

# Annual Report | 2015

รายงานประจำปี 2558



*To be a trusted, leading and efficient container carrier and logistics provider with quality services in Asia through contribution from committed staff with passion and innovation.*



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

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## ข้อมูลจำเพาะของบริษัทฯ

### ชื่อ

บริษัท อาร์ ซี แอล จำกัด (มหาชน)

### ที่อยู่

ชั้น 30 อาคารปัญจธานีทาวเวอร์  
127/35 ถนนรัชดาภิเษก แขวงช่องนนทรี  
เขตยานนาวา กรุงเทพฯ 10120 ประเทศไทย  
โทรศัพท์ 0 2296 1096  
โทรสาร 0 2296 1098  
เว็บไซต์ : <http://www.rclgroup.com>

### ประเภทธุรกิจ

บริการขนส่งตู้คอนเทนเนอร์ทางทะเลแบบฟีดเดอร์  
และการค้าระหว่างประเทศ

### จัดตั้ง

25 มิถุนายน 2523

### จดทะเบียนในตลาดหลักทรัพย์

9 ธันวาคม 2531

### เป็นบริษัทมหาชน

11 มกราคม 2536

### เลขทะเบียน

0107536000021

### ธนาคาร

บมจ. ธนาคารยูโอบี บมจ. ธนาคารกรุงไทย  
บมจ. ธนาคารกรุงเทพ ธนาคารซีทีบีแบงก์  
โอเวอร์ซี ไชนีส แบงกิง คอร์ปอเรชั่น  
ธนาคารเพื่อการส่งออกและนำเข้าแห่งประเทศไทย  
บมจ. ธนาคารสแตนดาร์ดชาร์เตอร์ด (ไทย)

### ผู้สอบบัญชี

สำนักงาน เอ.เอ็ม.ที. แอสโซซิเอท  
491/27 อาคารสีลม พลาซ่า ถนนสีลม  
บางรัก กรุงเทพฯ 10500

### นายทะเบียนหุ้น

#### หุ้นสามัญ

บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด  
ตลาดหลักทรัพย์แห่งประเทศไทย  
93 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง  
กรุงเทพฯ 10400  
โทรศัพท์ 0 2009 9999  
โทรสาร 0 2009 9991

### ทุนจดทะเบียน

828,750,000 หุ้น ราคาหุ้นละ 1.00 บาท  
มูลค่ารวม 828,750,000 บาท

## Corporate Profile

### Name

Regional Container Lines Public Company Limited

### Address

30<sup>th</sup> Floor Panjathani Tower Building,  
127/35 Ratchadapisek Road, Chongnonsi,  
Yannawa, Bangkok 10120, Thailand  
TEL: 66 2296 1096  
FAX: 66 2296 1098  
Website: <http://www.rclgroup.com>

### Type Of Business

Container Feeder Services and Regional Trade in  
Asia Pacific Region

### Incorporated

June 25, 1980

### Set Listing

December 9, 1988

### Registered As A Public Company

January 11, 1993

### Registration No.

0107536000021

### Bankers

United Overseas Bank (Thai) Pcl., Krung Thai Bank Pcl.,  
Bangkok Bank Pcl., Citibank.,  
Oversea Chinese Banking Corporation,  
Export-Import Bank of Thailand,  
Standard Chartered Bank (Thai) Pcl.

### Auditors

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

### REGISTRARS

#### ORDINARY SHARES

Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building  
93 Ratchadapisek Road, Dindaeng Sub-District,  
Dindaeng District Bangkok 10400  
TEL: 66 2009 9999  
FAX: 66 2009 9991

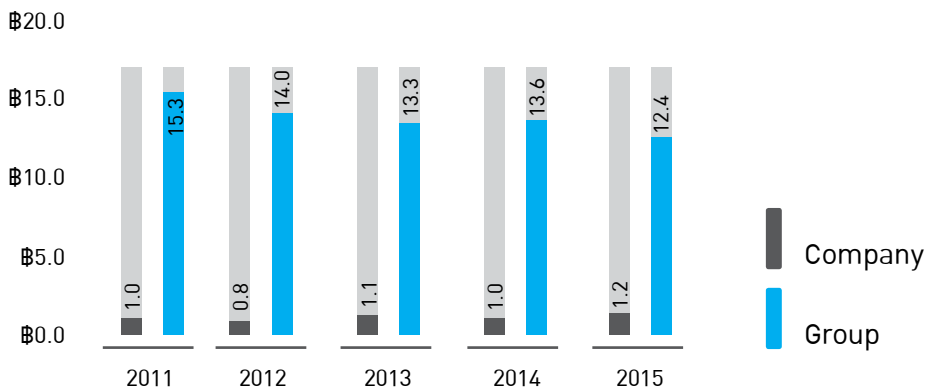
### Registered Capital

828,750,000 shares par Baht 1.00 each,  
amounting Baht 828,750,000

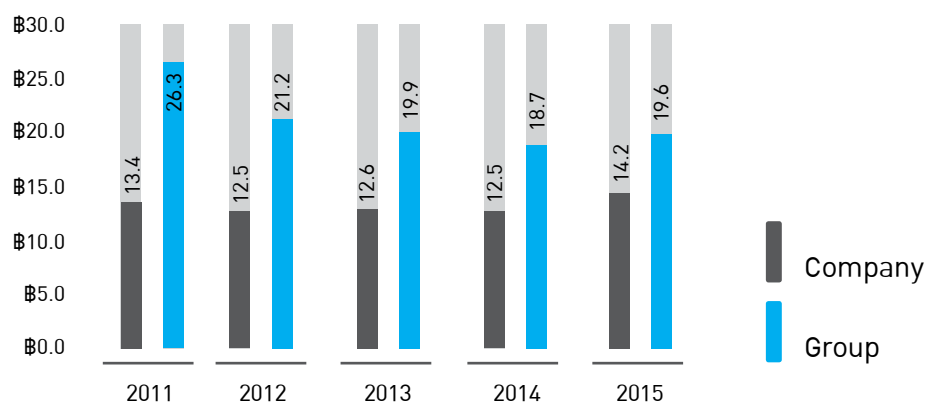
## จุดเด่นทางการเงิน Financial Hightligts

เฉพาะบริษัท/Company (‘000 บาท/Baht)		2558 2015	เปลี่ยนแปลง (ร้อยละ) % Change	2557 2014	เปลี่ยนแปลง (ร้อยละ) % Change	2556 2013
สินทรัพย์ถาวร	Fixed Assets	5,463,970	7	5,094,972	(6)	5,392,579
สินทรัพย์รวม	Total Assets	14,155,013	13	12,522,137	(1)	12,616,813
หนี้สินรวม	Total Liabilities	4,835,729	(26)	3,833,791	(2)	3,759,026
ส่วนของผู้ถือหุ้น	Shareholders' Equities	9,319,283	7	8,688,346	(2)	8,857,787
รายได้จากการเดินเรือ	Freight Income	997,906	12	890,056	26	704,236
รายได้รวม	Total Income	1,160,344	20	963,740	(13)	1,102,331
กำไรขั้นต้น (จากการเดินเรือ)	Gross Profit (from freight income)	(4,168)	90	(41,593)	68	(131,609)
กำไรสุทธิ	Net Profit	(120,706)	41	(205,177)	566	44,074
กำไรต่อหุ้น(บาท)	Earnings Per Share (Baht)	(0.15)	(41)	(0.25)	(566)	0.05
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.52		0.44		0.42
อัตราส่วนกำไรสุทธิต่อส่วนของผู้ถือหุ้น	Net Profit to Shareholders'Equity	-1.30%		-2.36%		0.50%
อัตราส่วนกำไรสุทธิต่อรายได้รวม	Net Profit Margin	-10.40%		-21.29%		4.00%
ราคาตามบัญชีต่อหุ้น (บาท)	Book Value Per Share (Baht)	11.24		10.48		10.69

### Total Revenues (Billion Baht)



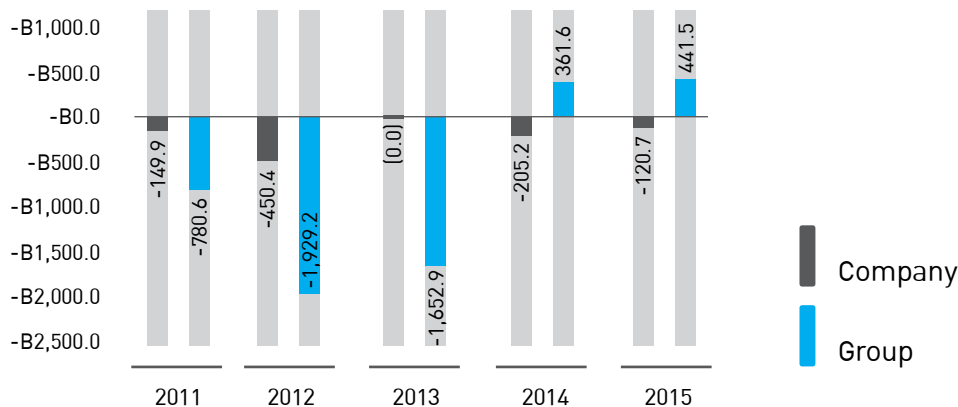
### Total Assets (Billion Baht)



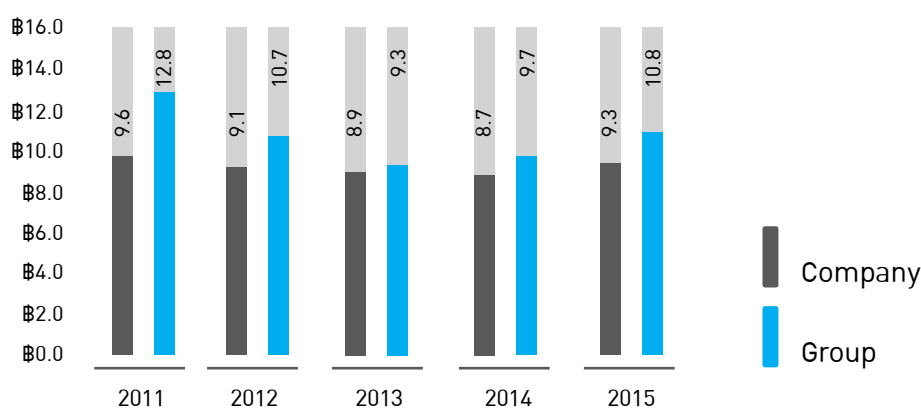


กลุ่มบริษัท/Group ( '000 บาท/Baht)		2558 2015	เปลี่ยนแปลง (ร้อยละ) % Change	2557 2014	เปลี่ยนแปลง (ร้อยละ) % Change	2556 2013
สินทรัพย์ถาวร	Fixed Assets	14,992,868	6	14,164,703	(7)	15,206,546
สินทรัพย์รวม	Total Assets	19,617,257	5	18,656,937	(6)	19,923,762
หนี้สินรวม	Total Liabilities	8,848,006	(1)	8,918,642	(16)	10,624,051
ส่วนของผู้ถือหุ้น	Shareholders' Equities	10,769,252	11	9,738,294	5	9,299,711
รายได้จากการเดินเรือ	Freight Income	11,882,612	(11)	13,314,345	2	13,111,573
รายได้รวม	Total Income	12,444,508	(8)	13,580,129	2	13,314,138
กำไรขั้นต้น (จากการเดินเรือ)	Gross Profit (from freight income)	938,729	(32)	1,380,559	462	245,840
กำไรสุทธิ	Net Profit	441,533	22	361,575	(122)	(1,652,934)
กำไรต่อหุ้น(บาท)	Earnings Per Share (Baht)	0.53	22	0.44	(122)	(1.99)
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.82		0.92		1.14
อัตราส่วนกำไรสุทธิต่อส่วนของผู้ถือหุ้น	Net Profit to Shareholders'Equity	4.10%		3.71%		-17.77%
อัตราส่วนกำไรสุทธิต่อรายได้รวม	Net Profit Margin	3.55%		2.66%		-12.41%
ราคาตามบัญชีต่อหุ้น (บาท)	Book Value Per Share (Baht)	12.99		11.75		11.22

#### NET PROFIT (Million baht)



#### SHAREHOLDERS' EQUITY (Billion baht)



## Message from Chairman

### Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present you our audited financial report for the year 2015.

In 2015, it was the another year that the global economy slowed down, thus led to weak demand in the container shipping industry. The management team has concentrated on cost reductions and adjustment of the service routes according to the changing needs of the shipping industry, resulting in some profitability last year.

However, the Group still continued on the development of information system for controlling and aligning our cost to the income situation. The implementation of process improvement has been added into the entire organization. Moreover, the Group focused on cost reductions and saving and streamlining our services in order to get efficiency improvement all around. With uncontrolled external factors such as change in oil price and the charter market, the process of continuous search for further improvements is ongoing and drives management and staff for even better results in the current year and onwards.

My thanks go again to valued shareholders and the customers who trusted and supported us as well as to the Board colleagues, management and staff for their unabated effort to improve the potential of the Group.

For more details, I refer you to the attached reports.

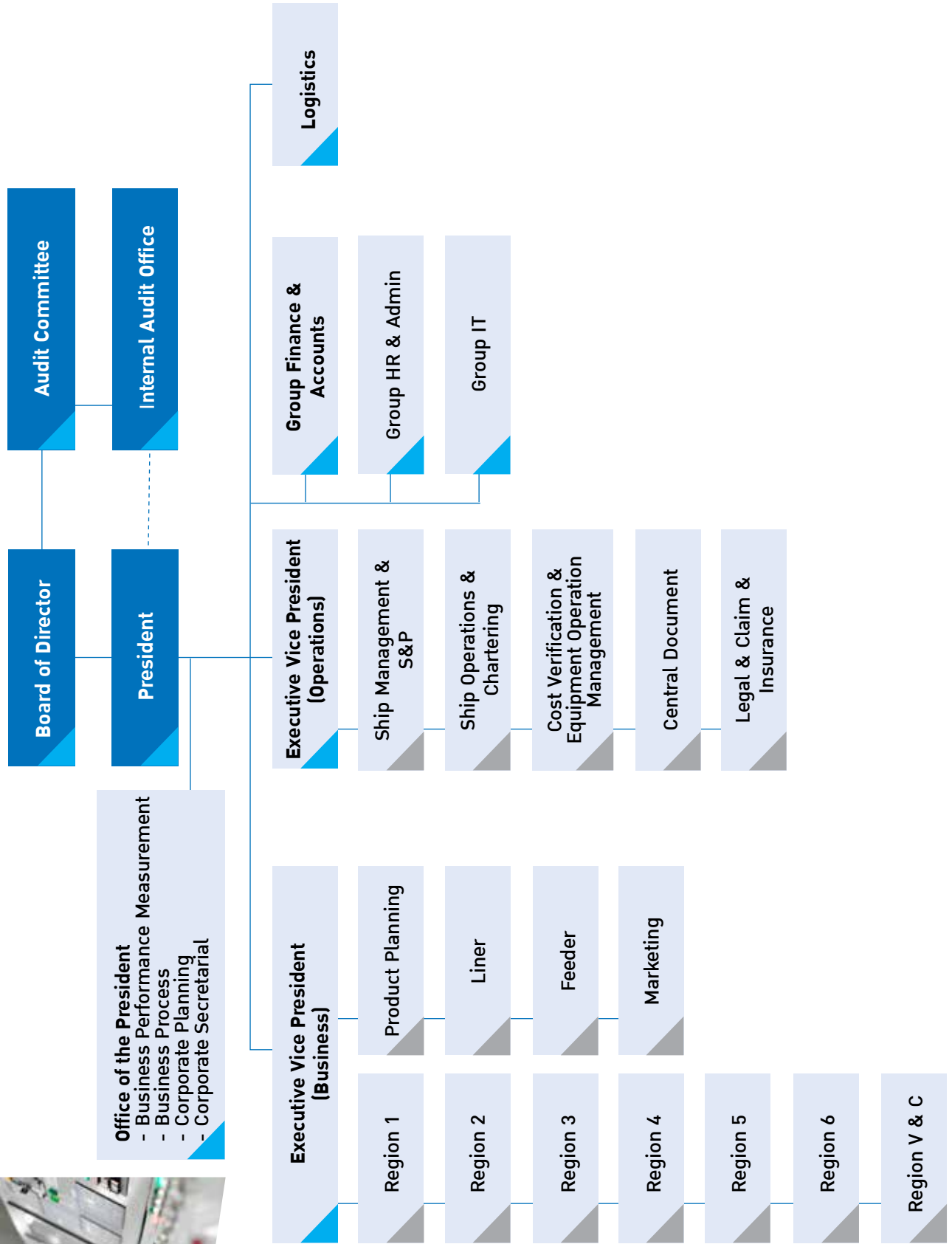
Thank you.



A handwritten signature in black ink, appearing to read 'Jamlong Atikul'.

Dr. Jamlong Atikul  
*Chairman*

# GROUP ORGANIZATION STRUCTURE



## Board of Directors



1. **Mrs. Arpavadee Meekun-Iam**  
Independent Director/Audit Committee  
Member/Nomination & Remuneration  
Committee Member
2. **Dr. Jamlong Atikul**  
Chairman
3. **Ms. Tuangrat Kirtiputra**  
Director
4. **Mr. Sutep Tranantasin**  
Director (Executive Director)
5. **Mr. Amornsuk Noparumpa**  
Independent Director/Chairman of the  
Audit Committee/Nomination &  
Remuneration Committee Member
6. **Mr. Viset Choopiban**  
Independent Director/Audit Committee  
Member/Nomination & Remuneration  
Committee Member
7. **Mr. Sumate Tanthuanit**  
Director & Managing Director
8. **Mr. Hartwig Schulze-Eckardt**  
Director (Executive Director)
9. **Mr. Kua Hock Eng**  
Director (Executive Director)



## Board of Directors



### Dr. Jamlong Atikul

Chairman  
Directorship since 2006

#### 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

- Director Accreditation Program #55/2006, Thai Institute of Directors
- Director Certification Program #77/2006, Thai Institute of Directors
- Role of the Chairman Program #26/2011, Thai Institute of Directors

#### Experience

- President, Bank of Ayudhya Pcl.
- Executive Director, The Thai Bankers' Association
- Director, Siam City Cement Pcl.
- Director, Member of the Audit Committee, Council of National Institute of Development Administration
- Director, Executive Director and Chairman of Risk Management Committee, Krungthai Bank Pcl.
- Director & Chairman of Executive Committee, Krungthai AXA Life Insurance Co., Ltd.
- Audit Committee member, Assumption University

#### Other positions currently held

- Member of Monetary Policy Committee, Bank of Thailand.

Shares held 2015 : -  
2014 : -



### Mr. Sumate Tanthuanit

Director & Managing Director  
Directorship since 1980

#### Education

- Honorary Doctorate in Logistics Management, Chulalongkorn University
- Ph.D. in Business Administration (Honorary), Mae Fah Luang University
- Master in Management Engineering, Asian Institute of Technology
- Bachelor of Engineering (Hons), Chulalongkorn University
- Diploma, National Defence College

#### Training

- Director Certification Program #33/2003, Thai Institute of Directors

#### Other positions currently held

- President, Ngow Hock Group
- Executive Director, RCL Group
- Honorary Chairman, Thai Shipowners' Association
- Executive Director, Board of Trade of Thailand

Shares held 2015 : 61,594,350  
2014 : 61,880,250



### Mr. Amornsuk Noparumpa

Independent Director /  
Chairman of the Audit Committee /  
Nomination & Remuneration  
Committee Member  
Directorship since 1998

#### Education

- Barrister-at-Law, Lincoln's Inn, London
- Barrister-at-Law, Council of Legal Education, Thailand
- Bachelor of Law (Hons), Thammasat University
- Diploma, National Defence College #399

#### Training

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

#### Experience

- Deputy Director-General, Legal Execution Department, Ministry of Justice
- Director-General, Department of Probation, Ministry of Justice
- Director, Executive Director and Nomination, Remuneration and Human Resource Development Committee, Thai Airways International Pcl.
- Chairman of Board of Directors, Siam Realty and Services Co., Ltd.
- Senior Executive Vice President, Bank of Ayudhya Pcl.
- Chairman of the Board, Ayudhya Securities Pcl.

#### Other positions currently held

- Chairman of the Board, L.P.N. Development Pcl.

Shares held 2015 : -  
2014 : -



### Ms. Tuangrat Kirtiputra

Director

Directorship since 1998

#### Education

- Master in Economics, Syracuse University, USA
- Bachelor in Economics (1st Class Hons), the Bhumibol Scholarship Award, Thammasat University

#### Training

- Director Certification Program #28/2003, Thai Institute of Directors
- Audit Committee Program #39/2012, Thai Institute of Directors

#### Experience

- Advisor to Thanachart Securities Pcl.
- Vice President, Office of CEO, Thanachart Bank Pcl.

#### Other positions currently held

- Director, RCL Group

**Shares held 2015 :** 250,000

**2014 :** 250,000



### Mr. Hartwig Schulze-Eckardt

Director (Executive Director)

Directorship since 2004

#### Education

- Business Administration, Kiel College, Germany

#### Training

- Director Accreditation Program # 57/2006, Thai Institute of Directors

#### Experience

- Consultant to RCL Group
- Managing Director, Leschaco Pte Ltd., Singapore
- V.P., Hoechst A.G., Germany
- 21 years with Hapag - Lloyd

#### Other positions currently held

- Chairman, PT Daerah Indah Shipping (Associated Company)

**Shares held 2015 :** -

**2014 :** -



### Mr. Kua Hock Eng

Director (Executive Director)

Directorship since 2003

#### Education

- B.A., English Language & Literature, Nanjing University, China
- Diploma in Management of Executive Development, the Chinese University of Hong Kong, Hong Kong

#### Training

- Director Accreditation Program # 57/2006, Thai Institute of Directors

#### Experience

- Senior Vice President, North Asia Business / Research & Development, RCL Group
- Advisor to Board of Directors in 2010, RCL Group before being re-elected as Directors in 2011
- Fellow Member of The Hong Kong Institute of Directors

#### Other positions currently held

- Executive Director, RCL Services S.A. (Subsidiary company)
- Executive Director, Regional Container Lines (H.K.) Limited (Subsidiary company)
- Executive Director, Regional Container Lines Shipping Co.,Ltd. (Subsidiary company)
- Executive Director, Regional Merchants Maritime Limited (Subsidiary company)
- Executive Director, Regional Merchants International Freight Forwarding Co.,Ltd. (Subsidiary company)
- Executive Director of Hong Kong Sea Transport and Logistics Association

**Shares held 2015 :** -

**2014 :** -



**Mr. Sutej Tranantasin**  
Director (Executive Director)  
Directorship since 2014

#### Education

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

#### Training

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

#### Experience

- Senior Vice President (Group Operations), Regional Container Lines Pcl.
- Managing Director, Thai Ship Management Co., Ltd.

#### Other positions currently held

- Executive Vice President (Operations), Regional Container Lines Pcl.
- The Chairman of Thai Committee of Class NK (Nippon Kaiji Kyokai).

**Shares held 2015 :** -  
**2014 :** -



**Mr. Viset Choopiban**  
Independent Director /  
Audit Committee Member /  
Nomination & Remuneration  
Committee Member  
Directorship since 2008

#### Education

- Ph.D. (Honorary in Engineering, Chulalongkorn University
- Master in Electrical Engineering, Chulalongkorn University
- Bachelor in Electrical Engineering, Chulalongkorn University
- Diploma, National Defence College

#### Training

- Chairman 2000 # 3/2001, Thai Institute of Directors

#### Experience

- Minister to the Ministry of Energy
- President, PTT Public Company Limited
- Governor, Petroleum Authority of Thailand

#### Other positions currently held

- Member Council of Trustees, The Petroleum Institute of Thailand
- Chairman, Gulf JP Co., Ltd.

**Shares held 2015 :** -  
**2014 :** -



**Mrs. Arpavadee Meekun-lam**  
Independent Director /  
Audit Committee Member /  
Nomination & Remuneration  
Committee Member  
Directorship since 2013

#### Education

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

#### Training

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

#### Experience

- First Executive Vice President, Bank of Ayudhaya PCL. (In charge of International Trade Dept., International Banking Dept., Financial Telecommunication Center, and Cash Management Dept.)
- Senior Vice President, Bank of Asia PCL. (Marketing & Credit Group)
- Senior Vice President, Siam Commercial Bank PCL. (International Trade Finance)

#### Other positions currently held

- Director, ITBC Business Consultant Group Co., Ltd.
- Honorary Member and Committee Commission on Banking Technique and Practices, International Chamber of Commerce (ICC), Thailand

**Shares held 2015 :** -  
**2014 :** -

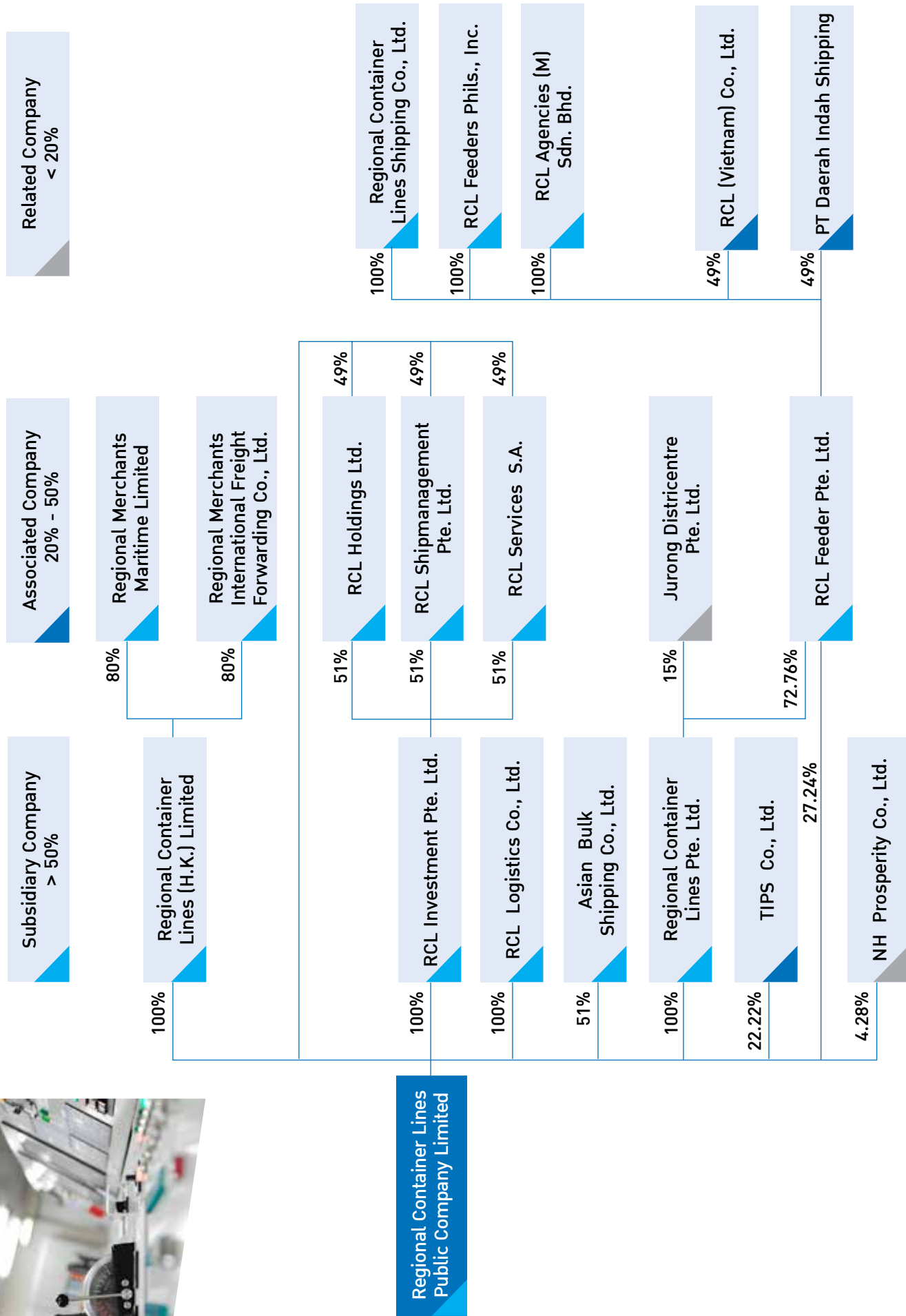
## GROUP MANAGEMENT COMMITTEE



1. **Ms. Suporn Amnuaypan\***  
Senior Vice President Head of Human Resources and Administration
2. **Mr. Sumate Tanthuwaniit**  
Managing Director
3. **Ms. Nadrudee Rungruengphon\***  
Senior Vice President  
(Group Finance & Account)
4. **Mr. Chatgamol Phitkaksuteephong\***  
General Manager (IT)
5. **Mr. Hartwig Schulze-Eckardt**  
Executive Director
6. **Mr. Charlie Chu**  
Executive Vice President (Business)
7. **Mr. Pornchai Vimolratana**  
Senior Vice President (Logistics)
8. **Mr. Twinchok Tanthuwaniit\***  
General Manager, Marketing
9. **Mr. Sutep Tranantasin**  
Director & Executive Vice President  
(Operations)
10. **Mr. Kua Hock Eng**  
Executive Director
11. **Mr. Weerasak Wahawisal**  
Vice President (Finance & Account)

Note : \* 4 managements were appointed on 29th January 2016

# RCL GROUP STRUCTURE 2015



## Group Management Profile

Name / Position	Age	Education	Share holding (%)	Relation with Other Management	Work Experience up to 5 years		
					Year	Position	Company/ Type of Business
Dr.Jamlong Atikul Chairman (Authorized Director)	68	- Ph.D (City & Regional Planning), Cornell University, USA - Master of Commerce (Economics) University of Auckland, New Zealand - B.C.A. (Economics), Victoria University of Wellington, New Zealand	-	Nil	2006 - 2013  2013 - present	Director & Nomination and Remuneration Committee  Chairman	Regional Container Lines Pcl. / Maritime Transportation
Mr.Sumate Tanthuanit Managing Director (Authorized Director)	69	- Honorary Doctorate in Logistics Management, Her Royal Highness Princess Maha Chakri Sirindhorn - Ph.D. in Business Administration (Honorary), Mae Fah Luang University, Thailand - Attended Director Certification Program Course (IOD)	7.43	**	1980 - present	Managing Director	Regional Container Lines Pcl. / Maritime Transportation
Mr.Sutep Tranantasin Director & Executive Vice President (Operations) (Authorized Director)	63	- Bachelor Degree, Master Marine, Merchant Marine Training Center, Thailand - Certificate of Competency "Master Mariner", Harbour Department, Ministry of Transportation and Communication	-	Nil	2003 - Aug 2014  Aug 2014 - Present	Executive Vice President (Operations)  Director & Executive Vice President (Operations)	RCL Group / Maritime Transportation
Mr.Kua Hock Eng Executive Director	76	- B.A., English Language & Literature, Nanjing University, China - Attended Director Accreditation Program Course (IOD)	-	Nil	2003 - Apr 2010 May 2010 - Mar 2011  Apr 2011- present	Executive Director Advisor to Board of Directors  Executive Director	RCL Group / Maritime Transportation
Mr.Hartwig Schulze-Eckardt Executive Director	75	- Bachelor of Business Administration, Kiel College, Germany - Attended Director Accreditation Program Course (IOD)	-	Nil	2004 - present	Executive Director	RCL Group / Maritime Transportation
Mr. Charlie Chu Executive Vice President (Business)	58	- MBA, Rutgers, University of New Jersey, USA. - Bachelor in Engineering, National Cheng Kung University Taiwan	-	Nil	Sep 2008 - Jun 2011  Jul 2011 - July 2012  Aug 2012 - present	Vice President (Region 2)  Senior Vice President (Business)  Executive Vice President (Business)	RCL Group / Maritime Transportation

Name / Position	Age	Education	Share holding (%)	Relation with Other Management	Work Experience up to 5 years		
					Year	Position	Company/ Type of Business
Ms. Nadrudee Rungruengphon* Senior Vice President (Group Finance & Account)	52	- Bachelor in Accounting (1 <sup>st</sup> Class Hons), Thammasat University - Master in Accounting, Thammasat University - Bachelor of Law (2 <sup>nd</sup> Class Hons), Thammasat University	-	Nil	Sep 2015 - present	Senior Vice President (Group Finance & Account)	Regional Container Lines Pcl. / Maritime Transportation
Ms.Suporn Amnuaypan* Sevior Vice Presendident - Head of Human Resources and Administration	52	- Master Degree - MBA	-	Nil	Jun 2015 - present	Sevior Vice Presendident - Head of Human Resources and Administration	Regional Container Lines Pcl. / Maritime Transportation
Mr.Pornchai Vimolratana Senior Vice President (Logistics)	64	- Bachelor in Accountancy (Hons), Bangkok University, Thailand	-	Nil	2004 - 2009 2009 - 2010 2011- present	Senior Vice President (Regions) Senior Vice President (Region 3) Senior Vice President (Logistics)	Regional Container Lines Pcl. / Maritime Transportation
Mr.Twinchok Tanthuwani* General Manager, Marketing	34	- Master of Science in Biomedical Engineering Fachhochschule Aachen Julich, Germany - Bachelor of Engineering Fachhochschule Aachen Julich, Germany	0.30	**	Jun 2015 - present	General Manager, Marketing	Regional Container Lines Pcl. / Maritime Transportation
Mr.Chatgamol Phitkaksuteepong* General Manager (IT)	42	- Master of Science Assumption University	-	Nil	2011 - Present	General Manager (IT)	Regional Container Lines Pcl. / Maritime Transportation
Mr.Weerasak Wahawisal Company Secretary	59	- MS in Accounting, University of Illinois, USA - MS in Business Administration, University of Ohio, USA - Bachelor Degree in Business Administration, Thammasat University, Thailand	-	Nil	2007 - present Aug 2013 - present	Vice President (Finance & Accounting) Company Secretary	Regional Container Lines Pcl. / Maritime Transportation

Notes : \*4 managements were appointed on 29<sup>th</sup> January 2016

\*\*Mr.Sumate Tanthuwani and Mr.Twinchok Tanthuwani are father and son

Shareholding percentage is the percentage as at 31<sup>st</sup> December 2015

## Directors in Subsidiaries, Associated and Related Companies

Company Name	Directors									Executives	
	Jamlong Atikul	Sumate Tanhuwanit	Amornsuk Noparumpa	Tuangrat Kirtiputra	Hartwig Schulze Eckardt	Kua Hock Eng	Viset Choopiban	Sutep Tranantasin	Arpavadee Meekun-lam	Pornchai Vimolratana	Charlie Chu
<b>Regional Container Lines Public Company Limited</b>	X	//	/	/	//	//	/	//	/	-	-
<b>Subsidiary Companies</b>											
1. RCL Investment Pte. Ltd.	-	//	-	/	-	-	-	-	-	-	-
2. Regional Container Lines Pte. Ltd.	-	//	-	/	-	-	-	//	-	-	-
3. RCL Shipmanagement Pte. Ltd.	-	//	-	-	-	-	-	//	-	-	-
4. RCL Holdings Ltd.	-	//	-	-	-	-	/	-	-	-	-
5. RCL Services S.A.	-	//	-	/	-	/	-	-	-	-	-
6. RCL Feeder Pte. Ltd.	-	-	-	/	-	-	-	-	-	-	//
7. Regional Container Lines (H.K.) Limited	-	//	-	/	-	/	-	-	-	-	-
8. Asian Bulk Shipping Co., Ltd.	-	/	-	-	-	-	-	/	-	-	-
9. Regional Container Lines Shipping Co., Ltd.	-	/	-	/	-	X	-	/	-	/	-
10. RCL Logistics Co., Ltd.	-	/	-	-	-	-	-	/	-	/	-
11. RCL Agencies (M) Sdn. Bhd.	-	/	-	/	-	-	-	-	-	-	/
12. RCL Feeders Phils., Inc.	-	-	-	-	-	-	-	-	-	/	-
13. Regional Merchants Maritime Limited	-	X	-	/	-	/	-	/	-	-	-
14. Regional Merchants International Freight Forwarding Co., Ltd.	-	/	-	/	-	X	-	/	-	-	-
<b>Associated Companies</b>											
1. TIPS Co., Ltd.	-	/	-	-	-	-	-	/	-	-	-
2. RCL (Vietnam) Co., Ltd.	-	-	-	/	-	-	-	-	-	/	/
3. PT Daerah Indah Shipping	-	-	-	-	X	-	-	/	-	-	-
<b>Related Companies</b>											
1. Jurong Districentre Pte. Ltd.	-	-	-	-	-	-	-	-	-	-	/
2. NH Prosperity Co., Ltd.	-	/	-	-	-	-	-	-	-	-	-

Remark: X = Chairman / = Director // = Executive Director



## RCL Fleet Profile 2015

### SHIPS OWNED AND OPERATED

Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
Anan Bhum	Thai	1996	Singapore Shipbuilding & Engineering	13,825	1,018	19	2x40
Bani Bhum	Thai	1996	Singapore Shipbuilding & Engineering	13,825	1,018	19	2x40
Chana Bhum	S'pore	1996	Singapore Shipbuilding & Engineering	13,825	1,018	19	2x40
Danu Bhum	S'pore	1996	Singapore Shipbuilding & Engineering	13,825	1,018	19	2x40
Ganta Bhum	S'pore	1995	Mitsubishi Heavy Industries, Japan	18,196	1,094	20	-
Hunsa Bhum	S'pore	1995	Mitsubishi Heavy Industries, Japan	18,196	1,094	20	-
Isara Bhum	S'pore	2008	Murakami Hide Shipbuilding Co Ltd, Japan	12,200	1,088	7	-
Itha Bhum	Thai	1996	Mitsubishi Heavy Industries, Japan	21,813	1,324	19	-
Intra Bhum	Thai	2013	Daesun Shibuilding & Engineering Co. Ltd	12,750	958	2	-
Jitra Bhum	S'pore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	18	-
Kama Bhum	S'pore	1997	Mitsubishi Heavy Industries, Japan	21,813	1,324	18	-
Kiti Bhum	S'pore	1997	Miho Shipyard Co Ltd, Japan	10,908	865	18	2x40
Lila Bhum	S'pore	1997	Miho Shipyard Co Ltd, Japan	10,908	865	18	2x40
Mathu Bhum	S'pore	1990	Hanjin Shipbuilding Co Ltd, Korea	15,152	1,036	25	2x40
Methi Bhum	S'pore	2001	Mitsubishi Heavy Industries, Japan	11,655	928	14	-
Mitra Bhum	S'pore	2007	Jiangsu Eastern Shipyard, China	13,760	1,108	8	-
Nanta Bhum	Thai	1990	Hanjin Shipbuilding Co Ltd, Korea	15,161	1,036	25	2x40
Nawata Bhum (Resourceful)	S'pore	2008	Jiangsu Eastern Shipyard, China	13,760	1,108	7	-
Niithi Bhum	S'pore	2002	Mitsubishi Heavy Industries, Japan	11,655	928	13	-
Ora Bhum	S'pore	1997	Kyokuyo Shipyard Coporation, Japan	8,006	628	18	2x36
Otana Bhum	S'pore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	7	-
Panja Bhum	S'pore	2008	Jiangsu Eastern Heavy Industry, China	13,760	1,022	7	-
Pira Bhum	S'pore	1997	Kyokuyo Shipyard Coporation, Japan	7,988	628	18	2x36
Racha Bhum	S'pore	2008	Stocznia Gdynia, Gdynia, Poland	38,968	2,732	7	-
Ratha Bhum	Thai	1998	Kyokuyo Shipyard Coporation, Japan	8,018	628	17	2x36
Satha Bhum	S'pore	2009	Stocznia Gdynia, Gdynia, Poland	38,968	2,732	6	-
Siri Bhum	Thai	2013	Daesun Shibuilding & Engineering Co. Ltd	12,750	958	2	-
Supa Bhum	Thai	1998	Kyokuyo Shipyard Coporation, Japan	8,016	628	17	2x36
Uru Bhum	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	10	-
Vira Bhum	Thai	2005	Mitsubishi, Nagasaki Shipyard, Japan	31,805	2,598	10	-
Wana Bhum	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	10	-
Xetha Bhum	S'pore	1993	Hanjin Shipbuilding Co Ltd, Korea	15,301	1,098	22	2x40
Xutra Bhum	Thai	2005	Mitsubishi, Shimonoseki Shipyard, Japan	30,832	2,378	10	-
Yantra Bhum	S'pore	1993	Hanjin Shipbuilding Co Ltd, Korea	15,346	1,098	22	2x40
Yossa Bhum	S'pore	1994	Imabari Iwagi Shipyard, Japan	15,414	818	21	2x35
TOTAL OWN CAPACITY 44,096 TEUS							
Total 35 vessel with the average age of 15 years							

### SHIPS OPERATED ON CHARTERED

Name	Flag	Year Built	Shipyard	Deadweight	Designed Capacity	Age	Cargo Gear
Anu Bhum	Thai	2008	Qingtian Country Jianxing, Wenzhou, China	2,974	189	7	-
Thana Bhum	S'pore	2005	Jiangsu Yangzijiang Shipyard, China	24,279	1,858	10	-
Teera Bhum	S'pore	2005	Jiangsu Yangzijiang Shipyard, China	24,279	1,858	10	-
Ratana Thida	Thailand	1996	Mitsubishi Heavy Industries Ltd, Kobe Japan	18,195	1,128	19	-
RHL Constantia	Liberia	2013	Jiangnan Changxing Changxing Island (China)	58,026	4,620	2	-
H FYN	Germany	2003	Guangzhou Wenchong Huangpu (China)	20,367	1,581	12	-
Sinar Bromo	Panama	2009	Hakata Zosen, Hakata(Japan)	15,208	1,054	6	-
Hansa Rotenburg	Bahamas	2009	Guangzhou Wenchong	23 332	1,732	6	-
EM Andros	Liberia	2003	Naikai Zosen	33,216	2,450	12	-
Thea S.	Antigua	2002	Volkswerft	33,588	2,474	13	-
Natal	Liberia	2007	Hanjin Heavy Industries Co	44,233	3,388	8	-
Nordocelot	Malta	2014	Zhejiang Ouhua Shipbuilding	23,800	1,730	1	-
Diaporos	Liberia	2001	Hanjin Heavy Industries Co	80,238	6,627	14	-
Lobivia	Liberia	2001	Stocznia Gdynia	30,375	2,082	14	-
RCL FLEET CAPACITY 72,927 TEUS							

## *Chronicle of RCL*

### Incorporation

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

### Years of Pioneering and Going Public

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

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

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

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

### Regional Scale of Operation

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

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

### Years of Expansion 1990 – 1994

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

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

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

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

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

### Years of Asset Build – Up 1995 – 1998

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

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

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

: Joined with Mitsui O.S.K. Lines Ltd. to firstly start dry bulk shipping business.

### Years of Strengthening Service Network 2000 – 2004

: Launched E - commerce facility, namely BHUMNET.

: Extended service to West Asia and the Middle East.

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

: Regional Container Lines Shipping Company Limited, a subsidiary company established in Shanghai increased its registered capital to USD 1.6 million in setting up 5 branch offices in Qingdao, Tianjin, Xiamen, Guangzhou and Shenzhen to enhance market expansion in north and south PRC.

## Years of Investment in Assets and Subsidiaries 2005 - 2010

- : Took delivery of 13 newly built vessels from Japan, China and Poland.
- : Holding 100% interest in the RCL Feeders Phils., Inc., in Philippines.
- : Incorporating and holding 80% interest in Regional Merchants Maritime Ltd., in Hong Kong and Regional Merchants International Freight Forwarding Co., Ltd., in PRC to expand shipping and logistics business into North East Asia.
- : Incorporating and holding 49% in RCL (Vietnam) Co., Ltd., in Vietnam to expand shipping and logistics business into Indochina.
- : Raised registered capital in wholly owned subsidiary in Hong Kong, namely Regional Container Lines (H.K.) Co., Ltd. to HK\$ 20 million; and subsidiary in Thailand, namely RCL Logistics Co., Ltd. to Baht 5 million.
- : Holding 100% interest in RCL (Australia) Pty Ltd. to control agency business in Australia.
- : Incorporating and holding 85% interest in RCL (Korea) Ltd.; acquired another 15% interest for effective control and increased the registered capital from KRW 340 million to KRW 400 million in 2007 to expand the business in Korea.
- : Incorporating and holding 49% interest in PT Daerah Indah Shipping to expand the services in Indonesia.
- : Regional Container Lines Shipping Co., Ltd., a subsidiary company established in Shanghai increased its registered capital to USD 1.72 million in setting up its 6th branch office in Ningbo to enhance market expansion in PRC.
- : Changing of group holding structure in a subsidiary in China where RCL Feeder Pte. Ltd. (100% owned by the Company) hold 100% interest in Regional Container Lines Shipping Co., Ltd.
- : Regional Container Lines Shipping Co., Ltd., a subsidiary company in Shanghai increased its registered capital to USD 1.84 million in setting up its 7th branch office in Foshan to expand business operations into the West Bank of Pearl River Delta, PRC.
- : Changing of group holding structure from 85% to 100% direct holding in Regional Container Lines Pte. Ltd., a subsidiary in Singapore; and increased the registered capital from US\$ 24 million to US\$ 51.95 million.
- : Raised registered capital in a subsidiary in Singapore, namely RCL Feeder Pte Ltd. from US\$ 12.2 million to US\$ 32.7 million.
- : Raised registered capital from Baht 663 million to Baht 828.7 million.
- : Raised registered capital in a wholly owned subsidiary in Singapore, namely Regional Container Lines Pte. Ltd., from US\$ 51.95 million to US\$ 91.95 million to strengthen the financial position for overall group operational efficiency.
- : Raised registered capital in a subsidiary in Singapore, namely RCL Feeder Pte Ltd. from US\$ 32.7 million to US\$ 138.55 million for overall group operational efficiency.
- : Raised registered capital increase in a subsidiary in Malaysia, namely RCL Agencies (M) Sdn. Bhd. (100% owned by RCL Feeder Pte Ltd.) from RM 200,000 to RM 500,000 to support group business operation in Malaysia.

## Years of consolidation and systems enhancements 2011 - 2014

### Corporate

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

### Ship Management

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

### Human Resource

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

### IT

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

## Year of enhancement of the system 2015

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

## Subsidiaries, Associated and Related Companies

NAME OF COMPANY	GROUP EFFECTIVE CONTROL [%]		COUNTRY OF INCORPORATION /OPERATION	PRINCIPAL ACTIVITIES	CONTACT ADDRESS
	2015	2014			
Regional Container Lines Public Company Limited	--	--	Thailand	Ship operating, owning, related shipping activities and investment holding	30 <sup>th</sup> Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
RCL Investment Pte Ltd.	100	100	Singapore	Holding company	11 Keppel Road, 8 <sup>th</sup> Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760, 6229 2071
RCL Feeder Pte Ltd.	100	100	Singapore	Holding company, cargo consolidation and operating	11 Keppel Road, 8 <sup>th</sup> Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760, 6229 2071
Regional Container Lines Pte Ltd.	100	100	Singapore	Ship owning and operating	11 Keppel Road, 8 <sup>th</sup> Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760, 6229 2071
RCL Shipmanagement Pte Ltd.	100	100	Singapore	Ship management	11 Keppel Road, 8 <sup>th</sup> Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760, 6229 2071
RCL Holdings Ltd.	100	100	Singapore	Ship owning and operating	11 Keppel Road, 8 <sup>th</sup> Fl. ABI Plaza, Singapore 089057 Tel (65) 6220 0388 Fax (65) 6221 9760, 6229 2071
Regional Container Lines (H.K.) Ltd.	100	100	Hong Kong	Holding company, shipping agent and the provision of transportation and cargo handling services	11th Fl. No.9 Des Voeux Road West, Hong Kong Tel (852) 2526 3318 Fax (852) 2537 5463
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 4504
RCL Logistics Co., Ltd.	100	100	Thailand	Logistics services	13 <sup>th</sup> Fl. Panjathani Tower Bldg., 127/17 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1284-6 Fax (662) 296 1279
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
	2015	2014			
	RCL Services S.A.	100			
RCL Feeders Phils., Inc.	100	100	Philippines	Shipping agent	10 <sup>th</sup> Fl, Ayala Life-Fgu Centre 6811 Ayala Avenue, Makati City Philippines Tel (632) 815 3187 Fax (632) 815 2102
Regional Merchants International Freight Forwarding Co., Ltd	80	80	China	Freight forwarding, NVOCC and logistics services	803-804 Room, 8F, SEL BLDG., No. 258 Changle Rd., Eastern New City, Jiangdong District, Ningbo, China Postcode: 315040 Tel (86-574) 27872887 Fax (86-574) 27862525
Regional Merchants Maritime Limited	80	80	Hong Kong	Shipping and logistics services	11 <sup>th</sup> Fl. No 9 Des Voeux Road West, Hong Kong Tel (852) 2526 3318 Fax (852) 2537 5463
Asian Bulk Shipping Co., Ltd.	51	51	Thailand	Ship operating	30 <sup>th</sup> Fl. Panjathani Tower Bldg., 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 296 1096 Fax (662) 296 1098
RCL (Vietnam) Co., Ltd.	49	49	Vietnam	Shipping agent	Room 004-008, 147 Nguyen Tat Thanh Street, Dist. 4 Ho Chi Minh City, Vietnam Tel (848) 3825 9561 Fax (848) 38255391/ 3825 9560
PT Daerah Indah Shipping	49	49	Indonesia	Sea transportation and shipping agent	Plaza Sentral Building 6 <sup>th</sup> flr Jln. Jend. Sudirman Kav. 47 Jakarta, Indonesia Tel (62) 21 521 4808 Fax (62) 21 521 4801
TIPS Co., Ltd.	22.22	22.22	Thailand	Terminal operating	29 <sup>th</sup> Fl. Panjathani Tower Bldg., 127/34 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok, Thailand Tel (662) 633 5400 Fax (662) 633 5444
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
NH Prosperity Co., Ltd.	4.28	4.28	Thailand	Inland container depot operating	106 Moo 6 Bangkok-Chonburi Intercity Motorway, Tubyao, Ladkrabang, Bangkok, Thailand Tel (662) 737 4561-9 Fax (662) 737 4551-2

## REGIONAL OFFICES AND AGENTS

COUNTRY	CITY	COMPANY	TELEPHONE	FAX
BANGLADESH	Chittagong	Integrated Transportation Services Limited (ITSL)	(880) 31 713 147	(880) 31 710 847
CAMBODIA	Phnom Phen	Arrow Shipping Agency Co., Ltd.*	(85523) 880 241/ 242	(85523) 885 706 / 607
CHINA	Fangcheng	China Ocean Shipping Agency Fangcheng	(86770) 2822556	(86770) 6102204
	Foshan	Regional Container Lines Shipping Co., Ltd.	(86757) 2661 2918	(86757) 2661 1803
	Guangzhou	Regional Container Lines Shipping Co., Ltd.	(8620) 8363 3236	(8620) 8363 4004
	Ningbo	Regional Merchants International Freight Forwarding Co.,Ltd.	(86574) 2787 2887	(86574) 2786 2525
	Ningbo	Regional Container Lines Shipping Co., Ltd.	(86574) 2787 2882	(86574) 2786 2525
	Qingdao	Regional Container Lines Shipping Co., Ltd.	(86532) 8668 5577	(86532) 8668 1966
	Shanghai	Regional Merchants International Freight Forwarding Co.,Ltd.	(8621) 6132 4650	(8621) 5385 2808
	Shanghai	Regional Container Lines Shipping Co., Ltd.	(8621) 6132 4500	(8621) 6132 4506
	Shenzhen	Regional Container Lines Shipping Co., Ltd.	(86755) 2518 1150	(86755) 2518 1572
	Shenzhen	Regional Merchants International Freight Forwarding Co.,Ltd. Shenzhen Branch	(86755) 2518 1150	(86755) 2518 1495
	Tianjin	Regional Container Lines Shipping Co., Ltd.	(8622) 6032 8670 - 1	(8622) 6032 8691-2
	Xiamen	Regional Container Lines Shipping Co., Ltd.	(86592) 239 8011	(86592) 239 8001-2
HONG KONG	Hong Kong	Regional Container Lines (H.K.) Limited	(852) 2526 3318	(852) 2537 5463
INDIA	Chennai	Chakiat Shipping Services Pvt. Ltd.	91 4442961600	91 44 25223241
	Mumbai	Maritime Services Pvt. Ltd.	(9122) 2262 1181	(9122) 2262 0579
	Pipavav	Maritime Services Pvt. Ltd.	(91 2794) 286186	(91 2794) 286186
	Tuticorin	Chakiat Shipping Services Pvt. Ltd.	(91 461) 425 2680	(91 461) 425 2581
	Cochin	Chakiat Shipping Services Pvt. Ltd.	(91 484) 266 2166	(91 484) 266 8085
	Kolkata	Chakiat Shipping Services Pvt. Ltd.	(91 33) 3052 7058-59	(91 33) 3052 7064-65
	Vizag	Chakiat Shipping Services Pvt. Ltd.	(91 891) 4546 444	(91 891) 4546 455
INDONESIA	Jakarta	PT Bhum Mulia Prima	(6221) 521 4808	(6221) 521 4801-2
	Belawan (Port) Office	PT Bintika Bangunusa	(6261) 694 2149	(6261) 694 0753
	Medan	PT Bintika Bangunusa	(6261) 845 5883	(6261) 846 2909
	Semarang	PT Bhum Mulia Prima	(6224) 841 0171	(6224) 845 3980
	Surabaya	PT Bhum Mulia Prima	(6231) 534 3998	(6231) 534 3993
JAPAN	Kobe	Mitsui Soko Co., Ltd.	(8178) 232 2285	(8178) 232 2352
	Nagoya (Chubu Branch)	Mitsui Soko Co., Ltd.	(8152) 972 0633	(8152) 972 0646
	Tokyo	Mitsui Soko Co., Ltd.	(813) 6400 8181	(813) 6880 9904
	Yokohama	Mitsui Soko Co., Ltd.	(8145) 201 6902	(8145) 201 3039
KOREA	Pusan	Chun Jee Shipping Co., Ltd	(8251) 468 2937	(8251) 468 6791
	Seoul	Chun Jee Shipping Co., Ltd	(822) 3455 1606	(822) 3455 1600
KUWAIT	Safat	Al Kazemi International General Trading & Contracting Group Co. WLL.	(965) 2573 3870-2	(965) 2573 3864
MALAYSIA	Singapore	Geniki Shipping Pte Ltd as agents for Regional Container Lines in East Malaysia	(65) 6327 1788	(65) 6327 1588
	Bintulu	Trans East Shipping Sdn Bhd.	(60) 86 317298	(60) 86 333525
	Kuching	Trans East Shipping Sdn Bhd.	(60) 82 489779	(60) 82 483135
	Kota Kinabalu	Trans East Shipping Sdn Bhd.	(60) 88 253566	(60) 88 262566
	Johore Bahru/Pasir Gudang	RCL Agencies (M) Sdn. Bhd.	(607) 255 2388	(607) 254 1288
	Penang	RCL Agencies (M) Sdn. Bhd.	(604) 370 2666	(604) 370 2233
	Port Klang	RCL Agencies (M) Sdn. Bhd.	(603) 334 22722	(603) 334 22871
	Kuantan	Liraship Agency Sdn. Bhd.	(09) 566 8936	(09) 566 9711
MYANMAR	Yan Gon	Tangent Marine Services Company Limited	(959) 861 2023	(951) 256 776
PAKISTAN	Karachi	United Marine Agencies (Pvt.) Ltd.	(9221) 111111862	(9221) 35147951
PHILIPPINES	Cebu	Eagle Express Lines, Inc.	(6332) 414 3814	(6332) 420 2366
	Manila	RCL Feeders Phils., Inc.	(632) 815 3187	(632) 815 2102
SAUDI ARABIA	Dammam	Gulf Shipping Co., Ltd.	(9663) 835 2777	(9663) 835 5365
SINGAPORE	Singapore	RCL Feeder Pte. Ltd.	(65) 6220 0388	(65) 6229 2677
SRI LANKA	Colombo	Delmege Forsyth & Co (Shipping) Ltd.	(9411) 772 9530	(9411) 772 9556
TAIWAN	Taipei	Grand Maritime Transport Ltd.	(8862) 2547 1786	(8862) 2547 3063
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
	Laern 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) 355 3100	(9714) 355 6806
VIETNAM	Ho Chi Minh	RCL (Vietnam) Co., Ltd.	(848) 3825 9561	(848) 3825 9560
	Hai Phong	VNT Logistics Haiphong as agent for Regional Container Lines	(8431) 3629 139	(8431) 3629 442

Note: \*Change from Feeder Shipping Agency Co., Ltd. to Arrow shipping Agency Co., Ltd. as at 1<sup>st</sup> March 2016

## *Nature of Business Operation*

### Vision and Mission

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 Integrity/Loyalty, Results Orientation, Customer Focus, Teamwork and Accountability to achieve this mission.

The Group's vision is "To be a trusted, leading and efficient container carrier and logistics provider with quality services in Asia through contribution from committed staff with passion and innovation"

### 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 Subcontinent and Middle East.

### Success

The Group is currently ranked 29th amongst the world container shipping operators and recognized as amongst the top regional operators by leading industrial publications.

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

- Maintaining its position as a market leader in the region.
- 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.

### 1. Business Activities

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

The Group currently operates a fleet of 49 vessels with sizes ranging from 200 TEUs to 7,000 TEUs. This range of vessel sizes is tailored-made for servicing the regional trades. To cater for the COC activity in 2015, the Group owns and operates an average container box fleet of 76,000 TEUs. A network of 64 offices comprising of both owned-offices and agency representations supports the direct links with RCL customers.

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



## Lines of Business

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

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

Such "hub and spoke" activities form a significant part of RCL's SOC business. Currently RCL offers feeder services for hub ports at Singapore, Hong Kong and Dubai.

In addition, RCL operates its own COC business. Currently we manage a container box fleet in excess of 76,000 TEUs. These boxes are offered directly to exporters and importers to load for transportation in the trading lanes that RCL serves. RCL's COC business has expanded since its beginning in the early nineties and the group has experienced consecutive annual significant growths for the past few years.

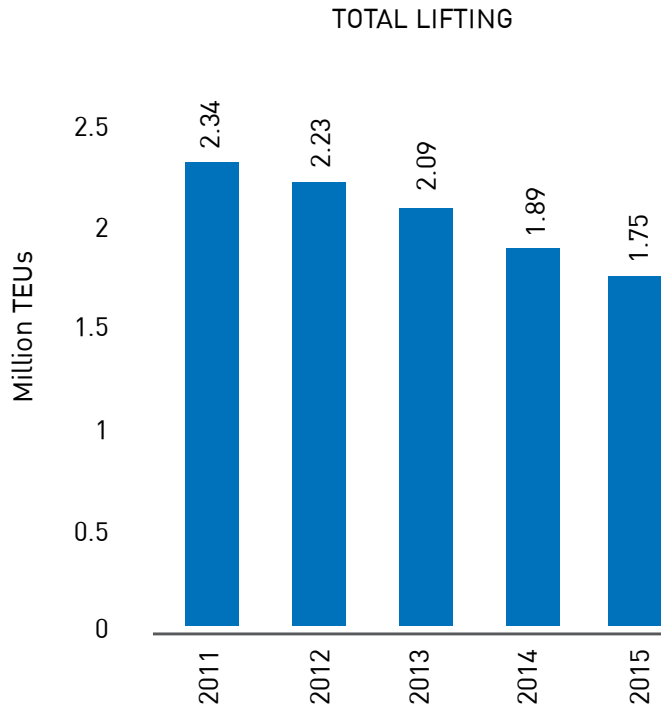
The Value-added logistic services grew steadily over the past few years. This business unit offers services ranging from the basics in custom house brokerage and domestic haulage to contract logistics arrangements including inventory management and cross country haulage and to multi country supply chain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

## Total Liftings

2015 continued to be a challenging year for the shipping industry with higher capacities growth. This is inevitable as carriers strive to achieve lower unit cost by capitalizing through the economies of large scale vessels. The constant gap of supply outpacing demand resulted in a stagnated freight throughout 2015.

RCL total lifting was reduced by 7.5% with utilization ratio at 108%

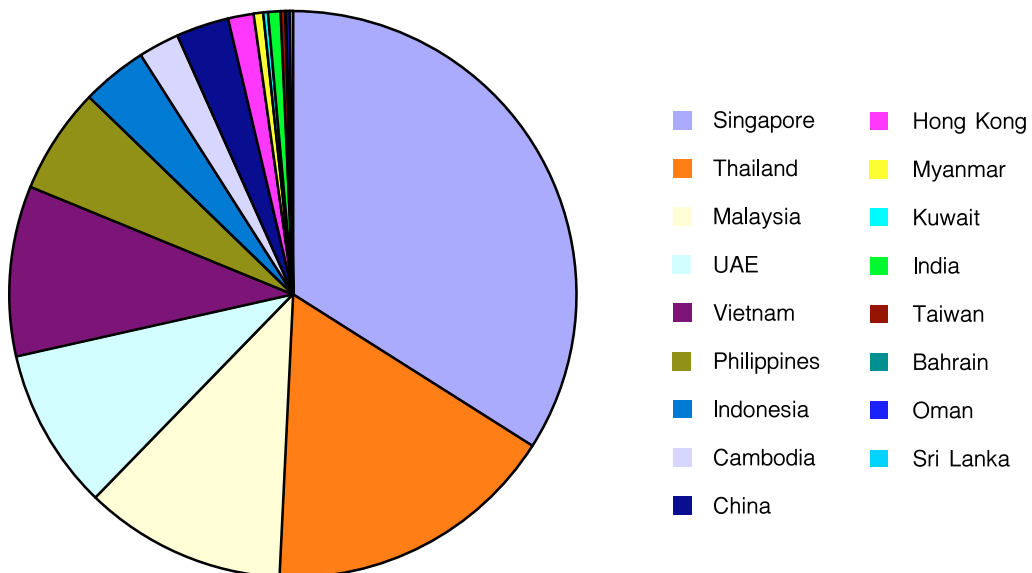
	2011	2012	2013	2014	2015
Total Liftings (TEUs)	2,338,756	2,233,642	2,088,872	1,894,397	1,752,133
Growth (%)	-7.3%	-4.5%	-6.5%	-9.3%	-7.5%
COC Volume (TEUs)	1,219,633	1,114,414	1,057,348	956,422	954,786
Growth (%)	-9.5%	-8.6%	-5.1%	-9.5%	-0.2%
SOC Volume (TEUs)	1,119,123	1,119,228	1,031,524	937,975	797,347
Growth (%)	-4.7%	0.01%	-7.84%	-9.1%	-15.0%



### Trade Composition

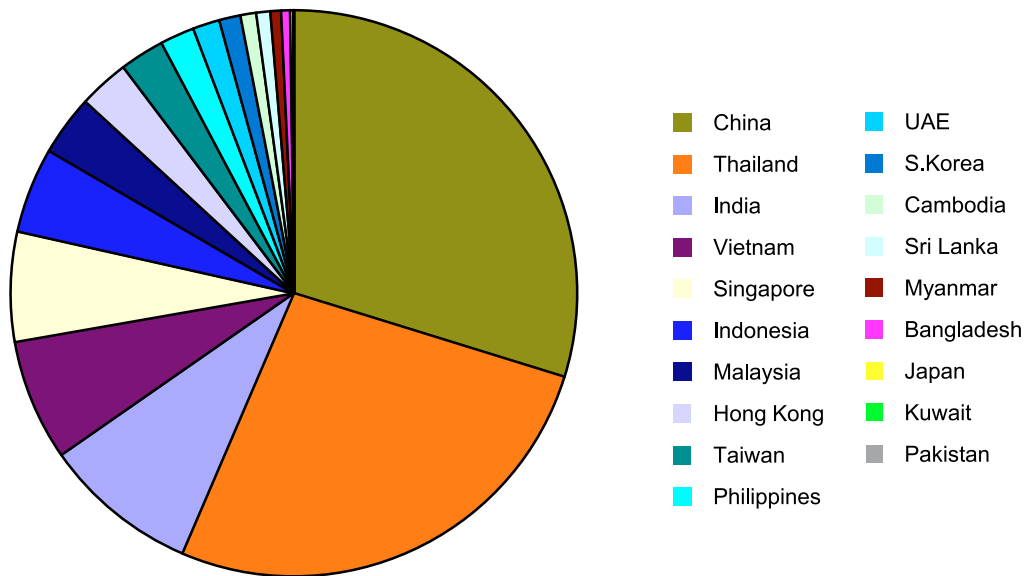
For SOC, the transshipment hub ports activities continued to be concentrated at Singapore and Dubai Feeder cargo was moved between neighboring ports and these hub ports. In addition RCL also moved SOC boxes between ports within and across the five Regions. Figure 1 shows the SOC volume composition by origin ports of loading.

SOC VOLUME COMPOSITION  
(Figure 1)



For COC, the top three export areas of PRC, Thailand and India made up almost 65% of the volume composition.

COC VOLUME COMPOSITION  
(Figure 2)



### Capacity, Network and Fleet Deployment

In 2015, RCL operated 49 container vessels. Of the 49 vessels operated, 35 vessels were owned whilst 14 were chartered in for various term periods.

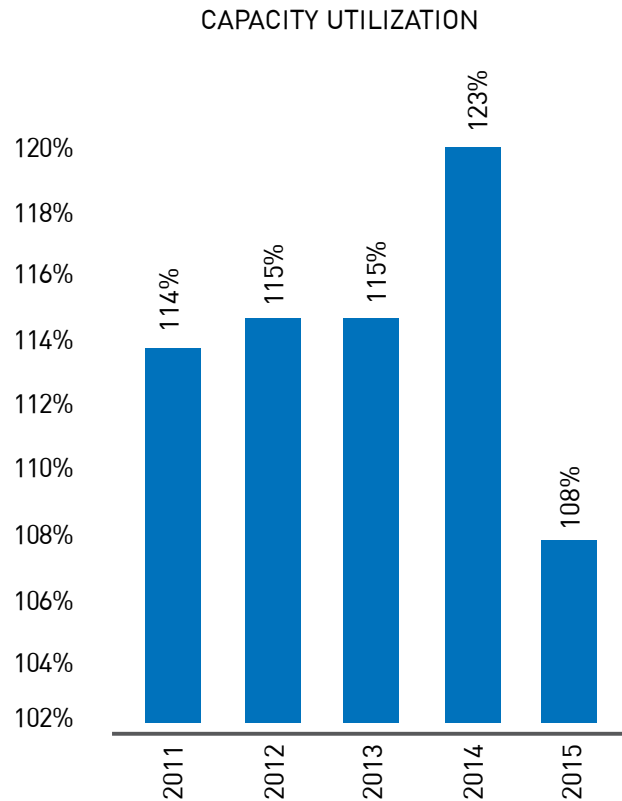
The group in 2015 continued to cautiously balance the fleet deployment with a strategic mix of owned versus chartered ratio. The flexibility allowed RCL in achieving unit cost savings and meeting incremental demand in selective trade lanes.

The average utilization factor for 2015 was 108%, which was lower than 2014 due to capacity over supply and weaker demand on SOC in the market.

### Fleet Composition and Deployment

RCL's Fleet Composition (nominal capacity)	As of 2015 Dec			As of 2014 Dec		
	Number of vessels	Capacity [TEUs]	%	Number of vessels	Capacity [TEUs]	%
Owned	35	43,996	56	35	44,056	59
Chartered	14	32,737	42	15	30,084	40
Space Purchase		1,345	2		710	1
Number of vessels operating	49	78,078	100	50	74,850	100

RCL deploys its fleet across its five 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, North East Asia, South East Asia, Indian Sub-Continent and Middle East with each other through its main trunk services.

In addition, secondary services within regions and between regions are also available to complement the main trunk services. In total RCL operates 27 services independently and collaboratively through joint services and slot exchanges and slot ownerships.

### เส้นทางเดินเรือหลักและความถี่ของการให้บริการ ณ เดือนธันวาคม 2558

No.	Trading Routes	Service	Days per round
1	Singapore-Sihanoukville-Songkhla-Singapore	RSZ5	7
2	Bangkok (PAT)-Laemchabang-Ningbo-Shanghai-Shekou-Sihanoukville-Bangkok (PAT)	RBC2	21
3	Jebel Ali-Irbsr Persian-Bushehr-Jebel Ali	RGF12	8
4	Bangkok (PAT)-Bangkok (TPT)-Laemchabang-Vietnam (CLI)-Ningbo-Shanghai-Laemchabang-Bangkok (PAT)	RBC13	21
5	Singapore-Haiphong-Qinzhou-Hong Kong-Singapore	RHF1	21
6	Singapore-Bangkok (PAT)-Singapore-Belawn-Portklang(Wp)Singapore	RTB	14
7	Songkhla-Hong Kong-Haiphong-Hong Kong-Keelung-Taichung-Hong Kong-Sihanoukville-Songkhla	RSK	21
8	Songkhla-Hong Kong-Haiphong-Hong Kong-Keelung-Taichung-Hong Kong-Sihanoukville-Songkhla	RSK	21
9	Songkhla-Hong Kong-Haiphong-Hong Kong-Keelung-Taichung-Hong Kong-Sihanoukville-Songkhla	RSK	21
10	Laemchabang-Manila-Cat Lai-Laemchabang	RTM7	14

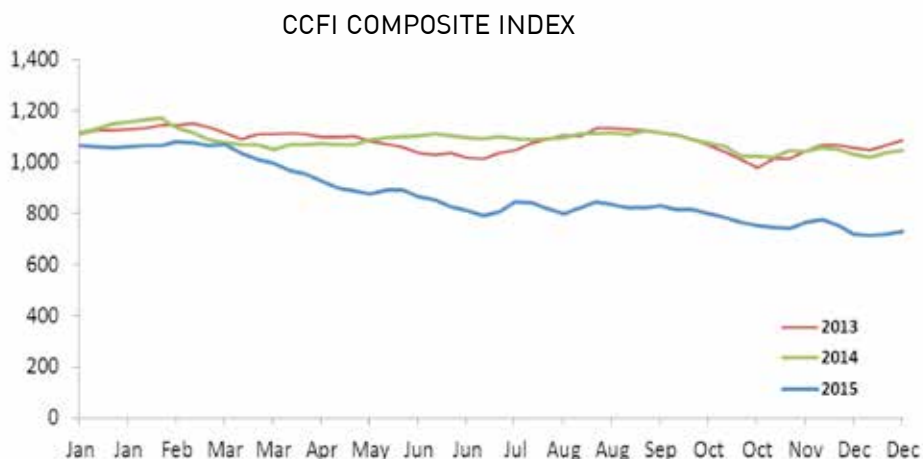
No.	Trading Routes	Service	Days per round
11	Singapore-Portklang (Np)-Portklang (Wp) - Penang - Portklang (Wp)-Singapore	RMS10	7
12	Bangkok (TPT)-Singapore-Yangon-Portklang(Np)-Singapore-Bangkok (TPT)	RTY	21
13	Singapore-Haiphong-Qinzhou-Hong Kong-Singapore	RHF1	21
14	Bangkok (TPT)-Singapore-Yangon-Portklang(Np)-Singapore-Bangkok (TPT)	RTY	21
15	Incheon-Qingdao-Shanghai-Shekou-Ho Chi Minh(CLI)-Laemchabang-Ho Chi Minh(CLI)-Hong Kong-Chekou-InCheon	RCT	28
16	Singapore-Laemchabang-Singapore	RTS11	7
17	Singapore-Pasirgudung-Singapore-Palembang-Singapore	RPS5	7
18	Pusan-Shanghai-Ningbo-Shekou-Singapore-Portklang-Colombo-Cochin-Nhava Sheva-Mundra-Jeble Ali-Cochin-Portklang-Hongkong-Pusan	RIM2	49
19	Jakarta (1)-Singapore-Laemchabang-Singapore-JaKarta(1)	RTI9	14
20	Singapore-Cebu-General Santos-Davao Mindanao-Singapore	RSP4	14
21	Singapore-Vietnam (CLI)-Vietnam (VIC)-Haiphong-Singapore	RHS8	7
22	Laemchabang-Singapore-Portklang (Wp)-Portklang (Np)-Chennai-Visasakhapatnam-Penang-Portklang (Wp)-Portklang (Np)-Singapore-Lamchabang	RMB5	28
23	Singapore-Patangas-Manila(N)-Cebu-Singapore	RMN9	14
24	Bangkok (PAT)-Bangkok (TPT)-Laemchabang-Vietnam (CLI)-Ningbo-Shanghai-Laemchabang-Bangkok (PAT)	RBC13	21
25	Jebel Ali-Irbsr Persian-Bushehr-Jebel Ali	RGF12	8
26	Shanghai-Ningbo-Xiamen-Hong Kong-Singapore-Colombo-Nhava Sheva-Pipavav-Port Klang-Singapore-Hong Kong-Shanghai	RKI7	42
27	Bangkok (PAT)-Laemchabang-Haiphong-Hong Kong-Shekou-Bangkok (TPT)	RBH4	14

## Industrial Environment

Various social and economic factors played an influential role within Asia's shipping environment in 2015 - notably, the weaker economic growth in 2nd half of 2015 and a drastic drop in the price of oil. Both factors had major impact on the global buying power.

Rate deterioration in all business sectors remained a big concern which unfortunately offset the relentless efforts of cost reduction initiatives in 2015. However, other efforts resulted in rate stability with marginal gains in some niche sectors.

The China Containerised Freight Index (CCFI) average at 875 points in 2015, or translated to a 19.3% loss against 2014.



Source : Chineseshipping Net

Overcapacity in 2015 continues to widen and remains a key obstacle for the industry to have any measure of realistic rate restoration.

As of end December 2015, the world fleet of containerships hit a record of 5,162 vessels with a total capacity of 19.4 million teus. Total capacity grew by around 7.8% compared to 2014. Demand, on the other hand, grew by only 1.3% versus 5.4% in 2014.

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

Size range	In service		On order 2016			On order 2017		
	No	TEU	No	TEU	%	No	TEU	%
0 - 499	321	83,339	5	1,800	2%	-	-	0%
500 - 999	691	525,105	4	2,931	1%	-	-	0%
1,000 - 2,999	1,861	3,356,933	80	154,329	5%	111	228,122	7%
3,000 - 4,999	923	3,815,006	8	31,700	1%	20	71,136	2%
5,000 - 7,499	628	3,785,676	-	-	0%	8	42,400	1%
7,500 - 9,999	424	3,678,143	33	302,728	8%	6	56,400	2%
10,000 - 12,999	99	1,067,246	16	164,020	15%	34	381,600	36%
13,000 - 15,999	169	2,290,164	23	325,000		51	722,250	
Over 16,000	46	832,499	13	246,443	-	55	1,107,980	-
<b>Total</b>	<b>5,162</b>	<b>19,434,111</b>	<b>182</b>	<b>1,228,951</b>	<b>6%</b>	<b>285</b>	<b>2,609,888</b>	<b>13%</b>

Source: Containerisation International, December 2015

### Market Outlook for Container Activity

The International Monetary Fund (IMF) has forecasted global activity and world trade to pick up in 2016. Global growth is projected to increase from 2.6% in 2015 to 3.4% in 2016 and 4.1% in 2017.

		2014	2015	Projections	
				2016	2017
GDP Growth**	World	3.4	3.1	3.4	3.6
	United States	2.4	2.5	2.6	2.6
	Euro Area	0.9	1.5	1.7	1.7
	Developing Asia	6.8	6.6	6.3	6.2
	China	7.3	6.9	6.3	6.0
	Asean 5	4.6	4.7	4.8	5.1
	India	7.3	7.3	7.5	7.5
World Trade Volume** (goods and services)		3.4	2.6	3.4	4.1

\*\* Above figures are represented in percentage

Asean 5: Indonesia, Malaysia, Philippines, Thailand and Vietnam

Source: IMF, World Economic Outlook, January 2016

On the container industry side, demand growth in 2016 is expected to strengthen to 3.7% on the back of a slightly improving global economy.

	Actual		Forecast	
	2014	2015	2015	2016
<b>Global container demand growth</b>	<b>5.3%</b>	<b>1.3%</b>	<b>1.6%</b>	<b>4.1%</b>
<b>Global capacity</b> (Numbers in million teus):				
Existing fleet at beginning of the year	17.29	18.36	19.79	20.67
Deliveries (actual)/Orderbook (forecast)	1.47	1.60	1.23	2.61
Estimate Deferrals			0.15	0.15
Demolition	0.39	0.17	0.20	0.30
Net capacity increase (deliveries less scrape)	1.08	1.43	0.88	2.16
Fleet at end of the year	18.4	19.8	20.7	22.8
<b>Net capacity growth</b>	<b>6.2%</b>	<b>7.8%</b>	<b>4.4%</b>	<b>10.5%</b>

Source: Vessels order book - Containerisation International, Clarkson

World GDP growth - World Bank

Container trade growth - Alphaliner, Clarkson

On the supply side, capacity growth is expected to grow in 2016 by 4.4%.

The capacity growth continues into 2016 with deployments of large sized vessels confining to Asia — Europe /US routes. There remains a sectorial limitation of vessels size growth within key traditional consumer markets of Intra-Asia lanes.

While the capacity growth is skewed towards Asia to Europe/ US, the demand growth is skewed towards the wider Asia clusters. Hence the Intra- Asia lanes will see a narrower demand and supply growth ratio than the rest of the world.

## 2. Breakdown of 2015 Revenues

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

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

Relentless decline in global trade demand coupled with oversupply in capacity continued to add pressure on freight rates in shipping market. The decreased of bunker price also remained a crucial factor for the market strategy of shipping industry. Similar to all other container carriers in the industry, the slowdown in global growth and freight rates were persistent challenges to RCL. The Group inevitably had to face stiff market competition and our strategy was to focus on service optimization, unit cost reduction and cargo mix enhancement.

### Income Classified by Nature of Activities

In 2015, COC services accounted for 54% of the total volume, around 46% of the total freight income for the whole RCL Group. SOC accounted for 46% of volume with 54% of freight income.

### Breakdown of Total Income by Geographical Location

Freight income	2015	%	2014	%	2013	%	2012	%	2011	%
Thailand	1,178	9.91	1,089	8.18	922	7.03	987	7.29	1,238	9.05
Singapore	11,741	98.81	13,334	100.15	13,500	102.96	14,426	106.48	15,186	110.98
Hong Kong	392	3.30	623	4.68	413	3.15	413	3.05	485	3.54
(Elimination of inter-company transactions)	-1,429	-12.03	-1,732	-13.01	-1,723	-13.14	-2,278	-16.81	-3,225	-23.57
Total Freight Income	11,882	100	13,314	100	13,112	100	13,548	100	13,684	100

### Breakdown of Total Income by the Company and its Subsidiaries

Freight income	2015	2014	2013	2012	2011
	฿ million	฿ million	฿ million	฿ million	฿ million
Regional Container Lines Public Company Limited	998	890	705	703	996
<b>Subsidiary companies operating in Singapore</b>	<b>US\$ million</b>	<b>US\$ million</b>	<b>US\$ million</b>	<b>US\$ million</b>	<b>US\$ million</b>
Regional Container Lines Pte. Ltd.	58.1	58.3	45.3	48.4	69.2
RCL Feeder Pte. Ltd.	283.7	344.8	382.6	407.4	420.0
<b>Subsidiary company operating in Hong Kong</b>	<b>HK\$ million</b>	<b>HK\$ million</b>	<b>HK\$ million</b>	<b>HK\$ million</b>	<b>HK\$ million</b>
Regional Container Lines (H.K.) Limited	22.4	45.4	25.6	20.8	18.1

## 3. Logistics

Despite an improvement in 2014, RCL Logistics was again faced with another difficult year in 2015 due to high operating cost, but managed to turn around in the second half.

Besides an achievement in securing one new account under contract at the end of the year, our Business Development Unit has also managed to develop more value-added services (VAS) customers as well as collaborating with reliable overseas forwarders to represent and support their business to and from Thailand.



Another challenge which RCL Logistics anticipated and has overcome with ease during the year, was the success in renewing service contracts which were expiring for those customers under contract logistics group. Rather than pursuing new contracts through rate reductions, our approach and emphasis were more on cost and work efficiency improvements, in addition to our strong values which are well recognized by customers in terms of quality and service reliability. Furthermore, new strategy was adopted in our operational procedures to further improve overall performance.

Meantime, for the newly secured key service contract client, their scope of works will strengthen our team with new exposure and experience in wider range of services required, which will equip us in capturing more business opportunities in the future too.

In IT aspects, it has been through the co-operation of our affiliates that we managed to complete phase one of e-tracking system for customers. This feature enables them to trace/check historical records of each shipment proper. Phase two is in process under joint consultation with customers to ensure a good fit for theirs and our requirements. Currently, DCS and SAP system are under development. Nonetheless, more focus and effort would be put in placed next year to ensure that these projects are back on track as it is crucial for RCL Logistics to shift towards a more systematic work and control environment in order to stay competitive in this ever changing market.

Overall 2015, was recorded as a good year for the fact that we could handle and provide our services to customers, smoothly and without any single mishap/accident nor claim. In addition, RCL Logistics also passed the annual audit and has attained its ISO9001 certification for yet another year.

## 4. Major Developments during 2015

### 4.1 Human Resource

#### a) Employees

	Employee Data	
	31 Dec 2014	31 Dec 2015
<b>Employees by country</b>		
Thailand	223	245
Singapore	130	131
China	168	173
Hong Kong	43	37
Australia	4	0
Malaysia	48	51
Indonesia	49	45
Philippines	32	33
Vietnam	34	35
Cambodia	16	16
India	1	1
<b>Total</b>	<b>748</b>	<b>767</b>

	31 Dec 2014	31 Dec 2015
<b>Employees by corporate function</b>		
Management	7	7
Business	55	62
Support	239	250
Agency	334	335
Operations	72	73
Logistics	41	40
<b>Total</b>	<b>748</b>	<b>767</b>

As at 31 December 2015, RCL Group had 767 employees on permanent contracts in all regions, excluding part-time employees on temporary and relief assignments. Compared with 748 employees in 2014, there was an increase of 2.54% (19 employees) from the previous year.

b) Reshuffle of headcount

The regrouping of RCL Bangkok's Cost Verification from Ship Operations to Equipment Operating Management (EOM) had also resulted in an increase of headcount.

RCL Bangkok and Singapore's business units were restructured in July 2015. Cargo flow, sales and marketing products were re-grouped into Liner, Feeder and Marketing Departments.

c) Employee

As at end 2015, 62 employees (2014: 55) were in business function. Operations had 73 employees (2014:72) and Logistics had 40 employees (2014: 41); with RCL agencies having 335 employees (2014: 334) within the Group's network. The remaining management and support staff worked mainly in the management team and the corporate support departments located in Bangkok, Singapore, Shanghai and Hong Kong.

Salary and manpower expenses decreased by 7.58% in 2015 to USD21.4 million (2014: USD23.1 million) by doing organization and process improvement

d) Value at Work

The Group continues to achieve and live by our 5 core values - Integrity/Loyalty, Results Orientation, Customer Focus, Teamwork and Accountability. Our values shape our culture, and help us develop, grow, and better serve our client, employees and other stakeholders.

RCL strongly benefits from having multicultural, well-informed and target-oriented employees who are responsive to the needs of other colleagues, clients and the environment. The purpose is to create and maintain an attractive and professionally stimulating work environment. All of this adds to a supportive working community that values professionalism and best practices.

e) Career, Training and Development

HR is enhanced to a business partner role by embarking on several initiatives to serve the company's corporate goals. The HR Road Map is developed to ensure a systematic and continued people development framework.

The initiative to value-add our workforce through training, job rotation or job enlargement etc has derived benefits such as higher company productivity, retention of better-trained and qualified employees to meet the challenges.

The key areas of focus were performance management, talent and leadership development, which involved initiatives on talent acquisition, overseas assignment and leadership-skills development for career progression.

Learning opportunities namely, on-the-job and in-house training were provided with the aim of building employee capacity to deliver services, meet strategic needs and align with our values and overall mission.

#### **4.2 Regions - Development**

##### **a) Geographical Offices**

For 2015, the Group maintained its existing number of geographical offices.

##### **b) Service Rationalization**

In 2015, RCL successfully realized lowered unit cost for several of our key services. This was achieved by capitalizing economy of scale rationalization with strategic consortium partnership. Services include our Asia to India, China to Indochina and various feeders' services in SE Asia were fine tuned in anticipation of the changes in trade conditions.

Service variety increased with three dedicated services in Intra ASEAN and one dedicated service from Asia to Middle East.

#### **4.3 Biz - Technology**

Whilst 2014 saw deployment in our SAP solution to our subsidiaries, 2015 focus was on enhancement of the system to integrate with local government of each location, such as authorized Chinese government accounting system. With the completion of this integration, data-transfer errors will be reduced. Information and requirements will also be aligned with those of local authorities.

The Group also implemented a new commercial module called 'Sale Lead'. This module helps to provide communication opportunities for our sales team in RCL network, to seek out more new customers who are in other locations. Sales Lead serves as a support for the accuracy in lifting forecast, which is a useful tool for RCL's marketing strategy. In addition, many carriers including RCL currently manage their own revenue and cost through slot agreements with their carrier partners, in order to mitigate business risks due to the global economic crisis.

Another new system, the 'Slot Management System' also deployed to support slot agreements business of the Group, currently applies to specific partners and is expected to cover all partners by 2016.

While the Group put in every effort to increase revenue, the cost control is also carried out concurrently. Maintenance and Repair System was also rolled out to manage the physical container maintenance and repair cost. This system will fulfil data flow requirements from the beginning to the end of the operation processes, as well as capture the overall cost.

#### **4.4 Ship Management**

##### **Compliance with Mandatory Low Sulphur Fuel Regulations :**

The Hong Kong Government Environmental Protection Department has implemented restrictions on burning fuel oil whilst berthed alongside within the port limits of Hong Kong.

The Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation has become mandatory since 1st July 2015. It requires ocean going vessels (OGV) to use compliant fuel i.e. low sulphur fuel with sulphur content not exceeding 0.50% by weight, liquefied natural gas and any other fuels approved by the Director of Environmental Protection while at berth in Hong Kong, except during the first hour after arrival and the last hour before departure, so as to reduce sulphur dioxide (SO<sub>2</sub>) emissions. The masters are required to record the date and time of fuel switching and keep the relevant records for three years. If an OGV uses technology that can achieve the same or less emission of SO<sub>2</sub> as compared with using low sulphur marine fuel, the OGV may be exempted from switching to compliant fuel.

On December 4th 2015, the Chinese Ministry of Transportation published new regulations designating parts of its coastal waters as emission control areas (ECA). Due to the growing recognition of how shipping contributes to air pollution along the coast, ships, including OGV which operate in areas near the Pearl River Delta, Yangtze River Delta and the Bohai Sea will be obliged to use fuel containing less than 0.5% sulphur from January 1st 2019.

China has published new regulations designating three areas as sulphur control areas effective January 1st 2019. Eleven key ports are allowed to impose requirements for fuel burned at berth as early as January 1st 2016 - four will do so from April 1st. Mandatory port requirements will go into force on January 1st 2017 for these eleven key ports within the designated areas. From January 1st 2018, it will be extended to cover all remaining ports in the sea areas.

Doing our part in environmental protection, RCL Shipmanagement has given specific instructions to our masters to comply strictly with these regulations.

Electronic Chart Display and Information System (ECDIS) : As per SOLAS Chapter V regulation 19, installation of ECDIS on board including ship masters and deck officers are required to receive training and hold valid ECDIS certificates. The training includes generic and type specific ECDIS training.

In 2014 onward, RCL Shipmanagement encouraged all masters and deck officers in the fleet to pursue ECDIS training course. Currently, most of them hold ECDIS generic training certificates which were issued by recognized training institutes.

For 2015 - 2017, our ship management division plans to install ECDIS on board vessels. Therefore, prior to equipment installation, the manufacturer(s) will provide type specific ECDIS training and issue certificates to users.

**Ballast Water Management (BWM) Convention :** The convention will come into effect 12 months after 30 countries representing a combined total gross tonnage of more than 35% of the world's merchant fleet have ratified it. Currently 47 countries representing a combined tonnage of 34.56% of the world's merchant fleet have ratified their BWM systems as of 18 January 2016. Latest countries to join this regime were Indonesia and Ghana in November 2015.

From 2015 onward, RCL Shipmanagement continues to study and prepare for ballast water management practices and cost-effective BWM technology for installation on existing ships.

The Standards of Training, Certification & Watchkeeping (STCW) Convention & Code 2010 Manila Amendments : The Manila amendments to the STCW Convention and Code were adopted on 25 June 2010, marking a major revision of the STCW Convention and Code. The 2010 amendments came into force on 1 January 2012 under the tacit acceptance procedure and aimed at bringing the Convention and Code up to date with developments since they were initially adopted.

RCL's ship management division requires our crew to renew their certificates of competency and to attend additional professional training courses. It is in our work plan to develop such training courses and to ensure that all our crew members hold such valid certifications within the end of 2016

**Vessel Operations Performance System (VOPS) :** In January 2015 RCL introduced and during mid 2015 we commenced installations of VOPS onboard our vessels. This is a data base web driven application designed for productivity and performance monitoring on fuel cost savings and efficiency improvement, was successfully completed in Dec 2015.

VOPS focuses on how fuel and time are spent at various activities. Delays and idling during various vessel's operational activities are effectively a waste of resources and VOPS helps to identify precisely, those unproductive idle time for efficient energy planning.

Based on RCL's fixed sailing schedules, optimizing by slow steaming to reduce, if not eliminate, idling times during port calls, will translate to more steaming times at sea, i.e. covering the same distance with slower speed.

With the above, RCL is confident that shipboard operations together with training and support from our ship management division will result in greater efficiency in our maritime transportation, which will undoubtedly enhance the image of the Group.

## 5. Future Plans

The economic outlook for 2016 reflects an uncertainty with many different factors like more mega ships delivery in the market, panama ship cascading to Intra Asia market, Alliance realignment, less strong economy forecast for China, Europe and Japan and a narrower Asia's capacity supply and demand. With traction gained from a better unit cost strategy in 2014 and 2015, the Group stand poised to capitalize on Asia's faster growing countries and several resurgent markets.

The dire state of containerised ocean freight industry will probably worsen in 2016 due to the persistent global supply and demand imbalance, however RCL is cautiously optimistic on its performance as always.

RCL viewed that our niche market remains and took advantage of this to embark on the acquisition of two (2) new container vessels plus two options with China's Jiangsu New Yangzi Shipbuilding Co.,Ltd. These newbuildings are suitable and are of economic Bangkok max to serve Bangkok port callings. They are scheduled to be delivered in the second half of year 2017 and are meant to replace two (2) existing vessels which are about twenty-five (25) years of age. With this move, RCL is positive that it will improve the Group's operating cost.

Importantly and unlike most other container designs of this size, the vessel's main dimensions have been optimised for calling in Bangkok. The design specifications is expected to deliver excellent fuel economy, reduce environmental impact, reduce need for ballast water, has slow-steaming potential and flexible transit speeds, loading flexibility as well as increase container capacity.

The Group will continue to focus on previous year's successful improvement to our unit cost efficiency. This will be managed by both internal operational efficiency and external synergy with selective partnerships.

External synergies will be involving more potential partnership in traditional lanes to achieve better economy of scale and wider market coverage.

## *Risk Factors*

In 2015, the Group Management Committee has taken a top-down and cross-functional approach by establishing its sub-committee, namely Risk Management Committee led by Executive Vice President (Operations). Other sub-committee members comprise Executive Vice President (Business) who are the group of top management responsible for driving business results and are accountable for the associated risks. The sub-committee has identified three major risk areas that may adversely affect our Group's business and performance. They are Business Risk, Financial Risk and Operation Risk.

### 1. Business Risk

#### 1.1 Economic and Market Risks

As our Group provides feeder services between 'hub and spoke ports', and operates as a regional liner of carrier-owned-containers, business and results of operations depend on the strength of both global and regional trade. Adverse macro economic conditions and business contractions in the markets in which our Group operates can hamper shipment demand, and pose downward pressure to freight rate.

Our Group works hard to cope with any potential adverse situations, and makes decisive actions to adjust our business strategies to cope with current and upcoming circumstances. Though we can exercise limited measures to counter the global economic downturn and volatility in trade markets, we are continuously exploring avenues to improve our market position and new business opportunities. Efforts were made to reduce this risk by continually improving efficiency of our operations.

#### 1.2 Competition in Freight Rates

Freight rate competition amid depressing market conditions and tonnage oversupply from cascading effect is the major risk in this category. In the liner shipping business, freight rates are directly affected by factors such as trade growth, imbalances and in particular, supply and demand. RCL Group's policy is to develop customer relationships with a view to lessen the impact, although we are far from free of such effects.

#### 1.3 Imbalance of Demand & Supply

Extraordinary negative market conditions, such as deterioration in global trade activities and the region, can result in demand slump and thus sharp decline in lifting volumes. Depressed demand and imbalance in cargo volume between import and export trade in any country are key risk factors in the marine transportation market. Such unfavorable circumstances, combined with oversupply of the tonnage and reduced growth in the world seaborne trade, low freight rates as well as intensified competition among operators of both liners and feeders services, compelled them to take lower profit margins. In addition to competing with lower freight rate, the Group will have to achieve the lowest cost of operations with regard to the imbalances of supply and demand of containers.

Our Group acknowledged these challenges and has implemented various mitigation strategies. Strict monitoring and controlling of costs remain vital elements to assure profitability and a solid basis for the future growth of our business.

#### 1.4 Oil Price Risk

Decreasing oil prices is a key factor in the transportation industry. Bunker costs constitute a significant percentage of the operating cost for shipping lines. Previously, bunker surcharges have always been applied by transportation companies as cushions against impacts of increases in fuel costs. However, the bunker surcharge application is subject to the market environment.

In relation to oil price, the Group has taken protection against the higher price risk with the physical 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 provided the Group with a less risk exposure to oil price.

During the year 2014, the Group implemented various activities to reduce the business risk.

- SOC service pattern change - MLOs services alliance and consolidation risks.  
Engaging in mutually benefiting partnership and joint services with MLOs to continue operating profitably in our key feeder sectors.
- Excess capacity over demand - critical over supply by various consortiums actions.  
Participation in multi-level service consolidation across key long haul consortiums thus achieving wider coverage and lower unit slot cost.
- Extreme rate volatility expectations.  
Countering with periodic stable non-mitigation THC surcharge and DND rate increase.
- Wider spread of seasonal fluctuation in major corridors.  
Implement medium to long term voyages plans to address wider fluctuation of low season demand.

## 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). Main assets, such as container vessels were bought and resold in US Dollars. Furthermore, the majority of our Group's loan portfolio mainly used to finance the purchases of our vessels and fixed assets are also in US Dollars.

Thus, currency fluctuations should not affect the cash flow from our operations, though it may create certain accounting translation effects, as our Group has always been able to enjoy a natural foreign exchange hedge.

### 2.2 Interest Rate Risk

By the nature of the business, our Group could be exposed to interest risks due mainly to the long-term nature of the vessels financing requirements. To partially mitigate adverse changes in interest rates on long-term obligations, we use a combination of fixed and variable interest rates for our loan portfolio.

As of year ended 2015, our Group has consolidated borrowings, on both short-term and long-term of Baht 5.8 billion, around 81.3% of which were loans made on a floating rate basis. Therefore, any significant upward changes in the market rate can proportionately increase our interest expenses.



### 2.3 Vessel Valuation Risk

Vessels are the Group's key fixed assets and resources for operation. The value of vessel fluctuates according to the global economy - appreciates with the upturn and adversely drops with the downturn. The Group's key policy is to maintain the young fleet to cope with the business expansion and to control lower maintenance costs. It was well noted by the industry that asset prices were hit by oversupply, even as global economics began to show sign of recovery. Although there will be scraping, postponement and cancellations of vessels, improvement in asset value will take time.

### 2.4 Funding Risk

The financial and economic crisis during the past years had adversely impacted the shipping industry, thus reducing the availability of ship finance. However, the Group was able to raise new debt from local market in Thailand as well as garner support from the financing community.

## 3. Operation Risk

### Risk on Managing the Fleet

Risk management is a structured and systematic methodology, aimed at enhancing maritime safety, including protection of life, health, the marine environment and property, by dealing with the risks associated with these aspects. Risk on Ship Management provides the tool to judge how best hazards can be identified and how these hazards or risks can be dealt with to perform shipboard/shore operations. It pre-warns persons concerned to take appropriate and adequate measures to mitigate the risk involved in a work activity.

As for Risk Assessment and Safety practices, the Group provided procedures for safe practices in ship operation and a safe working environment, referred to in the standard of "Code of Safe Working Practices for Merchant Seaman". The Group identified risk to ship personnel and environment. At the same time we established appropriate safeguards including the review of procedures implemented. The Group also provided in-house training to on-board and on-shore staff in order to continuously improve their safety-management skills and be prepared for emergency situations. Every work place on board should conduct risk assessments for all routine and non-routine operations under various environmental situations. Routine operations include activities such as preparatory and troubleshooting work activities, whereas non-routine operations cover emergency situations, urgent repair work and non-scheduled maintenance on board.

## Management Discussion & Financial Analysis

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

### Results of Operations

The container shipping industry was faced with slowing trade demand and excess capacity in 2015. The freight rates increased at the beginning of the year, and then slowly dropped for a whole year and the oil prices decreased during the year.

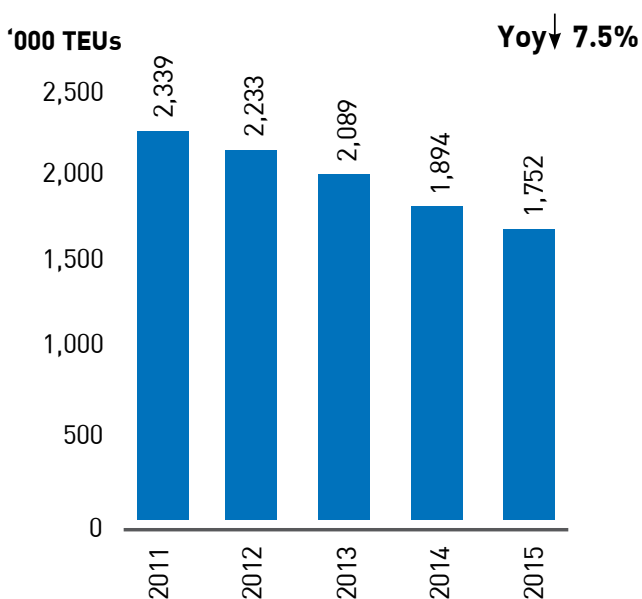
General market conditions and freight rates continued to deteriorate, it resulted to fluctuated of the shipping business. Even, freight rates were still uncertainly, the Group had strongly focus on cost controlling, routes' changing and products mix to be the main strategy for operating. This affected to the positive results of operations in this year.

In 2015, SOC liftings was 0.80 million TEUs, declined by 15% from year 2014. COC liftings was 0.95 million similar to year 2014. The total liftings declined by 8% to 1.75 million TEUs while overall utilization was 108% in which was lower than 2014.

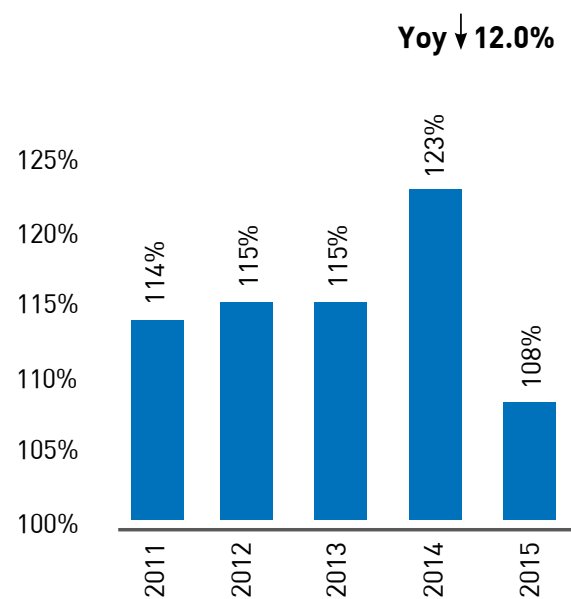
The overall liftings deteriorated in 2015, consolidated revenues from freight income for the year at Baht 11,883 million from Baht 13,314 million in 2014, mainly due to decreasing of the freight rates. Total revenues also decreased by 8% to Baht 12,445 million in 2015 compared to Baht 13,580 million in 2014.

In 2015, the year-on-year average rate for the Thai Baht strengthen against the USD, as our Group's revenues and majority of its costs were denominated in the US dollar. The strengthen of Baht created translation profit in our revenue. For 2015, the Group recorded an exchange gain of Baht 10.7 million as compared to the exchange loss of Baht 56.3 million in 2014.

Total Liftings

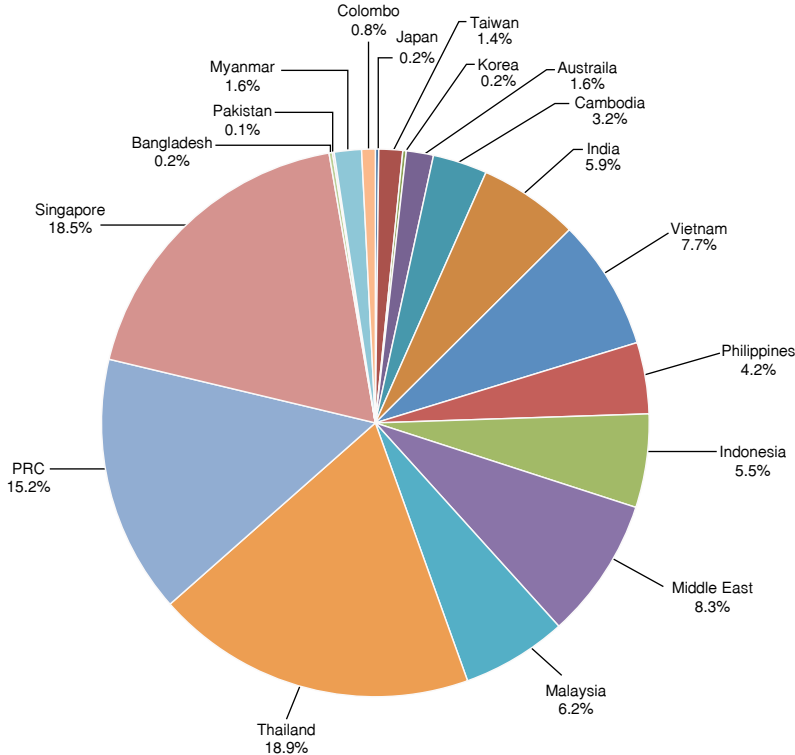


Capacity Utilization

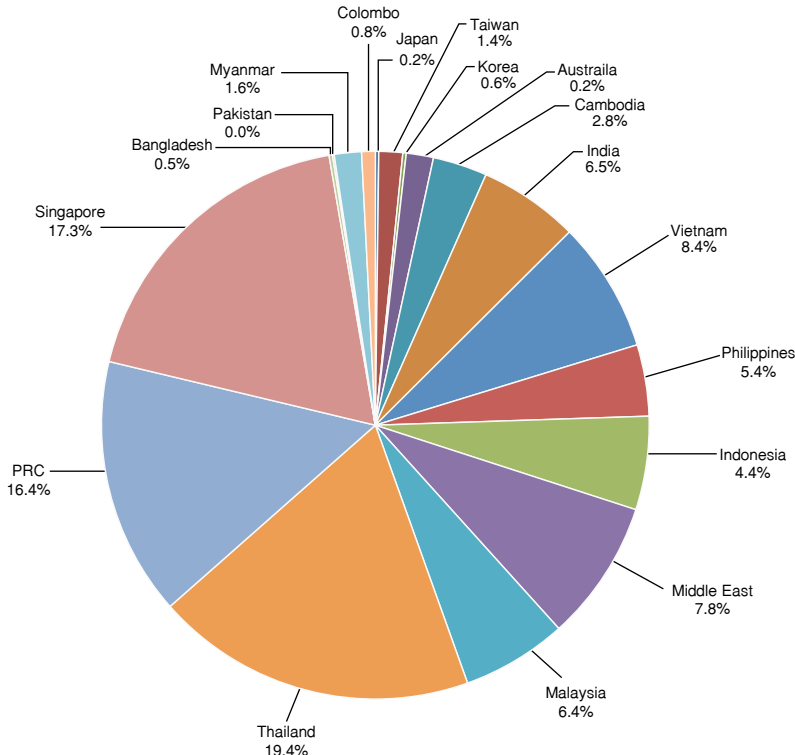


Trade Composition

Total Liftings (2014) 1,894,397 TEUs

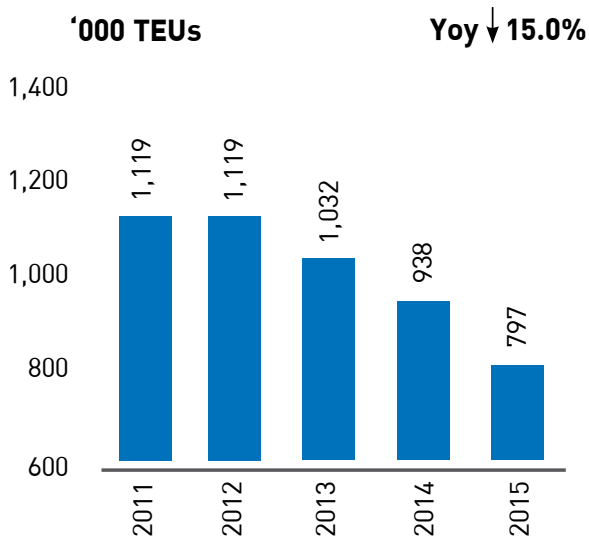


Total Liftings (2015) 1,752,131 TEUs

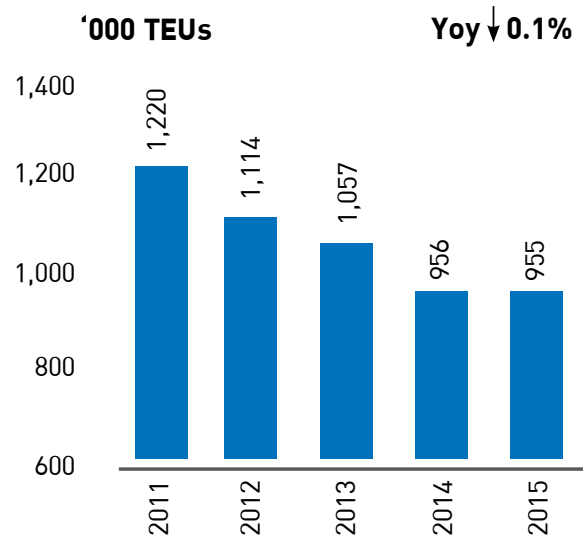


## Operational Overview

SOC Liftings



COC Liftings



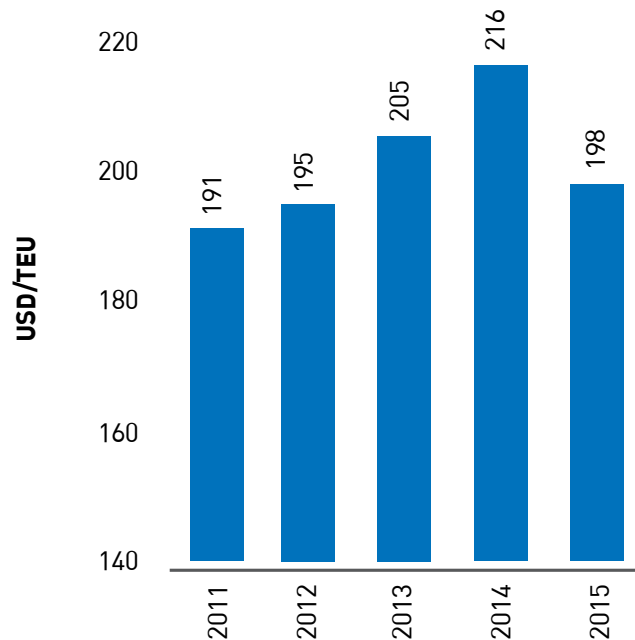
## Freight Rates

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 addition to supply-demand factor, freight rate depends on future economies of scale, market sentiment and potential capacity management tactics of carriers, in particular their potential to cascade ships to and from the east-west trade alongside deliveries of newbuildings into the market.

A sustained oversupply of vessels depressed freight rates despite concerted effort on the part of major carriers to restore freight rates. The slowdown of global economic recovery weakened the prices, however, there was some improvement of the freight rates at the beginning of 2015.

## RCL Freight Rate Movement



The average freight rates in 2015 was USD198 per TEU comparing with USD216 per TEU in 2014.

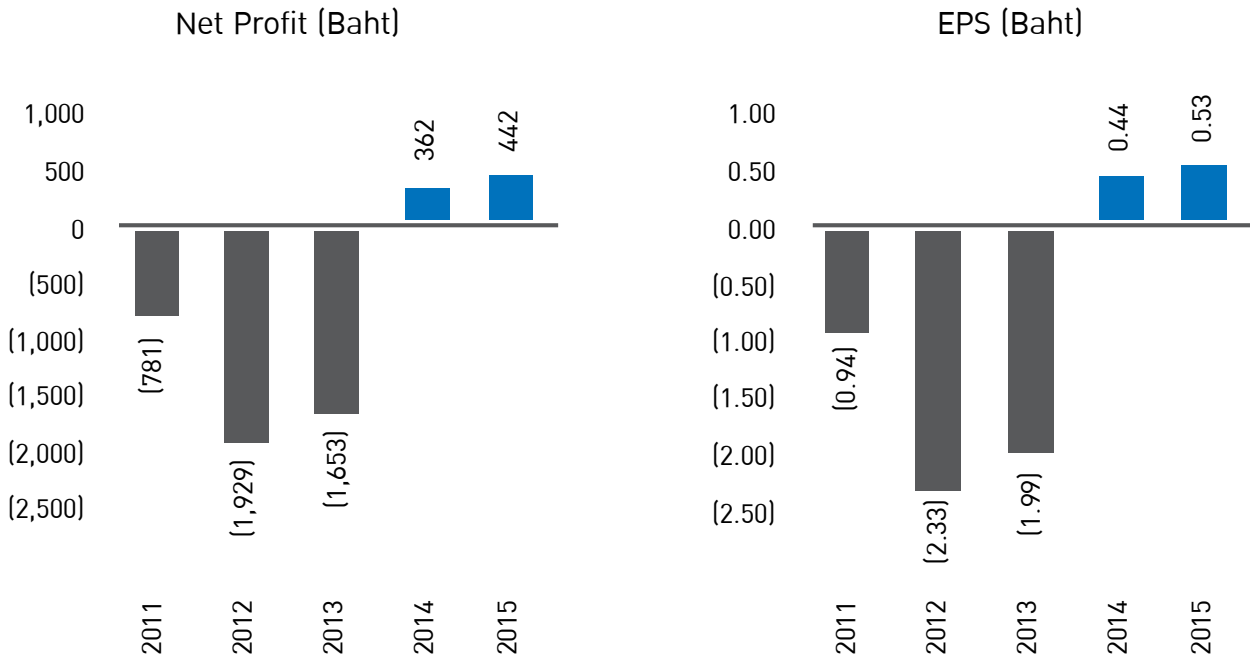
## Profitability

US\$ per TEU	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015
Average Freight income	191	195	205	216	198
Average Cost of freight and operations	182	174	200	194	182
Gross Margin	5%	11%	2%	10%	8%

In first quarter of 2015, the freight has rates higher but then continually dropped from second quarter to fourth quarter. Even, cost managing, routes' changing and products mix were the main strategy for operating the business that resulted to gross margin per TEU at 8% decreased from 2014 that was 10% per TEU.

US\$ per TEU	1Q15	2Q15	3Q15	4Q15	Year 2015
Average Freight income	202	204	200	186	198
Average Cost of freight and operations	175	183	186	185	182
Gross Margin	13%	10%	7%	1%	8%

Cost of freight and operations decreased from Baht 11.93 billion in 2014 to Baht 10.94 billion in 2015 as the liftings declined and managing cost effectively.



For the full year of 2015, the Group recorded a net profit attributable to equity holders of the parent of Baht 442 million compared to net profit of Baht 362 million in 2014.

Profit per share for 2015 was Baht 0.53, compared to the profit per share of Baht 0.44 in 2014.

### Financial Condition

Total assets increased by 5% to Baht 19.6 billion. Total shareholders' equity increased 11% to Baht 10.8 billion.

Cash flow from operations was positive at Baht 1,400 million as opposed to the positive of Baht 1,160 million, the year before. As at 31 December 2015, the Group held cash and cash equivalent amounted to Baht 2.0 billion, an increase from Baht 1.7 billion in 2014.

The 2015 EBITDA was Baht 1,383.6 million, compared to EBITDA of Baht 1,543.3 million in 2014.

Computation of EBITDA	2015	2014
Profit / (loss) before taxation	469.7	371.6
Add: Impairment loss of assets / Provision loss under onerous contracts	-	-
Deduct: Reversal of impairment loss of assets	(461.2)	(179.2)
Less Adjustment/ Add Allowance for unrealised loss on derivatives	-	(0.2)
Less: Realised loss on derivatives	-	-
Add: Interest	152.4	161.6
EBIT	160.9	353.8
Add: Amortisation	1.3	29.5
Add: Depreciation	1,221.4	1,160.0
EBITDA	1,383.6	1,543.3

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. In addition, financial instruments, such as swap and forward contracts, were utilized to hedge against possible exchange risks. The Group's current foreign exchange policies reflected its rather cautious and conservative management style on this issue.

The Group's cash position stood at Baht 2.0 billion as at end 2015. The year-end trade accounts receivables decreased from Baht 1.8 billion in the previous year to Baht 1.7 billion in 2015. Cash and trade account receivables accounted for Baht 3.7 billion, or 88.26% of the total current assets.

Total current assets increased from Baht 4.17 billion in 2014 to Baht 4.25 billion in 2015.

Non-current assets accounted for 78.35% of the total assets. The majority of non-current assets comprised container vessels and equipment which amounted to Baht 14.6 billion as at end 2015.

## Capital Structure

Most of the Group's debts were long-term in nature. As at end 2015, total liabilities was Baht 8.8 billion decreased from 2014 at Baht 8.9 billion. Shareholders' equity increased 10.59% from Baht 9.7 billion in 2013 to Baht 10.8 billion in 2015. Total debt to shareholders' equity decreased from 0.92 to 1 for 2014 to 0.82 to 1 in 2015.

## Shareholding & Management Structure

### Shareholding Structure

List of 10 Major Shareholders as at 7<sup>th</sup> April 2015

No.	Name	No. of Shares	%
1.	Ngow Hock Group	387,770,337	46.79%
2.	Tanthuwanit Family	71,657,675	8.65%
3.	Thai NVDR Company Limited	25,782,900	3.11%
4.	Mr.Thirachai Kirtitechakorn	20,210,600	2.44%
5.	Tisco Securities Co., Ltd.	20,000,000	2.41%
6.	Mr.Thirapong Tunthitaruk	11,000,000	1.33%
7.	Bhureemas Navee Co., Ltd.	10,600,060	1.28%
8.	Mr.Sutat Luaengdansakul	10,450,000	1.26%
9.	Mr.Viroj Engpiboon	8,100,001	0.98%
10.	Ms.Thitirat Rasrivisut	5,600,000	0.68%

#### Notes

1. Ngow Hock Group comprises 4 companies as follows :

	Number 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	0.18 %	Container Depot

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

	Number of Shares	%
Bulsook Family	26,197	26.20 %
Tanthuwanit Family	24,938	24.94 %
Allied Assets Co.,Ltd.	12,973	12.97 %
Sotikul Family	11,855	11.86 %
Bulkul Family	6,462	6.46 %

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



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

	Number of Shares	%
Bulsook Family	261,970	26.20 %
Tanthuwanit Family	249,380	24.94 %
Allied Assets Co.,Ltd.	129,730	12.97 %
Sotikul Family	118,550	11.86 %
Bulkul Family	64,620	6.46 %

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

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

	Number of Shares	%
Bulsook Family	26,197	26.20 %
Tanthuwanit Family	24,938	24.94 %
Allied Assets Co.,Ltd.	12,973	12.97 %
Sotikul Family	11,855	11.86 %
Bulkul Family	6,462	6.46 %

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

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

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

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

## Management

1. **The Board of Directors** comprising at least 5 and not exceeding 10 members. As at 31<sup>st</sup> December 2015, the Board of Directors comprised 9 members as follows:

Mr. Jamlong Atikul	Chairman (Non-Executive Director)
Mr. Amornsuk Noparumpa	Director (Independent Director)
Mr. Viset Choopiban	Director (Independent Director)
Mr. Arpavadee Meekun-lam	Director (Independent Director)
Ms. Tuangrat Kirtiputra	Director (Non-Executive Director)
Mr. Sutep Tranantasin	Director (Executive Director)
Mr. Hartwig Schulze-Eckardt	Director (Executive Director)

Mr. Kua Hock Eng Director (Executive Director)

Mr. Sumate Tanthuanit Managing Director

Mr. Weerasak Wahawisal as Company Secretary

Authorised directors to sign the documents for and on behalf of the company are Mr. Sumate Tanthuanit or Mr. Jamlong Atikul or Ms. Tuangrat Kirtiputra or Mr. Sutep Tranantasin, making the total of two directors to jointly sign with company seal affixed thereon ;

The Board of Directors is entrusted with the accountabilities prescribed in the Company's Articles of Association as highlighted below :

- (a) To operate the business in compliance with the laws, the Stock Exchange of Thailand's regulations, the Company's objectives and Articles of Association, and the 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 policy and direction.
- (c) To be responsible for selecting and appointing and /or terminating the services of the Manager 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 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 objective of the Company.
- (f) The directors are empowered to make jurassic act with the government department, ministry or relevant authorities.

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

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

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

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

The Company has defined "an independent director" of the Company (please refer to item 5 of the Report on Corporate Governance - Responsibilities of the Board). The Board of Directors comprises a proportion of at least 3 independent directors.

**2. The Audit Committee** comprises following 3 independent directors:

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

whose current term in office will expire in May 2016.

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

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

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

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

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

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

whose current term in office will expire in August 2017.

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

- a) Nomination : consider and propose the criteria and method for the nomination of the Company's directors, Board's sub-committees and senior management; recruit select and nominate the qualified persons to be appointed as the Company's directors, sub-committees and senior management to the Board of Directors for consideration ; consider and propose the criteria and method for the performance evaluation of the Company's directors, CEO /Company's Manager.
- 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 to propose to the Board of Directors for consideration.

**4. The Group Management Committee** comprising 6 members of executive directors and top management as at 31<sup>st</sup> December 2015 as follows :

Mr. Sumate Tanthuwani	President
Mr. Kua Hock Eng	Executive Director
Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Executive Vice President (Business)
Mr. Pornchai Vimolratana	Senior Vice President (Logistics)
Mr. Weerasak Wahawisal	Vice President (Finance & Accounting)

The Group Management Committee is entrusted with the following accountabilities :

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

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

Mr. Sutep Tranantasin	Director & Executive Vice President (Operations)
Mr. Charlie Chu	Executive Vice President (Business)
Ms. Nadrudee Rungruengphon	Senior Vice President (Group Finance & Account)

The above sub-committee meets regularly and updates the risk management status to the Audit Committee for their review at the quarterly meeting.

## Dividend Policy

The Company has set the policy to pay dividend to the shareholders at the rate of not exceeding 50% of the consolidated net earnings, upon obtaining approval from the shareholders based on majority votes at the general meeting.

The Board of Directors may declare interim dividend to the shareholders from time to time if the Board views 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.

# Report on Corporate Governance

The Company recognizes the importance of and implements the principles of good corporate governance outlined in 5 sections as follows :

## 1. Rights of Shareholders

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

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

Usually, within four months after the Company's financial year-end, the Company organizes an Annual General Shareholder's Meeting. The meeting process is arranged in accordance with applicable laws, from scheduling of the meeting date, fixing the record date, closing of the shareholders' registration book, announcing the meeting agenda, delivery of meeting materials, up to advertising the notification in the Thai daily newspapers for 3 consecutive days at least 7 days prior to the Annual General Shareholder's Meeting.

### Annual Shareholder's Meeting Procedures

- **Prior to the Meeting**

The Company invites the shareholders to propose agenda of the Annual General Shareholder's Meeting and director-nominee in advance. The Company has posted the criteria and procedures on its website well in advance before the meeting date.

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

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

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

- **During the Meeting**

The Company provides a team of staff, equipments and other conveniences to facilitate document verification and uses the e-voting program to enhance registration process. Shareholders can register to attend the meeting at the meeting venue 2 hours ahead of the meeting time.

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

Without prejudicing the rights of any shareholder, major as well as minor shareholders are equitably entitled to vote and freely expresses their views and suggestions. Sufficient time is allotted to the shareholders to ask questions about any issues relating to the Company's operations as well as items in the Company's financial statements.

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

Process relating to the re-election of the retired Directors for another term in office allows shareholders to cast vote on the individual.

- **Procedures following the Meetings**

The Company prepares and submits the minutes of the meeting to the Stock Exchange of Thailand within the required time frame (within 14 days after the meeting date) and posts both Thai and English on its website for all shareholders to be equally informed. The Company properly files the minutes of meetings for investigation /reference.

The Company has been scored 1000 out of 100 by Thai Investors Association for the organization of 2015 Annual General Shareholder's Meeting.

## 2. Equitable Treatment of Shareholders

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

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

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

The Company complies with the Exchange and Securities Act B.E 2551 and the regulations issued by the Office of the Securities and Exchange Commission in relation to the connected transactions. The transaction is approved with transparency, in the best interests of the Company and at arm-length. The type and value of the transactions to obtain approval from the Board of Directors will have to be reviewed and recommended by the Audit Committee prior to Board's decision whereby the interested person does not involve in the decision-making. The Company has disclosed all connected transactions in the Company's Annual Report under "Related Transactions" and in the Notes to Financial Statements.

### 3. Role of Stakeholders

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

The Company's stakeholders include shareholders, customers, creditors, counterparts, competitors, staff and communities. The Board of Directors, thus, acts in accordance with the corporate governance policy and applicable laws and regulations to ensure that the rights of concerned parties are recognized and well-protected as detailed below :

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

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

- The Company's website (<http://www.rclgroup.com>), where they access information on the ports of service, vessel fleet, sailing schedules, etc., select destination port, check departure / arrival schedule of the vessel 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 accommodate their need in selecting the services.

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

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

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

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

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

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 in order to preserve the social and public environment.
11. Uphold our RCL brand reputation for excellence to be the best regional container carrier and total logistics service provider.

The Company has established the "Employee Code of Conduct" to compliment the above ethical guidelines to be observed by staff of all levels in the RCL Group.

The Company promotes staff development. In-house trainings are arranged to improve staff's knowledge and competencies, as well as sponsoring public courses relating to the Company's business operations organized by domestic and overseas institutions. The Company has increased efforts to value-add the skills for career advancement through job rotations, promote and appropriately remunerate the staff taking into consideration their knowledge, accountability and performance. In addition, the IT system and applications are continuously upgraded to better support staff handling of their routines as well as to enhance human resources management and development.

Accident and health insurances, as well as performance-based annual rewards, and long-service awards are provided by the Company for all levels of staff.

#### 4. Disclosure and Transparency

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

The Board of Directors is responsible for all financial information presented in the annual report of the Regional Container Lines Public Company Limited and its subsidiaries. Responsibility statement made by the Board on the financial information and report of the Audit Committee are presented alongside the report of Independent Auditor in the Company's annual report.



The Board recognizes the importance of full, fair and transparent disclosure of the Company's financial information, other general information, as well as material information that may have an impact on the Company's share prices. In addition to news release via the Stock Exchange of Thailand, the Company also discloses the information in its website ([http:// www.rclgroup.com](http://www.rclgroup.com)). Mr. Weerasak Wahawisal (Bangkok office - telephone number (66) 2296 1094) and Ms. Michelle Ng (Singapore office) - telephone number (65) 6229 2087 attend to the queries and provide explanation / additional information to shareholders, investors, analysts, and creditors; and/or arrange company visits for financial and operational overview for the benefit of complete, accurate and equitable disclosure.

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

The Company safeguard against misuse of the Company's unofficially disclosed inside information for personal benefit prior to public disclosure. Such information could have an effect on the Company's share price traded in the Stock Exchange of Thailand. The Company sets insider trading policy prohibiting the directors and executive of the Company, its subsidiaries and affiliates to wrongfully disclose such inside information or make use of such information for personal benefits. Directors and executives are required to report the movement of their trading / holding of the Company's shares. Directors and executives who have access to material inside information must restrain from share trading activities during a one - month period prior to the official public release of the Company's financial statements.

The Company follows such policy and guidelines on insider trading and instructs all staff in the RCL Group to observe the policy and guidelines. Any staff in possession of inside information before official public release, is prohibited to misuse the information for security trading benefits, whether directly or indirectly. The insider trading policy is posted on the Company's website.

## 5. Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interest of the Company and its shareholders. The Board is independent in performing its fiduciary duties and establishes the requisite qualifications of the Company's director 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) ;
- Obtaining 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
- Possessing strong leadership, broad vision; independent in decision-making, and highly determined to drive the Company to success
- Being ethical and having transparent professional records
- Being able to work devotedly towards maximizing the Company's interest.

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

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

### Board Structure

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

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

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

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

As at 31<sup>st</sup> December 2015 the Board of Directors comprises:

- Four executive directors,
- Two non-executive directors, and
- Three independent and non-executive directors

totaling 9 members.

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

- 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;
- neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of appointment;
- 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;
- 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.

## Board-Appointed Committees

### 1. Audit Committee

The three- committee members are selected from the members of the Board who are independent and non-executive directors and have 3-year term in office. They are entrusted with the accountabilities stipulated in the Audit Committee Charter. Members of the Committee, scope of duty and authority are presented in “Shareholding and Management Structure”

In 2015, the Audit Committee held quarterly meetings with the Company’s internal auditors and the Company’s external auditors (A.M.T. & Associates) and relevant responsible executives. In addition, the Committee also held internal meetings as deemed appropriate with the Company’s internal auditing team, and Vice President - Group Accounts. The members of Audit Committee regularly have informal and formal discussions with internal auditors in connection with the results of the various areas of review undertaken by internal auditors.

The Audit Committee held totaling of 4 meetings throughout the year 2015 with following details :

Meeting No.	Date	Agenda & Topic
1	25 February 2015	To approve Financial Statement of 2014
2	6 May 2015	To approve the 1st quarter of 2015 Financial Statement
3	4 August 2015	To approve the 2nd quarter of 2015 Financial Statement
4	5 November 2015	To approve the 3rd quarter of 2015 Financial Statement

In the year 2015, Audit Committee held 4 regular meetings (2014: 6 meetings) The record of attendance of the members of Audit Committee is summarized as follows :

Audit Committee Members	Quarterly Meeting / Number of Attendances
1. Mr. Amornsuk Noparumpa	4/4
2. Mr. Viset Choopiban	4/4
3. Mrs. Arpavadee Meekun-lam	4/4

### 2. Nomination and Remuneration Committee

The Committee comprising three independent directors and a non-executive director serves a 3-year term. Members of the Committee, scope of duty and authority are presented in “Shareholding and Management Structure”

In 2015, the Nomination and Remuneration Committee held 4 meetings. The attendance is recorded as follows

Committee Members	Number of Attendances
1. Mr. Amornsuk Noparumpa	4/4
2. Mr. Viset Choopiban	4/4
3. Mrs. Arpavadee Meekun-lam	4/4

### 3. Group Management Committee

The Committee consists of 3 executive directors, 4 other high level executives, totaling 7 members. The Committee members, scope of duty and responsibilities are presented in “Shareholding and Management Structure”. The Group Management Committee regularly holds meetings at least once a month.

#### Roles and Responsibilities of the Board of Directors

The Board of Directors prescribes, considers and approves, on a case by case basis, the corporate visions, missions, objectives and policies of the Company. It monitors management’s execution of the annual business plan and budget submitted to the Board. The Board has established the policy on corporate governance as follows:

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 that:

(1) the principles of good corporate governance is an on-going agenda 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 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, which include:

- a selection of suitable nominees, who are diversified in their breadth 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.

#### Controlling Systems and Internal Audit

The Board of Directors is responsible to oversee 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 those wells suited the nature of the Company’s business and oversee the risk management function. In this respect , the Board adopts the practice guidelines set by the Securities and Exchange Commission and the 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, approves the annual audit plan and oversees that the performance results are duly reported.

The Company announced Anti Corruption Policy and Whistle Blower Policy in 2014.

#### **Board of Directors' Meetings**

The Board meets regularly every quarter, on yearly pre-scheduled dates. In addition to regular meetings, special meetings are held to support the business operation decisions. The meeting's agenda is clearly set and delivered to the directors together with the supplementary information prior to the meeting date, allowing sufficient time to analyze facts and figures to be discussed in the meeting.

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

In 2015, the Board held 8 meetings comprising 4 regular quarterly and 4 special sessions. The director's attendance is recorded as follows:

Director	Regular Quarterly Sessions	Regular Quarterly Sessions via Tele-Conference	Special Sessions	Special Sessions via Tele-Conference
Mr. Jamlong Atikul	4	-	4	-
Mr. Sumate Tanthuanit	4	-	4	-
Mr. Amornsuk Noparumpa	4	-	4	-
Mr. Viset Chooipiban	4	-	4	-
Ms. Arpavadee Meekun-lam	4	-	4	-
Ms. Tuangrat Kirtiputra	4	-	4	-
Mr. Sutep Tranantasin	4	-	4	-
Mr. Hartwig Schulze-Eckardt	4	-	2	2
Mr. Kua Hock Eng	3	1	-	4

**Remark :** Teleconferencing facilities between offices in Bangkok, Singapore and Hong Kong are provided for special sessions to support the management in their business decisions. Foreign directors attended via teleconferencing to save travelling costs.

#### **Board's Self Assessment**

The Nomination and Remuneration 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 and Remuneration Committee and improvement areas will be recommended for Board's discussion.

## Remuneration for Directors and Management

Remuneration for the Directors and Management for 2015.

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

The management's remuneration is set in accordance with the role and accountabilities. Annual adjustment usually links to corporate performance and individual contribution. Remuneration of Board members requires approval from the shareholders. In 2015, the Company remunerated its directors in accordance with the remuneration criteria approved by the resolution of the 26th Annual General Shareholders' Meeting held on 29 April 2005, which are as follows:

1. In the event that the Company's net profit is less than Baht 1 billion, the "standard remuneration" structure approved by the resolution of the 25th Annual General Shareholders' Meeting on 30th April 2004 will be applied.

2. In the event that the Company's net profit exceeds Baht 1 billion, an additional remuneration of 0.5% of the amount in excess of the first Baht 1 billion profits will be proportionately paid to all directors, each in accordance with their remuneration entitlement as prescribed in the "standard remuneration" structure.

The approved remuneration of Baht 5.8 million 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 and Remuneration Committee members totaling Baht 0.3 million

For 2015 operating year, the Company recorded the consolidated net profit amounted to Baht 442 million. The total standard remuneration amounting to Baht 5,800,000.00 which was within the approved amount was paid to the individual director as detailed below:

Board Members	Board Members	Audit Committee	Nomination & Remuneration Committee
	Standard Remuneration	Standard Remuneration	Standard Remuneration
Mr. Jamlong Atikul	1,000,000.00	-	-
Mr. Sumate Tanthuanit	800,000.00	-	-
Mr. Amornsuk Noparumpa	400,000.00	300,000.00	100,000.00
Mr. Viset Choopiban	400,000.00	300,000.00	100,000.00
Mrs. Arpavadee Meekun-lam	400,000.00	300,000.00	100,000.00
Ms. Tuangrat Kirtiputra	400,000.00	-	-
Mr. Sutep Tranantasin	400,000.00	-	-
Mr. Hartwig Schulze-Eckardt	400,000.00	-	-
Mr. Kua Hock Eng	400,000.00	-	-
<b>Total</b>	<b>4,600,000.00</b>	<b>900,000.00</b>	<b>300,000.00</b>

**Remark :** Board members did not receive the meeting attendance fee and those appointed in subsidiaries' Boards received neither additional remuneration nor meeting attendance fees.

Total Management Remuneration of 7 Management members (Managing Director, four executives in the level secondary to the Managing Director, all other executives in the same level of the fourth executive plus Chief Accountant of the Company) was Baht 32,061,396.54 (salary, annual rewards , fixed allowances, transport, and housing)

Other remunerations the Company paid a total of Baht 310,153.00 to the provident fund for the above Management members (only those entitled to the Company's contribution)

Remark: Among the 7 Management members, 2 are executive directors, 2 senior executives of Regional Container Lines Public Company Limited, and other 4 are senior executives of its subsidiaries in Thailand and Singapore.

Annual remuneration nor meeting attendance fees were paid to the Group Management Committee members in 2015.

### Board and Management Development

The Company's Board of Directors obtained training relating to their performing the duties and good corporate governance, namely Director Accreditation Program, Director Certification Program, Chairman, Audit Committee Program, Chartered Directors Class organized by the Thai Institute of Directors Association (IOD).

## Related Transactions

### 1. 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		Relationships		
			31 December 2014 (Million Baht)	31 December 2015 (Million Baht)			
			The Company Only	Consolidated	The Company Only	Consolidated	
1	Regional Container Lines Public Co., Ltd. and RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore)	RCL Feeder Pte. Ltd. chartered ship from Regional Container Lines Public Co., Ltd. - Total charter freight income - Trade account receivable - subsidiary company - Other receivable - subsidiary company - Advance from related party	278.22 40.05 11.63	273.15 123.45 367.18 666.12	RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. The Company managing director is also the executive 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	Regional Container Lines Public Co., Ltd. leased office space on 5th and 14th floors in Panjathani Tower 1,490 squaremeters from Ngow Hock Co., Ltd., the owner - Total Value of leasing agreement - Total accounts payable - related parties in financial statements - Short term Loan	6.81 300.00	6.81 300.00	4.46 300.00	Ngow Hock Co., Ltd. is the Company shareholder with 25.20% shareholding and Panjamitr Holding Co., Ltd. is the Company shareholder with 18.50% shareholding The Company managing director is also the director of Ngow Hock Co., Ltd. and Panjamitr Holding Co., Ltd. Condition/Pricing policy: Market price as at agreement date	
3	Regional Container Lines Public Co., Ltd. And Panjamitr Holding Co., Ltd. - Related Company (Incorporated in Thailand) Leasing of office space in Bangkok	Regional Container Lines Public Co., Ltd. Leased office space on 13th floors in Panjathani Tower 342 squaremeters from Panjamitr Holding Co., Ltd., the owner - Total Value of leasing agreement - Total accounts payable - related parties in financial statements	1.50	1.50	0.87	0.87	
4	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and Siam Paetra International Co., Ltd. - Related Company (Incorporated in Thailand)	RCL Feeder Pte. Ltd. exchanged slot on ship with Siam Paetra International Co., Ltd. - Total slot revenues - Trade account receivable - related company	- 11.08	- 11.08	- -	- -	Panjamitr Holding Co., Ltd. is the Company shareholder with 18.50% shareholding and Siam Paetra International Co., Ltd. shareholder with 28.96% shareholding The Company managing director is also the director of Panjamitr Holding Co., Ltd. Condition/Pricing policy: Price approximates market price.



No	Related Parties	Value of related transactions As of		Relationships	
		31 December 2014 (Million Baht)	31 December 2015 (Million Baht)		
		The Company Only	Consolidated	The Company Only	Consolidated
5	RCL Feeder Pte. Ltd. -Subsidiary Company (Ship operating and agency - incorporated in Singapore) and Ngow Hook group of Companies - Related Companies	108.35	107.88	RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company. Ngow Hook group of companies are the company shareholder with 46.83% shareholding. The Company managing director is also the director of Ngow Hook group of companies. Condition/Pricing policy: - Commission expenses: Price approximates market price. - Terminal Operating service: Price per tariff minus volume discount.	
		312.60	249.07		
		28.91	44.20		
6	RCL Feeder Pte. Ltd. - Subsidiary Company (Ship operating and agency - incorporated in Singapore) and RCL (Vietnam) Co., Ltd. - Associated Company (Ship Agent- incorporated in Vietnam)	11.28	8.94	RCL Feeder Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company.	
			3.08	RCL Feeder Pte. Ltd. is the shareholder in RCL (Vietnam) Co., Ltd. with 49% shareholding. The Company managing director is also the director of RCL (Vietnam) Co., Ltd. Condition/Pricing policy: Price approximates market price.	
7	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider- incorporated in Thailand) and Ngow Hook group of Companies - Related Companies	39.47	23.81	RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company.	
		4.32	2.05	Ngow Hook group of companies are the company shareholder with 46.83% shareholding. The Company managing director is also the director of Ngow Hook group of companies. Condition/Pricing policy: Market price	
8	Regional Container Lines Public Co., Ltd. and RCL Shipmanagement Pte. Ltd. - Subsidiary Company (Ship management - incorporated in Singapore)	8.12	7.89	RCL Shipmanagement Pte. Ltd. is the Company's 100% directly and indirectly owned subsidiary company.	
		1,068.56	583.23	The Company managing director is also the executive director RCL Shipmanagement Pte. Ltd. Condition/Pricing policy: - Ship management fee: Price approximates market price - Expenses related to cost of freight and operations advanced by a subsidiary: Actual payment	
		-	10.65		

No	Related Parties	Related Transactions	Value of related transactions As of		Relationships
			31 December 2014 (Million Baht)	31 December 2015 (Million Baht)	
			The Company Only	Consolidated	
9	RCL Logistics Co., Ltd. - Subsidiary Company (Logistics Services Provider - incorporated in Thailand) and Panjamitir Holding Co., Ltd. - Related Companies (incorporated in Thailand) Leasing of office space in Bangkok	RCL Logistics Co., Ltd. leased office space on 13th floors in Panjathani Tower 150 squaremeters from Panjamitir Holding Co., Ltd, the owner - Total Value of leasing agreement - Total accounts payable - related parties in financial statements	0.66	0.38	RCL Logistics Co., Ltd. is the company's 100% owned subsidiary company. Panjamitir Holding Co., Ltd. is the Company shareholder with 18.50% shareholding The Company managing director is also the director of Panjamitir Holding Co., Ltd. Condition/Pricing policy: Market price as at agreement date
10	Regional Container Lines Public Co., Ltd. and Regional Container Lines Pte. Ltd. - Subsidiary Company (Ship owning and operating - incorporated in Singapore)	Regional Container Lines Public Co., Ltd. increased share capital of Regional Container Lines Pte. Ltd. - Purchase investment in subsidiary - Transfer of vessels ownership - Payable on purchase of assets - Advance from related party - Other receivable - related company	-	-	Regional Container Lines Pte. Ltd. is the Company's 100% owned subsidiary company. The Company managing director is also the executive director of Regional Container Lines Pte. Ltd. Condition/Pricing policy: Price at book value
			670.13	621.60	
			-	1.80	
			-	7.03	

## 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.

# Directors' Report

## Dear Shareholders

The directors are pleased to present their report to the shareholders together with the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31<sup>st</sup> December 2015, which were prepared to reflect their financial status in accordance with the generally accepted accounting standards.

### 1. Results of the Operation

The container shipping industry in the year 2015 was still on slow recovery of global trade and economy, the demand-supply imbalance caused by excess vessel capacity, effecting to the fluctuation of the whole market, challenging to the Group. The stringent cost control, realignment of service and fleet deployment, selective product mix have contributed to the operating gain in this year.

The Group's full year SOC (Shipper Owned Container) liftings was maintained at 797,347 TEUs, dropped by 15% from previous year while COC (Carrier Owned Container) liftings similar to previous year at 954,786 TEUs. The total liftings of the Group recorded a 8% decline year-on-year at 1,752,133 TEUs, with the utilization rate at 108% decreased by 12% from year 2014. Decline in the liftings partly came from the Group's adoption of business strategy to focus more on cost-margin per teu than the volume and market share.

Decrease in the liftings in 2015 resulted in the total freight income before exchange difference, gain on sale of assets and reversal of provision for loss under onerous contracts at Baht 11,944 million compared to Baht 13,354 million in the previous year while the Cost of Freight and Operations dropped from Baht 11,934 million in 2014 to 10,944 million in 2015, owing to decline in the liftings and stringent cost control.

In the year 2015 the Group recorded a total gain on sale of assets in the amount of Baht 29 million from sale of old containers compared to a total gain of Baht 47 million in 2014 from sale of old containers.

The Group recorded a gain on exchange of Baht 10.7 million in 2015 versus a loss on exchange of Baht 56.3 million in 2014.

In the year 2015 the Group had the reversal of provision for loss on impairment of assets totaling Baht 461.2 million.

For the operational result in the year 2014, the Group recorded a net profit attributable to equity holders in the amount of Baht 362 million versus a net loss attributable to equity holders in the amount of Baht 1,652 million in 2013.

### 2. Dividend

The Board of Directors at its Meeting No. 3/2016 held on 18<sup>th</sup> March 2016 resolved to declare dividend Baht 0.05 per share, to be proposed for the Shareholders' approval.

### 3. Significant Activities of the Year 2015

N/A

The Board of Directors closely monitored the business situation, provided guidance and fully supported the Group Management in their business and fully committed to work harder in overseeing and providing direction to the Group Management to improve the performance as shareholders expected.

For the Board of Directors  
Regional Container Lines Public Company Limited



Mr. Sumate Tanthuanit  
Managing Director

18<sup>th</sup> March 2016

## *Report on the Board of Directors' Responsibilities for Financial Statements*

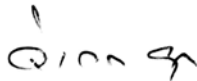
Dear Shareholders,

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

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

The Board of Directors is of the opinion that the financial statements for the year ended 31<sup>st</sup> December 2015 presented the true and accurate financial and operational status of the Company and its subsidiaries.

Regional Container Lines Public Company Limited



Dr. Jamlong Atikul  
Chairman



Mr. Sumate Tanthuwant  
Managing Director

25 February 2016

## *Directors, Report on Internal Control*

The Board of Directors has assessed the internal control, during the Board of Directors' Meeting No.2/2016 on 25 February, 2016, from the Audit Committee's report on such assessment and concluded that, for the 5 components of internal control, namely, control environment, risk assessment, control activities, information & communication, and monitoring activities, the Board of Directors is of the opinion the Company has appropriate internal control, in relating to transaction with major shareholders, directors, management, and connected person, expect for the following areas;

### Control Environment

1. Monitoring and assessment process on the compliance to the code of conduct.
2. Succession plan and process for key position

### Risk Assessment

1. Communication of risk management policy to all level of management and employee to acknowledge and comply to the policy.
2. Involvement from all level of management in managing risk.

The Company has a direction to address this and make it the activity of internal audit, human resource, and related management to improve this area as well as the respective written procedure.



Dr.Jamlong Atikul  
Chairman

## Report from Audit Committee

The Audit Committee, comprising of three independent directors, has the duties and responsibilities as assigned by the Board of Directors of the Regional Container Lines Public Company Limited (the Company). The Audit Committee members fulfill the qualification as stipulated in the Audit Committee Charter, in accordance with the Notification of the Securities and Exchange Commission No. Kor Wor 32/2551 dated June 5, 2008.

The Audit Committee maintains independence in decision-making and relies on discretionary judgments 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 2015, the Audit Committee performed its duties in accordance with the scope and authorities, as summarized below:**

1. Reviewing the Company's quarterly and the year end consolidated financial statements 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 as well as new accounting standards effective in year 2016 and readiness for the new accounting standard effective in the year later.

2. Reviewing the adequacy of internal control system with internal auditor team, support the internal audit team to audit overseas subsidiaries and follow up the recommended action. The Audit Committee emphasized to the Internal Audit Office on the reliability of the audit finding and accepted by the parties being audited. The Audit Committee recognizes the importance of tracking internal control systems the integrated control within the IT system constantly that effect the accuracy of information and reliability of Financial Reporting as well and passed on to the Management to take action.

In year 2015, the Audit Committee continued to focus on the transparency for good governance and to have systematic evaluation for the President's performance together with setting the Corporate Benchmark. In addition, the Audit Committee worked out the Warning Sign to cope with the effectiveness of Risk Management.

To support the Internal Audit office'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 the specialist from business and operation departments to join the location audit on ad hoc basis.

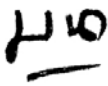
3. Reviewing the compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and the laws related to the Company's business.

4. Making the recommendation to the Board of Directors on the appointment of Prof. Emeritus Kesree Narongdej, registration No. 0076 or Mr. Chaiyuth Angsuwithaya, registration No. 3885 or Mrs. Natsarak Sarochanunjeen, registration No. 4563 of A.M.T. & Associates as the Company's auditor for the year 2015. In the event that any of those 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 statements in their place.

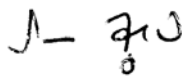
5. Reviewing the connected transactions with the awareness of conflict of interests to ensure that these transactions are performed as normal business on arm's length basis, and sufficiently disclosed according to the Notifications and Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

6. Audit Committee held quarterly meetings with the Company's external auditors to review the quarterly and year end consolidated financial statements which all members, Mr. Amornsuk Noprumpa, Mrs. Arpavadee Meekun-lam and Mr. Viset Choopiban attended 4 meetings accordingly. Chairman of the Audit Committee also called the additional meetings to have the internal meeting with Internal Audit Office and Director & Executive Director (Support) and Vice President of Finance & Account to consider matters arising from internal audit, financial analysis, regulation and legal matters, with all members, Mr. Amornsuk Noprumpa, Mrs. Arpavadee Meekun-lam and Mr. Viset Choopiban attended 4 meetings accordingly.

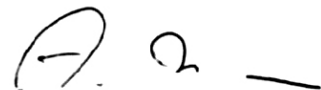
7. In connection with the scope and authorities described in Audit Committee Charter, the Audit Committee is of the opinion that the Company has disclosed the information, complied with generally accepted accounting standards, should intensively implement the internal control activities. The internal audit procedure is within the internal audit framework and the business operation is monitored in compliance with related laws and regulations.



(Mr. Amornsuk Noprumpa)  
Chairman of the Audit Committee



(Mr. Viset Choopiban)  
Audit Committee



(Mrs. Arpavadee Meekun-lam)  
Audit Committee



## Report from Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Regional Container Lines Public Company Limited comprising 3 independent and non-executive directors is responsible for nomination of qualified candidates to fill in the vacancies or to replace the retiring directors; reviewing the remuneration of directors; reviewing the performance and remuneration of Company's Manager and undertaking Board self assessment to improve the performance effectiveness. The Nomination and Remuneration Committee shall report its annual performance to the Board of Directors and the shareholders respectively.

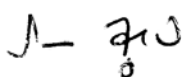
During the year 2015, the Nomination and Remuneration Committee performed its duties in accordance with the scope of responsibility as summarized below:

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.

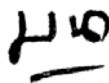
2. Reviewed the directors' remuneration for the year 2014 in accordance with the criteria and structure approved at the 26<sup>th</sup> Annual General Shareholders' Meeting held on 29th April 2005 to report to the Board of Directors and the 36<sup>th</sup> Annual General Shareholders' Meeting held on 24<sup>th</sup> April 2015 for acknowledgement before the directors were remunerated for their performing the duties in 2014. The remuneration of individual director was disclosed in the 2014 Annual Report under Section "Report on Corporate Governance"

3. Arranged Board self assessment exercise for 2014 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.



(Mr. Viset Choopiban)  
Chairman



(Mr. Amornsuk Noparumpa)  
Member



(Mrs. Arpawadee Meekun-lam)  
Member

## Remuneration of the Auditors

The details of 2015 remuneration of the auditors of the Company and its subsidiary companies are as follows :

Auditors' Remuneration	Amounts of Auditors' Remuneration (Mil. Baht)		
	The Company & subsidiaries whose financial statements were audited by A. M. T. & Associates - Thailand	Subsidiaries whose financial statements were audited by Ernst & Young Office Limited (Singapore)	Total
Audit fee	1.877	3.988	5.865
Non audit fee (Tax services)			
- Paid during the year 2015	0.000	0.187	0.187
- Obligation to be paid in the future	0.000	0.000	0.000
<b>Total</b>	<b>1.877</b>	<b>4.175</b>	<b>6.052</b>

# INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2015, the related consolidated statements of changes in shareholders' equity, income, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and I have also audited the separate financial statements for the same year of Regional Container Lines Public Company Limited.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Regional Container Lines Public Company Limited and its subsidiaries as of December 31, 2015, and the result of their operations and their cash flows for the year then ended and the financial position of Regional Container Lines Public Company Limited as of December 31, 2015, the results of its operations and its cash flows for the year then ended in accordance with Financial Reporting Standards.



(CHAIYUTH ANGSUWITHAYA)  
Certified Public Accountant  
Registration No. 3885

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 25, 2016

## Statements of financial position

Regional Container Lines Public Company Limited and its subsidiaries  
As at 31 December 2015

		Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
Note		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
	Cash and cash equivalents	2,014,379,112	1,773,579,938	341,623,227	237,646,490
	Trade receivables - unrelated parties	1,690,459,568	1,846,903,013	7,305,235	-
	Less: allowance for doubtful accounts	(320,825)	(876,107)	-	-
	Trade receivables - unrelated parties, net	1,690,138,743	1,846,026,906	7,305,235	-
	Trade receivables - related parties	44,201,851	46,164,016	123,447,387	40,054,223
	Other receivables	224,657,232	142,789,564	397,338,673	9,930,217
	Material supplies	211,109,192	296,516,562	18,291,765	19,552,147
	Other current assets	63,003,127	73,588,798	7,338,079	3,674,804
	<b>Total current assets</b>	<b>4,247,489,257</b>	<b>4,178,665,784</b>	<b>895,344,366</b>	<b>310,857,881</b>
<b>Non - current assets</b>					
	Property investments held for				
	long - term investment	5,934,542	5,485,641	-	-
	Investments in subsidiaries	-	-	7,732,800,559	7,059,077,092
	Investments in associates	353,320,138	291,430,345	59,916,832	54,696,553
	Other long - term investments	12,176,540	11,115,654	-	-
	Property and premises, net	369,286,623	318,634,695	471,823	430,715
	Vessels and equipment, net	14,623,580,994	13,846,068,638	5,463,498,026	5,094,541,123
	Intangible assets, net	90,532	1,081,086	-	-
	Other non - current assets	5,378,854	4,454,688	2,980,896	2,533,805
	<b>Total non - current assets</b>	<b>15,369,768,223</b>	<b>14,478,270,747</b>	<b>13,259,668,136</b>	<b>12,211,279,288</b>
	<b>Total assets</b>	<b>19,617,257,480</b>	<b>18,656,936,531</b>	<b>14,155,012,502</b>	<b>12,522,137,169</b>

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

## Statements of financial position (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
As at 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	10	1,020,800,000	598,050,000	1,020,800,000	450,000,000
Trade payables - unrelated parties		2,764,262,536	2,785,630,657	115,797,167	61,089,830
Trade payables - related parties	17	5,131,791	4,320,870	-	-
Other payables					
- Accrued expenses		77,269,768	115,129,341	17,523,169	12,217,577
- Advance receipt	17	15,264,021	13,750,061	1,267,810,824	1,093,935,993
- Payable on purchase of assets	17	-	-	734,087,736	670,130,036
Current portion of long - term loans	12	1,144,329,054	1,321,505,844	180,200,000	441,723,625
Short - term loan from related party	11 and 17	300,000,000	300,000,000	300,000,000	300,000,000
Provision for onerous contracts	22.1 (a)	385,766,152	352,156,116	-	-
Income tax payable		8,770,568	5,077,161	-	-
Other current liabilities		80,240,631	69,564,118	2,424,200	18,666,715
<b>Total current liabilities</b>		<b>5,801,834,521</b>	<b>5,565,184,168</b>	<b>3,638,643,096</b>	<b>3,047,763,776</b>
<b>Non - current liabilities</b>					
Long - term loans, net of current portion	12	2,999,265,283	3,313,700,196	1,160,127,600	754,726,000
Employee benefit obligation	14	38,870,671	32,829,396	36,958,344	31,301,210
Other non - current liabilities	20	8,035,445	6,928,656	-	-
<b>Total non - current liabilities</b>		<b>3,046,171,399</b>	<b>3,353,458,248</b>	<b>1,197,085,944</b>	<b>786,027,210</b>
<b>Total liabilities</b>	25	<b>8,848,005,920</b>	<b>8,918,642,416</b>	<b>4,835,729,040</b>	<b>3,833,790,986</b>

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

## Statements of financial position (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
 As at 31 December 2015

		(Unit : Baht)			
		Consolidated financial statements		Separate financial statements	
		As at 31 December		As at 31 December	
Note		2015	2014	2015	2014
	<b>Shareholders' equity</b>				
	Share capital				
	Registered				
	828,750,000 ordinary shares of Baht 1 each	828,750,000	828,750,000	828,750,000	828,750,000
	Issued and fully paid - up				
	828,750,000 ordinary shares of Baht 1 each	828,750,000	828,750,000	828,750,000	828,750,000
	Share premium	4,982,964,187	4,982,964,187	4,982,964,187	4,982,964,187
	Retained earnings				
	Appropriated - legal reserve	66,300,000	66,300,000	66,300,000	66,300,000
	Unappropriated	4,294,051,549	3,919,129,713	2,921,628,844	3,108,946,070
	Other components of equity	564,865,002	(82,514,851)	519,640,431	(298,614,074)
	Total equity of parent Company's shareholders	10,736,930,738	9,714,629,049	9,319,283,462	8,688,346,183
	Non - controlling interests	32,320,822	23,665,066	-	-
	<b>Total shareholders' equity</b>	10,769,251,560	9,738,294,115	9,319,283,462	8,688,346,183
	<b>Total liabilities and shareholders' equity</b>	19,617,257,480	18,656,936,531	14,155,012,502	12,522,137,169

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

# Statements of changes in shareholders' equity

Regional Container Lines Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit : Baht)

Note	Consolidated financial statements									
	Equity holders of parent company									
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other comprehensive income (loss)			Total equity of parent Company's shareholder	Non - controlling interests	Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Other differences on	Actuarial gains (losses) on defined employee benefit plans			
<b>Balance as at 1 January 2014</b>	828,750,000	4,982,964,187	66,300,000	3,553,958,452	(151,025,586)	-	(151,025,586)	9,280,947,053	18,764,020	9,299,711,073
Total comprehensive income (loss) for the year	-	-	-	361,575,225	68,510,735	3,596,036	72,106,771	433,681,996	4,901,046	438,583,042
Transferred to retained earnings	-	-	-	3,596,036	-	(3,596,036)	(3,596,036)	-	-	-
<b>Balance as at 31 December 2014</b>	828,750,000	4,982,964,187	66,300,000	3,919,129,713	(82,514,851)	-	(82,514,851)	9,714,629,049	23,665,066	9,738,294,115
<b>Balance as at 1 January 2015</b>	828,750,000	4,982,964,187	66,300,000	3,919,129,713	(82,514,851)	-	(82,514,851)	9,714,629,049	23,665,066	9,738,294,115
Total comprehensive income (loss) for the year	-	-	-	441,533,172	647,379,853	-	647,379,853	1,088,913,025	8,655,756	1,097,568,781
Reversal of unpaid dividend to shareholders	-	-	-	16,263,364	-	-	-	16,263,364	-	16,263,364
Dividend paid	-	-	-	(82,874,700)	-	-	-	(82,874,700)	-	(82,874,700)
<b>Balance as at 31 December 2015</b>	828,750,000	4,982,964,187	66,300,000	4,294,051,549	564,865,002	-	564,865,002	10,736,930,738	32,320,822	10,769,251,560

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



# Statements of changes in shareholders' equity (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit : Baht)

Note	Separate financial statements							Total shareholder's equity
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity		Total	
			Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement	Actuarial gains (losses) on defined employee benefit plans		
<b>Balance as at 1 January 2014</b>	828,750,000	4,982,964,187	66,300,000	3,311,245,102	(331,472,627)	-	(331,472,627)	8,857,786,662
Total comprehensive income (loss) for the year	-	-	-	(205,177,046)	32,858,553	2,878,014	35,736,567	(169,440,479)
Transferred to retained earning	-	-	-	2,878,014	-	(2,878,014)	(2,878,014)	-
<b>Balance as at 31 December 2014</b>	828,750,000	4,982,964,187	66,300,000	3,108,946,070	(298,614,074)	-	(298,614,074)	8,688,346,183
<b>Balance as at 1 January 2015</b>	828,750,000	4,982,964,187	66,300,000	3,108,946,070	(298,614,074)	-	(298,614,074)	8,688,346,183
Total comprehensive income (loss) for the year	-	-	-	(120,705,890)	818,254,505	-	818,254,505	697,548,615
Reversal of unpaid dividend to shareholders	-	-	-	16,263,364	-	-	-	16,263,364
Dividend paid	-	-	-	(82,874,700)	-	-	-	(82,874,700)
<b>Balance as at 31 December 2015</b>	828,750,000	4,982,964,187	66,300,000	2,921,628,844	519,640,431	-	519,640,431	9,319,283,462

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

## Statements of income

Regional Container Lines Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2015	2014	2015	2014
<b>Revenues</b>					
Freight income	17	11,882,612,300	13,314,344,624	997,905,720	890,055,617
Others income					
Gain on exchange rate		10,679,008	-	81,104,232	57,823,591
Dividend income	7	5,482,497	-	23,376,076	15,620,964
Gain on sales of assets	8.2	28,982,743	47,088,888	316,904	-
Reversal on impairment of building	8.1	22,728,848	-	-	-
Reversal on impairment of vessels	8.2	438,429,145	-	53,667,383	-
Reversal of provision for loss under onerous contracts	22.1 (a)	-	179,197,565	-	-
Interest income		10,362,085	4,227,689	3,813,789	239,445
Adjustment provision for unrealized loss on derivatives		-	149,458	-	-
Others		45,231,688	35,120,445	159,533	-
<b>Total revenues</b>		<b>12,444,508,314</b>	<b>13,580,128,669</b>	<b>1,160,343,637</b>	<b>963,739,617</b>
<b>Expenses</b>					
Cost of freight and operations	17	10,943,883,331	11,933,785,895	1,002,073,722	931,648,782
Administrative expenses	17	933,023,887	1,106,537,658	205,052,714	176,666,025
Others expense - loss on exchange rate		-	56,312,886	-	-
Finance costs		152,351,275	161,566,301	73,923,091	60,601,856
<b>Total expenses</b>	18	<b>12,029,258,493</b>	<b>13,258,202,740</b>	<b>1,281,049,527</b>	<b>1,168,916,663</b>
Share of profit (loss) of associates		54,549,555	49,659,830	-	-
<b>Profit (loss) before income tax expenses</b>		<b>469,799,376</b>	<b>371,585,759</b>	<b>(120,705,890)</b>	<b>(205,177,046)</b>
Tax expenses (income)	20	25,144,941	8,503,227	-	-
<b>Profit (loss) for the years</b>	25	<b>444,654,435</b>	<b>363,082,532</b>	<b>(120,705,890)</b>	<b>(205,177,046)</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the parent		441,533,172	361,575,225	(120,705,890)	(205,177,046)
Non - controlling interests		3,121,263	1,507,307	-	-
		<b>444,654,435</b>	<b>363,082,532</b>	<b>(120,705,890)</b>	<b>(205,177,046)</b>
<b>Basic earnings (loss) per share</b>	2.17				
Profit (loss) attributable to equity holders of the parent		0.53	0.44	(0.15)	(0.25)
The weighted average number of ordinary shares (share)		828,750,000	828,750,000	828,750,000	828,750,000

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

# Statements of comprehensive income

Regional Container Lines Public Company Limited and its subsidiaries  
 For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the years ended 31 December		For the years ended 31 December	
		2015	2014	2015	2014
<b>Profit (loss) for the years</b>		444,654,435	363,082,532	(120,705,890)	(205,177,046)
<b>Other comprehensive income (loss):</b>					
<b>Item that will be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating financial statement		652,914,346	71,904,474	818,254,505	32,858,553
<b>Total item that will be reclassified subsequently to profit or loss</b>		652,914,346	71,904,474	818,254,505	32,858,553
<b>Item that will not be reclassified subsequently to profit or losses:</b>					
Actuarial gains (losses) on defined employee benefit plans	14	-	3,775,542	-	2,878,014
Deferred tax relating to other component of equity		-	(179,506)	-	-
<b>Total item that will not be reclassified subsequently to profit or losses</b>		-	3,596,036	-	2,878,014
<b>Other comprehensive income (loss) for the years</b>		652,914,346	75,500,510	818,254,505	35,736,567
<b>Total comprehensive income (loss) for the years</b>		1,097,568,781	438,583,042	697,548,615	(169,440,479)
<b>Total comprehensive income (loss) for the years attributable to:</b>					
Equity holders of the parent		1,088,913,025	433,681,996	697,548,615	(169,440,479)
Non - controlling interests		8,655,756	4,901,046	-	-
		1,097,568,781	438,583,042	697,548,615	(169,440,479)

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

## Statements of cash flows

Regional Container Lines Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	469,799,376	371,585,759	(120,705,890)	(205,177,046)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	1,221,436,796	1,159,988,623	440,883,213	396,228,972
Amortization	1,097,719	29,527,184	-	-
Loss (gain) on sales and write - off of assets	(28,982,743)	(47,088,888)	(316,904)	-
Loss on impairment of building (reversal)	(22,728,848)	-	-	-
Loss on impairment of vessels (reversal)	(438,429,145)	-	(53,667,383)	-
Provision for loss under onerous contracts (reversal)	-	(179,197,565)	-	-
Increase (decrease) in allowance for doubtful accounts	(555,282)	(11,690,635)	-	-
Dividend income	-	-	(23,376,076)	(15,620,964)
Increase (decrease) allowance for unrealized loss from changes in the fair value of derivatives	-	(149,458)	-	-
Unrealized loss (gain) on exchange rate	79,665,279	91,592,547	23,325,541	(49,161,612)
Share of loss (profit) of associates	(54,549,555)	(49,659,830)	-	-
Employee benefit obligation	6,341,275	5,459,338	5,957,134	5,110,940
Interest income	(10,362,085)	(4,227,689)	(3,813,789)	(239,445)
Finance costs	152,351,275	161,566,301	73,923,091	60,601,856
Profit (loss) from operating activities before changes in operating assets and liabilities	1,375,084,062	1,527,705,687	342,208,937	191,742,701
Operating assets decrease (increase)				
Trade receivables - unrelated parties	78,517,011	42,289,856	(7,305,235)	23,665,824
Trade receivables - related parties	1,962,165	(11,347,635)	(83,393,164)	(40,054,223)
Other receivables	(84,473,393)	40,456,524	(387,556,555)	(6,415,161)
Material supplies	85,407,370	88,476,162	1,260,382	(514,178)
Other current assets	15,274,635	11,525,742	(3,663,275)	341,378
Other non - current assets	(924,166)	832,073	(447,091)	(70,200)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	(19,201,837)	(68,135,327)	56,911,310	(16,770,852)
Trade payables - related parties	810,921	(459,937,620)	-	-
Other payables - accrued expenses	(51,222,776)	12,190,212	(68,555,661)	(59,115,236)
Advance receipt	1,513,960	9,462,964	152,594,558	177,339,510
Other current liabilities	23,818,614	(22,745,216)	20,849	2,484,138
Employee benefit obligation paid	(300,000)	(737,239)	(300,000)	(737,239)
Cash from operating activities	1,426,266,566	1,170,036,183	1,775,055	271,896,462
Cash received (paid) for income tax expenses	(25,796,387)	(10,138,672)	-	270,573
<b>Net cash provided by (used in) operating activities</b>	<b>1,400,470,179</b>	<b>1,159,897,511</b>	<b>1,775,055</b>	<b>272,167,035</b>

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

## Statements of cash flows (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit : Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Decrease (increase) in property, premises, vessels and equipment	(505,430,870)	(69,291,973)	(275,382,943)	(79,420,222)
Decrease (increase) in intangible assets	(68,158)	24,542	-	-
Dividend received	28,858,574	15,620,964	23,376,076	15,620,964
Interest received	12,967,810	3,550,777	3,961,888	239,445
<b>Net cash provided by (used in) investing activities</b>	<b>(463,672,644)</b>	<b>(50,095,690)</b>	<b>(248,044,979)</b>	<b>(63,559,813)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institutions	422,750,000	138,626,365	570,800,000	150,000,000
Increase (decrease) in long - term loans	(888,233,912)	(1,146,649,161)	28,231,313	(200,013,210)
Finance costs paid	(138,988,072)	(144,856,172)	(61,838)	(44,725)
Dividend paid	(82,874,700)	-	(82,874,700)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(687,346,684)</b>	<b>(1,152,878,968)</b>	<b>516,094,775</b>	<b>(50,057,935)</b>
Exchange differences on translating financial statement	(8,651,677)	62,591,051	(165,848,114)	(8,665,710)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>240,799,174</b>	<b>19,513,904</b>	<b>103,976,737</b>	<b>149,883,577</b>
<b>Cash and cash equivalents at beginning of years</b>	<b>1,773,579,938</b>	<b>1,754,066,034</b>	<b>237,646,490</b>	<b>87,762,913</b>
<b>Cash and cash equivalents at end of years</b>	<b>2,014,379,112</b>	<b>1,773,579,938</b>	<b>341,623,227</b>	<b>237,646,490</b>

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

# Note to Financial Statements

Regional Container Lines Public Company Limited and its subsidiaries  
As at 31 December 2015

## 1. General information

### 1.1 Corporate information

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

### 1.2 Basis for preparation of financial statements

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

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

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

### 1.3 Basis for consolidation of financial statements

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

<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) Asian Bulk Shipping Co., Ltd. (The company has ceased its operations)	Ship operating	Thailand	51% owned by the Company
b) RCL Logistics Co., Ltd.	Logistics services	Thailand	100% owned by the Company
<u>Group of subsidiaries operating in Singapore</u>			
c) RCL Investment Pte. Ltd.	Holding company	Singapore	100% owned by the Company
d) Regional Container Lines Pte. Ltd.	Ship owning and operating	Singapore	100% owned by the Company
e) RCL Feeder Pte. Ltd. and its subsidiaries, RCL Australia Pty Ltd. (100% owned), RCL Agencies (M) Sdn Bhd. (100% owned), RCL Feeder Phils., Inc. (100% owned) and Regional Container Lines Shipping Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	73% owned by Regional Container Lines Pte. Ltd. and 27% owned by the Company
f) RCL Services S.A. (The company has ceased its operations)	Ship operating	Panama	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
g) RCL Holdings Ltd. (The company has ceased its operations)	Ship operating	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
h) RCL Shipmanagement Pte. Ltd.	Ship management	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
<u>Group of subsidiaries operating in Hong Kong</u>			
i) Regional Container Lines (H.K.) Ltd. and its subsidiaries, Regional Merchants Maritime Ltd. (80% owned) and Regional Merchants International Freight Forwarding Co., Ltd. (80% owned)	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) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

(d) The financial statements of the subsidiaries are translated into the Group's functional currency and into the presentation currency as stated in note 2.11

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

(f) 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.

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

#### 1.4 Adoption of new financial reporting standards

##### 1.4.1 Financial reporting standards which are effective for the current year

During the year, the Company and its subsidiaries adopted a Conceptual Framework for financial Reporting (revised 2015) and the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements year beginning on or after January 1, 2015 and relevant to the Group's business as follows:

##### Accounting Standard

- TAS 1 Presentation of Financial Statements (revised 2014)
- TAS 2 Inventories (revised 2014)
- TAS 7 Statement of Cash Flows (revised 2014)
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2014)
- TAS 10 Events After the Reporting Period (revised 2014)
- TAS 12 Income Taxes (revised 2014)
- TAS 16 Property, Plant and Equipment (revised 2014)
- TAS 17 Leases (revised 2014)
- TAS 18 Revenue (revised 2014)
- TAS 19 Employee Benefits (revised 2014)
- TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2014)
- TAS 24 Related Party Disclosures (revised 2014)
- TAS 27 Separate Financial Statements (revised 2014)
- TAS 28 Investments in Associates and Joint Ventures (revised 2014)
- TAS 33 Earnings per Share (revised 2014)
- TAS 34 Interim Financial Reporting (revised 2014)
- TAS 36 Impairment of Assets (revised 2014)
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2014)
- TAS 38 Intangible assets (revised 2014)
- TAS 40 Investment Property (revised 2014)



#### Financial Reporting Standard

- TFRS 8 Operating Segments (revised 2014)
- TFRS 10 Consolidated Financial Statements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement

Adoption of the above financial reporting standards in the current year do not have material effect on the financial statements.

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

During the year, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2016 as follows.

#### Accounting Standards

- TAS 1 Presentation of Financial Statements (revised 2015)
- TAS 2 Inventories (revised 2015)
- TAS 7 Statement of Cash Flows (revised 2015)
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)
- TAS 10 Events After the Reporting Period (revised 2015)
- TAS 11 Construction Contracts (revised 2015)
- TAS 12 Income Taxes (revised 2015)
- TAS 16 Property, Plant and Equipment (revised 2015)
- TAS 17 Leases (revised 2015)
- TAS 18 Revenue (revised 2015)
- TAS 19 Employee Benefits (revised 2015)
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)
- TAS 21 The Effects of Changes in Foreign Exchange Rate (revised 2015)
- TAS 23 Borrowing Costs (revised 2015)
- TAS 24 Related Party Disclosures (revised 2015)
- TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2015)
- TAS 27 Separate Financial Statements (revised 2015)
- TAS 28 Investments in Associates and Joint Venture (revised 2015)
- TAS 29 Financial Reporting in Hyperinflationary Economics (revised 2015)
- TAS 33 Earnings per Share (revised 2015)
- TAS 34 Interim Financial Reporting (revised 2015)
- TAS 36 Impairment of Assets (revised 2015)
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2015)
- TAS 38 Intangible (revised 2015)
- TAS 40 Investment Property (revised 2015)
- TAS 41 Agriculture

### Financial Reporting Standards

- TFRS 2 Share - Based Payment (revised 2015)
- TFRS 3 Business Combinations (revised 2015)
- TFRS 4 Insurance Contracts (revised 2015)
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2015)
- TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2015)
- TFRS 8 Operating Segments (revised 2015)
- TFRS 10 Consolidated Financial Statement (revised 2015)
- TFRS 11 Joint Arrangements (revised 2015)
- TFRS 12 Disclosure of Interests in Other Entities (revised 2015)
- TFRS 13 Fair Value Measurement (revised 2015)

### Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2015)
- TSIC 15 Operating Leases - Incentives (revised 2015)
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2015)
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2015)
- TSIC 29 Service Concession Arrangements : Disclosures (revised 2015)
- TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2015)
- TSIC 32 Intangible Assets - Web Site Costs (revised 2015)

### Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Liabilities (revised 2015)
- TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2015)
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2015)
- TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2015)  
Financial Reporting in Hyperinflationary Economies (revised 2015)
- TFRIC 10 Interim Financial Reporting and Impairment (revised 2015)
- TFRIC 12 Service Concession Arrangements (revised 2015)
- TFRIC 13 Customer Loyalty Programmes (revised 2015)
- TFRIC 14 TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2015)
- TFRIC 15 Agreements for the Construction of Real Estate (revised 2015)
- TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2015)
- TFRIC 18 Transfers of Assets from Customers (revised 2015)
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2015)
- TFRIC 21 Levies

The management of the Company has assessed that TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40 and TFRS 8, TFRS 10, TFRS 12, TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC 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 with an original maturity of three months or less and not subject to withdrawal restrictions.

### 2.3 Trade receivables

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

### 2.4 Material supplies

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

### 2.5 Investments

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

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

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

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

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

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

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

No depreciation is provided for land and vessels installation.

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

## 2.7 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

## 2.8 Financial instruments

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

## 2.9 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.

## 2.10 Long - term leases

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

## 2.11 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 25 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.

2.12 Property investments held for long - term investment

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

2.13 Impairment of assets

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

2.14 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 Thai Law are recognized as expenses in the statements of income along the service period of employees. The Company and its subsidiary in Thailand'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 Company and its subsidiary in Thailand shall recognize the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

### 2.15 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.

### 2.16 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.

### 2.17 Basic earnings (loss) per share

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

## 3. Significant accounting judgments and estimates

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

### 3.1 Allowance for doubtful accounts

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

### 3.2 Premises, vessels and equipment

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

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

### 3.3 Leases

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

### 3.4 Intangible assets

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

### 3.5 Allowance for unrealised loss from the changes in the fair value of derivatives

In determining the provision for unrealised loss from changes in the fair value of derivatives, the Group management determines the fair value of the derivatives by using valuation techniques and models that were derived based on observable market factors.

### 3.6 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.

### 3.7 Provision for onerous contracts

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

### 3.8 Post - employment benefits under defined benefit plans

The obligation under the defined benefit plan is estimated using the actuarial method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



4. Change in accounting estimation

During the current year, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to decrease net income of the Company and the Group for the year ended 31 December 2015 by Baht 12 million and Baht 37 million, respectively (Baht 0.01 per share and Baht 0.04 per share, respectively)

5. Trade receivables

The balances of trade receivables - unrelated parties as at 31 December 2015 and 2014 are classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Under 90 days	1,592,303	1,741,905	7,305	-
91 - 180 days	33,143	30,628	-	-
181 - 365 days	44,044	52,092	-	-
Over 365 days	20,970	22,278	-	-
Total	1,690,460	1,846,903	7,305	-
<u>Less</u> Allowance for doubtful accounts	(321)	(876)	-	-
Net	1,690,139	1,846,027	7,305	-

The balances of trade receivables - related parties as at 31 December 2015 and 2014 are classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Under 90 days	44,202	43,815	123,447	40,054
91 - 180 days	-	2,349	-	-
181 - 365 days	-	-	-	-
Over 365 days	-	-	-	-
Total	44,202	46,164	123,447	40,054

6. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the years ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	14	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	257	234	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,704	5,207	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,234	1,126	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	168	153	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	88	81	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	261	238	-	-
Total investments in subsidiaries					7,733	7,059	-	-

Movement in the investments in subsidiaries for the year ended 31 December 2015 are summarized below:

(Unit: Thousand Baht)

Investment as at 31 December 2014	7,059,077
Exchange differences on translating financial statement	673,724
Investment as at 31 December 2015	<u>7,732,801</u>

7. Investments in associated companies

(Unit : Million Baht)

Company's name	Separate financial statements									
	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the years ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			Percent	Percent						
<u>Investment in associated company of the Company</u>										
<u>Associated company operating in Thailand</u>										
TIPS Co., Ltd. (Port operating)	100	100								
	Million	Million								
	Baht	Baht	22	22	60	55	325	268	23	16
Total investment in associated company					60	55	325	268	23	16

Movements in the investment in associated company of the Company for the year ended 31 December 2015 are summarized below:

(Unit: Thousand Baht)

Investment as at 31 December 2014	54,696
Exchange differences on translating financial statement	5,221
Investment as at 31 December 2015	<u>59,917</u>

The accumulated share of the profit of the associate, as at 31 December 2015 and 2014, is calculated based on the financial statements of the associate, which were prepared by the management and unaudited by that company's auditor.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
The Company's investment in associate	325,130	268,010
The subsidiaries' investments in associates	28,190	23,420
Total investments in associates accounted for under equity method	<u>353,320</u>	<u>291,430</u>

8. Property, premises, vessels and equipment, net8.1 Property and premises, net

(Unit: Baht)

	Building in Bangkok	Buildings in Singapore	Building in Hong Kong	Improvement of buildings in Singapore	Improvement of buildings in Hong Kong	Total
<u>Cost</u>						
As at 31 December 2014	58,825,724	164,070,735	259,229,047	60,455,065	5,782,665	548,363,236
Acquisitions	-	-	-	5,834,644	-	5,834,644
Exchange differences on translating financial statement	5,614,370	15,659,031	24,881,356	4,959,484	555,033	51,669,274
As at 31 December 2015	64,440,094	179,729,766	284,110,403	71,249,193	6,337,698	605,867,154
<u>Accumulated depreciation</u>						
As at 31 December 2014	(58,395,009)	(31,874,432)	(32,686,301)	(57,824,693)	(5,782,665)	(186,563,100)
Depreciation for the year	-	(3,339,679)	(2,853,387)	(3,218,096)	-	(9,411,162)
Adjusted due to reversal on impairment	-	(1,752,310)	(20,487,624)	-	-	(22,239,934)
Exchange differences on translating financial statement	(5,573,262)	(3,304,848)	(4,349,850)	(4,583,342)	(555,033)	(18,366,335)
As at 31 December 2015	(63,968,271)	(40,271,269)	(60,377,162)	(65,626,131)	(6,337,698)	(236,580,531)
<u>Allowance for impairment loss</u>						
As at 31 December 2014	-	(21,132,803)	(22,032,638)	-	-	(43,165,441)
Increase	-	-	-	-	-	-
Reversal	-	20,261,585	2,467,263	-	-	22,728,848
Adjusted due to reversal on impairment	-	1,752,310	20,487,624	-	-	22,239,934
Exchange differences on translating financial statement	-	(881,092)	(922,249)	-	-	(1,803,341)
As at 31 December 2015	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 December 2014	430,715	111,063,500	204,510,108	2,630,372	-	318,634,695
As at 31 December 2015	471,823	139,458,497	223,733,241	5,623,062	-	369,286,623

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

At the end of year 2015, the subsidiaries in Singapore and Hong Kong arranged to reappraise the values of their buildings by an independent professional appraiser and recorded the reversal on impairment of buildings amounting to USD 0.7 million or approximately Baht 22.7 million in the statements of income for the year 2015 and recorded accumulated depreciation amounting to USD 0.6 million or approximately Baht 22.2 million in the statements of financial position as at 31 December 2015.

8.2 Vessels and equipment - Consolidated financial statements

(Unit: Baht)

	Vessels	Vessels Installation	Major repair and maintenance costs	Containers	Office furniture, fixtures and equipment	Motor vehicles	Total
<u>Cost</u>							
As at 31 December 2014	27,425,665,202	-	462,609,391	508,859,713	181,894,422	25,906,937	28,604,935,665
Acquisitions	-	157,512,733	372,683,212	651,586	4,457,767	-	535,305,298
Disposals	-	-	-	(28,980,835)	(983,343)	(3,502,512)	(33,466,690)
Write - off	-	-	(299,107,353)	(271,423)	(260,086)	-	(299,638,862)
Exchange differences on translating financial statement	2,304,763,514	8,127,107	47,948,035	47,090,247	12,115,444	1,396,415	2,421,440,762
As at 31 December 2015	29,730,428,716	165,639,840	584,133,285	527,349,288	197,224,204	23,800,840	31,228,576,173
<u>Accumulated depreciation</u>							
As at 31 December 2014	(11,406,338,030)	-	(305,203,034)	(465,814,403)	(173,078,054)	(23,110,724)	(12,373,544,245)
Depreciation for the year	(991,223,762)	-	(192,879,293)	(24,650,849)	(2,816,807)	(454,920)	(1,212,025,631)
Disposals	-	-	-	26,144,328	1,000,334	3,424,953	30,569,615
Write - off	-	-	295,294,308	255,219	260,081	-	295,809,608
Adjusted due to reversal on impairment	(231,616,181)	-	-	-	-	-	(231,616,181)
Exchange differences on translating financial statement	(1,124,635,177)	-	(23,844,542)	(44,367,440)	(11,693,069)	(1,285,713)	(1,205,825,941)
As at 31 December 2015	(13,753,813,150)	-	(226,632,561)	(508,433,145)	(186,327,515)	(21,426,404)	(14,696,632,775)
<u>Allowance for impairment loss</u>							
As at 31 December 2014	(2,385,322,782)	-	-	-	-	-	(2,385,322,782)
Increase	-	-	-	-	-	-	-
Reversal	438,429,145	-	-	-	-	-	438,429,145
Disposals	-	-	-	-	-	-	-
Adjusted due to reversal on impairment	231,616,181	-	-	-	-	-	231,616,181
Exchange differences on translating financial statement	(193,084,948)	-	-	-	-	-	(193,084,948)
As at 31 December 2015	(1,908,362,404)	-	-	-	-	-	(1,908,362,404)
<u>Net book value</u>							
As at 31 December 2014	13,634,004,390	-	157,406,357	43,045,310	8,816,368	2,796,213	13,846,068,638
As at 31 December 2015	14,068,253,162	165,639,840	357,500,724	18,916,143	10,896,689	2,374,436	14,623,580,994

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

As at 31 December 2015 and 2014, certain vessels and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 524 million and Baht 428 million (The Company : Baht 49 million and Baht 41 million), respectively.

Transactions occurred in year 2014:

During the first quarter of 2014, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.3 million (approximately Baht 10.2 million).

During the second quarter of 2014, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.3 million (approximately Baht 8.6 million).

During the third quarter of 2014, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.3 million (approximately Baht 10.7 million).

During the fourth quarter of 2014, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.5 million (approximately Baht 17.6 million).

Transactions occurred in year 2015:

During the first quarter of 2015, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.3 million (approximately Baht 11.3 million).

During the second quarter of 2015, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.2 million (approximately Baht 6.9 million).

During the third quarter of 2015, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.1 million (approximately Baht 4.1 million).

During the fourth quarter of 2015, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.1 million (approximately Baht 4.4 million).

At the end of year 2015, the management determined the recoverable amount of the Company's and a subsidiary's vessels according to value in use by reference the revenue information of the independent professional appraiser. The result of this determination, the recoverable amount was higher than the carrying amount. Hence, the Company and a subsidiary recorded the reversal on impairment of vessels amounting to USD 12.8 million or approximately Baht 438.4 million in the statements of income for the year 2015 (The Company: USD 1.6 million or approximately Baht 53.7 million) and recorded accumulated depreciation amounting to USD 6.8 million or approximately Baht 231.6 million in the statements of financial position as at 31 December 2015. (The Company: USD 1.3 million or approximately Baht 45.7 million)

The discount rate (before tax) of the determination is 8.5 % per annum in year 2015 and 2014.

**Vessels and equipment - Separate financial statements**

(Unit : Baht)

	Vessels	Vessels Installation	Major repair and Maintenance costs	Office furniture, fixtures and equipment	Motor vehicles	Total
<b>Cost</b>						
As at 31 December 2014	8,987,472,540	-	209,812,056	39,265,097	8,117,481	9,244,667,174
Acquisitions	-	157,512,733	117,369,579	817,535	-	275,699,847
Disposals	-	-	-	-	(1,186,926)	(1,186,926)
Write - off	-	-	(135,755,635)	-	-	(135,755,635)
Exchange differences on translating financial statement	857,770,935	8,127,107	19,075,959	3,789,672	713,497	889,477,170
As at 31 December 2015	9,845,243,475	165,639,840	210,501,959	43,872,304	7,644,052	10,272,901,630
<b>Accumulated depreciation</b>						
As at 31 December 2014	(3,893,026,232)	-	(115,504,091)	(38,092,590)	(8,117,481)	(4,054,740,394)
Depreciation for the year	(343,224,454)	-	(96,994,621)	(664,138)	-	(440,883,213)
Disposals	-	-	-	-	1,186,926	1,186,926
Write - off	-	-	135,755,635	-	-	135,755,635
Adjusted due to reversal on impairment loss	(45,695,188)	-	-	-	-	(45,695,188)
Exchange differences on translating financial statement	(391,620,158)	-	(9,023,862)	(3,669,853)	(713,497)	(405,027,370)
As at 31 December 2015	(4,673,566,032)	-	(85,766,939)	(42,426,581)	(7,644,052)	(4,809,403,604)
<b>Allowance for impairment loss</b>						
As at 31 December 2014	(95,385,657)	-	-	-	-	(95,385,657)
Increase	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reversal	53,667,383	-	-	-	-	53,667,383
Adjusted due to reversal on impairment loss	45,695,188	-	-	-	-	45,695,188
Exchange differences on translating financial statement	(3,976,914)	-	-	-	-	(3,976,914)
As at 31 December 2015	-	-	-	-	-	-
<b>Net book value</b>						
As at 31 December 2014	4,999,060,651	-	94,307,965	1,172,507	-	5,094,541,123
As at 31 December 2015	5,171,677,443	165,639,840	124,735,020	1,445,723	-	5,463,498,026

Depreciation in the statements of income for the years 2015 and 2014 consisted of the following:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Depreciation included in				
Cost of freight and operations	1,208,753,904	1,149,394,858	440,219,075	395,643,469
Administrative expenses	12,682,889	10,593,765	664,138	585,503
Total	<u>1,221,436,793</u>	<u>1,159,988,623</u>	<u>440,883,213</u>	<u>396,228,972</u>

9. Intangible assets, net

	(Unit: Baht)
	Consolidated financial statements
	Computer software
<u>Cost</u>	
As at 31 December 2014	346,144,789
Increase	68,158
Decrease	-
Transfer in (out)	-
Exchange differences on translating financial statement	32,793,613
As at 31 December 2015	<u>379,006,560</u>
<u>Accumulated amortization</u>	
As at 31 December 2014	(345,063,703)
Increase	(1,097,719)
Decrease	-
Exchange differences on translating financial statement	(32,754,606)
As at 31 December 2015	<u>(378,916,028)</u>
<u>Net book value</u>	
As at 31 December 2014	<u>1,081,086</u>
As at 31 December 2015	<u>90,532</u>

As at 31 December 2015 and 2014, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 374 million and Baht - million, respectively.



10. Short - term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Loans from financial institution no. 1	300,000	450,000	300,000	450,000
Loans from financial institution no. 2	-	148,050	-	-
Loans from financial institution no. 3	720,800	-	720,800	-
<b>Total</b>	<b>1,020,800</b>	<b>598,050</b>	<b>1,020,800</b>	<b>450,000</b>

As at 31 December 2015 and 2014, loans from financial institution no. 1 with interest at the rate of MLR-1.00% p.a., and with interest at the rate of 5.85% and MLR% p.a., respectively is unsecured.

In January 2016, the company had entered into an unsecured loan in the amount of Baht 150 million which is promissory note with interest at the rate of MLR-1.00% p.a., respectively is unsecured.

As at 31 December 2014, loans from financial institution no. 2 is promissory note amounting to USD 4.5 million with interest at the rate of LIBOR+6.50% p.a., is secured by office building subsidiaries.

As at 31 December 2015, loans from financial institution no. 3 is promissory note amounting to USD 20 million with interest at the rate of 2.24% p.a., which is unsecured.

11. Short - term loan from related party

(Unit: Thousand Baht)

	Balance as at		Balance as at	
	31 December 2014	Increase	Decrease	31 December 2015
Loan	300,000	-	-	300,000

As at 31 December 2015 and 2014, loan from a related party is promissory note with 15 month term repayment and interest at the rate of 4.75% p.a., which is unsecured.

In January 2016, the Company paid the total remaining amount.

12. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
<u>Loans of the Company</u>				
1) USD - million loan (2014: USD 11.4 million), repayable quarterly until the year 2015.	-	375,924	-	375,924
2) USD 11.5 million loan (2014: USD 12.5 million), repayable quarterly until the year 2017.	413,379	410,263	413,379	410,263
3) USD 11.5 million loan (2014: USD 12.5 million), repayable quarterly until the year 2017.	413,379	410,263	413,379	410,263
4) USD 14.3 million loan (2014: USD 12.5 million), repayable quarterly until the year 2020.	513,570	-	513,570	-
<u>Loans of the Singapore Subsidiaries</u>				
5) USD 17.4 million loan (2014: USD 19.8 million), repayable quarterly until the year 2018.	627,096	651,420	-	-
6) USD 16.1 million loan (2014: USD 21.4 million), repayable semi - annually until the year 2018.	579,523	705,376	-	-
7) USD 9.2 million loan (2014: USD 11.0 million), repayable quarterly until the year 2018.	330,366	361,900	-	-
8) USD 10.5 million loan (2014: USD 13.1 million), repayable semi - annually until the year 2018.	377,699	430,990	-	-
9) USD 21.2 million loan (2014: USD 35.3 million), repayable quarterly until the year 2017.	762,787	1,160,547	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
10) HKD 27.1 million loan (2014: HKD 30.3 million), repayable monthly until the year 2023.	125,795	128,523	-	-
Total	4,143,594	4,635,206	1,340,328	1,196,450
<u>Less</u> Current portion	(1,144,329)	(1,321,506)	(180,200)	(441,724)
Long - term loans, net of current portion	2,999,265	3,313,700	1,160,128	754,726

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

Movements in the long - term loans during the year ended 31 December 2015 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 31 December 2014	4,635,206	1,196,450
<u>Add</u> Borrowings	514,076	514,076
<u>Less</u> Repayments	(1,402,309)	(485,844)
Exchange differences on translating financial statement	396,621	115,646
Ending balance as at 31 December 2015	<u>4,143,594</u>	<u>1,340,328</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.

In January 2016, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 32.5 million or approximately Baht 1,171 million which is for the payment of 2 container vessels' construction.

### 13. Debenture

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

### 14. Employee benefit obligation

- Movement in the present value of the employee benefit obligation for the years ended 31 December 2015 and 2014

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Employee benefit obligation at beginning of year	32.83	31.89	31.30	29.81
Benefits paid	(0.30)	(0.74)	(0.30)	(0.74)
Current service cost and interest	6.34	5.46	5.96	5.11
Actuarial losses (gains) on defined employee benefit plans	-	(3.78)	-	(2.88)
Employee benefit obligation at end of year	<u>38.87</u>	<u>32.83</u>	<u>36.96</u>	<u>31.30</u>

- Expenses recognized in the statements of income for the years ended 31 December 2015 and 2014 are as follows :

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service costs	5.22	4.53	4.90	4.22
Interest cost	1.12	0.93	1.06	0.89
Total	6.34	5.46	5.96	5.11

Total actuarial losses (gains) recognized in the other comprehensive income in Consolidate financial statements for the year ended 31 December 2015 and 2014 amounted of gains Baht - million and Baht 3.78 million, respectively (Separate financial statement amounted of gains Baht - million and Baht 2.88 million, respectively).

- Principal actuarial assumptions as at 31 December 2015 and 2014 are as follows :

	Percent	
	Consolidated financial statements	Separate financial statements
Discount rate	3.39 - 3.67	3.39
Salary increase rate	6.00	6.00
Employee turnover rate	0 - 24.00*	0 - 24.00*
Mortality rate	TMO2008**	TMO2008**

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

\*\* Reference from TMO2008 : Thai Mortality Ordinary Table 2008

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as at 31 December 2015 as follows:

- If the discount rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would decrease Baht 1.57 million (increase Baht 1.68 million) and Separate financial statements would decrease Baht 1.47 million (increase Baht 1.57 million).

- If the salary increase rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would increase Baht 1.71 million (decrease Baht 1.61 million) and Separate financial statements would increase Baht 1.60 million (decrease Baht 1.51 million).

- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation in Consolidated financial statements would increase Baht 0.28 million (decrease Baht 0.28 million) and Separate financial statements would increase Baht 0.27 million (decrease Baht 0.27 million).

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

### 15. 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.

### 16. Dividend paid

At the Annual General Meeting of Shareholders held on 24 April 2015, the shareholders approved pay dividend amounted Baht 82.88 million at Baht 0.10 per share.

### 17. 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		
	2015	2014	2015	2014	
<u>Transactions with its subsidiaries</u>					
Charter freight income	-	-	273	278	Market price as at agreement date
Ship management fee	-	-	8	8	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	132	138	-	-	Price approximates market price
Terminal operating service	249	313	-	-	Price per tariff minus volume discount
Logistic service fees	24	39	-	-	Price approximates market price

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	
	2015	2014	2015	2014
<u>Trade receivables - related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	123	40
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	-	11	-	-
RCL (Vietnam) Co., Ltd.	-	6	-	-
Ngow Hock Co., Ltd.	44	29	-	-
	44	46	-	-
<u>Trade receivables - related parties</u>				
<u>Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	367	-
Regional Container Lines Pte. Ltd.	-	-	7	-
	-	-	374	-
<u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	11	-
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Others	5	4	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	666	12
RCL Shipmanagement Pte. Ltd.	-	-	583	1,068
Regional Container Lines Pte. Ltd.	-	-	3	-
	-	-	1,252	1,080
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	734	670
<u>Short - term loan from related party</u>				
<u>Related party</u>				
Ngow Hock Co., Ltd.	300	300	300	300

c) Management benefit expenses

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

Management benefit expenses for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short - term employee benefits	32	32	14	13

18. Expenses by nature

Significant expenses by nature for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefits expenses	1,472	1,392	418	358
Management benefit expenses	32	32	14	13
Depreciations	1,221	1,160	441	396
Amortizations	1	29	-	-

19. Provident Fund

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

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

During 2015, the Group's contributions to these funds totaled Baht 45 million (2014 : Baht 52 million).

## 20. Tax expenses

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

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

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

As at 31 December 2015 and 2014 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, employee benefit obligation and unused tax losses totaling Baht 373.43 million and Baht 487.67 million, respectively, (the Company Baht 81.76 million and Baht 88.22 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 0.38 million and Baht 0.31 million, respectively.

As at 31 December 2015 and 2014 the Group has temporary difference arising from exchange difference from the translation of the financial statements from functional currency into presentation currency associated with investments in subsidiaries for which deferred tax liability has not been recognized, aggregating Baht 349.10 million and Baht 201.05 million, respectively.

Tax expense (income) for the year ended 31 December 2015 and 2014, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Current tax expense	24,801	7,738	-	-
Deferred tax expense (income) of temporary differences	344	765	-	-
Tax expense (income) reported in the statement of income	<u>25,145</u>	<u>8,503</u>	<u>-</u>	<u>-</u>

As at 31 December 2015 and 2014 the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2015	2014
<u>Deferred tax assets</u>		
Employee benefit obligation	382	306
Unused tax benefits on loss carry forward	-	-
Total	<u>382</u>	<u>306</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,035</u>	<u>6,929</u>



The Company's operating results for the year 2015 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

	For the year ended 31 December 2015				Difference	USD currency (b)
	Baht currency (a)		Functional currency			
	BOI Promoted	Non - BOI Promoted	Tax exempted	Total		
	Tax payer number		3105114177			
	3101120028					
<b>Revenues</b>						
Freight income	199,903,451	-	796,398,181	996,301,632	1,604,088	997,905,720
Gain on exchange rate	-	-	-	-	81,104,232	81,104,232
Dividend income	-	22,222,200	-	22,222,200	1,153,876	23,376,076
Reversal on impairment of vessels	-	-	38,656,404	38,656,404	15,010,979	53,667,383
Interest income	-	3,910,588	-	3,910,588	(96,799)	3,813,789
Other income	-	499,707	-	499,707	(23,270)	476,437
<b>Total revenues</b>	<b>199,903,451</b>	<b>26,632,495</b>	<b>835,054,585</b>	<b>1,061,590,531</b>	<b>98,753,106</b>	<b>1,160,343,637</b>
<b>Expenses</b>						
Cost of freight and operations	124,572,425	-	881,123,005	1,005,695,430	(3,621,708)	1,002,073,722
Administrative expenses	41,263,316	154,575	164,389,509	205,807,400	(754,686)	205,052,714
Loss on exchange rate	49,459,175	-	198,806,239	248,265,414	(248,265,414)	-
Finance costs	29,869,475	-	45,194,117	75,063,592	(1,140,501)	73,923,091
<b>Total expenses</b>	<b>245,164,391</b>	<b>154,575</b>	<b>1,289,512,870</b>	<b>1,534,831,836</b>	<b>(253,782,309)</b>	<b>1,281,049,527</b>
<b>Profit (loss) before income tax expense</b>	<b>(45,260,940)</b>	<b>26,477,920</b>	<b>(454,458,285)</b>	<b>(473,241,305)</b>	<b>352,535,415</b>	<b>(120,705,890)</b>
Tax expenses (income)	-	-	-	-	-	-
<b>Profit (loss) for the years</b>	<b>(45,260,940)</b>	<b>26,477,920</b>	<b>(454,458,285)</b>	<b>(473,241,305)</b>	<b>352,535,415</b>	<b>(120,705,890)</b>

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

(b) Increase the Company's functional currency is USD currency is prepared in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates (reused 2014)".

## 21. 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	906	811	10,611	11,891	366	612	11,883	13,314	-	-	11,883	13,314
Inter - segment revenues	273	278	1,130	1,443	26	11	1,429	1,732	(1,429)	(1,732)	-	-
Freight income	1,179	1,089	11,741	13,334	392	623	13,312	15,046	(1,429)	(1,732)	11,883	13,314
Segment gross profit (loss)	25	(16)	803	1,282	110	103	938	1,369	1	12	939	1,381
Gain (loss) on exchange rate											11	(56)
Dividend income											5	-
Gain on sales of assets											29	47
Reversal on impairment of building											23	-
Reversal on impairment of vessels											438	-
Reversal of provision for loss under onerous contracts											-	179
Interest income											10	4
Other income											45	35
Share of profit (loss) of associates											55	50
Administrative expenses											933	1,106
Finance costs											152	162
Tax expenses (income)											25	9
Profit (loss) for the years											445	363

(Unit: Million Baht)

Consolidated financial statements												
As at 31 December												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Property, premises, vessels and equipment, net	5,468	5,100	9,147	8,436	225	205	14,840	13,741	153	424	14,993	14,165
Others											4,624	4,492
Total assets											19,617	18,657

## 22. Commitments and contingent liabilities

### 22.1 Commitments

- a) As at 31 December 2015, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 6 million (31 December 2014: Baht 13 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 53 million or approximately Baht 1,903 million (31 December 2014: USD 52 million or approximately Baht 1,697 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	940	-	39	979
During 1 - 5 years	898	-	26	924
Over than 5 years	-	-	-	-
Total	1,838	-	65	1,903

- b) As at 31 December 2015, a subsidiary in Singapore has commitments amounting to USD - million, or approximately Baht - million in respect of software royalty agreements (31 December 2014: USD 0.01 million, or approximately Baht 0.47 million).
- c) As at 31 December 2015, a subsidiary in Singapore has Bunker Purchase Commitments amounting to USD - million or approximately Baht - million (31 December 2014: USD 39 million or approximately Baht 1,294 million covering the period of January 2015 to December 2015 at 4,000 - 8,000 MT per month).

### 22.2 Guarantees

As at 31 December 2015, the Company has guarantee obligations of USD 338 million, SGD 6 million and HKD 43 million, or approximately Baht 12,628 million (31 December 2014: USD 350 million, SGD 6 million and HKD 43 million or approximately Baht 12,843 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 107 million and HKD 27 million, or approximately Baht 3,978 million (31 December 2014: USD 145 million and HKD 30 million, or approximately Baht 4,912 million).

## 23. Financial instruments

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

### 23.1 Financial risk management

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

#### (1) Credit risk

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

#### (2) Interest rate risk

Significant financial assets and liabilities as at 31 December 2015 and 2014 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

2015

	Million Baht				Total	Interest rate
	Fixed interest rates		Floating interest rate	Non - interest bearing		
	within 1 year	2 - 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	684	-	600	730	2,014	0 - 3.05% p.a.
<b><u>Financial liabilities</u></b>						
Short - term loan from financial institution	721	-	300	-	1,021	Note 10
Short - term loan from related party	300	-	-	-	300	Note 11
Long - term loans	-	-	4,144	-	4,144	Note 12
<b>Total</b>	<b>1,021</b>	<b>-</b>	<b>4,444</b>	<b>-</b>	<b>5,465</b>	

## 2014

		Million Baht				
Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Interest rate	
within 1 year	2 - 5 years					
<u>Financial asset</u>						
Cash and cash equivalents	485	-	723	565	1,773	0 - 3.30% p.a.
<u>Financial liabilities</u>						
Short - term loan from financial institution	300	-	298	-	598	Note 10
Short - term loan from related party	300	-	-	-	300	Note 11
Long - term loans	-	-	4,635	-	4,635	Note 12
Total	600	-	4,933	-	5,533	

## Separate financial statements

## 2015

		Million Baht				
Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Interest rate	
within 1 year	2 - 5 years					
<u>Financial assets</u>						
Cash and cash equivalents	300	-	41	1	342	0 - 1.49% p.a.
<u>Financial liabilities</u>						
Short - term loan from financial institution	721	-	300	-	1,021	Note 10
Short - term loan from related party	300	-	-	-	300	Note 11
Long - term loans	-	-	1,340	-	1,340	Note 12
Total	1,021	-	1,640	-	2,661	

## 2014

		Million Baht				
Fixed interest rates		Floating interest rate	Non - interest bearing	Total	Interest rate	
within 1 year	2 - 5 years					
<u>Financial asset</u>						
Cash and cash equivalents	150	-	87	1	238	0 - 3.10% p.a.
<u>Financial liabilities</u>						
Short - term loan from financial institution	300	-	150	-	450	Note 10
Short - term loan from related party	300	-	-	-	300	Note 11
Long - term loans	-	-	1,196	-	1,196	Note 12
Total	600	-	1,346	-	1,946	

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.

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 December 2015 and 2014, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(4) Commodity price risk

Since year 2008, a subsidiary in Singapore had entered into various contracts to hedge exposure to bunker price fluctuations, which those contracts have been expired in June 2009 and the Group has not made any renewal.

However, 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 22.1(c) to the financial statements.

### 23.2 Fair value

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

### 24. 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 2015, the Group's debt - to - equity ratio was 0.82:1 (31 December 2014 :0.92:1) and the Company's was 0.52 :1 (31 December 2014 : 0.44 : 1).

25. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2015 and 2014 and the statements of income for the years ended 31 December 2015 and 2014 are as follows:

## Statements of financial position

Regional Container Lines Public Company Limited and its subsidiaries  
As at 31 December 2015

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	55,892,872	53,908,205	9,479,002	7,223,298
Trade receivables - unrelated parties	46,905,094	56,136,869	202,698	-
<u>Less: allowance for doubtful accounts</u>	(8,902)	(26,629)	-	-
Trade receivables - unrelated parties, net	46,896,192	56,110,240	202,698	-
Trade receivables - related parties	1,226,466	1,403,162	3,425,288	1,217,454
Other receivables	6,233,552	4,340,108	11,024,935	301,830
Material supplies	5,857,636	9,012,661	507,541	594,290
Other current assets	1,748,145	2,236,742	203,609	111,696
<b>Total current assets</b>	<b>117,854,863</b>	<b>127,011,118</b>	<b>24,843,073</b>	<b>9,448,568</b>
<b>Non - current assets</b>				
Property investments held for long - term investment	164,665	166,737	-	-
Investments in subsidiaries	-	-	214,561,614	214,561,614
Investments in associates	9,803,555	8,858,065	1,662,509	1,662,509
Other long - term investments	337,862	337,862	-	-
Property and premises, net	10,246,577	9,684,945	13,092	13,092
Vessels and equipment, net	405,759,739	420,853,150	151,595,395	154,849,274
Intangible assets, net	2,512	32,860	-	-
Other non - current assets	149,247	135,401	82,710	77,015
<b>Total non - current assets</b>	<b>426,464,157</b>	<b>440,069,020</b>	<b>367,915,320</b>	<b>371,163,504</b>
<b>Total assets</b>	<b>544,319,020</b>	<b>567,080,138</b>	<b>392,758,393</b>	<b>380,612,072</b>



## Statements of financial position (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
 As at 31 December 2015

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	28,324,084	18,177,812	28,324,084	13,677,812
Trade payables - unrelated parties	76,699,848	84,669,625	3,213,018	1,856,834
Trade payables - related parties	142,392	131,333	-	-
Other payables				
- Accrued expenses	2,144,000	3,499,372	486,214	371,355
- Advance receipt	423,530	417,935	35,177,881	33,250,334
- Payable on purchase of assets	-	-	20,368,694	20,368,694
Current portion of long - term loans	31,751,639	40,167,351	5,000,000	13,426,250
Short - term loan from related party	8,324,084	9,118,541	8,324,084	9,118,541
Provision for onerous contracts	10,703,833	10,703,833	-	-
Income tax payable	243,357	154,321	-	-
Other current liabilities	2,226,433	2,114,411	67,265	567,377
<b>Total current liabilities</b>	<b>160,983,200</b>	<b>169,154,534</b>	<b>100,961,240</b>	<b>92,637,197</b>
<b>Non - current liabilities</b>				
Long - term loans, net of current portion	83,220,457	100,720,371	32,190,000	22,940,000
Employee benefit obligation	1,078,543	997,854	1,025,481	951,404
Other non - current liabilities	222,959	210,597	-	-
<b>Total non - current liabilities</b>	<b>84,521,959</b>	<b>101,928,822</b>	<b>33,215,481</b>	<b>23,891,404</b>
<b>Total liabilities</b>	<b>245,505,159</b>	<b>271,083,356</b>	<b>134,176,721</b>	<b>116,528,601</b>

## Statements of financial position (continued)

Regional Container Lines Public Company Limited and its subsidiaries  
As at 31 December 2015

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Shareholders' equity</b>				
Share capital				
Registered				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Issued and fully paid - up				
828,750,000 ordinary shares	25,833,963	25,833,963	25,833,963	25,833,963
Share premium	173,890,186	173,890,186	173,890,186	173,890,186
Retained earnings				
Appropriated - legal reserve	1,943,097	1,943,097	1,943,097	1,943,097
Unappropriated	138,247,564	127,344,017	56,914,426	62,416,225
Other components of equity	(41,851,872)	(33,674,330)	-	-
Total equity of parent Company's shareholders	298,062,938	295,336,933	258,581,672	264,083,471
Non - controlling interests	750,923	659,849	-	-
<b>Total shareholders' equity</b>	<b>298,813,861</b>	<b>295,996,782</b>	<b>258,581,672</b>	<b>264,083,471</b>
<b>Total liabilities and shareholders' equity</b>	<b>544,319,020</b>	<b>567,080,138</b>	<b>392,758,393</b>	<b>380,612,072</b>

# Statements of income

Regional Container Lines Public Company Limited and its subsidiaries  
 As at 31 December 2015

(Unit: USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Revenues</b>				
Freight income	346,717,913	409,721,309	29,117,485	27,389,613
Others income				
Gain on exchange rate	311,598	-	2,366,507	1,779,401
Dividend income	159,972	-	682,081	480,703
Gain on sales of assets	845,676	1,449,063	9,247	-
Reversal on impairment of building	663,196	-	-	-
Reversal on impairment of vessels	12,792,746	-	1,565,939	-
Reversal of provision for loss under onerous contracts	-	5,514,433	-	-
Interest income	302,351	130,098	111,281	7,368
Adjustment provision for unrealized loss on derivatives	-	4,599	-	-
Others	1,319,797	1,080,759	4,655	-
<b>Total revenues</b>	<b>363,113,249</b>	<b>417,900,261</b>	<b>33,857,195</b>	<b>29,657,085</b>
<b>Expenses</b>				
Cost of freight and operations	319,327,122	367,237,481	29,239,102	28,669,557
Administrative expenses	27,224,325	34,051,399	5,983,149	5,436,530
Other expenses - loss on exchange rate	-	1,732,912	-	-
Finance costs	4,445,396	4,971,867	2,156,972	1,864,896
<b>Total expenses</b>	<b>350,996,843</b>	<b>407,993,659</b>	<b>37,379,223</b>	<b>35,970,983</b>
Share of profit (loss) of associates	1,591,679	1,528,178	-	-
<b>Profit (loss) before income tax expenses</b>	<b>13,708,085</b>	<b>11,434,780</b>	<b>(3,522,028)</b>	<b>(6,313,898)</b>
Tax expenses (income)	733,694	261,669	-	-
<b>Profit (loss) for the years</b>	<b>12,974,391</b>	<b>11,173,111</b>	<b>(3,522,028)</b>	<b>(6,313,898)</b>
<b>Profit (loss) for the year attributable to:</b>				
Equity holders of the parent	12,883,317	11,126,727	(3,522,028)	(6,313,898)
Non - controlling interests	91,074	46,384	-	-
	<b>12,974,391</b>	<b>11,173,111</b>	<b>(3,522,028)</b>	<b>(6,313,898)</b>
<b>Basic earnings (loss) per share</b>				
Profit (loss) attributable to equity holders of the parent	0.016	0.013	(0.004)	(0.008)
The weighted average number of ordinary shares (share)	828,750,000	828,750,000	828,750,000	828,750,000

26. Events after the reporting period

In January 2016, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 32.5 million or approximately Baht 1,171 million which is for the payment of 2 container vessels' construction.

27. Reclassification of accounts

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classifications, with no effect on the net profit (loss) or shareholders' equity as previously reported. The significant reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As previously reported	Reclassification	After Reclassification	As previously reported	Reclassification	After Reclassification
Statement of financial position as at 31 December 2014						
- Cash and cash equivalents	1,623,580	150,000	1,773,580	87,647	150,000	237,647
- Current investment - fixed deposit	150,000	(150,000)	-	150,000	(150,000)	-

28. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 25 February 2016.

# Core Values



## Integrity

- Conduct all aspects of work with unwavering ethical behavior honesty.
- Giving due respect to self and others and maintain the environment of teamwork and growth.

## Teamwork

- Collaborating within and outside the company to give the best result and align with the company goals.

## Result Orientation

- Strives to achieve high performance levels and concrete results and outcomes at work minimizing errors committed.

## Accountability

- Accountable for customers, partners, employees, and community by returning the best service quality and the best support/contribution to them.
- Accountable for our action. Taking ownership of the company and customer success.

## Customer Focus

- An inclination to constantly factor the customers' needs and convenience whatever one does.



**RCL Network**



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Yangon

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



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

**REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED**

เลขทะเบียน 0107536000021 ชั้น 30 อาคารปญจธานี ทาวเวอร์

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