



# 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<br>2014 | Half-Year<br>2014 | 9 months<br>2014 | Year-end<br>2014 | 1st Quarter<br>2015 | Half-Year<br>2015 | 9 months<br>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)          |
| <b>Gross Profit</b>                                    | <b>4.3</b>          | <b>21.5</b>       | <b>32.9</b>      | <b>42.4</b>      | <b>11.6</b>         | <b>20.7</b>       | <b>26.6</b>      |
| <b>Gross Profit Margin</b>                             | <b>4.0%</b>         | <b>10.0%</b>      | <b>10.5%</b>     | <b>10.3%</b>     | <b>13.2%</b>        | <b>11.6%</b>      | <b>10.0%</b>     |
| 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)            |
| <b>Net profit / (loss) attributable to members</b>     | <b>(5.2)</b>        | <b>3.5</b>        | <b>7.3</b>       | <b>15.2</b>      | <b>6.5</b>          | <b>7.9</b>        | <b>7.7</b>       |

### 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         |
| <b>EBIT</b>   | <b>(3.9)</b> | <b>6.1</b>  | <b>11.3</b> | <b>14.9</b> | <b>7.7</b>  | <b>10.5</b> | <b>11.7</b> |
| 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        |
| <b>EBITDA</b>   | <b>5.4</b>   | <b>24.8</b> | <b>39.1</b> | <b>51.5</b> | <b>16.7</b> | <b>28.3</b> | <b>38.4</b> |



## A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

Accounting Management & Tax Services

491/27 Silom Plaza, Silom Road, Bangruak, Bangkok 10500, Thailand.

Tel: +66 (0) 2234-1676, 2234-1678, 2237-2132 • Fax: +66 (0) 2237-2133

November 12, 2015

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 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<br>Baht   | Million<br>USD | Million<br>Baht  | Million<br>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          |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>      |                   |              |                  |              |
| <b>Current liabilities</b>                              |                   |              |                  |              |
| 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          |
| <b>Total current liabilities</b>                        | <b>5,496.7</b>    | <b>151.2</b> | <b>5,565.2</b>   | <b>169.2</b> |
| <b>Non - current liabilities</b>                        |                   |              |                  |              |
| 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          |
| <b>Total non - current liabilities</b>                  | <b>3,287.4</b>    | <b>90.4</b>  | <b>3,353.4</b>   | <b>101.9</b> |
| <b>Total liabilities</b>                                | <b>8,784.1</b>    | <b>241.6</b> | <b>8,918.6</b>   | <b>271.1</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  | 4,045.5           | 105.8        | 3,919.0          | 100.1        |
| Exchange differences on translating financial statement | 653.7             | (16.5)       | (82.5)           | (14.4)       |
| <b>Equity attributable to Company's shareholders</b>    | <b>10,577.3</b>   | <b>290.9</b> | <b>9,714.6</b>   | <b>287.3</b> |
| Non - controlling interests                             | 32.3              | 0.9          | 23.7             | 0.7          |
| <b>Total shareholders' equity</b>                       | <b>10,609.6</b>   | <b>291.8</b> | <b>9,738.3</b>   | <b>288.0</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>       | <b>19,393.7</b>   | <b>533.4</b> | <b>18,656.9</b>  | <b>559.1</b> |

*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".