



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

## PRESS RELEASE

### FINANCIAL RESULTS AS AT 30 JUNE 2008

Transportation of containers continued to grow steadily in the beginning of the second quarter of 2008 despite the anxiety over the US sub-prime mortgage crisis. In later part of the second quarter, demand in Europe showed some signs of slowing down and created concern whether the strength of Europe's robust growth could be sustained. On the other hand, demand in Mediterranean and Middle East remained very strong throughout the quarter. As the Group had expanded its feeder capacity in the Gulf, the Shipper Owned Container (SOC) liftings had benefited.

With additional presence in the Gulf region, RCL's SOC liftings improved by 15% at 405,629 TEUs in Q208 as compared to the same quarter last year. In Q208, China was continuously affected by the bad weather, resulting in a number of terminals in China having suffered serious port congestions which in turn caused a lot of service disruptions to shipping lines. The Group's Carrier Owned Container (COC) liftings were also affected. It only registered a growth of 7% at 356,245 TEUs as compared to the same quarter last year. Overall, total liftings of the Group recorded an 11% increase at 761,874 TEUs in comparison to Q207. SOC liftings for first half of 2008 rose 13% at 769,738 TEUs, and COC climbed up 6% at 681,777 TEUs, when compared to the corresponding period of 2007. The total liftings hit 1,451,515 TEUs, a 9% increase.

Total turnover for the second quarter before exchange difference and gain on disposal of vessels edged up 4% at THB 5,067 million. As US dollar continued to weaken against the regional currency in Q208, Thai Baht strengthened close to 8% against US dollar year-on-year. The Group's turnover hence suffered a loss in translation. Otherwise, the turnover should have been better. Other than this, rate for Intra-Asia trade held on well since Q108. The total turnover for the first 6 months before exchange difference and gain on disposal of vessels reflected a flat growth at THB 9,788 million as gain in Q208 was offset by a softer turnover in Q108.

Under normal circumstances, strong Thai Baht should provide a translation gain to the Cost of Freight and Operation as majority of the Group's US dollar expenses were being translated to Thai Baht. However, due to escalating bunker price, the full offsetting could not be achieved.

With a 11% increase in liftings, the Cost of Freight and Operation in second quarter 2008 was THB4,671 million, an increase of 19% as compared to the same quarter last year.

Major contributing factor to the increase in Cost of Freight and Operation was the bunker cost, which escalated in May and hit a record high in June. On the average, the bunker cost was more than 60% higher as compared to that of the same quarter in last year.-

Other cost items were in line with the improved liftings and increase in number of vessels under owned operation. For the first 6 months, the Cost of Freight and Operation was up by 12% at THB 8,760 million.

In Q208, the Group disposed two vessels which were delivered in 2005 and subsequently chartered back the same for a minimum period of 8 years. The disposal of these two vessels registered a gain amounted to THB673.6 million. In second quarter of this year,

the Group recorded a Gain on Exchange of THB24.3 million against a Loss on Exchange of THB7.8 million in the same quarter last year. As the gain on disposal of the vessels and improved turnover were mainly offset by THB translation and escalating bunker cost, the Group's Net Profit for Q208 improved slightly by 9% at THB688.3 million when compared to same quarter last year.

For the first six months of 2008, the Group's net profit slipped 4% to THB 1,213 million. The Group also recorded a Gain on Exchange amounted to THB216.2 million in H108 against a Gain on Exchange of THB48.2 million in H107.

*Regional Container Lines Public Company Limited*

*14 August 2008*

*Founded in 1979, RCL is a Thai based container shipping line which was public listed on the Thai Stock Exchange since 1988. Its core business is in the carriage of Shipper owned containers (or SOC) and its own Carrier owned containers (or COC) within a service network that is fully Asia centric. RCL currently owns and operates a fleet of 45 vessels with sizes ranging between 500 TEUs to 2598 TEUs, with a fleet of 86,521 TEUs to support its own COC carriage as well. It also operates a network of 59 offices made up of both owned and agency offices to support its service structure. RCL is today recognized as amongst the leading SOC and Intra Asia COC operators by both peers and customers alike.*



## REGIONAL CONTAINER LINES GROUP

### QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million baht)

	1 <sup>st</sup> Quarter 2007	Half-Year 2007	9 months 2007	Year-end 2007	1 <sup>st</sup> Quarter 2008	Half-Year 2008
Freight income	4,821.3	9,643.4	14,776.2	19,728.8	4,654.3	9,668.7
Cost of freight and operations	(3,887.4)	(7,831.2)	(12,057.6)	(16,345.0)	(4,106.0)	(8,792.9)
<b>Gross Profit</b>	<b>933.9</b>	<b>1,812.2</b>	<b>2,718.6</b>	<b>3,383.8</b>	<b>548.3</b>	<b>875.8</b>
<b>Gross Profit Margin</b>	<b>19.4%</b>	<b>18.8%</b>	<b>18.4%</b>	<b>17.2%</b>	<b>11.8%</b>	<b>9.1%</b>
Other income	58.9	117.1	161.2	193.4	66.3	119.3
Gain on exchange	56.0	48.2	143.5	249.3	191.9	216.2
Gain on sale of assets	16.4	139.1	143.2	150.9	148.6	831.7
Reversal of loss on impairment of building	0.0	0.0	0.0	1,531.8	0.0	0.0
Total other income	131.3	304.5	447.9	2,125.4	406.8	1,167.2
Admin expenses	(295.0)	(592.7)	(918.2)	(1,200.7)	(331.7)	(646.9)
Loss on exchange	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(295.0)	(592.7)	(918.2)	(1,200.7)	(331.7)	(646.9)
Interest expenses	(128.0)	(247.4)	(358.7)	(469.4)	(96.7)	(176.8)
Profit / (loss) before taxation	642.2	1,276.5	1,889.6	3,839.1	526.7	1,219.3
Income tax	(3.0)	(8.2)	(13.0)	(23.3)	(1.7)	(4.8)
Profit / (loss) after taxation	639.2	1,268.3	1,876.6	3,815.8	525.0	1,214.5
Minority interest	0.4	0.7	0.6	(0.2)	(0.4)	(1.7)
<b>Net profit / (loss) attributable to members</b>	<b>639.6</b>	<b>1,269.0</b>	<b>1,877.2</b>	<b>3,815.6</b>	<b>524.6</b>	<b>1,212.9</b>

### COMPUTATION OF EBITDA

<i>Profit / (loss) before taxation</i>	642.2	1,276.5	1,889.6	3,839.1	526.7	1,219.3
<i>Add: Impairment loss</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Deduct: Impairment gain</i>	0.0	0.0	0.0	(1,531.8)	0.0	0.0
<i>Add: Interest</i>	128.0	247.4	358.7	469.4	96.7	176.8
<b>EBIT</b>	<b>770.2</b>	<b>1,523.9</b>	<b>2,248.3</b>	<b>2,776.7</b>	<b>623.4</b>	<b>1,396.1</b>
<i>Add: Amortisation</i>	0.7	1.3	2.0	6.6	5.0	10.3
<i>Add: Depreciation</i>	296.1	586.4	870.9	1,160.3	300.1	594.5
<b>EBITDA</b>	<b>1,066.9</b>	<b>2,111.6</b>	<b>3,121.2</b>	<b>3,943.6</b>	<b>928.5</b>	<b>2,000.9</b>

Regional Container Lines Public Company Limited  
and its subsidiaries  
Report and interim financial statements  
For the three-month and six-month periods ended  
30 June 2008 and 2007

**Review report of Independent Auditor**

To the 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 30 June 2008, the consolidated statements of income for the three-month and six-month periods ended 30 June 2008 and 2007, the consolidated statements of changes in shareholders' equity, and cash flows for the six-month periods ended 30 June 2008 and 2007, 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 2007 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 29 February 2008. The consolidated and separate balance sheets as at 31 December 2007, 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.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970  
Ernst & Young Office Limited  
Bangkok: 14 August 2008

**Regional Container Lines Public Company Limited and its subsidiaries**

**Balance sheets**

(Unit: Thousand Baht)

	<u>Note</u>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,898,610	2,802,443	212,814	142,999
Short-term investments		-	57,263	-	-
Trade accounts receivable - unrelated parties		2,098,430	2,072,497	-	-
Less: allowance for doubtful accounts		(1,527)	(2,271)	-	-
Trade accounts receivable - unrelated parties, net	3	2,096,903	2,070,226	-	-
Trade accounts receivable - related parties	3, 9	102,514	104,873	894,032	1,214,293
Material supplies		639,032	461,970	23,336	20,951
Other current assets		253,143	184,117	29,703	21,806
<b>Total current assets</b>		<b>6,990,202</b>	<b>5,680,892</b>	<b>1,159,885</b>	<b>1,400,049</b>
<b>Non-current assets</b>					
Property investments held for long-term investment		1,674	1,695	-	-
Investments in subsidiaries	4	-	-	2,147,126	2,147,126
Investments in associated companies	5	213,353	206,501	20,000	20,000
Other long-term investments		29,133	29,337	-	-
Property and premises, net		3,807,063	3,709,374	12,255	13,391
Vessels and equipment, net	6	17,236,093	18,657,857	7,425,496	7,603,518
Deposit for purchasing vessels	6	540,895	91,551	-	-
Other non-current assets		15,323	10,481	1,876	1,727
<b>Total non-current assets</b>		<b>21,843,534</b>	<b>22,706,796</b>	<b>9,606,753</b>	<b>9,785,762</b>
<b>Total assets</b>		<b>28,833,736</b>	<b>28,387,688</b>	<b>10,766,638</b>	<b>11,185,811</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)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from					
financial institutions	7	863,000	557,000	863,000	557,000
Trade accounts payable -					
unrelated parties		2,677,390	2,573,524	6,934	4,791
Trade accounts payable -					
related parties	9	52,042	31,036	116,245	166,354
Current portion of long-term loans	8	1,150,310	1,138,051	139,852	140,792
Current portion of debenture		769,300	769,200	769,300	769,200
Corporate income tax payable		6,334	16,016	-	-
Other current liabilities		325,659	312,920	49,459	68,216
<b>Total current liabilities</b>		<b>5,844,035</b>	<b>5,397,747</b>	<b>1,944,790</b>	<b>1,706,353</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	8	5,619,167	5,717,249	1,153,782	1,231,932
Debenture, net of current portion		-	384,700	-	384,700
<b>Total non-current liabilities</b>		<b>5,619,167</b>	<b>6,101,949</b>	<b>1,153,782</b>	<b>1,616,632</b>
<b>Total liabilities</b>		<b>11,463,202</b>	<b>11,499,696</b>	<b>3,098,572</b>	<b>3,322,985</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 financial statements</b>		<b>Separate financial statements</b>	
	30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
663,000,000 ordinary shares of Baht 1 each				
Issued and paid-up	663,000	663,000	663,000	663,000
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	234,564	304,316	-	-
Retained earnings				
Appropriated - statutory reserve	66,300	66,300	66,300	66,300
Unappropriated	13,309,997	12,760,108	3,865,576	4,060,336
Equity attributable to Company's shareholders	17,347,051	16,866,914	7,668,066	7,862,826
Minority interest - equity attributable to minority shareholders' of subsidiaries	23,483	21,078	-	-
<b>Total shareholders' equity</b>	<b>17,370,534</b>	<b>16,887,992</b>	<b>7,668,066</b>	<b>7,862,826</b>
<b>Total liabilities and shareholders' equity</b>	<b>28,833,736</b>	<b>28,387,688</b>	<b>10,766,638</b>	<b>11,185,811</b>
	-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

**Regional Container Lines Public Company Limited and its subsidiaries**

**Income statements**

**For the three-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Revenues</b>					
Freight income		5,014,421	4,822,031	591,447	499,220
Gain on exchange		24,346	-	-	12,911
Dividend income from a subsidiary		-	-	-	32,267
Dividend income from					
an associated company		-	-	12,000	12,000
Gain on sales of assets	6	683,054	122,732	-	-
Other income		43,117	50,653	162	3,325
Share of income from investment accounted for					
under equity method - associated companies		9,929	7,614	-	-
<b>Total revenues</b>		<b>5,774,867</b>	<b>5,003,030</b>	<b>603,609</b>	<b>559,723</b>
<b>Expenses</b>					
Cost of freight and operations		4,670,967	3,931,994	238,111	237,292
Administrative expenses	9	331,125	309,478	47,815	48,856
Loss on exchange		-	7,808	23,947	-
<b>Total expenses</b>		<b>5,002,092</b>	<b>4,249,280</b>	<b>309,873</b>	<b>286,148</b>
<b>Income before interest and income tax expenses</b>		<b>772,775</b>	<b>753,750</b>	<b>293,736</b>	<b>273,575</b>
Interest expense		(80,182)	(119,420)	(30,368)	(51,278)
Corporate income tax		(3,032)	(5,195)	-	-
<b>Net income for the period</b>		<b>689,561</b>	<b>629,135</b>	<b>263,368</b>	<b>222,297</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		688,272	629,433	263,368	222,297
Minority interests of the subsidiaries		1,289	(298)	-	-
		<b>689,561</b>	<b>629,135</b>		
(Unit: Baht)					
<b>Basic earnings per share</b>					
Net income attributable to equity holders					
of the parent		1.04	0.95	0.40	0.33

(Unaudited but reviewed)

**Regional Container Lines Public Company Limited and its subsidiaries****Income statements**

For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Revenues</b>					
Freight income		9,668,708	9,643,356	1,088,388	1,222,555
Gain on exchange		216,222	48,225	-	27,132
Dividend income from a subsidiary		-	-	-	32,267
Dividend income from an associated company		-	-	12,000	12,000
Gain on sales of assets	6	831,664	139,123	-	-
Other income		100,370	99,373	2,865	6,538
Share of income from investment accounted for under equity method - associated companies		18,969	17,757	-	-
<b>Total revenues</b>		<b>10,835,933</b>	<b>9,947,834</b>	<b>1,103,253</b>	<b>1,300,492</b>
<b>Expenses</b>					
Cost of freight and operations		8,759,884	7,807,274	472,664	480,943
Administrative expenses	9	679,900	616,594	92,919	91,461
Loss on exchange		-	-	4,654	-
<b>Total expenses</b>		<b>9,439,784</b>	<b>8,423,868</b>	<b>570,237</b>	<b>572,404</b>
<b>Income before interest and income tax expenses</b>		<b>1,396,149</b>	<b>1,523,966</b>	<b>533,016</b>	<b>728,088</b>
Interest expense		(176,838)	(247,422)	(64,776)	(104,497)
Corporate income tax		(4,770)	(8,238)	-	-
<b>Net income for the period</b>		<b>1,214,541</b>	<b>1,268,306</b>	<b>468,240</b>	<b>623,591</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		1,212,889	1,269,051	468,240	623,591
Minority interests of the subsidiaries		1,652	(745)		
		<b>1,214,541</b>	<b>1,268,306</b>		
(Unit: Baht)					
<b>Basic earnings per share</b>					
Net income attributable to equity holders					
of the parent		1.83	1.91	0.71	0.94

(Unaudited but reviewed)

**Regional Container Lines Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity**

**For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>							
	Issued and	Share	Translation	Retained earnings		Minority	
	paid-up	premium	adjustment	Statutory	Unappropriated	interest of	Total
<u>Note</u>	share capital			reserve		subsidiaries	
<b>Balance as at 31 December 2006</b>	663,000	3,073,190	977,755	66,300	9,938,991	24,472	14,743,708
Unrealised item in income statement -							
Translation adjustment	-	-	(393,035)	-	-	(3,358)	(396,393)
Net income (loss) for the period	-	-	-	-	1,269,051	(745)	1,268,306
Dividend paid	10	-	-	-	(663,000)	-	(663,000)
<b>Balance as at 30 June 2007</b>	<u>663,000</u>	<u>3,073,190</u>	<u>584,720</u>	<u>66,300</u>	<u>10,545,042</u>	<u>20,369</u>	<u>14,952,621</u>
<b>Balance as at 31 December 2007</b>	663,000	3,073,190	304,316	66,300	12,760,108	21,078	16,887,992
Unrealised item in income statement -							
Translation adjustment	-	-	(69,752)	-	-	753	(68,999)
Net income for the period	-	-	-	-	1,212,889	1,652	1,214,541
Dividend paid	10	-	-	-	(663,000)	-	(663,000)
<b>Balance as at 30 June 2008</b>	<u>663,000</u>	<u>3,073,190</u>	<u>234,564</u>	<u>66,300</u>	<u>13,309,997</u>	<u>23,483</u>	<u>17,370,534</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 (continued)

For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

		Separate financial statements				
		Issued and	Retained earnings			
		paid-up	Share	Statutory		
<u>Note</u>		share capital	premium	reserve	Unappropriated	Total
	<b>Balance as at 31 December 2006</b>	663,000	3,073,190	66,300	4,093,618	7,896,108
	Net income for the period	-	-	-	623,591	623,591
	Dividend paid	-	-	-	(663,000)	(663,000)
	<b>Balance as at 30 June 2007</b>	<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>4,054,209</u>	<u>7,856,699</u>
	<b>Balance as at 31 December 2007</b>	663,000	3,073,190	66,300	4,060,336	7,862,826
	Net income for the period	-	-	-	468,240	468,240
	Dividend paid	-	-	-	(663,000)	(663,000)
	<b>Balance as at 30 June 2008</b>	<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>3,865,576</u>	<u>7,668,066</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 six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Corporate income tax payable	(5,041)	(1,148)	-	-
Other current liabilities	34,645	22,452	(14,599)	(11,970)
Cash provided by operating activities	992,942	1,464,113	983,249	654,972
Cash paid for interest expense	(198,744)	(260,089)	(68,934)	(106,678)
Cash paid for income tax	(9,411)	(7,598)	-	-
<b>Net cash provided by operating activities</b>	<b>784,787</b>	<b>1,196,426</b>	<b>914,315</b>	<b>548,294</b>
<b>Cash flows from investing activities</b>				
Decrease in short-term investments	56,287	6,590	-	-
Decrease in long-term loan to related company	-	5,318	-	-
Decrease (increase) in property, premises, vessels and equipment	1,561,226	115,041	(44,504)	(22,726)
Increase in deposit for purchasing vessels	(449,344)	-	-	-
Dividend received from a subsidiary	-	-	-	32,267
Dividend received from associated company	12,000	12,000	12,000	12,000
Translation adjustment	(88,310)	(390,039)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>1,091,859</b>	<b>(251,090)</b>	<b>(32,504)</b>	<b>21,541</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	306,000	438,000	306,000	438,000
Decrease in finance lease creditors	-	(26,247)	-	-
Decrease in long-term loans	(38,879)	(827,875)	(70,396)	(75,269)
Decrease in debentures	(384,600)	(384,600)	(384,600)	(384,600)
Dividend paid	(663,000)	(663,000)	(663,000)	(663,000)
<b>Net cash used in financing activities</b>	<b>(780,479)</b>	<b>(1,463,722)</b>	<b>(811,996)</b>	<b>(684,869)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,096,167</b>	<b>(518,386)</b>	<b>69,815</b>	<b>(115,034)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,802,443</b>	<b>2,606,333</b>	<b>142,999</b>	<b>315,450</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,898,610</b>	<b>2,087,947</b>	<b>212,814</b>	<b>200,416</b>
	-	-	-	-

(Unaudited but reviewed)

**Regional Container Lines Public Company Limited and its subsidiaries**

**Statements of cash flows**

**For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>				
Net income before tax	1,219,311	1,276,544	468,240	623,591
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation	594,513	586,379	223,662	231,671
Gain on sales of assets	(831,664)	(139,123)	-	-
Increase (decrease) in allowance for doubtful accounts	(744)	53	-	-
Dividend income from a subsidiary	-	-	-	(32,267)
Dividend income from an associated company	-	-	(12,000)	(12,000)
Loss (gain) on sales of investments	976	(3,950)	-	-
Share of income from investment accounted for under equity method - associated companies	(18,969)	(17,757)	-	-
Unrealised exchange gain	(229,057)	(58,832)	(39,205)	(46,798)
Interest expense	176,838	247,422	64,776	104,497
Income from operating activities before changes in operating assets and liabilities	911,204	1,890,736	705,473	868,694
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	177,876	(371,405)	-	-
Trade accounts receivable - related parties	2,359	6,439	352,815	(114,534)
Material supplies	(177,062)	(74,701)	(2,385)	(2,626)
Other current assets	(69,026)	(15,643)	(7,897)	(35,430)
Other non-current assets	(4,842)	1,045	(149)	(443)
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	103,866	(10,263)	2,143	374
Trade accounts payable - related parties	18,963	16,601	(52,152)	(49,093)

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 and six-month periods ended 30 June 2008 and 2007**

**1. General information**

**1.1 Corporate information**

Regional Container Lines Public Company Limited (“the Company”) was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations.

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

These interim financial statements are prepared in accordance with Accounting Standard No. 41 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The 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.

**1.3 Thai Accounting Standards which are effective for the current year**

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations

(Unaudited but reviewed)

TAS 49 (revised 2007)    Construction Contracts  
TAS 51                      Intangible Assets

These accounting standards became effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 49 (revised 2007) is not relevant to the business of the Company, and the other accounting standards do not have any significant impact on the financial statements for the current period.

#### **1.4 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 2007.

#### **1.5 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 2007.

#### **2. Change in accounting estimation**

During the current period, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to increase net income of the Company and the Group for the six-month period ended 30 June 2008 by Baht 7 million and Baht 19 million, respectively (Baht 0.01 per share and Baht 0.03 per share, respectively).



(Unaudited but reviewed)

### 3. Trade accounts receivable

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June	31 December
	2008	2007
Under 90 days	2,059,319	2,030,922
91 - 180 days	33,545	23,179
181 - 365 days	3,637	15,092
Over 365 days	1,929	3,304
Total	2,098,430	2,072,497
Less: Allowance for doubtful accounts	(1,527)	(2,271)
Net	2,096,903	2,070,226

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Under 90 days	102,514	104,873	598,483	488,087
91 - 180 days	-	-	295,549	491,669
181 - 365 days	-	-	-	234,537
	102,514	104,873	894,032	1,214,293

(Unaudited but reviewed)

**4. Investments in subsidiaries**

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid-up capital		Percentage directly owned by the Company		Cost		Dividend for the six-month periods ended	
	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	June
2008	2007	2008	2007	2008	2007	2008	2007	
		Percent	Percent					
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 42.5 Million	S\$ 42.5 Million	85	85	1,173	1,173	-	-
e) RCL Feeder Pte. Ltd.	S\$ 20.5 Million	S\$ 20.5 Million	98	98	430	430	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	217	217	-	-
<u>Subsidiary operating in the People's Republic of China</u>								
j) Regional Container Lines Shipping Co., Ltd.	-	USD 1.7 Million	-	-	-	-	-	32
<b>Total investments in subsidiaries</b>					<b>2,147</b>	<b>2,147</b>	<b>-</b>	<b>32</b>

**5. Investments in associated companies**

(Unit: Million Baht)

Company's name	Separate financial statements									
	Paid-up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the six-month periods ended	
	30	31	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	December	June	June
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
		Percent	Percent							
<u>Investment in associated company of the Company</u>										
<u>Associated company operating in Thailand</u>										
TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million	20	20	20	20	169	167	12	12
<b>Total investment in associated company</b>					<b>20</b>	<b>20</b>	<b>169</b>	<b>167</b>	<b>12</b>	<b>12</b>

(Unaudited but reviewed)

The accumulated share of the profit of the Company's associated company, as at 30 June 2008, is calculated based on the financial statements of the associated company, which were prepared by the management and unreviewed by that company's auditor.

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2008	31 December 2007
The Company's investment in associated company	169,303	166,732
The subsidiaries' investments in associated companies	44,050	39,769
Total investments in associated companies accounted for under equity method	213,353	206,501

## 6. Vessels and equipment

During the first quarter of the current year, a subsidiary in Singapore made payments for construction of vessels totaling USD 20.5 million (approximately Baht 659 million) and sold a vessel which had a net book value of USD 0.6 million (approximately Baht 18 million) for USD 4.0 million (approximately Baht 127 million). The gain on the sale was thus USD 3.4 million (approximately Baht 109 million).

During the second quarter of the current year, the subsidiary entered into sales and leaseback agreements (in the form of operating lease agreements) for two vessels, which had net book values totaling USD 46.5 million (approximately Baht 1,505 million). The selling price of the vessels was USD 68.0 million (approximately Baht 2,201 million) and the costs to sell amounted to USD 0.7 million (approximately Baht 23 million). The subsidiary recognised a gain on the sale and leaseback of USD 20.8 million (approximately Baht 673 million).

Furthermore, the subsidiary entered into a purchase agreement to purchase two vessels, under which it paid deposits totaling USD 13.4 million (approximately Baht 449 million).

## 7. Short-term loans from financial institutions

As at 30 June 2008, the balance of short-term loans from two financial institutions is the promissory notes which the Company has issued to banks. The loans carry interest at the rates of 3.50 and 3.95 percent per annum and will be due between the months of July to September 2008.

(Unaudited but reviewed)

## 8. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
<b><u>Loan of the Company</u></b>				
1) USD 38.4 million loan (2007: USD 40.5 million), repayable quarterly until the year 2015.	1,293,634	1,372,724	1,293,634	1,372,724
<b><u>Loans of the Singaporean subsidiaries</u></b>				
2) USD 35.1 million loan (2007: USD 40.4 million), repayable quarterly until the year 2009.	1,175,335	1,362,510	-	-
3) USD 11.9 million loan (2007: USD 16.0 million), repayable semi-annually until the year 2009.	397,357	540,273	-	-
4) USD 2.4 million loan (2007: USD 2.7 million), repayable semi-annually until the year 2011.	78,803	91,172	-	-
5) USD 35.8 million loan (2007: USD 37.8 million), repayable quarterly until the year 2015.	1,200,485	1,276,404	-	-
6) USD 37.5 million loan (2007: USD 34.3 million), repayable quarterly until the year 2017.	1,258,609	1,158,218	-	-
7) USD 5.3 million loan (2007: USD 5.7 million), repayable quarterly until the year 2014.	178,182	192,933	-	-
8) USD 35.4 million loan (2007: USD 25.5 million), repayable quarterly until the year 2018	1,187,072	861,066	-	-
Total	6,769,477	6,855,300	1,293,634	1,372,724
Less: Current portion	(1,150,310)	(1,138,051)	(139,852)	(140,792)
Long-term loans, net of current portion	5,619,167	5,717,249	1,153,782	1,231,932

Movements in the long-term loans during the six-month periods ended 30 June 2008 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2008	6,855,300	1,372,724
Add: Borrowings	520,017	-
Less: Repayments	(558,896)	(70,396)
Translation adjustment	(19,653)	-
Unrealised gain on exchange	(27,291)	(8,694)
Balance as at 30 June 2008	6,769,477	1,293,634

(Unaudited but reviewed)

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

## 9. Related party transactions

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

(Unit: Million Baht)

	For the six-month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2008	2007	2008	2007	
<b><u>Transactions with subsidiary</u></b>					
Charter freight income	-	-	1,088	1,223	Market price as at agreement date
<b><u>Transactions with related parties</u></b>					
Slot revenues	13	24	-	-	Price approximates market price
Charter freight expenses	-	19	-	-	Price approximates market price
Commission expenses	33	68	-	-	Price approximates market price
Terminal operating service	123	166	-	-	Price per tariff minus volume discount
Logistic service fees	16	15	-	-	Price approximates market price

### **Directors' remuneration**

During the period, the Group recorded the directors' remuneration amounting to Baht 4.1 million (30 June 2007: Baht 6.2 million).

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act B.E. 2535, exclusive of salaries and related benefits payable to executive directors.

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
<b><u>Trade accounts receivable - related parties</u></b>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	894	1,214
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	4	3	-	-
PT Daerah Indah Shipping	1	6	-	-
Ngow Hock Co., Ltd.	98	89	-	-
Songkhla Shipping Agency Co., Ltd.	-	7	-	-
	<u>103</u>	<u>105</u>	<u>894</u>	<u>1,214</u>
<b><u>Trade accounts payable - related parties</u></b>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte Ltd.	-	-	116	166
<u>Related parties</u>				
RCL (Vietnam) Co., Ltd.	43	29	-	-
Others	9	2	-	-
	<u>52</u>	<u>31</u>	<u>116</u>	<u>166</u>

#### 10. Dividend

On 25 April 2008, the Annual General Meeting of the Company's shareholders approved the payment of a dividend of Baht 1 per share (2007: Baht 1 per share) to shareholders, or a total of Baht 663 million (2007: Baht 663 million). The dividend was paid in May 2008.

(Unaudited but reviewed)

## 11. Financial information by segment

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

(Unit: Million Baht)

Consolidated financial statements							
For the six-month period ended 30 June 2008							
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenues from external customers	122	9,286	204	57	9,669	-	9,669
Inter-segment revenues	1,088	1,404	31	-	2,523	(2,523)	-
Freight income	1,210	10,690	235	57	12,192	(2,523)	9,669
Segment gross profit	639	186	66	18	909	-	909
Gain on exchange							216
Gain on sales of assets							832
Other income							101
Share of income from investments accounted for under equity method - associated companies							19
Administrative expenses							(680)
Interest expense							(177)
Corporate income tax							(5)
Net income for the period							1,215

(Unit: Million Baht)

Consolidated financial statements							
For the six-month period ended 30 June 2007							
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenues from external customers	78	9,345	174	46	9,643	-	9,643
Inter-segment revenues	1,223	1,409	33	58	2,723	(2,723)	-
Freight income	1,301	10,754	207	104	12,366	(2,723)	9,643
Segment gross profit	759	947	55	75	1,836	-	1,836
Gain on exchange							48
Gain on sales of assets							139
Other income							99
Share of income from investments accounted for under equity method - associated companies							18
Administrative expenses							(617)
Interest expense							(247)
Corporate income tax							(8)
Net income for the period							1,268

(Unaudited but reviewed)

## 12. Commitments and contingent liabilities

### 12.1 Commitments

- (a) As at 30 June 2008, the Company has outstanding commitments of approximately Baht 15 million (31 December 2007: Baht 19 million) in respect of lease agreements, and a subsidiary company in Singapore has outstanding commitments of USD 162 million or approximately Baht 5,418 million (31 December 2007: USD 41 million or approximately Baht 1,387 million) in respect of the following agreements.

(Unit: Million Baht)

	<u>Charter hire</u>	<u>Container lease</u>	<u>Other rental</u>	<u>Total</u>
Payment period				
Within 1 year	962	154	42	1,158
During 2-5 years	2,213	402	23	2,638
Over than 5 years	1,622	-	-	1,622
Total	<u>4,797</u>	<u>556</u>	<u>65</u>	<u>5,418</u>

- (b) As at 30 June 2008, a subsidiary company in Singapore has commitments amounting to USD 44 million, or approximately Baht 1,473 million (31 December 2007: USD 15 million, or approximately Baht 520 million) in respect of the building of 2 vessels (31 December 2007: 4 vessels). These vessels will be delivered in April 2011. Furthermore the subsidiary company has a commitment amounting to JPY 2,610 million and USD 121 million, or approximately Baht 4,868 million (31 December 2007: JPY 2,610 million, or approximately Baht 776 million) in respect of purchase of 3 vessels (31 December 2007: 1 vessel) which is to be paid within August, December 2008 and January 2009.

In addition, another subsidiary company in Singapore has commitments amounting to USD 2.5 million, or approximately Baht 84 million in respect of software royalty agreements (31 December 2007: USD 2.5 million, or approximately Baht 85 million).



(Unaudited but reviewed)

## **12.2 Guarantees**

As at 30 June 2008, the Company has guarantee obligations of USD 454 million and S\$ 6 million, or approximately Baht 15,417 million (31 December 2007: USD 356 million and S\$ 6 million, or approximately Baht 12,215 million). These were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totalling USD 260 million or approximately Baht 8,705 million (31 December 2007: USD 128 million or approximately Baht 4,331 million).

## **12.3 Litigation**

In June 2000, a subsidiary in Singapore filed a petition to wind up an associated company in Malaysia and another petition to recover an outstanding agency balance of approximately RM 25 million or Baht 248 million. The case is being heard by the court.

In June 2000, the subsidiary was counter-sued by the associated company, claiming compensation of approximately RM 27 million or Baht 284 million, for illegal termination of an agency agreement. The management of subsidiary believes that the ultimate resolution of these legal proceedings is not likely to have a material effect on the results of its operations, or financial position.

## **13. Financial instruments**

### **13.1 Interest rate risk**

As at 30 June 2008, a subsidiary in Singapore has entered into a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 12 million (31 December 2007: USD 13 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortised at a rate of USD 0.5 million per quarter over the period 2004 to 2014.

(Unaudited but reviewed)

### 13.2 Foreign currency risk

The subsidiary companies in Singapore have entered into various forward contracts to purchase and sell foreign currencies in order to hedge foreign currency risk. Details of the contracts can be summarized as follows:

Foreign currency	30 June 2008			31 December 2007		
	Bought (sold) amount	Contractual exchange rate (per 1 USD)	Maturity date	Bought (sold) amount	Contractual exchange rate (per 1 USD)	Maturity date
JPY	2,331,000,000	106.87 - 116.56	Within October 2008	1,971,000,000	115.61 - 116.56	within October 2008
SGD	-	-	-	6,000,000	1.4402 - 1.4427	within February 2008
USD	(1,000,000) or (2,000,000)	If exchange rate at fixing date is at or below 1.4050 If exchange rate at fixing date is above 1.4050	Monthly from April 2008 to March 2009	-	-	-
USD	(400,000) or (800,000)	If exchange rate at fixing date is at or below 1.36 If exchange rate at fixing date is above 1.36	Weekly from June 2008 to August 2008	-	-	-
USD	(400,000) or (800,000)	If exchange rate at fixing date is at or below 1.35 If exchange rate at fixing date is above 1.35	Weekly from August 2008 to October 2008	-	-	-

### 13.3 Commodity price risk

As at 30 June 2008, a subsidiary company in Singapore has entered into various contracts to hedge exposure to bunker price fluctuations, covering the period from July 2008 to December 2008 and volume of 9,000 metric tons per month (31 December 2007: 3,000 metric tons to 7,000 metric tons per month covering the period from January 2008 to March 2008).

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(Unaudited but reviewed)

**14. Subsequent events**

During July 2008, the Company borrowed an unsecured loan from a bank amounting to Baht 1,600 million. The loan carries interest at the rate of 5.25 percent per annum and is due in January 2010.

**15. Reclassification**

Certain amounts in the prior periods' financial statements, presented herein for comparative purposes, have been reclassified to conform to the current period's classifications, with no effect on previously reported net income or shareholders' equity.

**16. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 August 2008.



## REGIONAL CONTAINER LINES GROUP

### QUARTERLY EARNING STATEMENTS IN US\$

(million US\$)

	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1 <sup>st</sup> Quarter	Half-Year
	2007	2007	2007	2007	2008	2008
Freight income	136.1	275.2	425.3	571.5	144.8	298.8
Cost of freight and operations	(109.9)	(223.7)	(347.3)	(473.7)	(127.7)	(271.7)
<b>Gross Profit</b>	<b>26.2</b>	<b>51.5</b>	<b>78.0</b>	<b>97.8</b>	<b>17.1</b>	<b>27.1</b>
<b>Gross Profit Margin</b>	<b>19.3%</b>	<b>18.7%</b>	<b>18.3%</b>	<b>17.1%</b>	<b>11.8%</b>	<b>9.1%</b>
Other income	1.6	3.3	4.7	5.6	2.1	3.7
Gain on exchange	0.3	0.0	0.0	0.4	0.9	0.7
Gain on sale of assets	0.5	4.0	4.1	4.4	4.6	25.7
Reversal of loss on impairment of buildings	0.0	0.0	0.0	46.5	0.0	0.0
Total other income	2.4	7.3	8.8	56.9	7.6	30.1
Admin expenses	(8.3)	(16.9)	(26.4)	(34.9)	(10.3)	(20.0)
Loss on exchange	0.0	(0.4)	(0.3)	0.0	0.0	0.0
Total other expenses	(8.3)	(17.3)	(26.7)	(34.9)	(10.3)	(20.0)
Interest expenses	(3.6)	(7.1)	(10.3)	(13.6)	(3.0)	(5.5)
Profit / (loss) before taxation	16.7	34.4	49.8	106.2	11.4	31.7
Income tax	(0.1)	(0.2)	(0.4)	(0.7)	(0.1)	(0.2)
Profit / (loss) after taxation	16.6	34.2	49.4	105.5	11.3	31.5
Minority interest	0.0	0.0	0.0	0.0	0.0	(0.1)
<b>Net profit / (loss) attributable to members</b>	<b>16.6</b>	<b>34.2</b>	<b>49.4</b>	<b>105.5</b>	<b>11.3</b>	<b>31.4</b>

### COMPUTATION OF EBITDA

Profit / (loss) before taxation	16.7	34.4	49.8	106.2	11.4	31.7
Add: Impairment loss	0.0	0.0	0.0	0.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	(46.5)	0.0	0.0
Add: Interest	3.6	7.1	10.3	13.6	3.0	5.5
<b>EBIT</b>	<b>20.3</b>	<b>41.5</b>	<b>60.1</b>	<b>73.3</b>	<b>14.4</b>	<b>37.2</b>
Add: Amortisation	0.0	0.0	0.1	0.2	0.2	0.3
Add: Depreciation	8.5	16.9	25.3	33.9	9.3	18.4
<b>EBITDA</b>	<b>28.8</b>	<b>58.4</b>	<b>85.4</b>	<b>107.4</b>	<b>23.9</b>	<b>55.9</b>



**Regional Container Lines Public Company Limited and its subsidiaries**

**Balance sheets**

	30 June 2008		31 December 2007	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	3,898.6	116.3	2,802.4	83.0
Short-term investments	-	-	57.3	1.7
Trade accounts receivable - unrelated parties, net	2,096.9	62.5	2,070.2	61.4
Trade accounts receivable - related parties	102.5	3.1	104.9	3.1
Other current assets	892.2	26.6	646.0	19.1
<b>Total current assets</b>	<b>6,990.2</b>	<b>208.5</b>	<b>5,680.8</b>	<b>168.3</b>
<b>Non-current assets</b>				
Property and premises, net	3,807.1	111.7	3,709.4	112.3
Vessels and equipment, net	17,236.1	504.9	18,657.9	545.0
Deposit for purchasing vessels	540.9	16.1	91.6	2.7
Other non-current assets	259.5	7.6	248.0	7.3
<b>Total non-current assets</b>	<b>21,843.6</b>	<b>640.3</b>	<b>22,706.9</b>	<b>667.3</b>
<b>Total assets</b>	<b>28,833.8</b>	<b>848.8</b>	<b>28,387.7</b>	<b>835.6</b>

See basis of preparation

**Regional Container Lines Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

	30 June 2008		31 December 2007	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short-term loans from financial institution	863.0	25.7	557.0	16.5
Trade accounts payable - unrelated parties	2,677.4	79.8	2,573.5	76.2
Trade accounts payable - related parties	52.0	1.6	31.0	0.9
Current portion of long-term loans	1,150.3	34.3	1,138.1	33.7
Current portion of debenture	769.3	22.9	769.2	22.8
Other current liabilities	332.0	9.9	329.0	9.7
<b>Total current liabilities</b>	<b>5,844.0</b>	<b>174.2</b>	<b>5,397.8</b>	<b>159.8</b>
<b>Non-current liabilities</b>				
Long-term loans, net of current portion	5,619.2	167.4	5,717.2	169.2
Debenture, net of current portion	-	-	384.7	11.4
<b>Total non-current liabilities</b>	<b>5,619.2</b>	<b>167.4</b>	<b>6,101.9</b>	<b>180.6</b>
<b>Total liabilities</b>	<b>11,463.2</b>	<b>341.6</b>	<b>11,499.7</b>	<b>340.4</b>
<b>Shareholders' equity</b>				
Share capital				
Issued and paid-up				
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	234.6	(14.0)	304.3	(15.0)
Retained earnings				
Appropriated - statutory reserve	66.3	1.9	66.3	1.9
Unappropriated	13,310.0	384.3	12,760.1	373.4
Equity attributable to Company's shareholders	17,347.1	506.5	16,866.9	494.6
Minority interest - equity attributable to				
minority shareholders' of subsidiaries	23.5	0.7	21.1	0.6
<b>Total shareholders' equity</b>	<b>17,370.6</b>	<b>507.2</b>	<b>16,888.0</b>	<b>495.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>28,833.8</b>	<b>848.8</b>	<b>28,387.7</b>	<b>835.6</b>

See basis of preparation

**Regional Container Lines Public Company Limited and its subsidiaries**

**Income statements**

**For the six-month periods ended 30 June 2008 and 2007**

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	Million Baht	Million USD	Million Baht	Million USD
<b>Revenues</b>				
Freight income	9,668.7	298.8	9,643.4	275.2
Gain (loss) on exchange	216.2	0.7	48.2	(0.4)
Gain on sales of assets	831.7	25.7	139.1	4.0
Other income	119.3	3.7	117.1	3.3
<b>Total revenues</b>	<u>10,835.9</u>	<u>328.9</u>	<u>9,947.8</u>	<u>282.1</u>
<b>Expenses</b>				
Cost of freight and operations	8,198.4	253.3	7,244.8	206.8
Depreciation	594.5	18.4	586.4	16.9
Administrative expenses	646.9	20.0	592.7	16.9
<b>Total expenses</b>	<u>9,439.8</u>	<u>291.7</u>	<u>8,423.9</u>	<u>240.6</u>
<b>Income before interest expense and corporate income tax</b>	1,396.1	37.2	1,523.9	41.5
Interest expense	(176.8)	(5.5)	(247.4)	(7.1)
Corporate income tax	(4.8)	(0.2)	(8.2)	(0.2)
<b>Net income for the period</b>	<u>1,214.5</u>	<u>31.5</u>	<u>1,268.3</u>	<u>34.2</u>
<b>Net income (loss) attributable to:</b>				
Equity holders of the parent	1,212.9	31.4	1,269.0	34.2
Minority interests of the subsidiaries	1.6	0.1	(0.7)	-
	<u>1,214.5</u>	<u>31.5</u>	<u>1,268.3</u>	<u>34.2</u>

See basis of preparation



**Regional Container Lines Public Company Limited and its subsidiaries**

**Statements of retained earnings**

**For the six-month periods ended 30 June 2008 and 2007**

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>Retained earnings - unappropriated</b>				
Balance - beginning of period	12,760.1	373.4	9,939.0	296.7
Net income for the period	1,212.9	31.4	1,269.0	34.2
Dividend paid	(663.0)	(20.5)	(663.0)	(18.9)
<b>Total retained earnings - unappropriated</b>	<u>13,310.0</u>	<u>384.3</u>	<u>10,545.0</u>	<u>312.0</u>
<b>Retained earnings - appropriated</b>				
Statutory reserve	66.3	1.9	66.3	1.9
<b>Total retained earnings - appropriated</b>	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
<b>Total retained earnings</b>	<u>13,376.3</u>	<u>386.2</u>	<u>10,611.3</u>	<u>313.9</u>

See basis of preparation

**Basis of preparation**

**1. Thai Baht figures**

The Thai Baht figures in the balance sheets as at 30 June 2008 and profit and loss accounts for the six-month periods ended 30 June 2008 and 2007 were extracted from the reviewed consolidated financial statements. The Thai Baht figures in the balance sheet as at 31 December 2007 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, and Hong Kong.

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 (except for two subsidiaries in Singapore, of which the functional reporting currency in USD) using the following exchange rates:

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

As of 30 June 2008 : USD 1 = Baht 33.5331

As of 31 December 2007 : USD 1 = Baht 33.7673

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 with functional currency reporting in Singapore dollar*

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, vessels and equipment, and disposals of 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 (except for the two subsidiaries in Singapore, of which the functional reporting currency in USD) using the average exchange rates, which were as follows:

30 June 2008 : USD 1 = Baht 32.3613

30 June 2007 : USD 1 = Baht 35.0420