



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

PRESS RELEASE  
FINANCIAL RESULTS OF THE FIRST QUARTER OF YEAR 2003

Backed by a strong lifting in the Inter-Asia trade, the total liftings of Regional Container Lines Public Company Limited increased by 11% comparing to the same quarter last year. The turnover before exchange difference of the Group had registered a 9% improvement in first quarter of 2003 comparing to the same period last year. The first quarter turnover stood at THB3.26 billion and was THB267 million more than the same quarter last year. During the first quarter of this year, on average, Thai Baht had strengthened more than 2% against US Dollar than first quarter 2002. Since the Group's revenue is US Dollar based, the turnover had suffered a 2% translation loss in first quarter 2003. The Group's COC business continued to grow healthily while its SOC volume was keeping intact. On top of this, the Company also received a one-time tax refund for the prior years after it was cleared by the tax authorities. The refund was booked as other income in first quarter this year.

The cost of freight and operation for the first quarter was up by 5% at THB2.60 billion compared to THB2.47 billion for the same quarter last year. Escalating bunker price in February and March had led to higher bunker cost in this quarter. Although the Company had raised the emergency bunker surcharge in March, the full recovery will only take effect in second quarter of 2003. Otherwise, the increase was in line with the increase in production and in fact representing a good level of reduction due to the cost savings measure introduced by the Company on its terminal handling and other operation expenses.

As regional currency against US Dollar weakened at end of March this year versus December 2002, the group recorded a loss of exchange of THB101.3 million versus a gain of THB60.1 million for the same quarter last year when its US Dollar denominated debt was being revalued. Consequently, the first quarter net profit of 2003 was THB27.3 million lower than same period last year at THB238.8 million.

Regional Container Lines PLC  
May 13, 2003



## REGIONAL CONTAINER LINES GROUP

### QUARTERLY EARNING STATEMENTS IN US\$

(million US\$)

	1 <sup>st</sup> Quarter 2002	Half-Year 2002	9 months 2002	Yearend 2002	1 <sup>st</sup> Quarter 2003
Freight income	67.9	140.5	214.4	287.6	73.4
Cost of freight and operations (excl. depreciation)	(52.4)	(108.7)	(167.0)	(222.7)	(57.2)
<b>Gross Profit</b>	<b>15.5</b>	<b>31.8</b>	<b>47.4</b>	<b>64.9</b>	<b>16.2</b>
<b>Gross Profit Margin</b>	<b>22.8%</b>	<b>22.6%</b>	<b>22.1%</b>	<b>22.6%</b>	<b>22.1%</b>
Other income	0.6	1.3	1.7	2.4	2.8
Gain on exchange	0.0	0.4	3.2	2.4	0.0
Total other income	0.6	1.7	4.9	4.8	2.8
Admin expenses	(3.8)	(8.2)	(14.1)	(18.6)	(4.5)
Depreciation	(5.5)	(9.7)	(14.4)	(19.2)	(4.7)
Loss on exchange	0.0	0.0	0.0	0.0	(0.1)
Loss on impairment of fixed assets	0.0	0.0	0.0	(5.5)	0.0
Loss on disposal of vessels	0.0	(1.6)	(1.6)	(1.6)	0.0
Total other expenses	(9.3)	(19.5)	(30.1)	(44.9)	(9.3)
Interest expenses	(3.3)	(6.5)	(10.4)	(13.5)	(2.8)
Profit before taxation	3.5	7.5	11.8	11.3	6.9
Income tax	0.0	(0.1)	(0.1)	(0.1)	(0.1)
Profit after taxation	3.5	7.4	11.7	11.2	6.8
Minority interest	0.0	0.0	0.0	0.0	0.0
<b>Net profit attributable to members</b>	<b>3.5</b>	<b>7.4</b>	<b>11.7</b>	<b>11.2</b>	<b>6.8</b>

### COMPUTATION OF EBITDA

Profit/(loss) before taxation	3.5	7.5	11.8	11.3	6.9
Add: Impairment loss	0.0	0.0	0.0	5.5	0.0
Add: Interest	3.3	6.5	10.4	13.5	2.8
<b>EBIT</b>	<b>6.8</b>	<b>14.0</b>	<b>22.2</b>	<b>30.3</b>	<b>9.7</b>
Add: Amortisation	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	5.5	9.7	14.4	19.2	4.7
<b>EBITDA</b>	<b>12.3</b>	<b>23.7</b>	<b>36.6</b>	<b>49.5</b>	<b>14.4</b>

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
REPORT AND INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2003

**Report of Independent Auditor**

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

I have reviewed the accompanying consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as at 31 March 2003, and the consolidated statements of earnings, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2003 and 2002, and the separate financial statements of Regional Container Lines Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries and the separate financial statements of Regional Container Lines Public Company Limited for the year ended 31 December 2002 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 14 February 2003. The balance sheet as at 31 December 2002, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Vissuta Jariyathanakorn  
Certified Public Accountant (Thailand) No. 3853

Ernst & Young Office Limited  
Bangkok : 2 May 2003

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Thousand Baht)

	<b>CONSOLIDATED</b>		<b>THE COMPANY ONLY</b>		
	<u>Note</u>	<u>31 March 2003</u>	<u>31 December 2002</u>	<u>31 March 2003</u>	<u>31 December 2002</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,375,702	1,487,596	242,903	265,235
Trade accounts receivable		1,993,747	1,866,758	-	-
Less : allowance for doubtful accounts		(23,504)	(25,488)	-	-
Trade accounts receivable, net	2	1,970,243	1,841,270	-	-
Trade accounts receivable - related pa 2,5		-	-	2,242,822	2,159,446
Material supplies		137,374	124,401	6,044	5,479
Other current assets		165,771	160,381	35,959	39,571
<b>Total current assets</b>		<b>3,649,090</b>	<b>3,613,648</b>	<b>2,527,728</b>	<b>2,469,731</b>
<b>Non-current assets</b>					
Property investments held for long-term inve		2,200	2,216	-	-
Investments accounted for under equity 3		105,407	97,871	1,702,744	1,553,724
Other long-term investments		33,028	33,803	-	-
Property and premises, net		2,441,181	2,498,140	24,176	24,743
Vessels and equipment, net		11,808,987	12,116,186	5,029,464	5,092,664
Other non-current assets		4,498	3,669	1,908	1,489
<b>Total non-current assets</b>		<b>14,395,301</b>	<b>14,751,885</b>	<b>6,758,292</b>	<b>6,672,620</b>
<b>TOTAL ASSETS</b>		<b>18,044,391</b>	<b>18,365,533</b>	<b>9,286,020</b>	<b>9,142,351</b>

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Thousand Baht)

	<b>CONSOLIDATED</b>		<b>THE COMPANY ONLY</b>		
	<u>Note</u>	<u>31 March 2003</u>	<u>31 December 2002</u>	<u>31 March 2003</u>	<u>1 December 2002</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Promissory notes		1,000,000	1,000,000	1,000,000	1,000,000
Trade accounts payable		1,158,975	1,183,890	-	-
Trade accounts payable - related parties	5	-	-	34,005	31,047
Current portion of finance lease creditors		159,491	162,883	-	-
Current portion of long-term loans	4	962,623	1,150,751	197,665	198,642
Other current liabilities		178,552	185,744	62,747	53,328
<b>Total current liabilities</b>		<b>3,459,641</b>	<b>3,683,268</b>	<b>1,294,417</b>	<b>1,283,017</b>
<b>Non-current liabilities</b>					
Finance lease creditors, net of current portion		258,603	301,733	-	-
Long-term loans, net of current portion	4	6,806,265	7,066,579	497,398	571,592
Debentures		1,000,000	1,000,000	1,000,000	1,000,000
<b>Total non-current liabilities</b>		<b>8,064,868</b>	<b>8,368,312</b>	<b>1,497,398</b>	<b>1,571,592</b>
<b>Total liabilities</b>		<b>11,524,509</b>	<b>12,051,580</b>	<b>2,791,815</b>	<b>2,854,609</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Registered</b>					
66,300,000 ordinary shares of Baht 10 each		663,000	663,000	663,000	663,000
<b>Issued and paid-up</b>					
66,300,000 ordinary shares of Baht 10 each		663,000	663,000	663,000	663,000
Share premium		3,073,190	3,073,190	3,073,190	3,073,190
Translation adjustment		753,288	785,660	753,288	785,660
<b>Retained earnings</b>					
Appropriated - statutory reserve		66,300	66,300	66,300	66,300
Unappropriated		1,938,427	1,699,592	1,938,427	1,699,592
<b>Equity attributable to Company's shareholders</b>		<b>6,494,205</b>	<b>6,287,742</b>	<b>6,494,205</b>	<b>6,287,742</b>
<b>Minority interest - equity attributable to</b>					
minority shareholders' of subsidiaries		25,677	26,211	-	-
<b>Total shareholders' equity</b>		<b>6,519,882</b>	<b>6,313,953</b>	<b>6,494,205</b>	<b>6,287,742</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>18,044,391</b>	<b>18,365,533</b>	<b>9,286,020</b>	<b>9,142,351</b>

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

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

(Unit : Thousand Baht)

	<b>CONSOLIDATED</b>		<b>THE COMPANY ONLY</b>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues				
Freight income	3,142,115	2,968,424	191,528	214,005
Share of profit from investment accounted for under equity method - subsidiaries	-	-	173,648	232,931
Share of profit from investment accounted for under equity method - associated companies	7,744	6,588	7,744	6,588
Gain on exchange	-	60,053	-	-
Input tax refund	85,384	-	85,384	-
Other income	25,694	18,654	1,737	588
Total revenues	<u>3,260,937</u>	<u>3,053,719</u>	<u>460,041</u>	<u>454,112</u>
Expenses				
Cost of freight and operation	2,597,321	2,468,028	145,441	130,673
Administrative expenses	202,040	176,415	28,865	18,196
Loss on exchange	101,345	-	11,982	5,867
Total expenses	<u>2,900,706</u>	<u>2,644,443</u>	<u>186,288</u>	<u>154,736</u>
Earnings before interest and income tax expense	360,231	409,276	273,753	299,376
Interest expenses	(117,863)	(142,870)	(33,873)	(33,041)
Corporate income tax	(4,100)	(1,153)	(1,045)	(175)
Earnings after income tax	<u>238,268</u>	<u>265,253</u>	<u>238,835</u>	<u>266,160</u>
Net loss - minority interest of subsidiaries	567	907	-	-
Net earnings for the period	<u>238,835</u>	<u>266,160</u>	<u>238,835</u>	<u>266,160</u>

(Unit : Baht)

Basic earnings per share

Net earnings	<u>3.60</u>	<u>4.18</u>	<u>3.60</u>	<u>4.18</u>
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Weighted average number of shares (shares)	<u>66,300,000</u>	<u>63,666,287</u>	<u>66,300,000</u>	<u>63,666,287</u>
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The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

(Unit : Thousand Baht)

**CONSOLIDATED**

	Issued and		Translation	Retained earnings		Minority	Total
	paid-up	Share		Statutory	Unappropriated		
	share capital	premium	adjustment	reserve		interest of subsidiaries	
Balance - beginning of the ye	636,663	2,986,278	748,462	63,666	608,253	28,408	5,071,730
Translation adjustment	-	-	(9,733)	-	-	-	(9,733)
Net earnings for the period	-	-	-	-	266,160	-	266,160
Decrease in minority interest	-	-	-	-	-	(1,262)	(1,262)
Balance - end of the period	<u>636,663</u>	<u>2,986,278</u>	<u>738,729</u>	<u>63,666</u>	<u>874,413</u>	<u>27,146</u>	<u>5,326,895</u>
Balance - beginning of the ye	663,000	3,073,190	785,660	66,300	1,699,592	26,211	6,313,953
Translation adjustment	-	-	(32,372)	-	-	-	(32,372)
Net earnings for the period	-	-	-	-	238,835	-	238,835
Decrease in minority interest	-	-	-	-	-	(534)	(534)
Balance - end of the period	<u>663,000</u>	<u>3,073,190</u>	<u>753,288</u>	<u>66,300</u>	<u>1,938,427</u>	<u>25,677</u>	<u>6,519,882</u>

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



(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

(Unit : Thousand Baht)

THE COMPANY ONLY

	Issued and		Translation	Retained earnings		
	paid-up	Share		Statutory	Unappropriated	Total
	share capital	premium	adjustment	reserve		
Balance - beginning of the year 2002	636,663	2,986,278	748,462	63,666	608,253	5,043,322
Translation adjustment	-	-	(9,733)	-	-	(9,733)
Net earnings for the period	-	-	-	-	266,160	266,160
Balance - end of the period	<u>636,663</u>	<u>2,986,278</u>	<u>738,729</u>	<u>63,666</u>	<u>874,413</u>	<u>5,299,749</u>
Balance - beginning of the year 2003	663,000	3,073,190	785,660	66,300	1,699,592	6,287,742
Translation adjustment	-	-	(32,372)	-	-	(32,372)
Net earnings for the period	-	-	-	-	238,835	238,835
Balance - end of the period	<u>663,000</u>	<u>3,073,190</u>	<u>753,288</u>	<u>66,300</u>	<u>1,938,427</u>	<u>6,494,205</u>

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

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

(Unit : Thousand Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities</b>				
Net earnings	238,835	266,160	238,835	266,160
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities :-				
Depreciation	158,532	184,648	63,825	62,388
Share of profit from investment accounted for under equity method - subsidiaries	-	-	(173,648)	(232,931)
Share of profit from investment accounted for under equity method - associated companies	(7,744)	(6,588)	(7,744)	(6,588)
Decrease in allowance for doubtful account	(1,984)	(3,871)	-	-
Unrealised exchange (gain) loss	94,938	(58,415)	12,808	7,444
Minority interest	(567)	(907)	-	-
	<u>482,010</u>	<u>381,027</u>	<u>134,076</u>	<u>96,473</u>
Operating assets (increase) decrease				
Trade accounts receivable	(107,393)	(10,268)	-	55
Trade accounts receivable - related parties	-	318	(99,925)	81,273
Material supplies	(12,973)	(14,629)	(565)	(488)
Other current assets	(5,506)	8,117	3,496	2,328
Other assets	(829)	7,442	(419)	7,350
Operating liabilities increase (decrease)				
Trade accounts payable	(24,915)	(112,149)	-	(1,460)
Trade accounts payable - related parties	-	(10,434)	2,952	(87,209)
Finance lease creditors	(53,348)	(50,841)	-	-
Other current liabilities	(7,159)	17,546	9,419	13,283
Net cash provided by operating activities	<u>269,887</u>	<u>216,129</u>	<u>49,034</u>	<u>111,605</u>

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

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

(Unit : Thousand Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Cash flows from investing activities</b>				
Decrease (increase) in property, premises, ve	205,626	115,783	(58)	2,391
Decrease in investments accounted for under	208	340	-	-
Decrease in property investments held for lon	16	67	-	-
Decrease in other long-term investments	775	3,344	-	-
Decrease in translation adjustment	(32,372)	(9,733)	-	-
Net cash provided by (used in) investing ac	<u>174,253</u>	<u>109,801</u>	<u>(58)</u>	<u>2,391</u>
<b>Cash flows from financing activities</b>				
Decrease in long-term loans	(556,034)	(586,845)	(71,308)	(112,291)
Net cash used in financing activities	<u>(556,034)</u>	<u>(586,845)</u>	<u>(71,308)</u>	<u>(112,291)</u>
Net increase (decrease) in cash and cash equiv:	(111,894)	(260,915)	(22,332)	1,705
Cash and cash equivalents at beginning of perio	<u>1,487,596</u>	<u>857,532</u>	<u>265,235</u>	<u>67,375</u>
Cash and cash equivalents at end of period	<u><u>1,375,702</u></u>	<u><u>596,617</u></u>	<u><u>242,903</u></u>	<u><u>69,080</u></u>

Supplemental cash flow information :-

Cash paid during the period for :-

Interest expenses	78,244	147,049	17,914	18,120
Corporate income tax	614	95	-	-

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

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

**1. GENERAL INFORMATION**

**1.1 Basis for the preparation of the interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the related statements of earnings, changes in shareholders' equity, and cash flows, as in the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

**1.2 Basis of consolidation**

These consolidated financial statements include the financial statements of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2002. There have been no changes in the composition of the Group during the current period.

The consolidated financial statements for the three-month period ended 31 March 2003 include the financial statements of a subsidiary in the Peoples' Republic of China. These financial statements were prepared by the management of the subsidiary, and have not been reviewed by its auditor. Assets of the subsidiary included as at 31 March 2003 amount to Baht 77 million (31 March 2002 : Baht 50 million), and total revenues included for the three-month period then ended amount to Baht 18 million (31 March 2002 : Baht 10 million).

(UNAUDITED BUT REVIEWED)

### 1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2002.

## 2. TRADE ACCOUNTS RECEIVABLE/TRADE ACCOUNTS RECEIVABLE - RELATED PARTIES

The balances of trade accounts receivable in the consolidated financial statements are classified by aging as follows :-

(Unit : Thousand Baht)

	CONSOLIDATED	
	31 March 2003	31 December 2002
Under 90 days	1,962,964	1,849,145
91 - 180 days	30,783	13,288
181 - 365 days	-	2,912
Over 365 days	-	1,413
Total	<u>1,993,747</u>	<u>1,866,758</u>
Less : Allowance for doubtful accounts	<u>(23,504)</u>	<u>(25,488)</u>
Net	<u><u>1,970,243</u></u>	<u><u>1,841,270</u></u>

A part of the trade accounts receivable of subsidiaries as at 31 March 2003 and 31 December 2002 have been pledged to secure credit facilities granted by banks.

The balances of trade accounts receivable - related parties in the Company's financial statements are classified by aging as follows :-

(Unit : Thousand Baht)

	THE COMPANY ONLY	
	31 March 2003	31 December 2002
Under 90 days	191,442	192,549
91 - 180 days	191,216	212,062
181 - 365 days	420,946	422,745
Over 365 days	<u>1,439,218</u>	<u>1,332,090</u>
Total	<u><u>2,242,822</u></u>	<u><u>2,159,446</u></u>

(UNAUDITED BUT REVIEWED)

**3. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD**The Company Only

(Unit : Million Baht)

Company's name	Share capital issued and fully paid		Percentage directly owned by the Company		Investment			
	31 March 2003	31 December 2002	31 March 2003	31 December 2002	Cost method		Equity method	
			Percent	Percent	31 March 2003	31 December 2002	31 March 2003	31 December 2002
<b><u>Investments in subsidiaries</u></b>								
<b><u>Subsidiaries operating in Thailand</u></b>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	13	2	2
b) RCL Logistics Co., Ltd.	Baht 1 Million	Baht 1 Million	100	100	1	1	17	14
<b><u>Subsidiaries operating in Singapore</u></b>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	(1,364)	(1,378)
d) Regional Container Lines Pte Ltd	S\$ 42.5 Million	S\$ 42.5 Million	85	85	1,173	1,173	2,726	2,826
e) RCL Feeder Pte Ltd.	S\$ 20.5 Million	S\$ 20.5 Million	98	98	430	430	(77)	(312)
f) RCL Service SA	USD 10,000	USD 10,000	49	49	2	2	32	38
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	147	150
h) RCL Ship Management Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	7	7
<b><u>Subsidiary operating in Hong Kong</u></b>								
i) Regional Container Lines (H.K.) Ltd	HK\$ 4 Million	HK\$ 4 Million	100	100	132	132	70	69
<b><u>Subsidiary operating in the People's Republic of China</u></b>								
j) Regional Container Lines Shipping Co.,Ltd.	USD 1 Million	USD 1.24 Million	100	100	54	54	47	49
Total investments in subsidiaries					<u>2,112</u>	<u>2,112</u>	<u>1,607</u>	<u>1,465</u>
<b><u>Investment in associated company</u></b>								
<b><u>Associated company operating in Tha</u></b>								
k) TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	20	20	20	20	96	89
Total investment in associated company					<u>20</u>	<u>20</u>	<u>96</u>	<u>89</u>
<b>Total investments accounted for under equity method</b>					<u><u>2,132</u></u>	<u><u>2,132</u></u>	<u><u>1,703</u></u>	<u><u>1,554</u></u>

The accumulated shares of the profit of the associated company, as at 31 March 2003 and 31 December 2002, is calculated based on the financial statements of the associated company, which are unreviewed/unaudited by that company's auditor.

(UNAUDITED BUT REVIEWED)

CONSOLIDATED

(Unit : Thousand Baht)

	31 March 2003	31 December 2002
The Company's investment in associated company	96,314	88,570
The subsidiaries' investments in associated companies	9,093	9,301
Total investments accounted for under equity method	<u>105,407</u>	<u>97,871</u>

**4. LONG-TERM LOANS**

The long-term loans have been secured by the mortgage of most of the vessels of the Company and the subsidiaries, and the property of the subsidiaries, and are guaranteed by the Company.

As at 31 March 2003 a subsidiary has entered period by period knock out swap and interest rate swap agreements for loans amounting to USD 52.5 million (31 December 2002 : USD 62.5 million), to exchange fixed interest rates of 4.98-5.35% per annum (31 December 2002 : 4.98-5.35% per annum) to an interest rate of LIBOR per annum, which is currently in the range of 1.33-1.82% per annum (31 December 2002 : 1.75-3.54% per annum).

**5. RELATED PARTY TRANSACTIONS**

- a) The Company and its subsidiaries have business dealings with their customers through regional shipping agents (third parties and related companies) of which a substantial part is through their related companies. Such transactions have been determined in the ordinary course of business.
- b) In addition to the matter discussed in a), during the periods, the Company had other significant business transactions with its subsidiary, associated and related companies (related by way of shareholding or common shareholders and/or common directors). Such transactions, which have been concluded on the terms and basis as determined between the Company and those companies, are charged for prices approximating market prices, except for charter hire fees, which are determined at cost plus a margin or at prices comparable to cost. The transactions are summarised below :-

(Unit : Million Baht)

	For the three-month periods ended 31 March 2003 and 2002			
	CONSOLIDATED		THE COMPANY ONLY	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b><u>Transactions with subsidiaries :</u></b>				
Charter freight income	-	-	191	214

(UNAUDITED BUT REVIEWED)

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

(Unit : Million Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March	31 December	31 March	31 December
	2003	2002	2003	2002
<b><u>Trade accounts receivable - related parties</u></b>				
<u>Subsidiaries</u>				
RCL Service SA	-	-	572	587
RCL Feeder Pte Ltd.	-	-	1,671	1,572
	<u>-</u>	<u>-</u>	<u>2,243</u>	<u>2,159</u>
<b><u>Trade accounts payable - related parties</u></b>				
<u>Subsidiaries</u>				
RCL Ship Management Pte Ltd.	-	-	34	31
	<u>-</u>	<u>-</u>	<u>34</u>	<u>31</u>

## 6. SUBSEQUENT EVENT

On 23 September 2002, a Board of Directors meeting approved the payment of an interim dividend of Baht 2 per share to the holders of the Company's 66,300,000 ordinary shares, or a total of Baht 132.6 million. The dividend was paid on October 2002.

On 28 April 2003, a meeting of the shareholders approved the payment of the above interim dividend and also approved the payment of an additional dividend of Baht 2 per share to the shareholders, or a total of Baht 132.6 million, which will be recorded in the next quarter. In addition, the meeting approved the issuance of unsecured and unsubordinated debentures in an amount not exceeding Baht 3,000 million, with a maturity of no more than 7 years, in order to redeem promissory notes and debentures and for business expansion.

## 7. BANK GUARANTEES

As at 31 March 2003, there were outstanding bank guarantees of approximately Baht 31 million (31 December 2002 : Baht 32 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries.



(UNAUDITED BUT REVIEWED)

## 8. COMMITMENT

As at 31 March 2003, overseas subsidiaries had outstanding commitments in respect of lease agreements payable of approximately Baht 19 million (31 December 2002 : Baht 28 million).

## 9. 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 290 million. The case is under consideration of the court.

In June 2000, the subsidiary was counter-sued by the associated company, claiming compensation of approximately RM 14 million, or Baht 163 million, for illegal termination of an agency agreement. The management of subsidiary believe 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.

## 10. FINANCIAL INFORMATION BY SEGMENT

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

(Million Baht)

	CONSOLIDATED						
	For the three-month period ended 31 March 2003						
	<u>Thailand</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>China</u>	<u>Total</u>	<u>Elimination</u>	<u>Grand Total</u>
Freight income	<u>222</u>	<u>3,368</u>	<u>28</u>	<u>18</u>	<u>3,636</u>	<u>(494)</u>	<u>3,142</u>
Gross profit	<u>52</u>	<u>433</u>	<u>23</u>	<u>18</u>	<u>526</u>	<u>19</u>	<u>545</u>
Other income							111
Share of profit from investments							
accounted for under equity method -							
associated companies							7
Administrative expenses							(202)
Loss on exchange							(101)
Interest expenses							(118)
Corporate income tax							(4)
Minority interest							<u>1</u>
Net earnings for the period							<u>239</u>

(UNAUDITED BUT REVIEWED)

(Million Baht)

CONSOLIDATED							
As at 31 March 2003							
	<u>Thailand</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>China</u>	<u>Total</u>	<u>Elimination</u>	<u>Grand Total</u>
Property, premises, vessels and equipment	<u>5,057</u>	<u>9,181</u>	<u>66</u>	<u>7</u>	<u>14,311</u>	<u>(61)</u>	14,250
Others							<u>3,794</u>
Total assets							<u>18,044</u>

CONSOLIDATED							
For the three-month period ended 31 March 2002							
	<u>Thailand</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>China</u>	<u>Total</u>	<u>Elimination</u>	<u>Grand Total</u>
Freight income	<u>241</u>	<u>3,222</u>	<u>25</u>	<u>10</u>	<u>3,498</u>	<u>(530)</u>	<u>2,968</u>
Gross profit	<u>87</u>	<u>383</u>	<u>24</u>	<u>7</u>	<u>501</u>	<u>(1)</u>	500
Other income							19
Share of profit from investments accounted for under equity method - associated companies							6
Administrative expenses							(176)
Loss on exchange							60
Interest expenses							(143)
Corporate income tax							(1)
Minority interest							<u>1</u>
Net earnings for the period							<u>266</u>

CONSOLIDATED							
As at 31 December 2002							
	<u>Thailand</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>China</u>	<u>Total</u>	<u>Elimination</u>	<u>Grand Total</u>
Property, premises, vessels and equipment	<u>5,121</u>	<u>9,487</u>	<u>66</u>	<u>3</u>	<u>14,677</u>	<u>(63)</u>	14,614
Others							<u>3,752</u>
Total assets							<u>18,366</u>

## 11. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the directors of the Company.



## REGIONAL CONTAINER LINES GROUP

### QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million baht)

	1 <sup>st</sup> Quarter 2002	Half-Year 2002	9 months 2002	Yearend 2002	1 <sup>st</sup> Quarter 2003
Freight income	2,968.4	6,053.4	9,198.0	12,366.8	3,142.1
Cost of freight and operations (excl. depreciation)	(2,291.5)	(4,682.2)	(7,164.3)	(9,577.2)	(2,446.5)
<b>Gross Profit</b>	<b>677.0</b>	<b>1,371.3</b>	<b>2,033.7</b>	<b>2,789.6</b>	<b>695.6</b>
<b>Gross Profit Margin</b>	<b>22.8%</b>	<b>22.7%</b>	<b>22.1%</b>	<b>22.6%</b>	<b>22.1%</b>
Other income	25.2	53.3	71.2	102.0	118.8
Gain on exchange	60.1	482.1	566.6	611.9	0.0
Total other income	85.3	535.5	637.8	713.9	118.8
Admin expenses	(168.3)	(354.0)	(603.2)	(797.7)	(194.4)
Depreciation	(184.6)	(321.6)	(480.0)	(641.1)	(158.5)
Loss on exchange	0.0	0.0	0.0	0.0	(101.3)
Loss on impairment of fixed assets	0.0	0.0	0.0	(203.1)	0.0
Loss on disposal of vessels	0.0	(48.5)	(48.5)	(48.9)	0.0
Total other expenses	(353.0)	(724.1)	(1,131.7)	(1,690.8)	(454.2)
Interest expenses	(142.9)	(281.1)	(445.7)	(581.7)	(117.9)
Profit before taxation	266.4	901.6	1,094.2	1,231.0	242.3
Income tax	(1.2)	(3.1)	(5.5)	(6.4)	(4.1)
Profit after taxation	265.3	898.5	1,088.7	1,224.6	238.2
Minority interest	0.9	1.9	2.0	2.0	0.6
<b>Net profit attributable to members</b>	<b>266.2</b>	<b>900.4</b>	<b>1,090.7</b>	<b>1,226.6</b>	<b>238.8</b>

<b>COMPUTATION OF EBITDA</b>					
Profit/(loss) before taxation	266.4	901.6	1,094.2	1,231.0	242.3
Add: Impairment loss	0.0	0.0	0.0	203.1	0.0
Add: Interest	142.9	281.1	445.7	581.7	117.9
<b>EBIT</b>	<b>409.3</b>	<b>1,182.7</b>	<b>1,539.9</b>	<b>2,015.8</b>	<b>360.2</b>
Add: Amortisation	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	184.6	321.6	480.0	641.1	158.5
<b>EBITDA</b>	<b>593.9</b>	<b>1,504.3</b>	<b>2,019.9</b>	<b>2,656.9</b>	<b>518.7</b>

7 May 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 March 2003 and 31 December 2002, and the statements of earnings and retained earnings for the three-month periods ended 31 March 2003 and 2002 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

	31 March 2003		31 December 2002	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	1,375.7	32.1	1,487.6	34.4
Trade accounts receivable, net	1,970.2	45.9	1,841.3	42.6
Other current assets	303.2	7.1	284.8	6.6
Total current assets	3,649.1	85.1	3,613.7	83.6
Non-current assets				
Land and premises, net	2,441.2	67.0	2,498.1	67.1
Vessels and equipment, net	11,809.0	355.7	12,116.2	360.2
Other non-current assets	145.1	4.5	137.6	4.3
Total non-current assets	14,395.3	427.2	14,751.9	431.6
<b>TOTAL ASSETS</b>	<b>18,044.4</b>	<b>512.3</b>	<b>18,365.6</b>	<b>515.2</b>

See Basis of Preparation

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

	31 March 2003		31 December 2002	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Promissory notes	1,000.0	23.3	1,000.0	23.1
Trade accounts payable	1,159.0	27.0	1,183.9	27.4
Current portion of finance lease creditors	159.5	3.7	162.9	3.7
Current portion of long-term loans	962.6	22.4	1,150.8	26.6
Other current liabilities	178.5	4.2	185.7	4.3
<b>Total current liabilities</b>	<b>3,459.6</b>	<b>80.6</b>	<b>3,683.3</b>	<b>85.1</b>
<b>Non-current liabilities</b>				
Finance lease creditors - net of current portion	258.6	6.0	301.7	6.9
Long-term loans - net of current portion	6,806.3	158.6	7,066.6	163.5
Debenture	1,000.0	23.3	1,000.0	23.1
<b>Total non-current liabilities</b>	<b>8,064.9</b>	<b>187.9</b>	<b>8,368.3</b>	<b>193.5</b>
<b>Total liabilities</b>	<b>11,524.5</b>	<b>268.5</b>	<b>12,051.6</b>	<b>278.6</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	663.0	20.6
Share premium	3,073.2	113.7	3,073.2	113.7
Translation adjustment	753.3	(1.7)	785.6	(2.1)
<b>Retained earnings</b>				
Appropriated - statutory reserve	66.3	1.9	66.3	1.9
Unappropriated	1,938.4	108.7	1,699.7	101.9
<b>Equity attributable to company's shareholders</b>	<b>6,494.2</b>	<b>243.2</b>	<b>6,287.8</b>	<b>236.0</b>
<b>Minority interest - equity attributable</b>				
to minority shareholders of subsidiaries	25.7	0.6	26.2	0.6
<b>Total shareholders' equity</b>	<b>6,519.9</b>	<b>243.8</b>	<b>6,314.0</b>	<b>236.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18,044.4</b>	<b>512.3</b>	<b>18,365.6</b>	<b>515.2</b>

See Basis of Preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF EARNINGS AND RETAINED EARNINGS  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2003 AND 2002

	<u>2003</u> Million Baht	<u>2003</u> Million USD	<u>2002</u> Million Baht	<u>2002</u> Million USD
<b>EARNINGS</b>				
Revenues				
Freight income	3,142.1	73.4	2,968.4	67.9
Gain on exchange	-	-	60.1	-
Other income	118.8	2.8	25.2	0.6
Total revenues	<u>3,260.9</u>	<u>76.2</u>	<u>3,053.7</u>	<u>68.5</u>
Expenses				
Cost of freight and operations	2,446.5	57.2	2,291.5	52.4
Depreciation	158.5	4.7	184.6	5.5
Administrative expenses	194.4	4.5	168.3	3.8
Loss on exchange	101.3	0.1	-	-
Total expenses	<u>2,900.7</u>	<u>66.5</u>	<u>2,644.4</u>	<u>61.7</u>
Earnings before interest and income tax expenses	360.2	9.7	409.3	6.8
Interest expenses	(117.9)	(2.8)	(142.9)	(3.3)
Corporate income tax	(4.1)	(0.1)	(1.2)	-
Earnings after income tax	238.2	6.8	265.2	3.5
Net loss - minority interest	0.5	-	0.9	-
Net earnings for the period	<u>238.7</u>	<u>6.8</u>	<u>266.1</u>	<u>3.5</u>
<b>RETAINED EARNINGS</b>				
Retained earnings - unappropriated				
Balance - beginning of period	1,699.7	101.9	608.3	93.8
Net earnings for the period	238.7	6.8	266.1	3.5
Total retained earnings - unappropriated	<u>1,938.4</u>	<u>108.7</u>	<u>874.4</u>	<u>97.3</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>2,004.7</u>	<u>110.6</u>	<u>938.1</u>	<u>99.2</u>

See Basis of Preparation

**BASIS OF PREPARATION**

**1. THAI BAHT FIGURES**

The Thai Baht figures in the balance sheets as at 31 March 2003 and profit and loss accounts for the three-month periods ended 31 March 2003 and 2002 were extracted from the reviewed consolidated financial statements. The Thai Baht figures in the balance sheet as at 31 December 2002 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 March 2003 : USD 1 = Baht 42.9023

As of 31 December 2002 : USD 1 = Baht 43.1993

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 March 2003 : USD 1 = Baht 42.7775

31 March 2002 : USD 1 = Baht 43.7416