



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

Minutes of the 30<sup>th</sup> Annual General Meeting

of

Regional Container Lines Public Company Limited

Held at Rattanakosin-Sukhothai , 2<sup>nd</sup> Floor , Narai Hotel,

222 Silom Road, Bangrak , Bangkok

on Friday 24<sup>th</sup> April 2009

**Directors attending the Meeting**

- |                                  |   |
|----------------------------------|---|
| 1. Mr. Kua Phek Long             | Executive Chairman                            |
| 2. Mr. Sumate Tanthuanit         | Managing Director                             |
| 3. Mrs. Soonthara Iamsuri        | Director & Chairperson of the Audit Committee |
| 4. Mr. Amornsuk Noparumpa        | Director & Audit Committee                    |
| 5. Ms. Tuangrat Kirtiputra       | Director & Audit Committee                    |
| 6. Mr. Kua Hock Eng              | Director                                      |
| 7. Mr. Hartwig Schulze – Eckardt | Director                                      |
| 8. Dr. Jamlong Atikul            | Director                                      |
| 9. Mr. Dusit Nontanakorn         | Director                                      |
| 10. Mr. Viset Choopiban          | Director                                      |

**Management**

- |                     |                                     |
|---------------------|-------------------------------------|
| 1. Mr. Kenneth Chiu | Executive Vice President ( Support) |
|---------------------|-------------------------------------|

**Auditor**

- |                         |  |
|-------------------------|--|
| 1. Ms. Umaporn Wongmasa | Representing Ms. Sumalee Reewarabandith<br>Ernst & Young Office Limited. |
|-------------------------|--|



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## **Shareholders attending the Meeting**

1. 70 shareholders, holding 57,232,956 shares
2. 159 proxies, holding 469,095,390 shares

Totaling 229 shareholders and proxies, holding 526,328,346 shares or 79.3859 % of the total shares, which constituted a quorum according to the Company's Articles of Association.

(Remark : After the Meeting started, there were shareholders registering to attend the Meeting. When the Meeting adjourned, 87 shareholders holding 57,334,431 shares and 166 proxies holding 469,236,891 shares making the total of 253 shareholders and proxies holding 526,571,322 shares or 79.4225 % of the total shares)

The Meeting started at 10.30 a.m.

Mr. Kua Phek Long took the chair. He declared the meeting opened and assigned Mr. Sumate Tanthuwani, Managing Director, to conduct the meeting. Mr. Sumate Tanthuwani explained the vote casting and requested the Meeting to pass a consensus that only those objecting or abstaining to raise their hands and return the ballot papers of each agenda for votes counting in order to expedite the process and conclusion for each agenda. He then proceeded as per following agenda.

## **Agenda No 1. To Adopt the Minutes of the 29<sup>th</sup> Annual General Meeting**

Mr. Sumate Tanthuwani proposed that the Meeting adopt the Minutes of the 29<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> April 2008 as per details in Attachment 1 sent to all shareholders in advance together with the Notice. The said minutes had been posted on the Company's website since May 2008. He asked if anyone had query or proposed amendment.

No further amendment from the Meeting.



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**Voting** : 231 shareholders casted 526,356,346 votes

526,355,346 votes approved

- votes not approved

1,000 votes abstained

The Meeting, with the majority votes totaling 526,355,346 votes, adopted the Minutes of the 29<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> April 2008.

**Agenda No 2. To Acknowledge the Report on the Year 2008 Operational Results of the Company**

Mr. Sumate Tanthuwani presented the Group Financial Highlights for the year 2008 compared to 2007

<b>Financial Results (Million Baht)</b>	<b>2008</b>	<b>2007</b>	<b>Change %</b>
Turnover before Exchange Difference and Impairment Write-back	20,750.5	20,050.5	3
Cost of Freight & Operations	18,780.5	16,289.0	-15
Gross Profit from Freight Income	751.6	3,439.8	-78
Exchange Gain / (Loss)	111.7	249.3	-55
Buildings Impairment ( Loss) Write-back	( 182.3)	1,531.8	-112
Allowance for Unrealised Loss from Changes in the Fair Value of Derivatives	1,008.0	-	-
Profit / (Loss) before Interest & Income Tax	(455.3)	4,286.0	-111
Net Profit / (Loss) after Tax & Minority Interests	(837.0)	3,815.6	-122



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and reported that the sub-prime property crisis in the United States since 2007 and subsequent global financial collapse has led to severe market corrections and substantial decline in the world economic activities. At the moment no industries worldwide were spared from such crisis. RCL business, likewise, was hit by shrinking economy, in particular the last quarter of 2008.

The overall 6% growth in liftings for the year 2008 was built on strong results of the first half of the year before the collapse of the financial markets. The total liftings reached 2.9 million TEUs compared to 2.74 million TEUs in 2007.

Containerized transportation demand slowed significantly in the second half of the year under the influence of an extremely volatile economy – an unprecedented rise in food, commodity and oil prices ; sharp exchange rate fluctuations and followed by the financial crisis triggered by the failure of a series of banks and insurance companies. All these events had undermined both consumer and business confidence and resulting in the current global economic recession.

In the last quarter of 2008, as global credit market came to a halt, Company's lifting growth came to a standstill and suffered negative growth in the last month of 2008 and the first two months of 2009, a trend expected to continue in the first half of the year 2009. Realized that the economic environment was going to remain difficult, the Group has remained cautious about the 2009 outlook. Significant steps have been taken to better align the cost structure and accelerating efforts made to drive costs out of the business in every area.

The total turnover before exchange difference and impairment of asset increased by 3% at Baht 20,750 million compared to the previous year. It should be noted that transportation of containers continued to grow steadily in the first half of 2008 despite anxiety over sub-prime mortgage crisis in the United States.

Containerized transportation from Asia to Middle East and Asia to Europe experienced double digit growth in the first quarter of 2008. It was under this strong



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demand sentiment that the Group took delivery of 3 units of 1000 - TEUs range vessels in the first quarter of 2008. To tap into the growing market in Middle East and India, the Group rolled out 2 new services :

1. RJK route servicing between Jebel Ali - Kuwait since February 2008, deploying 1 vessel
2. RCI route servicing between ports in China via Singapore , Malaysia to India - Singapore – China since May 2008, deploying 5 vessels

With increased tonnage and service in the Gulf region, the SOC liftings grew by 13% in the first half of 2008. As China suffered from a prolonged bad weather in early 2008, the COC liftings only grew by 6% during the same period. Overall, the Group experienced 9% growth in the first half of the year.

To better serve the customers and improved the service coverage, 2 new services were implemented in the second half of 2008 :

1. RSY route connecting Singapore and Yangon, started in August 2008, deploying 1 vessel
2. RGK route supporting transshipments within the Gulf and Karachi via India, started in December 2008, deploying 2 vessels.

In the second half of the year, the Group took delivery of 1 unit of 2732 –TEUs vessel in August and 1 unit of 1008-TEUs vessel in October respectively. The Group took delivery of 5 new vessels in total in the year 2008 comprising 4 units of 1000 -TEUs range and 1 unit of 2732-TEUs to replace disposed tonnage and chartered-in vessels

Operationally, the bunker hit an unprecedented record high in July 2008 and collapsed in mid-October when the full force of the global financial crisis was realized. Freight rate that was holding relatively well in the first half of the year started to fall and in particular from October 2008 onwards.

Despite the setback in the last quarter, due to strong liftings in the first 9 months, the whole year liftings improved. SOC increased by 7.3 % at 1.515 million TEUs



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while COC increased by 4% at 1.386 million TEUs. Both lines of SOC and COC business recorded the total liftings of 2.9 million TEUs in 2008, increased by 6% from the year 2007 which recorded the total liftings of 2.745 million TEUs.

The 3% increase in turnover was mainly due to 6% improvement in liftings coupled with an increase in the Group's logistics and value added services segment as well as higher rental income from the office building in Singapore. However, with the concern of over tonnage supply in 2008 and beyond, the freight rate was kept relatively stable and only improved slightly in the first 9 months of 2008. As the economy suffered in the last quarter, the Group's freight rate dropped by 8% compared to the beginning of the year. Overall, the rate reduced by 3% in 2008 when comparing to 2007.

In addition, the Group's revenue was US Dollar-linked while reporting currency was in Baht. As the average Baht strengthened marginally 3% against US Dollar over the year, the Group's turnover suffered a translation loss.

The cost of freight & operations increased by 15% mainly due to

1. Standard of living including oil price increased, thus the inflation pressure caused rate increase in terminal, depot, trucking and overhead.
2. During 2008 the Group has replaced time-chartered vessels with higher capacity and thus increased the time-chartered hire expenses.
3. The bunker hit the record high in July 2008 at USD 758 / metric ton which was 106% higher than 2007 average spot bunker price.
4. Percentage of bunker cost to total cost of freight & operations escalated from 27% in 2007 to 43% as at the third quarter of 2008. Although the bunker price dropped sharply in October but still represented the major increase in the cost of freight & operations. Otherwise, increase in cost was in line with growth in the liftings.

The Group recorded the gross profit from freight income at Baht 751.6 million, down by 78% from the previous year.



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Baht exchange rate was relatively stable and trading slightly higher against US Dollar in the first 9 months of the year, and softened only at the end of 2008. The Group recorded an unrealized exchange gain of Baht 111.7 million when its US Dollar denominated debt was being revaluated comparing to an unrealized exchange gain of Baht 249.3 million in 2007.

In 2007, the Group recorded an impairment write-back amounted to Baht 1,531.8 million in respect of the Group's office buildings in Singapore and Hong Kong due to the stellar performance in the property market. But in the year 2008, as concern of the financial crisis hit, the property market had adjusted downward. The valuation of these properties in December 2008 revealed the higher book value than the fair value in the market. An impairment loss provision of Baht 182.3 million was provided to reflect the fair value in the book.

Since the year 2005, the bunker price had increased substantially over the years and formed a significant component of the cost of freight & operations. In particular, for the first 9 months of 2008, the bunker price had surged to USD 758 / metric ton and kept relatively high throughout the third quarter of 2008.

Bunker expenses had escalated from 23% of the total cost of freight & operations in 2005 to 43% as at the third quarter of 2008. To manage fuel price hike risk, the Management decided to use bunker swap contracts to contain further price increase.

In the second & third quarters of 2008 despite concern over high oil price that may slow the economy, majority of the critics were actually supporting oil price to go up further and maintained a very bullish view that crude oil price would stay up and trading around USD 120 - 150 per barrel level.

The Group's fuel hedging performance during 2005-2008 was presented as follows :



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	2005	2006	2007	2008		
				Q1	Q2	Q3
Hedging Gain / (Loss) USD	528,050	(3,275,785)	2,284,205	(240,626)	405,000	410,000

Prior to the collapse in bunker price in mid-October 2008, the Group's bunker swap contracts returned a net inflow amounted to USD 0.574 million as at end of the third quarter of 2008. The Group was not alone in deploying bunker swap contract to hedge the fuel price hike, the common practice within the transportation industry including other airlines and shipping lines.

In late 2008, a series of banks and insurance company failure had triggered a financial crisis and which not only led to economic downturn but also the collapse of certain commodity's prices including the bunker.

- Lehman Brother collapsed in September 2008
- Credit crunch bit into real economy in October 2008
- Consumers' confidence weakened from October onwards
- Sharp drop in bunker price on 15<sup>th</sup> October 2008
- Rapid deterioration in the container trade environment from November onwards.

It was highlighted that the bunker price fluctuated and dropped from USD 500/metric ton level in January 2008 to USD 200 /metric ton level in December 2008. The Management had been closely monitoring the bunker price movement. As shown on the slide, the bunker price became volatile during 23<sup>rd</sup> September – 16<sup>th</sup> October 2008 and sharply dropped from USD 446.50 /metric ton on 15<sup>th</sup> October 2008 close to USD 370 /metric ton on 16<sup>th</sup> October 2008, only within 24 hours. The Group thus faced the hedging loss amounted to Baht 467.5 million in the last quarter of 2008. As bunker swap contracts



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were carried forward to the year 2009, an allowance for unrealized loss from changes in the fair value of derivatives amounted to Baht 1,008 million was provided in the year 2008.

Although the total liftings improved by 6% year-on-year, with lower freight rate while the cost of freight & operations increased by 15% coupled with impairment loss and unrealized loss from bunker swap contracts, the Group recorded a loss before interest and income tax in the amount of Baht 455.3 million in the year 2008 versus a profit of Baht 4,286 million in the year 2007.

The Group's net loss after tax and minority interest was recorded at Baht 837 million in the year 2008 versus the profit record of Baht 3,815.6 million in 2007.

Total asset of the Group increased by Baht 2,284 million, an 8% increase from Baht 28,388 million in 2007 to Baht 30,672 million in 2008, mainly due to the addition of 5 new vessels to the fleet and improved cash holding from Baht 2,802.4 million in 2007 to Baht 3,437.1 million in 2008. The Group also disposed 2 old vessels, sold and chartered back 3 vessels, making the total of 5 disposed vessels during the year in review.

Total liabilities of the Group increased by Baht 3,341 million, a 30% increase from Baht 11,500 million in 2007 to Baht 14,941 million in 2008. With the new vessels delivered, the Group had drawn down a new loan amounted to Baht 4,780 million. The Group also provided Baht 1,008 million for the allowance for unrealized loss from changes in the fair value of derivatives under current liabilities.

Total shareholders' equity of the Group reduced by 7% from Baht 16,888 million in 2007 to Baht 15,731 million in 2008. The reduction was mainly due to the net loss in 2008 and 2007 final dividend amounted to Baht 663 million paid in 2008.

The Group had three units of newbuildings under construction, one unit to be delivered in mid-2009 while the other two units were scheduled to be delivered in the year 2011.



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Due to the new loan drawdown, provision for unrealized loss in financial derivatives and a reduction in shareholders' equity, the debt to equity ratio increased from 0.68 in 2007 to 0.95 in 2008.

The Board of Directors apologized the shareholders for not achieving the 2008 business target. At the beginning of the year, there was a confident that the 10% growth level could be reached. But the global financial crisis and substantial decline in trade activities in the second half of the year had an adverse impact on the business operation. Nonetheless, the Board of Directors and Group Management team, in their utmost efforts, had driven the business in both volume and revenue amid negative factors by applying the best possible marketing strategies, rationalizing the services to align with the market needs as well as optimizing asset utilization. At the same time, various measures were seriously imposed to contain both operating and administrative costs.

After the presentation, the Meeting was given an opportunity to inquire further.

Shareholders asked and Mr. Sumate Tanthuwani replied as follows :

**Question** : As presented in the Annual Report page 18 ( Thai text), the age of 3-4 chartered - in vessels was around 20 years. Why were the younger vessels not chosen to save bunker expenses ?

**Answer** : The Group duly considered the suitability of vessel deployment in each service route. In fact the old vessels consumed more bunker than younger tonnages, but the charter hire was much lower. In certain service routes, it did not take much time waiting to berth the vessels at ports while in certain routes, vessels were anchored offshore for 3 - 4 days without bunker consumption. As such, deployment of old vessels were more suitable in view of much lower charter hire.

**Question** : As the vessel price dropped, would it be a good timing to order the newbuildings ?



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**Answer** : New tonnages of over 1.3 million TEUs were laid up pending chartering out. The Group deemed the current situation not suitable for ordering additional vessels except those already committed.

**Question** : As loan interest was low, did the Company plan to issue the debenture for refinancing ?

**Answer** : The Company would do so if deemed necessary.

**Question** : What would be the Company's action plan during this turnaround situation ?

**Answer** : The Group must cut costs as much as possible. To name a few, renegotiating with suppliers and terminals for rate reduction, off-hiring the time-chartered vessels, minimizing the box maintenance costs, etc. as well as reducing personnel costs including salaries and annual rewards.

**Question** : Would the Company continue to suffer negative operating results?

**Answer** : Looking at the international trade situation, 2009 business outlook would not much improve from the previous year. If trade activities came back, the Group would benefit from more liftings. Without cargoes to carry, the Group had to rationalize its services and adapt to the situation. However, it was anticipated that containerized transportation should improve, but not so for freight rate due to over tonnage supply.

**Question** : How was the freight situation ?

**Answer** : The rate dropped around 40% from the peak level. The conference of feeder operators had taken steps to establish rate restoration program to cover the persistently increasing costs, and starting this April, freight rate adjustment was implemented in some corridors.

**Question** : What were the countries that the Group serviced ?

**Answer** : China, Australia and ASEAN countries. With the recovery of ASEAN economies, the Group's business operation would improve.



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**Question** : Referring to the provision of unrealized loss from changes in the fair value of derivatives amounted to Baht 1,008 million which were marked to market at end of 2008. When the bunker swap contracts became due, would the actual loss be reduced?

**Answer** : The bunker price of around USD 200 / metric ton in December went up to the current level of USD 300 / metric ton. At the end of quarter, the Group should gain from derivative differences, reducing the loss.

**Question** : How many vessels were laid up?

**Answer** : Around 10 % – 11 % of world containerized tonnages were being laid up. As for the Group, 2 out of 40 vessels in the fleet were not deployed.

**Question** : What was the load factor of each vessel and whether they were fully loaded?

**Answer** : The Group operated its vessels on fixed schedules, some with high and some with low load factor, varying in different corridors. The utilization rate was 80 % on the average.

**Question** : If the Company continued to suffer loss from bunker forward purchase and the amount was material, the profit / loss from forward purchase should be disclosed in the Annual Report.

**Answer** : The point was noted for consultation with the auditors.

**Question** : In 2008 the Company recorded Baht 182.3 million impairment loss from office buildings. If the economy declined further, would the Company encounter another round of impairment loss?

**Answer** : The annual valuation of the office buildings was conducted in the last quarter in accordance with the accounting standards. Generally, the property market would go up or down as a result of the economic condition of that respective country. In 2008 the property market in Singapore was adversely affected by the economic crisis and it was forecasted that the GDP in 2009 would drop around 10%, so was the property market.



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No further inquiry. The Meeting acknowledged the report on the year 2008 operational results of the Company.

### **Agenda No 3. Directors' Remuneration for the Year 2008**

Mr. Sumate Tanthuanit reported that in the year 2008, the Company's Board of Directors comprised 10 members. The Company recorded the consolidated net loss of Baht 837 million, thus the directors received the "standard remuneration" of Baht 6.2 million in accordance with the criteria approved at the 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> April 2005 as per details in Attachment 2 of the Notice sent to all shareholders in advance and disclosed in the Annual Report 2008 under "Report on Corporate Governance" section

After the presentation, the Meeting was given an opportunity to inquire further.

Shareholder commented that during the economic downturn where no dividend was declared, the directors' remuneration should be reviewed as well. According to the approved criteria, the directors were entitled to the "standard remuneration" in an event the net earnings did not exceed Baht 1,000 million; and the "additional remuneration" at the rate of 0.5 % of the excess portion from the first bracket of Baht 1,000 million. The said criteria effective as from the 2004 operational results did not set the remuneration in case of negative results. He suggested that the criteria be reviewed. It should be more appropriate to tie the remuneration with dividend payment than the net profit.

Mr. Amornsuk Noparumpa, Chairman of Nomination and Remuneration Committee said that the standard remuneration as approved by the shareholders was appropriately established to attract those equipped with recognized skills and knowledge to perform the fiduciary duties as directors of Regional Container Lines Public Company Limited which owned the total asset of over Baht 30,000 million and generated the annual freight income of over Baht 20,000 million. It should be noted that the standard remuneration was annually paid to the directors, and was not deemed substantial if apportioned into monthly



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remuneration. The Committee thanked the shareholder for the suggestion and would take into further consideration.

No further inquiry. The Meeting acknowledged the report on the directors' remuneration for the year 2008.

## **Agenda No 4. To Approve the Balance Sheets and Profit and Loss Statements as of 31<sup>st</sup> December 2008**

Mr. Sumate Tanthuwani requested the Meeting to consider the audited balance sheets and profit and loss statements as of 31<sup>st</sup> December 2008 which were published in the Annual Report 2008 under "Financial Statements" section sent to all shareholders in advance together with the Notice. The Meeting was given an opportunity to inquire further.

No further inquiry from the Meeting.

**Voting :** 246 shareholders casted 526,556,392 votes.

526,555,392 votes approved

- votes not approved

1,000 votes abstained

The Meeting, with the majority votes totaling 526,555,392 votes, approved the balance sheets and profit and loss statements as of 31<sup>st</sup> December 2008.

## **Agenda No 5. To Approve Not Declaring Dividend for the Year 2008 Operational Results**

Mr. Sumate Tanthuwani reported that the Board of Directors at its Meeting No. 3 / 2009 held on 17<sup>th</sup> March 2009 resolved not to declare dividend for the 2008 operational results whereby the Company recorded the consolidated net loss of Baht 837 million.

Dividend policy and dividend declared in the financial years 2007-2008 were given in Attachment 3 sent to all shareholders in advance together with the Notice.

The Meeting was given an opportunity to inquire further.



Shareholders asked, Mr. Sumate Tanthuwanit and Ms. Tuangrat Kirtiputra replied as follows :

**Question** : Other companies running the same business did not report negative results and declared dividend. Why did RCL operate at a loss ?

**Answer** : The Group operated the vessels on fixed schedules. Although there were not many cargoes to carry in certain routes, the vessels still had to leave the port according to the schedule. Besides, the Group operated the container boxes to service the shippers, whereby there incurred maintenance, cleaning costs as well as storage charges. Bunker was the key factor which caused operating loss when the price slumped as the Group ordered the bunker in advance to meet operational requirement. The shipping lines referred by the shareholder operated bulk transport and on voyage charter. Without shippers, the vessels would be laid up, such vessel deployment was different from RCL.

**Question** : Would there be a chance to increase freight rate ?

**Answer** : Definitely, but the rate did not come back to 2007 level. If the international trade improved, the Group would benefit from such recovery.

**Question** : Dividend should not be based on only annual operating results, but on retained earnings as well. If the Company had no liquidity problem, dividend should be paid from retained earnings.

**Answer** : The Company complied with the dividend policy as well as the terms and conditions of the loans requiring that dividend must not be declared if the consolidated financial statements showed negative results in that year.

**Question** : The first quarter of 2009 already passed, could the Company forecast its operating results for the remaining quarters of the year ? Shareholders expected the Company to make profit in 2009 and declare dividend.

**Answer** : The crisis was severe and hitting world-wide. The government of each country had been rolling out the financial stimulus packages to revitalize the economy to solve domestic problems, and yet to help other countries. The Group's business actually



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relied on international trade activities involving both buyers and sellers. Currently, there were sellers but no buyers. Nonetheless, the stimulus measures being implemented in the respective countries should gradually improve the situation, starting with good signs from China. And Asian region should recover in a faster pace than the United States and EU. The Board of Directors offered their best efforts to navigate the Group out of this crisis.

No further inquiry from the Meeting.

**Voting :** 249 shareholders casted 526,563,992 votes

526,362,992 votes approved

- votes not approved

201,000 votes abstained

The Meeting, with the majority votes totaling 526,362,992 votes, approved not declaring dividend for the operational results of the year ended 31<sup>st</sup> December 2008.

## **Agenda No 6. To Consider Electing New Directors to Replace Those Due to Retire**

Mr. Sumate Tanthuwani informed the Meeting that according to Clause 29 of the Company's Articles of Association ; one-third of directors must retire from office and the retiring directors were eligible for re-election.

For the year 2009, there were 4 directors due to retire as follows :

1. Mr. Kua Phek Long Executive Chairman
2. Mr. Amornsuk Noparumpa Independent Director
3. Mr. Dusit Nontanakorn Non-Executive Director
4. Mr. Viset Choopiban Non-Executive Director

He added that Mr. Viset Choopiban held office for 7 months for the remaining term of the resigned director and due to retire this year. The Board of Directors at its Meeting No. 3 / 2009 held on 17<sup>th</sup> March 2009 endorsed the recommendation from the Nomination and Remuneration Committee to nominate the following directors to the Shareholders' Meeting for re-election :



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1. Mr. Kua Phek Long as Executive Chairman
2. Mr. Amornsuk Noparumpa as Independent Director
3. Mr. Dusit Nontanakorn as Independent Director
4. Mr. Viset Choopiban as Non-Executive Director

The profiles of the directors due to retire and nominated to resume directorship were given in Attachment 4 sent to all shareholders in advance together with the Notice. All directors possessed vast knowledge and experience contributable to the business operation and future growth of the Group.

The Meeting was given an opportunity to inquire further.

No further inquiry from the Meeting.

Mr. Sumate Tanthuwaniit requested the Meeting to vote on individual director.

**Voting** : 252 shareholders

Voting on Individual	Cast (votes)	Approve (votes)	Object (votes)	Abstain (votes)
Mr. Kua Phek Long	526,567,322	526,566,322	-	1,000
Mr. Amornsuk Noparumpa	526,567,322	525,012,272	1,554,050	1,000
Mr. Dusit Nontanakorn	526,567,322	525,012,272	1,554,050	1,000
Mr. Viset Choopiban	526,567,322	526,566,322	-	1,000

The Meeting, with the majority votes above approved to re-elect Mr. Kua Phek Long as Executive Chairman, Mr. Amornsuk Noparumpa as Independent Director, Mr. Dusit Nontanakorn as Independent Director, and Mr. Viset Choopiban as Non-Executive Director.

### **Agenda No 7. To Appoint the Company's Auditors and Approve the Audit Fees**

Mr. Sumate Tanthuwaniit reported that the 29<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> April 2008 approved the appointment of the auditors from Ernst & Young Office Limited as



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the Company's auditors for the period from 1<sup>st</sup> January 2008 till 31<sup>st</sup> December 2008 and approved the audit fees of Baht 1.6 million.

For the year 2009 the Audit Committee viewed that the Company had engaged Ernst & Young Office Limited for 18 consecutive years; and in view of the appropriateness with regard to good corporate governance and international standard, other audit firm had been considered. With careful consideration, the Audit Committee selected Professor Kesree Narongdej and team from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2009 till 31<sup>st</sup> December 2009. The Board of Directors at its Meeting No. 3 / 2009 held on 17<sup>th</sup> March 2009 endorsed the recommendation from the Audit Committee to propose to the Shareholders' Meeting to appoint Professor Kesree Narongdej, CPA No. 0076 or Mr. Chaiyuth Angsuwithaya, CPA No. 3885 or Mrs. Natsarak Sarochanunjeen, CPA No. 4563 or Mr. Sumit Khopaiboon, CPA No. 4885 from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2009 till 31<sup>st</sup> December 2009 with either one of the four auditors certifying the Company's financial statements on behalf of A.M.T. & Associates.

In the event those auditors were unable to perform their duties, A.M.T. & Associates would be authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place. Those recommended auditors did not have any relationship or any interest with the Company, its subsidiaries, executives, major shareholders or related persons, and not working under the same auditing office as overseas subsidiaries.

The audit fees, as detailed in Attachment 5 sent to all shareholders in advance together with the Notice, comprised the following :

	<b>Baht</b>
- Examination of the Company's financial statements for the year ending 31 <sup>st</sup> December 2009	600,000



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- Review of interim consolidated financial statements of the Company totaling 3 quarters	750,000
- Review of the consolidated financial statements in USD totaling 4 quarters	120,000
Total	<b><u>1,470,000</u></b>

Mr. Sumate Tanthuanit added that A.M.T. & Associates, founded in the year 1982, provided the professional services associated with external and internal auditings, setting up of accounting systems and financial reporting as well as consultation in business management. Clients which engaged the firm for auditing services were in various industries, both listed in the Stock Exchange of Thailand and companies in general.

Professor Kesree Narongdej, the firm's key personnel, has been a well known figure and widely recognized in her academic horizons and professional experience in auditing field. She currently held positions in many organizations, among them, as President of the Federation of Accounting Professions.

The Meeting was given an opportunity to inquire further.

No further inquiry from the Meeting.

**Voting :** 253 shareholders casted 526,571,322 votes

523,296,322 votes approved

- votes not approved

3,275,000 votes abstained

The Meeting, with the majority votes totaling 523,296,322 votes, approved the appointment of Professor Kesree Narongdej, CPA No. 0076 or Mr. Chaiyuth Angsuwithaya, CPA No. 3885 or Mrs. Natsarak Sarochanunjeen, CPA No. 4563 or Mr. Sumit Khopaiboon, CPA No. 4885 from A.M.T. & Associates to be the Company's auditors for the period from 1<sup>st</sup> January 2009 till 31<sup>st</sup> December 2009 with either one of the four auditors certifying the Company's financial statements on behalf of A.M.T. & Associates In the event those



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auditors were unable to perform their duties, A.M.T. & Associates would be authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place. ; and approved the audit fees of Baht 1.47 million.

Mr. Sumate Tanthuwani said that all meeting agenda were duly reviewed and votes casted. He asked if there were any other matters or inquiries.

No other matter was proposed.

The Chairman thanked the shareholders and declared the Meeting closed at 11.45 a.m.

Signed

(Mr. Kua Phek Long)

Chairman of the Meeting

Signed

(Ms. Supawan Sirichai)

Company Secretary