • To organize online meeting between the executive and all employees in Thailand and at abroad. • 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.





Group of Stakeholders	Practice to the stakeholders	Expectation of stakeholders	Response to such expectation to the stakeholders
Outside the organization			
<p>Customer, Business environment</p>	<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.
<p>Community and environment</p>	<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.

3.3 Environmental Sustainability Management

3.3.1 Environmental policy and guidelines

The Group 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 as well as power consumption including reducing air pollution, such as reducing greenhouse gas emissions from the Company's business operations.



3.3.2 Environmental operating results

The Company has complied with international law regulations. Country-specific laws including 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.

(1) International Maritime Organization (IMO) Requirements related to Greenhouse Gas (GHG) Emission Reduction for ships.

Carbon Intensity Indicator (CII)

The CII came into effect in January 2023 alongside with the Energy Efficiency Design Index (EEDI) and Energy Efficiency Existing Ship Index (EEXI) and will apply to all Cargo, RoPax and Cruise vessels above 5,000 gross tonnage trading internationally. The CII is an annual indicator of the ship's transport efficiency rated from A (best performance) to E (worst performance) and expressed in grammes of CO₂ emitted per transport capacity and distance. While the EEDI & EEXI is a one-time certification covering design parameters, the CII is given based on the actual emissions of the vessel during operation and is to be revised yearly.

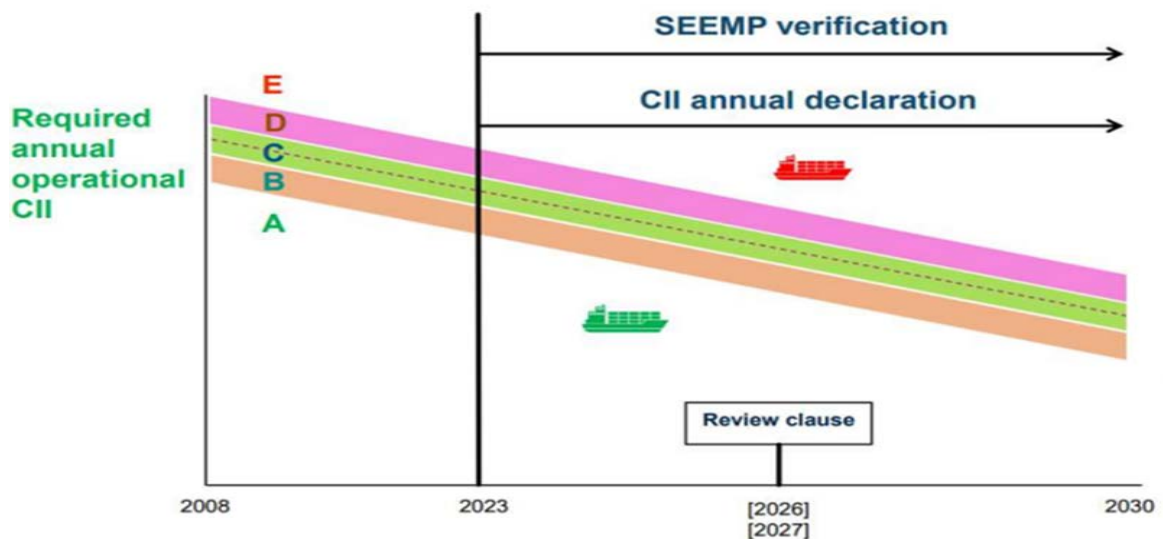
To certain extent, CII is even more challenging than EEDI & EEXI. The challenges mainly come from 3 aspects;-

- 1) Unlike EEDI & EEXI which is a one-time job, CII is an on-going task that requires to be calculated every year starting from 2023.

The reduction factor to be used for calculating the required CII will be enhanced every year as below. Reduction factor means reduction rates from CII reference lines, which is a curve representing the average CII for each category of ships in year of 2019.

Year	Reduction Rate
2023	5%
2024	7%
2025	9%
2026	11%
2027 - 2030	To be decided later

- CII is a part of the IMO-DCS (Data Collection System) process, that starts from 2023. After the emission data is submitted and verified, a CII rating (from A to E) will be given to the vessel based on the annual carbon intensity result.
- The value of the CII is required to be reduced every year. This carbon intensity value is required to drop by at least 40% by 2030 and by 70% by 2050 as compared with the value in 2008 (a full picture of the requirement is depicted below for clarity)



If a vessel gets a rating of D for 3 consecutive years or a rating E in any year, it is required to develop and implement corrective actions to achieve rating C or better. The corrective actions are required to be submitted for verification otherwise the Statement of Compliance (SoC) will not be issued to the vessel.

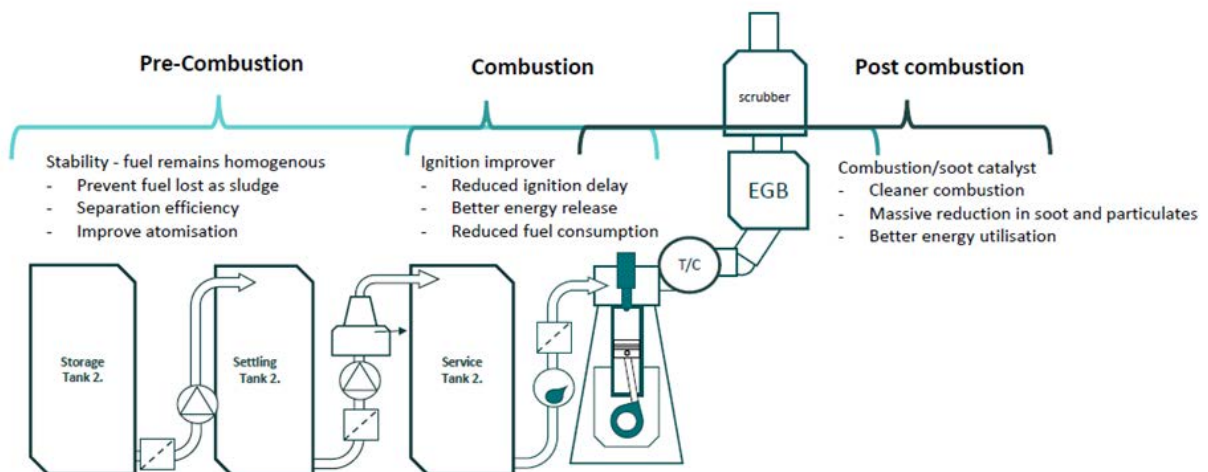
An owner can control the CII by optimizing operations and ensuring vessels are in a good condition. Charterers will have a major influence over the CII of the ships they charter by selecting the speed. It will be beneficial for owners/operators to continuously monitor the CII performance of the vessel to avoid having to take drastic measures unexpectedly.

RCL aim for IMO's short-term GHG emission reduction measures.

- 1) Slow down the speed of its ships to reduce the consumption.
 - Select deployment to suit with the ship
 - Improve Cargo Handling Efficiency to shorten port stays.
 - Planning of ship cargo loads to maximize economic returns.



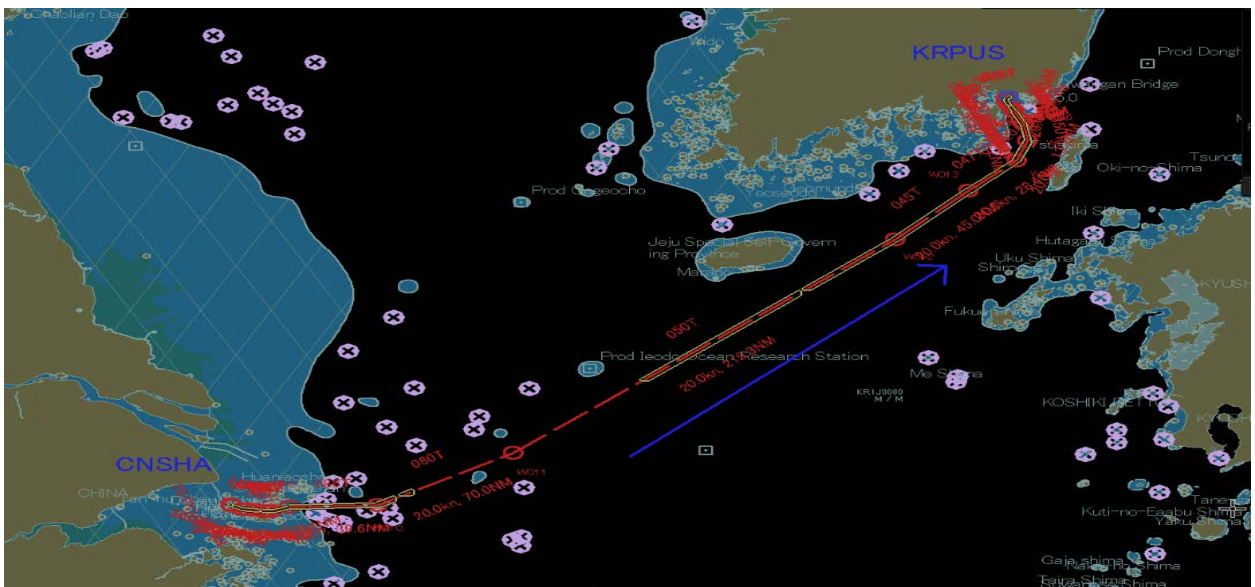
- 2) Continuously monitor fuel consumption, engine operations to ensure the main engine is working efficiently, dosage chemicals to improve engine combustion that can be reduced the emission.



- 3) For all vessels which scheduled for docking, shall apply for full blasting on flat bottom and vertical on ship hull, remove roughness surface and reduce friction.



- 4) Use the weather navigation system to provide the fleet with real-time information on routing that optimizes fuel efficiency.

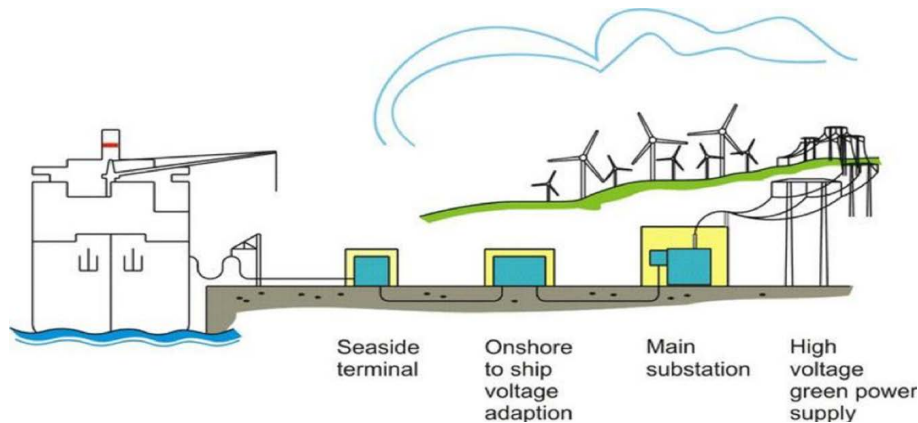


- 5) Replacement of old vessels
Sell the old age ships and replace by the new and modern design with lower consumption.

(2) RCL continues to study the optimum method for mid- and long-term measurement in order to continue with GHG emission reduction.

1. Installation of Alternative Maritime Power (AMP)

When a ship docks/Ports, it no longer needs energy for propulsion. However, ships may still be large consumers of energy when stationary as several of the ship functions are still operating. This includes ventilation/heating/cooling, pumps, control systems and cargo handling systems. Consequently, the generators are running when in port, resulting in local noise and air emissions as well as global climate driving emission. Rather than letting the generators on board make the electricity this can come from shore power.



2. Installation of Carbon Capture, Utilization and Storage (CCUS).

CCUS technology has been available for several decades, but it has only recently become a hot topic in the marine industry. CCUS technology plays a vital role in decarbonization, both as a standalone solution and in greening the supply chain for other clean energies. For example, the production of offshore wind farms requires carbon-intensive building materials and processes. By using CCUS technology in their production line, manufacturers can minimize their environmental impact, and asset operators strengthen the green credentials of their wind farm.



3. Carbon Credit

Carbon credits are financial instruments of measurement where one credit represents one ton of Carbon Dioxide (CO2) equivalent either removed or prevented from entering the atmosphere. They were created to promote the use of carbon-reducing technologies through the generation of revenue by reducing greenhouse gas emissions and will be available for marine industry soon.

4. Use Alternative Fuels

The energy transition is on. The shipping industry is working to reduce carbon footprint, or even better, to reach zero emissions. Several new energy sources are evaluated, such as LNG, methanol, ammonia, hydrogen, biofuels and batteries.

Energy source	Fossil (without CCS)					Bio	Renewable ⁽³⁾			
	Fuel	HFO + scrubber	Low sulphur fuels	LNG	Methanol	LPG	HVO [Advanced biodiesel]	Ammonia	Hydrogen	Fully-electric
High priority parameters										
• Energy density		●	●	●	●	●	●	●	●	●
• Technological maturity		●	●	●	●	●	●	●	●	●
• Local emissions		●	●	●	●	●	●	●	●	●
• GHG emissions		●	●	● ⁽²⁾	●	●	●	●	●	●
• Energy cost		●	●	●	●	●	●	●	●	● ⁽⁴⁾
• Capital cost	Converter	●	●	●	●	●	●	●	●	●
	Storage	●	●	●	●	●	●	●	●	●
• Bunkering availability		●	●	●	●	●	●	●	●	●
Commercial readiness ⁽¹⁾		●	●	●	●	●	●	●	●	● ⁽⁵⁾
Other key parameters										
• Flammability		●	●	●	●	●	●	●	●	●
• Toxicity		●	●	●	●	●	●	●	●	●
• Regulations and guidelines		●	●	●	●	●	●	●	●	●
• Global production capacity and locations		●	●	●	●	●	●	●	●	●

⁽¹⁾ Taking into account maturity and availability of technology and fuel.

⁽²⁾ GHG benefits for LNG, methanol and LPG will increase proportionally with the fraction of corresponding bio- or synthetic energy carrier used as a drop-in fuel.

⁽³⁾ Results for ammonia, hydrogen and fully-electric shown only from renewable energy sources since this represents long term solutions with potential for decarbonizing shipping. Production from fossil energy sources without CCS (mainly the case today) will have a significant adverse effect on the results.

⁽⁴⁾ Large regional variations.

(3) Reduction of Sea Water Pollution

International Convention for the Control and Management of Ships' Ballast Water and Sediments

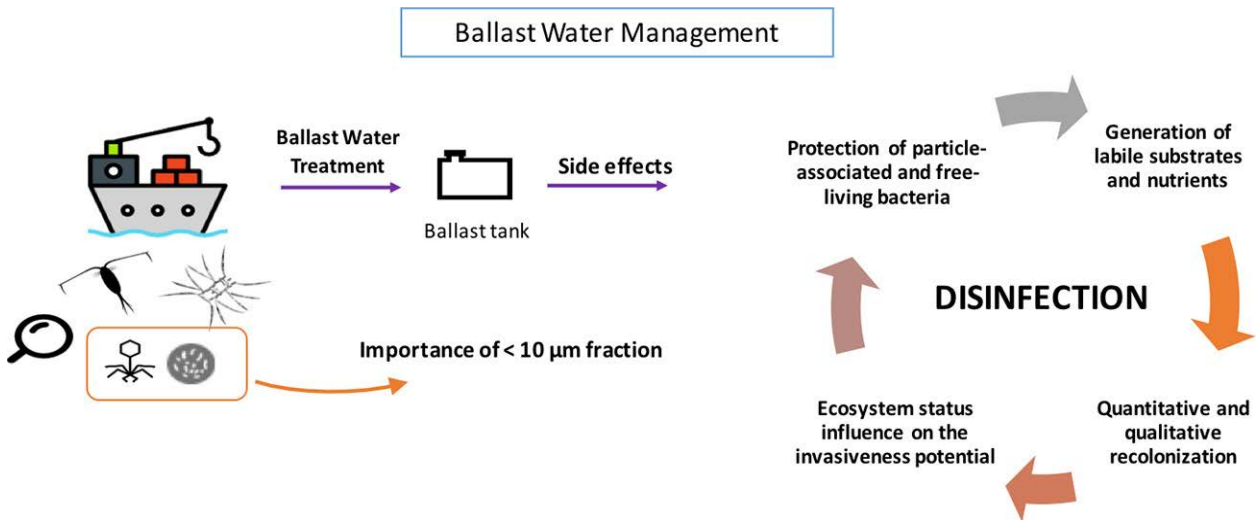
The International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM Convention), entered into force globally on 8 September 2017.

- All RCL ships will be installed with BWTS

Ballast water may be taken onboard by ships for stability and can contain thousands of aquatic or marine microbes, plants and animals, which are then carried across the globe. Untreated ballast water released at the ship's destination could potentially introduce a new invasive marine species. Hundreds of such invasions have already taken place, sometimes with devastating consequences for the local ecosystem

To comply with the requirements under the International Convention on the Control and Management of Ballast Waters All RCL ships must be equipped with a Ballast water treatment system to prevent small aquatic organisms from sticking to each other in Ballast tanks and spreading to another.

In year 2022, 15 of the Company's vessels have installed the ballast water system as planned and in the year 2023 the remaining 4 vessels will install the ballast water system as scheduled (1 vessel had already been sold)



Environmental Sustainability Management Target for the Year 2023

- Slow down the speed of its ships to reduce consumption.
- Select deployment to suit the vessels
- Improve Cargo Handling Efficiency to shorten port stays.
- Planning of ship cargo loads to maximize economic returns.
- Continuously monitor fuel consumption, engine operations to ensure the main engine is working efficiently, dosage chemicals to improve engine combustion that can be reduced the emission.
- Application for full blasting on flat bottom and vertical on ship hull to reduce friction.
- Use the weather navigation system to provide the fleet with real-time information on routing that optimizes fuel efficiency.



3.4 Social sustainability management

3.4.1 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 including hygiene and education development

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



Sexual and 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 twinchok@rclgroup.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.rclgroup.com.

3.4.2 Social Operating Result

(1) Social Activities

Through the year 2022, the Company has continually organized social activities such as

On 8 April 2022, Khun Sumate Tanthuwani, Managing Director, graciously contributed Baht 90,000 to the Queen Sirikit Centre for Breast Cancer Foundation for the purpose of funding the purchase of medical equipment to Chulalongkorn Hospital for the COVID-19 patients and the poor breast cancer patients of the Queen Sirikit Centre for Breast Cancer Foundation



On 8 April and 26 October 2022, Khun Sumate Tanthuwani, Chairman of Executive Committee, 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.

Mr. Sumate Tanthuwani has supported project "Project for knowledge and experience development in Business Administration for Students as of the year 2022" organized by the Yuthasan Na Nakorn Foundation for the Thailand Management Association (TMA) by contributing money to support the activities related to business management for potential development of the students in the name of Regional Container Lines Public Company Limited, amounting to Baht 50,000 on May 1, 2022.



Mr. Sumate Tanthuwani provided high-flow nasal cannula oxygen therapy devices in the name of Regional Container Lines Public Company Limited to mitigate the shortage of medical supplies and to medically treat COVID-19 patients in Doem Bang Nang Buat Hospital on May 31, 2022



On 30 June 2022, RCL employees donated disposable PET plastic bottles to Wat Chak Daeng in Samut Prakan to be recycled and used to make monk robes. It also benefits the environment by reducing waste, and the products can gain profits for the community.



RCL's employees has made some donation (in terms of monetary, clothing, toys, and books) to the children, bedridden patients and the poor people in the community at the Ruam Nam Jai Foundation in Klongtoey, Bangkok, Thailand on 26 August 2022.



Khun Sumate Tanthuanit, Chairman of the Executive Committee, receiving an honor plaque award from Dr. Pornthep Siriwanarangson, Chairman of the Emergency Medical Foundation of Thailand in “Thai Rescue Volunteer Project is honoring the King” for a donation of 700 45-liter water wheel tanks in year 2020 as part of its sponsorship of the National Emergency Medical Foundation on 27 August 2022



RCL Public Company Limited is cooperating with the Thai Chamber of Commerce and Board of Trade of Thailand and the Ministry of Foreign Affairs of Thailand to assist Sri Lanka in times of economic and livelihood crisis. We had committed to provide free shipping of donated items to Sri Lanka.

The first two round containing 25 tons (1x20'GP) and 24 tons (1x20'GP) of rice was transported on 21 August 2022 and 28 August 2022 respectively. These two containers of rice were donated through the Rama IX Golden Jubilee Temple.

The Company provide the third and the fourth round. The third round containing 25 tons (1x20'GP) was donated through Wat Shri Guru Singh Sabha Gurudwara (Sikh Temple) on 4 October 2022. And the fourth round has 3 containers containing 72 tons (3x20'GP) of rice were transported on 19 October 2022 and donated through and Rama 9 Temple respectively



The Company and our partners, Delmege Forsyth & Co. (Shipping) Ltd., donated medical consumables and equipment worth Rs. 6.5 million to the Colombo North Teaching Hospital - Ragama.

On 11 October 2022, Khun Suporn Amnuaypan, Senior Vice President (Group HR & Admin, BT, BPM, IR and Comm & Branding) donated medical devices to Office of Medical Care and Health Port Authority of Thailand, Bangkok, Thailand through Mr. Tanes Garnjansawat, Director Office of Medical Care and Health.



On 16 December 2022, Khun Suporn Amnuaypan, Senior Vice President (Group HR & Admin, BT, BPM, IR and Comm & Branding) and employees made a donation (in terms of Gymnastics cushions, Computers, Futsal Goal, sport equipment and stationery) to Wat Khlong Toei Nai School in Klongtoey, Bangkok, Thailand.

On 16 December 2022, Khun Suporn Amnuaypan, Senior Vice President (Group HR & Admin, BT, BPM, IR and Comm & Branding) of Regional Container Lines, and employees made a donation (in terms of a table tennis table, basketball stands, sport equipment and stationery) to Prathomnonsee School in Klongtoey, Bangkok, Thailand.





On 14 December 2022, Khun Suporn Amnuaypan, Senior Vice President (Group HR & Admin, BT, BPM, IR and Comm & Branding) of Regional Container Lines, and employees made a donation (in terms of a table tennis table, basketball backboards, sport equipment and stationery) to Chumchonmoobanpattana School in Klongtoey, Bangkok, Thailand.

On December 17, 2022, the Company participated in an Environmental Conservation. The objective is to maintain balance in an ecosystem by releasing different species of fishes to increase the number of aquatic animals in natural water sources. This CSR activity also includes the collection of garbage along the coast and building a fish house from rope to allow small aquatic species to have a habitat.

Representatives from Chonburi Regional Harbor Office, Marine and Coastal Resources Administration Office 2 Chonburi, Chonburi Provincial Fisheries Office joined us for the event. While the Merchant Marine Training Centre for Environmental Conservation supported the participants with life jackets.

We purchased 800,000 baby Banana prawn bred from the Coastal Fisheries Research and Development Center in Chachoengsao Province. The baby Banana prawn together with 15,000 fishes and 300 crab breeders were released in the ocean at Ao Udom, Chonburi Province.



(2) Social activities of the subsidiaries



In the month of May, RCL Feeder Pte Ltd, Singapore had organized a food donation drive to support a charity organization - Food from the Heart. Food from the Heart is a non-profit organization that are committed to provide continued food security to their beneficiaries who are largely the less privileged individuals and families in Singapore.



In September 2022, RCL Shanghai organized a book donation as part of our CSR initiative in China. The beneficiary is students from Ningxia Xiji Senior High School which is located in the inland area of Northwest China.

The Company donated over five hundred books catering to the scarcity of educational resources for the students studying there.



On 1 November 2022, Khun Twinchok Tanthuanit, President of Regional Container Lines Public Company Limited attended a donation handover ceremony. RCL supports the Democratic Socialist Republic of Sri Lanka in its effort to mitigate the current economic crisis by providing free shipping of donated items to Sri Lanka. RCL transported four rounds totaling 146 tons between August and October.

The ceremony was presided over by H.E. Mr. Don Pramudwinai, Deputy Prime Minister and Minister of Foreign Affairs of the Kingdom of Thailand. The donations were received by Mrs. Colonne Appuhamillage Chaminda Inoka Colonne, Sri Lanka Ambassador to Thailand.

(3) Activities to support 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 558,416.70 per person starting from admission in January 2022.

(4) Organizing activities and training for employees

Throughout the year 2022, 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;



RCL Halloween Cookies Decoration Contest 2022



Journey to Make Friends



Reunions for Employee Onboarding Program



Anti-corruption Training



Customer Segmentation and PBI-eService Training



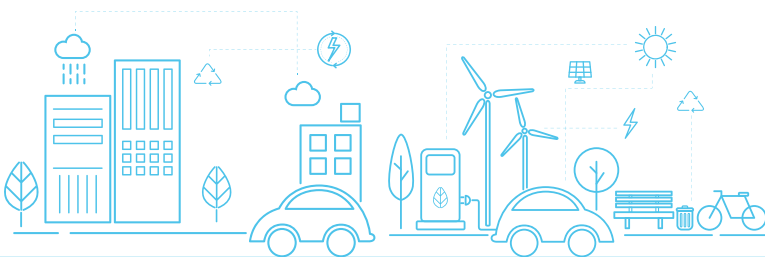
Professional Communication Skill Training



SOP Tracking Training

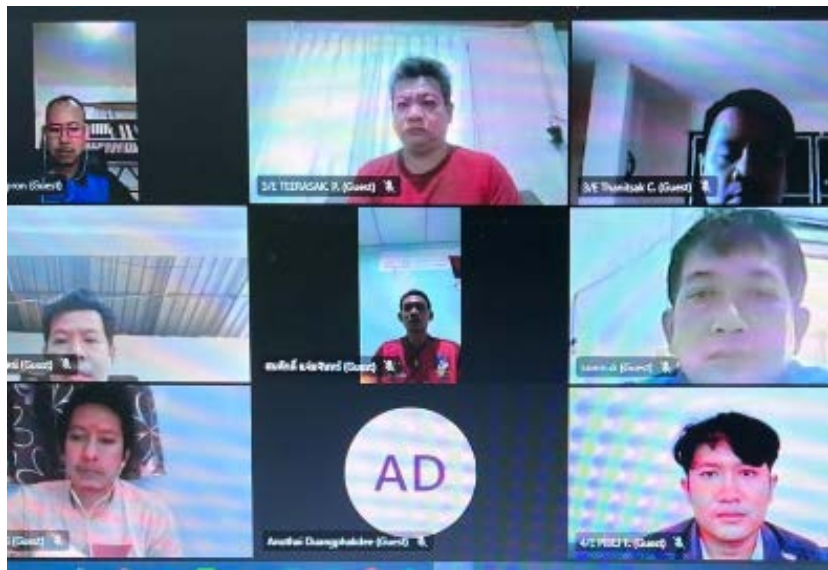


Personal Data Protection Act Training

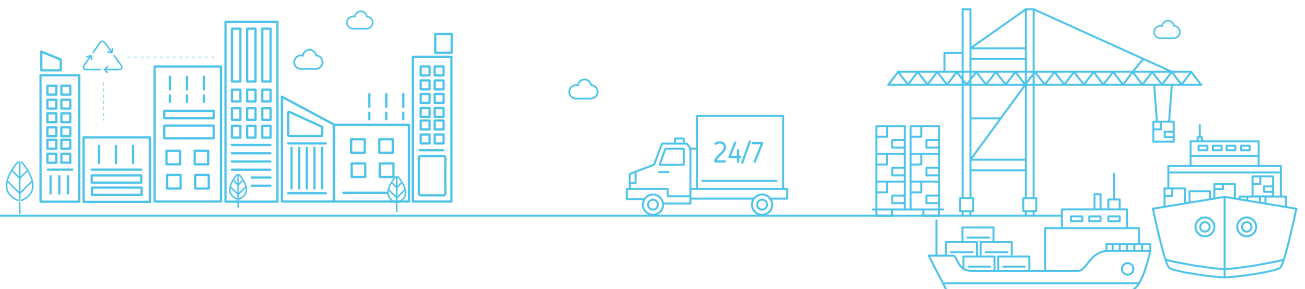




Cyber Security Awareness Training



Marine Environment Protection- Control of Greenhouse Emission Training





4. Management Discussion & Analysis (MD&A)

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, Red Sea and up to East Africa.

Results of Operations

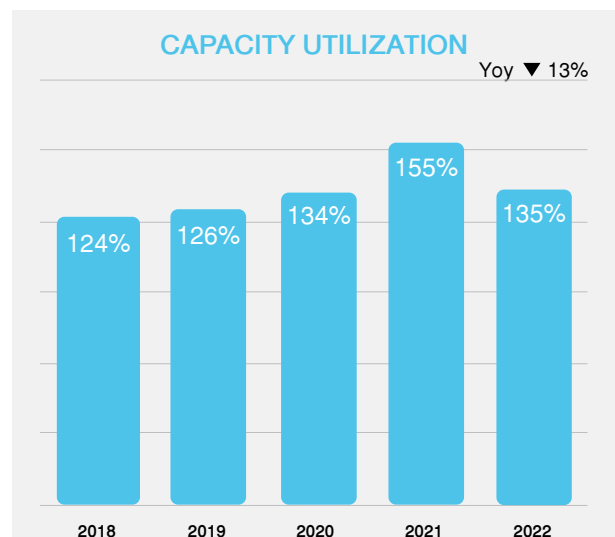
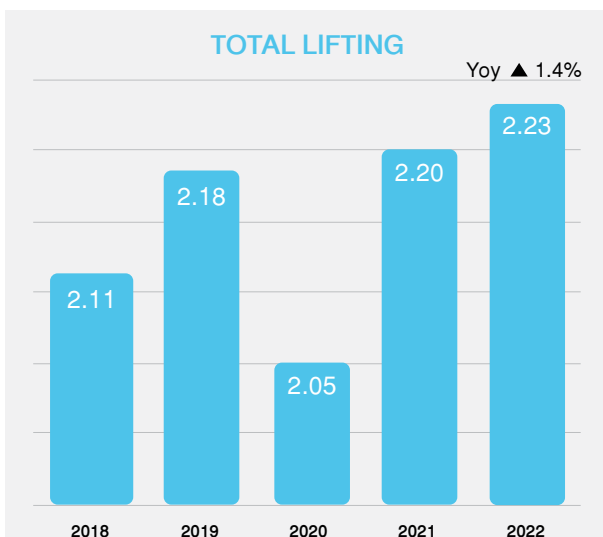
The demand of container shipping market was still exceptionally good in 2022, due to prolonged port congestion in the 1st half of 2022, which gave rise to freight rates increase at the beginning of the year and a gradual drop towards the year end.

The increase of oil price, inflation, geopolitical conflicts and upcoming recession lead to the increased in cost. The Group strongly focused on cost controlling, service rationalization and cargo mix as the main strategies for operating. With the high freight rate and cost controlling, RCL's profit for year 2022 was its highest ever recorded in history.

In 2022, SOC liftings was 0.61 million TEUs, decreased by 29% from year 2021. COC liftings was 1.62 million TEUs, increased by 21% from year 2021. The total liftings increased by 1.4% to 2.23 million TEUs, while overall utilization was 135% in 2022.

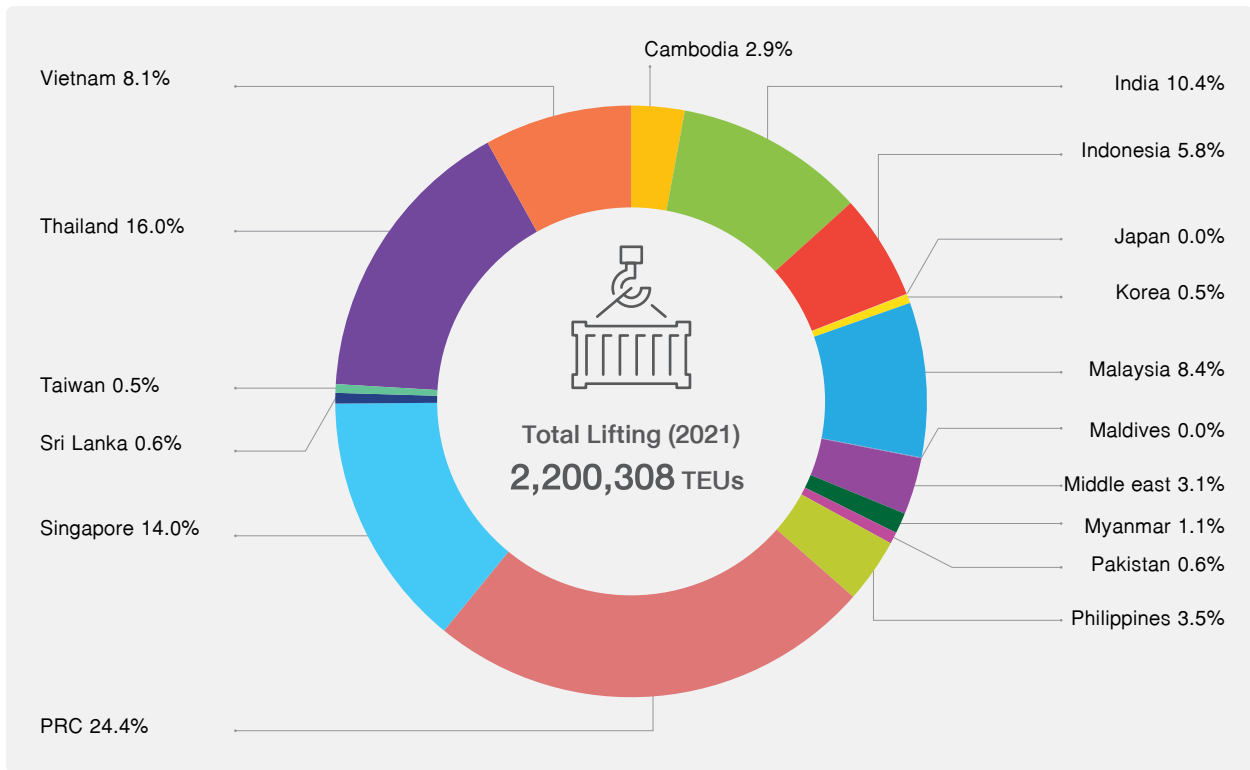
The consolidated revenues from freight income for the year was Baht 52,074 million increased from Baht 37,979 million in 2021, because of the increased in freight rate. Total revenues also increased by 37% to Baht 53,180 million in 2022 compared to Baht 38,910 million in 2021.

In 2022, 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 2022, the Group recorded an exchange loss of Baht 2.5 million as compared to the exchange gain of Baht 43.0 million in 2021.

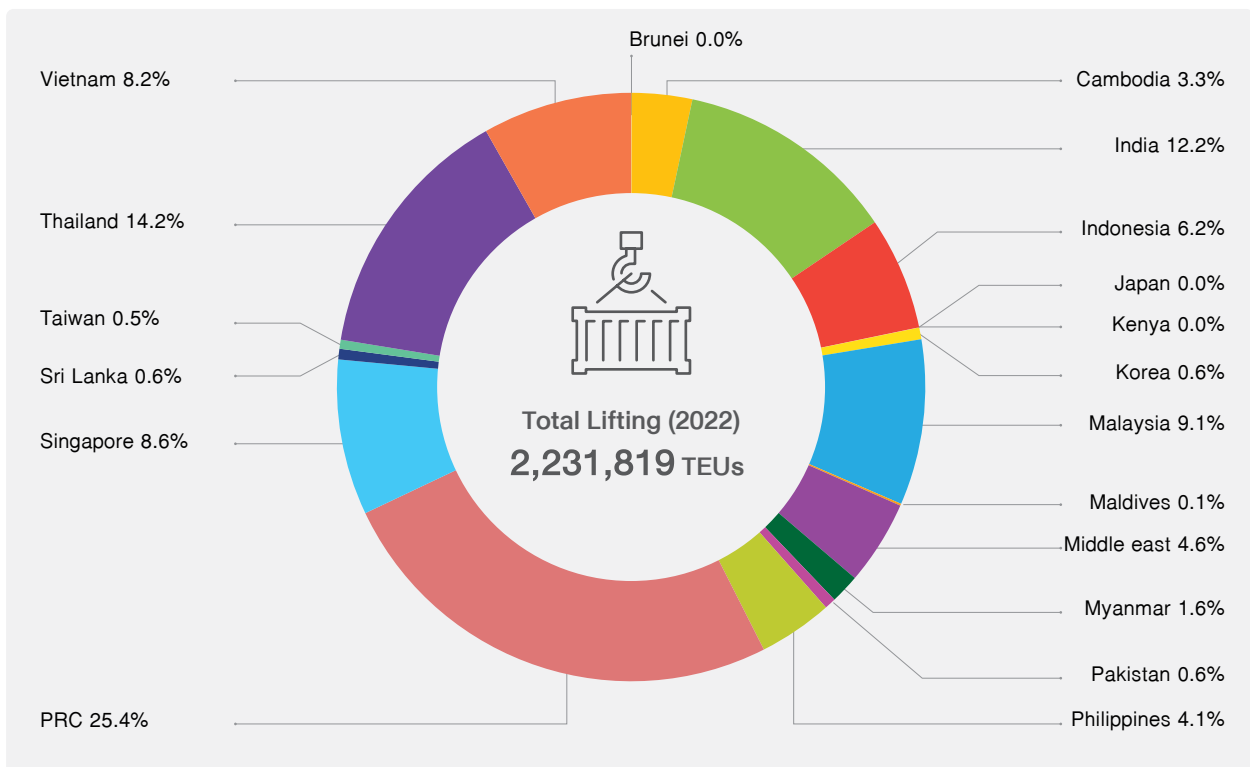


Trade Composition

Total lifting (2021) 2,200,308 TEUs



Total Lifting (2022) 2,231,819 TEUs



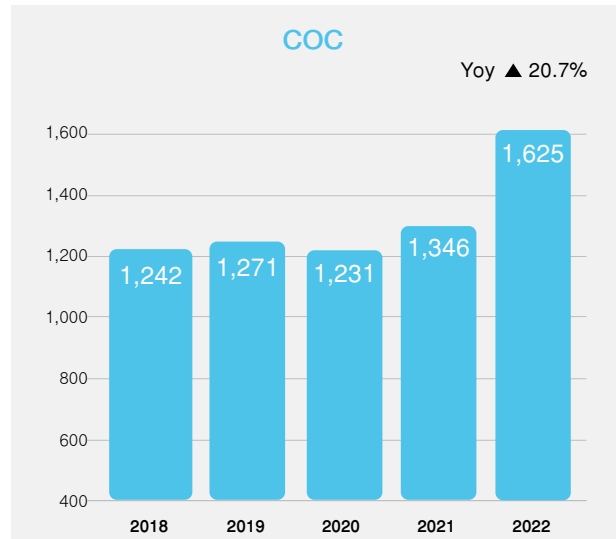


Operational Overview

SOC Liftings



COC Liftings



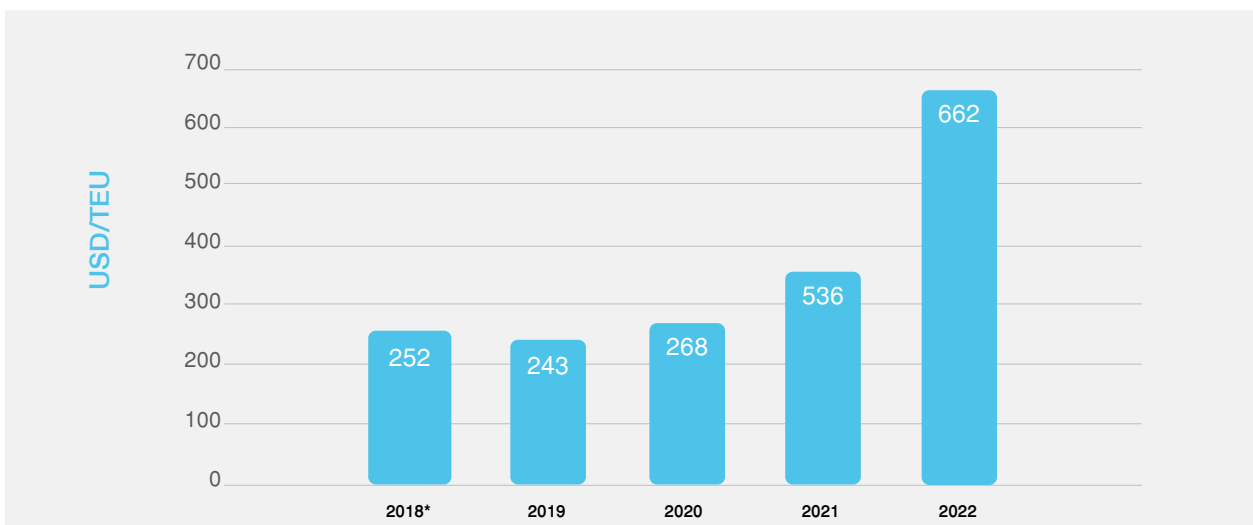
Freight Rates

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 2022, the prolonged port congestion continued to push the freight rate up but began to drop gradually since the second quarter.

RCL Freight Rate Movement

The average freight rate in 2022 was USD 662 per TEU when compared with USD 536 per TEU in 2021.



* 2018 figure restated based on TFRS15

Profitability

US\$ per TEU	Year 2018*	Year 2019	Year 2020	Year 2021	Year 2022
Average Freight income	252	243	268	536	662
Average Cost of freight and operations	245	235	224	271	337
Gross Margin	3%	3%	15%	49%	49%

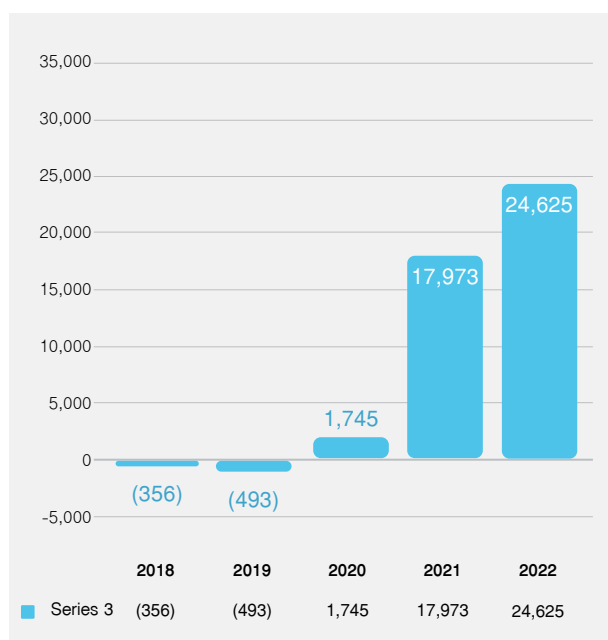
* 2018 figure restated based on TFRS15

In 2022 the freight has steadily decreased from \$773/TEU in the first quarter to \$668/TEU in the third quarter and decreased sharply to \$472/TEU in the fourth quarter.

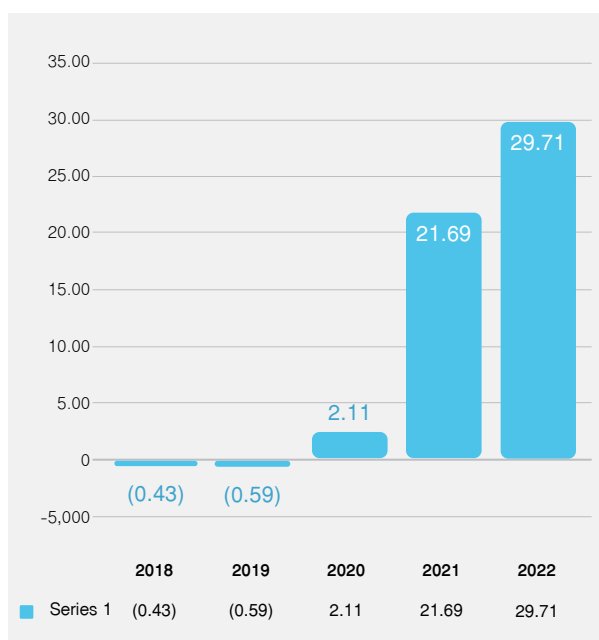
US\$ per TEU	1Q22	2Q22	3Q22	4Q22	Year 2022
Average Freight income	773	735	668	472	662
Average Cost of freight and operations	320	346	344	339	337
Gross Margin	59%	53%	48%	28%	49%

Cost of freight and operations increased 38% from Baht 19.18 billion in 2021 to Baht 26.51 billion in 2022, mainly due to higher bunker price and increase in lifting in 2022.

Net Profit (Baht)



EPS (Baht)



For the full year of 2022, the group recorded a net profit of Baht 24,625 million attributable to equity holders of the Company, compared to a net profit attributable to equity holders of the Company of Baht 17,973 million in 2021.

Profit per share for 2022 was Baht 29.714, compared to profit per share of Baht 21.687 in 2021.



Financial Condition

Total assets increased by 52% to Baht 58.9 billion. Total shareholders' equity increased 75% to Baht 45.3 billion. Cash flow from operations was positive at Baht 26,044 million in comparison to the positive of Baht 19,766 million, the year before. As at 31 December 2022, the Group held cash and cash equivalents amounted to Baht 19.5 billion, an increase from Baht 9.8 billion in 2021.

The 2022 EBITDA was Baht 28,478.3 million, compared to EBITDA of Baht 19,959.4 million in 2021.

Computation of EBITDA	2022	2021
Profit / (loss) before taxation	24,660.0	17,995.2
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)
Less: Unrealised gain from change in fair value of derivatives	(123.3)	(9.2)
Add: loss from changes in fair value of derivatives	-	-
Add: Interest	221.6	197.4
EBIT	24,758.3	17,348.1
Add: Amortisation	1.0	0.7
Add: Depreciation	3,719.0	2,610.6
EBITDA	28,478.3	19,959.4

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 19.5 billion as at end 2022. The year-end trade accounts receivables decreased from Baht 4.8 billion in the previous year to Baht 4.7 billion in 2022. Cash and trade account receivables accounted for Baht 24.2 billion, or 95.24% of the total current assets.

Total current assets increased from Baht 15.56 billion in 2021 to Baht 25.41 billion in 2022.

Non-current assets accounted for 56.88% of the total assets. The majority of non-current assets comprised vessels, container and equipment which amounted to Baht 21.8 billion as at end 2022.

Capital Structure

As at end 2022, total liabilities were Baht 13.6 billion versus Baht 12.8 billion in 2021. Shareholders' equity increased 74.80% from Baht 25.9 billion in 2021 to Baht 45.3 billion in 2022.

Total debt to shareholders' equity decreased from 0.49 to 1 in 2021 to 0.30 to 1 in 2022.



5. General Information and Other Material Facts

5.1 General Information

**Name**

Regional Container Lines Public Company Limited

**Address**

30th Floor Panjathani Tower Building, 127/35, Nonsi Road (Ratchadapisek Road), Chongnonsi, Yannawa, Bangkok 10120, Thailand

**Registration No.**

0107536000021

**Tel:**

66 2296 1096

**Fax:**

66 2296 1098

**Website:**

<http://www.rclgroup.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

**Bankers**

Bangkok Bank Plc.
Bank of China (Thai) Public Company Limited
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.

**Auditors**

A.M.T. & Associates
491/27 Silom Plaza, Silom Road, Silom Sub-District, Bangruk District, Bangkok 10500

**Registered Capital**

828,750,000 shares

**par Baht**

1.00 Baht

**Registrars Ordinary Shares**

Thailand Securities Depository Company Limited
The Stock Exchange of Thailand
93 Ratchadapisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400

**amounting Baht**

828,750,000 บาท

**Tel:**

66 2009 9999

**Fax:**

66 2009 9991



5.2 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 2514384-5	(880) 31 710 847
BRUNEI	Muara	Ben Line Agencies (B) Sdn. Bhd.	(673) 222 0607	(673) 222 0608
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) 83633326	(8620) 8363 4004
	Shenzhen	Regional Container Lines Shipping Co., Ltd.	(86755) 2518 1150	-
	Xiamen	Regional Container Lines Shipping Co., Ltd.	(86592) 239 8011	(86-592) 239 8001
	Ningbo	Regional Container Lines Shipping Co., Ltd.	(86574) 2787 2823	-
	Wenzhou	Wenzhou Zheyuan Shipping Agency Co., Ltd.	(86577) 8893 8605	(86577) 8893 8618
		Wenzhou Xinggang International Shipping Agency Co., Ltd.	(86577) 89972218	(86577) 8997221
	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	(86-411) 82803858
HONG KONG	Hong Kong	Regional Container Lines (H.K.) Limited	(852) 2526 3318	(852) 2537 5463 / 5452 / 5456
DJIBOUTI	Djibouti	Djibouti Shipping Services SARL	(253) 21354640	(253) 21354660
INDIA	Chennai	RCL Agencies East India Pvt. Ltd.	(91 44) 4019 1600-02	(9144) 2522 5634
	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	-
	Nava Sheva	RCL Agencies (India) Pvt. Ltd.	(9122) 272 1850-52	-

Country	City	Company	Telephone	Fax
INDIA (continued)	New Delhi	Sea Trade Shipping (India) Pvt. Ltd.	(9111) 46109228	-
	Ludhiana	Sea Trade Shipping (India) Pvt. Ltd.	(91161) 4500523	-
	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 0030	-
	Pipavav	Sea Trade Shipping (India) Pvt. Ltd.	(91 2794) 286 327	-
	Rajkot (Commercial Office for Pipavav)	Sea Trade Shipping (India) Pvt. Ltd.	(91 281) 257 6603/257 6604	-
	Mundra	Sea Trade Shipping (India) Pvt. Ltd.	(912836) 222 9256	-
INDONESIA	Jakarta	PT Jasa Centina Sentosa	(6221) 3516602	-
	Medan / Belawan	PT Bintika Bangunusa	(6261) 845 5883	-
	Surabaya	PT Jasa Centina Sentosa	(6231) 535 2609	-
	Palembang	PT Bintika Bangunusa	(62-711) 716 380	-
	Semarang	PT Blessindo Berjaya Logistic	(6224) 7663 8888	-
IRAQ	Al Basrah	Sharaf Shipping Company Iraq	(964) 7809293055 (964) 7703200070	-
KENYA	Mombasa	Sharaf Shipping Agency (K) Ltd.	(5441) 2222966	(25442) 222 1915
KOREA	Seoul	Kukbo Agency Co., Ltd.	(822) 2151 9660	(822) 771 2502
	Busan	Kukbo Agency Co., Ltd.	(8251) 461 0984	(8251) 461 0987
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
	Bintulu	Bendara Shipping Agencies Sdn. Bhd.	(6086) 319 195	(6086) 313 479
	Kota Kinabalu	Bendara Shipping Agencies Sdn. Bhd.	(6088) 204 570	-
	Penang	RCL Agencies (M) Sdn. Bhd.	(604) 370 2666	(604) 370 7268
	Port Klang	RCL Agencies (M) Sdn. Bhd.	(603) 3342 2722	(603) 3342 2871
MALDIVES	Male	One World Logistics Maldives Pvt. Ltd.	(960) 330 0616 (960) 301 1888	(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) 414 3814	(6332) 420 2366

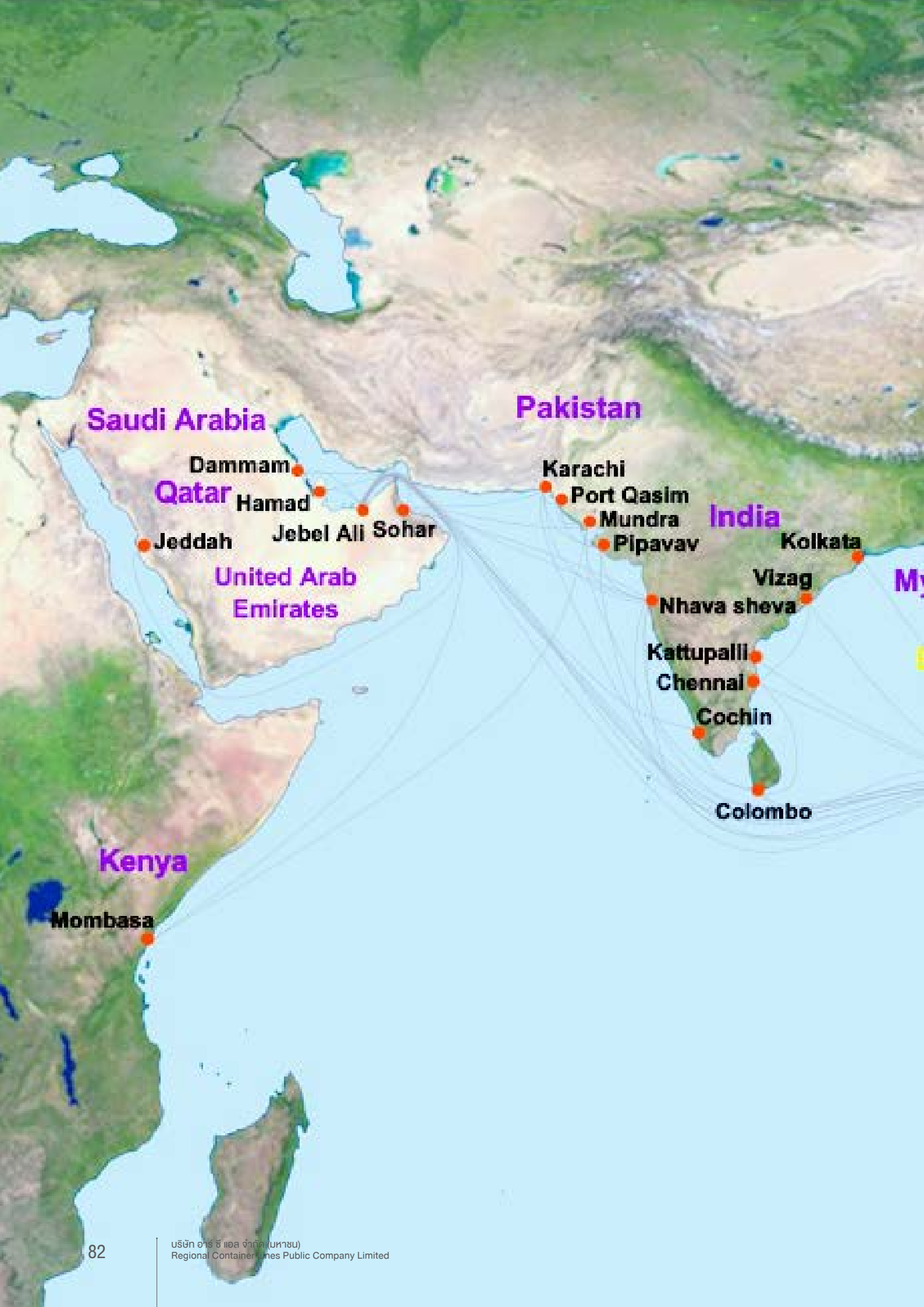


Country	City	Company	Telephone	Fax
PHILIPPINES (continued)	Davao	Eagle Express Lines, Inc.	(6382) 321 7139	(6382) 321 7138
	General Santos	Eagle Express Lines, Inc.	(6383) 552 1779	-
	Manila	RCL Feeders Phils., Inc.	(632) 815 3187	(632) 815 1811
QATAR	Doha	GWC Shipping Services	(974) 4449 3000	(974) 4449 3100
SAUDI ARABIA	Dammam	Gulf Shipping Co., Ltd.	(966) 1383 52777	(966) 1383 55365 / 835 5468
	Jeddah	Pride Shipping Company Ltd.	(966) 1265 76657	(966) 1265 28258
SINGAPORE	Singapore	RCL Feeder Pte. Ltd.	(65) 6220 0388	(65) 6221 9760
SOMALILAND	Somaliland	Pioneer Shipping Agency	(252) 6366 96664	-
SRI LANKA	Colombo	Delmege Forsyth & Co (Shipping) Ltd.	(9411) 269 3361 (9411) 772 9570	(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
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 1525 (662) 296 1546
	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	-
	Haiphong	VNT Logistics	(84225) 362 9139	(84225) 363 9442
YEMEN	Yemen	Sharaf Shipping Agencies Co. Ltd.	(967) 7743 65688	-

5.3 Legal Dispute

- None -







Part

2

Corporate Governance

Corporate Governance Policy

Overview of the Policy and Guidelines

Business Code of Conduct

Material Changes and Developments Regarding Policy,
Guidelines and Corporate Governance System in the Previous Year

Corporate Governance Structure and Significant Information Related to the
Board of Directors, Subcommittees, Executives, Employees, and others

Other Significant Information

Report on Key Operating Results on Corporate Governance

Report of Subcommittees

Internal control and Related Party Transactions



6. Corporate Governance Policy

6.1 Overview of the Policy

The Company recognizes the importance and responsibilities towards all its shareholders and stakeholders. The Corporate Governance Policy, therefore, has been established since the year 2005 as shown in Attachment 3.

Corporate Governance Principles have been taken into consideration of the Board in order to increase the confidence of shareholders, investors and all parties involved. Thus, the Corporate Governance Policy, Business Ethics, and 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 as well as encourage them to participate in the implementation of such policies.

The Board of Directors has reviewed the implementation of the Corporate Governance Code 2017 ("CG Code"), which was established by the Securities and Exchange Commission (SEC) through means that are suitable to the Company's business. The Board also assigned the Nomination & Remuneration and Corporate Governance Committee to ensure that CG Code compliance and its appropriate implementation to maximize value concerning the Company's future and sustainable growth. The Company is able to comply with the principles of CG Code as mentioned above in every principle as follows.



6.1.1 Policy and guidelines related to the Board of Directors and the Executives

Policy and guidelines related to the Board of Directors and the Executives have been described in “Corporate Governance Structure and Significant Information Related to the Board of Directors, Subcommittees, Executives, Employees, and others” and “Report on Key Operating Results on Corporate Governance”.

6.1.2 Policy and guidelines related to shareholders and stakeholders

The Company adheres to responsible and moral business operation as well as equitable treatment to all stakeholders including but not limited to, shareholders, employees, customers, suppliers/business partners, joint venture, creditors, business competitors, government, society, communities and environment. The Board of Directors governs the business operation to conform with laws to ensure the shareholders and relevant stakeholders have been treated equally. The details of policy on treatment to stakeholders are as follows:

(1) Shareholders

The Company realizes its responsibility to emphasize the rights of shareholders and fair treatment as well as their basic rights in accordance with the laws and the Company’s Article or Association. For example, the rights to attend and cast their votes in the Shareholders’ Meeting, propose the meeting agenda in advance, elect the directors, and receive fair benefits, etc. In addition, the Company provides sufficient information on its business operations, whilst promoting good communication with its shareholders.

(1.1) Annual General Meeting of Shareholders

The Company organizes an Annual General Meeting of Shareholders within four months after the Company’s financial year-end, 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. Key actions regarding Shareholders’ Meeting in the year 2022 can be summarized as follows.

- **Before Meeting**

- 1) The Company invited the shareholders to propose the agenda for Shareholders’ Meeting in advance, propose the qualified candidates to be elected as the directors, and submit question regarding the Meeting during November 8th - December 31st, 2022. The Company disclosed criteria and procedures on the website and announced such invitation via SETLink. However, in 2022 there was no proposal from the shareholders.
- 2) The Company announced the date for the 2021 Shareholders’ Meeting in advance after the Board’s approval on February 25th, 2022 and approved the date for the Shareholders’ Meeting to be on April 22nd, 2022. In addition, the date on which the shareholders would have the right to attend the Meeting as well as to receive dividends which was on March 17th, 2022 through the SET and the Company’s website.
- 3) To facilitate and support all shareholders, including individuals, juristic persons, institutional investors, and Thai and foreign shareholders, in attending the Shareholders’ Meeting, the Company published the Meeting Invitation Letter and its Meeting documents in both Thai and English on the Company’s website at <http://www.rclgroup.com> 35 days in advance of the Meeting date on March 18th, 2022, so that shareholders can access and study information more conveniently and quickly. In addition,



the Company sent the Invitation Letter to the Meeting by mail to the shareholders, SET, and the Ministry of Commerce prior to the Meeting date, as required by law (not less than 7 days before the meeting date) since April 1, 2022, which is 21 days in advance. The Company announced the Meeting Invitation in a Thai daily newspaper for 3 consecutive days, at least 14 days before the meeting date.

- 4) The Invitation Letter includes the meeting's date, time, venue, agenda, annual registration statements/ annual report in QR Code format, Proxy Form (Form A/B/and C), information on how to appoint a proxy and details of documents demonstrating the right to attend the Meeting, as well as a map of the meeting venue. The Invitation Letter to the Meeting also includes the opinion of the Board of Directors, the facts and reasons supporting each agenda item, as well as a statement of whether the item is for acknowledgement or approval, so that shareholders can receive sufficient and equal information for consideration and voting. The Company also submitted a list of names and profiles of directors nominated to replace those who retired by rotation or to be re-elected for another term, so that the shareholders had sufficient information for their consideration.
- 5) Due to the epidemic situation of COVID-19 in the year 2022, the Company provided QR Code for the "Thaichana" application for everyone in the Meeting to scan, ensured everyone to wear a mask and provided alcohol gel at the various risk points in the Meeting venue. Also, the staff had to wear gloves during the Meeting. In addition, social distancing had been applied to the Meeting venue and provided audio and video systems for shareholders to see and express their opinions throughout the Meeting area.
- 6) In the event that shareholders were not able to attend the Meeting, the Company proposed independent directors as an option for shareholders to grant the proxy. The Company also informed the shareholders about the conflict of interest of the independent directors on each of the agenda items. The shareholders also granted their proxy to others in which the Company clearly described the documents and evidence that were convenient for shareholders to grant their proxies.

- **At the Meeting**

- 1) The Shareholders' Meeting was held on Friday, April 22nd, 2022 at 10.30 a.m. at Panjathani Conference Centre, Ratchada Room, 2nd Floor, No. 127/2 Panjathani Tower, Nonsi Road (Ratchadaphisek Road), Chongnonsi, Yannawa, Bangkok which was considered appropriated and convenient for the shareholders to attend the Meeting.
- 2) The Company organized staff to verify documents, provided stamp duty for proxy forms, and introduced technology and barcode systems to the Meeting for registration, vote counting, and voting results display to facilitate the shareholders. In addition, shareholders can register 2 hours before the Meeting at the Meeting venue.
- 3) The Company encouraged all directors, President, the chief financial officer, top management in each business line, and the Company's auditors to attend the Meeting to clarify details related to the agenda of the Meeting as well as respond to questions from shareholders. Moreover, the Shareholders' Right Protection Volunteer Club and shareholder volunteers acting as witnesses for the vote counting attended the Meeting as well.

- 4) The Chairman of the Board of Directors acted as the Chairman of the Meeting and conducted the Meeting in accordance with the Company's Articles of Association and the agenda specified in the Invitation Letter to the Meeting, without adding any additional agenda items not specified in the Invitation Letter. In addition, both major and minor shareholders have equal rights to vote. None of them have their rights restricted. The Company allocated sufficient time for shareholders to ask questions on various matters relating to business operations and items in the Company's annual financial statements before voting and resolving meeting resolutions.
- 5) During the Meeting, the Company clarified information, including the number and proportion of shareholders present in person and by proxy, the Meeting method, voting, and vote counting in accordance with the Company's regulations. The Meeting attendees were provided with "Approve," "Disapprove", and "Abstain" ballots for each agenda item, allowing them to vote separately for each agenda item. In addition, by proposing the directors who are due to retire by rotation to be re-elected for another term and by nominating individuals to be elected as directors in place of those who retired by rotation, the Company allowed shareholders to vote individually for the re-election of directors. The Company immediately announced the voting results for each agenda item and displayed them on the screen during the Meeting, indicating the number of "Approve," "Disapprove," "Abstain," and "Void" votes.
- 6) The Company granted shareholders the right to attend the Meeting after it has started and be counted as a quorum starting from the agenda they have attended. They have the right to vote on the agenda that is being considered and is not yet resolved.

- **After the Meeting**

- 1) The Company disclosed the resolutions regarding the Shareholders' Meeting with voting results of all agenda via SET and the Company's website immediately after the Meeting.
- 2) The minutes of the Meeting were accurately and completely recorded in both Thai and English, including information on how to vote, the proposed agenda, questions, answers, suggestions, and clarifications related to the agenda, as well as the resolutions of the meeting with votes for approve, disapprove, abstain, and void ballots. In addition, the list of directors and executives who attended the Meeting is included in the minutes. The Company submitted the minutes of the Meeting to the Ministry of Commerce, SET, and SEC within 14 days from the date of the Meeting and disclosed the minutes of the Meeting to shareholders via the Company's website. The Company has a system for keeping minutes of the Meeting that can be checked/referenced. In 2022, no shareholder was disputing the voting results and the minutes of the Meeting.



(2) Employee

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 recognized and cultivated employees with leadership in good governance as our core value no.5 “Leadership with Integrity”.

The details of practices and performance regarding the employee have been illustrated in “Corporate Governance Structure and Significant Information Related to the Board of Directors, Subcommittees, Executives, Employees, and others” under “Information on Employees”.

(3) Customers

The customers are valuable, the Company then adheres in customers’ satisfaction. The customers are supplied with needed information on the Company’s services and commercial activities via various communication channels as follows:

- 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.

(4) Business Partners/Suppliers

The business partner and supplier relationships must be managed with good business practices and RCL is committed to seeking strong, mutually rewarding business relationships with companies and individuals who can enhance the quality of its services.

The selection of partners and suppliers must be made on a basis of objective criteria, including quality, technical excellence, price, delivery, adherence to schedules, product or services suitability, maintenance of adequate sources of supply, as well as RCL's purchasing policies and procedures. Furthermore, all terms in contracts made with partners and suppliers should be adhered to at all times unless changes are mutually agreed otherwise.

(5) Creditors

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

(6) Competitors

It is the Company's Policy not to engage in any anti-competitive practices which are unlawful and restrictive to the free market economy. The Company observes rules and regulation applicable in the countries, states and local jurisdiction where the businesses are conducted and encourage fair competition among potential competitors, partners, suppliers and other vendors, treating each of these companies or individuals with fairness, integrity and without discrimination.

(7) Society, Community, and Environment

The Company has established the Employee Code of Conduct concerning society, community, and environment. The Company places importance on public society, opportunities and development of society. The details of the performance regarding society, community, and environment have been disclosed in "Business Sustainability Development" and "Social Sustainability Management".

Information Disclosure and Transparency

The Company discloses information which is required to inform shareholders and SET in a full, fair, accurate and timely manner.

The information disclosure consists of financial information and non-financial information. Such information will be disclosed via SET's website so that the shareholders and investors will be updated on the information in a timely manner and fair. Apart of this, the information will be also posted on the Company's website in both Thai and English.

To ensure the financial reliability, information disclosure, and effective communication with the shareholders, the Company sets the guidelines as follows:

- The Company discloses the business operations both financial and non-financial in complete information, on time, and with transparency in accordance with good corporate governance and required SET and SEC's regulations as well as other information which is important for investment decisions.
- The Board of Directors is accountable for the Company's and its subsidiaries' financial statements which has been presented in the Form 56-1 One Report as prescribed in the Report of the Board of Directors' Responsibilities for Financial Statements and the Audit Committee Report together with the Report of Independent Auditors.
- Apart from the information mentioned above, the Company also disclosed the important information that might effect the share prices not only on the SET's website but also the Company's at <http://www.rcigroup.com>.



- The Company has established the Investor Relations Unit for both Bangkok Office and Singapore Office. Ms. Suporn Amnuaypan (Bangkok office-telephone number (66) 2296 1076) as Investor Relations and Ms. Michelle Ng (Singapore office-telephone number (65) 6229 2087) attend to the queries and explain/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 a business overview, current situation and industrial outlook, and answers all queries related to business operations.

In the year 2022, the Company disclosed the information via SET's website for 22 times and organized activities of investor relations, in addition to answering questions by email or phone, as follows

Activities	Times
1. Executives Meeting with Analysts	7
2. Opportunity Day organized by SET	3
3. Disclosure on the Company's website at Investor Relations	23 Topics

6.2 Business Code of Conduct

The Board of Directors has established the Business Ethics as well as the Employee Code of Conduct which has been disclosed in the Attachment 3 in this Form 56-1 One Report and the Company's website under Group Policy. The topics cover the following matters:

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, Internets and Information access, softwares, telecommunication facilities and office quipment
9. Environment and society
10. Personal privacy
11. Anti-Corruption
12. Whistle Blower

In 2022 there was no violation of the Code of Conduct and 100% of employee were communicated and acknowledged the Code of Conduct

In 2022, the Company circulated the Employee Code of Conduct to all employee to review, acknowledge, and sign in order to adhere to the practices. The Corporate Governance and Business Ethics has been encouraged for all employee. The Nomination & Remuneration and Corporate Governance Committee also reports to the Board on the performance of corporate governance.

6.3 Material Changes and Developments Regarding Policy, Guidelines and Corporate Governance System in the Previous Year

6.3.1 The review on the policy, guidelines and corporate governance system or the Board of Directors' charter during the past year

The Company adheres to and places importance on good corporate governance. The best practices have been applied to suit the Company's business operations to increase governance efficiency. In the past year, the Nomination & Remuneration and Corporate Governance Committee reported its performance quarterly to the Board of Directors. The Committee's performance has been disclosed in "Report of the Nomination & Remuneration and Corporate Governance Committee".

In addition, the Company encourages communication among the executives and employee regarding the Code of Conduct to raise awareness of good corporate governance and ethical business operations.

In 2022, the Company can comply with the principles of the Corporate Governance Code by SEC as mentioned above in every principle.

6.3.2 The Implementing the CG Code 2017 for Listed Companies

The Board of Directors focuses on good corporate governance and promotes such corporate governance in the organization, then resolved to approve the Nomination & Remuneration Committee to be re-named as Nomination & Remuneration and Corporate Governance Committee with additional roles and responsibilities concerning corporate governance which cover the SEC's CG Code 2017 for listed companies as follows:

1. Establish clear leadership roles and responsibilities of the Board

Roles and responsibilities of the Board of Directors have been disclosed in "Roles and Responsibilities of the Board of Directors" under "Corporate Governance Structure".

2. Define objectives that promote sustainable value creation

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 believes the Company has taken appropriate measures, including monitoring its performance in accordance with the Company's business ethics and code of conduct, 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 a green environment. Awareness of environmental and socio-economic issues has come to force amid the pandemic and transformation to holistically integrate ESG (Environmental, Social and Governance) principles into business strategy to support sustainability was 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 Board is entrusted to define the Board Structure as well as govern the nomination and selection process of directors to be clear and transparent. The Company has disclosed the details of the structure, composition and proportion of Board of Directors in the “Corporate Governance Structure”.

4. Ensure effective CEO and people management

The details of the Nomination and Development of the President and Top Management, as well as the Remuneration of the Executives, have been disclosed in “Corporate Governance Structure”.

5. Nurture innovation and responsible business

The Company is committed to conducting the business responsibly along with creating value for all groups of stakeholders in order to create wealth and sustainable growth. In this regard, the Board monitors the management to conduct business with social and environmental responsibilities. The environmental and social performance are disclosed in the "Business Sustainability Development"

6. Strengthen effective risk management and internal control

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 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 the “Risk Management” and details related to internal control and related transaction are as shown in the “Internal Control and Related Party Transaction”.

7. Ensure disclosure and financial integrity

The Board of Directors ensures that important information is disclosed accurately, adequately, and timely in accordance with the rules. and related practices. “Information Disclosure and Transparency” has been already disclosed in this “Corporate Governance Policy”.

8. Ensure engagement and communication with shareholders

The Board of Directors places great importance on the participation of shareholders in making decisions on important matters of the Company by arranging the Shareholders’ Meeting to be in accordance with the Company’s Articles of Association and related laws and supervising the meeting to proceed with transparency, efficiency, and encouraging shareholders to fully exercise their rights. “Policy and Procedures regarding Shareholders and Stakeholders” has been disclosed already.

6.3.3 Other Good Corporate Governance Practices

As the Company focuses more on good corporate governance, it results in the Company CGR Assessment Score of 2022, “Very Good” (4 stars) as same as last year.

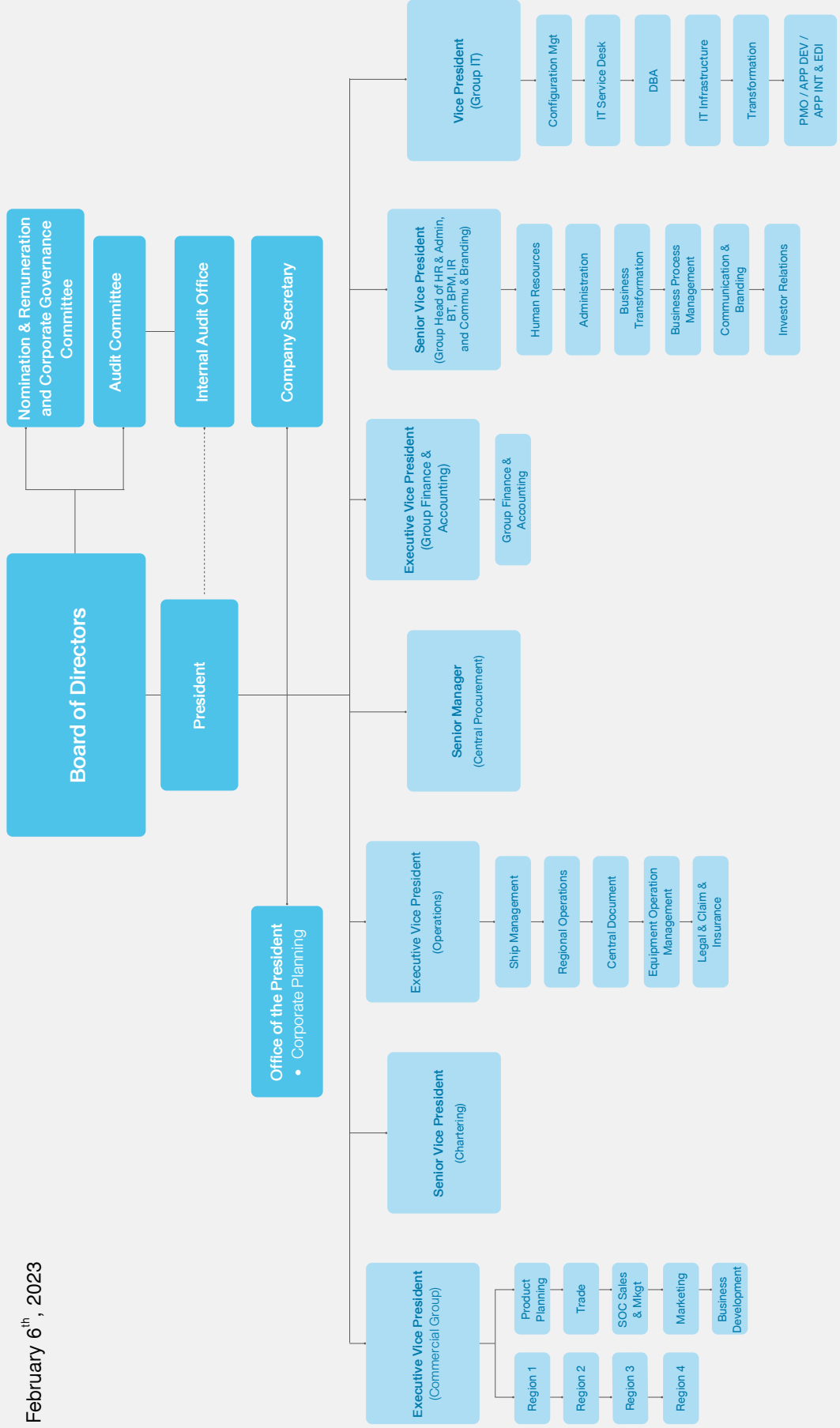
The Company also achieved a score of 92 out of 100 accredited by the Thai Investors Association for the organization of its 2022 Annual General Shareholders’ Meeting.



7. Corporate Governance Structure and material facts related to the Board, sub-committee, executives, employees and others

7.1 Corporate Governance Structure

As of February 6th, 2023



Business Overview



Corporate Governance



Financial Statements



Attachments



7.2 Information of the Board of Directors, Subcommittee, Executives, Employee and others

Details of the Directors

Board of Directors



Dr. Jamlong Atikul

Chairman of the Board of Directors /
Authorized Director who can sign according to the Company Affidavit
Directorship since 1 May 2006

Age 75 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

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

Training

- Role of the Chairman Program Class 26/2011, Thai Institute of Directors Association
- Director Accreditation Program Class 55/2006, Thai Institute of Directors Association
- Director Certification Program Class 77/2006, Thai Institute of Directors Association
- IT Security Trend Update, Year 2018
- IT Governance and Cyber Resilience, Year 2019
- ESG and Sustainable Banking Development, including response to the COVID-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Bangkok FinTech Fair 2021 "Shaping Digital Finance in the New Decade, Year 2021

Working experiences (5 years past experiences)

Positions in listed companies in SET (3 companies)

May 2006 - Present	Chairman of the Board of Directors Regional Container Lines PCL
Nov. 2018 - Present	Independent Director / Chairman of the Nomination and Remuneration Committee Bank of Ayudhya PCL
June 2019 - Present	Independent Director and Chairman Allianz Ayudhya Capital PCL

Positions in other companies

2014 - 2017	Member of Monetary Policy Committee Bank of Thailand
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Other significant working experiences in the past

2020 - 2022	Audit Committee member Assumption University
2006 - 2013	Nomination and Remuneration Committee member Regional Container Lines PCL
2006 - 2011	Director / Executive Director / Chairman of Risk Management Committee Krungthai Bank PCL
2006 - 2011	Director and Chairman of Executive Committee Krungthai AXA Life Insurance Co., Ltd.
2006 - 2009	Director, Member of the Audit Committee Council of National Institute of Development Administration
2000 - 2005	President Bank of Ayudhya PCL
1999 - 2005	Director Siam City Cement Public Company Limited
	• Executive Director The Thai Banker's Association

Illegal record in the past 5 years: None.



Mr. Sumate Tanthuwani

Director / Chairman of Executive Committee / Authorized Director who can sign according to the Company Affidavit Directorship since 28 June 1980 (The appointment as Chairman of the Executive Committee effective on June 1, 2022)

Age 77 years

Shares holding as of December 31, 2022:

59,155,950 shares (7.14%)

Relation with other directors and management:

Father of Mr. Twinchok Tanthuwani

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 Class 33/2003, Thai Institute of Directors Association

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

June 1980 - Present Director and Chairman of Executive Committee
Regional Container Lines PCL

Other positions currently held

Present Executive Director
RCL Group

Present Director
Subsidiary companies and associated companies of RCL Group

1985 - Present Chairman of Executive Committee
Ngow Hock Group

2006 - Present Honorary Chairman
Thai Shipowners' Association

2015 - 2022 Executive Director
The Thai Chamber of Commerce

Other significant working experiences in the past

1996 - 1998/ Chairman
2002 - 2004 German-Thai Chamber of Commerce
1995 - 2005 Chairman
Thai Shipowners' Association

Illegal record in the past 5 years: None.



Mr. Twinchok Tanthuwani

Director / Executive Director / President / Authorized Director who can sign according to the Company Affidavit Directorship since 4 June 2020 (The appointment as the President effective on 1 June 2022)

Age 41 years

Shares holding as of December 31, 2022:

5,337,175 shares (0.64%)

Relation with other directors and management:

Son of Mr. Sumate Tanthuwani

Education

- Master of Science in Biomedical Engineering, Fachhochschule Aachen Julich, Germany
- Bachelor of Engineering in Electrical Engineering (Automation & Microsystem), Fachhochschule Aachen Julich, Germany

Training

- Directors Certification Program (DCP) Class 318/2022, Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) Class 3/2022, Thai Institute of Directors Association

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

June 2022 - Present President
Regional Container Lines PCL

May 2018 - Present Director / Executive Director
Regional Container Lines PCL

Aug. 2019 - May 2022 Senior Vice President
(Chief of Regions, Operations and Business Development)
Regional Container Lines PCL

Dec. 2018 - Jul. 2019 Senior Vice President
(Chief of Regions and Business Development)
Regional Container Lines PCL

Positions in Other Companies

Present Director
Subsidiary companies, joint venture companies, RCL Group

Illegal record in the past 5 years: None.



Mr. Amornsuk Noparumpa

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

Directorship since 30 April 1998

Age 77 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

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, Class 399

Training

- Director Certification Program Class 30/2003, Thai Institute of Directors Association
- Audit Committee Program Class 23/2008, Thai Institute of Directors Association
- Role of Compensation Committee Program Class 9/2009, Thai Institute of Directors Association
- Role of the Chairman Program Class 36/2015, Thai Institute of Directors Association
- Curriculum in Securities Psychology, Class 31
- Curriculum in Advanced Management, Class 7

Working Experiences (5 years past experiences)

Positions in listed companies in SET (3 companies)

Apr. 1998 - Present	Independent Director / Chairman of the Audit Committee and Nomination & Remuneration and Corporate Governance Committee Member
2005 - Present	Regional Container Lines PCL Independent Director and Chairman of Board of Directors L.P.N Development PCL
Apr. 2017 - Present	Independent Director Energy Absolute PCL

Positions in Other Companies

- None -

Other significant working experiences in the past

2010 - 2019	Advisor to the Executive Committee Thai Airways International PCL
2008 - 2010	Board of Director / Audit Committee member / Executive Director / Nomination Remuneration and Human Resource Development Committee and Advisor to the Executive Committee Thai Airways International PCL
2007 - 2009	Chairman of the Board of Directors Ayudhya Securities PCL
2007 - 2009	Chairman of Board of Director Siam Realty and Services Co., Ltd.
2003 - 2007	Senior Executive Vice President Bank of Ayudhya PCL
	<ul style="list-style-type: none"> • Deputy Director-General, Legal Execution Department • Ministry of Justice Director-General, Department of Probation Ministry of Justice

Illegal record in the past 5 years: None.



Mr. Viset Choopiban

Independent Director / Audit Committee Member / Chairman of the Nomination & Remuneration and Corporate Governance Committee
 Directorship since 1 October 2008

Age 77 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

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) Class 130/2016, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Class 3/2001, Thai Institute of Directors Association

Working Experiences (5 years past experiences)

Positions in listed companies in SET (2 companies)

Oct. 2008 - Present	Independent Director / Audit Committee Member / Chairman of the Nomination & Remuneration and Corporate Governance Committee Regional Container Lines PCL
May 2008 - Present	Independent Director / Chairman of the Board of Directors Gulf Energy Development PCL

Positions in other companies

2015 - Present	Director, TIPS Co., Ltd.
2015 - Present	Chairman of the Board of Directors Gulf JP Company Limited
2000 - Present	Member of PTIT Foundation Board & Council of Trustees The Petroleum Institute of Thailand
2014 - 2017	Director, CUEL Company Limited

Other significant working experiences in the past

2005 - 2006	Minister, Ministry of Energy
2001 - 2003	Chairman of the Board of Directors PTT PCL
2000 - 2001	Chairman of the Board of Directors PTT Exploration and Production PCL
1999 - 2001	Governor Petroleum Authority of Thailand

Illegal record in the past 5 years: None.



Mrs. Arpavadee Meekun-lam

Independent Director / Audit Committee Member / Nomination & Remuneration and Corporate Governance Committee Member
 Directorship since 7 May 2013

Age 74 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- Master of Accounting, St. Louis University, USA
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Training

- Directors Accreditation Program Class 118/2015, Thai Institute of Directors Association
- Advanced Audit Committee Program Class 19/2015, Thai Institute of Directors Association
- Director Certification Program Class 209/2015, Thai Institute of Directors Association

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

May 2013 - Present	Independent Director / Audit Committee Member / Nomination & Remuneration and Corporate Governance Committee Member RCL Regional Container Lines PCL
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Other positions currently held

2010 - Present	Director ITBC Business Consultant Co., Ltd.
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Other significant working experiences in the past

1998 - 2008	First Executive Vice President (In charge of International Trade Dept.) Bank of Ayudhaya PCL
1997 - 1998	Senior Vice President Bank of Asia PCL
1994 - 1997	Director National Finance and Securities Co., Ltd.
1990 - 1997	Senior Vice President Siam Commercial Bank PCL

Illegal record in the past 5 years: None.



Mr. Sutep Tranantasin

Director (Executive Director) /
 Executive Vice President (Operations) /
 Authorized Director who can sign according to the Company Affidavit
 Directorship since 13 August 2014

Age 71 years

Shares holding as of December 31, 2022: None.

Relation with other director and management: None.

Education

- Bachelor Degree, Master Marine, Merchant Marine Training Center, Thailand

Training

- Certificate of Competency “Master Mariner”, Harbour Department, Ministry of Transportation and Communication

Working Experiences (5 years past experiences)

Positions in listed companies in SET (1 company)

2014 - Present Director / Executive Director /
 Executive Vice President (Operations)

Positions in Other Companies

Present	Chairman Thai Committee of Class NK (Nippon Kaiji Kyokai)
Present	Director, Through Transport Mutual Insurance Association Ltd.
Present	Director, Thai Shipowners’ Association
Present	Director, Subsidiaries companies and associated companies of RCL Group

Other significant working experiences in the past

2003 - 2014 Executive Vice President (Operations)
 Regional Container Lines PCL

- Senior Vice President (Group Operations)
 Regional Container Lines PCL

Illegal record in the past 5 years: None.



Mr. Charlie Chu

Director
 Directorship since 27 April 2018
 (Resigned from Executive Director on 1 February 2022)

Age 65 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- MBA, Rutgers University, New Jersey, USA
- Bachelor of Engineering, National Cheng Kung University, Taiwan

Training

- Directors Certification Program Class 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

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

April 2018 - Present	Director Regional Container Lines PCL
July 2020 - Jan. 2022	Executive Vice President (Business and Logistics Group)
Aug. 2012 - June 2020	Executive Vice President (Business) Regional Container Lines PCL



Mr. Charlie Chu (Continued)

Positions in Other Companies

Present	Director, RCL's subsidiaries
June 2021 - Present	Director Regional Logistics Private Limited (Joint Venture Company)
Feb. 2019 - Present	Director, RCL Agencies East India Private Limited (Joint Venture Company)
Nov. 2016 - Present	Chairman, RCL Agencies (India) Private Limited (Joint Venture Company)
July 2011 - Nov. 2022	Chairman RCL (Vietnam) Co., Ltd. (Subsidiary Company)
Feb. 2017 - Sep. 2022	Chairman RCL Feeders Phils., Inc. (Subsidiary Company)
July 2011 - Sep. 2022	Director RCL Agencies (M) Sdn. Bhd. (Subsidiary Company)
July 2011 - July 2022	Executive Director RCL Feeder Pte. Ltd. (Subsidiary Company)
Sep. 2012 - June 2022	Director Jurong Districentre Pte. Ltd. (Related Company)

Other significant working experiences in the past

July 2011 - July 2012	Senior Vice President (Business) Regional Container Lines PCL
Sep. 2008 - June 2011	Vice President (China Region) RCL Group

Illegal record in the past 5 years: None.

Mr. Goh Pek Yang

Director
Directorship since 1 June 2022

Age 73 years
Shares holding as of December 31, 2022: None.
Relation with other directors and management: None.

Education

- Master Of Science Degree in Management, Stanford University Graduate School of Business, Palo Alto, California, USA
- Saint Joseph Institution, Singapore

Training

- Organization Skills for Manager, Berkely, California, USA
- APC Quality Initiative Training, Oakland, California, USA
- Managing Quality Improvement, APC Quality Initiative Training, Oakland, California, USA
- Culture, Communication and Management, Berkely, California, USA
- Stanford-NUS Executive Program in International Management, Singapore

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

June 2022 - Present	Director Regional Container Lines PCL
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Positions in Other Companies

Jan. 2020 - Present	Chairman Regional Container Lines (HK) Ltd.
Jan. 2020 - Present	Advisor to President and Board of Directors Subsidiaries companies and associated companies of RCL Group
Jul. 2018 - Jul. 2020	Chief Executive Officer MOL Worldwide Logistics, Ltd., Hong Kong
Apr. 2017 - Apr. 2020	Executive Officer MOL Group of Companies, Tokyo, Japan
Jul. 2015 - Jul. 2020	Chief Executive Office MOL Consolidation Services, Ltd., Hong Kong

Illegal record in the past 5 years: None.

7.2.1 The Composition of the Board of Directors

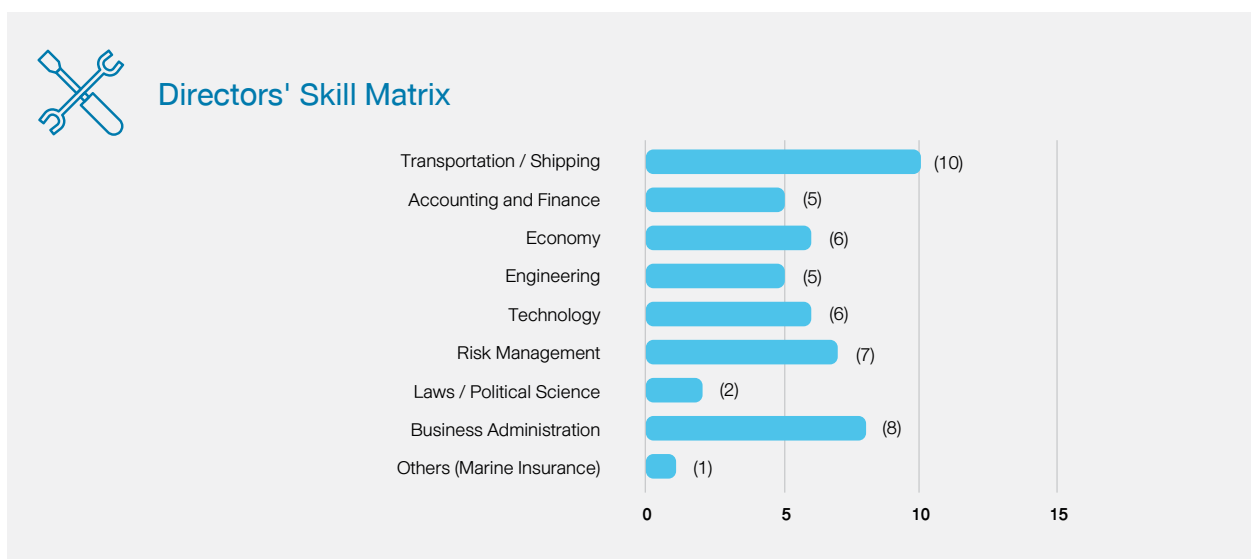
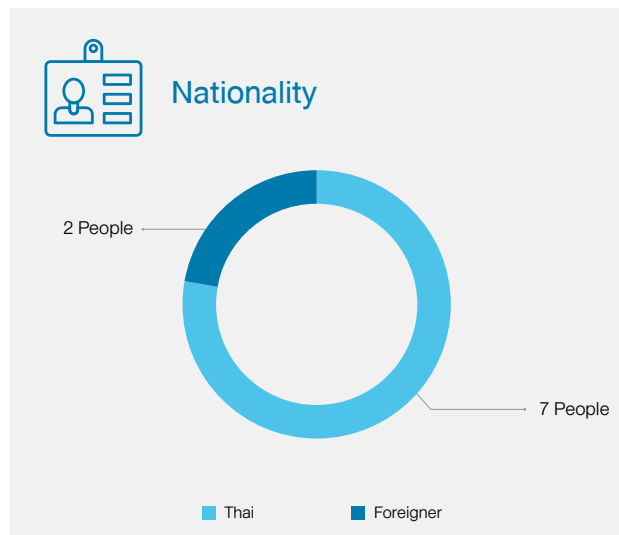
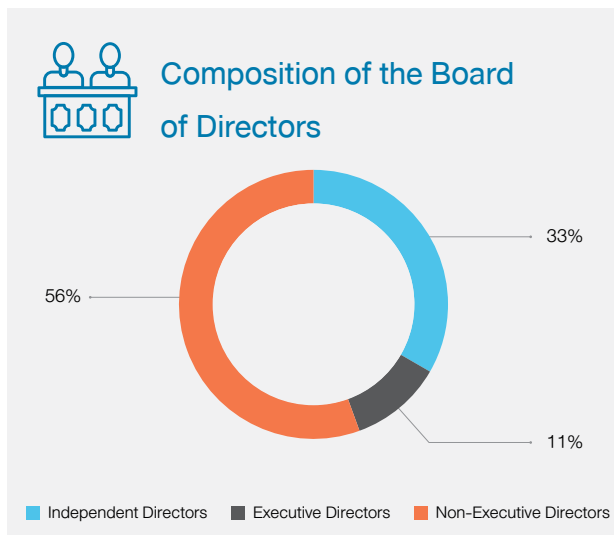
The Board of Directors consists of at least 5 directors but not exceeding 10 directors which is suitable for the business. In addition, the Board places an importance on the diversity of the Board structure and composition (Board Diversity) to have the members who possess various skills (Skill Mix), experiences, fields of study, nationality, race, and gender. The Board, therefore, developed the Board Skill Matrix with the purposes to review and consider the balance and sufficiency of the Board members' skills and experiences and to be in line with the current dynamic changes on business environment.

The Board of Directors consists of 9 directors, having the independent directors not less than one-third of the total number of the Board members as comply with related laws and having 1 female director.

As of December 31st, 2022, the Board of Directors comprises:

- 1) 3 Independent Directors (33.33%),
- 2) 1 Non-Executive Director (11.11%), and
- 3) 5 Executive Directors (55.55%).

Diversity of the Board Structure





7.2.2 The Information on Each Director and Controlling Person

As of December 31st, 2023, the Board of Directors consisted of 9 directors as below.

	Name	Position	Date of the First Appointment as Director
1	Mr. Jamlong Atikul	Chairman (Non-Executive Director)	1 May 2006
2	Mr. Sumate Tanthuwanit ⁽¹⁾	Director (Executive Director) / Chairman of Executive Committee	28 June 1980
3	Mr. Twinchok Tanthuwanit ⁽²⁾	Director (Executive Director) / President	4 June 2020
4	Mr. Amornsuk Noparumpa	Independent Director / Chairman of the Audit Committee / Nomination & Remuneration and Corporate Governance Committee Member	30 April 1998
5	Mr. Viset Choopiban	Independent Director / Audit Committee Member / Chairman of the Nomination & Remuneration and Corporate Governance Committee	1 October 2008
6	Mrs. Arpavadee Meekun-lam	Independent Director / Audit Committee Member / Nomination & Remuneration and Corporate Governance Committee Member	7 May 2013
7	Mr. Sutep Tranantasin	Director (Executive Director)	13 August 2014
8	Mr. Charlie Chu	Director (Executive Director)	27 April 2018
9	Mr. Goh Pek Yang ⁽³⁾	Director (Executive Director)	1 June 2022

Remark : (1) Mr. Sumate Tanthuwanit has been appointed as Chairman of Executive Committee effective on June 1st, 2022

(2) Mr. Twinchok Tanthuwanit has been appointed as President effective on June 1st, 2022.

(3) Mr. Goh Peck Yang has been appointed as director effective on June 1st, 2022 to replace Mr. Kua Hock Eng who resigned from directorship since May 31st, 2022.

Authorized Directors to Sign on Behalf of the Company

Any two of the directors jointly with the affixture of the Company seal thereon: Mr. Sumate Tanthuwanit or Mr. Jamlong Atikul or Mr. Sutep Tranantasin or Mr. Twinchok Tanthuwanit.

7.2.3 Roles, Duties, 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.

Roles and Authorities of the Board of Directors

The Board of Directors is entrusted with the accountabilities prescribed as 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 President 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.

Responsibilities of the Board of Directors

The important roles of the Board of Directors are to govern the business to maximize the benefits for the Company and shareholders. In addition to this, the Board independently performs its duties as per described in "Roles, Duties, and Responsibilities of the Board of Directors"

Segregation of Duties between the Board of Directors and Management

Duties and responsibilities among the Board and the Management have been clearly defined. The Board of Directors is accountable for accurately and clearly reporting the Company's operational performance at the Annual General Meeting of Shareholders as well as monitoring risk management through proper internal control systems conducted with transparency and adequate disclosure of information. In addition, the Board has to review the Company's vision, missions and strategies annually, and frequently monitor the practices of such strategies in the Company's business operations through the weekly meeting of the management.

Roles of the Chairman and the President

The Chairman of the Board of Directors and the President are not the same person and have separated roles. Duties and responsibilities of the Chairman of the Board of Directors are as follows:

1. To conduct and ensure the pre-scheduled regular meetings pertaining to directing and supervising the business management of the Company are carried out accordingly.
2. 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.
3. 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 purposes.

7.3 Information on sub-committees

The Board is responsible for the appointment of directors who have expertise and knowledge in certain areas to become members of the sub-committees. The responsibilities of the sub-committee have been also written. Applying to every sub-committees, the committees are required to quarterly report their performance to the Board for acknowledgment as well as to disclose such performance in the 56-1 One Report as shown in “Report of Sub-committees”

As of December 31st, 2023, The Company’s sub-committee comprised:

1. Audit Committee
2. Nomination & Remuneration and Corporate Governance Committee

7.3.1 Audit Committee

As of December 31st, 2023, the Audit Committee comprised 3 members as follows:

No.	Name	Position
1.	Mr. Amornsuk Noparumpa	Chairman of the Audit Committee
2.	Mr. Viset Choopiban	Audit Committee Member
3.	Mrs. Arpavadee Meekun-lam	Audit Committee Member

Mrs. Arpavadee Meekun-lam, Audit Committee member, has possessed knowledge in accounting and adequate experience in reviewing the credibility of financial statements.

The Audit Committee has a 3-year term in office which will be expired in May 2025.

The duties and responsibilities of the Audit Committee as stipulated in its Charter are as follows:

- (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 quarterly reports to the Board of Directors as well as opine its opinion on the report to the shareholders as illustrated in this 56-1 One Report. In addition to the aforesaid duties and responsibilities, the Audit Committee has been additionally assigned to monitor the Company’s corporate risk management.

In 2022, 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 auditor team and Executive Vice President (Group Finance & Accounting). The Audit Committee members regularly have both informal and formal discussions with internal auditors in connection with the results of the various areas of the review undertaken by internal auditors.

In 2022, the Audit Committee held 5 meetings including 4 regular meetings (4 meetings in 2021) and 1 special meeting. Additionally, the Committee reported its performance to the Board quarterly and disclosed such performance in "Report of the Audit Committee".

7.3.2 Nomination & Remuneration and Corporate Governance Committee

The Nomination & Remuneration and Corporate Governance Committee comprises independent directors and a minimum number of 3 non-executive directors but not more than 4 members. As of December 31st, 2022, the Committee comprises 3 independent directors as follows:

No.	Name	Position
1.	Mr. Viset Choopiban	Chairman of Nomination & Remuneration and Corporate Governance Committee
2.	Mr. Amornsuk Noparumpa	Nomination & Remuneration and Corporate Governance Committee Member
3.	Mrs. Arpavadee Meekun-lam	Nomination & Remuneration and Corporate Governance Committee Member

The Nomination & Remuneration and Corporate Governance Committee has a 3-year term in office which will be expired in August 2023.

The duties and responsibilities of the The Nomination & Remuneration and Corporate Governance Committee as stipulated in its Charter are 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 President.
- 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 2022, the Nomination & Remuneration and Corporate Governance Committee held 4 meetings. Additionally, the Committee reported its performance to the Board quarterly and disclosed such performance in "Report of the Nomination & Remuneration and Corporate Governance Committee".



7.4 Information on Executives

Details of Executives

Executives

Mr. Sumate Tanthuanit

Director / Chairman of Executive Committee /
 Authorized Director who can sign according to the Company Affidavit
 Directorship since 28 June 1980
 (The appointment as Chairman of the Executive Committee
 effective on 1 June 2022)
Age 77 years

His profile appears in the section “Information on the Board
 of Directors” under “Details of the Directors”

Mr. Twinchok Tanthuanit

Director / President /
 Authorized Director who can sign according to the Company Affidavit
 Date of Appointment as Executive 4 June 2020
 (Date of Appointment as President 1 June 2022)
Age 41 years

His profile appears in the section “Information on the Board
 of Directors” under “Details of the Directors”

Mr. Sutep Tranantasin

Director / Executive Vice President (Operations) /
 Authorized Director who can sign according to the Company Affidavit
 Date of Appointment as Executive 12 May 2003
Age 71 years

His profile appears in the section “Information on the Board
 of Directors” under “Details of the Directors”

Mr. Kua Hock Eng

Executive / Advisor to the Board of Directors
 Date of Appointment as Executive since 2003
 (Resigned from Directorship since 31 May 2022)

Age 83 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

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 Class 57/2006, Thai Institute of Directors Association

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

June 2022 - Present	Executive / Advisor to the Board of Directors Regional Container Lines PCL
2003 - May 2022	Director / Executive Director Regional Container Lines PCL

Positions in Other Companies

Present	Fellow Member Hong Kong Sea Transport and Logistics Association
Oct. 1985 - Present	Executive Director Regional Container Lines (H.K.) Limited (Subsidiary Company)
June 2013 - Present	Chairman Regional Container Lines Shipping Co., Ltd. (Subsidiary Company)
May 2018 - Present	Chairman Regional Logistics Co., Ltd. (Subsidiary Company)

Other significant working experiences in the past

- Senior Vice President North Asia Business / Research & Development, RCL Group
- Fellow Member The Hong Kong Institute of Directors

Illegal record in the past 5 years: None.

Mr. Joseph Jerome Mendis

Executive Vice President (Commercial Group)

Date of Appointment as Executive 24 May 2022

Age 55 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- Bachelor of Science in Economics, Mathematic, University of Wisconsin, Madison, USA

Training

- Effective KPI Management 2017
- Panel Discussion on Sulphur Cap - 2016 to 2020
- Knowledge Sharing - Bestmix for Max Loadability on RCL Vessels, 2018
- ATRCL Core Value Workshop, 2020
- Data Analytics Using Power BI, 2020
- Online Training - Power BI, 2020

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

May 2022 - Present	Executive Vice President (Commercial Group) Regional Container Lines PCL
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Positions in Other Companies

Present	Director, Subsidiary companies and associated companies, RCL Group
Feb. 2022 - May 2022	Senior Vice President (Business) RCL Feeder Pte. Ltd.
July 2021 - Jan. 2022	Senior Vice President (Trade) RCL Feeder Pte. Ltd.
2017 - Jun. 2021	Vice President (Trade) RCL Feeder Pte. Ltd.

Illegal record in the past 5 years: None.

Ms. Nadrudee Rungruengphon

Executive Vice President (Group Finance & Accounts) /

Company Secretary

Date of Appointment as Executive 1 July 2017

Age 58 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- Master in Accounting, Thammasat University
- Bachelor in Accounting (1st Class Hons), Thammasat University
- Bachelor of Law (2nd Class Hons), Thammasat University

Training

- Company Secretary Program (CSP) Class 130/2022 Thai Institute of Directors Association
- Various training in Accounting Standard, Digital Technology, Business Laws and International Business Center set up in Thailand and investment analysis.

Working Experiences (5 years past experiences)

Positions in Listed Companies in SET (1 company)

July 2022 - Present	Executive Vice President (Group Finance & Accounts) Regional Container Lines PCL
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Aug. 2022 - Present	Company Secretary Regional Container Lines PCL
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July 2017 - July 2022	Executive Vice President (Group Finance & Accounts and IT) Regional Container Lines PCL
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Sep. 2015 - June 2017	Senior Vice President (Group Finance & Accounts) Regional Container Lines PCL
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Positions in Other Companies

Present	Director Subsidiary companies and associated companies, RCL Group
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Present	Director Pu Chao Container Terminal Company Limited
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Illegal record in the past 5 years: None.

**Mrs. Suporn Amnuaypan**

Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Investor Relations, and Communication and Branding)

Date of Appointment as Executive 15 June 2015

Age 59 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- MBA, Ramkhamhaeng University
- Bachelor Degree in Finance and Banking, Ramkhamhaeng University
- Diploma, National Defence College
- Advanced Security Management Program

Training

- Certificate in Professional Development Program for Investor Relations
- Directors Certification Program (DCP), Thai Institute of Directors Association
- Director Accreditation Program (DAP), Thai Institute of Directors Association
- Company Secretary Program (CSP), Thai Institute of Directors Association
- Company Reporting Program (CRP), Thai Institute of Directors Association
- Board Reporting Program (BRP), Thai Institute of Directors Association

Working Experiences (5 years past experiences)**Positions in Listed Companies in SET (1 company)**

Apr. 2020 - Present	Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Investor Relations, and Communication and Branding) Regional Container Lines PCL
Dec. 2016 - Aug. 2022	Company Secretary Regional Container Lines PCL
Jun. 2015 - Mar. 2020	Senior Vice President (Group Human Resources and Business Process Management) Regional Container Lines PCL

Positions in Other Companies

Present	Director RCLS Co., Ltd. (The Company's Subsidiary)
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Illegal record in the past 5 years: None.

Mr. Chatgamol Phitaksuteephong

Vice President (Group Information Technology)

Date of Appointment as Executive 1 July 2017

Age 49 years

Shares holding as of December 31, 2022: None.

Relation with other directors and management: None.

Education

- Master of Science, Assumption University
- Bachelor of Business Computer, Assumption University

Working Experiences (5 years past experiences)**Positions in Listed Companies in SET (1 company)**

July 2017 - Present	Vice President (Group Information Technology) Regional Container Lines PCL
2011 - June 2017	General Manager (IT) Regional Container Lines PCL

Positions in Other Companies

- None -

Illegal record in the past 5 years: None.

7.4.1 Group Management Committee

As at December 31st, 2022, the Group Management Committee consisted of four (4) executive directors, and four (4) other top management, totaling eight (8) members as follows:

No.	Name	Management Position
1	Mr. Sumate Tanthuwaniit ⁽¹⁾	Chairman of Executive Committee
2	Mr. Twinchok Tanthuwaniit ⁽²⁾	Executive Director / President
3	Mr. Kua Hock Eng	Executive and Advisor to the Board of Directors
4	Mr. Sutep Tranantasin	Executive Director / Executive Vice President (Operations)
5	Mr. Joseph Jerome Mendis ⁽³⁾	Executive Vice President (Commercial Group)
6	Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts)
7	Mrs. Suporn Amnuaypan	Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Investor Relations and Communication & Branding)
8	Mr. Chatgamol Phitaksuteephong	Vice President (Group Information Technology)

Remarks: (1) Mr. Sumate Tanthuwaniit has been appointed as Chairman of Executive Committee effective June 1st, 2022.
 (2) Mr. Twinchok Tanthuwaniit has been appointed as President effective June 1st, 2022.
 (3) Mr. Joseph Jerome Mendis has been appointed as Executive Vice President (Commercial Group) effective May 24th, 2022.

The Group Management Committee has a meeting at least once a month. 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 its sub-committee, namely the Risk Management Committee comprising the top management of each line of command as follows:

No.	Name	Management Position
1	Mr. Twinchok Tanthuwaniit	Executive Director / President
2	Mr. Joseph Jerome Mendis	Executive Vice President (Commercial Group)
3	Ms. Nadrudee Rungruengphon	Executive Vice President (Group Finance & Accounts)
4	Mr. Chatgamol Phitaksuteephong	Vice President (Group Information Technology)



The mentioned sub-committee has meetings regularly. Details of the Risk Management Policy and the Committee's roles, duties and responsibilities have been disclosed on the Company's website at <http://www.rclgroup.com>.

7.4.2 Remuneration for Directors and Management

The Nomination & Remuneration and Corporate Governance Committee considers and reviews the criteria of the remuneration determination as well as reviews the policy and the directors' remuneration structure, sub-committees, and top management. In addition, the Committee conducts the President's evaluation and remuneration and proposes to the Board for approval respectively.

The remuneration of the directors and the management is determined in line with the industry norm, fair and adequate to motivate and retain qualified persons. The management's remuneration is set in accordance with the roles and accountabilities. The annual adjustment usually links to corporate performance and individual contribution.

The remuneration criteria of directors requires approval from the Shareholders' Meeting. In 2022, the Company remunerated its directors in accordance with the remuneration criteria approved by the 26th Annual General Shareholders' Meeting held on April 29th, 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 2025 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 Baht 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.)

7.4.3 Remuneration for Directors and Management

(1) Directors' Remuneration

For the year 2022, the Company recorded the consolidated net profit amounted to Baht 24,625 million. The total standard remuneration amounting to Baht 5.95 million and the additional remuneration amounted to Baht 118,126 million based on 0.5% of the amount in excess of the first Baht 1,000 million profit will be proportionately paid to all directors as detailed below:

Summary of Remuneration for the Board of Directors and its Sub-committee

Board Members	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	19,853,089.84	-	-	-	-
Mr. Sumate Tanthuwani ⁽¹⁾	566,666.67	11,250,084.24	-	-	-	-
Mr. Twinchok Tanthuwani ⁽²⁾	633,333.33	12,573,623.56	-	-	-	-
Mr. Amornsuk Noparumpa	400,000.00	7,941,235.94	300,000.00	5,955,926.95	150,000.00	2,977,963.48
Mr. Viset Choopiban	400,000.00	7,941,235.94	300,000.00	5,955,926.95	150,000.00	2,977,963.48
Mrs. Arpavadee Meekun-lam	400,000.00	7,941,235.94	300,000.00	5,955,926.95	150,000.00	2,977,963.48
Mr. Sutep Tranantasin	400,000.00	7,941,235.94	-	-	-	-
Mr. Kua Hock Eng ⁽³⁾	166,666.67	3,308,848.31	-	-	-	-
Mr. Charlie Chu	400,000.00	7,941,235.94	-	-	-	-
Mr. Goh Pek Yang ⁽⁴⁾	233,333.33	4,632,387.63	-	-	-	-
Total	4,600,000.00	91,324,213.25	900,000.00	17,867,780.85	450,000.00	8,933,890.43

Remarks: - Do not receive any remuneration

- (1) Mr. Sumate Tanthuwani resigned from President and has been appointed as Chairman of the Executive Committee effective on June 1st, 2022
- (2) Mr. Twinchok Tanthuwani has been appointed as President effective on June 1st, 2022.
- (3) Mr. Kua Hock Eng resigned from the Board of Directors effective on May 31st, 2022.
- (4) Mr. Goh Peck Yang has been appointed as the Board of Directors effective on June 1st, 2022

The Board members do not receive any meeting attendance fee or benefits in other forms except the above-mentioned remuneration and those appointed in subsidiaries' as the Board of Directors received neither additional remuneration nor meeting attendance fees.

(2) Management Remuneration

Monetary Compensation

The total remuneration of six management members (President, four executives in the level secondary to the President, all other executives in the same level of the fourth executive plus the Chief Accountant of the Company) was Baht 127,445,112.78 (salary, annual rewards, fixed allowances, transport, and housing).

Other Remunerations

The Company paid a total of Baht 883,700.82 to the provident fund for the above management members (only those entitled to the Company's contribution).

In 2022, neither annual remuneration nor meeting attendance fees were paid to the Group Management Committee members.



7.5 Information on Employees

7.5.1 The total number of employees

As of December 31st, 2022, RCL Group has 790 employees on permanent contracts at RCL Offices in the regions, excluding part-time employees on temporary and relief assignments. Compared with 742 employees in 2021, there was an increase of 48 employees, representing 6.5% increase from the previous year.

Employees by country	31 Dec 2021	31 Dec 2022
Thailand	298	332
Singapore	120	124
China	135	138
Hong Kong	24	23
Malaysia	57	61
Philippines	32	32
Vietnam	40	43
Myanmar	36	37
Total	742	790

7.5.2 Human Resources Development Policy

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 workforce equips the company with the ability to schedule and arrange staff to best suit the business's needs as well as to remain dynamic and competitive alongside the corporate's directions.

In addition, the Company has provided equal employment opportunities without discrimination that covered people with disabilities and other underprivileged groups. However, in 2022, there were no disabled and underprivileged groups applied. The Company also fully support the Department of Empowerment of Person with Disabilities in a timely manner every year.

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

In the year 2022, the Company provided various training programs for employee both internal and external organization as followings:

• International Maritime Dangerous Goods IMDG Code: General Awareness	• Bill of Lading - Law and Practice for Tramp and Liner Personnel
• 2 nd World Maritime Merchants Forum	• Margin Concept and Logic on 17-03-2022
• Accounting New Policy	• Marine Insurance Masterclass
• Anti-corruption	• PDPA
• Asian Logistics, Maritime and Aviation Conference	• Online Training: PBI - New Sales Performance
• Basic Knowledge of Shipping Business	• Joint Industry Outreach Seminar - Singapore 2022
• Confirmation for Communication Skills for the Internal Auditor	• e-Payment law, rules and methods for preparation of e-Tax Invoice & e-Receipt , e-withholding Tax and e-Filing
• Creative Leadership and Self Development Skills	• Professional Communication Skill
• Critical Thinking Sun Tzu Art of War Style	• R2 Workshop - DG CGO
• Customer Segmentation & PBI e-Service	• RCL Business Overview - Container Journey
• Data Analytics and Market Sensing	• Robotic Process Automation (RPA)
• Digital Marketing Proposal for Professionals	• Power BI
• Display Critical Thinking and Analytical Skills	• Service design and routing plan analysis
• Drive For Excellence with Knowledge	• Shipping Laws & Bills of Lading
• Employment Law and Practices in Hong Kong	• SOP Tracking
• Facilitate Effective Communication and Engagement at the Workplace	• Marine Environment Protection-Control of Greenhouse Emission
• International of Sea Transport Document Part I	• Stowage Planning
• Integrated Digital Marketing Strategies	• Unlock Your Creativity
• International of Sea Transport Document Part II	• Salesman Target New Tool
• Tax for international shipping transportation business	• Cyber Security Awareness

Performance of Training and Developing the Employee

Actions	Performance for the year 2022
Training hours (hour/person/year)	1.90
Number of employee who pass the evaluation on e-PMS (%)	100

Cultural & Core Values

The Company cultivated corporate culture as a framework for creating corporate culture by organizing orientation training for new employees along with training and conducting ATRCL activity throughout the year 2022.



Employee Potential Promotion, Rewards and Development

Having realized the importance of employees as a valuable resource that drives the Company, RCL promotes the performance management system, training roadmap, and staff development. In-house trainings have been 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, especially environmental training. The Company has increased efforts to value-add the skills for career advancement through job rotations and promotion. In addition, the Company appropriately remunerates the staff both in the short-term (bonus for employees based performance appraisal) and long-term (provident fund). Such remuneration is based on the staff's knowledge, accountability and performance. Apart from that, IT systems 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, and educated employees about Information Security Management.

In 2022, the Company has published its vision and mission to employees at all levels through various channels, the Company has also organized training developing and emphasizing employees to apply to their work.

Employee Welfare and Recreation

In addition to monetary compensation, the Company has established group health insurance, group accident insurance, annual health checks, long-service awards as well as performance-based annual rewards for employees at all levels. Furthermore, the Company registered a provident fund scheme under the Provident Fund Act B.E. 2530. In addition, the Company provides safety practices for fire drills annually and also exercise activities such as yoga, badminton, etc.

7.6 Other Significant Information

7.6.1 Information of Accounting Oversight, Company Secretary, and Head of Internal Audit

(1) Information of Accounting Oversight

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

(2) Information of Company Secretary

Ms. Nadrudee Rungruengphon has been appointed as Company Secretary since August 16th, 2022.

(3) Information of Head of Internal Audit

The Group Management Committee considered the propose appointment of Mr. Aw Boon Koon, Eddy as the Head of the Internal Audit of the Company due to his experiences in internal auditing and the ability to perform duties appropriately.

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

Details of the Head of Internal Audit are as follows.

Name: Mr. Aw Boon Koon, Eddy

Position: General Manager (Internal Audit)

Age: 47 years

Education:

- Diploma, Electronic and Computer Engineer, Ngee Ann Polytechnic, Singapore
- Professional Qualification from the Association of Chartered Certified Accountants (ACCA)

Training:

- Fellow of Chartered Certified Accountant (FCCA), membership No. 0235424

Experience:

- Assistant Manager (F&A Management Accounting), RCL Feeder Pte. Ltd.
- Assistant General Manager (F&A Treasury), RCL Feeder Pte. Ltd.

Shares held (including spouse) as of December 31st, 2022: None.

Relationship with other directors and management: None.

Illegal record in the past 5 years: None.

7.6.2 Information of Investor Relations and Contact Channel

Mrs. Suporn Amnuaypan, Senior Vice President (Group Head of Human Resources, Administration, Business Transformation, Business Process Management, Investor Relations and Communication & Branding)

Tel.: (66) 2296 1076

E-mail: investor.relations@rclgroup.com

7.6.3 Remuneration of the Auditors

The details of 2022 remuneration of the auditors of the Company and its subsidiary companies are as follows :

(Million: Baht)

Auditors' Remuneration	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	
	2021	2022	2021	2022	2021	2022
Audit fee	1.878	2.015	4.030	4.447	5.908	6.462
Non audit fee (Tax services)	1.958	2.235	4.220	4.657	6.178	6.892
• Paid during the year	0.080	0.220	0.190	0.210	0.270	0.210
• Obligation to be paid in the future	0.000	0.000	0.000	0.000	0.000	0.000



8. Report on Key Operating Results on Corporate Governance

8.1 Summary of duty performance of the Board of Directors in the past year

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

(1) Selection of directors and executives

The Nomination & Remuneration and Corporate Governance Committee has considered this matter precisely according to the Committee's Charter. The committee is responsible for the nomination, remuneration and corporate governance, that is to 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.

In addition, the Company invited the shareholders to propose qualified directors to be elected as the Company's directors. The criteria and procedures had been posted on the Company's website. However, there was no proposal for the shareholders for the year 2022.

Election of the Directors

The meeting of shareholders shall elect the directors to replace those retired by rotation and such resolution has been passed by majority of shareholders who attend and cast their votes according to the following manners:

- (1) each shareholder shall have one vote per one share.
- (2) 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.
- (3) 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. The meeting of shareholders may make a resolution to vote for terminating any director prior to the expiration of term of office provided that such resolution has been passed by majority of not less than three-fourth of shareholders attending the meeting and with a total number of shares not less than half of the total number of shares of the shareholders attending the meeting.

In addition, the Board has determined the requisite qualifications required of the Company's directors and independent directors in line with the SEC as follows:

The Qualifications of the Company's Directors

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. The qualifications of the Company's directors are 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.

In the year 2022, there was no director holding the directorship in other companies for more than 5 companies in both Thai and abroad companies.

Independent Directors

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. either 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 and Succession Plan of the President

The Nomination & Remuneration and Corporate Governance continued the selection and nomination process for qualified person to be the successor of the President. The Committee eventually proposed the Board of Directors to appoint Mr. Twinchok Tanthuwanit as the new President effective on June 1st, 2022.

(2) Development of the Board of Directors and Managements

Orientation of New Directors

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.

Development and Trainings Plan for Directors

The Company encourages directors to attend courses relating to their duties and good corporate governance as suggested by SEC and organized by the Thai Institute of Directors Association (IOD) such as Director Accreditation Program (DAP), Director Certification Program (DCP), Advanced Audit Committee Program (AACP) .etc.



The Company will support expenses for such programs. Currently, 7 out of 9 directors of the Company (77.78%) have participated in IOD's training programs relating to the roles of the Board of Directors as the details illustrated in "Information on the Board of Directors".

In 2022 the Company continuously organized the training programs for directors by organizing the Cyber Security Training for all directors in order to raise their awareness in regard to the cyber threats and its management.

(3) Evaluation of duty performance of the Board of Directors and the President

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 covers 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

The Board's Self-Assessment result for the year 2021, which was conducted in the year 2022, was "Very Good" as same as the previous year.

The Evaluation of the President's Performance

The Board of Directors (excluding the President) is responsible 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

The Nomination & Remuneration and Corporate Governance Committee considered and proposed the Board of Directors to discuss and approve the President's performance, respectively. The President's performance evaluation for the year 2021, which was conducted in the year 2022, was rated as "Very Good" as equal to the previous year.

8.1.2 Meeting attendance of Board of Directors, Sub-committee, and the Annual General Meeting of Shareholders

The Board of Directors' Meeting are regularly held every quarter. The Company Secretary prepares and proposes the Board to acknowledge the meeting schedules for the whole year in advance since November each year. 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 business days prior to the meeting date, 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.

Non-Executives Directors' Meeting

In 2022, there were 4 meetings of non-executive directors in absence of the management prior to the Board Meeting.

Attendance Record of the Board of Directors, Sub-committees and Annual General Meeting for Year 2022

In 2022, the Board held 9 meetings comprising 4 regular quarterly meetings and 7 special sessions. The directors attended the Meeting rate at 100% as illustrated below:

	Name of Directors	Board of Directors (9 Meetings)			Audit Committee	Nom & Remun and Corporate Governance Committee	Annual General Meeting of Shareholders 2022
		Total	Physical	Online	5 Meetings	4 Meetings	1 Meeting
1	Dr. Jamlong Atikul	9/9	4/9	5/9	-	-	1/1
2	Mr. Sumate Tanthuwani	9/9	4/9	5/9	-	-	1/1
3	Mr. Twinchok Tanthuwani	9/9	5/9	4/9	-	-	1/1
4	Mr. Amornsuk Noparumpa	9/9	2/9	7/9	5/5	4/4	1/1
5	Mr. Viset Choopiban	9/9	5/9	4/9	5/5	4/4	1/1
6	Mrs. Arpavadee Meekun-lam	9/9	5/9	4/9	5/5	4/4	1/1
7	Mr. Sutep Trantasin	9/9	5/9	4/9	-	-	1/1
8	Mr. Charlie Chu	9/9	9/9	-	-	-	0/1
9	Mr. Goh Pek Yang ⁽¹⁾	3/3	-	3/3	-	-	-
10	Mr. Kua Hock Eng ⁽²⁾	6/6	-	6/6	-	-	0/1

Remarks: (1) Mr. Goh Pek Yang has been appointed as director effective June 1st, 2022 to replace Mr. Kua Hock Eng
(2) Mr. Kua Hock Eng resigned from his directorship effective May 31st, 2023.



8.1.3 Supervision of operations of subsidiaries and associated companies

The Company has established a subsidiary to clearly separate the nature of business operations. The Company's executive directors are assigned to hold directorships in subsidiaries as detailed in "Attachment 1 Details of the Directors of Subsidiaries"

Therefore, the business operation guidelines of all subsidiaries will be operated 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 be 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.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

(1) Conflict of Interest Prevention Policy

The Company places importance on the prevention of conflicts of interest. The Board of Directors supervises to prevent conflicts of interest in management and to conduct business efficiently and transparently. The guidelines for practice are as follows:

- The Board of Directors requires directors, executives as defined by the SEC, and interested parties to report their own conflicts of interest when taking office for the first time, when information changes, and an annual report. The Company Secretary Department will collect information and copy it to the Chairman of the Board and the Chairman of the Audit Committee to comply with the Securities and Exchange Act, B.E. 2535. Moreover, such information can be used to prevent conflicts of interest.
- Directors or executives with an interest in any matter will not participate in the consideration of or vote on that matter and must fully disclose their conflicts of interest.
- Directors and executives adheres to the Securities and Exchange Act, B.E. 2551, and the regulations of the Securities and Exchange Commission regarding "related transactions" through a transparent approval process that considers the Company's best interests as if it were entering a transaction with an outsider. The type and size of the transaction that must be proposed for approval from the Board of Directors must first pass the Audit Committee for consideration and comment. In the consideration process by the Board of Directors, stakeholders are not involved in decision-making. Related transactions of all types and sizes have been disclosed in the 56-1 One Report under the topic "Related Transactions" and in the notes to the financial statements.

In 2022, all directors and executives prepared a report of conflicts of interest. No violation of the policy and guidelines for preventing a conflict of interests was discovered.

(2) Prevention of Insider Trading

The Company strictly supervises the use of inside information and conflicts of interest. Therefore, guidelines on the storage and protection of inside information have been established and communicated to employees at all levels for their acknowledgment and compliance. Moreover, the Company's directors and executives must report changes in their securities holdings in accordance with the requirements of the SEC, SET and relevant laws to achieve transparency and equality for all stakeholders. The guidelines for practice are as follows:

- The Company has established policies and guidelines on the use of inside information. Directors, executives, and employees of the Company, its subsidiaries, and associated companies are prohibited from unlawfully disclosing inside information or using it for personal gain. Employees are prohibited from profiting from the use of inside company information. Individuals within the Company with access to nonpublic information are prohibited from using it directly or indirectly for trading securities.
- The Company published policies and guidelines on the use of inside information to its directors, executives, and employees via the Company's website at <http://www.rclgroup.com>.
- The Company's directors and executives must report any changes to their trading and holdings of Company securities. Directors and executives who have access to important inside information must suspend trading in the Company's securities for one month before the financial statements are publicly disclosed.
- The Company Secretary will inform relevant parties in advance of the rules and regulations governing the prevention of insider trading and the blackout period via email.

In 2022, the Company's directors and executives traded the Company's securities 22 times. All transactions were compliant with the Company's policy. During the blackout period, no directors, executives, or related employees were found to have traded securities. In addition, every director and executive reviewed and signed an acknowledgment of changes in the Company's securities holdings. All directors and executives are responsible for reporting their securities holdings to the SEC and the SET.

Report on Shareholding by the Directors, their Spouses/Cohabiting Couple and Minor Children as of December 31st, 2022

Name of Directors	Shareholding As at January 1 st , 2022	Shareholding As at December 31 st , 2022	Change during the year Increase (Decrease)
1. Dr. Jamlong Atikul	-	-	-
2. Mr. Sumate Tanthuwani	59,735,950	59,155,950	(580,000)
3. Mr. Kua Hock Eng	3,612,875	5,337,175	1,724,300
4. Mr. Sutep Tranantasin	2,003,900	-	(2,003,900)
5. Mr. Amornsuk Noparumpa	-	-	-
6. Mr. Viset Choopiban	-	-	-
7. Mrs. Arpavadee Meekun-lam	-	-	-
8. Mr. Charlie Chu	-	-	-
9. Mr. Twinchok Tanthuwani	-	-	-



Report on Shareholding by the Executives, their Spouses/Cohabiting Couple and Minor Children as of December 31st, 2022

Name of Executive	Shareholding As at January 1 st , 2022	Shareholding As at December 31 st , 2022	Change during the year Increase (Decrease)
1. Mr. Sumate Tanthuanit	59,735,950	59,155,950	(580,000)
2. Mr. Twinchok Tanthuanit	3,612,875	5,337,175	1,724,300
3. Mr. Kua Hock Eng	-	-	-
4. Mr. Sutep Tranantasin	-	-	-
5. Mr. Joseph Jerome Mendis	-	-	-
6. Ms. Nadrudee Rungruengphon	-	-	-
7. Mrs. Suporn Amnuaypan	-	-	-
8. Mr. Chatgamol Phitaksuteephong	-	-	-

(3) Anti-Corruption

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.

The Company's Policy regarding Anti-Corruption has been published on the Company's website at <https://www.rclgroup.com/CodeOfConduct>

(4) Whistleblowing Reporting and Protection Procedures

The Company has clearly defined the principles and guidelines in reporting and channels for complaining or information about wrongdoing in the Employee Code of Conduct. As the Company reviewed and revised Whistle Blower Policy, the President is assigned to be person handling complaints as the following channels:

1. E-mail: twinchok@rclgroup.com
2. By words or in writing

The Company has disclosed the Policy, channel and whistleblowing reporting and protection procedures on the Company's website <https://www.rclgroup.com/WhistleBlowerPolicy>. In the year 2022, there was no violation concerning the whistleblowing, anti-corruption, illegal actions or Code of Conduct.

8.2 Report of Subcommittees

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:

- | | | |
|-------------------|-------------|-----------------------------|
| 1. Mr. Amornsuk | Noparumpa | Chairman of Audit Committee |
| 2. Mr. Viset | Choopiban | Member of Audit Committee |
| 3. 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 2022 the Audit Committee performed its duties in accordance with the scope and authorities, as summarized as follow:

Audit Committee held quarterly meetings with the Company's external auditors to review the quarterly and year-end consolidated financial statements 2022 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 five meetings that could be concluded as follow:

1. Reviewing the Company's quarterly and the year-end consolidated financial statements 2022 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, follow up with the recommended actions and performing post audit review via the system and remote approach during this restrictive travelling 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 2022, 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 Auditors and Auditor Fee for 2022 and recommending to the Board of Directors on the appointment of Mrs. Natsarak Sarochanunjeen, registration no. 4563, Ms. Daranee Somkamnerd, registration no. 5007 and Ms. Jarunee Nuammae, registration no. 5596 and Mr. Siramate Akkharachotkullanun, registration no. 11821 of A.M.T. & Associates as the Company's auditor for the year 2022. 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. 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. 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

February 24th, 2023


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 2022, 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 2021 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 2021. The remuneration of individual director was disclosed in the Form 56-1 One Report 2022 under Section "Corporate Governance".
3. Arranged Board self-assessment exercise for 2021 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 2022 CGR Assessment Result of RCL. 750 listed companies participating in the assessment while last year was 716 listed companies, RCL received a "very



good” assessment (rating score 80-89%) or . The Company got score of 83% equal to last year result of 83% but lesser than the overall listed companies average score of 85%. 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. Advised to more contribute to ESG and emphasis The Company to realize the importance of sustainability. The Company has carried out activities to support and develop society:
 - Providing the medical equipment to Office of Medical Care and Health Port Authority of Thailand.
 - Doing Environmental Conservation to maintain balance in an ecosystem by releasing different species of fishes, collecting of garbage along the coast and building a fish house from rope to allow small aquatic species to have a habitat.
 - The Company contributed THB 4,000,000 to the Chaipattana Foundation, for the purpose of implementing royalty-initiated projects under the Foundation.
 - The Company also provided assistance to Sri Lanka, where the Company operates. During Sri Lanka economic crisis and the shortage of various necessities by providing Sea and Land transportation of donated items packed in containers to Sri Lanka with free of charge.
 - Donating Sport goods and stationery to 3 Primary and Secondary Schools in the community surrounding RCL Office
7. Provided training on Anti-Corruption for middle up to senior executives to have knowledge and understanding of ethics, principle of performing duties with honesty and transparency, aware of the damage caused by corruption in order to prevent and against corruption in every form in the organization, to lead the organization to sustainable success.
8. Conducted IT information and Cyber Security training session for management and employee to raise awareness of Cyber Security in total of 680 participants.
9. Provided training on Marine Environment on the topic of Marine Pollution Prevention (Sulfur Oxide, Nitrogen Oxide and Greenhouse Gases) and Ballast Water Management & Ballasting Operations for engine officer, deck officer and new crew in total of 1,524 participants.
10. Employee to study and sign in Code of Conduct of the year 2022.
11. Searching and selecting new President for the right person to the replacement. The Nomination & Remuneration and Corporate Governance Committee nominated the selected person, Mr. Twinchok Tanthuwanit to the Board of Directors for consideration and appointment.



(Mr. Viset Choopiban)

Chairman of Nomination & Remuneration
and Corporate Governance Committee

February 24th, 2023

9. Internal Control and Related Party Transaction

9.1 Internal Control

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

The Board of Directors has assessed the internal control report provided by the Audit Committee during the Board of Directors Meeting No. 1/2023 on 24 February 2023. 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;

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.

Meantime, the Company has set a guideline 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. Aw Boon Koon, Eddy 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.



9.2 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. 1/2023 on February 24th, 2023. 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, especially CSR (Corporate Social Responsibility) as a policy, 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 of the Board of Directors

February 24th, 2023

9.3 Related Party Transactions for year 2022

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

No.	Related Parties	Related Transactions	Value of related transactions As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			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 cargo consolidation and operating - incorporated in Singapore)	<ul style="list-style-type: none"> RCL Feeder Pte. Ltd. chartered ship from Regional Container Lines Public Co., Ltd. Total charter freight income Trade account receivable - subsidiary company Other receivable - subsidiary company Advance from related party 	1,214.74	1,541.80	2,105.00	982.46	4,847.22	640.55	<ul style="list-style-type: none"> 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 Hock Co., Ltd. - Related Company (incorporated in Thailand) Leasing of office space in Bangkok Short term loan agreement	<ul style="list-style-type: none"> Regional Container Lines Public Co., Ltd. leased office space on 5th, 8th and 14th floors in Panjathani Tower 1,430 squaremeters from Ngow Hock Co., Ltd., the owner Total Value of leasing agreement 	7.31	7.31	6.93	6.93	5.51	5.51	<ul style="list-style-type: none"> Ngow Hock 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 director is also the director of Ngow Hock 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	<ul style="list-style-type: none"> Regional Container Lines Public Co., Ltd. Leased office space on 13th floors in Panjathani Tower 492 squaremeters from Panjamitir Holding Co., Ltd., the owner Total Value of leasing agreement 	2.31	2.31	2.35	2.35	2.37	2.37	



No.	Related Parties	Related Transactions	Value of related transactions As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
4	Regional Container Lines Public Co., Ltd. and RCL Shipmanagement Pte. Ltd. - Subsidiary Company (Ship management - incorporated in Singapore)	<p>RCL Shipmanagement Pte. Ltd. services ship management to Regional Container Lines Public Co., Ltd.</p> <ul style="list-style-type: none"> • Ship management Fee • Advance from related party • Advance payment to related party 	10.19 1,060.30 4.89	10.83 1,781.80 2.44	12.16 45.79 0.26			<p>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 director is also the director of RCL Shipmanagement Pte. Ltd.</p> <p>Condition/Pricing policy:</p> <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 	
5	Regional Container Lines Public Co., Ltd. and Regional Container Lines Pte. Ltd. - Subsidiary Company (Ship owning and operating - incorporated in Singapore)	<p>Regional Container Lines Public Co., Ltd. investment in Regional Container Lines Pte. Ltd.</p> <ul style="list-style-type: none"> • Advance from related party • Other receivable - related company 	0.04 -	0.15 0.10	0.96 0.42			<p>Regional Container Lines Pte. Ltd. is the Company's 100% owned subsidiary company. The Company director is also the executive director of Regional Container Lines Pte. Ltd.</p> <p>Condition/Pricing policy: Price at book value</p>	
6	Regional Container Lines Public Co., Ltd. and Tian Asia Co., Ltd. - Related Company (incorporated in Thailand)	<p>Regional Container Lines Public Co., Ltd. purchase vessel from Tian Asia Co., Ltd.</p> <ul style="list-style-type: none"> • Purchase vessel 		77.76	-			<p>The Company director have family relationship with director of Tian Asia Co., Ltd.</p> <ul style="list-style-type: none"> • The scrap value price as at The contract date 	
7	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)	<p>RCLS Co., Ltd. Leased office space on 16th floors in Panjathani Tower 1,047 squaremeters from Regional Container Lines Public Co., Ltd.</p> <ul style="list-style-type: none"> • Total Value of leasing agreement • Advance from related party • Advance payment to related party 	- - -	- 41.52 -	0.76 24.51 2.08			<p>RCLS Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of RCLS Co., Ltd.</p>	
8	Regional Container Lines Public Co., Ltd. and Santi Bhum Co., Ltd. - Subsidiary Company (Ship owner - incorporated in Thailand)	<p>Regional Container Lines Public Co., Ltd. investment in Santi Bhum Co., Ltd.</p> <ul style="list-style-type: none"> • Interest income from Promissory Note • Advance payment to related party • Promissory Note • Interest receivable 	- - -	- 0.01 -	17.72 - 1,545.64 17.47			<p>Santi Bhum Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of Santi Bhum Co., Ltd. Interest 2.50% per year</p>	



No.	Related Parties	Related Transactions	Value of related transactions As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
9	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. <ul style="list-style-type: none"> Interest Income from Promissory Note Advance payment to related party Promissory Note Interest receivable 							Thiti Bhum Co., Ltd. is the Company's 100% owned subsidiary company. The Company director is also the director of Thiti Bhum Co., Ltd. Interest 2.50% per year
10	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 for 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. <ul style="list-style-type: none"> Trade account receivable - related company 	89.36	227.40	17.72	267.29	254.60	58.82	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 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.
11	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. <ul style="list-style-type: none"> Trade account payable - subsidiary company 	240.90	233.00		254.60	254.60	58.82	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.
12	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. <ul style="list-style-type: none"> Trade account payable - subsidiary company 	2.00	11.49		2.52	2.52		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 As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
13	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 	18.26	28.46	29.80			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 director is also the director of Songkhla Shipping Agency Co., Ltd. Condition/Pricing policy: Price approximates market price.	
14	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and Shanghai CIMC Grand International Logistic Co., Ltd. - Subsidiary Company (incorporated in China)	RCL Feeder Pte. Ltd. provide service to Shanghai CIMC Grand International Logistic Co., Ltd. <ul style="list-style-type: none"> Trade account payable - subsidiary company 			0.19			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 Shanghai CIMC Grand International Logistic Co., Ltd. with 51% shareholding. The Company director is also the director of Shanghai CIMC Grand International Logistic Co., Ltd. Condition/Pricing policy: Price approximates market price.	
15	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 shipmanagement to Tian Asia Co., Ltd. <ul style="list-style-type: none"> Ship management Fee 	1.79	0.76	-			RCL Shipmanagement Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. The Company 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 	
16	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 	40.24 5.46	79.36 4.06	148.03 10.69			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 director is also the director of Ngow Hock group of companies. Condition/Pricing policy: Market price	



No.	Related Parties	Related Transactions	Value of related transactions As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
17	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider-incorporated in Thailand) and Ngow Hook 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 Hook Co., Ltd. the owner <ul style="list-style-type: none"> Total Value of leasing agreement 	0.69	0.70	0.66			RCL Logistics 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	
18	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	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. 99.99%	
19	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider-incorporated in Thailand) and Pu Chao Container Terminal Co., Ltd. - Related Companies (incorporated in Thailand)	Phu Chao Container Terminal Co., Ltd. provided service container terminal to RCL Logistic Co., Ltd. <ul style="list-style-type: none"> Short Term Loan 	3.00	3.00	3.00			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% RCL Logistics Co., Ltd. sold share in Pu Chao Container Terminal Co., Ltd. to Bangkok Terminal Logistics Company on May 20, 2022.	
20	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider- incorporated in Thailand) and Regional Logistic Co., Ltd. - Related Companies (incorporated in China)	Regional Logistics Co., Ltd. provided logistic services to RCL Logistics Co., Ltd. <ul style="list-style-type: none"> Total logistic service fees 	3.18		-			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. The Company director is also the director of Regional Logistics Co., Ltd. Condition/Pricing policy: Market price as at agreement date	
21	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)	Regional Container Lines (H.K.) Limited. provided logistic services to RCL Logistics Co., Ltd. <ul style="list-style-type: none"> Total logistic service fees Total accounts payable - related companies 	0.58	0.01	-	-		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 director is also the director of Regional Container Lines (H.K.) Limited. Condition/Pricing policy: Market price as at agreement date	

No.	Related Parties	Related Transactions	Value of related transactions As of 31 December 2020 (Million Baht)		Value of related transactions As of 31 December 2021 (Million Baht)		Value of related transactions As of 31 December 2022 (Million Baht)		Relationships
			The Company Only	Consolidated	The Company Only	Consolidated	The Company Only	Consolidated	
22	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)	Shanghai CIMC Grand International Logistics Co., Ltd. provided logistic services to RCL Logistic Co., Ltd. • Total logistic service fees • Total accounts receivable - related companies • Total accounts payable - related companies		0.67	0.23	0.57	0.01	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	
23	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider-incorporated in Thailand) and Regional Logistics Private Limited. - Related Companies (incorporated in India)	RCL Logistics Co., Ltd. provided logistic services to Regional Logistics Private Limited. • Total logistic service fees • Total accounts receivable - related companies			0.18	0.07	RCL Logistics Co., Ltd. is the Company's 100% owned subsidiary company. Regional Logistics Private Limited. is the Company's 51% indirectly owned jointly controlled company. The Company director is also the director of Regional Logistics Private Limited. Condition/Pricing policy: Market price as at agreement date		
24	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 Hock 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 Hock Co., Ltd., the owner • Total Value of leasing agreement		0.41		2.59	RCLS Co., Ltd. is the Company's 100% owned subsidiary company. Ngow Hock Co., Ltd. is the Company shareholder with 25.20% shareholding The Company director is also the director of Ngow Hock 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

Report of the Board of Directors' Responsibilities for Financial
Statements

Financial Statements



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 Registration Statement / Annual Report 2022 (Form 56-1 One 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 and as illustrated in 56-1 One Report.

The Board of Directors is of the opinion that the financial statements for the year ended December 31st, 2022 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 of the Board of Directors

(Mr. Twinchok Tanthuwani)

Director and President

February 24th, 2023

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

Opinion

I have audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Regional Container Lines Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries as at 31 December 2022, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters included Audit Procedures are as follows:

Impairment of vessels (the consolidated and separate financial statement)



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

My audit procedure on such matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

(NATSARAK SAROCHANUNJEEN)

Certified Public Accountant

Registration No. 4563

A.M.T. & ASSOCIATES

Bangkok, Thailand

24 February 2023

Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: Baht)

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

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



Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

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

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

Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Issued and fully paid - up					
828,750,000 ordinary shares of Baht 1 each		828,750,000	828,750,000	828,750,000	828,750,000
Share premium		4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
Retained earnings					
Appropriated - legal reserve	16	82,875,000	82,875,000	82,875,000	82,875,000
Unappropriated		38,134,601,279	19,299,267,387	12,288,288,804	2,595,456,339
Other components of equity		1,263,535,846	711,805,051	178,320,644	37,443,171
Total equity of parent Company's shareholders		45,292,726,312	25,905,661,625	18,361,198,635	8,527,488,697
Non - controlling interests		2,077,427	7,400,411	-	-
Total shareholders' equity		45,294,803,739	25,913,062,036	18,361,198,635	8,527,488,697
Total liabilities and shareholders' equity	26	58,931,916,030	38,713,283,134	19,625,793,266	16,431,280,544

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

Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Changes in Equity For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements											
	Equity holders of parent company					Other components of equity						
	Issued and fully paid - up share capital	Share premium	Retained earnings		Exchange differences on translating financial statement	Total	Other comprehensive income (loss)			Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
			Appropriated - legal reserve	Unappropriated			Actuarial gains (losses) on defined employee benefit plans					
Note	Share premium	Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Total	Actuarial gains (losses) on defined employee benefit plans	Total	Non - controlling interests	Total shareholder's equity			
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)	-	(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		
Balance as at 1 January 2022	828,750,000	4,982,964,187	82,875,000	19,299,267,387	711,805,051	-	711,805,051	25,905,661,625	7,400,411	25,913,062,036		
Total comprehensive income (loss) for the year	-	-	-	24,625,176,907	551,730,795	11,267,875	562,998,670	25,188,175,577	(5,322,984)	25,182,852,593		
Dividend paid	-	-	-	(5,801,110,890)	-	-	(5,801,110,890)	(5,801,110,890)	-	(5,801,110,890)		
Transferred to retained earnings	-	-	-	11,267,875	(11,267,875)	(11,267,875)	(11,267,875)	-	-	-		
Balance as at 31 December 2022	828,750,000	4,982,964,187	82,875,000	38,134,601,279	1,263,535,846	-	1,263,535,846	45,292,726,312	2,077,427	45,294,803,739		

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



Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Changes in Equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity			Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Other comprehensive income (loss)		
						Actuarial gains (losses) on defined employee benefit plans	Total	
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
Balance as at 1 January 2022	828,750,000	4,982,964,187	82,875,000	2,595,456,339	37,443,171	-	37,443,171	8,527,488,697
Total comprehensive income (loss) for the year	-	-	-	15,482,558,737	140,877,473	11,384,618	152,262,091	15,634,820,828
Dividend paid	-	-	-	(5,801,110,890)	-	-	-	(5,801,110,890)
Transferred to retained earnings	-	-	-	11,384,618	-	(11,384,618)	(11,384,618)	-
Balance as at 31 December 2022	828,750,000	4,982,964,187	82,875,000	12,288,288,804	178,320,644	-	178,320,644	18,361,198,635

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



Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Comprehensive Income

For the year ended 31 December 2022

(Unit: Baht)

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

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

Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Comprehensive Income (continued)

For the year ended 31 December 2022

(Unit: Baht)

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

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



Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2022

(Unit: Baht)

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

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

Regional Container Lines Public Company Limited And Its Subsidiaries

Statements of Cash Flows (continued)

For the year ended 31 December 2022

(Unit: Baht)

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

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION :

Activities not affecting cash :

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

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



Regional Container Lines Public Company Limited And Its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

1.3 Basis for preparation of financial statements

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

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

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

1.4 Basis for consolidation of financial statements

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

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

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

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

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



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

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

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

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

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

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

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

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

2. Significant accounting policies

2.1 Revenue recognition

Freight income

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

Interest income

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

Dividends

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

Other income

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

2.2 Cash and cash equivalents

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

2.3 Material supplies

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

2.4 Investments

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

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

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



2.5 Business combinations

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

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

No depreciation is provided for land.

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

2.7 Borrowing costs

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

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

2.8 Investment properties

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

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

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

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

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

2.9 Intangible assets

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

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

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

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

2.10 Financial instruments

Classification and measurement

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

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

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

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

Impairment of financial assets

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



2.11 Leases

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

The Group as lessee

Right - of - use assets

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

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

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

Lease liabilities

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

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

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

Short - term leases and Leases of low - value assets

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

The Group as lessor

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

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

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

Sub lease

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

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

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

2.12 Related party transactions

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

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



2.13 Foreign currencies

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

a) Translation of foreign currency transactions and balances

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

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

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

b) Translation into the Group's functional currency

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

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

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

c) Translation into the presentation currency

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

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

2.14 Impairment of non - financial assets

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

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

2.15 Employee benefits

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

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

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

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

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

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

2.16 Provisions

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

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



2.17 Income tax

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

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

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

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

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

2.18 Basic earnings (loss) per share

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

3. Significant accounting judgments and estimates

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

3.1 Allowance for doubtful accounts

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

3.2 Premises, vessels and equipment

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

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

3.3 Litigation

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

3.4 Provisions for employee benefits

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

3.5 Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

4. Change in accounting estimation

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



5. Trade receivables

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

6. Other current financial assets

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

- (a) As at 31 December 2022, the Company had interest rate swap agreement covering the notional 3 promise amount of USD 92.69 million (31 December 2021 : 2 promise of amount USD 23.69 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized per quarter, the contracts expiration date are the year 2025 and 2027.

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

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

7. Investments in subsidiaries, net

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

Investment as at 31 December 2021	8,440,316
Exchange differences on translating financial statement	286,579
Investment as at 31 December 2022	8,726,895

8. Investments in associates and joint ventures

8.1 Investments in associates

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

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

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

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



8.2 Investments in joint ventures

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

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

Financial information of the associates and joint ventures is summarized below. (2021: Audited financial statements, 2022: Management's accounts).

Company's name	(Unit: Million Baht)									
	Paid - up capital		Total assets		Total liabilities		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht 100	Baht 100								
	Million	Million	1,707	1,627	191	271	1,628	1,681	259	361
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd.	-	Baht 30								
		Million	-	18	-	47	-	45	-	(8)
N - Square RCL Logistics Co., Ltd.	Baht 5	Baht 5								
	Million	Million	2	2	6	6	8	9	-	-
<u>Investment in joint ventures of the subsidiaries</u>										
RCL Agencies (India) Private Limited	INR 40	INR 40								
	Million	Million	223	172	50	55	161	122	68	52
RCL Agencies East India Private Limited	INR 15	INR 15								
	Million	Million	199	181	83	68	177	140	71	56
Regional Logistics Private Limited	INR 10	INR 10								
	Million	Million	8	4	6	-	26	-	(1)	(1)
Shanghai CIMC Grand International Logistics Co., Ltd.	CNY 5	CNY 5								
	Million	Million	48	51	21	23	201	169	1	2

9. Investment properties, net

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

10. Property, premises, vessels and equipment, net

10.1 Property and premises, net

(Unit: Baht)

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



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

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

As at 31 December 2022 and 2021, building and improvement of buildings items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 130 million and Baht 132 million, respectively (The Company: Baht 62 million and Baht 60 million, respectively).

10.2 Vessels and equipment, net

(Unit: Baht)

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



(Unit: Baht)

Separate financial statements

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

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

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

Transactions occurred in year 2021:

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

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

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

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

Transactions occurred in year 2022:

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

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

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

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

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

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



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

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

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

11. Right - of - use assets, net

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

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

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

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

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

12. Intangible assets, net

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

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

13. Long - term loans

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

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



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

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

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

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

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

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

14. Lease liabilities

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

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

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

	Separate financial statements					
	2022			2021		
	Deferred interest		Total	Deferred interest		Total
	Principal	expenses		Principal	expenses	
Current portion	1,891	42	1,933	3,494	226	3,720
1 - 5 years	-	-	-	1,891	42	1,933
Over 5 years	-	-	-	-	-	-
Total	1,891	42	1,933	5,385	268	5,653



15. Provisions for employee benefits

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

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

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

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

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

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

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

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table 2017

- Sensitivity analysis of significant actuarial assumptions

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

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

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

16. Legal reserve

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



17. Dividend paid

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

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

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

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

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

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

18. Related party transactions

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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



(Unit: Million Baht)

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

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

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

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

c) Management and directors benefit expenses

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

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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short - term employee benefits	252	245	205	184

19. Expenses by nature

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

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

20. Provident Fund

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

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

During the year 2022, the Group's contributions to these funds totaled Baht 77 million (2021 : Baht 53 million).

21. Tax income (expenses)

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

The corporate income tax rate being used by the Company and its subsidiaries in Thailand 8% and 20% on the net income of those operations which are not eligible for the above tax exemption.

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

As at 31 December 2022 and 2021 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, allowance for impairment of investment, provisions for employee benefits and unused tax losses totaling Baht 201.82 million and Baht 50.29 million, respectively, (The Company: Baht 14.47 million and Baht 45.29 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 1.28 million and Baht 4.09 million, respectively.

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

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



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

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

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

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

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

(Unit: Baht)

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

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

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



22. Financial information by segment

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

23. Commitments and contingent liabilities

23.1 Commitments

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

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

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

1) Subsidiary in Thailand

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

2) Subsidiary in Singapore

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



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

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

23.2 Guarantees

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

24. Financial instruments

24.1 Financial risk management

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

Credit risk

a) Trade receivables

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

b) Deposits with financial institutions

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

Liquidity risk

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

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

	(Unit: Million Baht)						
	Consolidated financial statements						
	Carrying amount	Contractual cash flows					Total
		1 year or less	More than 1 year but Less than 2 years	More than 2 years but Less than 5 years	More than 5 years		
<u>As at 31 December 2022</u>							
<u>Non - derivative financial liabilities</u>							
- Trade payables	4,298	4,298	-	-	-	4,298	
- Other payables	1,115	1,115	-	-	-	1,115	
- Long - term loans	2,978	287	370	741	1,580	2,978	
- Lease liabilities	4,965	1,546	1,284	1,837	298	4,965	
- Income tax payable	13	13	-	-	-	13	
- Other current liabilities	198	198	-	-	-	198	
	<u>13,567</u>	<u>7,457</u>	<u>1,654</u>	<u>2,578</u>	<u>1,878</u>	<u>13,567</u>	
<u>Derivative financial liabilities</u>							
- Other current financial liabilities	-	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	



(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

Market risk(a) Interest rate risk

Significant financial assets and liabilities as at 31 December 2022 and 2021 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Consolidated financial 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>2022</u>							
<u>Financial assets</u>							
Cash and cash equivalents	7,208	-	-	11,182	1,091	19,481	0 - 4.80% p.a.
<u>Financial liabilities</u>							
Long - term loans	243	996	1,580	159	-	2,978	Note 13
Lease liabilities	1,546	3,119	300	-	-	4,965	Note 14
Total	<u>1,789</u>	<u>4,115</u>	<u>1,880</u>	<u>159</u>	<u>-</u>	<u>7,943</u>	

2021

Million Baht

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

Separate financial statements2022

Million Baht

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

2021

Million Baht

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

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

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

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

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

(b) Foreign currency risk

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

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

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

(c) Commodity price risk

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



24.2 Fair values of financial instruments

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

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

25. Capital management

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

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

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

26. Functional currency financial statements

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

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: USD)

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

**Regional Container Lines Public Company Limited and its subsidiaries****Statements of financial position (continued)**

As at 31 December 2022

(Unit: USD)

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

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2022

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	2,448,673	2,448,673	2,448,673	2,448,673
Unappropriated	1,145,368,175	611,122,765	326,457,999	51,675,125
Other components of equity	(43,534,020)	(42,130,799)	-	-
Total equity of parent Company's shareholders	1,304,006,977	771,164,788	528,630,821	253,847,947
Non - controlling interests	59,810	220,297	-	-
Total shareholders' equity	1,304,066,787	771,385,085	528,630,821	253,847,947
Total liabilities and shareholders' equity	1,696,688,098	1,152,424,562	565,039,321	489,129,565

**Regional Container Lines Public Company Limited and its subsidiaries****Statements of income**

For the year ended 31 December 2022

(Unit: USD)

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

27. Approval of financial statements

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

Part

4

Attachments

Attachment 1

Details of the Directors of Subsidiaries

Attachment 2

Assets for Business Undertaking and Details of
Asset Appraisal

Attachment 3

Policy and Guidelines on Corporate Governance
and Code of Business Conduct



Attachment 1

Details of the Directors of Subsidiaries, Associated, Related, and Joint Venture Companies

As of 31 December 2022

Company Name	Directors									Executives			
	Jamlong Atikul	Sumate Tanthuwaniit	Twinchok Tanthuwaniit	Amornsuk Noparumpa	Viset Choopiban	Arpavadee Meekun-lam	Sutep Tranantasin	Charlie Chu	Goh Pek Yang **	Joseph Jerome Mendis***	Nadrudee Rungruengphon	Suporn Amnuaypan	Chatgamol Phitaksuteepong
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.	-	/	/	-	-	-	/	-	-	-	-	-	-
8. RCL Logistics Co., Ltd.	-	-*	/	-	-	-	/	-	-	-	/	-	-
9. RCL Agencies (M) Sdn. Bhd.	-	/	-	-	-	-	-	-	-	/	-	-	-
10. RCL Feeders Phils., Inc.	-	-	/	-	-	-	-	-	-	X	-	-	-
11. RCL (Vietnam) Co., Ltd.	-	-	/	-	-	-	-	-	-	-	/	-	-
12. Regional Logistics Co., Ltd.	-	-	/	-	-	-	/	-	-	-	-	-	-
13. RCL (Myanmar) Company Limited	-	-	/	-	-	-	-	-	-	-	/	-	-
14. Santi Bhum Co., Ltd.	-	-	/	-	-	-	X	/	-	-	/	-	-
15. Thitti Bhum Co., Ltd.	-	-	/	-	-	-	X	/	-	-	/	-	-
Associated Companies													
1. TIPS Co., Ltd.	-	/	-	-	/	-	/	-	-	-	-	-	-
2. N-Square RCL Logistics Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-
Related Companies													
1. Jurong Districentre Pte. Ltd.	-	-	-	-	-	-	-	-	-	/	-	-	-
2. NH Prosperity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-

Company Name	Directors									Executives			
	Jamlong Atikul	Sumate Tanthuwani	Twinchok Tanthuwani	Amornsuk Noparumpa	Viset Choopiban	Arpavadee Meekun-lam	Sutep Tranantasin	Charlie Chu	Goh Pek Yang **	Joseph Jerome Mendis**	Nadrudee Rungruengphon	Suporn Amnuaypan	Chatgamol Phitaksuteephong
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

* Mr. Sumate Tanthuwani resigned from the directorship in RCL Logistics Co., Ltd. with effective date 15th December 2022.

** Mr. Goh Pek Yang has been appointed as a director to replace Mr. Kua Hock Eng effective 1st June 2022.

** Mr. Joseph Jerome Mendis has been appointed as an executive effective 1st June 2022.

RCL Feeder Pte. Ltd. - Mr. Joseph Jerome Mendis was appointed as director on 26 July 2022 and Mr. Charlie Chu resigned as director on 27 July 2022.

RCL Agencies (M) Sdn. Bhd. - Mr. Charlie Chu resigned as director and was replaced by Mr. Joseph Jerome Mendis on 1 September 2022.

RCL Feeders Phils., Inc. - Mr. Charlie Chu resigned as director and was replaced by Mr. Joseph Jerome Mendis on 1 September 2022.

RCL (Vietnam) Co., Ltd. - Mr. Charlie Chu resigned as director on 21 November 2022.

Jurong Districentre Pte. Ltd. - Mr. Charlie Chu resigned as director and was replaced by Mr. Joseph Jerome Mendis on 28 June 2022.



Attachment 2

Assets for Business Undertaking and Details of Assets Appraisal

As of December 31st, 2022

Asset for Business Undertaking

Vessels and Equipment

At the end of 2022, the Company and its subsidiaries in Singapore owns a total of 40 vessels and equipment with a net book value of 21,807 million Baht (the Company owns 14 vessels and a subsidiary owns 26 vessels). These vessels are having capacities between 388 - 11,714 TEUs with DWT between 4,827 - 95,100 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 2022, the Company and its subsidiaries in Singapore have mortgaged 7 vessels to secure their loan credit facilities amounting to 2,970 million Baht.

At the end of 2022, 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 365 million Baht.

Bangkok office is located at 127/35 Panjathani Tower, 30th Floor, Nonsi Road (Ratchadaphisek Road), Chong Nonsi Sub-District, Yannawa District, Bangkok 10120 with an area of 1,059 square meters and 127/21 Panjathani Tower, 16th Floor, Nonsi Road (Ratchadaphisek Road), Chong Nonsi Sub-District, Yannawa District, Bangkok 10120 with an area of 1,047 square meters, 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 of Asset Appraisal

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



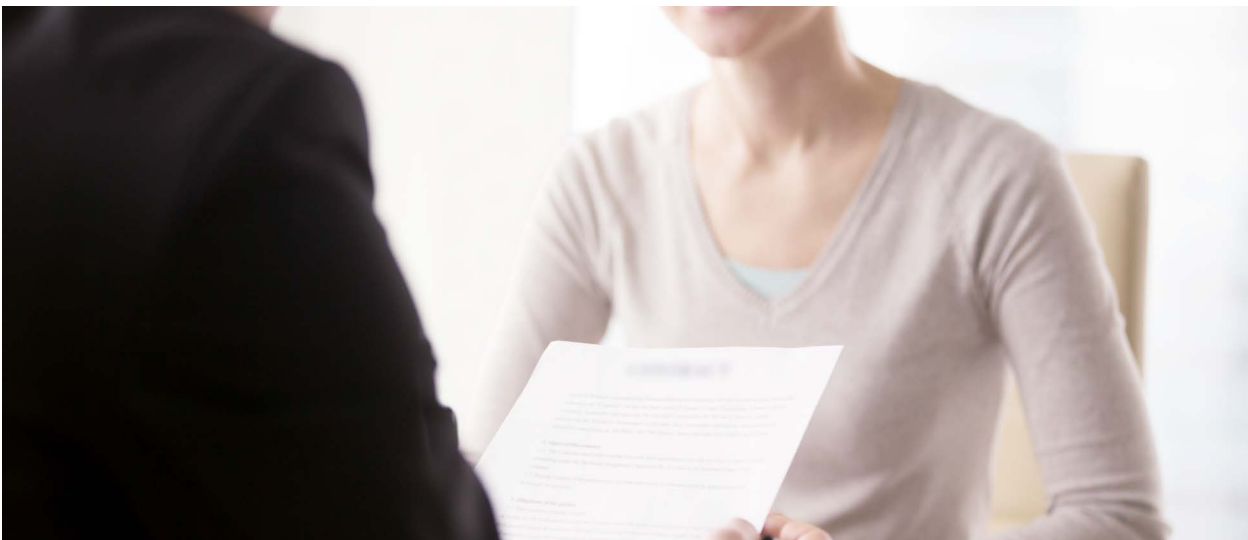
Attachment 3

Policy and Guidelines on Corporate Governance and Code of Business Conduct

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 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





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".



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

เลขทะเบียน 0107536000021
ชั้น 30 อาคารปัญจธานีทาวเวอร์
127/35 ถนนนนทบุรี (ถนนรัชดาภิเษก) แขวงช่องนนทบุรี เขตยานนาวา กรุงเทพฯ 10120

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