



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

Press Release for Financial Results as at 31 December 2014

RCL reported fourth quarter 2014 results, posting a net gain of THB 166 million, as compared to a loss of THB 939 million in 4Q2013. The stringent cost control, realignment of services and fleet deployment, selective product mix and the reversal of provision for loss under onerous contract have contributed to the operating gain of THB 149 million in 4Q2014, before a gain on sales of fixed assets. After taking into consideration the gain from sales of fixed assets in 4Q2014, the twelve months gain was THB 362 million versus a loss of THB 1,652 million in 2013.

Regional Container Lines Group's Shipper Owned Container (SOC) liftings in 4Q14 decreased 5% year-on-year at 228,253 TEUs. For Carrier Owned Container (COC), the liftings decreased 6% year-on-year at 239,990 TEUs. The total liftings for 4Q14 therefore decreased 5% year-on-year at 468,243 TEUs. On the full year basis ended December 31, SOC liftings decrease 9% at 937,975 TEUs and COC liftings decreased 10% at 956,422 TEUs, resulting in total liftings decrease of 9% at 1,894,397 TEUs.

As a result of the decline in liftings, total turnover for the fourth quarter before exchange difference, gain on sale of assets, reversal of provisions for loss under onerous contract and adjustment for unrealized loss on derivatives, decreased by 10% Y-O-Y at THB 3,141 million.

The cost of freight and operation in 4Q14 decreased by 14% at THB 2,819 million as compared to the same quarter the year before, mainly due to the decline in bunker, fixed cost and liftings.

In 4Q14 the group disposed some old containers, which translated to a disposal gain of THB 17 million as against a disposal gain of THB 14 million in 4Q13. In addition, the group recorded a loss on exchange of THB 43 million in 2013 versus a gain of THB 38 million last year.

27 February 2015

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 50 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 73,791 TEUs to support its own COC carriage as well. RCL operates a network of 59 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
(million US\$)

	1st Quarter 2013	Half-Year 2013	9 months 2013	Year-end 2013	1st Quarter 2014	Half-Year 2014	9 months 2014	Year-end 2014
Freight income	100.9	207.8	317.9	426.5	106.6	214.4	314.0	409.7
Cost of freight and operations	(103.2)	(207.5)	(314.8)	(417.6)	(102.3)	(192.9)	(281.1)	(367.3)
Gross Profit	(2.3)	0.3	3.1	8.9	4.3	21.5	32.9	42.4
Gross Profit Margin	-2.3%	0.1%	1.0%	2.1%	4.0%	10.0%	10.5%	10.3%
Other income	0.6	1.0	1.7	2.8	0.5	1.2	2.2	2.7
Adjustment for unrealised loss on derivatives	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Gain on exchange	0.1	1.0	0.3	0.8	0.0	0.0	0.8	2.4
Gain on sale of assets	1.3	2.4	2.7	3.1	0.3	0.6	0.9	1.4
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5
Total other income	2.0	4.4	4.7	6.8	0.8	1.8	3.9	12.0
Admin expenses	(9.3)	(18.1)	(26.7)	(35.5)	(8.8)	(17.1)	(25.5)	(34.0)
Loss on exchange	0.0	0.0	0.0	0.0	(0.2)	(0.1)	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	(23.5)	0.0	0.0	0.0	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	(5.1)	0.0	0.0	0.0	0.0
Total other expenses	(9.3)	(18.1)	(26.7)	(64.1)	(9.0)	(17.2)	(25.5)	(34.0)
Interest expenses	(1.3)	(2.7)	(4.1)	(5.6)	(1.3)	(2.6)	(3.8)	(5.0)
Profit / (loss) before taxation	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5	7.5	15.4
Income tax	0.0	0.1	0.0	0.0	0.0	0.0	(0.2)	(0.2)
Profit / (loss) after taxation	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)	3.5	7.3	15.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)	3.5	7.3	15.2

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5	7.5	15.4
Add: Impairment loss of assets	0.0	0.0	0.0	23.5	0.0	0.0	0.0	0.0
Add: Provision for loss under onerous contracts	0.0	0.0	0.0	5.1	0.0	0.0	0.0	0.0
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.5)
Less Adjustment/ Add Allowance for unrealised loss on derivatives	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0
Add: Interest	1.3	2.7	4.1	5.6	1.3	2.6	3.8	5.0
EBIT	(9.6)	(13.4)	(18.9)	(19.9)	(3.9)	6.1	11.3	14.9
Add: Amortisation	0.6	1.2	1.9	2.6	0.4	0.9	0.9	0.9
Add: Depreciation	9.5	19.3	29.3	39.0	8.9	17.8	26.9	35.7
EBITDA	0.5	7.1	12.3	21.7	5.4	24.8	39.1	51.5



A. M. T. & Associates

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February 27, 2015

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 statements of financial position as at December 31, 2014, the related consolidated statements of income and retained earnings for the years ended December 31, 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.

Your's faithfully,
A.M.T. & ASSOCIATES

Chaiyuth Angsuwithaya
Partner

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

	31 December 2014		31 December 2013	
	Million Baht	Million USD	Million Baht	Million USD
	<u>ASSETS</u>			
Current assets				
Cash and cash equivalents	1,623.6	49.3	1,754.1	53.4
Current investment - fixed deposit	150.0	4.6	-	-
Trade receivables - unrelated parties, net	1,846.0	56.1	1,964.1	59.8
Trade receivables - related parties	46.2	1.4	34.8	1.1
Material supplies	296.5	9.0	385.0	11.7
Other current assets	216.3	6.6	267.5	8.1
Total current assets	4,178.6	127.0	4,405.5	134.1
Non - current assets				
Property and premises, net	318.6	9.7	322.9	9.8
Vessels and equipment, net	13,846.1	412.9	14,883.6	444.9
Intangible assets, net	1.1	-	31.0	0.9
Other non - current assets	312.5	9.5	280.8	8.6
Total non - current assets	14,478.3	432.1	15,518.3	464.2
TOTAL ASSETS	18,656.9	559.1	19,923.8	598.3

See basis of preparation

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

	31 December 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities				
Short - term loan from financial institution	598.1	18.2	459.4	14.0
Trade payables - unrelated parties	2,785.6	84.7	2,848.8	86.7
Trade payables - related parties	4.3	0.1	464.3	14.1
Current portion of long - term loans	1,321.5	40.2	1,160.0	35.3
Short - term loan from related party	300.0	9.1	300.0	9.1
Provision for onerous contracts	352.2	10.7	532.9	16.2
Provision for unrealised loss from changes in the fair value of derivatives	-	-	0.2	-
Other current liabilities	203.5	6.2	187.1	5.7
Total current liabilities	5,565.2	169.2	5,952.7	181.1
Non - current liabilities				
Long - term loans, net of current portion	3,313.7	100.7	4,632.8	140.9
Employee benefit obligation	32.8	1.0	31.9	1.0
Other non - current liabilities	6.9	0.2	6.7	0.2
Total non - current liabilities	3,353.4	101.9	4,671.4	142.1
Total liabilities	8,918.6	271.1	10,624.1	323.2
Shareholders' equity				
Share capital				
Issued and fully paid up				
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
Retained earnings				
Appropriated - legal reserve	66.3	1.9	66.3	1.9
Unappropriated	3,919.0	100.1	3,553.9	84.8
Exchange differences on translating financial statement	(82.5)	(14.4)	(151.0)	(11.9)
Equity attributable to Company's shareholders	9,714.6	287.3	9,281.0	274.5
Non - controlling interests	23.7	0.7	18.7	0.6
Total shareholders' equity	9,738.3	288.0	9,299.7	275.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,656.9	559.1	19,923.8	598.3

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF RETAINED EARNINGS
 FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

	2014		2013	
	Million Baht	Million USD	Million Baht	Million USD
Retained earnings - unappropriated				
Balance - beginning of year	3,553.9	84.8	5,206.8	138.8
Profit (loss) for the year attributable to equity holders of the parent	361.5	15.2	(1,652.9)	(54.0)
Transfer actuarial gain (losses) on defined employee benefit plans - net from deferred tax to retained earnings	3.6	0.1	-	-
Total retained earnings - unappropriated	<u>3,919.0</u>	<u>100.1</u>	<u>3,553.9</u>	<u>84.8</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>3,985.3</u></u>	<u><u>102.0</u></u>	<u><u>3,620.2</u></u>	<u><u>86.7</u></u>

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

	2014		2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	13,314.3	409.7	13,111.6	426.5
Other income				
Gain on exchange rate	-	2.4	58.2	0.8
Gain on sales of assets	47.1	1.4	95.4	3.1
Adjustment provision for unrealised loss on derivatives	0.1	-	1.8	0.1
Reversal of provision for loss under onerous contracts	179.2	5.5	-	-
Others	39.4	1.2	47.1	1.5
Total revenues	<u>13,580.1</u>	<u>420.2</u>	<u>13,314.1</u>	<u>432.0</u>
Expenses				
Cost of freight and operations	10,784.4	331.9	11,652.2	379.0
Depreciation and amortisation	1,189.5	36.6	1,305.8	41.6
Administrative expenses	1,066.4	32.8	1,000.0	32.5
Other expenses				
Loss on exchange rate	56.3	-	-	-
Loss on impairment of assets	-	-	722.2	23.5
Provision for loss under onerous contracts	-	-	155.2	5.1
Finance costs	161.6	5.0	170.5	5.6
Total expenses	<u>13,258.2</u>	<u>406.3</u>	<u>15,005.9</u>	<u>487.3</u>
Share of profit (loss) of associates	49.6	1.5	40.6	1.3
Profit (loss) before income tax expense	371.5	15.4	(1,651.2)	(54.0)
Tax expense (income)	8.5	0.2	0.6	-
Profit (loss) for the year	<u>363.0</u>	<u>15.2</u>	<u>(1,651.8)</u>	<u>(54.0)</u>
Profit (loss) for the year attributable to:				
Equity holders of the parent	361.5	15.2	(1,652.9)	(54.0)
Non - controlling interests	1.5	-	1.1	-
	<u>363.0</u>	<u>15.2</u>	<u>(1,651.8)</u>	<u>(54.0)</u>

See basis of preparation

Basis of preparation

1. Thai Baht figures

The Thai Baht figures in the statements of financial position as at 31 December 2014 and 2013 and profit and loss accounts for the years then ended were extracted from the audited consolidated financial statements. The consolidated financial statements included the financial statements of Regional Container Lines Public Company Limited (hereinafter called "the Company") and its subsidiaries in Thailand, Singapore 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 the Company and two subsidiaries in Singapore in 2014 and two subsidiaries in Singapore in 2013, 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 31 December 2014 : USD 1 = Baht 32.9000

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 Company and two subsidiaries in Singapore in 2014 and two subsidiaries in Singapore in 2013, of which the functional reporting currency in USD) using the average exchange rates, which were as follows:

31 December 2014 : USD 1 = Baht 32.4961
31 December 2013 : USD 1 = Baht 30.7425