



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

**Press Release for Financial Results as at 30 June 2014**

RCL reported second quarter 2014 results, posting a net gain of THB 294 million versus a net loss of THB 132 million in 2Q2013. The efficiency of stringent cost control, realignment of service and fleet deployment, as well as selective product mix have contributed to the operating gain of THB 286 million in 2Q2014, before a gain on sales of fixed assets.

Regional Container Lines Group's Shipper Owned Container (SOC) vessels lifting in 2Q2014 decreased 10% year-on-year to 229,939 TEUs. For Carrier Owned Container (COC), the vessels lifting decreased 9% year-on-year to 249,551 TEUs. The total vessels lifting for 2Q2014 therefore decreased 9% year-on-year to 479,490 TEUs.

Total turnover for the second quarter before exchange difference, gain on sale of assets and adjustment for unrealized loss on derivatives, increased by 10% Y-O-Y to THB 3,511 million.

The cost of freight and operation in 2Q2014 decreased by 6% to THB 2,938 million as compared to the same quarter the year before, mainly due to the decline in liftings, bunker cost and the stringent of fixed cost efficiency.

In 2Q2014 the group disposed some old containers, which translated to a disposal gain of THB 9 million as compared with a disposal gain of THB 35 million in 2Q2013. In addition, the group recorded a gain on exchange of THB 17 million in 2Q2014 versus a gain of THB 54 million, in the same quarter of last year.

13 Aug 2014

*Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 47 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 74,836 TEUs to support its own COC carriage as well. RCL operates a network of 60 offices made up of both owned and agency partner offices to support its operations. Today, RCL is recognised as amongst the leading SOC and Intra Asian operator by both peers and customers alike.*



QUARTERLY EARNING STATEMENTS IN US\$ MILLION

	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1 <sup>st</sup> Quarter	Half-Year
	2011	2011	2011	2011	2012	2012	2012	2012	2013	2013	2013	2013	2014	2014
Freight income	113.5	227.5	343.7	447.1	103.4	218.9	332.4	436.6	100.9	207.8	317.9	426.5	106.6	214.4
Cost of freight and operations	(124.9)	(243.9)	(363.5)	(467.5)	(114.3)	(215.8)	(327.5)	(429.3)	(103.2)	(207.5)	(314.8)	(417.6)	(102.3)	(192.9)
Gross Profit	(11.4)	(16.4)	(19.8)	(20.4)	(10.9)	3.1	4.9	7.3	(2.3)	0.3	3.1	8.9	4.3	21.5
Gross Profit Margin	-10.0%	-7.2%	-5.8%	-4.6%	-10.5%	1.4%	1.5%	1.7%	-2.3%	0.1%	1.0%	2.1%	4.0%	10.0%
Other income	1.2	2.6	3.8	5.2	1.1	2.1	3.0	4.0	0.6	1.0	1.7	2.8	0.5	1.2
Adjustment for unrealised loss on derivatives	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Gain on exchange	0.0	0.0	1.5	0.0	4.4	0.6	0.0	0.3	0.1	1.0	0.3	0.8	0.0	0.0
Gain on sale of assets	0.8	1.7	44.0	45.3	1.2	2.5	3.7	9.4	1.3	2.4	2.7	3.1	0.3	0.6
Reversal of loss on impairment of buildings	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	2.0	4.4	49.4	52.2	6.7	5.3	6.8	13.8	2.0	4.4	4.7	6.8	0.8	1.8
Admin expenses	(10.2)	(20.5)	(31.2)	(38.9)	(9.4)	(18.4)	(26.8)	(37.9)	(9.3)	(18.1)	(26.7)	(35.5)	(8.8)	(17.1)
Loss on exchange	(0.8)	(0.9)	0.0	(4.3)	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.1)
Loss on impairment of Vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(24.1)	0.0	0.0	0.0	(23.5)	0.0	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(11.2)	0.0	0.0	0.0	(5.1)	0.0	0.0
Total other expenses	(11.0)	(21.4)	(31.2)	(43.2)	(9.4)	(18.4)	(27.8)	(73.2)	(9.3)	(18.1)	(26.7)	(64.1)	(9.0)	(17.2)
Interest expenses	(2.8)	(5.6)	(8.5)	(11.3)	(2.7)	(5.3)	(7.9)	(9.7)	(1.3)	(2.7)	(4.1)	(5.6)	(1.3)	(2.6)
Profit / (loss) before taxation	(23.2)	(39.0)	(10.1)	(22.7)	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5
Income tax	(0.2)	(0.4)	(0.5)	(0.6)	(0.1)	(0.2)	(0.3)	(0.6)	0.0	0.1	0.0	0.0	0.0	0.0
Profit / (loss) after taxation	(23.4)	(39.4)	(10.6)	(23.3)	(16.4)	(15.6)	(24.3)	(62.4)	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)	3.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(23.4)	(39.4)	(10.6)	(23.3)	(16.4)	(15.6)	(24.4)	(62.5)	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)	3.5

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(23.2)	(39.0)	(10.1)	(22.7)	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5
Add: Impairment loss of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.1	0.0	0.0	0.0	23.5	0.0	0.0
Add: Provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	0.0	0.0	0.0	5.1	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Adjustment/ Add Allowance for unrealised loss on derivatives	0.0	(0.1)	(0.1)	(0.1)	0.0	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0
Add: Interest	2.8	5.6	8.5	11.3	2.7	5.3	7.9	9.7	1.3	2.7	4.1	5.6	1.3	2.6
EBIT	(20.4)	(33.5)	(1.7)	(13.1)	(13.6)	(10.1)	(16.2)	(16.9)	(9.6)	(13.4)	(18.9)	(19.9)	(3.9)	6.1
Add: Amortisation	0.3	0.6	1.3	2.0	0.7	1.4	2.2	2.9	0.6	1.2	1.9	2.6	0.4	0.9
Add: Depreciation	9.7	19.7	29.8	39.7	9.8	19.8	30.0	40.3	9.5	19.3	29.3	39.0	8.9	17.8
EBITDA	(10.4)	(13.2)	29.4	28.6	(3.1)	11.1	16.0	26.3	0.5	7.1	12.3	21.7	5.4	24.8



**A. M. T. & Associates**

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August 13, 2014

The Board of Directors  
Regional Container Lines Public Company Limited  
30<sup>th</sup> 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 statements of financial position as of June 30, 2014, the related consolidated statements of income and retained earnings for the six - month period ended June 30, 2014 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,  
A.M.T. & ASSOCIATES

Chaiyuth Angsuwithaya  
Partner

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION

	30 June 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	1,328.9	40.9	1,754.1	53.4
Trade receivables - unrelated parties, net	1,771.0	54.6	1,964.1	59.8
Trade receivables - related parties	33.6	1.0	34.8	1.1
Material supplies	346.3	10.7	385.0	11.7
Other current assets	255.4	7.9	267.5	8.1
Total current assets	<u>3,735.2</u>	<u>115.1</u>	<u>4,405.5</u>	<u>134.1</u>
Non - current assets				
Property and premises, net	316.1	9.7	322.9	9.8
Vessels and equipment, net	14,259.2	429.0	14,883.6	444.9
Intangible assets, net	2.3	0.1	31.0	0.9
Other non - current assets	284.1	8.7	280.8	8.6
Total non - current assets	<u>14,861.7</u>	<u>447.5</u>	<u>15,518.3</u>	<u>464.2</u>
<b>TOTAL ASSETS</b>	<u><u>18,596.9</u></u>	<u><u>562.6</u></u>	<u><u>19,923.8</u></u>	<u><u>598.3</u></u>

*See basis of preparation*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	30 June 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current liabilities</b>				
Short - term loan from financial institution	455.8	14.0	459.4	14.0
Trade payables - unrelated parties	2,581.3	79.5	2,848.8	86.7
Trade payables - related parties	18.6	0.6	464.3	14.1
Current portion of long - term loans	1,068.5	32.9	1,160.0	35.3
Short - term loan from related party	300.0	9.3	300.0	9.1
Provision for onerous contracts	526.4	16.2	532.9	16.2
Provision for unrealised loss from changes in the fair value of derivatives	-	-	0.2	-
Other current liabilities	181.6	5.6	187.1	5.7
<b>Total current liabilities</b>	<b>5,132.2</b>	<b>158.1</b>	<b>5,952.7</b>	<b>181.1</b>
<b>Non - current liabilities</b>				
Long - term loans, net of current portion	4,044.0	124.5	4,632.8	140.9
Employee benefit obligation	33.8	1.0	31.9	1.0
Other non - current liabilities	6.9	0.2	6.7	0.2
<b>Total non - current liabilities</b>	<b>4,084.7</b>	<b>125.7</b>	<b>4,671.4</b>	<b>142.1</b>
<b>Total liabilities</b>	<b>9,216.9</b>	<b>283.8</b>	<b>10,624.1</b>	<b>323.2</b>
<b>Shareholders' equity</b>				
<b>Share capital</b>				
<b>Issued and fully paid up</b>				
828,750,000 ordinary shares of Baht 1 each	828.8	25.8	828.8	25.8
Share premium	4,983.0	173.9	4,983.0	173.9
<b>Retained earnings</b>				
Appropriated - legal reserve	66.3	1.9	66.3	1.9
Unappropriated	3,689.3	88.3	3,553.9	84.8
Exchange differences on translating financial statement	(208.2)	(11.7)	(151.0)	(11.9)
<b>Equity attributable to Company's shareholders</b>	<b>9,359.2</b>	<b>278.2</b>	<b>9,281.0</b>	<b>274.5</b>
Non - controlling interests	20.8	0.6	18.7	0.6
<b>Total shareholders' equity</b>	<b>9,380.0</b>	<b>278.8</b>	<b>9,299.7</b>	<b>275.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18,596.9</b>	<b>562.6</b>	<b>19,923.8</b>	<b>598.3</b>

*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 2014 AND 2013

	2014		2013	
	Million Baht	Million USD	Million Baht	Million USD
Retained earnings - unappropriated				
Balance - beginning of period	3,553.9	84.8	5,206.8	138.8
Effect of changes in accounting policy	-	-	-	-
Balance - beginning of period after adjustment	3,553.9	84.8	5,206.8	138.8
Profit (loss) for the period attributable to equity holders of the parent	135.4	3.5	(491.1)	(16.0)
Total retained earnings - unappropriated	<u>3,689.3</u>	<u>88.3</u>	<u>4,715.7</u>	<u>122.8</u>
Retained earnings - appropriated				
Legal 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>3,755.6</u></u>	<u><u>90.2</u></u>	<u><u>4,782.0</u></u>	<u><u>124.7</u></u>

*See basis of preparation*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF INCOME  
FOR THE SIX - MONTH PERIODS ENDED 30 JUNE 2014 AND 2013

	2014		2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	6,983.6	214.4	6,206.2	207.8
Other income				
Gain on exchange rate	18.3	-	34.8	1.0
Gain on sales of assets	19.0	0.6	70.7	2.4
Adjustment provision for unrealised loss on derivatives	0.2	-	1.1	-
Others	18.5	0.6	10.1	0.3
Total revenues	<u>7,039.6</u>	<u>215.6</u>	<u>6,322.9</u>	<u>211.5</u>
Expenses				
Cost of freight and operations	5,705.7	175.2	5,628.9	188.5
Depreciation and amortisation	608.5	18.7	632.3	20.5
Administrative expenses	525.6	16.1	493.9	16.5
Other expenses - loss on exchange rate	-	0.1	-	-
Finance costs	83.6	2.6	80.7	2.7
Total expenses	<u>6,923.4</u>	<u>212.7</u>	<u>6,835.8</u>	<u>228.2</u>
Share of profit (loss) of associates	20.2	0.6	20.3	0.7
Profit (loss) before income tax expense	136.4	3.5	(492.6)	(16.0)
Tax expense (income)	(0.2)	-	(1.9)	-
Profit (loss) for the period	<u>136.6</u>	<u>3.5</u>	<u>(490.7)</u>	<u>(16.0)</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	135.4	3.5	(491.1)	(16.0)
Non - controlling interests	1.2	-	0.4	-
	<u>136.6</u>	<u>3.5</u>	<u>(490.7)</u>	<u>(16.0)</u>

*See basis of preparation*

## Basis of preparation

### 1. Thai Baht figures

The Thai Baht figures in the statements of financial position as of 30 June 2014 and profit and loss accounts for the six - month periods ended 30 June 2014 and 2013 were extracted from the reviewed 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 "Exchange differences on translating financial statement" in the shareholders' equity.

### 2. USD figures

2.1 The USD figures in the consolidated statements of financial position were determined by translating the Thai Baht consolidated statements of financial position 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 2014 : USD 1 = Baht 32.4600  
As of 31 December 2013 : USD 1 = Baht 32.8600

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

*For the Company and its Thailand subsidiaries*

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 rate as at the transaction dates were used for additional share capital, share premium, property and premises, vessels and equipment and intangible assets and disposals of property and premises, vessels and equipment and intangible assets.

Any differences have been included in "Exchange differences on translating financial statement".

- 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 2014	:	USD 1 = Baht 32.5674
30 June 2013	:	USD 1 = Baht 29.8677