

# 1998-2002 Earnings Statement in US\$

(million US\$)	Year-end 1998	Year-end 1999	Year-end 2000	Year-end 2001	Year-end <b>2002</b>
Freight income	256.0	281.6	332.2	301.6	<b>287.6</b>
Total revenue	258.0	285.0	335.0	304.0	<b>290.0</b>
Cost of freight & operations	207.0	224.3	268.0	251.8	<b>240.9</b>
Gross profit	51.0	60.7	67.0	52.2	<b>49.1</b>
Administrative expenses	15.0	16.6	21.9	18.6	<b>21.2</b>
EBIT	36.0	44.1	45.1	33.6	<b>27.9</b>
Depreciation	17.0	18.0	18.8	21.9	<b>19.2</b>
Loss (gain) on disposal of fixed assets	0.5	(0.7)	1.9	(0.1)	<b>1.5</b>
<b>EBITDA</b>	<b>53.5</b>	<b>61.4</b>	<b>65.8</b>	<b>55.4</b>	<b>48.6</b>
Interest expenses	24.0	22.3	23.0	18.4	<b>13.5</b>
Earning before income tax	12.0	21.8	22.1	15.2	<b>14.4</b>
Taxes	0.0	0.8	0.3	0.1	<b>0.1</b>
Net earning before Fx and Impairment	12.0	21.0	21.8	15.1	<b>14.3</b>
Foreign exchange accounts					
: Fx gain	0.0	1.4	0.0	0.0	<b>2.4</b>
: Fx loss	0.0	0.0	2.2	1.7	<b>0.0</b>
<b>Net earning after Fx but before Impairment</b>	<b>12.0</b>	<b>22.4</b>	<b>19.6</b>	<b>13.4</b>	<b>16.7</b>
Loss on impairment of assets	0.0	0.0	28.5	10.3	<b>5.5</b>
Minority interest	0.0	0.2	0.1	0.0	<b>0.0</b>
<b>Net profit</b>	<b>12.0</b>	<b>22.2</b>	<b>(9.0)</b>	<b>3.1</b>	<b>11.2</b>

Remark : Administrative expenses in 2002 include loan restructuring cost of US\$1.0 million.

18 February 2003

The Board of Directors  
Regional Container Lines Public Company Limited  
30th Floor, Panjathani Tower  
127/35 Ratchadapisek Road  
Yannawa District  
**BANGKOK 10120**

Dear Sirs,

**Consolidated financial statements in United States Dollars**

As requested, we have obtained from the management the consolidated balance sheets as at 31 December 2002 and 2001, and the related statements of earnings and retained earnings for the years ended 31 December 2002 and 2001 of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") in United States Dollars ("USD") and performed the following procedures as agreed upon :-

- (i) We obtained management's basis in determining exchange rates applied in the translation of financial information.
- (ii) We recomputed the translation of financial information into USD.
- (iii) We checked the casting and extension of the translated USD financial information in the statements.

The above procedures do not constitute either an audit or a review in accordance with Thai generally accepted auditing standards and the basis of translation is not necessarily in compliance with Thai generally accepted accounting principles. We therefore cannot give any assurance on the basis of these procedures.

The above procedures were performed solely to assist you in the preparation of the financial information in USD for presentation to your bankers for the purpose of their facilities review, and are not to be referred to for any other purposes or distributed to any other parties without our prior consent.

Yours faithfully,  
ERNST & YOUNG OFFICE LIMITED

Vissuta Jariyathanakorn  
Partner

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS AT 31 DECEMBER 2002 AND 2001

	31 December 2002		31 December 2001	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Current assets				
Cash and cash equivalents	1,487.6	34.4	857.5	19.4
Trade accounts receivable, net	1,841.3	42.6	2,052.3	46.4
Trade accounts receivable - related parties	-	-	12.4	0.3
Other current assets	284.8	6.6	223.8	5.0
Total current assets	3,613.7	83.6	3,146.0	71.1
Non-current assets				
Land and premises, net	2,498.1	67.1	2,620.2	72.9
Vessels and equipment, net	12,116.2	360.2	12,482.5	379.8
Other non-current assets	137.6	4.3	173.0	5.6
Total non-current assets	14,751.9	431.6	15,275.7	458.3
TOTAL ASSETS	18,365.6	515.2	18,421.7	529.4

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REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)

	31 December 2002		31 December 2001	
	Million Baht	Million USD	Million Baht	Million USD
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Trade accounts payable	1,183.9	27.4	1,433.5	32.4
Trade accounts payable - related parties	-	-	10.4	0.2
Current portion of finance lease creditors	162.90	3.70	183.8	4.2
Current portion of long-term loans	1,150.80	26.60	1,718.3	38.8
Promissory notes	1,000.00	23.10	-	-
Other current liabilities	185.7	4.3	151.8	3.4
<b>Total current liabilities</b>	<b>3,683.3</b>	<b>85.1</b>	<b>3,497.8</b>	<b>79.0</b>
<b>Non-current liabilities</b>				
Finance lease creditors - net of current portion	301.7	6.9	476.2	10.7
Long-term loans - net of current portion	7,066.6	163.5	8,376.0	189.1
Debenture	1,000.0	23.1	1,000.0	22.6
<b>Total non-current liabilities</b>	<b>8,368.3</b>	<b>193.5</b>	<b>9,852.2</b>	<b>222.4</b>
<b>Total liabilities</b>	<b>12,051.6</b>	<b>278.6</b>	<b>13,350.0</b>	<b>301.4</b>
<b>Shareholders' equity</b>				
<b>Share capital</b>				
<b>Issued and fully paid</b>				
66,300,000 ordinary shares of Baht 10 each	663.0	20.6	636.7	20.0
(2001 : 63,666,287 ordinary shares of Baht 10 each)				
Share premium	3,073.2	113.7	2,986.3	111.7
Translation adjustment	785.6	(2.1)	748.3	-
<b>Retained earnings</b>				
Appropriated - statutory reserve	66.3	1.9	63.7	1.9
Unappropriated	1,699.7	101.9	608.3	93.8
<b>Equity attributable to company's shareholders</b>	<b>6,287.8</b>	<b>236.0</b>	<b>5,043.3</b>	<b>227.4</b>
<b>Minority interest - equity attributable</b>				
to minority shareholders of subsidiaries	26.2	0.6	28.4	0.6
<b>Total shareholders' equity</b>	<b>6,314.0</b>	<b>236.6</b>	<b>5,071.7</b>	<b>228.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18,365.6</b>	<b>515.2</b>	<b>18,421.7</b>	<b>529.4</b>

See Basis of Preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF EARNINGS AND RETAINED EARNINGS  
FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001

	2002		2001	
	Million Baht	Million USD	Million Baht	Million USD
<b>EARNINGS</b>				
Revenues				
Freight income	12,366.8	287.6	13,415.7	301.6
Gain on exchange	611.9	2.4	-	-
Other income	102.0	2.4	107.9	2.4
Total revenues	<u>13,080.7</u>	<u>292.4</u>	<u>13,523.6</u>	<u>304.0</u>
Expenses				
Cost of freight and operations	9,577.2	222.7	10,225.3	229.9
Depreciation	641.1	19.2	756.7	21.9
Administrative expenses	797.7	18.6	826.9	18.6
Loss on impairment of fixed assets	203.1	5.5	383.30	10.3
Loss on disposal of vessel	48.9	1.6	-	-
Loss on exchange	-	-	804.4	1.7
Total expenses	<u>11,268.0</u>	<u>267.6</u>	<u>12,996.6</u>	<u>282.4</u>
Earnings before interest and income tax expense:	1,812.7	24.8	527.0	21.6
Interest expenses	(581.7)	(13.5)	(819.0)	(18.4)
Corporate income tax	(6.4)	(0.1)	(8.6)	(0.1)
Earnings (loss) after income tax	1,224.6	11.2	(300.6)	3.1
Net loss - minority interest	2.0	-	3.0	-
Net earnings (loss) for the year	<u>1,226.6</u>	<u>11.2</u>	<u>(297.6)</u>	<u>3.1</u>
<b>RETAINED EARNINGS</b>				
Retained earnings - unappropriated				
Balance - beginning of period	608.3	93.8	905.9	90.7
Net earnings (loss) for the year	1,226.6	11.2	(297.6)	3.1
Statutory reserve	(2.6)	(0.1)	-	-
Dividend paid	(132.6)	(3.0)	-	-
Total retained earnings - unappropriated	<u>1,699.7</u>	<u>101.9</u>	<u>608.3</u>	<u>93.8</u>
Retained earnings - appropriated				
Statutory reserve	66.3	1.9	63.7	1.9
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>63.7</u>	<u>1.9</u>
Total retained earnings	<u>1,766.0</u>	<u>103.8</u>	<u>672.0</u>	<u>95.7</u>

See Basis of Preparation

**BASIS OF PREPARATION**

**1. THAI BAHT FIGURES**

The Thai Baht figures in the balance sheets as at 31 December 2002 and 2001 and profit and loss accounts for the years then ended were extracted from the audited consolidated financial statements. The consolidated financial statements included the financial statements of Regional Container Lines Public Company Limited (hereinafter called “the Company”) and its subsidiaries in Thailand, Singapore, Hong Kong and the People’s Republic of China.

For consolidation purposes, foreign currency financial statements of the subsidiaries were translated into Thai Baht at the closing exchange rates as to assets and liabilities, and at the average rates as to revenues and expenses. The resultant difference has been presented under the caption of “Translation adjustment” in the shareholders’ equity.

**2. USD FIGURES**

2.1 The USD figures in the consolidated balance sheets were determined by translating the Thai Baht consolidated balance sheets of the Group using the following exchange rates :-

a) For assets and liabilities, we used the following approximate rates :-

As of 31 December 2002 : USD 1 = Baht 43.1993

As of 31 December 2001 : USD 1 = Baht 44.2697

b) The approximate rates as of 1 January 1997 were used for brought-forward balances of share capital, share premium, investments, property, vessels and equipment:-

*For the Company and its Thailand subsidiary*

USD 1 = Baht 25.5850

*For its Singapore subsidiaries*

USD 1 = SGD 1.4020

*For its Hong Kong subsidiaries*

USD 1 = HKD 7.7296

- c) Approximate rates as at the transaction dates were used for additional share capital, share premium, property, vessels and equipment, and disposals of vessels and equipment.

Any differences have been included in "Translation adjustment".

- 2.2 The USD figures in the consolidated profit and loss accounts were determined by translating the Thai Baht consolidated profit and loss accounts of the Group using the average exchange rates, which were as follows :-

31 December 2002 : USD 1 = Baht 42.9995

31 December 2001 : USD 1 = Baht 44.4829