



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

PRESS RELEASE

FINANCIAL RESULTS AS AT 30 JUNE 2009

The global equity markets posted strong recovery in second quarter and reversed the negative trend from the first three months. Although the economy only moved at a much slower pace, with signs that the worst is over, the economy is expected to improve from third quarter onwards.

From the shipping perspective, as demand in the USA and Europe were still falling behind expectations in second quarter, both freight rate and volume did not improve as expected. However, the Intra-Asia trade, with the backing of government's expenditure and stronger consumer confidence, saw a significant improvement in the volume as compared to the first quarter of this year. Recently, there were some signs that both the freight rate and volume had bottomed out as Asia-Europe trade registered positive volume improvement. Shipping lines were rolling out rate recovery and implemented the peak season surcharge as planned.

The Group's Shipper Owned Container (SOC) liftings in Q209 declined by 33% year-on-year at 271,552 TEUs. This was partially due to lower East West Trade volume and reduction in the tonnage deployed, as the Group returned three time-chartered vessels at end of March. With stronger recovery in Asia economy, the Group's Carrier Owned Container (COC) liftings reduced only by 12%, at 313,161 TEUs. Overall, in Q209, total liftings of the Group recorded a 23% decline year-on-year at 584,713 TEUs. In comparison with the first six months of the year, SOC liftings dropped 31% at 534,183 TEUs, COC slipped 10% at 611,542 TEUs and total liftings declined by 21% at 1,145,725 TEUs.

With 23% reduction in liftings, total turnover for the second quarter before exchange difference, gain on sale of assets, and adjustment for unrealized loss on derivatives was down by 29% at THB3,581 million. The decline in turnover was mainly due to the decrease in liftings as well as lower freight rates in Q209 compared to last year. For the first 6 months, total turnover before exchange difference, gain on sale of assets, and adjustment for unrealized loss on derivatives was down by 25% at THB7,280 million.

The Group returned three time-chartered vessels in late march and successfully negotiated tariff reduction with a number of vendors. Although bunker price had picked up since March, overall, the price was still lower than that of 2008. With the successful implementation of these cost reduction initiative as well as lower bunker cost, the Cost of Freight and Operation in Q209 reduced by 22% at THB3,627 million as compared to the same quarter last year. For the first six months, the Cost of Freight and Operation decreased by 13% year-on-year at THB7,656 million.

In Q408 last year, the company provided an unrealized loss on derivatives amounted to THB1,008 million. After taking into account the actual realized loss in Q109 and Q209, the company recorded a net gain on derivative differences amounted to THB197.8 million and THB62.5 million in Q109 and Q209 respectively.

In the second quarter of last year, the Group disposed two vessels with a disposal gain of THB673.6 million while there was no disposal activity in this quarter. In the first half of 2008, the Group recorded a total disposal gain of THB820.5 million while there was no disposal activity in 2009.

In Q209, the Group recorded a Gain on Exchange of THB94.8 million against a Gain on Exchange of THB24.3 million in the same quarter last year. For the first six months, the Group recorded a Loss on Exchange of THB69.9 million versus a Gain on Exchange of THB216.2 million in first half of 2008.

With reduction in liftings, lower freight rate and no disposal activity in this quarter, the Group recorded a Net Loss attributable to equity holders at THB289.3 million for Q209 versus a Net Profit of THB688.3 million for the same quarter last year. For the first 6 months, the Group recorded a Net Loss attributable to equity holders at THB1,000.7 million versus a Net Profit of THB1,212.9 million for the same period in 2008.

Regional Container Lines Public Company Limited

14 August 2009

Founded in 1979, RCL is a Thai based container shipping line which was public listed on the Thai Stock Exchange since 1988. Its core business is in the carriage of Shipper owned containers (or SOC) and its own Carrier owned containers (or COC) within a service network that is fully Asia centric. RCL currently owns and operates a fleet of 42 vessels with sizes ranging between 500 TEUs to 2732 TEUs, with a fleet of 74185 TEUs to support its own COC carriage as well. It also operates a network of 58 offices made up of both owned and agency offices to support its service structure. RCL is today recognized as amongst the leading SOC and Intra Asia COC operators by both peers and customers alike.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million Baht)

	1 st Quarter 2008	Half-Year 2008	9 months 2008	Year-end 2008	1 st Quarter 2009	Half-Year 2009
Freight income	4,654.3	9,668.7	14,877.7	19,532.1	3,664.4	7,212.4
Cost of freight and operations	(4,106.0)	(8,792.9)	(13,912.4)	(18,852.4)	(4,048.0)	(7,694.2)
Gross Profit	548.3	875.8	965.3	679.7	(383.6)	(481.8)
Gross Profit Margin	11.8%	9.1%	6.5%	3.5%	-10.5%	-6.7%
Other income	66.3	119.3	186.3	269.2	36.7	74.3
Gain on exchange	191.9	216.2	74.2	111.7	0.0	0.0
Gain on sale of assets	148.6	831.7	856.0	983.3	4.0	19.4
Reversal of loss on impairment of buildings	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	406.8	1,167.2	1,116.5	1,364.2	40.7	93.7
Admin expenses	(331.7)	(646.9)	(1,025.4)	(1,274.8)	(301.6)	(606.7)
Adjustment for unrealised loss on derivatives	0.0	0.0	0.0	(1,008.0)	197.8	260.3
Loss on exchange	0.0	0.0	0.0	0.0	(164.7)	(69.9)
Loss on sale of investments	0.0	0.0	0.0	0.0	0.0	0.0
Loss on impairment of fixed assets	0.0	0.0	0.0	(182.3)	0.0	0.0
Loss on disposal of vessels	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(331.7)	(646.9)	(1,025.4)	(2,465.1)	(268.5)	(416.3)
Interest expenses	(96.7)	(176.8)	(269.8)	(392.7)	(96.0)	(184.6)
Profit / (loss) before taxation	526.7	1,219.3	786.6	(813.9)	(707.4)	(989.0)
Income tax	(1.7)	(4.8)	(11.0)	(18.1)	(3.6)	(11.1)
Profit / (loss) after taxation	525.0	1,214.5	775.6	(832.0)	(711.0)	(1,000.1)
Minority interest	(0.4)	(1.7)	(3.2)	(5.0)	(0.3)	(0.6)
Net profit / (loss) attributable to members	524.6	1,212.9	772.4	(837.0)	(711.3)	(1,000.7)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	526.7	1,219.3	786.6	(813.9)	(707.4)	(989.0)
Add: Impairment loss	0.0	0.0	0.0	182.3	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	0.0	0.0	0.0
Add: Adjustment for unrealised loss on derivatives	0.0	0.0	0.0	1,008.0	(197.8)	(260.3)
Less: Realised loss on derivatives	0.0	0.0	0.0	0.0	(653.8)	(736.5)
Add: Interest	96.7	176.8	269.8	392.7	96.0	184.6
EBIT	623.4	1,396.1	1,056.4	769.1	(1,463.0)	(1,801.2)
Add: Amortisation	5.0	10.3	16.0	18.7	5.1	10.0
Add: Depreciation	300.1	594.5	899.3	1,237.1	335.7	667.7
EBITDA	928.5	2,000.9	1,971.7	2,024.9	(1,122.2)	(1,123.5)

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED JUNE 30, 2009
AND
REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

EXPRESSED IN
THAI BAHT

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To The Shareholders and Board of Directors of Regional Container Lines Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as of June 30, 2009, and the related consolidated statements of income for the three - month and six - month periods ended June 30, 2009, the consolidated statements of changes in shareholders' equity and cash flows for the six - month period ended June 30, 2009. I have also reviewed the separate financial statements of Regional Container Lines Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to report on these financial statements based on my review. As described in note 1.4 to the interim financial statements, I have not reviewed the interim financial statements of overseas subsidiaries which were included in the consolidated interim financial statements for the three - month and six - month periods ended June 30, 2009. The interim financial statements of those subsidiaries reflect total assets as of June 30, 2009 of Baht 16,305 million, and total revenues for the three - month and six - month periods then ended of Baht 3,304 million and Baht 6,453 million, respectively. The interim financial statements of the overseas subsidiaries have been reviewed by other auditors from same audit firm whose reports have been furnished to me, and my report, insofar as it relates to the amounts for the overseas subsidiaries included in the consolidated interim financial statements for the three - month and six - month periods ended June 30, 2009, are based solely on the reports of the said auditors.

The consolidated interim financial statements of Regional Container Lines Public Company Limited and its subsidiaries and the separate interim financial statements of Regional Container Lines Public Company Limited for the three - month and six - month periods ended June 30, 2008, presented herein for comparison, were reviewed by another auditor, in accordance with the standards on auditing applicable to review engagements, and she drew a conclusion from the review under her report dated August 14, 2008 that nothing had come to her attention that caused her to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

I conducted my review in accordance with the standards on auditing applicable to review engagements. These standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an audit opinion.

Based on my review and the reports of the other auditors as referred to in the first paragraph, nothing has come to my attention that causes me to believe that the consolidated and separate interim financial statements for the three - month and six - month periods ended June 30, 2009 are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

The consolidated and separate balance sheets as of December 31, 2008, presented herein for comparison, have been derived from such financial statements, which audited by another auditor and reported in accordance with generally accepted auditing standards and expressed an unqualified opinion in her report dated February 27, 2009. I have not performed any other audit procedures subsequent to such report date.

(NATSARAK SAROCHANUNJEEN)
C.P.A (THAILAND)
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
August 7, 2009.

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009 (Unaudited but reviewed)	31 December 2008 (Audited)	30 June 2009 (Unaudited but reviewed)	31 December 2008 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,838,331	3,437,169	193,754	749,697
Trade accounts receivable - unrelated parties		1,276,999	1,771,452	-	188
Less: allowance for doubtful accounts		(11,235)	(48,823)	-	-
Trade accounts receivable - unrelated parties, net	2	1,265,764	1,722,629	-	188
Trade accounts receivable - related parties	2	7,604	85,001	1,549,513	1,294,876
Material supplies		294,258	354,851	20,790	22,089
Other current assets		328,885	259,631	26,404	28,494
Total current assets		3,734,842	5,859,281	1,790,461	2,095,344
Non - current assets					
Property investments held for long - term investment		1,691	1,747	-	-
Investments in subsidiaries	3	-	-	2,147,126	2,147,126
Investments in associated companies	4	213,202	220,073	20,000	20,000
Other long - term investments		29,564	30,359	-	-
Property and premises, net	5.1	3,523,650	3,643,261	9,985	11,120
Vessels and equipment, net	5.2	19,552,665	20,536,691	7,113,108	7,347,560
Deposit for purchase vessels		227,996	234,123	-	-
Intangible assets, net	6	142,514	105,672	-	-
Other non - current assets		56,147	40,561	2,219	1,734
Total non - current assets		23,747,429	24,812,487	9,292,438	9,527,540
Total assets		27,482,271	30,671,768	11,082,899	11,622,884

The accompanying notes are an integral part of the interim financial statements.

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009 (Unaudited but reviewed)	31 December 2008 (Audited)	30 June 2009 (Unaudited but reviewed)	31 December 2008 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - unrelated parties		2,373,759	2,497,979	3,911	5,092
Trade accounts payable - related parties	10	21,849	46,427	194,422	299,756
Current portion of finance lease creditors		8,794	9,030	-	-
Current portion of long - term loans	8	2,748,446	2,098,307	1,741,973	145,767
Current portion of debenture	9 and 18	-	384,650	-	384,650
Corporate income tax payable		16,131	16,813	4,041	1,635
Provision for unrealised loss from changes in the fair value of derivatives	7	11,176	1,008,000	-	-
Other current liabilities		241,974	251,093	34,872	39,308
Total current liabilities		5,422,129	6,312,299	1,979,219	876,208
Non - current liabilities					
Finance lease creditors, net of current portion		12,542	18,060	-	-
Long - term loans, net of current portion	8	7,528,573	8,598,634	1,029,307	2,729,697
Other non - current liabilities		8,432	11,563	-	-
Total non - current liabilities		7,549,547	8,628,257	1,029,307	2,729,697
Total liabilities		12,971,676	14,940,556	3,008,526	3,605,905

The accompanying notes are an integral part of the interim financial statements.

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
663,000,000 ordinary shares of Baht 1 each	663,000	663,000	663,000	663,000
Issued and paid - up				
663,000,000 ordinary shares of Baht 1 each	663,000	663,000	663,000	663,000
Share premium	3,073,190	3,073,190	3,073,190	3,073,190
Translation adjustment	420,785	640,611	-	-
Retained earnings				
Appropriated - statutory reserve	66,300	66,300	66,300	66,300
Unappropriated	10,259,425	11,260,093	4,271,883	4,214,489
Equity attributable to Company's shareholders	14,482,700	15,703,194	8,074,373	8,016,979
Minority interest - equity attributable to minority shareholders' of subsidiaries	27,895	28,018	-	-
Total shareholders' equity	14,510,595	15,731,212	8,074,373	8,016,979
Total liabilities and shareholders' equity	27,482,271	30,671,768	11,082,899	11,622,884

The accompanying notes are an integral part of the interim financial statements.

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Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six - month periods ended 30 June 2009 and 2008

(Unit

Consolidated financial statements							
Equity attributable to the parent's share holders							Minority interest -
Note	Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	equity attributable to minority shareholders of subsidiaries
				Statutory reserve	Unappropriated		
Balance as at 31 December 2007	663,000	3,073,190	304,316	66,300	12,760,108	16,866,914	21,078
Income and expenses recognised directly in equity:							
Translation adjustment	-	-	(69,752)	-	-	(69,752)	753
Net income and expenses recognised in equity	663,000	3,073,190	234,564	66,300	12,760,108	16,797,162	21,831
Net income for the period	-	-	-	-	1,212,889	1,212,889	1,652
Dividend paid	-	-	-	-	(663,000)	(663,000)	-
Balance as at 30 June 2008	663,000	3,073,190	234,564	66,300	13,309,997	17,347,051	23,483

The accompanying notes are an integral part of the interim financial statements.

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Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the six - month periods ended 30 June 2009 and 2008

(Unit

	Consolidated financial statements					Minority interest - equity attributable to minority shareholders of subsidiaries	
	Equity attributable to the parent's share holders						
	Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings			Total equity attributable to the parent's shareholders
			Statutory reserve	Unappropriated			
Balance as at 31 December 2008	663,000	3,073,190	640,611	66,300	11,260,093	15,703,194	28,018
Income and expenses recognised directly in equity:							
Translation adjustment	-	-	(219,826)	-	-	(219,826)	(686)
Net income and expenses recognised in equity	663,000	3,073,190	420,785	66,300	11,260,093	15,483,368	27,332
Net income (loss) for the period	-	-	-	-	(1,000,668)	(1,000,668)	563
Balance as at 30 June 2009	<u>663,000</u>	<u>3,073,190</u>	<u>420,785</u>	<u>66,300</u>	<u>10,259,425</u>	<u>14,482,700</u>	<u>27,895</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the six - month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Separate financial statements						
	Note	Issued and paid - up share capital	Share premium	Retained earnings Statutory reserve	Unappropriated	Total
Balance as at 31 December 2007		663,000	3,073,190	66,300	4,060,336	7,862,826
Net income for the period		-	-	-	468,240	468,240
Dividend paid	<i>11</i>	-	-	-	(663,000)	(663,000)
Balance as at 30 June 2008		<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>3,865,576</u>	<u>7,668,066</u>
Balance as at 31 December 2008		663,000	3,073,190	66,300	4,214,489	8,016,979
Net income for the period		-	-	-	57,394	57,394
Dividend paid		-	-	-	-	-
Balance as at 30 June 2009		<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>4,271,883</u>	<u>8,074,373</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries**Income statements****For the three - month periods ended 30 June 2009 and 2008**

(Unit:Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Freight income		3,548,037	5,014,421	328,656	591,447
Other income					
Gain on exchange		94,826	24,346	-	-
Dividend income from an associated company	4	-	-	12,000	12,000
Gain on sales of assets	5.2	15,392	683,054	-	-
Interest income		3,125	10,780	10,119	162
Adjustment for unrealised loss on derivatives	7	62,465	-	-	-
Others		29,995	32,337	-	-
Total revenues		3,753,840	5,764,938	350,775	603,609
Expenses					
Cost of freight and operations		3,627,371	4,670,967	233,443	238,111
Administrative expenses		308,666	315,556	42,817	44,428
Management benefit expenses	12	15,402	15,569	2,541	3,387
Loss on exchange		-	-	7,713	23,947
Total expenses	13	3,951,439	5,002,092	286,514	309,873
Income (loss) before finance cost and corporate income tax		(197,599)	762,846	64,261	293,736
Finance cost		(88,534)	(80,182)	(29,647)	(30,368)
Share of income from investment accounted for under equity method - associated companies		4,447	9,929	-	-
Income (loss) before corporate income tax		(281,686)	692,593	34,614	263,368
Corporate income tax		(7,441)	(3,032)	(2,492)	-
Net income (loss) for the period		(289,127)	689,561	32,122	263,368
Net income (loss) attributable to:					
Equity holders of the parent		(289,341)	688,272	32,122	263,368
Minority interests of the subsidiaries		214	1,289		
		(289,127)	689,561		
(Unit:Baht)					
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent		(0.44)	1.04	0.05	0.40
The weighted average number of ordinary shares (share)		663,000,000	663,000,000	663,000,000	663,000,000

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries**Income statements****For the six - month periods ended 30 June 2009 and 2008**

(Unit:Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Freight income		7,212,432	9,668,708	662,084	1,088,388
Other income					
Gain on exchange		-	216,222	6,331	-
Dividend income from an associated company	4	-	-	12,000	12,000
Gain on sales of assets	5.2	19,435	831,664	-	-
Interest income		8,262	28,223	16,338	2,865
Adjustment for unrealised loss on derivatives	7	260,313	-	-	-
Others		59,720	72,147	-	-
Total revenues		7,560,162	10,816,964	696,753	1,103,253
Expenses					
Cost of freight and operations		7,655,805	8,759,884	480,674	472,664
Administrative expenses		614,307	648,886	85,988	85,855
Management benefit expenses	12	30,865	31,014	5,154	7,064
Loss on exchange		69,863	-	-	4,654
Total expenses	13	8,370,840	9,439,784	571,816	570,237
Income (loss) before finance cost and corporate income tax		(810,678)	1,377,180	124,937	533,016
Finance cost		(184,607)	(176,838)	(63,503)	(64,776)
Share of income from investment accounted for under equity method - associated companies		6,235	18,969	-	-
Income (loss) before corporate income tax		(989,050)	1,219,311	61,434	468,240
Corporate income tax		(11,055)	(4,770)	(4,040)	-
Net income (loss) for the period		(1,000,105)	1,214,541	57,394	468,240
Net income (loss) attributable to:					
Equity holders of the parent		(1,000,668)	1,212,889	57,394	468,240
Minority interests of the subsidiaries		563	1,652		
		(1,000,105)	1,214,541		
(Unit:Baht)					
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent		(1.51)	1.83	0.09	0.71
The weighted average number of ordinary shares (share)		663,000,000	663,000,000	663,000,000	663,000,000

The accompanying notes are an integral part of the interim financial statements.

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Regional Container Lines Public Company Limited and its subsidiaries**Statements of cash flows****For the six - month periods ended 30 June 2009 and 2008**

(Unit:

	<u>Consolidated financial statements</u>		<u>Separate financi</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>
Cash flows from operating activities			
Net income (loss) before corporate income tax	(989,050)	1,219,311	61,434
Adjustments to reconcile net income (loss) before corporate income tax to net cash provided by (used in) operating activities:			
Depreciation	667,729	594,513	236,822
Amortization	9,961	8,668	-
Loss (gain) on sales of assets	(19,435)	(831,664)	-
Loss (gain) on sales of investments	-	976	-
Increase (decrease) in allowance for doubtful accounts	(37,588)	(744)	-
Dividend income from an associated company	-	-	(12,000)
Increase (decrease) in adjustment for unrealised loss on derivatives	(260,313)	-	-
Unrealised loss (gain) on exchange rate	47,700	(229,057)	11,994
Share of loss (income) from investment accounted for under equity method - associated companies	(6,235)	(18,969)	-
Interest income	(8,262)	(28,223)	(16,338)
Finance cost	184,607	176,838	63,503
Income from operating activities before changes in operating assets and liabilities	(410,886)	891,649	345,415
Operating assets (increase) decrease			
Trade accounts receivable - unrelated parties	415,990	177,876	188
Trade accounts receivable - related parties	77,397	2,359	(297,823)
Material supplies	60,593	(177,062)	1,299
Other current assets	(79,796)	(70,231)	2,003
Other non - current assets	(15,546)	(4,842)	(485)
Operating liabilities increase (decrease)			
Trade accounts payable - unrelated parties	(124,220)	103,866	(1,181)
Trade accounts payable - related parties	(24,686)	18,963	(105,442)
Provision for unrealised loss from changes in the fair value of derivatives	(736,511)	-	-
Other current liabilities	14,799	34,645	(1,185)
Other non - current liabilities	(3,131)	-	-
Cash from operating activities	(825,997)	977,223	(57,211)
Cash paid for corporate income tax	(11,737)	(14,452)	(1,634)
Net cash provided by (used in) operating activities	(837,734)	962,771	(58,845)

The accompanying notes are an integral part of the interim financial statements.

(Unaudite

Regional Container Lines Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the six - month periods ended 30 June 2009 and 2008**

(Unit: ')

	Consolidated financial statements		Separate financi
	2009	2008	2009
Cash flows from investing activities			
Decrease (increase) in current investments	-	56,287	-
Decrease (increase) in property, premises, vessels and equipment	17,374	1,705,250	(1,235)
Decrease (increase) in deposit for purchasing vessels	6,127	(449,344)	-
Decrease (increase) in intangible assets	(46,083)	(8,900)	-
Dividend received from associated company	12,000	12,000	12,000
Interest received	18,804	29,428	16,425
Translation adjustment	51,869	(232,102)	-
Net cash provided by (used in) investing activities	60,091	1,112,619	27,190
Cash flows from financing activities			
Increase (decrease) in short - term loans from financial institutions	-	306,000	-
Increase (decrease) in finance lease creditors	(5,754)	-	-
Increase (decrease) in long - term loans	(221,580)	(38,879)	(72,884)
Increase (decrease) in debentures	(384,650)	(384,600)	(384,650)
Interest paid	(209,211)	(198,744)	(66,754)
Dividend paid	-	(663,000)	-
Net cash provided by (used in) financing activities	(821,195)	(979,223)	(524,288)
Net increase (decrease) in cash and cash equivalents	(1,598,838)	1,096,167	(555,943)
Cash and cash equivalents at beginning of period	3,437,169	2,802,443	749,697
Cash and cash equivalents at end of period	1,838,331	3,898,610	193,754

The accompanying notes are an integral part of the interim financial statements.

Regional Container Lines Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three - month and six - month periods ended 30 June 2009

1. General information

1.1 Corporate information

Regional Container Lines Public Company Limited (“the Company”) was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Adoption of new accounting standards

In May 2009, the Federation of Accounting Professions (FAP) has issued Notifications No. 12/2552 regarding the renumbering of Thai Accounting Standards to match correspondingly with the International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those according to this notification.

The Federation of Accounting Professions (FAP) has issued Notifications No. 86/2551 and 16/2552 regarding Accounting Standards, Financial Reporting Standards and Accounting Practice Guidances which have been published in the Royal Gazette as follows :

1) Accounting standards, financial reporting standard and accounting practice guidances which are effective for the current year as follows :

Framework for the Preparation and Presentation of Financial Statements (revised 2007)
Accounting Standard No. 36 Impairment of Assets (revised 2007)
Financial Reporting Standard No. 5 Non - Current Assets Held for Sale and
Discontinued Operations (revised 2007)
Accounting Practice Guidance for Leasehold Right
Accounting Practice Guidance for Business Combinations under Common Control

These accounting standards, financial reporting standard and accounting practice guidances become effective for financial statements for fiscal years beginning on or after 1 January 2009.

However, the management has assessed the effect of these accounting standards, financial reporting standard and accounting practice guidances and believes that they do not have any significant impact on the financial statements for the current period.

2) Accounting standards which are not effective for the current year as follows :

	<u>Effective date</u>
Accounting Standard No. 20 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
Accounting Standard No. 24 Related Party Disclosures (revised 2007)	1 January 2011
Accounting Standard No. 40 Investment Property	1 January 2011

The management of the Company is still evaluating the effect of these accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Regional Container Lines Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2008.

The consolidated financial statements for the three - month and six - month periods ended 30 June 2009 include the financial statements of the overseas subsidiaries which have been reviewed by their auditors. The financial statements of those subsidiaries reflect total assets as of 30 June 2009 of Baht 16,305 million and total revenues for the three - month and six - month periods then ended of Baht 3,304 million and Baht 6,453 million, respectively.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2008.

2. Trade accounts receivable

The balances of trade accounts receivable - unrelated parties are classified by aging as follows:

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Under 90 days	1,245,286	1,687,393	-	188
91 - 180 days	16,425	66,851	-	-
181 - 365 days	11,200	11,903	-	-
Over 365 days	4,088	5,305	-	-
Total	1,276,999	1,771,452	-	188
Less: Allowance for doubtful accounts	(11,235)	(48,823)	-	-
Net	<u>1,265,764</u>	<u>1,722,629</u>	<u>-</u>	<u>188</u>

The balances of trade accounts receivable - related parties are classified by aging as follows:

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Under 90 days	7,604	85,001	324,934	423,482
91 - 180 days	-	-	320,220	636,171
181 - 365 days	-	-	837,258	235,223
Over 365 days	-	-	67,101	-
Total	<u>7,604</u>	<u>85,001</u>	<u>1,549,513</u>	<u>1,294,876</u>

3. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the six - month periods ended	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	30 June 2008
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 42.5 Million	S\$ 42.5 Million	85	85	1,173	1,173	-	-
e) RCL Feeder Pte. Ltd.	S\$ 20.5 Million	S\$ 20.5 Million	98	98	430	430	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	217	217	-	-
Total investments in subsidiaries					2,147	2,147	-	-

4. Investments in associated companies

(Unit: Million Baht)

Company's name	Separate financial statements									
	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the six - month periods ended	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	30 June 2008
			Percent	Percent						
<u>Investment in associated company of the Company</u>										
<u>Associated company operating in Thailand</u>										
TIPS Co., Ltd. (Port operating)	100 Million Baht	100 Million Baht	20	20	20	20	172	181	12	12
Total investment in associated company					20	20	172	181	12	12

(Unaudited but reviewed)

The accumulated share of the profit of the Company's associated company, as at 30 June 2009, is calculated based on the financial statements of the associated company, which were prepared by the management and unreviewed by that company's auditor.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2009	31 December 2008
The Company's investment in associated company	172,306	180,627
The subsidiaries' investments in associated companies	40,896	39,446
Total investments in associated companies accounted for under equity method	<u>213,202</u>	<u>220,073</u>

5. Property, premises, vessels and equipment, net

5.1 Property and premises, net

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2008 (audited)	3,643,261	11,120
<u>Add</u> Acquisitions during period - at cost	13	-
<u>Less</u> Depreciation for the period	(15,767)	(1,135)
Translation adjustment	(103,857)	-
Net book value as at 30 June 2009 (unaudited but reviewed)	<u>3,523,650</u>	<u>9,985</u>

The subsidiaries have mortgaged the above properties to secure credit facilities.

5.2 Vessels and equipment, net

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2008 (audited)	20,536,691	7,347,560
<u>Add</u> Acquisitions during period - at cost	4,021	1,235
<u>Less</u> Sale during period - at net book value	(1,973)	-
Depreciation for the period	(651,962)	(235,687)
Translation adjustment	(334,112)	-
Net book value as at 30 June 2009 (unaudited but reviewed)	<u>19,552,665</u>	<u>7,113,108</u>

The Group has mortgaged most of their vessels to secure credit facilities granted to the Group.

During the first quarter of 2008, a subsidiary in Singapore sold a vessel which had a net book value of USD 0.6 million (approximately Baht 18 million) for USD 4.0 million (approximately Baht 127 million). The gain on the sale was thus USD 3.4 million (approximately Baht 109 million)

During the second quarter of 2008, the subsidiary entered into sales and leaseback agreements (in the form of operating lease agreements) for two vessels, which had net book values totalling USD 46.5 million (approximately Baht 1,505 million). The selling price of the vessels was USD 68.0 million (approximately Baht 2,201 million) and the costs to sell amounted to USD 0.7 million (approximately Baht 23 million). The subsidiary recognized a gain on the sale and leaseback of USD 20.8 million (approximately Baht 673 million).

6. Intangible assets - net

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Computer software				
Net book value as at 31 December 2008 (audited)	105,672	48,672	-	-
Acquisitions	46,083	76,393	-	-
Amortization	(9,961)	(18,659)	-	-
Translation adjustment	720	(734)	-	-
Net book value as at 30 June 2009 (unaudited but reviewed)	<u>142,514</u>	<u>105,672</u>	<u>-</u>	<u>-</u>

7. Provision for unrealised loss from changes in the fair value of derivatives

	Note	(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
Beginning balance as at 1 January 2009 (audited)		1,008,000	-
Decrease due to :			
- Realised loss		(736,511)	-
- Adjustment for over provision		(260,313)	-
End balance as at 30 June 2009 (unaudited but reviewed)	16.1 and 16.3	<u>11,176</u>	<u>-</u>

8. Long - term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
<u>Loans of the Company</u>				
1) USD 34.3 million loan (2008: USD 36.4 million), repayable quarterly until the year 2015.	1,171,280	1,275,464	1,171,280	1,275,464
2) Baht 1,600 million loan (2008: THB 1,600 million), repayable in 2010.	1,600,000	1,600,000	1,600,000	1,600,000
<u>Loans of the Singaporean subsidiaries</u>				
3) USD 3.6 million loan (2008: USD 7.7 million), repayable semi - annually until the year 2009.	120,804	269,064	-	-
4) USD 4.5 million loan (2008: USD 4.9 million), repayable quarterly until the year 2014.	153,595	171,700	-	-
5) USD - million loan (2008: USD 29.8 million), repayable quarterly until the year 2009.	-	1,039,578	-	-
6) USD - million loan (2008: USD 2.0 million), repayable semi - annually until the year 2009.	-	69,888	-	-
7) USD 31.8 million loan (2008: USD 33.8 million), repayable quarterly until the year 2015.	1,082,132	1,181,100	-	-
8) USD 34.2 million loan (2008: USD 35.9 million), repayable quarterly until the year 2017.	1,163,802	1,253,318	-	-
9) USD 33.0 million loan (2008: USD 34.2 million), repayable quarterly until the year 2018.	1,122,967	1,195,078	-	-
10) USD 50.9 million loan (2008: USD 53.6 million), repayable semi - annually until the year 2018.	1,732,772	1,872,988	-	-
11) USD 21.1 million loan (2008: USD 22.0 million), repayable quarterly until the year 2018	717,451	768,763	-	-
12) USD 24.0 million loan (2008: USD - million), repayable quarterly until the year 2014	816,703	-	-	-
13) USD 17.5 million loan (2008: USD - million), repayable quarterly until the year 2014	595,513	-	-	-
Total	10,277,019	10,696,941	2,771,280	2,875,464
<u>Less Current portion</u>	<u>(2,748,446)</u>	<u>(2,098,307)</u>	<u>(1,741,973)</u>	<u>(145,767)</u>
Long - term loans, net of current portion	<u>7,528,573</u>	<u>8,598,634</u>	<u>1,029,307</u>	<u>2,729,697</u>

The Baht 1,600 million loan of the Company carries interest at the rate of 5.25% per annum. The remaining loans carry interest at rates based on LIBOR or SIBOR.

(Unaudited but reviewed)

Movements in the long - term loans during the six - month period ended 30 June 2009 are summarised below.

(Unit: Thousand Baht)

	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
Beginning balance as at 1 January 2009 (audited)	10,696,941	2,875,464
<u>Add</u> Borrowings	1,412,215	-
<u>Less</u> Repayments	(1,633,795)	(72,884)
Translation adjustment	(167,511)	-
Unrealised gain on exchange	(30,831)	(31,300)
End balance as at 30 June 2009 (unaudited but reviewed)	<u><u>10,277,019</u></u>	<u><u>2,771,280</u></u>

These loans have been secured by the mortgage of most of the vessels of the Group and the property of subsidiaries, and guaranteed by the Company.

The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

9. Debentures

As at 30 June 2009, all debentures had been redeemed.

10. Related party transactions

- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Group and those companies.
- b) In addition to the matter discussed in a), during the periods, the Group had other significant business transactions with its related parties. The transactions are summarised below.

(Unit: Million Baht)

	For the three - month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2009	2008	2009	2008	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	329	591	Market price as at agreement date
<u>Transactions with related parties</u>					
Slot revenues	9	1	-	-	Price approximates market price
Commission expenses	25	-	-	-	Price approximates market price
Terminal operating service	108	56	-	-	Price per tariff minus volume discount
Logistic service fees	7	7	-	-	Price approximates market price

(Unit: Million Baht)

	For the six - month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2009	2008	2009	2008	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	662	1,088	Market price as at agreement date
<u>Transactions with related parties</u>					
Slot revenues	20	13	-	-	Price approximates market price
Commission expenses	54	33	-	-	Price approximates market price
Terminal operating service	159	123	-	-	Price per tariff minus volume discount
Logistic service fees	13	16	-	-	Price approximates market price

The outstanding balances of the above transactions have been presented in the balance sheets as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	1,550	1,295
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	8	6	-	-
PT Daerah Indah Shipping	-	1	-	-
Ngow Hock Co., Ltd.	-	78	-	-
	<u>8</u>	<u>85</u>	<u>1,550</u>	<u>1,295</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte Ltd.	-	-	194	300
<u>Related parties</u>				
RCL (Vietnam) Co., Ltd.	20	43	-	-
Others	2	3	-	-
	<u>22</u>	<u>46</u>	<u>194</u>	<u>300</u>

11. Dividend paid

On 25 April 2008, the Annual General Meeting of the Company's shareholders approved the payment of a dividend of Baht 1 per share to shareholders, or a total of Baht 663 million. The dividend was paid in May 2008.

12. Management benefit expenses

Management benefit expenses consist of salary, bonus and other benefits of executive directors and the Group Management Team.

13. Expenses by nature

Significant expenses by nature for the three - month and six - month periods ended 30 June 2009 and 2008 are as follow:

(Unit: Million Baht)

	For the three - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Salary and wages and				
other employee benefits	332	320	87	84
Management benefit expenses	16	16	2	3
Depreciations	332	295	119	111
Amortizations	5	4	-	-
Loss on exchange	-	-	8	24

(Unit: Million Baht)

	For the six - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Salary and wages and				
other employee benefits	687	638	181	163
Management benefit expenses	31	31	5	7
Depreciations	668	595	237	224
Amortizations	10	9	-	-
Loss on exchange	70	-	-	5

14. Financial information by segment

The Group's operations involve mainly a single industry segment, the business of feeder and vessel operations, and are carried on in geographic areas in Thailand, Singapore, Hong Kong, The People's Republic of China, Taiwan and other countries around the South China Sea. Financial information of the Group presented by geographical segment are as follows:

(Unit: Million Baht)

Consolidated financial statements												
For the three - month periods ended 30 June												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from external customers	56	61	3,436	4,848	57	106	3,549	5,015	-	-	3,549	5,015
Inter - segment revenues	322	591	536	729	10	16	868	1,336	(868)	(1,336)	-	-
Freight income	<u>378</u>	<u>652</u>	<u>3,972</u>	<u>5,577</u>	<u>67</u>	<u>122</u>	<u>4,417</u>	<u>6,351</u>	<u>(868)</u>	<u>(1,336)</u>	<u>3,549</u>	<u>5,015</u>
Segment gross profit	<u>101</u>	<u>363</u>	<u>(204)</u>	<u>(56)</u>	<u>24</u>	<u>36</u>	<u>(79)</u>	<u>343</u>	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>343</u>
Gain on exchange											95	24
Gain on sales of assets											15	683
Interest income											3	11
Adjustment for unrealised loss on derivative											62	-
Other income											30	32
Share of income from investments accounted for under equity method - associated companies											4	10
Administrative expenses											(308)	(315)
Management benefit expenses											(16)	(16)
Finance cost											(88)	(80)
Corporate income tax											(7)	(3)
Net income (loss) for the period											<u>(289)</u>	<u>689</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements

For the six - month periods ended 30 June

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from external customers	93	122	7,010	9,343	110	204	7,213	9,669	-	-	7,213	9,669
Inter - segment revenues	655	1,088	1,077	1,404	22	31	1,754	2,523	(1,754)	(2,523)	-	-
Freight income	748	1,210	8,087	10,747	132	235	8,967	12,192	(1,754)	(2,523)	7,213	9,669
Segment gross profit	197	639	(688)	204	48	66	(443)	909	-	-	(443)	909
Gain on exchange											19	216
Gain on sales of assets											260	832
Interest income											8	28
Other income											60	73
Share of income from investments accounted for under equity method - associated companies											6	19
Administrative expenses											(614)	(649)
Management benefit expenses											(31)	(31)
Loss on exchange											(70)	-
Finance cost											(184)	(177)
Corporate income tax											(11)	(5)
Net income (loss) for the period											(1,000)	1,215

(Unit: Million Baht)

Consolidated financial statements

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Property, premises, vessels and equipment	7,126	7,362	15,810	16,680	113	119	23,049	24,161	27	19	23,076	24,180
Others											4,406	6,492
Total assets											27,482	30,672

15. Commitments and contingent liabilities15.1 Commitments

- (a) As at 30 June 2009, the Company has outstanding commitments of approximately Baht 12 million (31 December 2008: Baht 12 million) in respect of lease agreements, and a subsidiary in Singapore has outstanding commitments of USD 134 million or approximately Baht 4,547 million (31 December 2008: USD 158 million or approximately Baht 5,506 million) in respect of the following agreements.

(Unit: Million Baht)

	<u>Charter hire</u>	<u>Container lease</u>	<u>Other rental</u>	<u>Total</u>
Payment period				
Within 1 year	618	157	24	799
During 2 - 5 years	2,041	252	7	2,300
Over than 5 years	1,448	-	-	1,448
Total	<u>4,107</u>	<u>409</u>	<u>31</u>	<u>4,547</u>

- (b) As at 30 June 2009, a subsidiary in Singapore has commitments amounting to USD 44 million, or approximately Baht 1,495 million (31 December 2008: USD 44 million, or approximately Baht 1,535 million) in respect of the building of 2 vessels (31 December 2008: 2 vessels). These vessels will be delivered in April 2011. Furthermore the subsidiary has a commitment amounting to USD 54 million, or approximately Baht 1,848 million (31 December 2008: USD 60 million, or approximately Baht 2,107 million) in respect of purchase of 1 vessel (31 December 2008: 1 vessel) which the Company paid amounting to USD 46 million, or approximately Baht 1,576 million on the delivery date in July 2009. The remaining USD 8 million, or approximately Baht 272 million is to be paid in June 2010.

In addition, another subsidiary in Singapore has commitments amounting to USD 1.3 million, or approximately Baht 46 million in respect of software royalty agreements (31 December 2008: USD 2.1 million, or approximately Baht 74 million); and Baht 75 million in respect of a software implementation agreement (31 December 2008: Baht 102 million)

15.2 Guarantees

As at 30 June 2009, the Company has guarantee obligations of USD 625 million and S\$ 6 million, or approximately Baht 21,492 million (31 December 2008: USD 583 million and S\$ 6 million, or approximately Baht 20,593 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totalling USD 313 million and S\$ 0.7 million, or approximately Baht 10,660 million (31 December 2008: USD 321 million or approximately Baht 11,221 million).

15.3 Litigation

In June 2000, a subsidiary in Singapore filed a petition to wind up an associated company in Malaysia and another petition to recover an outstanding agency balance of approximately RM 25 million or Baht 234 million. The case is being heard by the court.

In June 2000, the subsidiary was counter - sued by the associated company, claiming compensation of approximately RM 27 million or Baht 266 million, for illegal termination of an agency agreement. The management of subsidiary believes that the ultimate resolution of these legal proceedings is not likely to have a material effect on the results of its operations, or financial position.

16. Financial instruments

16.1 Interest rate risk

As at 30 June 2009, a subsidiary in Singapore had a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 10 million (31 December 2008: USD 11 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortised at a rate of USD 0.5 million per quarter over the period 2004 to 2014.

As at 30 June 2009, a subsidiary had unrealized losses from changes in the fair value of derivatives of USD 0.3 million, or approximately Baht 11 million (31 December 2008: USD 0.4 million, or approximately Baht 16 million) The Group has recorded allowance for the loss in the income statement since year 2008.

16.2 Foreign currency risk

The Group business spans across the Asian region and, as a result, is exposed to foreign currency exchange rates. For that reason, the freight charges are prices in US dollars and payable in local currency equivalents, a natural foreign currency hedge is created by matching the currency of income flow (linked to US dollars) to the currency of indebtedness. This mechanism functions as a key factor for the Group's ability to manage its foreign exchange exposures. Most of the loans extended to the Group, are thus denominated in currencies similar to that of its income flow. In addition, the Group uses derivative instruments, as and when it considers appropriate, to manage such risks. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 30 June 2009 and 31 December 2008, the Group does not hedge such exposures to foreign movement risk as it is minimal.

Whenever possible, it is the Group's policy to negotiate the terms of the hedged derivatives to match the terms of the hedged financial assets or liabilities item to maximise hedge effectiveness.

16.3 Commodity price risk

Since year 2008, a subsidiary in Singapore has entered into various contracts to hedge exposure to bunker price fluctuations. As at 30 June 2009, those contracts are due (31 December 2008: 6,000 metric tons to 15,000 metric tons per month covering the period from January 2009 to June 2009).

As at 30 June 2009, the subsidiary had no unrealized losses from changes in the fair value of the above derivatives as the contracts to hedge exposures are due (31 December 2008: USD 28.5 million, or approximately Baht 992 million). The Group has recorded allowance for the loss in the income statement since year 2008.

17. Reclassification

Certain amounts in the prior periods' financial statements, presented herein for comparative purposes, have been reclassified to conform to the current period's classifications, with no effect on previously reported net income or shareholders' equity.

18. Subsequence event

At the extraordinary shareholders' meeting held on July 24, 2009, the shareholders approved to issue and offer unsecured and unsubordinated debentures not exceeding Baht 5,000 million and the maturity period of the debentures not exceeding 5 years, to be used for the repayment of outstanding loans and working capital requirement. The terms and conditions of the debentures shall be determined by the Board of Directors.

19. Approval of interim financial statements

These interim financial statements were approved for issue by the Company's the authorised directors on August 7, 2009.