



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

Press Release for Financial Results as at 30 September 2015

RCL clocked in a better nine-month YTD Net Profit Before Tax at THB 211 million, as compared to THB 202 million in the previous year, although it posted a net loss of THB 35 million versus a net gain at THB 60 million in 3Q2014, due to the industry's depressing freight rates.

The Group rationalised routes and reduced costs and expenses to achieve this result, despite a 9% year-on-year decrease in total lifting and a 4% fall in total turnover.

Despite the industry overcapacity and severe freight rate erosion, the Group garnered a 4.5% reduction in its nine-month YTD total costs and expenses per TEU. Moving forward the Group will continue to improve financial results though enforcement of sales force and cost reduction.

12 November 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 48 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 76,301 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	9 months 2015
Freight income	106.6	214.4	314.0	409.7	87.8	178.4	265.0
Cost of freight and operations	(102.3)	(192.9)	(281.1)	(367.3)	(76.3)	(157.7)	(238.4)
Gross Profit	4.3	21.5	32.9	42.4	11.6	20.7	26.6
Gross Profit Margin	4.0%	10.0%	10.5%	10.3%	13.2%	11.6%	10.0%
Other income	0.5	1.2	2.2	2.7	0.8	1.5	2.5
Adjustment for unrealised loss on derivatives	0.0	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	2.3
Gain on sale of assets	0.3	0.6	0.9	1.4	0.3	0.6	0.7
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	5.5	0.0	0.0	0.0
Total other income	0.8	1.8	3.9	12.0	2.8	3.3	5.5
Admin expenses	(8.8)	(17.1)	(25.5)	(34.0)	(6.6)	(13.5)	(20.4)
Loss on exchange	(0.2)	(0.1)	0.0	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	0.0
Provision for loss under onerous contracts	0.0	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)	(20.4)
Interest expenses	(1.3)	(2.6)	(3.8)	(5.0)	(1.2)	(2.4)	(3.4)
Profit / (loss) before taxation	(5.2)	3.5	7.5	15.4	6.5	8.1	8.3
Income tax	0.0	0.0	(0.2)	(0.2)	0.0	(0.2)	(0.5)
Profit / (loss) after taxation	(5.2)	3.5	7.3	15.2	6.5	7.9	7.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Net profit / (loss) attributable to members	(5.2)	3.5	7.3	15.2	6.5	7.9	7.7

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(5.2)	3.5	7.5	15.4	6.5	8.1	8.3
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(5.5)	0.0	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	0.0
Add: Interest	1.3	2.6	3.8	5.0	1.2	2.4	3.4
EBIT	(3.9)	6.1	11.3	14.9	7.7	10.5	11.7
Add: Amortisation	0.4	0.9	0.9	0.9	0.0	0.0	0.0
Add: Depreciation	8.9	17.8	26.9	35.7	9.0	17.8	26.7
EBITDA	5.4	24.8	39.1	51.5	16.7	28.3	38.4



A. M. T. & Associates

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November 12, 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 September 30, 2015, the related consolidated statements of income and retained earnings for the nine - month period ended September 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 September 2015		31 December 2014	
	Million Baht	Million USD	Million Baht	Million USD
	<u>ASSETS</u>			
Current assets				
Cash and cash equivalents	2,018.0	55.5	1,773.6	53.9
Trade receivables - unrelated parties, net	1,809.7	49.8	1,846.0	56.1
Trade receivables - related parties	-	-	46.2	1.4
Material supplies	256.2	7.0	296.5	9.0
Other current assets	282.6	7.8	216.3	6.6
Total current assets	4,366.5	120.1	4,178.6	127.0
Non - current assets				
Property and premises, net	346.7	9.5	318.6	9.7
Vessels and equipment, net	14,312.4	393.6	13,846.1	412.9
Intangible assets, net	0.1	-	1.1	-
Other non - current assets	368.0	10.2	312.5	9.5
Total non - current assets	15,027.2	413.3	14,478.3	432.1
TOTAL ASSETS	19,393.7	533.4	18,656.9	559.1

See basis of preparation

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

	30 September 2015		31 December 2014	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities				
Short - term loan from financial institution	727.2	20.0	598.1	18.2
Trade payables - unrelated parties	2,726.5	75.0	2,785.6	84.7
Trade payables - related parties	5.1	0.1	4.3	0.1
Current portion of long - term loans	1,154.4	31.7	1,321.5	40.2
Short - term loan from related party	300.0	8.3	300.0	9.1
Provision for onerous contracts	389.2	10.7	352.2	10.7
Other current liabilities	194.3	5.4	203.5	6.2
Total current liabilities	5,496.7	151.2	5,565.2	169.2
Non - current liabilities				
Long - term loans, net of current portion	3,242.0	89.2	3,313.7	100.7
Employee benefit obligation	37.3	1.0	32.8	1.0
Other non - current liabilities	8.1	0.2	6.9	0.2
Total non - current liabilities	3,287.4	90.4	3,353.4	101.9
Total liabilities	8,784.1	241.6	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	4,045.5	105.8	3,919.0	100.1
Exchange differences on translating financial statement	653.7	(16.5)	(82.5)	(14.4)
Equity attributable to Company's shareholders	10,577.3	290.9	9,714.6	287.3
Non - controlling interests	32.3	0.9	23.7	0.7
Total shareholders' equity	10,609.6	291.8	9,738.3	288.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,393.7	533.4	18,656.9	559.1

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF RETAINED EARNINGS
 FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2015 AND 2014

	2015		2014	
	Million	Million	Million	Million
	Baht	USD	Baht	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	193.1	7.7	195.5	7.3
Reversal of unpaid dividend to shareholders	16.2	0.5	-	-
Dividend paid	(82.8)	(2.5)	-	-
Total retained earnings - unappropriated	<u>4,045.5</u>	<u>105.8</u>	<u>3,749.4</u>	<u>92.1</u>
Retained earnings - appropriated				
Legal reserve	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
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>4,111.8</u></u>	<u><u>107.7</u></u>	<u><u>3,815.7</u></u>	<u><u>94.0</u></u>

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2015 AND 2014

	2015		2014	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	8,943.1	265.0	10,178.5	314.0
Other income				
Gain on exchange rate	9.7	2.3	-	0.8
Gain on sales of assets	23.6	0.7	29.7	0.9
Adjustment provision for unrealised loss on derivatives	-	-	0.1	-
Others	42.0	1.2	34.4	1.1
Total revenues	<u>9,018.4</u>	<u>269.2</u>	<u>10,242.7</u>	<u>316.8</u>
Expenses				
Cost of freight and operations	7,142.0	211.7	8,251.2	254.5
Depreciation and amortisation	902.9	26.7	900.5	27.8
Administrative expenses	689.9	20.4	788.1	24.3
Other expenses - loss on exchange rate	-	-	13.4	-
Finance costs	115.4	3.4	123.1	3.8
Total expenses	<u>8,850.2</u>	<u>262.2</u>	<u>10,076.3</u>	<u>310.4</u>
Share of profit (loss) of associates	43.2	1.3	36.1	1.1
Profit (loss) before income tax expense	211.4	8.3	202.5	7.5
Tax expense (income)	15.9	0.5	5.7	0.2
Profit (loss) for the period	<u>195.5</u>	<u>7.8</u>	<u>196.8</u>	<u>7.3</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	193.1	7.7	195.5	7.3
Non - controlling interests	2.4	0.1	1.3	-
	<u>195.5</u>	<u>7.8</u>	<u>196.8</u>	<u>7.3</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 September 2015 and profit and loss accounts for the nine - month periods ended 30 September 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 September 2015 : USD 1 = Baht 36.3600

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 September 2015 : USD 1 = Baht 33.7422

30 September 2014 : USD 1 = Baht 32.4190

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".