



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

**Minutes of the 31<sup>st</sup> Annual General Meeting**

of

**Regional Container Lines Public Company Limited**

Held at Vimarnthip Room, 5<sup>th</sup> Floor, Montien Riverside Hotel,

372 Rama 3 Road, Bangklo, Bangkok

on Friday 30<sup>th</sup> April 2010

**Directors attending the Meeting**

- |                            |  |
|----------------------------|--|
| 1. Mr. Sumate Tanthuwani   | Managing Director                          |
| 2. Mr. Amornsuk Noparumpa  | Director & Chairman of the Audit Committee |
| 3. Mr. Thep Roongtanapirom | Director & Audit Committee                 |
| 4. Mr. Dusit Nontanakorn   | Director & Audit Committee                 |
| 5. Ms. Tuangrat Kirtiputra | Director                                   |
| 6. Dr. Jamlong Atikul      | Director                                   |
| 7. Mr. Viset Choopiban     | Director                                   |

**Directors not attending the Meeting**

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Kua Phek Long             | Chairman |
| 2. Mr. Hartwig Schulze – Eckardt | Director |

**Management**

- |                            |                                     |
|----------------------------|-------------------------------------|
| 1. Ms. Tuangrat Kirtiputra | Executive Vice President ( Support) |
|----------------------------|-------------------------------------|

**Auditors**

- |                                 |                     |
|---------------------------------|---------------------|
| 1. Mrs. Natsarak Sarochanunjeen | A.M.T. & Associates |
| 2. Ms. Narissara Kanchanapenkul | A.M.T. & Associates |

**Shareholders attending the Meeting**

- 72 shareholders, holding 56,784,621 shares
- 136 proxies, holding 426,488,370 shares



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Totaling 208 shareholders and proxies, holding 483,272,991 shares or 72.8919 % of the total shares, which constituted a quorum according to the Company's Articles of Association.

(Remark : After the Meeting started, there were shareholders registering to attend the Meeting. When the Meeting adjourned, 87 shareholders holding 59,957,241 shares and 154 proxies holding 438,148,870 shares making the total of 241 shareholders and proxies holding 498,106,111 shares or 75.1291 % of the total shares)

The Meeting started at 10.30 a.m.

Mr. Sumate Tanthuanit took the chair. He declared the Meeting opened and informed that Bangkok was not in normal situation. The governments of many countries had warned their people against traveling to Thailand during this period. Mr. Kua Phek Long and Mr. Hartwig Schulze-Eckardt thus apologized for not being able to attend the Meeting today. Mr. Sumate Tanthuanit explained the vote casting procedures and requested the Meeting to pass a consensus that only those objecting or abstaining to raise their hands and return the ballot papers of each agenda for votes counting in order to expedite the process and conclusion for each agenda. He then proceeded as per following agenda.

## **Agenda No 1. To Adopt the Minutes of the Extraordinary General Meeting No. 1/ 2009**

Mr. Sumate Tanthuanit proposed that the Meeting adopt the Minutes of the Extraordinary General Meeting No. 1/2009 held on 24<sup>th</sup> July 2009 sent to all shareholders in advance together with the Notice. The said minutes had been posted on the Company's website since August 2009. He asked if anyone had query or proposed amendment.

No further amendment from the Meeting.

**Voting** : 226 shareholders casted 489,199,311 votes

478,536,211 votes approved

- votes not approved



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10,663,100 votes abstained

The Meeting, with the majority votes totaling 478,536,211 votes, adopted the Minutes of the Extraordinary General Meeting No. 1/2009 held on 24<sup>th</sup> July 2009.

## Agenda No 2. To Acknowledge the Report on the Year 2009 Operational Results of the Company

Mr. Sumate Tanthuwani presented the Group Financial Highlights for the year 2009 compared to the year 2008

Financial Results (Million Baht)	2009	2008	Change %
Turnover before Exchange Difference and Adjustment for Unrealized Loss on Derivatives	14,554.3	20,750.5	-30
Cost of Freight & Operations	15,272.4	18,780.5	19
Gross Profit/(Loss) from Freight Income	(951.3)	751.6	-227
Exchange Gain / (Loss)	(20.9)	111.7	-119
Loss on Impairment of Assets	(1,628.0)	(182.3)	-793
Allowance for Unrealised Gain/(Loss) from Change in the Fair Value of Derivatives	265.3	(1,008.0)	126
Profit/(Loss) before Finance Cost & Income Tax	(3,358.1)	(421.2)	-697
Net Profit / (Loss) after Tax & Minority Interests	(3,785.9)	(837.0)	-352

and reported that the year 2009 was recorded as the worst year for shipping business, which had been operated for almost 52 years, with world trade suffered its biggest collapse since World War II, an unprecedented 12% drop. Under the influence of the global economic crisis, the global trading



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volumn declined from the start of 2009, the shipping market had been in deep recession. Coupled with excess capacity, assets value declined and freight rates collapsed until all-in rates on some trades, notably between Europe and Asia dropped close to zero. From the slide on the screen, 22 world container lines ran up collective losses estimated almost US\$ 15 billion for the full year of 2009. Among these lines, some operated both container and bulk services. If counting the container trade alone, the collective losses may exceed US\$ 20 billion. He pointed out that bulk business remained strong as the manufacturing countries ordered raw materials and energy-related goods to keep in stock. Worth mentioning was China which possessed huge reserves in US Dollar currency and decided to purchase a large amount of energy-related materials instead of keeping the US Dollar. The economic downturn in the United States and Europe caused the people to cut down their spending. As a result, the containerized commodities from the sources in Asia dropped sharply by 40%. Imbalance between low demand of goods and over-tonnage supply led to a very aggressive competition which pressed the freight rates almost below cost level. Striving to drive their business out of the difficulties, those loss-making world container lines raised more than US\$ 12 billion in the last 12 months by means of capital injection, bond issue, loans, credit line, debt restructuring, debt-equity swap, etc. Many shipping lines even called for financial support from their governments.

RCL Group was not spared from global turmoil which hit all areas of shipping, reversing years of bloom and healthy freight earnings.

The total turnover before exchange difference and adjustment for unrealized loss on derivatives was down by 30% at Baht 14,554.3 million compared to the previous year, reflecting both a decline in volume by 18.5% and low freight rates by 13%.

The cost of freight & operations decreased by 19% at Baht 15,272.4 million compared to the previous year and was in line with the drop in the liftings. To cope with the downturn, the Group employed many measures to reduce excessive tonnages, including returning 5 chartered – in vessels and strictly controlling terminal operation expenses. However, the bunker price rose substantially since March 2009. Besides, the Group had to take delivery of a 2,732



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TEUs new vessel ordered earlier before financial crisis in 2008. Nonetheless, the cost reduction initiatives were not enough to offset the 30% decline in freight income.

The Group recorded the loss from freight income at Baht 951.3 million in 2009 compared to the profit from freight income at Baht 751.6 million in 2008.

In 2009, the year-on-year average rate for Baht was strengthened against US Dollar. As the Group's revenues and majority of its costs were denominated in the US Dollar, the stronger Baht created translation loss in the revenues when the US\$ freight was being translated into Baht. On the other hand, the Group had the accounting gain when all US\$ denominated expenses were being translated into Baht. The Group recorded the exchange loss of Baht 20.9 million in 2009 compared to the exchange gain of Baht 111.7 million in 2008.

Loss on impairment of assets of Baht 1,628 million was provided in 2009 to reflect the fair value of properties and vessels. At the end of 2009, the fair value of land and property and vessels held by the subsidiaries in Singapore was Baht 796 million and Baht 853 million lower than the carrying costs. On the other hand, the property held by a subsidiary in Hong Kong was Baht 21 million higher than the carrying costs.

The Group entered into bunker swap contracts in 2008 covering till the first half of 2009, thus recorded an allowance for unrealized loss amounting to Baht 1,008.0 million in 2008 when the bunker prices dropped sharply. As the price moved up from January to June 2009, the actual loss amounted to approximately Baht 700 million, the Group had overprovisioned by Baht 265 million.

For the full year of 2009, the total liftings reduced by 18.5% at 2.365 million TEUs while the overall utilization dropped almost 4% from 108% in 2008 to 104% in 2009. Though the Group coped with the downturn by controlling the cost of freight and operations down by 19%, the gross margin per TEU was only 2% which was the lowest, falling from 34% gross margin in 2005.

Coupled with the impairment loss on assets of Baht 1,628 million and exchange loss of Baht 20.9 million, the Group recorded a loss before finance cost and income tax in the



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amount of Baht 3,358.1 million in the year 2009 versus a loss of Baht 421.2 million in the year 2008.

The Group's net loss after tax and minority interests was recorded at Baht 3,785.9 million in the year 2009.

Total asset of the Group declined by Baht 3,526 million, or 11% drop year-on-year, from Baht 30,672 million in 2008 to Baht 27,146 million in 2009, mainly due to the impairment loss on land and property in Singapore and 3 vessels taken in the years 2008-2009. In addition, loss from operation also drained net cash.

Total liabilities of the Group increased by Baht 657 million, or 4% increase from Baht 14,941 million in 2008 to Baht 15,598 million in 2009. The Group paid back long-term loan in earlier of 2009, raised additional shipping finance and issued a new 3-year Thai Baht bond worth Baht 2,500 million. Nonetheless, the interest costs decreased due to the decrease in LIBOR.

Total shareholders' equity of the Group reduced by Baht 4,183 million, or 27% from Baht 15,731 million in 2008 to Baht 11,548 million in 2009, mainly due to the negative operating results.

After the presentation, the Meeting was given an opportunity to inquire further.

Shareholders asked and Mr. Sumate Tanthuwani replied as follows :

**Question** : The economic growth in Singapore improved to 10% and the Company's core business was based in Singapore. How would the Company benefit from the economic recovery there ? How would the Company cope with the competition?

**Answer** : The Group's business actually relied on the world and intra-Asia regional trades. Singapore port served as transshipment point between East and West trades. The economic upturn in Singapore would benefit land and property, but not the Group's feeder activities. It should be noted that the countries in Asia, in particular China, were key drivers to world economic recovery and 30% of the Group's total liftings were inbound and outbound from China. The growing Asian markets would definitely attract severe competition. The Group



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did plan to wake 4-5 vessels laid up since 2009 and bring back to service, considering the fact that laying - up of vessel incurred certain cost and there would incur additional cost in re-deploying these vessels. As such, the cost of freight and operations should be justified. The Group, however, regularly monitored and assessed the situation to timely redefine its business approach. The update was given that the result in the first quarter of 2010 improved from the same period of the previous year.

**Question** : 1. Would there be any new vessels taken in 2010?  
2. Why did the Company not return the chartered vessels since many vessels were in a lay-up?

3. Why did the Company not dispose old vessels?

**Answer** : 1. No new vessels were taken in 2010 .  
2. The term charter agreements were binding upon the Group. Negotiations were made with the owners and if successful, all chartered vessels would be returned. Some vessels were laid up because the Group deployed the vessels of different sizes ranging from 500 TEUs to 2,600 TEUs and selected the suitable and cost-effective tonnage to accommodate each service route.

3. The Group deployed old vessels suitable for certain trade lanes. If selling out these vessels, tonnage of same size would be chartered in as it was not cost-efficient to deploy the bigger size in the fleet.

**Question** : With the economic upturn, the Company may have concerns over competition and market share and their impact on freight income. Please explain about the Company's competitive edge and its standing in the market.

**Answer** : Actually, market share was one of the market theories. The Group operated container feeding and liner business. In the past, the shipping lines mainly focused on market share. Experiencing the hardest time, their focus did shift from mainly the market share to selecting high-margin cargoes as well. The cost of freight and operations comprised cost elements from vessels and containers, be it empty or loaded. The shipping lines became more



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selective to providing the service that could cover the operating costs. Nonetheless, market share was of importance. It was too early to tell if the Group could maintain its market share.

No further inquiry. The Meeting acknowledged the report on the year 2009 operational results of the Company.

### **Agenda No 3. Directors' Remuneration for the Year 2009**

Mr. Sumate Tanthuwani reported that in the year 2009, the Company's Board of Directors comprised 10 members. The Directors as well as Audit Committee members, and Nomination & Remuneration members received the annual standard remuneration of Baht 6.2 million in accordance with the criteria approved at the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> April 2005 as per details sent to all shareholders in advance together with the Notice and disclosed in the Annual Report 2009 under "Report on Corporate Governance" section.

He further reported that the Nomination & Remuneration Committee did take the shareholder's comment given during the last Annual General Meeting into consideration. The shareholder gave remark that the remuneration criteria had not been set in case of negative operating results and that it should be more appropriate to tie the remuneration with dividend payment than net profit.

The Nomination & Remuneration Committee was of the opinion that the standard remuneration approved in 2005 was appropriately established to attract the qualified persons equipped with recognized skills and knowledge to perform the fiduciary duties as directors of the Company. Such remuneration was comparable to the fixed compensation in return for working for the Company and paid annually. Besides, the amount paid to individual director was not high if apportioned into monthly compensation without receiving any meeting attendance fee. In addition, the Nomination & Remuneration Committee had also benchmarked the standard remuneration with the industries that generated the turnover above Baht 10 billion and viewed that the standard remuneration approved by the shareholders in 2005 was still in line. It should be





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noted that several companies in the SET 100 group maintained their 2009 directors' remuneration unchanged despite negative operating results.

The criteria related to additional remuneration in an event that the Company's net profit exceeded Baht 1 billion had not been reviewed but the suggestion from the shareholder was noted and shall be taken into consideration at other appropriate time.

After the presentation, the Meeting was given an opportunity to inquire further.

No further inquiry. The Meeting acknowledged the report on the directors' remuneration for the year 2009.

#### **Agenda No 4. To Approve the Balance Sheets and Profit and Loss Statements as of 31<sup>st</sup> December 2009**

Mr. Sumate Tanthuwani requested the Meeting to consider the audited balance sheets and profit and loss statements as of 31<sup>st</sup> December 2009 which were published in the Annual Report 2009 under "Financial Statements" section sent to all shareholders in advance together with the Notice. The Meeting was given an opportunity to inquire further.

A shareholder asked and Ms. Tuangrat Kirtiputra replied as follows:

**Question** : 1. What kind of costs were defined as the cost of freight and operations ?

The information was not given in the notes to financial statements.

2. In the separate financial statements, the freight income was Baht 1,296 million whereas the cost of freight and operations was Baht 979 million. In the consolidated financial statements, the freight income was Baht 14,321 million whereas the cost of freight and operations was Baht 15,272 million. Was the negative result caused by the subsidiary in Thailand or overseas? Could such costs be minimized?

3. In the separate financial statements, details on corporate income tax amounting to Baht 8.6 million were given in the notes to financial statements, but details on corporate income tax amounting to Baht 29 million in the consolidated financial statements were not given.



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**Answer :** 1. The cost of freight and operations comprised all cost elements related to the vessel, crew, bunker, charter, slot purchase/exchange, terminal handling charges, etc.

2. Regional Container Lines Public Company Limited, a parent company, chartered out a number of vessels to its subsidiary in Singapore which served as the operating arm of the Group. Such subsidiary generated freight income as well as cost of freight and operations. In 2009 the cost of freight and operations was higher than income, resulting in operating loss.

3. The notes to financial statements provided details of Regional Container Lines Public Company Limited, as the parent company. In fact, other subsidiaries in the consolidated financial statements was individually audited and separate financial statements produced.

No further inquiry from the Meeting.

**Voting :** 240 shareholders casted 497,849,111 votes.

487,186,011 votes approved

- votes not approved

10,663,100 votes abstained

The Meeting, with the majority votes totaling 487,186,011 votes, approved the balance sheets and profit and loss statements as of 31<sup>st</sup> December 2009.

## **Agenda No 5. To Approve Not Declaring Dividend for the Year 2009 Operational Results**

Mr. Sumate Tanthuwant reported that the Board of Directors at its Meeting No. 2 / 2010 held on 25<sup>th</sup> March 2010 resolved not to declare dividend for the 2009 operational results whereby the Company recorded the consolidated net loss of Baht 3,785.9 million.

Dividend policy and dividend declared in the financial years 2008-2009 were sent to all shareholders in advance together with the Notice.

The Meeting was given an opportunity to inquire further.



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No further inquiry from the Meeting.

**Voting** : 240 shareholders casted 497,849,111 votes  
487,186,011 votes approved  
- votes not approved  
10,663,100 votes abstained

The Meeting, with the majority votes totaling 487,186,011 votes, approved not declaring dividend for the operational results of the year ended 31<sup>st</sup> December 2009.

## **Agenda No 6. To Consider Electing New Directors to Replace Those Due to Retire**

Mr. Sumate Tanthuwani informed the Meeting that according to Clause 29 of the Company's Articles of Association; one-third of directors must retire from office and the retiring directors were eligible for re-election.

For the year 2010, there were 4 directors due to retire as follows :

1. Ms. Tuangrat Kirtiputra Director
2. Mr. Kua Hock Eng Director
3. Dr. Jamlong Atikul Director
4. Mr. Thep Roongtanapirom Independent Director

He added that Mr. Thep Roongtanapirom held directorship in place of Mrs. Soonthara Iamsuri since 1<sup>st</sup> July 2009 for the remaining term of the resigned director and due to retire this year. The Board of Directors at its Meeting No. 2 / 2010 held on 25<sup>th</sup> March 2010 endorsed the recommendation from the Nomination and Remuneration Committee to nominate the following 3 directors to the Shareholders' Meeting for re-election :

1. Ms. Tuangrat Kirtiputra as Director
2. Dr. Jamlong Atikul as Director
3. Mr. Thep Roongtanapirom as Independent Director



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It was further reported that the Company had invited the shareholders to propose the agenda for 2010 Annual General Meeting and director-nominee in advance during 1<sup>st</sup> – 30<sup>th</sup> December 2009. By dateline, the Company did not receive any proposal in connection with the director-nominee.

The profiles of the directors due to retire and nominated to resume directorship were sent to all shareholders in advance together with the Notice. The Nomination and Remuneration Committee duly considered the director-nominees who fully met the requisite qualifications of the Company's directors and the definition of "independent director". All directors possessed vast knowledge and experience contributable to the business operation and future growth of the Group.

The Meeting was given an opportunity to inquire further.

A shareholder asked and Mr. Sumate Tanthuwaniit replied as follows:

**Question :** 4 directors were due to retire but 3 directors were nominated for re-election. Was it in compliance with the rules?

**Answer :** The Board of Directors comprising 9 members in 2010 was in compliance with the Company's Articles of Association.

No further inquiry from the Meeting.

Mr. Sumate Tanthuwaniit requested the Meeting to vote on individual director.

**Voting :** 240 shareholders

Voting on Individual	Cast (votes)	Approve (votes)	Object (votes)	Abstain (votes)
Ms. Tuangrat Kirtiputra	497,849,111	487,186,011	-	10,663,100
Dr. Jamlong Atikul	497,849,111	487,186,011	-	10,663,100
Mr. Thep Roongtanapirom	497,849,111	486,836,011	350,000	10,663,100



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The Meeting , with the majority votes approved to re-elect Ms. Tuangrat Kirtiputra as Director, Dr. Jamlong Atikul as Director, and Mr. Thep Roongtanapirom as Independent Director.

**Agenda No 7. To Appoint the Company's Auditors and Approve the Audit Fees**

Mr. Sumate Tanthuwani reported that the 30<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> April 2009 approved the appointment of the auditors from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2009 till 31<sup>st</sup> December 2009 and approved the audit fees of Baht 1.47 million.

For the year 2010 the Audit Committee recommended Professor Kesree Narongdej and team from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2010 till 31<sup>st</sup> December 2010. The Board of Directors at its Meeting No. 2 / 2010 held on 25<sup>th</sup> March 2010 endorsed the recommendation from the Audit Committee to propose to the Shareholders' Meeting to appoint Professor Kesree Narongdej, CPA No. 0076 or Mr. Chaiyuth Angsuwithaya, CPA No. 3885 or Mrs. Natsarak Sarochanunjeen, CPA No. 4563 or Mr. Sumit Khopaiboon, CPA No. 4885 from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2010 till 31<sup>st</sup> December 2010 with either one of the four auditors certifying the Company's financial statements on behalf of A.M.T. & Associates.

In the event those auditors are unable to perform their duties, A.M.T. & Associates is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place. Those recommended auditors do not have any relationship or any interest with the Company, its subsidiaries, executives, major shareholders or related persons, and not working under the same auditing office as overseas subsidiaries.

The audit fees, as detailed in the document sent to all shareholders in advance together with the Notice, remained unchanged as per following :



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	Baht
-Examination of the Company's financial statements for the year ending 31 <sup>st</sup> December 2010	600,000
-Review of interim consolidated financial statements of the Company totaling 3 quarters	750,000
-Review of the consolidated financial statements in USD totaling 4 quarters	120,000
Total	<u>1,470,000</u>

The Meeting was given an opportunity to inquire further.

No further inquiry from the Meeting.

**Voting :** 240 shareholders casted 497,849,111 votes  
487,186,011 votes approved  
- votes not approved  
10,663,100 votes abstained

The Meeting, with the majority votes totaling 487,186,011 votes, approved the appointment of Professor Kesree Narongdej, CPA No. 0076 or Mr. Chaiyuth Angsuwithaya, CPA No. 3885 or Mrs. Natsarak Sarochanunjeen, CPA No. 4563 or Mr. Sumit Khopaiboon, CPA No. 4885 from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2010 till 31<sup>st</sup> December 2010 with either one of the four auditors certifying the Company's financial statements on behalf of A.M.T. & Associates. In the event those auditors were unable to perform their duties, A.M.T. & Associates would be authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place ; and approved the audit fees of Baht 1.47 million.



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## **Agenda No 8. To Approve the Increase of Capital**

Mr. Sumate Tanthuwant reported that the global financial and trade crisis which started since the end of 2008 imposed the adverse impact on the shipping business - the first time in 30 years of which the Group experienced negative operating result. The Board of Directors duly considered the necessity to increase the capital to enhance the working capital and support the business expansion ; and proposed to the Shareholders' Meeting to consider and approve the increase of registered capital by another Baht 165,750,000 divided into 165,750,000 ordinary shares at the par value of Baht 1.0. The existing registered capital will increase from Baht 663,000,000 to Baht 828,750,000 divided into 828,750,000 ordinary shares at the par value of Baht 1.0

After the report, the Meeting was given an opportunity to inquire further.

Shareholders asked and Mr. Sumate Tanthuwant and Ms. Tuangrat Kirtiputra replied as follows:

**Question** : 1. Please explain further about the increase of capital for the purpose to enhance the working capital and support the business expansion.

2. The Company operated the service route to Singapore. Was there any blockage to sailing routes and ports in marine transport business ?

**Answer** : 1. In time of economic crisis, the shipping lines experienced bottom line losses and raised funds through various means including capital increase to drive their business out of the red and to gain strength for anticipated competition when the economy recovered. Likewise, the Company saw the necessity to increase its capital to support the business operation and to take delivery of 2 new vessels, now under construction, to cope with the increasing demand naturally arisen from the growth in international trade.

2. Shipping business was fairly and freely competed in the markets. The operators were free to sail their ships anywhere - no concession to be made but to compete with major players in each trade lane. There was no blockage at ports. The operators must, however, have their sailing schedules fixed and berth window booked on specific date /time for



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vessel berthing and cargo lift on – lift off activities. Such port-to-port service has become part of the global logistics which substantially supported those manufacturers, importers / exporters to efficiently plan their respective production and delivery of the finished goods from sources to destinations.

Suffered from the crisis, the shipping lines learned to be more cautious in operating and investing in business expansion. As core leader of global economy has shifted from the United States to China, it would avail a good opportunity to the Group with its subsidiary operating the business there.

**Question** : What would be a dilution effect from the subscription ratio of 4:1 or the raising of approximately Baht 2,000 million? Should the ratio be changed to 8:1 to mitigate the dilution effect?

**Answer** : The dilution would be around 20%. The Board of Directors has carefully considered and viewed the subscription ratio of 4:1 as appropriate on ground that the Company had no intention to frequently increase its capital. In fact the debenture issued in 2009 had required the Company to maintain the ratio of debt to shareholders' equity at 1.5 : 1. The negative result of 2009 operation coupled with the impairment loss on assets increased the ratio to 1.35 : 1. Without raising the capital increase, the Company may not be able to maintain the ratio and thus breach the covenants.

The Board of Directors has assessed the situation in the next 4 weeks and viewed that the stock market is quite volatile and may be suppressed by negative factors. The Board of Directors decided to use 10-day simple average at Baht 12.67, less 5% discount at Baht 12.04 and rounding up to fix at Baht 12.0

No further inquiry from the Meeting.

**Voting** : 241 shareholders casted 498,106,111 votes  
487,398,011 votes approved  
45,000 votes not approved  
10,663,100 votes abstained





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The Meeting, with the votes of 487,398,011 votes, or not less than three quarters of the total number of votes by shareholders attending the Meeting and having the right to vote, approved the increase of registered capital by another Baht 165,750,000 divided into 165,750,000 ordinary shares from the existing registered capital of Baht 663,000,000 to Baht 828,750,000 divided into 828,750,000 ordinary shares at the par value of Baht 1.0

**Agenda No 9. To Approve the Amendment to Clause 4 of the Company's Memorandum of Association to Reflect the Increase of Capital.**

Mr. Sumate Tanthuwani mentioned that the Meeting had approved the increase of registered capital by another Baht 165,750,000 from the existing registered capital of Baht 663,000,000 to the new registered capital of Baht 828,750,000 divided into 828,750,000 ordinary shares at the par value of Baht 1.0. The Board of Directors thus proposed the Meeting to consider and approve the amendment to Clause 4 of the Company's Memorandum of Association to reflect the increase of capital to read as follows:

Clause 4	The registered capital is prescribed	
For the amount of	828,750,000	Baht
Divided into	828,750,000	Shares
Par value of	1.0	Baht
	Viz.	
Ordinary shares	828,750,000	Shares
Preference shares	-	Shares

**Voting :** 241 shareholders casted 498,106,111 votes  
487,443,011 votes approved  
- votes not approved  
10,663,100 votes abstained



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The Meeting, with the votes of 487,443,011 votes, or not less than three quarters of the total number of votes by shareholders attending the Meeting and having the right to vote, approved the amendment to Clause 4 of the Company's Memorandum of Association as proposed.

## **Agenda No 10. To Approve the Allotment of New Ordinary Shares**

Mr. Sumate Tanthuwant mentioned that the Meeting had approved the increase of registered capital by another Baht 165,750,000 divided into 165,750,000 ordinary shares. The Board of Directors thus proposed the Meeting to consider and approve the followings:

1. The allotment of 165,750,000 new ordinary shares by the rights issue to the existing shareholders of the Company whose names appear in the shareholders' registration book as of 17<sup>th</sup> May 2010 in one or several tranches from time to time. The subscription ratio will be 4 existing shares to 1 new share at the offering price to be calculated from the average price of the Company's shares traded on the Stock Exchange of Thailand for a period of not less than 7 but not more than 15 consecutive trading days before (and excluding) the date of the Shareholders' Meeting to approve the rights issue with a 5% discount.

The Board of Directors has fixed the offering price at Baht 12.0 per share calculated from the average price of the Company's shares traded on the Stock Exchange of Thailand for 10 consecutive trading days before (and excluding) the date of the Shareholders' Meeting to approve the rights issue with a 5% discount.

2. Fixing the record date for the right of the shareholders to subscribe new ordinary shares on 14<sup>th</sup> May 2010 and the closing of the shareholders' registration book on 17<sup>th</sup> May 2010.

3. Fixing the subscription period from 31<sup>st</sup> May till 4<sup>th</sup> June 2010. Any fraction of shares will be disregarded. The Board of Directors or its designated person shall be authorized to determine all other conditions and details relating to the rights issue.

4. If there remain any shares left unsubscribed from the rights issue, the Company may offer those 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 in accordance with the Notification of



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the Capital Market Supervisory Board No. Thor. Jor. 28/2551 regarding applications and permissions for the offer of new shares (the CMSB Notification). The Board of Directors shall be authorized to determine the offering price, offering period, conditions and other details of the allotment, including the determination of the “market price” as required by the relevant CMSB (Capital Market Supervisory Board) notifications.

And if the Company offers the new shares to any investor, who falls within the meaning of “connected party” under the applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, the Company will proceed as required by such relevant regulations.

**Voting :** 241 shareholders casted 498,106,111 votes

487,284,211 votes approved

158,800 votes not approved

10,663,100 votes abstained

The Meeting, with the majority votes totaling 487,284,211 votes, approved the allotment of 165,750,000 new ordinary shares by the rights issue to the existing shareholders of the Company whose names appear in the shareholders’ registration book as of 17<sup>th</sup> May 2010 in one or several tranches from time to time. The subscription ratio will be 4 existing shares to 1 new share at the offering price at Baht 12.0 per share and any fraction of shares shall be disregarded. The subscription period is fixed from 31<sup>st</sup> May 2010 till 4<sup>th</sup> June 2010. The Board of Directors or its designated person shall be authorized to determine all other conditions and details relating to the rights issue; and approved the Company to offer the shares left unsubscribed from the rights issue 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 as proposed.

Mr. Sumate Tanthuwani said that all meeting agenda were duly reviewed and votes casted. He asked if there were any other matters or inquiries.

No other matter was proposed.



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Mr. Sumate Tanthuwaniit thanked the shareholders and declared the Meeting closed  
at 12.10 a.m.

Signed

(Mr. Sumate Tanthuwaniit)

Chairman of the Meeting

Signed

(Ms. Supawan Sirichai)

Company Secretary