



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

PRESS RELEASE

FINANCIAL RESULTS AS AT 31 MARCH 2004

Continued from very strong liftings in Q403, the liftings in Q104 for Regional Containers Lines Public Company Limited had improved further to 470,601 lifts. This represented an 11% increase as compared to the same period last year. In this quarter, both lines of business registered substantial growth, SOC (or Shippers' Own Containers) by 16.6% and COC (or Carrier's Own Containers) by 5.4%.

The Freight Income of the Group was up 9.8% at THB3.45 billion, compared to THB3.14 billion for the same quarter last year. This was in line with the improved liftings. As regional currencies had continued to strengthen against US Dollar and with the Freight Income being US Dollar based, the Group's Freight Income suffered a translation loss estimated at 8.5%, year-on-year. After taking into account this loss in translation, the freight rate restoration yielded an increase of 7.5% as compared to the same quarter last year. Total turnover for the Group in Q104 stood at THB3.56 billion which was 9.2% higher than Q103.

In line with the improved liftings, the Cost of Freight and Operation in the first quarter of 2004 increased 7.2% at THB2.78 billion. Despite the significant increases in external time charter expenses throughout 2003 and thus far in 2004, the Group had managed to alleviate the impact to a great extent. This is largely due to the Group's policy of owning substantial share of operational tonnage. To-date, of the 37 vessels that are operated, over 60% is owned tonnage. With the additional 6 new vessels joining the fleet next year, the impact shall be mitigated further.

Owing to the improved liftings and freight rates, net profit of the Group in Q104 was up 81% at THB431.5 million as compared to the same quarter last year. Moreover, the Group recorded an exchange gain of THB80.5 million this quarter versus an exchange loss of THB101.3 million, year-on-year. Putting aside the exchange and other non-operational adjustments, the normalized operational profit in Q104 was THB392.5 million; a 54% increase as compared to the same quarter last year.

Regional Container Lines PLC
May 11, 2004



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million baht)

	1 st Quarter 2003	Half-Year 2003	9 months 2003	Yearend 2003	1 st Quarter 2004
Freight income	3,142.1	6,347.5	9,693.1	13,082.1	3,449.5
Cost of freight and operations (excl. depreciation)	(2,446.5)	(5,000.3)	(7,615.6)	(10,247.1)	(2,636.6)
Gross Profit	695.6	1,347.2	2,077.5	2,835.0	812.9
Gross Profit Margin	22.1%	21.2%	21.4%	21.7%	23.6%
Other income	118.8	165.7	209.0	298.0	31.0
Gain on exchange	0.0	0.0	0.0	0.0	80.6
Total other income	118.8	165.7	209.0	298.0	111.6
Admin expenses	(194.4)	(394.3)	(649.1)	(874.2)	(201.5)
Depreciation	(158.5)	(316.7)	(472.0)	(626.7)	(155.9)
Loss on exchange	(101.3)	(175.7)	(142.7)	(11.6)	0.0
Unrealised loss on changes in value of investments	0.0	0.0	0.0	0.0	(41.5)
Loss on impairment of fixed assets	0.0	0.0	0.0	(336.8)	0.0
Total other expenses	(454.2)	(886.7)	(1,263.8)	(1,849.3)	(398.9)
Interest expenses	(117.9)	(234.5)	(352.5)	(469.5)	(93.6)
Profit / (loss) before taxation	242.3	391.7	670.2	814.2	432.0
Income tax	(4.1)	(5.3)	(7.3)	(24.3)	(1.4)
Profit / (loss) after taxation	238.2	386.4	662.9	789.9	430.6
Minority interest	0.5	0.6	0.6	1.2	0.8
Net profit / (loss) attributable to members	238.7	387.0	663.5	791.1	431.4

COMPUTATION OF EBITDA

Profit / (loss) before taxation	242.3	391.7	670.2	814.2	432.0
Add: Impairment loss	0.0	0.0	0.0	336.8	0.0
Add: Interest	117.9	234.5	352.5	469.5	93.6
EBIT	360.2	626.2	1,022.7	1,620.5	525.6
Add: Amortisation	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	158.5	316.7	472.0	626.7	155.9
EBITDA	518.7	942.9	1,494.7	2,247.2	681.5

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2004 AND 2003

Review 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 2004, and the consolidated statements of earnings, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2004 and 2003, 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 2003 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 13 February 2004. The balance sheet as at 31 December 2003, 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: 5 May 2004

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		31 March 2004	31 December 2003	31 March 2004	31 December 2003
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
Current assets					
Cash and cash equivalents		1,282,799	1,926,964	42,906	334,589
Short-term investments in trading securities - Unit trusts		207,022	-	207,022	-
Short-term investments in available-for-sale securities					
- Unit trusts		732,015	730,189	732,015	730,189
Trade accounts receivable		1,277,762	1,218,325	-	-
Less: allowance for doubtful debts		(64,808)	(64,239)	-	-
Trade accounts receivable, net	2	1,212,954	1,154,086	-	-
Trade accounts receivable - related parties	2, 5	121,367	73,041	2,501,172	2,369,272
Material supplies		107,486	125,731	5,097	5,417
Other current assets		190,114	292,045	16,326	13,510
Total current assets		3,853,757	4,302,056	3,504,538	3,452,977
Non-current assets					
Property investments held for long-term investment		2,024	2,042	-	-
Investments accounted for under equity method	3	137,444	128,007	2,609,412	2,199,123
Other long-term investments		34,850	34,661	-	-
Property and premises, net		2,019,811	2,006,355	21,906	22,473
Vessels and equipment, net		11,614,925	11,328,294	4,903,731	4,966,872
Other non-current assets		4,150	3,824	1,564	1,554
Total non-current assets		13,813,204	13,503,183	7,536,613	7,190,022
TOTAL ASSETS		17,666,961	17,805,239	11,041,151	10,642,999

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)

	<u>Note</u>	CONSOLIDATED		THE COMPANY ONLY	
		<u>31 March 2004</u>	<u>31 December 2003</u>	<u>31 March 2004</u>	<u>31 December 2003</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable		1,062,073	1,198,460	-	-
Trade accounts payable - related parties	5	-	-	21,332	21,108
Current portion of finance lease creditors		98,538	122,757	-	-
Current portion of long-term loans	4	993,015	955,737	186,147	186,777
Debenture		690,000	690,000	690,000	690,000
Corporate income tax payable		17,916	20,294	14,059	13,662
Other current liabilities		180,681	186,159	56,840	45,216
Total current liabilities		3,042,223	3,173,407	968,378	956,763
Non-current liabilities					
Finance lease creditors, net of current portion		139,146	153,975	-	-
Long-term loans, net of current portion	4	4,686,436	5,123,309	277,267	345,055
Debenture		2,500,000	2,500,000	2,500,000	2,500,000
Total non-current liabilities		7,325,582	7,777,284	2,777,267	2,845,055
Total liabilities		10,367,805	10,950,691	3,745,645	3,801,818

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)

	CONSOLIDATED		THE COMPANY ONLY		
	Note	31 March 2004	31 December 2003	31 March 2004	31 December 2003
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
663,000,000 ordinary shares of Baht 1 each		663,000	663,000	663,000	663,000
Issued and paid-up					
663,000,000 ordinary shares of Baht 1 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		698,728	677,688	698,728	677,688
Retained earnings					
Appropriated - statutory reserve		66,300	66,300	66,300	66,300
Unappropriated		2,789,616	2,358,156	2,789,616	2,358,156
Unrealised gain on changes in the value of investments		4,672	2,847	4,672	2,847
Equity attributable to Company's shareholders		7,295,506	6,841,181	7,295,506	6,841,181
Minority interest - equity attributable to minority shareholders' of subsidiaries		3,650	13,367	-	-
Total shareholders' equity		7,299,156	6,854,548	7,295,506	6,841,181
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,666,961	17,805,239	11,041,151	10,642,999
		-	-	-	-

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 2004 AND 2003

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues				
Freight income	3,449,495	3,142,115	295,966	191,528
Gain on exchange	80,560	-	-	-
Input tax refund	-	85,384	-	85,384
Other income	21,675	25,694	1,637	1,737
Share of profit from investment accounted for under equity method - subsidiaries	-	-	379,890	173,648
Share of profit from investment accounted for under equity method - associated companies	9,359	7,744	9,359	7,744
Total revenues	<u>3,561,089</u>	<u>3,260,937</u>	<u>686,852</u>	<u>460,041</u>
Expenses				
Cost of freight and operation	2,785,600	2,597,321	139,430	145,441
Administrative expenses	203,548	197,637	28,287	28,865
Unrealised loss on changes in the value of investments	41,493	-	41,493	-
Loss on exchange	-	101,345	6,855	11,982
Directors' remuneration	4,826	4,403	1,250	-
Total expenses	<u>3,035,467</u>	<u>2,900,706</u>	<u>217,315</u>	<u>186,288</u>
Earnings before interest and income tax expenses	525,622	360,231	469,537	273,753
Interest expenses	(93,567)	(117,863)	(37,680)	(33,873)
Corporate income tax	(1,401)	(4,100)	(397)	(1,045)
Earnings after income tax	430,654	238,268	431,460	238,835
Net loss - minority interest of subsidiaries	806	567	-	-
Net earnings for the period	<u>431,460</u>	<u>238,835</u>	<u>431,460</u>	<u>238,835</u>
				(Unit: Baht)
Basic earnings per share				
Net earnings	<u>0.65</u>	<u>0.36</u>	<u>0.65</u>	<u>0.36</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 2004 AND 2003

(Unit: Thousand Baht)

CONSOLIDATED

	Issued and paid-up share capital	Share premium	Translation adjustment	Retained earnings		Unrealised gain on changes in the value of investments	Minority interest of subsidiaries	Total
				Statutory reserve	Unappropriated			
Balance - beginning of the year 2003	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 as at 31 March 2003	<u>663,000</u>	<u>3,073,190</u>	<u>753,288</u>	<u>66,300</u>	<u>1,938,427</u>	<u>-</u>	<u>25,677</u>	<u>6,519,882</u>
Balance - beginning of the year 2004	663,000	3,073,190	677,688	66,300	2,358,156	2,847	13,367	6,854,548
Translation adjustment	-	-	21,040	-	-	-	-	21,040
Net earnings for the period	-	-	-	-	431,460	-	-	431,460
Unrealised gain on changes in the value of investments	-	-	-	-	-	1,825	-	1,825
Decrease in minority interest	-	-	-	-	-	-	(9,717)	(9,717)
Balance as at 31 March 2004	<u>663,000</u>	<u>3,073,190</u>	<u>698,728</u>	<u>66,300</u>	<u>2,789,616</u>	<u>4,672</u>	<u>3,650</u>	<u>7,299,156</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 2004 AND 2003

(Unit : Thousand Baht)

THE COMPANY ONLY

	Issued and paid-up share capital	Share premium	Translation adjustment	Retained earnings		Unrealised gain on changes in the value of investments	Total
				Statutory reserve	Unappropriated		
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 as at 31 March 2003	<u>663,000</u>	<u>3,073,190</u>	<u>753,288</u>	<u>66,300</u>	<u>1,938,427</u>	<u>-</u>	<u>6,494,205</u>
Balance - beginning of the year 2004	663,000	3,073,190	677,688	66,300	2,358,156	2,847	6,841,181
Translation adjustment	-	-	21,040	-	-	-	21,040
Net earnings for the period	-	-	-	-	431,460	-	431,460
Unrealised gain on changes in the value of investments	-	-	-	-	-	1,825	1,825
Balance as at 31 March 2004	<u>663,000</u>	<u>3,073,190</u>	<u>698,728</u>	<u>66,300</u>	<u>2,789,616</u>	<u>4,672</u>	<u>7,295,506</u>

(UNAUDITED BUT REVIEWED)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2004 AND 2003

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from operating activities				
Net earnings	431,460	238,835	431,460	238,835
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities: -				
Depreciation	155,850	158,532	63,868	63,825
Share of profit from investment accounted for under equity method - subsidiaries	-	-	(379,890)	(173,648)
Share of profit from investment accounted for under equity method - associated companies	(9,359)	(7,744)	(9,359)	(7,744)
Increase (decrease) in allowance for doubtful account	569	(1,984)	-	-
Unrealised loss on changes in the value of investment	41,493	-	41,493	-
Unrealised exchange (gain) loss	(93,163)	94,938	7,138	12,808
Minority interest	(806)	(567)	-	-
	<u>526,044</u>	<u>482,010</u>	<u>154,710</u>	<u>134,076</u>
Operating assets (increase) decrease				
Trade accounts receivable	(59,950)	155,578	-	-
Trade accounts receivable - related parties	(30,018)	(262,971)	(140,965)	(99,925)
Material supplies	18,245	(12,973)	320	(565)
Other current assets	101,931	(5,506)	(2,816)	3,496
Other assets	(326)	(829)	(10)	(419)
Operating liabilities increase (decrease)				
Trade accounts payable	(136,387)	(24,915)	-	-
Trade accounts payable - related parties	-	-	292	2,952
Income tax payable	(2,378)	(1,253)	397	1,395
Other current liabilities	(14,389)	(5,906)	11,624	8,024
Net cash provided by operating activities	<u>402,772</u>	<u>323,235</u>	<u>23,552</u>	<u>49,034</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 2004 AND 2003

(Unit: Thousand Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from investing activities				
Short-term investments in trading securities - Unit trusts	(248,515)	-	(248,515)	-
Decrease (increase) in property, premises, vessels and	(455,937)	205,626	(160)	(58)
Translation adjustment	20,791	(31,373)	-	-
Net cash provided by (used in) investing activities	<u>(683,661)</u>	<u>174,253</u>	<u>(248,675)</u>	<u>(58)</u>
Cash flows from financing activities				
Decrease in finance lease creditors	(35,844)	(53,348)	-	-
Decrease in long-term loans	(327,432)	(556,034)	(66,560)	(71,308)
Net cash used in financing activities	<u>(363,276)</u>	<u>(609,382)</u>	<u>(66,560)</u>	<u>(71,308)</u>
Net decrease in cash and cash equivalents	(644,165)	(111,894)	(291,683)	(22,332)
Cash and cash equivalents at beginning of period	1,926,964	1,487,596	334,589	265,235
Cash and cash equivalents at end of period	<u>1,282,799</u>	<u>1,375,702</u>	<u>42,906</u>	<u>242,903</u>
	-	-	-	-
Supplemental cash flow information: -				
Cash paid during the period for				
Interest expenses	67,458	78,244	27,695	17,914
Corporate income tax	1,330	614	-	-
Non-cash transaction				
Unrealised gain on change in the value of investment	1,825	-	1,825	-

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 2004 AND 2003

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 2003. 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 2004 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 2004 amount to Baht 105 million (31 March 2003: Baht 77 million), and total revenues included for the three-month period then ended amount to Baht 6 million (31 March 2003: Baht 5 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 2003, with the following additional accounting policy: -

Investments in trading securities

Investments in trading securities are determined at fair value. The change in value of securities is included in determining earnings. The fair value of unit trusts are their net asset value.

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 2004	31 December 2003
Under 90 days	1,190,801	1,092,512
91 - 180 days	21,447	106,638
181 - 365 days	50,384	3,960
Over 365 days	15,130	15,215
Total	1,277,762	1,218,325
Less: Allowance for doubtful accounts	(64,808)	(64,239)
Net	1,212,954	1,154,086

A part of the trade accounts receivable of subsidiaries as at 31 March 2004 and 31 December 2003 have been pledged to secure credit facilities granted by banks.

The balances of trade accounts receivable - related parties are classified by aging as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	31 March 2004	31 December 2003	31 March 2004	31 December 2003
Under 90 days	121,367	73,041	295,692	306,243
91 - 180 days	-	-	304,884	219,474
181 - 365 days	-	-	425,901	385,203
Over 365 days	-	-	1,474,695	1,458,352
Total	121,367	73,041	2,501,172	2,369,272

(UNAUDITED BUT REVIEWED)

3. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHODThe Company Only

(Unit: Million Baht)

Company's name	Share capital issued and fully paid		Percentage directly owned by the Company		Investment			
	31 March 2004	31 December 2003	31 March 2004	31 December 2003	Cost method		Equity method	
			Percent	Percent	2004	2003	2004	2003
<u>Investments in subsidiaries</u>								
<u>Subsidiaries operating in Thailand</u>								
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	24	21
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	(1,367)	(1,391)
d) Regional Container Lines Pte Ltd.	S\$ 42.5 Million	S\$ 42.5 Million	85	85	1,173	1,173	3,050	2,890
e) RCL Feeder Pte Ltd.	S\$ 20.5 Million	S\$ 20.5 Million	98	98	430	430	449	243
f) RCL Service SA	USD 10,000	USD 10,000	49	49	2	2	42	39
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	142	141
h) RCL Ship Management Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	8	7
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (HK) Ltd	HK\$ 4 Million	HK\$ 4 Million	100	100	132	132	78	70
<u>Subsidiary operating in the People's Republic of China</u>								
j) Regional Container Lines Shipping Co.,Ltd.	USD 1.24 Million	USD 1.24 Million	100	100	68	68	52	58
Total investments in subsidiaries					2,126	2,126	2,480	2,080
<u>Investment in associated company</u>								
<u>Associated company operating in Thailand</u>								
k) TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	20	20	20	20	129	119
Total investment in associated company					20	20	129	119
Total investments accounted for under equity method					2,146	2,146	2,609	2,199

(UNAUDITED BUT REVIEWED)

The accumulated shares of the profit of the associated company, as at 31 March 2004 and 31 December 2003, are calculated based on the financial statements of the associated company, which are unreviewed/unaudited by that company's auditor.

CONSOLIDATED

(Unit: Thousand Baht)

	<u>31 March 2004</u>	<u>31 December 2003</u>
The Company's investment in associated company	128,650	119,290
The subsidiaries' investments in associated companies	<u>8,794</u>	<u>8,717</u>
Total investments accounted for under equity method	<u><u>137,444</u></u>	<u><u>128,007</u></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 2004, a subsidiary in Singapore has period-by-period knock out swap and fixed interest rate swap agreements for loans amounting to USD 27.5 million (31 December 2003: USD 37.5 million), to exchange fixed interest rates to an interest rate of LIBOR 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 company and related parties (related by way of shareholding or common shareholders and/or common directors). The transactions are summarised below: -

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the three-month periods ended 31 March 2004 and 2003				Pricing policy
	Consolidated		The Company Only		
	2004	2003	2004	2003	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	295	191	Cost plus a margin or at price comparable to cost
<u>Transactions with related parties</u>					
Commission expenses	23	19	-	-	A price approximating market price
Terminal operating services	16	18	-	-	A price approximating tariff
Rental expenses	1	1	1	1	Rental agreement

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 2004	31 December 2003	31 March 2004	31 December 2003
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
RCL Service SA	-	-	333	448
RCL Feeder Pte Ltd.	-	-	2,168	1,921
<u>Related companies</u>				
Ngow Hock Co., Ltd.	91	41	-	-
Songkhla Shipping Agency Co., Ltd.	30	32	-	-
	<u>121</u>	<u>73</u>	<u>2,501</u>	<u>2,369</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
RCL Ship Management Pte Ltd.	-	-	21	21
	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>

6. SUBSEQUENT EVENT

On 30 April 2004, the annual general meeting of the Company's shareholders approved the payment of the dividend of Baht 0.45 per share to the shareholders, or a total of Baht 298.35 million, which will be recorded in the next quarter.

7. COMMITMENT

7.1 Commitments

As at 31 March 2004, the Company and its subsidiaries have the following commitments: -

- (a) The Company and its subsidiaries had the outstanding commitments of approximately Baht 3,405 million (31 December 2003: Baht 1,316 million) in respect of lease of office buildings, containers and charter hire agreements.
- (b) The Company had the commitment amounting to USD 57 million, or approximately Baht 2,249 million (31 December 2003: USD 57 million or approximately Baht 2,259 million), in respect of the building of two vessels. Furthermore, a Singaporean subsidiary had the commitments amounting to USD 93.6 million, or approximately Baht 3,692 million (31 December 2003: USD 52.6 million or approximately Baht 2,086 million), in respect of the building of four vessels.
- (c) An overseas subsidiary company in Singapore had the outstanding commitments of approximately USD 6.4 million or approximately Baht 253 million in respect of the purchases of containers.

7.2 Guarantees

As at 31 March 2004, the Company had outstanding guarantees of Baht 14,428 million (31 December 2003: Baht 10,508 million), which had been issued to secure credit lines of the overseas subsidiaries from financial institutions.

7.3 Bank Guarantees

As at 31 March 2004, there were outstanding bank guarantees of approximately Baht 23 million (31 December 2003: Baht 24 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.

7.4 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 266 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 149 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.

8. 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, The People's Republic of China, 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 2004						
	<u>Thailand</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>China</u>	<u>Total</u>	<u>Eliminati on</u>	<u>Grand Total</u>
Freight income	<u>324</u>	<u>3,744</u>	<u>29</u>	<u>20</u>	<u>4,117</u>	<u>(668)</u>	<u>3,449</u>
Gross profit	<u>162</u>	<u>452</u>	<u>23</u>	<u>20</u>	<u>657</u>	<u>7</u>	<u>664</u>
Gain on exchange							81
Other income							21
Share of profit from investments accounted for under equity method - associated companies							9
Administrative expenses							(209)
Unrealised loss on changes in the value of investments							(41)
Interest expenses							(94)
Corporate income tax							(1)
Minority interest							1
Net earnings for the period							<u>431</u>
Property, premises, vessels and equipment	<u>4,928</u>	<u>8,682</u>	<u>65</u>	<u>10</u>	<u>13,685</u>	<u>(50)</u>	<u>13,635</u>
Others							<u>4,032</u>
Total assets							<u>17,667</u>

(UNAUDITED BUT REVIEWED)

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>Eliminatio</u>	<u>Grand Total</u>
						<u>n</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							1
Net earnings for the period							<u>239</u>

CONSOLIDATED							
As at 31 December 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>4,992</u>	<u>8,322</u>	<u>66</u>	<u>6</u>	<u>13,386</u>	<u>(51)</u>	<u>13,335</u>
Others							4,470
Total assets							<u>17,805</u>

9. FINANCIAL INSTRUMENTS

As at 31 March 2004, a subsidiary in Singapore has the cross currency US dollar to Thai Baht principle swap agreements, where by the amounting to USD 23 million were converted to Baht 897 million. The agreements will be due between June 2004 and December 2004.

10. RECLASSIFICATION OF ACCOUNTS

Certain amounts in the financial statements for the three-month period ended 31 March 2003 have been reclassified to conform to the current period classification, with no effect on previously reported net earnings or shareholders' equity.

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 US\$

(million US\$)

	1 st Quarter 2003	Half-Year 2003	9 months 2003	Yearend 2003	1 st Quarter 2004
Freight income	73.4	149.4	230.7	315.5	87.7
Cost of freight and operations (excl. depreciation)	(57.2)	(117.7)	(181.2)	(247.1)	(67.0)
Gross Profit	16.2	31.7	49.5	68.4	20.7
Gross Profit Margin	22.1%	21.2%	21.5%	21.7%	23.6%
Other income	2.8	3.9	5.0	7.2	0.8
Gain on exchange	0.0	0.0	0.0	0.0	0.0
Total other income	2.8	3.9	5.0	7.2	0.8
Admin expenses	(4.5)	(9.3)	(15.5)	(21.1)	(5.1)
Depreciation	(4.7)	(9.4)	(14.1)	(18.9)	(4.8)
Loss on exchange	(0.1)	(0.5)	(0.8)	(0.6)	(0.3)
Unrealised loss on changes in value of investments	0.0	0.0	0.0	0.0	(1.1)
Loss on impairment of fixed assets	0.0	0.0	0.0	(9.4)	0.0
Total other expenses	(9.3)	(19.2)	(30.4)	(50.0)	(11.3)
Interest expenses	(2.8)	(5.5)	(8.4)	(11.3)	(2.4)
Profit / (loss) before taxation	6.9	10.9	15.7	14.3	7.8
Income tax	(0.1)	(0.1)	(0.2)	(0.6)	0.0
Profit / (loss) after taxation	6.8	10.8	15.5	13.7	7.8
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	6.8	10.8	15.5	13.7	7.8

COMPUTATION OF EBITDA

Profit / (loss) before taxation	6.9	10.9	15.7	14.3	7.8
Add: Impairment loss	0.0	0.0	0.0	9.4	0.0
Add: Interest	2.8	5.5	8.4	11.3	2.4
EBIT	9.7	16.4	24.1	35.0	10.2
Add: Amortisation	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	4.7	9.4	14.1	18.9	4.8
EBITDA	14.4	25.8	38.2	53.9	15.0

6 May 2004

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 2004 and 31 December 2003, and the statements of earnings and retained earnings for the three-month periods ended 31 March 2004 and 2003 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 2004		31 December 2003	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
ASSETS				
Current assets				
Cash and cash equivalents	1,282.8	32.5	1,927.0	48.6
Short-term investment in trading securities - Unit trust	207.0	5.2	-	-
Short-term investment in available-for-sale securities - Unit trusts	732.0	18.6	730.2	18.4
Trade accounts receivable, net	1,212.9	30.7	1,154.1	29.2
Trade accounts receivable - related parties	121.4	3.1	73.0	1.8
Other current assets	297.6	7.6	417.7	10.6
Total current assets	3,853.7	97.7	4,302.0	108.6
Non-current assets				
Property and premises, net	2,019.8	57.5	2,006.4	57.5
Vessels and equipment, net	11,615.0	353.1	11,328.3	348.1
Other non-current assets	178.5	5.2	168.5	5.1
Total non-current assets	13,813.3	415.8	13,503.2	410.7
TOTAL ASSETS	17,667.0	513.5	17,805.2	519.3

See Basis of Preparation

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

	31 March 2004		31 December 2003	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade accounts payable	1,062.1	26.9	1,198.4	30.3
Current portion of finance lease creditors	98.5	2.5	122.7	3.1
Current portion of long-term loans	993.0	25.2	955.7	24.1
Debenture	690.0	17.5	690.0	17.4
Other current liabilities	198.6	5.0	206.6	5.2
Total current liabilities	<u>3,042.2</u>	<u>77.1</u>	<u>3,173.4</u>	<u>80.1</u>
Non-current liabilities				
Finance lease creditors, net of current portion	139.2	3.5	154.0	3.9
Long-term loans, net of current portion	4,686.4	118.8	5,123.3	129.2
Debentures, net of current portion	2,500.0	63.4	2,500.0	63.1
Total non-current liabilities	<u>7,325.6</u>	<u>185.7</u>	<u>7,777.3</u>	<u>196.2</u>
Total liabilities	<u>10,367.8</u>	<u>262.8</u>	<u>10,950.7</u>	<u>276.3</u>
Shareholders' equity				
Share capital				
Issued and fully paid				
663,000,000 ordinary shares of Baht 1 each	663.0	20.6	663.0	20.6
Share premium	3,073.2	113.7	3,073.2	113.7
Translation adjustment	698.7	(6.0)	677.6	(6.1)
Retained earnings				
Appropriated - statutory reserve	66.3	1.9	66.3	1.9
Unappropriated	2,789.6	120.3	2,358.2	112.5
Unrealised gain on changes in the value of investments	4.7	0.1	2.8	0.1
Equity attributable to Company's shareholders	<u>7,295.5</u>	<u>250.6</u>	<u>6,841.1</u>	<u>242.7</u>
Minority interest - equity attributable				
to minority shareholders of subsidiaries	3.7	0.1	13.4	0.3
Total shareholders' equity	<u>7,299.2</u>	<u>250.7</u>	<u>6,854.5</u>	<u>243.0</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>17,667.0</u></u>	<u><u>513.5</u></u>	<u><u>17,805.2</u></u>	<u><u>519.3</u></u>

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 2004 AND 2003

	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
	Million	Million	Million	Million
	Baht	USD	Baht	USD
EARNINGS				
Revenues				
Freight income	3,449.5	87.7	3,142.1	73.4
Gain (loss) on exchange	80.6	-	-	-
Other income	31.0	0.8	118.8	2.8
Total revenues	<u>3,561.1</u>	<u>88.5</u>	<u>3,260.9</u>	<u>76.2</u>
Expenses				
Cost of freight and operations	2,636.6	67.0	2,446.5	57.2
Depreciation	155.9	4.8	158.5	4.7
Administrative expenses	201.5	5.1	194.4	4.5
Unrealised loss on changes in the value of investments	41.5	1.1	-	-
Loss on exchange	-	0.3	101.3	0.1
Total expenses	<u>3,035.5</u>	<u>78.3</u>	<u>2,900.7</u>	<u>66.5</u>
Earnings before interest and income tax expenses	525.6	10.2	360.2	9.7
Interest expenses	(93.6)	(2.4)	(117.9)	(2.8)
Corporate income tax	(1.4)	-	(4.1)	(0.1)
Earnings after income tax	430.6	7.8	238.2	6.8
Net loss - minority interest	0.8	-	0.5	-
Net earnings for the period	<u><u>431.4</u></u>	<u><u>7.8</u></u>	<u><u>238.7</u></u>	<u><u>6.8</u></u>
RETAINED EARNINGS				
Retained earnings - unappropriated				
Balance - beginning of period	2,358.2	112.5	1,699.7	101.9
Net earnings for the period	431.4	7.8	238.7	6.8
Total retained earnings - unappropriated	<u>2,789.6</u>	<u>120.3</u>	<u>1,938.4</u>	<u>108.7</u>
Retained earnings - appropriated				
Statutory reserve	66.3	1.9	66.3	1.9
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
Total retained earnings	<u><u>2,855.9</u></u>	<u><u>122.2</u></u>	<u><u>2,004.7</u></u>	<u><u>110.6</u></u>

See Basis of Preparation

BASIS OF PREPARATION

1. THAI BAHT FIGURES

The Thai Baht figures in the balance sheets as at 31 March 2004 and profit and loss accounts for the three-month periods ended 31 March 2004 and 2003 were extracted from the reviewed consolidated financial statements. The Thai Baht figures in the balance sheet as at 31 December 2003 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 2004 : USD 1 = Baht 39.4557

As of 31 December 2003 : USD 1 = Baht 39.6382

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 2004 : USD 1 = Baht 39.3548

31 March 2003 : USD 1 = Baht 42.7775