



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

## PRESS RELEASE

### FINANCIAL RESULTS AS AT 31 DECEMBER 2010

Recovery in the shipping industry lost momentum in the last quarter of 2010 with both cargo volume and freight rates softening as compared to the traditionally peak season. After taking into consideration the surge in bunker prices, the performance of most container carriers for 2010 were expected to be worse than previously forecasted. Freight rates for container cargo continued to decline in the final weeks of 2010, although they recorded a level way above that in 2009. Overall market conditions were weaker towards the end of the year.

With the slower growth rate and softened freight rate, Regional Container Lines Group's Shipper Owned Container (SOC) liftings in 4Q10 increased only 3% year-on-year at 297,947 TEUs. For Carrier Owned Container (COC), the liftings remained steady at 335,700 TEUs. The total liftings for 4Q10 therefore increased 1% year-on-year at 633,647 TEUs. On the full year basis ended December 31, SOC liftings rose 6% at 1,174,270 TEUs, COC liftings improved 7% at 1,347,426 TEUs, resulting in total liftings increase of 7% at 2,521,696 TEUs.

From the small increase in liftings, total turnover for the fourth quarter before exchange difference, gain on sale of assets and investments, reversal of loss on impairment of buildings, and adjustment for unrealized loss on derivatives, decreased by a mere 0.1% at THB 3,662 million. For the full year, total turnover before exchange difference, gain on sale of assets and investments, reversal of loss on impairment of buildings, and adjustment for unrealized loss on derivatives was up by 6% at THB 15,348 million.

As a result of cost reduction initiative, the cost of freight and operation in 4Q10 reduced by 14% at THB 3,316 million as compared to the same quarter the year before. For the full year, the cost of freight and operation was lower by 8% year-on-year at THB 14,111 million.

In 4Q10 the group disposed some old containers, which resulted in a disposal gain of THB 29 million as against a disposal gain of THB 34 million in 4Q09. For the full year, the group recorded total gain on sale of assets and investments of THB 83.5 million, when compared to THB 100.5 million in 2009.

In 4Q10 the group recorded a gain on exchange of THB 41.1 million up from THB 5.6 million in the same quarter of previous year. For the full year of 2010, the group reversed the loss on exchange of THB 20.9 million in 2009 to a gain of THB 178.4 million.

Despite the small increase in liftings and softened freight rate, the group recorded a net profit attributable to equity holders at THB 643.7 million for the 4Q10, versus a net loss of THB 2,196.2 million for the same quarter of 2009. For the full year, the group recorded a net profit attributable to equity holders at THB 464.7 million, versus a net loss of THB 3,785.9 million in 2009. One contributing factor to our net profit was the reversal of loss on impairment of buildings at the amount of THB 666 million, compared to the loss on impairment of buildings at the amount of THB 775 million recorded in 2009.

*Founded in 1979, RCL is a Thai based container shipping line which was public listed on the Thai Stock Exchange since 1988. Its core business is in the carriage of Shipper owned containers (or SOC) and its own Carrier owned containers (or COC) within a service network that is fully Asia centric. RCL currently owns and operates a fleet of 43 vessels with sizes ranging between 500 TEUs to 2732 TEUs, with a fleet of 79,854 TEUs to support its own COC carriage as well. It also operates a network of 59 offices made up of both owned and agency offices to support its service structure. RCL is today recognized as amongst the leading SOC and Intra Asia COC operators by both peers and customers alike*



## QUARTERLY EARNING STATEMENTS IN THAI BAHT

	1 <sup>st</sup> Quarter 2009	Half-Year 2009	9 months 2009	Year-end 2009	1 <sup>st</sup> Quarter 2010	Half-Year 2010	9 months 2010	Year-end 2010
Freight income	3,664.4	7,212.4	10,695.0	14,321.1	3,662.7	7,547.2	11,588.1	15,218.4
Cost of freight and operations	(4,048.0)	(7,694.2)	(11,486.1)	(15,341.3)	(3,686.3)	(7,401.0)	(10,839.2)	(14,167.0)
<b>Gross Profit</b>	<b>(383.6)</b>	<b>(481.8)</b>	<b>(791.1)</b>	<b>(1,020.2)</b>	<b>(23.6)</b>	<b>146.2</b>	<b>748.9</b>	<b>1,051.4</b>
<i>Gross Profit Margin</i>	<i>-10.5%</i>	<i>-6.7%</i>	<i>-7.4%</i>	<i>-7.1%</i>	<i>-0.6%</i>	<i>1.9%</i>	<i>6.5%</i>	<i>6.9%</i>
Other income	36.7	74.3	108.7	142.5	35.7	78.6	117.9	157.7
Adjustment for unrealised loss on derivatives	197.8	260.3	267.6	265.2	0.0	0.0	0.0	0.7
Gain on exchange	0.0	0.0	0.0	0.0	15.1	54.9	137.2	178.4
Gain on sale of assets	4.0	19.4	60.6	94.1	26.2	40.4	55.9	83.5
Reversal of loss on impairment of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	665.7
Total other income	238.5	354.0	436.9	501.8	77.0	173.9	311.0	1,086.0
Admin expenses	(301.6)	(606.7)	(906.3)	(1,190.9)	(283.3)	(634.9)	(918.4)	(1,257.1)
Allowance for unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	0.0	(0.3)	(1.3)	(1.9)	0.0
Loss on exchange	(164.7)	(69.9)	(26.5)	(20.9)	0.0	0.0	0.0	0.0
Loss on sale of investments	0.0	0.0	0.0	0.0	(3.8)	(3.8)	(0.6)	(0.5)
Loss on impairment of buildings	0.0	0.0	0.0	(1,628.0)	0.0	0.0	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on disposal of vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(466.3)	(676.6)	(932.8)	(2,839.8)	(287.4)	(640.0)	(920.9)	(1,257.6)
Interest expenses	(96.0)	(184.6)	(284.3)	(397.3)	(104.1)	(206.0)	(304.2)	(395.4)
Profit / (loss) before taxation	(707.4)	(989.0)	(1,571.3)	(3,755.5)	(338.1)	(525.9)	(165.2)	484.4
Income tax	(3.6)	(11.1)	(17.8)	(29.5)	(3.7)	(8.7)	(13.3)	(19.1)
Profit / (loss) after taxation	(711.0)	(1,000.1)	(1,589.1)	(3,785.0)	(341.8)	(534.6)	(178.5)	465.3
Minority interest	(0.3)	(0.6)	(0.6)	(0.9)	0.1	(0.1)	(0.5)	(0.6)
<b>Net profit / (loss) attributable to members</b>	<b>(711.3)</b>	<b>(1,000.7)</b>	<b>(1,589.7)</b>	<b>(3,785.9)</b>	<b>(341.7)</b>	<b>(534.7)</b>	<b>(179.0)</b>	<b>464.7</b>

### COMPUTATION OF EBITDA

Profit / (loss) before taxation	(707.4)	(989.0)	(1,571.3)	(3,755.5)	(338.1)	(525.9)	(165.2)	484.4
Add: Impairment loss of assets	0.0	0.0	0.0	1,628.0	0.0	0.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(665.7)
Less Adjustment/ Add Allowance for unrealised loss on derivatives	(197.8)	(260.3)	(267.6)	(265.2)	0.3	1.3	1.9	(0.7)
Less: Realised loss on derivatives	(653.8)	(736.5)	(728.3)	(732.3)	0.0	0.0	0.0	0.0
Add: Interest	96.0	184.6	284.3	397.3	104.1	206.0	304.2	395.4
<b>EBIT</b>	<b>(1,463.0)</b>	<b>(1,801.2)</b>	<b>(2,282.9)</b>	<b>(2,727.7)</b>	<b>(233.7)</b>	<b>(318.6)</b>	<b>140.9</b>	<b>213.4</b>
Add: Amortisation	5.1	10.0	14.3	19.0	7.8	15.6	23.0	27.1
Add: Depreciation	335.7	667.7	1,004.2	1,395.8	314.4	633.4	944.3	1,239.2
<b>EBITDA</b>	<b>(1,122.2)</b>	<b>(1,123.5)</b>	<b>(1,264.4)</b>	<b>(1,312.9)</b>	<b>88.5</b>	<b>330.4</b>	<b>1,108.2</b>	<b>1,479.7</b>

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED

AND ITS SUBSIDIARIES

THAILAND

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FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

AND

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

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EXPRESSED IN

THAI BAHT

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**A. M. T. & Associates**

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS'S REPORT

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

I have audited the consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as of December 31, 2010 and 2009, the related consolidated statements of changes in shareholders' equity, income and cash flows for the years then ended. I have also audited the separate financial statements for the same years of Regional Container Lines Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. As described in note 2.2 (h) to the financial statements, I have not audited the financial statements of overseas subsidiaries which were included in the consolidated financial statements for the years ended December 31, 2010 and 2009. The financial statements for those subsidiaries reflect total assets as of December 31, 2010 and 2009 of Baht 12,334 million and Baht 15,160 million, respectively and total revenues for the years then ended of Baht 15,279 million and Baht 13,269 million, respectively. The financial statements of the overseas subsidiaries have been audited by other auditors from same audit firm whose reports have been furnished to me, and my report, insofar as it relates to the amounts for the overseas subsidiaries included in the consolidated financial statements for the years ended December 31, 2010 and 2009, are based solely on the reports of the said auditors.

I conducted my audit in accordance with generally accepted auditing standards. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits together with reports of the other audits as described in the above paragraph provides a reasonable basis for my opinion.

In my opinion, based on my audits and the reports of the other auditors, the financial statements above present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries as of December 31, 2010 and 2009, the results of their operations and cash flows for the years then ended and the financial position of Regional Container Lines Public Company as of December 31, 2010 and 2009, the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



(NATSARAK SAROCHANUNJEEN)  
C.P.A (THAILAND)  
Registration No. 4563

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 25, 2011

## Regional Container Lines Public Company Limited and its subsidiaries

## Balance sheets

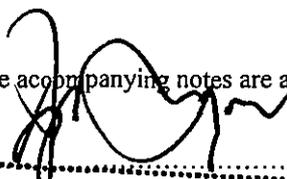
As at 31 December 2010 and 2009

(Unit: Baht)

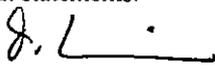
	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,290,244,651	2,115,961,480	512,445,473	181,052,188
Trade accounts receivable - unrelated parties		1,390,760,264	1,361,470,217	-	-
Less: allowance for doubtful accounts		(9,091,903)	(11,063,349)	-	-
Trade accounts receivable - unrelated parties, net	6	1,381,668,361	1,350,406,868	-	-
Trade accounts receivable - related parties	6, 15	143,044,678	8,655,065	386,986,527	275,691,868
Material supplies		392,145,249	359,860,147	12,958,159	18,080,481
Other current assets		228,708,663	302,346,594	18,873,293	48,096,607
<b>Total current assets</b>		<b>4,435,811,602</b>	<b>4,137,230,154</b>	<b>931,263,452</b>	<b>522,921,144</b>
<b>Non - current assets</b>					
Property investments held for long - term investment		5,592,599	1,648,380	-	-
Investments in subsidiaries	7	-	-	6,698,425,568	5,405,959,568
Investments in associated companies	8	204,051,285	197,158,230	20,000,000	20,000,000
Other long - term investments		10,186,973	11,274,044	-	-
Property and premises, net	9	3,177,267,958	2,693,964,205	6,576,116	8,849,594
Vessels and equipment, net	9	17,701,542,516	19,864,716,478	5,645,240,322	5,920,708,636
Intangible assets, net	10	208,049,986	184,776,934	-	-
Other non - current assets		3,920,411	54,997,401	2,433,548	2,145,394
<b>Total non - current assets</b>		<b>21,310,611,728</b>	<b>23,008,535,672</b>	<b>12,372,675,554</b>	<b>11,357,663,192</b>
<b>Total assets</b>		<b>25,746,423,330</b>	<b>27,145,765,826</b>	<b>13,303,939,006</b>	<b>11,880,584,336</b>



The accompanying notes are an integral part of the financial statements.

  
 .....  
**Mr. Sunate Tenthurwank**  
 Director

DIRECTOR

  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Balance sheets (continued)**  
**As at 31 December 2010 and 2009**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - unrelated parties		2,012,581,680	2,614,712,283	91,403,594	4,829,890
Trade accounts payable - related parties	15	55,722,504	35,068,216	46,634,565	187,274,562
Current portion of finance lease creditors		8,219,778	8,623,013	-	-
Current portion of long - term loans	12	1,351,430,927	1,353,775,350	125,881,127	139,262,304
Corporate income tax payable		19,272,963	21,042,162	-	4,166,567
Provision for unrealised loss from changes in the fair value of derivatives	11	8,848,617	10,511,348	-	-
Other current liabilities		265,962,227	543,434,371	62,597,327	64,125,264
<b>Total current liabilities</b>		<b>3,722,038,696</b>	<b>4,587,166,743</b>	<b>326,516,613</b>	<b>399,658,587</b>
<b>Non - current liabilities</b>					
Finance lease creditors, net of current portion		499,572	8,563,324	-	-
Long - term loans, net of current portion	12	6,344,328,513	8,516,638,085	723,816,477	940,020,552
Debentures, net	13	2,486,912,140	2,479,663,173	2,486,912,140	2,479,663,173
Other non - current liabilities		2,549,224	5,525,913	-	-
<b>Total non - current liabilities</b>		<b>8,834,289,449</b>	<b>11,010,390,495</b>	<b>3,210,728,617</b>	<b>3,419,683,725</b>
<b>Total liabilities</b>		<b>12,556,328,145</b>	<b>15,597,557,238</b>	<b>3,537,245,230</b>	<b>3,819,342,312</b>



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..... DIRECTOR

**Mr. Sumate Tanthuwant**  
**Director**

..... DIRECTOR

**Mr. Tuangrat Kirtiputra**  
**Director**

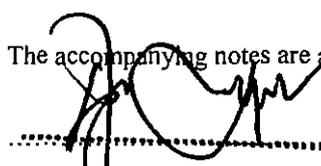
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Balance sheets (continued)**  
**As at 31 December 2010 and 2009**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Shareholders' equity</b>					
Share capital	14				
Registered					
828,750,000 ordinary shares of Baht 1 each as at 31 December 2010 and 663,000,000 ordinary shares of Baht 1 each as at 31 December 2009		828,750,000	663,000,000	828,750,000	663,000,000
Issued and paid-up					
828,750,000 ordinary shares of Baht 1 each as at 31 December 2010 and 663,000,000 ordinary shares of Baht 1 each as at 31 December 2009		828,750,000	663,000,000	828,750,000	663,000,000
Share premium		4,982,964,187	3,073,190,443	4,982,964,187	3,073,190,443
Translation adjustment		(643,448,036)	250,750,819	-	-
Retained earnings					
Appropriated - statutory reserve	16	66,300,000	66,300,000	66,300,000	66,300,000
Unappropriated		7,938,940,142	7,474,224,097	3,888,679,589	4,258,751,581
Equity attributable to Company's shareholders		13,173,506,293	11,527,465,359	9,766,693,776	8,061,242,024
Minority interest - equity attributable to minority shareholders of subsidiaries		16,588,892	20,743,229	-	-
<b>Total shareholders' equity</b>		<b>13,190,095,185</b>	<b>11,548,208,588</b>	<b>9,766,693,776</b>	<b>8,061,242,024</b>
<b>Total liabilities and shareholders' equity</b>		<b>25,746,423,330</b>	<b>27,145,765,826</b>	<b>13,303,939,006</b>	<b>11,880,584,336</b>

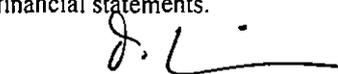


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DIRECTOR

**Mr. Sumate Tanthuwant**  
Director



DIRECTOR

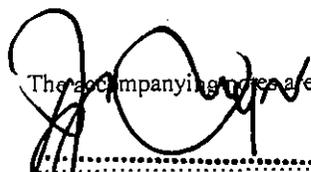
**Ms. Tuangrat Kirtiputra**  
Director

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity**  
**For the years ended 31 December 2010 and 2009**

(Unit: Baht)

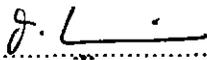
Consolidated financial statements								
Equity attributable to the parent's shareholders						Minority interest - equity attributable to minority shareholders of subsidiaries		
Note	Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	Total	Total
				Statutory reserve	Unappropriated			
	663,000,000	3,073,190,443	640,611,398	66,300,000	11,260,093,231	15,703,195,072	28,017,874	15,731,212,946
	Income (expenses) recognised directly in equity:							
	-	-	(389,860,579)	-	-	(389,860,579)	(8,168,103)	(398,028,682)
	-	-	(389,860,579)	-	-	(389,860,579)	(8,168,103)	(398,028,682)
	-	-	-	-	(3,785,869,134)	(3,785,869,134)	900,718	(3,784,968,416)
	-	-	(389,860,579)	-	(3,785,869,134)	(4,175,729,713)	(7,267,385)	(4,182,997,098)
	-	-	-	-	-	-	(7,260)	(7,260)
	663,000,000	3,073,190,443	250,750,819	66,300,000	7,474,224,097	11,527,465,359	20,743,229	11,548,208,588

The accompanying notes are an integral part of the financial statements.



**Mr. Sumate Tanthuwant**  
Director

DIRECTOR



**Ms. Tuangrat Kirtiputra**  
Director

DIRECTOR



**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the years ended 31 December 2010 and 2009**

(Unit: Baht)

Consolidated financial statements								
Equity attributable to the parent's shareholders						Minority interest - equity attributable to minority shareholders of subsidiaries		
Note	Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	Total	Total
				Statutory reserve	Unappropriated			
	663,000,000	3,073,190,443	250,750,819	66,300,000	7,474,224,097	11,527,465,359	20,743,229	11,548,208,588
<b>Balance as at 31 December 2009</b>								
Income (expenses) recognised directly in equity:								
Translation adjustment	-	-	(894,198,855)	-	-	(894,198,855)	(4,714,059)	(898,912,914)
Net income (expenses) recognised in equity	-	-	(894,198,855)	-	-	(894,198,855)	(4,714,059)	(898,912,914)
Profit (loss) for the year	-	-	-	-	464,716,045	464,716,045	559,722	465,275,767
Net income (expenses) recognised for the year	-	-	(894,198,855)	-	464,716,045	(429,482,810)	(4,154,337)	(433,637,147)
Increased in ordinary share capital	14	165,750,000	1,909,773,744	-	-	2,075,523,744	-	2,075,523,744
<b>Balance as at 31 December 2010</b>		828,750,000	4,982,964,187	(643,448,036)	66,300,000	7,938,940,142	16,588,892	13,190,095,185

The accompanying notes are an integral part of the financial statements.

  
 ..... DIRECTOR  
**Mr. Sumate Tanthuwant**  
 Director

  
 ..... DIRECTOR  
**Ms. Tuangrat Kirtiputra**  
 Director

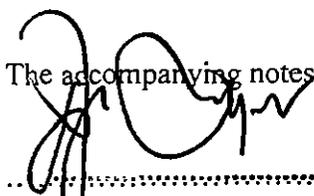


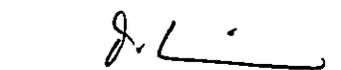
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the years ended 31 December 2010 and 2009**

(Unit: Baht)

	Separate financial statements					
	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Statutory reserve	Unappropriated	
<b>Balance as at 31 December 2008</b>		663,000,000	3,073,190,443	66,300,000	4,214,488,870	8,016,979,313
Net income (loss) for the year		-	-	-	44,262,711	44,262,711
<b>Balance as at 31 December 2009</b>		<u>663,000,000</u>	<u>3,073,190,443</u>	<u>66,300,000</u>	<u>4,258,751,581</u>	<u>8,061,242,024</u>
<b>Balance as at 31 December 2009</b>		663,000,000	3,073,190,443	66,300,000	4,258,751,581	8,061,242,024
Increased in ordinary share capital	14	165,750,000	1,909,773,744	-	-	2,075,523,744
Net income (loss) for the year		-	-	-	(370,071,992)	(370,071,992)
<b>Balance as at 31 December 2010</b>		<u>828,750,000</u>	<u>4,982,964,187</u>	<u>66,300,000</u>	<u>3,888,679,589</u>	<u>9,766,693,776</u>

The accompanying notes are an integral part of the financial statements.

  
 ..... DIRECTOR  
**Mr. Sumate Tantuwant**  
**Director**

  
 ..... DIRECTOR  
**Ma. Tuangrat Kirtiputra**  
**Director**



## Regional Container Lines Public Company Limited and its subsidiaries

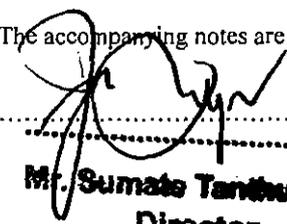
## Income statements

For the years ended 31 December 2010 and 2009

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Freight income		15,218,375,972	14,321,093,526	668,762,101	1,296,287,724
Other income					
Gain on exchange		178,353,076	-	87,234,988	15,612,274
Dividend income from an associated company	8	-	-	10,000,000	12,000,000
Gain on sales of fixed assets	9	83,476,328	94,107,614	-	-
Gain on sales of investments		-	6,342,706	-	-
Reversal of loss on impairment of assets	9	665,657,795	-	-	-
Interest income		7,358,264	10,595,649	4,033,459	34,803,270
Adjustment provision for unrealised loss on derivatives	11	682,232	265,251,776	-	-
Others		121,877,269	122,113,067	2,393,137	14,585
<b>Total revenues</b>		<b>16,275,780,936</b>	<b>14,819,504,338</b>	<b>772,423,685</b>	<b>1,358,717,853</b>
<b>Expenses</b>					
Cost of freight and operations		14,110,838,906	15,272,358,179	766,537,825	979,187,344
Administrative expenses		1,272,599,490	1,199,183,708	190,485,901	182,974,201
Management benefit expenses	18	40,634,065	60,627,826	10,675,276	11,401,499
Other expenses					
Loss on exchange		-	20,867,927	-	-
Loss on impairment of assets	9	-	1,627,970,386	-	-
Loss on sales of investments		575,657	-	-	-
<b>Total expenses</b>	19	<b>15,424,648,118</b>	<b>18,181,008,026</b>	<b>967,699,002</b>	<b>1,173,563,044</b>
Share of income (loss) from investments accounted for under equity method - associated companies		28,646,893	3,371,260	-	-
<b>Income (loss) before finance cost and corporate income tax</b>		<b>879,779,711</b>	<b>(3,358,132,428)</b>	<b>(195,275,317)</b>	<b>185,154,809</b>
Finance cost		(395,362,623)	(397,326,066)	(174,796,675)	(132,299,271)
<b>Income (loss) before corporate income tax</b>		<b>484,417,088</b>	<b>(3,755,458,494)</b>	<b>(370,071,992)</b>	<b>52,855,538</b>
Corporate income tax	21	(19,141,321)	(29,509,922)	-	(8,592,827)
<b>Net income (loss) for the year</b>		<b>465,275,767</b>	<b>(3,784,968,416)</b>	<b>(370,071,992)</b>	<b>44,262,711</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		464,716,045	(3,785,869,134)	(370,071,992)	44,262,711
Minority interests of the subsidiaries		559,722	900,718	-	-
		<u>465,275,767</u>	<u>(3,784,968,416)</u>		
<b>Basic earnings (loss) per share</b>					
Net income (loss) attributable to equity holders of the parent					
		0.63	(5.71)	(0.50)	0.07
The weighted average number of ordinary shares (share)					
		<u>737,545,108</u>	<u>663,000,000</u>	<u>737,545,108</u>	<u>663,000,000</u>

The accompanying notes are an integral part of the financial statements.

  
 ..... DIRECTOR .....  
**Mr. Sumats Tanthuwant**  
 Director

  
 ..... DIRECTOR .....  
**Ms. Tuangrat Kirtiputra**  
 Director



## Regional Container Lines Public Company Limited and its subsidiaries

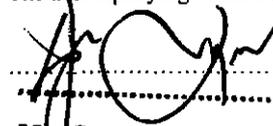
## Statements of cash flows

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from operating activities</b>				
Net income (loss) before corporate income tax	484,417,088	(3,755,458,494)	(370,071,992)	52,855,538
Adjustments to reconcile net income (loss) before corporate income tax to net cash provided by (used in) operating activities:				
Depreciation	1,239,239,293	1,395,833,808	385,505,513	508,916,112
Amortization	26,436,471	18,893,863	-	-
Loss (gain) on sales of fixed assets	(83,476,328)	(94,107,614)	-	-
Loss on impairment of assets (reversed)	(665,657,795)	1,627,970,386	-	-
Loss (gain) on sales of investments	575,657	(6,342,706)	-	-
Increase (decrease) in allowance for doubtful accounts	(1,971,446)	(37,759,474)	-	-
Dividend income from an associated company	-	-	(10,000,000)	(12,000,000)
Allowance for unrealised loss from changes in the fair value of derivatives	(682,232)	(265,251,776)	-	-
Unrealised exchange loss (gain)	(98,952,019)	(70,432,397)	(85,853,567)	(50,515,757)
Share of loss (income) from investments accounted for under equity method - associated companies	(28,646,893)	(3,371,260)	-	-
Interest income	(7,358,264)	(10,595,649)	(4,033,459)	(34,803,270)
Finance cost	395,362,623	397,326,066	174,796,675	132,299,271
Income (loss) from operating activities before changes in operating assets and liabilities	1,259,286,155	(803,295,247)	90,343,170	596,751,894
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	(20,267,295)	430,522,176	-	188,364
Trade accounts receivable - related parties	(134,389,613)	76,345,465	(115,987,424)	1,019,358,984
Material supplies	(32,285,102)	(5,008,799)	5,122,322	4,008,780
Other current assets	80,825,054	(73,957,458)	36,403,134	(19,620,692)
Other non - current assets	50,459,925	(14,782,317)	(288,154)	(779,699)
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	(602,130,603)	116,733,820	86,573,704	(261,775)
Trade accounts payable - related parties	20,877,672	(11,064,088)	(140,416,613)	(112,186,598)
Provision for unrealised loss from changes in the fair value of derivatives	-	(732,236,876)	-	-
Other current liabilities	(287,046,355)	268,664,308	(7,947,121)	133,317
Other non - current liabilities	(2,976,689)	(6,036,921)	-	-
Cash from operating activities	332,353,149	(754,115,937)	(46,196,982)	1,487,592,575
Cash paid for corporate income tax	(20,910,520)	(25,280,623)	(4,166,567)	(6,060,956)
<b>Net cash provided by (used in) operating activities</b>	<b>311,442,629</b>	<b>(779,396,560)</b>	<b>(50,363,549)</b>	<b>1,481,531,619</b>

The accompanying notes are an integral part of the financial statements.



DIRECTOR

**Mr. Sumete Tanthuwant**  
Director



DIRECTOR

**Ms. Tuangrat Kirtiputra**  
Director



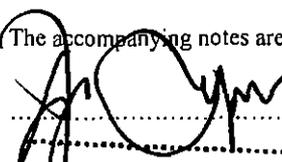
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of cash flows (continued)**  
**For the years ended 31 December 2010 and 2009**

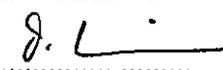
(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	(575,657)	6,342,706	-	-
Decrease (increase) in investments in subsidiary	-	-	(1,292,466,000)	(3,258,833,378)
Decrease (increase) in property, premises, vessels and equipment	(283,380,651)	(2,085,759,218)	(107,763,721)	920,205,760
Decrease (increase) in deposit for purchasing vessels	-	234,123,460	-	-
Decrease (increase) in intangible assets	(69,600,547)	(96,613,031)	-	-
Dividend received from an associated company	10,000,000	21,735,119	10,000,000	12,000,000
Interest received	7,420,108	41,836,715	4,102,606	34,821,273
<b>Net cash provided by (used in) investing activities</b>	<b>(336,136,747)</b>	<b>(1,878,334,249)</b>	<b>(1,386,127,115)</b>	<b>(2,291,806,345)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in finance lease creditors	(8,466,987)	(9,903,722)	-	-
Increase (decrease) in long - term loans	(1,236,669,080)	(502,307,989)	(139,262,304)	(1,745,767,372)
Increase (decrease) in debentures	-	2,115,350,000	-	2,115,350,000
Deferred cost of issued debentures paid	-	(21,746,900)	-	(21,746,900)
Finance cost paid	(390,502,470)	(381,823,939)	(168,377,491)	(106,205,591)
Cash received form share capital increase	2,075,523,744	-	2,075,523,744	-
Dividend paid - subsidiary	-	(7,259,521)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>439,885,207</b>	<b>1,192,307,929</b>	<b>1,767,883,949</b>	<b>241,630,137</b>
Translation adjustment	(240,907,918)	144,214,889	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>174,283,171</b>	<b>(1,321,207,991)</b>	<b>331,393,285</b>	<b>(568,644,589)</b>
Cash and cash equivalents at beginning of year	2,115,961,480	3,437,169,471	181,052,188	749,696,777
Cash and cash equivalents at end of year	<b>2,290,244,651</b>	<b>2,115,961,480</b>	<b>512,445,473</b>	<b>181,052,188</b>



(The accompanying notes are an integral part of the financial statements.)

  
 ..... DIRECTOR  
 .....  
**Mr. Sumate Tanthuwant**  
 Director

  
 ..... DIRECTOR  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Notes to financial statements**  
**For the years ended 31 December 2010 and 2009**

1. Corporate information

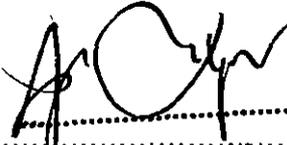
Regional Container Lines Public Company Limited (“the Company”) was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations. The Company’s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

2. Basis of preparation

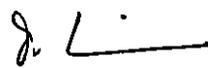
2.1 The financial statements have been prepared in accordance with generally accepted accounting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions.

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



  
.....  
**Mr. Sumate Tanthawanit**  
**Director**

.....DIRECTOR.....DIRECTOR

  
.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

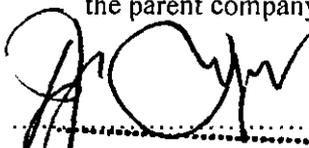
2.2 Basis of consolidation

(a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

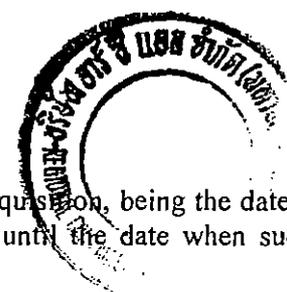
<u>Company's Name</u>	<u>Type of business</u>	<u>Place of incorporation</u>	<u>Percentage owned</u>
<u>Subsidiaries operating in Thailand</u>			
a) Asian Bulk Shipping Co., Ltd. (The company has ceased its operations)	Ship operating	Thailand	51% owned by the Company
b) RCL Logistics Co., Ltd.	Logistics 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. and its subsidiary, Regional Container Lines (M) Sdn Bhd (100% owned: The company has ceased its operations )	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) RCL (Korea) Ltd. (100% owned) and Regional Container Lines Shipping Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	27% owned by the Company and 73% owned by Regional Container Lines Pte. Ltd. in 2010 and 98% owned by the Company and 2% owned by Regional Container Lines Pte. Ltd. in 2009.
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.

  
.....  
**Mr. Sunate Tanthuwarnit**  
Director

  
.....  
**Ms. Tuangrot Kirtiputra**  
Director



(d) The financial statements of the overseas subsidiaries are translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at the average exchange rate for revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.

(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) Minority interests 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 income statement and within equity in the consolidated balance sheet.

(h) The consolidated financial statements for the years ended 31 December 2010 and 2009 include the financial statements of the overseas subsidiaries which have been audited by their auditors. The financial statements of those subsidiaries reflect total assets as of 31 December 2010 and 2009 of Baht 12,334 million and Baht 15,160 million, respectively, and total revenues for the years then ended of Baht 15,279 million and Baht 13,269 million, respectively.

3. Adoption of new accounting standards

In May 2009, the Federation of Accounting Professions (FAP) has issued Notifications No. 12/2552 regarding the renumbering of Thai Accounting Standards to match correspondingly with the International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those according to this notification.

During the current year, the Federation of Accounting Professions (FAP) has issued a number of revised and new accounting standards which have been published in the Royal Gazette as follows:

- 1) An accounting standard which is effective for the current year as follows:

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

However, the management has considered the effect of this accounting standard that it does not have any significant effect on the financial statements for the current year.

- 2) Accounting standards and financial reporting standards which are not effective for the current year as follows:

	Effective date
TAS 1 Presentation of Financial Statements (revised 2009)	January 1, 2011
TAS 2 Inventories (revised 2009)	January 1, 2011
TAS 7 Statement of Cash Flows (revised 2009)	January 1, 2011
TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2009)	January 1, 2011
TAS 10 Events after the Reporting Period (revised 2009)	January 1, 2011
TAS 11 Construction Contracts (revised 2009)	January 1, 2011
TAS 12 Income Taxes	January 1, 2013
TAS 16 Property, Plant and Equipment (revised 2009)	January 1, 2011
TAS 17 Leases (revised 2009)	January 1, 2011



*[Handwritten Signature]*

**Mr. Sumate Tantiruwat**  
Director

*[Handwritten Signature]*

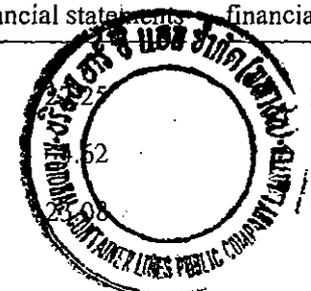
**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

	<u>Effective date</u>
TAS 18 Revenue (revised 2009)	January 1, 2011
TAS 19 Employee Benefits	January 1, 2011
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 The Effects of Changes in Foreign Exchange Rates (revised 2009)	January 1, 2013
TAS 23 Borrowing Costs (revised 2009)	January 1, 2011
TAS 24 Related Party Disclosures (revised 2009)	January 1, 2011
TAS 26 Accounting and Reporting by Retirement Benefit Plans	January 1, 2011
TAS 27 Consolidated and Separate Financial Statements (revised 2009)	January 1, 2011
TAS 28 Investments in Associates (revised 2009)	January 1, 2011
TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2011
TAS 31 Interests in Joint Ventures (revised 2009)	January 1, 2011
TAS 33 Earnings per Share (revised 2009)	January 1, 2011
TAS 34 Interim Financial Reporting (revised 2009)	January 1, 2011
TAS 36 Impairment of Assets (revised 2009)	January 1, 2011
TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2009)	January 1, 2011
TAS 38 Intangible Assets (revised 2009)	January 1, 2011
TAS 40 Investment Property (revised 2009)	January 1, 2011
TFRS 2 Share - based Payment	January 1, 2011
TFRS 3 Business Combinations (revised 2009)	January 1, 2011
TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2009)	January 1, 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	January 1, 2011
TFRS 15 Agreements for the Construction of Real Estate	January 1, 2011

The management of the Company has considered that TAS 11 (revised 2009), TAS 20, TAS 26, TAS 29, TAS 31 (revised 2009), TFRS 2, TFRS 5 (revised 2009), TFRS 6 and TFRS 15 are not relevant to the Company's business. The Company will apply the related accounting standards and financial reporting standards on the effective date which the management considers that those standards do not have material effect on the financial statements. This excludes TAS 12, TAS 16 (revised 2009) and TAS 21 (revised 2009) for which the management is still considering the effect to the financial statements for the year in which they are initially applied, and TAS 19 for which the management has assessed the effect to the financial statement when it will be applied in year 2011 as follows:

	Million Baht	
	Consolidated financial statements	Separated financial statements
- Decreasing in beginning balance of retained earnings	21.22	
- Decreasing in profit and loss for the year 2011	4.34	
- Increasing in liabilities net from payment retirement benefits	21.76	



*[Handwritten Signature]*

**Mr. Sumate Tanthuwant**  
Director

*[Handwritten Signature]*

**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

4. Significant accounting policies

4.1 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.

4.2 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.

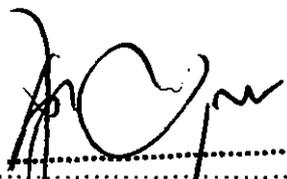
4.3 Trade accounts receivable

Trade accounts receivable 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.

4.4 Material supplies

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



  
.....  
**Ms. Sumate Tanthuwant**  
**Director**

  
.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

4.5 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 income.
- (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 income.
- (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.

4.6 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 under construction.

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



*[Handwritten Signature]*

**Mr. Sunate Tanthuwant**  
Director

*[Handwritten Signature]*

**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

4.7 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 income statement.

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

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

4.8 Deferred cost of issued debentures

Deferred cost of issued debentures is amortized by using the approximate effective rate over the term of the debentures.

The amortization of deferred cost of issued debentures is included in finance cost.

4.9 Financial instruments

Financial instruments carried in the balance sheets principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, and loans. The particular recognition methods adopted are disclosed in the individual policy associated with each item.

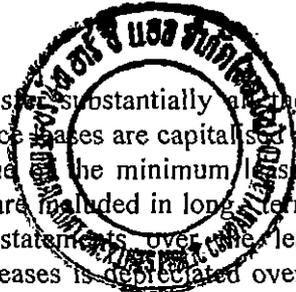
4.10 Related party transactions

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.

4.11 Long - term leases

Leases of property, plant or 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 assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to the income statement over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.



.....  
**Mr. Sumate Tanthuwant**  
Director

..... DIRECTOR ..... DIRECTOR  
**Ms. Tuangrat Kirtiputra**  
Director

4.12 Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding on the balance sheet date are translated into Baht at the rates ruling on the balance sheet date.

Exchange gains and losses are included in determining income.

4.13 Property investments held for long - term investment

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

4.14 Impairment of assets

At each reporting date, the Group performs impairment reviews in respect of the property, plant, vessel and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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 recognised in the income statement.

4.15 Employee benefits

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

4.16 Provisions

Provisions are recognised 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.

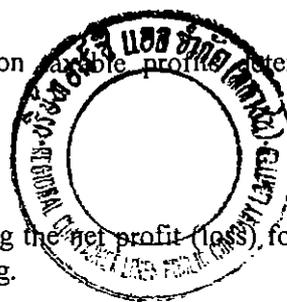
Provision for cargo claims is made based on the estimated amounts that are unrecoverable from insurance companies.

4.17 Income tax

Income tax is provided for in the accounts based on taxable profits determined in accordance with tax legislation.

4.18 Basic earnings (loss) per share

Basic earning (loss) per share is determined by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding.



**Mr. Sumate Tanthuanit**  
Director

**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting 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:

5.1 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.

5.2 Depreciation of 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.

5.3 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.

5.4 Amortization of intangible asset

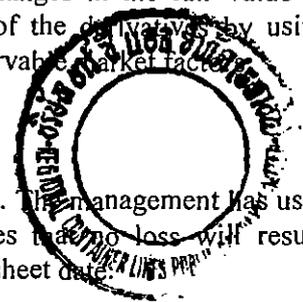
The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

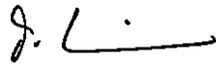
In determining the provision for unrealised loss from changes in the fair value of derivatives, the Group management determines the fair value of the derivatives by using valuation techniques and models that were derived based on observable market factors.

5.6 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 balance sheet date.



  
.....  
**Mr. Sumata Tanburwanik**  
**Director**

  
.....  
**Ma. Tuangrat Kirti Putra**  
**Director**

6. Trade accounts receivable

The balances of trade accounts receivable - unrelated parties as at 31 December 2010 and 2009 are classified by aging as follows:

(Unit: Thousand Baht)

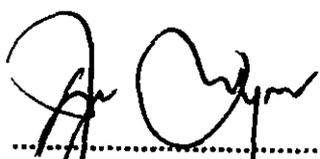
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Under 90 days	1,357,844	1,285,961	-	-
91 - 180 days	29,276	62,157	-	-
181 - 365 days	1,069	5,063	-	-
Over 365 days	2,571	8,289	-	-
Total	1,390,760	1,361,470	-	-
Less Allowance for doubtful accounts	(9,092)	(11,063)	-	-
Net	<u>1,381,668</u>	<u>1,350,407</u>	-	-

The balances of trade accounts receivable - related parties as at 31 December 2010 and 2009 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Under 90 days	143,045	8,655	224,270	264,126
91 - 180 days	-	-	161,686	11,566
181 - 365 days	-	-	1,031	-
Over 365 days	-	-	-	-
Total	<u>143,045</u>	<u>8,655</u>	<u>386,987</u>	<u>275,692</u>



  
 .....  
**Mr. Sunate Tanthuwant**  
 Director

.....DIRECTOR.....DIRECTOR

  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

7. Investments in subsidiaries

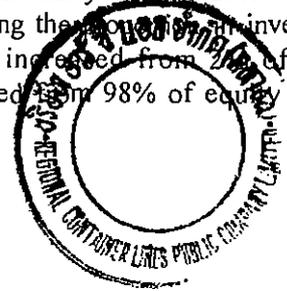
(Unit: Million Baht)

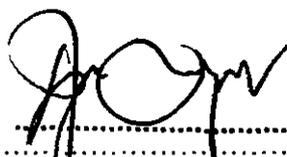
Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the years ended 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	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	145	145	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 81.4 Million	100	100	5,059	3,767	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 32.7 Million	27	98	1,095	1,095	-	-
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	108	108	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	217	217	-	-
Total investments in subsidiaries					6,698	5,406	-	-

During July of 2010, the Company and a subsidiary had changed in the investments in subsidiaries as follows:

- The Company had acquired the increased share capital of Regional Container Lines Pte. Ltd. at the same holding of 100% of S\$ 55.1 million (approximately Baht 1,292.5 million), payment made by the conversion of loan from the Company amount of Baht 226.7 million (approximately S\$ 9.6 million) and additional payment of Baht 1,065.8 million (approximately S\$ 45.5 million).

- Regional Container Lines Pte. Ltd. had acquired the total increased in share capital of RCL Feeder Pte. Ltd. amounting to USD 105.9 million (approximately Baht 3,429.1 million), payment made by the conversion of partial amount of debt, resulting the proportion of investments in RCL Feeder Pte. Ltd. of Regional Container Lines Pte. Ltd. increased from 2% of equity to 73% of equity and the proportion of the Company decreased from 98% of equity to 27% of equity.



  
 .....  
**Mr. Sunate Tanthuanit**  
 Director

  
 .....  
**Ms. Tuangrat Kirtputra**  
 Director

8. 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	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
			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	20	20	20	20	168	164	10	12
	Million Baht	Million Baht								
Total investment in associated company					20	20	168	164	10	12

The accumulated share of the profit of the associated company, as at 31 December 2010 and 2009, is calculated based on the financial statements of the associated company, which are unaudited by that company's auditor.

(Unit : Thousand Baht)

	Consolidated financial statements	
	2010	2009
The Company's investment in associated company	168,154	163,782
The subsidiaries' investments in associated companies	35,897	33,376
Total investments in associated companies accounted for under equity method	204,051	197,158

9. Property, premises, vessels and equipment, net

Property and premises, net

	Office building in Bangkok	Office buildings in Singapore	Office building in Hong Kong	Improvement of buildings in Singapore	Improvement of building in Hong Kong	Total
	(Unit : Baht)					
<u>Cost</u>						
As of 31 December 2009	45,746,387	3,710,881,423	267,959,845	62,022,305	4,490,625	4,091,100,585
Acquisitions	-	-	-	268,670	1,614,894	1,883,564
Disposals	-	-	(4,571,556)	-	(297,737)	(4,869,293)
Translation adjustment	-	(176,214,790)	(26,685,755)	(4,742,866)	(527,619)	(208,171,030)
As of 31 December 2010	45,746,387	3,534,666,633	236,702,534	57,548,109	5,280,163	3,879,943,826



Mr. Sumate Tanthuwant  
Director



Ms. Tuangrat Kirtiputra  
Director

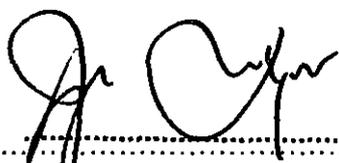
.....DIRECTOR.....DIRECTOR

	Office building in Bangkok	Office buildings in Singapore	Office building in Hong Kong	Improvement of buildings in Singapore	Improvement of building in Hong Kong	(Unit: Baht) Total
<b><u>Accumulated depreciation</u></b>						
As of 31 December 2009	36,896,793	181,578,281	34,011,035	54,335,011	4,490,625	311,311,745
Depreciation for the year	2,273,478	14,774,512	1,283,264	6,343,512	322,979	24,997,745
Disposals	-	-	(446,810)	-	(297,737)	(744,547)
Translation adjustment	-	(9,491,466)	(3,451,006)	(4,373,791)	(463,296)	(17,779,559)
As of 31 December 2010	<u>39,170,271</u>	<u>186,861,327</u>	<u>31,396,483</u>	<u>56,304,732</u>	<u>4,052,571</u>	<u>317,785,384</u>
<b><u>Allowance for impairment loss</u></b>						
As of 31 December 2009	-	980,096,284	105,728,351	-	-	1,085,824,635
Reversal	-	(627,272,011)	(38,385,784)	-	-	(665,657,795)
Translation adjustment	-	(26,658,207)	(8,618,149)	-	-	(35,276,356)
As of 31 December 2010	-	<u>326,166,066</u>	<u>58,724,418</u>	-	-	<u>384,890,484</u>
<b><u>Net book value</u></b>						
As of 31 December 2009	<u>8,849,594</u>	<u>2,549,206,858</u>	<u>128,220,459</u>	<u>7,687,294</u>	-	<u>2,693,964,205</u>
As of 31 December 2010	<u>6,576,116</u>	<u>3,021,639,240</u>	<u>146,581,633</u>	<u>1,243,377</u>	<u>1,227,592</u>	<u>3,177,267,958</u>

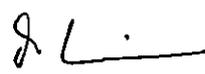
The subsidiaries have mortgaged the above properties to secure credit facilities.

At the end of the year 2010 and 2009, the subsidiaries in Singapore and Hong Kong arranged to reappraise the values of their buildings by an independent professional appraiser and recorded the reversal of impairment loss amounting to Baht 666 million and the impairment loss - net amounting to Baht 775 million in the income statements for the year 2010 and 2009, respectively.



  
 .....  
**Mr. Sumate Tanthuwarit**  
 Director

DIRECTOR

  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

DIRECTOR

Vessels and equipment - Consolidated financial statements

(Unit: Baht)

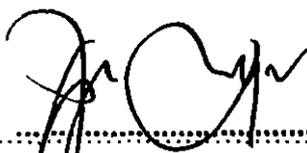
	Vessels	Vessels under construction	Major repair and maintenance costs	Containers	Office furniture, fixtures and equipment	Motor vehicles	Total
<b>Cost</b>							
As of 31 December 2009	27,607,961,005	162,839,744	322,822,227	1,091,053,983	282,489,303	44,239,887	29,511,406,149
Acquisitions	-	163,116,439	188,704,899	48,213,138	12,823,686	2,578,558	415,436,720
Disposals/Write - off	(15,075,650)	-	(89,176,783)	(167,278,474)	(6,496,047)	(6,370,568)	(284,397,522)
Translation adjustment	(1,764,068,283)	(23,598,947)	(8,674,913)	(91,406,973)	(17,737,609)	(1,492,441)	(1,906,979,166)
As of 31 December 2010	25,828,817,072	302,357,236	413,675,430	880,581,674	271,079,333	38,955,436	27,735,466,181
<b>Accumulated depreciation</b>							
As of 31 December 2009	7,589,748,718	-	182,510,004	772,834,118	235,666,661	36,882,300	8,817,641,801
Depreciation for the year	993,954,943	-	109,275,467	79,844,546	27,832,306	3,334,286	1,214,241,548
Accumulated depreciation - Disposals/Write - off	-	-	(60,168,794)	(166,363,355)	(6,424,770)	(5,102,041)	(238,058,960)
Translation adjustment	(428,178,259)	-	(2,073,971)	(62,343,173)	(15,161,907)	(1,252,493)	(509,009,803)
As of 31 December 2010	8,155,525,402	-	229,542,706	623,972,136	241,912,290	33,862,052	9,284,814,586
<b>Allowance for impairment loss</b>							
As of 31 December 2009	829,047,870	-	-	-	-	-	829,047,870
Addition	-	-	-	-	-	-	-
Translation adjustment	(79,938,791)	-	-	-	-	-	(79,938,791)
As of 31 December 2010	749,109,079	-	-	-	-	-	749,109,079
<b>Net book value</b>							
As of 31 December 2009	19,189,164,417	162,839,744	140,312,223	318,219,865	46,822,642	7,357,587	19,864,716,478
As of 31 December 2010	16,924,182,591	302,357,236	184,132,724	256,609,538	29,167,043	5,093,384	17,701,542,516

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

As at 31 December 2010, computers with net book values amounting to approximately Baht 7 million were acquired under finance lease agreements (2009: Baht 17 million).

As at 31 December 2010 and 2009, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 606 million and Baht 689 million (The Company : Baht 283 million and Baht 235 million), respectively.





**Mr. Sumate Tanthuwant**  
Director



**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

Transactions occurred in year 2010:

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

During the first quarter of 2010, a subsidiary in Singapore sold a vessel which the loss on the sale was USD 0.3 million (approximately Baht 9 million). And a subsidiary in Singapore sold containers which the gain on the sale was USD 1.1 million (approximately Baht 35 million).

During the second quarter of 2010, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.4 million (approximately Baht 14 million).

During the third quarter of 2010, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.5 million (approximately Baht 16 million).

During the fourth quarter of 2010, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.9 million (approximately Baht 29 million).

At the end of year 2010, the management of the Company and a subsidiary in Singapore considered the impairment on their vessels and have the opinion that the total allowance for impairment loss which has been recorded is adequate.

Transactions occurred in year 2009:

During the third quarter and the fourth quarter of 2009, a subsidiary in Singapore sold containers which the gain on the sale were USD 0.9 million (approximately Baht 30 million) and USD 1.0 million (approximately Baht 34 million) respectively.

During the fourth quarter of 2009, the Company increased in the investment in Regional Container Lines Pte. Ltd. amounting to S\$ 39.0 million (approximately Baht 928 million) by cash received from selling three vessels which have book value totalling Baht 928 million.

At the end of year 2009, the Company and a subsidiary in Singapore arranged to reappraise the values of their vessels by an independent professional appraiser and recorded the impairment loss amounting to Baht 853 million in the income statement.



**Mr. Sumate Tanthuwent**  
Director

**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

Vessels and equipment - Separate financial statements

(Unit : Baht)

	Vessels	Major repair and maintenance costs	Office furniture, fixtures and equipment	Motor vehicles	Total
<b>Cost</b>					
As of 31 December 2009	8,403,215,914	184,898,868	42,307,926	9,147,500	8,639,570,208
Acquisitions	-	106,612,196	1,151,525	-	107,763,721
Disposals	-	-	-	-	-
As of 31 December 2010	8,403,215,914	291,511,064	43,459,451	9,147,500	8,747,333,929
<b>Accumulated depreciation</b>					
As of 31 December 2009	2,551,475,022	122,808,056	36,115,796	8,462,698	2,718,861,572
Depreciation for the year	314,013,684	65,509,805	3,454,530	254,016	383,232,035
Accumulated depreciation - disposals	-	-	-	-	-
As of 31 December 2010	2,865,488,706	188,317,861	39,570,326	8,716,714	3,102,093,607
<b>Net book value</b>					
As of 31 December 2009	5,851,740,892	62,090,812	6,192,130	684,802	5,920,708,636
As of 31 December 2010	5,537,727,208	103,193,203	3,889,125	430,786	5,645,240,322

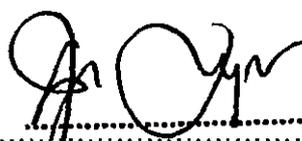
Depreciation of property, premises, vessels and equipment for the year included in income statements

	Consolidated financial statements	Separate financial statements
2009	1,395,833,808	508,916,112
2010	1,239,239,293	385,505,513

Depreciation for the year 2010 and 2009 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Depreciation included in				
Cost of freight and operations	1,183,074,956	1,326,834,242	379,523,489	501,718,387
Administrative expenses	56,164,337	68,999,566	5,982,024	7,197,725
Total	1,239,239,293	1,395,833,808	385,505,513	508,916,112



  
 .....  
**Mr. Sumate Tanthuwant**  
 Director

DIRECTOR.....DIRECTOR

  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

10. Intangible assets, net

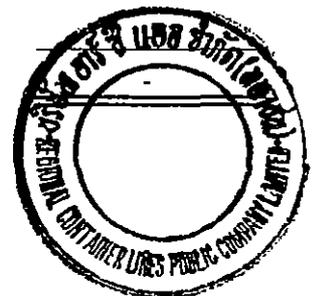
(Unit: Baht)

	Consolidated financial statements		
	Computer software	Computer software under development	Total
<b><u>Cost</u></b>			
As of 31 December 2009	161,149,251	66,676,631	227,825,882
Increase	12,322,114	57,278,433	69,600,547
Decrease	-	-	-
Transfer	-	-	-
As of 31 December 2010	173,471,365	123,955,064	297,426,429
<b><u>Accumulated amortization</u></b>			
As of 31 December 2009	(44,434,483)	-	(44,434,483)
Increase	(26,436,471)	-	(26,436,471)
Decrease	-	-	-
As of 31 December 2010	(70,870,954)	-	(70,870,954)
<b><u>Translation</u></b>			
As of 31 December 2009	2,611,704	(1,226,169)	1,385,535
As of 31 December 2010	(8,450,675)	(10,054,814)	(18,505,489)
<b><u>Net book value</u></b>			
As of 31 December 2009	119,326,472	65,450,462	184,776,934
As of 31 December 2010	94,149,736	113,900,250	208,049,986

11. Provision for unrealised loss from changes in the fair value of derivatives

(Unit: Thousand Baht)

	Note	Consolidated	Separate
		financial statements	financial statements
Beginning balance as at 1 January 2010		10,511	-
Increase (Decrease) due to:			
- Realised loss		-	-
- Adjustment for under (over) provision		(682)	-
Translation adjustment		(980)	-
End balance as at 31 December 2010	24.1 (2)	8,849	-



*[Signature]*  
 .....  
**Mr. Sumate Tanthuwant**  
 Director

..... DIRECTOR ..... DIRECTOR

*[Signature]*  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

12. Long - term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Loan of the Company</u>				
1) USD 32.2 million loan (2009: USD 36.4 million), repayable quarterly until the year 2015.	849,698	1,079,283	849,698	1,079,283
<u>Loans of the Singaporean subsidiaries</u>				
2) USD 3.3 million loan (2009: USD 4.1 million), repayable quarterly until the year 2014.	99,909	137,266	-	-
3) USD 25.8 million loan (2009: USD 29.8 million), repayable quarterly until the year 2015.	777,903	994,390	-	-
4) USD 29.2 million loan (2009: USD 32.5 million), repayable quarterly until the year 2017.	880,418	1,085,598	-	-
5) USD 29.4 million loan (2009: USD 31.8 million), repayable quarterly until the year 2018.	886,448	1,061,128	-	-
6) USD 42.9 million loan (2009: USD 48.2 million), repayable semi - annually until the year 2018.	1,292,888	1,609,711	-	-
7) USD 18.3 million loan (2009: USD 20.2 million), repayable quarterly until the year 2018.	552,774	672,938	-	-
8) USD 16.8 million loan (2009: USD 21.6 million), repayable quarterly until the year 2014.	506,542	720,766	-	-
9) USD 12.3 million loan (2009: USD 15.8 million), repayable quarterly until the year 2014.	369,353	525,558	-	-
10) USD 25.5 million loan (2009: USD 33.3 million), repayable quarterly until the year 2012.	768,858	1,109,513	-	-
11) USD 23.6 million loan (2009: USD 26.2 million), repayable semi - annually until the year 2018.	710,968	874,263	-	-
Total	7,695,759	9,870,414	849,698	1,079,283
<u>Less</u> Current portion	(1,351,431)	(1,353,776)	(125,881)	(139,262)
Long - term loans, net of current portion	6,344,328	8,516,638	723,817	940,021

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



**Mr. Sumate Tanthuwant**  
Director

DIRECTOR

**Ms. Tuangrat Kirtiputra**  
Director

DIRECTOR

Movements in the long - term loans during the year ended 31 December 2010 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 1 January 2010	9,870,414	1,079,283
<u>Add</u> Borrowings	-	-
<u>Less</u> Repayments	(1,236,669)	(139,262)
Translation adjustment	(847,663)	-
Unrealised gain on exchange	(90,323)	(90,323)
End balance as at 31 December 2010	7,695,759	849,698

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.

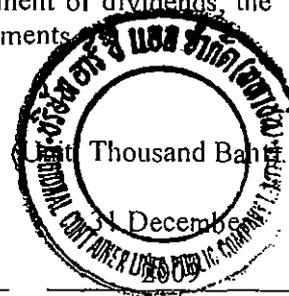
The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

### 13. Debentures, net

In October 2009, the Company issued and offered 2.5 million units of unsecured and unsubordinated debentures with a par value of Baht 1,000 each, or a total Baht 2,500 million, to be used for the repayment of outstanding bank loans, and working capital requirement. The maturity period of the debentures is 3 years, with the redemption date being 22 October 2012. The debenture holders are entitled to receive interest at a rate of 5.90 percent per annum. Such interest is payable quarterly in January, April, July and October of every year. The terms and conditions of the debenture holders' rights contain certain covenants, and restrictions pertaining to matters such as the maintenance of a certain debt to equity ratio, the payment of dividends, the maintenance of financial ratios, and the assumption of guarantees or commitments.

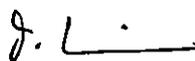
Balance of Debentures consisted of the following:

	Thousand Baht	
	31 December 2010	31 December 2009
Debentures	2,500,000	2,500,000
<u>Less</u> Deferred cost of issuing debentures	(21,747)	(21,747)
<u>Add</u> Accumulated amortization of deferred cost of issuing debentures	8,659	1,410
Total	2,486,912	2,479,663





**Mr. Sumate Tanthuanit**  
Director



**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....DIRECTOR

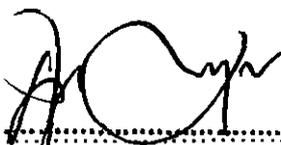
14. Share capital

The Company:

At the Annual General Meeting of Shareholders held on 30 April 2010, the shareholders approved the following:

- Approved the increase of the Company's registered share capital from Baht 663.0 million (663,000,000 ordinary shares at the par value of Baht 1.0 each) to Baht 828.8 million (828,750,000 ordinary shares at the par value of Baht 1.0 each) for the purpose of enhancing the Company's financial liquidity and working capital, and supporting the Company's business expansion.
- Approved the allotment of 165,750,000 new ordinary shares at the par value of Baht 1.0 each, by the rights issue to the existing shareholders of the Company. The subscription ratio will be 4 existing shares to 1 new share at the offering price of Baht 12.0 each with the subscription period being 31<sup>st</sup> May - 4<sup>th</sup> June 2010. The Board of Directors or its designated person has been authorized to determine all other condition and details relating to the rights issue. If there are remaining shares from the rights issue, the Company may offer such shares in one or several tranches from time to time at the same offering price as for the rights issue or at a higher price by way of private placement.
- The existing shareholders exercised to purchase totalling 129,698,440 ordinary shares and Baht 1,556.4 million in according to the above resolution. The increased paid - up share capital from this transaction had been registered with the Ministry of Commerce on 18 June 2010.
- On 10 November 2010, the Board of directors' Meeting approved the allotment by private placement of the remaining unsubscribed portion of 36,051,560 new ordinary share with the par value of Baht 1.0 per share to institutional investors and the particular persons at the offering price of Baht 14.4 per share and the offering and payment period of those new shares from 11<sup>th</sup> to 15<sup>th</sup> November 2010. The increased paid - up share capital from this transaction had been registered with the Ministry of Commerce on 16 November 2010.



  
.....  
**Mr. Sumate Tanthuanit**  
Director

DIRECTOR.....

  
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**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR

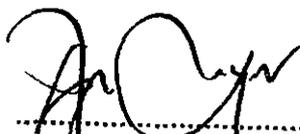
15. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
<b><u>Transactions with subsidiary</u></b>					
Charter freight income	-	-	669	1,296	Market price as at agreement date
Sale of vessels	-	-	-	928	Price at net book value
Expenses related to cost of freight and operations advanced by a subsidiary	-	-	387	402	Actual payment
Ship management fee	-	-	7	9	Price approximates market price
Purchase investment in a subsidiary	-	-	1,292	3,259	Price at book value
<b><u>Transactions with related parties</u></b>					
Slot revenues	44	42	-	-	Price approximates market price
Commission expenses	113	113	-	-	Price approximates market price
Terminal operating service	355	367	-	-	Price per tariff minus volume discount
Logistic service fees	30	25	-	-	Price approximates market price



  
 .....DIRECTOR.....  
**Mr. Sumate Tanthuwant**  
 Director

  
 .....DIRECTOR.....  
**Ms. Tuangrat Kirtiputra**  
 Director

The outstanding balances of the above transactions have been presented in the balance sheets as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	387	276
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	-	9	-	-
Ngow Hock Co., Ltd.	143	-	-	-
	<u>143</u>	<u>9</u>	<u>387</u>	<u>276</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	47	187
<u>Related parties</u>				
RCL (Vietnam) Co., Ltd.	54	30	-	-
Others	2	5	-	-
	<u>56</u>	<u>35</u>	<u>47</u>	<u>187</u>

#### 16. Statutory reserve

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory 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 statutory reserve is not available for dividend payment.

#### 17. Dividend paid

A subsidiary company - Regional Merchants Maritime Ltd.

On 13 July 2009, the Board of Directors' Meeting approved to pay a dividend amounted HKD 8 million (approximately Baht 36 million) at HKD 1 per share (approximately Baht 5). The dividend was paid in August 2009.

#### 18. Management benefit expenses

Management benefit expenses consist of salary, bonus and other benefits of executive directors and the Group Management Team.

  
.....DIRECTOR.....  
**Mr. Sumate Tanthuwank**  
Director

  
.....DIRECTOR.....  
**Ms. Tuangrat Kirtiputra**  
Director

19. Expenses by nature

Significant expenses by nature for the year ended 31 December 2010 and 2009 are as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2010	2009	2010	2009
Salary, wages and other employee benefits	1,332	1,346	306	349
Management benefit expenses	41	61	11	11
Depreciation	1,239	1,396	385	509
Amortization expenses	26	19	-	-
Loss on exchange	-	21	-	-
Loss on impairment of assets	-	1,628	-	-

20. Provident Fund

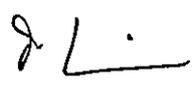
The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the Company and its employees, at a rate of 5 percent of the employees' basic salaries on a monthly basis. The fund will be paid to the employees upon termination 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 and the People's Republic of China subsidiary operate provident fund schemes for their employees.

During 2010, the Group's contributions to these funds totaled Baht 56 million (2009: Baht 51 million).



  
 .....DIRECTOR.....  
**Mr. Sumate Tanthuwant**  
 Director

  
 .....DIRECTOR.....  
**Ms. Tuangrat Kirtiputra**  
 Director

21. Corporate income tax

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. Corporate income tax of the Company has been calculated at the rate of 25 percent, on the net income of those operations which are not eligible for the above tax exemption.

Corporate income tax of the subsidiaries in Hong Kong has been calculated at the rate of 17.5% of net income.

Under the Singapore Income Tax Act, the shipping profits of the subsidiaries are exempted from income tax.

The Company's operating results for the years 2010 and 2009 can be divided into BOI promoted activities and non - BOI promoted activities as follows:

(Unit: Baht)

	Separate financial statements			Total
	For the year ended 31 December 2010			
	Tax Payer Number			
	3101120028	3105114177		
	BOI Promoted	NON - BOI Promoted	Tax Exempted	
<b>Revenues</b>				
Freight income	315,117,097	-	353,645,004	668,762,101
Gain on exchange	42,470,411	-	44,764,577	87,234,988
Other income	379,836	6,046,760	-	6,426,596
Dividend received	-	10,000,000	-	10,000,000
<b>Total revenues</b>	<b>357,967,344</b>	<b>16,046,760</b>	<b>398,409,581</b>	<b>772,423,685</b>
<b>Expenses</b>				
Cost of freight and operations	319,752,529	-	446,785,296	766,537,825
Administrative expenses	94,717,607	145,281	106,298,289	201,161,177
Finance cost	92,964,586	-	81,832,089	174,796,675
<b>Total expenses</b>	<b>507,434,722</b>	<b>145,281</b>	<b>634,915,674</b>	<b>1,142,495,677</b>
Net income (loss) before tax for the year	(149,467,378)	15,901,479	(236,506,093)	(370,071,992)
Corporate income tax	-	-	-	-
<b>Net income (loss) for the year</b>	<b>(149,467,378)</b>	<b>15,901,479</b>	<b>(236,506,093)</b>	<b>(370,071,992)</b>





**Mr. Sumate Tanthuanit**  
Director

.....DIRECTOR.....



**Ms. Tuangrat Kirtiputra**  
Director

.....DIRECTOR.....

Separate financial statements  
For the year ended 31 December 2009

	Tax Payer Number			Total
	3101120028		3105114177	
	BOI Promoted	NON - BOI Promoted	Tax Exempted	
<b>Revenues</b>				
Freight income	524,277,393	-	772,010,331	1,296,287,724
Gain on exchange	25,072,297	-	-	25,072,297
Other income	231,459	34,586,396	-	34,817,855
Dividend received	-	12,000,000	-	12,000,000
<b>Total revenues</b>	<b>549,581,149</b>	<b>46,586,396</b>	<b>772,010,331</b>	<b>1,368,177,876</b>
<b>Expenses</b>				
Cost of freight and operations	298,735,512	-	680,451,832	979,187,344
Administrative expenses	78,503,464	274,108	115,598,128	194,375,700
Loss on exchange	-	-	9,460,023	9,460,023
Finance cost	39,267,756	-	93,031,515	132,299,271
<b>Total expenses</b>	<b>416,506,732</b>	<b>274,108</b>	<b>898,541,498</b>	<b>1,315,322,338</b>
Net income (loss) before tax for the year	133,074,417	46,312,288	(126,531,167)	52,855,538
Corporate income tax	-	(8,592,827)	-	(8,592,827)
<b>Net income (loss) for the year</b>	<b>133,074,417</b>	<b>37,719,461</b>	<b>(126,531,167)</b>	<b>44,262,711</b>



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**Mr. Sumate Tanthuanit**  
Director

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**Ms. Tuangrat Kirtiputra**  
Director

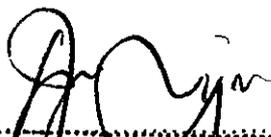
22. Financial information by segment

The Group's operations involve mainly a single industry segment, the business of feeder and vessel operations, and are carried on in geographic areas in Thailand, Singapore, Hong Kong, The People's Republic of China, Taiwan and other countries around the South China Sea. Financial information of the Group presented by geographical segment as of and for the year ended 31 December 2010 and 2009 are as follows:

(Unit: Million Baht)

Consolidated financial statements						
For the year ended 31 December 2010 and as at 31 December 2010						
	Thailand	Singapore	Hong Kong	Total	Elimination	Grand Total
Revenue from external customers	224	14,556	438	15,218	-	15,218
Inter - segment revenues	669	1,656	41	2,366	(2,366)	-
Freight income	893	16,212	479	17,584	(2,366)	15,218
Segment gross profit (loss)	(66)	1,079	95	1,108	-	1,108
Gain on exchange						178
Gain on sales of fixed assets						83
Reversal of loss on impairment of assets						666
Interest income						7
Other income						122
Share of income (loss) from investments accounted for under equity method - associated companies						29
Administrative expenses						(1,273)
Management benefit expenses						(41)
Finance cost						(395)
Corporate income tax						(19)
Net income (loss) for the year						465
Property, premises, vessels and equipment	5,658	15,038	149	20,845	34	20,879
Others						4,867
Total assets						25,746



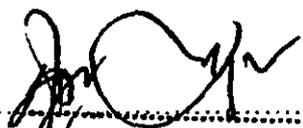
  
 .....DIRECTOR.....  
**Mr. Sumate Tanthuwant**  
 Director

  
 .....DIRECTOR.....  
**Ms. Tuangrat Kirtiputra**  
 Director

Consolidated financial statements						
For the year ended 31 December 2009 and as at 31 December 2009						
	Thailand	Singapore	Hong Kong	Total	Elimination	Grand Total
Revenue from external customers	198	13,859	264	14,321	-	14,321
Inter - segment revenues	1,289	2,185	43	3,517	(3,517)	-
Freight income	1,487	16,044	307	17,838	(3,517)	14,321
Segment gross profit (loss)	350	(1,394)	93	(951)	-	(951)
Gain on exchange						-
Gain on sales of fixed assets						94
Interest income						11
Adjustment provision for unrealized loss on derivatives						265
Other income						129
Share of income (loss) from investments accounted for under equity method - associated companies						3
Administrative expenses						(1,199)
Management benefit expenses						(61)
Loss on exchange						(21)
Loss on impairment of assets						(1,628)
Finance cost						(397)
Corporate income tax						(30)
Net income (loss) for the year						(3,785)
Property, premises, vessels and equipment	5,934	16,466	130	22,530	28	22,558
Others						4,588
Total assets						27,146

Transfer prices between business segments are as set out in Note 15 to the financial statements.



  
 .....DIRECTOR.....  
**Mr. Sumate Tenthuanit**  
 Director

  
 .....DIRECTOR.....  
**Mr. Tuangrat Kirtiputra**  
 Director

23. Commitments and contingent liabilities23.1 Commitments

- (a) As at 31 December 2010, the Company has outstanding commitments of approximately Baht 13 million (31 December 2009: Baht 8 million) in respect of lease agreements, and 2 subsidiaries in Singapore has outstanding commitments of USD 82 million or approximately Baht 2,464 million (31 December 2009: USD 111 million or approximately Baht 3,694 million) in respect of the following agreements.

(Unit: Million Baht)

	<u>Charter hire</u>	<u>Container lease</u>	<u>Other rental</u>	<u>Total</u>
Payment period				
Within 1 year	387	100	43	530
During 2 - 5 years	865	54	46	965
Over than 5 years	969	-	-	969
Total	<u>2,221</u>	<u>154</u>	<u>89</u>	<u>2,464</u>

- (b) On 26 August 2010, a subsidiary in Singapore has amended two agreements in respect of the building of 2 vessels, effecting the contract price included revising the term of payment and the expected delivery dates. After these amendment, as at 31 December 2010, the subsidiary has commitments amounting to USD 29 million, or approximately Baht 880 million (31 December 2009: USD 44 million, or approximately Baht 1,466 million) in respect of the building of 2 vessels (31 December 2009: 2 vessels). These payments will be paid within June, 2013.

In addition, another subsidiary in Singapore has commitments amounting to USD 0.6 million, or approximately Baht 18 million in respect of software royalty agreements (31 December 2009: USD 0.6 million, or approximately Baht 21 million); and Baht 25 million in respect of a software implementation agreement (31 December 2009: Baht 76 million)

23.2 Guarantees

As at 31 December 2010, the Company has guarantee obligations of USD 572 million and S\$ 6 million, or approximately Baht 17,488 million (31 December 2009: USD 570 million and S\$ 6 million, or approximately Baht 19,242 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totalling USD 300 million and S\$ 0.5 million, or approximately Baht 9,069 million (31 December 2009: USD 344 million and S\$ 0.5 million, or approximately Baht 11,491 million).



**Mr. Sumate Tanthuwant**  
Director

.....DIRECTOR.....DIRECTOR

**Ms. Tuangrat Kirtiputra**  
Director

23.3 Litigation

In June 2000, a subsidiary in Singapore filed a petition to wind up an associated company in Malaysia and another petition to recover an outstanding agency balance of approximately RM 25 million or Baht 241 million. The case is being heard by the court.

In June 2000, the subsidiary was counter - sued by the associated company, claiming compensation of approximately RM 27 million or Baht 264 million, for illegal termination of an agency agreement. The management of subsidiary believes that the ultimate resolution of these legal proceedings is not likely to have a material effect on the results of its operations, or financial position.

On 24 August 2010, the subsidiary has disposed off the total investments in the associated company and had withdrawn the court case among each other.

24. 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.

24.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, 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 2010 and 2009 classified by type of interest rates are summarised 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.



.....  
**Mr. Sumate Tanthuwarit**  
**Director**

.....  
**Mr. Tuangrat Kirtiputra**  
**Director**

DIRECTOR.....DIRECTOR

Consolidated financial statements

2010	Fixed interest rates		Floating	Non -	Total	Interest rate
	within 1 year	2 - 5 years	interest rate	interest bearing		
(Million Baht)						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalent	1,217	-	1,014	59	2,290	0 - 2.65% p.a.
Total	1,217	-	1,014	59	2,290	
<u>Financial liabilities</u>						
Long - term loans	-	-	7,696	-	7,696	Note 13
Debenture	-	2,500	-	-	2,500	5.90% p.a.
Total	-	2,500	7,696	-	10,196	

2009	Fixed interest rates		Floating	Non -	Total	Interest rate
	within 1 year	2 - 5 years	interest rate	interest bearing		
(Million Baht)						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalent	877	-	1,201	38	2,116	0 - 1.75% p.a.
Total	877	-	1,201	38	2,116	
<u>Financial liabilities</u>						
Long - term loans	-	-	9,870	-	9,870	Note 13
Debenture	-	2,500	-	-	2,500	5.90% p.a.
Total	-	2,500	9,870	-	12,370	

Separate financial statements

2010	Fixed interest rates		Floating	Total	Interest rate
	within 1 year	2 - 5 years	interest rate		
(Million Baht)					(% p.a.)
<u>Financial assets</u>					
Cash and cash equivalent	500	-	12	512	1.70%
Total	500	-	12	512	
<u>Financial liabilities</u>					
Long - term loan	-	-	850	850	Note
Debenture	-	2,500	-	2,500	5.90% p.a.
Total	-	2,500	850	3,350	

  
 .....  
**Mr. Sumets Tantiwanant**  
 Director

  
 .....  
 DIRECTOR.....DIRECTOR

**Ms. Tuangrat Kirtiputra**  
 Director

2009	Fixed interest rates		Floating	Total	Interest rate (% p.a.)
	within 1 year	2 - 5 years	interest rate		
(Million Baht)					
<u>Financial assets</u>					
Cash and cash equivalent	164	-	17	181	0.85% - 1.10% p.a.
Total	164	-	17	181	
<u>Financial liabilities</u>					
Long - term loans	-	-	1,079	1,079	Note 13
Debenture	-	2,500	-	2,500	5.90% p.a.
Total	-	2,500	1,079	3,579	

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.

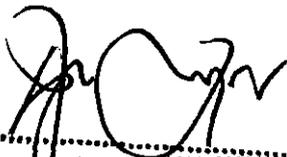
The Group's policy is to manage its interest cost using a mix of fixed and variable interest rate debt. To manage this mix in a cost - efficient manner, the Group enters into interest rate swaps in which the Group agrees to exchange at specific intervals, the difference between fixed and variable interest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

As at 31 December 2010, a subsidiary in Singapore had a period - by - period knock out swap and interest rate swap agreement covering the notional amount of USD 7 million (2009: USD 9 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized at a rate of USD 0.5 million per quarter over the period from 2004 to 2014.

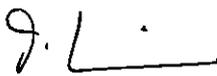
As at 31 December 2010, a subsidiary company had unrealised losses from changes in the fair value of derivatives of USD 0.3 million, or approximately Baht 9 million (2009: USD 0.3 million, or approximately Baht 11 million). The Group recorded allowance for the loss in the income statement.

### (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.

  
 .....  
 Mr. Sumate Tanthuwani  
 Director

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 Ms. Tuangrat Kirtiputra  
 Director

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 2010 and 2009, 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, accordingly the subsidiary had provided provision for the estimated loss totalling USD 28.5 million (approximately Baht 992 million) and had recorded in the income statement for the year 2008, however, the actual loss from January 2009 to June 2009 was amounted USD 21.1 million (approximately Baht 728 million) effecting the subsidiary to record the gain adjustment in the first half of year 2009 for the over provision in year 2008 in the amount of USD 7.4 million (approximately Baht 265 million). Those contracts have been expired in June 2009 and the Group has not made any renewal.

24.2 Fair value

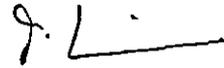
Other than the long - term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short - term, and their carrying values do not materially differ from their fair values.

25. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 25 February 2011.



  
.....DIRECTOR.....  
**Mr. Sumate Tanthuwant**  
Director

  
.....DIRECTOR.....  
**Ms. Tuangrat Kirtiputra**  
Director