



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

Press Release for Financial Results as at 30 June 2015

RCL reported second quarter 2015 results, posting a net gain at THB 55 million versus a net gain at THB 294 million in 2Q2014. Despite the continuous over-capacity and volatile freight rate, the Group achieved an operational gain of THB 48 million in 2Q2015, before a gain on sales of fixed assets.

Regional Container Lines Group's Shipper Owned Container (SOC) vessels liftings in 2Q2015 decreased 10% year-on-year at 205,967 TEUs. For Carrier Owned Container (COC), the vessels liftings decreased 5% year-on-year to 237,717 TEUs. The total liftings for 2Q2015 therefore decreased 7% year-on-year at 443,684 TEUs.

Total turnover for the second quarter before exchange difference and gain on sale of assets, decreased by 14% Y-O-Y at THB 3,026 million.

The cost of freight and operation in 2Q2015 decreased by 8% at THB 2,703 million as compared to the same quarter the year before, mainly due to the decline in liftings, and decreased bunker price.

In 2Q2015 the group disposed some old containers, which translated to a disposal gain of THB 7 million as compared with a disposal gain of THB 9 million in 2Q2014. In addition, the group recorded a loss on exchange of THB 12 million in 2Q2015 versus a gain of THB 17 million, in the same quarter of last year.

11 August 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 49 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 74,028 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.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN US\$ MILLION

(million US\$)

	1st Quarter 2014	Half-Year 2014	9 months 2014	Year-end 2014	1st Quarter 2015	Half-Year 2015
Freight income	106.6	214.4	314.0	409.7	87.8	178.4
Cost of freight and operations	(102.3)	(192.9)	(281.1)	(367.3)	(76.3)	(157.7)
Gross Profit	4.3	21.5	32.9	42.4	11.6	20.7
Gross Profit Margin	4.0%	10.0%	10.5%	10.3%	13.2%	11.6%
Other income	0.5	1.2	2.2	2.7	0.8	1.5
Adjustment for unrealised loss on derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Gain on exchange	0.0	0.0	0.8	2.4	1.7	1.2
Gain on sale of assets	0.3	0.6	0.9	1.4	0.3	0.6
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	5.5	0.0	0.0
Total other income	0.8	1.8	3.9	12.0	2.8	3.3
Admin expenses	(8.8)	(17.1)	(25.5)	(34.0)	(6.6)	(13.5)
Loss on exchange	(0.2)	(0.1)	0.0	0.0	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	0.0	0.0	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(9.0)	(17.2)	(25.5)	(34.0)	(6.6)	(13.5)
Interest expenses	(1.3)	(2.6)	(3.8)	(5.0)	(1.2)	(2.4)
Profit / (loss) before taxation	(5.2)	3.5	7.5	15.4	6.5	8.1
Income tax	0.0	0.0	(0.2)	(0.2)	0.0	(0.2)
Profit / (loss) after taxation	(5.2)	3.5	7.3	15.2	6.5	7.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(5.2)	3.5	7.3	15.2	6.5	7.9

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(5.2)	3.5	7.5	15.4	6.5	8.1
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(5.5)	0.0	0.0
Less Adjustment/ Add Allowance for unrealised loss on derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Add: Interest	1.3	2.6	3.8	5.0	1.2	2.4
EBIT	(3.9)	6.1	11.3	14.9	7.7	10.5
Add: Amortisation	0.4	0.9	0.9	0.9	0.0	0.0
Add: Depreciation	8.9	17.8	26.9	35.7	9.0	17.8
EBITDA	5.4	24.8	39.1	51.5	16.7	28.3



A. M. T. & Associates

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August 11, 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 of June 30, 2015, the related consolidated statements of income and retained earnings for the six - month period ended June 30, 2015 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 2015		31 December 2014	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
ASSETS				
Current assets				
Cash and cash equivalents	2,080.8	61.5	1,773.6	53.9
Trade receivables - unrelated parties, net	1,872.8	55.4	1,846.0	56.1
Trade receivables - related parties	16.6	0.5	46.2	1.4
Material supplies	265.0	7.8	296.5	9.0
Other current assets	233.1	6.9	216.3	6.6
Total current assets	<u>4,468.3</u>	<u>132.1</u>	<u>4,178.6</u>	<u>127.0</u>
Non - current assets				
Property and premises, net	324.3	9.6	318.6	9.7
Vessels and equipment, net	13,538.2	400.2	13,846.1	412.9
Intangible assets, net	0.1	-	1.1	-
Other non - current assets	329.1	9.7	312.5	9.5
Total non - current assets	<u>14,191.7</u>	<u>419.5</u>	<u>14,478.3</u>	<u>432.1</u>
TOTAL ASSETS	<u><u>18,660.0</u></u>	<u><u>551.6</u></u>	<u><u>18,656.9</u></u>	<u><u>559.1</u></u>

See basis of preparation

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

	30 June 2015		31 December 2014	
	Million Baht	Million USD	Million Baht	Million USD
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities				
Short - term loan from financial institution	826.6	24.4	598.1	18.2
Trade payables - unrelated parties	2,821.2	83.4	2,785.6	84.7
Trade payables - related parties	3.3	0.1	4.3	0.1
Current portion of long - term loans	1,288.8	38.1	1,321.5	40.2
Short - term loan from related party	300.0	8.9	300.0	9.1
Provision for onerous contracts	362.1	10.7	352.2	10.7
Other current liabilities	183.3	5.4	203.5	6.2
Total current liabilities	5,785.3	171.0	5,565.2	169.2
Non - current liabilities				
Long - term loans, net of current portion	2,921.1	86.3	3,313.7	100.7
Employee benefit obligation	36.0	1.1	32.8	1.0
Other non - current liabilities	7.5	0.2	6.9	0.2
Total non - current liabilities	2,964.6	87.6	3,353.4	101.9
Total liabilities	8,749.9	258.6	8,918.6	271.1
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	4,080.6	106.0	3,919.0	100.1
Exchange differences on translating financial statement	(79.0)	(15.5)	(82.5)	(14.4)
Equity attributable to Company's shareholders	9,879.7	292.1	9,714.6	287.3
Non - controlling interests	30.4	0.9	23.7	0.7
Total shareholders' equity	9,910.1	293.0	9,738.3	288.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,660.0	551.6	18,656.9	559.1

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 2015 AND 2014

	2015		2014	
	Million Baht	Million USD	Million Baht	Million USD
Retained earnings - unappropriated				
Balance - beginning of period	3,919.0	100.1	3,553.9	84.8
Profit (loss) for the period attributable to equity holders of the parent	228.2	7.9	135.4	3.5
Reversal of unpaid dividend to shareholders	16.2	0.5	-	-
Dividend paid	(82.8)	(2.5)	-	-
Total retained earnings - unappropriated	<u>4,080.6</u>	<u>106.0</u>	<u>3,689.3</u>	<u>88.3</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>4,146.9</u></u>	<u><u>107.9</u></u>	<u><u>3,755.6</u></u>	<u><u>90.2</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 2015 AND 2014

	2015		2014	
	Million Baht	Million USD	Million Baht	Million USD
Revenues				
Freight income	5,882.3	178.4	6,983.6	214.4
Other income				
Gain on exchange rate	5.4	1.2	18.3	-
Gain on sales of assets	18.4	0.6	19.0	0.6
Adjustment provision for unrealised loss on derivatives	-	-	0.2	-
Others	21.3	0.6	18.5	0.6
Total revenues	<u>5,927.4</u>	<u>180.8</u>	<u>7,039.6</u>	<u>215.6</u>
Expenses				
Cost of freight and operations	4,608.1	139.8	5,705.7	175.2
Depreciation and amortisation	588.6	17.9	608.5	18.7
Administrative expenses	446.9	13.5	525.6	16.1
Other expenses - loss on exchange rate	-	-	-	0.1
Finance costs	77.6	2.4	83.6	2.6
Total expenses	<u>5,721.2</u>	<u>173.6</u>	<u>6,923.4</u>	<u>212.7</u>
Share of profit (loss) of associates	29.6	0.9	20.2	0.6
Profit (loss) before income tax expense	235.8	8.1	136.4	3.5
Tax expense (income)	5.6	0.2	(0.2)	-
Profit (loss) for the period	<u>230.2</u>	<u>7.9</u>	<u>136.6</u>	<u>3.5</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	228.2	7.9	135.4	3.5
Non - controlling interests	2.0	-	1.2	-
	<u>230.2</u>	<u>7.9</u>	<u>136.6</u>	<u>3.5</u>

See basis of preparation

Basis of preparation

1. Thai Baht figures

The Thai Baht figures in the statements of financial position as at 30 June 2015 and profit and loss accounts for the six - month periods ended 30 June 2015 and 2014 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 the Company and 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 2015 : USD 1 = Baht 33.8300

As of 31 December 2014 : USD 1 = Baht 32.9000

- 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, of which the functional reporting currency in USD) using the average exchange rates, which were as follows:

30 June 2015 : USD 1 = Baht 32.9643

30 June 2014 : USD 1 = Baht 32.5674

Unrealized gain (loss) on exchange rate of the Group (except for the Company and two subsidiaries in Singapore) have been included in "Exchange differences on translating financial statement".