



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

Press Release for Financial Results as at 31 March 2014

RCL reported first quarter 2014 results, posting a net loss of THB 158 million versus a net loss of THB 358 million in 1Q2013. Continued over-capacity has contributed to the operating loss of THB 169 million in 1Q2014, before a gain on sales of fixed assets.

Regional Container Lines Group's Shipper Owned Container (SOC) vessels lifting in 1Q2014 decreased 13% year-on-year to 242,293 TEUs. For Carrier Owned Container (COC), the vessels lifting decreased 12% year-on-year to 229,777 TEUs. The total vessels lifting for 1Q2014 therefore decreased 13% year-on-year to 472,070 TEUs.

Total turnover for the first quarter before exchange difference, gain on sale of assets and adjustment for unrealized loss on derivatives, increased by 16% Y-O-Y to THB 3,491 million.

The cost of freight and operation in 1Q2014 increased by 8% to THB 3,342 million as compared to the same quarter the year before, mainly due to the proportion of variable and fixed cost.

In 1Q2014 the group disposed some old containers, which translated to a disposal gain of THB 10 million as compared with a disposal gain of THB 38 million in 1Q2013. In addition, the group recorded a gain on exchange of THB 2 million in 1Q2014 versus a loss of THB 19 million, in the same quarter of last year.

12 May 2014

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 46 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 70,883 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.



QUARTERLY EARNING STATEMENTS IN US\$ MILLION

	1 st Quarter 2011	Half-Year 2011	9 months 2011	Year-end 2011	1 st Quarter 2012	Half-Year 2012	9 months 2012	Year-end 2012	1 st Quarter 2013	Half-Year 2013	9 months 2013	Year-end 2013	1 st Quarter 2014
Freight income	113.5	227.5	343.7	447.1	103.4	218.9	332.4	436.6	100.9	207.8	317.9	426.5	106.6
Cost of freight and operations	(124.9)	(243.9)	(363.5)	(467.5)	(114.3)	(215.8)	(327.5)	(429.3)	(103.2)	(207.5)	(314.8)	(417.6)	(102.3)
Gross Profit	(11.4)	(16.4)	(19.8)	(20.4)	(10.9)	3.1	4.9	7.3	(2.3)	0.3	3.1	8.9	4.3
Gross Profit Margin	-10.0%	-7.2%	-5.8%	-4.6%	-10.5%	1.4%	1.5%	1.7%	-2.3%	0.1%	1.0%	2.1%	4.0%
Other income	1.2	2.6	3.8	5.2	1.1	2.1	3.0	4.0	0.6	1.0	1.7	2.8	0.5
Adjustment for unrealised loss on derivatives	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0
Gain on exchange	0.0	0.0	1.5	0.0	4.4	0.6	0.0	0.3	0.1	1.0	0.3	0.8	0.0
Gain on sale of assets	0.8	1.7	44.0	45.3	1.2	2.5	3.7	9.4	1.3	2.4	2.7	3.1	0.3
Reversal of loss on impairment of buildings	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	2.0	4.4	49.4	52.2	6.7	5.3	6.8	13.8	2.0	4.4	4.7	6.8	0.8
Admin expenses	(10.2)	(20.5)	(31.2)	(38.9)	(9.4)	(18.4)	(26.8)	(37.9)	(9.3)	(18.1)	(26.7)	(35.5)	(8.8)
Loss on exchange	(0.8)	(0.9)	0.0	(4.3)	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(0.2)
Loss on impairment of Vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(24.1)	0.0	0.0	0.0	(23.5)	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(11.2)	0.0	0.0	0.0	(5.1)	0.0
Total other expenses	(11.0)	(21.4)	(31.2)	(43.2)	(9.4)	(18.4)	(27.8)	(73.2)	(9.3)	(18.1)	(26.7)	(64.1)	(9.0)
Interest expenses	(2.8)	(5.6)	(8.5)	(11.3)	(2.7)	(5.3)	(7.9)	(9.7)	(1.3)	(2.7)	(4.1)	(5.6)	(1.3)
Profit / (loss) before taxation	(23.2)	(39.0)	(10.1)	(22.7)	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)
Income tax	(0.2)	(0.4)	(0.5)	(0.6)	(0.1)	(0.2)	(0.3)	(0.6)	0.0	0.1	0.0	0.0	0.0
Profit / (loss) after taxation	(23.4)	(39.4)	(10.6)	(23.3)	(16.4)	(15.6)	(24.3)	(62.4)	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(23.4)	(39.4)	(10.6)	(23.3)	(16.4)	(15.6)	(24.4)	(62.5)	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(23.2)	(39.0)	(10.1)	(22.7)	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)
Add: Impairment loss of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.1	0.0	0.0	0.0	23.5	0.0
Add: Provision for loss under onerous contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	0.0	0.0	0.0	5.1	0.0
Deduct: Impairment gain	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Adjustment/ Add Allowance for unrealised loss on derivative	0.0	(0.1)	(0.1)	(0.1)	0.0	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	0.0
Add: Interest	2.8	5.6	8.5	11.3	2.7	5.3	7.9	9.7	1.3	2.7	4.1	5.6	1.3
EBIT	(20.4)	(33.5)	(1.7)	(13.1)	(13.6)	(10.1)	(16.2)	(16.9)	(9.6)	(13.4)	(18.9)	(19.9)	(3.9)
Add: Amortisation	0.3	0.6	1.3	2.0	0.7	1.4	2.2	2.9	0.6	1.2	1.9	2.6	0.4
Add: Depreciation	9.7	19.7	29.8	39.7	9.8	19.8	30.0	40.3	9.5	19.3	29.3	39.0	8.9
EBITDA	(10.4)	(13.2)	29.4	28.6	(3.1)	11.1	16.0	26.3	0.5	7.1	12.3	21.7	5.4



A. M. T. & Associates

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May 12, 2014

The Board of Directors
Regional Container Lines Public Company Limited
30th Floor, Panjathani Tower
127/35 Ratchadapisek Road
Yannawa District
Bangkok 10120

Dear Sirs,

Consolidated financial statements in United States Dollars

As requested, we have obtained from the management the consolidated statements of financial position as of March 31, 2014, the related consolidated statements of income and retained earnings for the three - month period ended March 31, 2014 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

	31 March 2014		31 December 2013	
	Million Baht	Million USD	Million Baht	Million USD
	<u>ASSETS</u>			
Current assets				
Cash and cash equivalents	952.5	29.3	1,754.1	53.4
Trade receivables - unrelated parties, net	1,988.5	61.3	1,964.1	59.8
Trade receivables - related parties	41.8	1.3	34.8	1.1
Material supplies	336.1	10.3	385.0	11.7
Other current assets	298.6	9.2	267.5	8.1
Total current assets	3,617.5	111.4	4,405.5	134.1
Non - current assets				
Property and premises, net	317.2	9.8	322.9	9.8
Vessels and equipment, net	14,548.5	437.9	14,883.6	444.9
Intangible assets, net	16.5	0.5	31.0	0.9
Other non - current assets	274.6	8.4	280.8	8.6
Total non - current assets	15,156.8	456.6	15,518.3	464.2
TOTAL ASSETS	18,774.3	568.0	19,923.8	598.3

See basis of preparation

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

	31 March 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities				
Short - term loan from financial institution	457.4	14.1	459.4	14.0
Trade payables - unrelated parties	2,814.9	86.7	2,848.8	86.7
Trade payables - related parties	3.5	0.1	464.3	14.1
Current portion of long - term loans	1,107.2	34.1	1,160.0	35.3
Short - term loan from related party	300.0	9.2	300.0	9.1
Provision for onerous contracts	526.4	16.2	532.9	16.2
Provision for unrealised loss from changes in the fair value of derivatives	-	-	0.2	-
Other current liabilities	185.4	5.8	187.1	5.7
Total current liabilities	5,394.8	166.2	5,952.7	181.1
Non - current liabilities				
Long - term loans, net of current portion	4,245.7	130.7	4,632.8	140.9
Employee benefit obligation	33.2	1.0	31.9	1.0
Other non - current liabilities	6.8	0.2	6.7	0.2
Total non - current liabilities	4,285.7	131.9	4,671.4	142.1
Total liabilities	9,680.5	298.1	10,624.1	323.2
Shareholders' equity				
Share capital				
Issued and fully paid up				
828,750,000 ordinary shares of Baht 1 each	828.8	25.8	828.8	25.8
Share premium	4,983.0	173.9	4,983.0	173.9
Retained earnings				
Appropriated - legal reserve	66.3	1.9	66.3	1.9
Unappropriated	3,395.0	79.6	3,553.9	84.8
Exchange differences on translating financial statement	(199.9)	(11.9)	(151.0)	(11.9)
Equity attributable to Company's shareholders	9,073.2	269.3	9,281.0	274.5
Non - controlling interests	20.6	0.6	18.7	0.6
Total shareholders' equity	9,093.8	269.9	9,299.7	275.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,774.3	568.0	19,923.8	598.3

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF RETAINED EARNINGS
 FOR THE THREE - MONTH PERIODS ENDED 31 MARCH 2014 AND 2013

	2014		2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Retained earnings - unappropriated				
Balance - beginning of year	3,553.9	84.8	5,206.8	138.8
Effect of changes in accounting policy	-	-	-	-
Balance - beginning of year after adjustment	3,553.9	84.8	5,206.8	138.8
Profit (loss) for the period attributable to equity holders of the parent	(158.9)	(5.2)	(358.8)	(10.9)
Total retained earnings - unappropriated	<u>3,395.0</u>	<u>79.6</u>	<u>4,848.0</u>	<u>127.9</u>
Retained earnings - appropriated				
Legal reserve	66.3	1.9	66.3	1.9
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
Total retained earnings	<u><u>3,461.3</u></u>	<u><u>81.5</u></u>	<u><u>4,914.3</u></u>	<u><u>129.8</u></u>

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE - MONTH PERIODS ENDED 31 MARCH 2014 AND 2013

	2014		2013	
	Million Baht	Million USD	Million Baht	Million USD
Revenues				
Freight income	3,483.1	106.6	3,008.2	100.9
Other income				
Gain on exchange rate	1.8	-	-	0.1
Gain on sales of assets	10.5	0.3	37.5	1.3
Adjustment provision for unrealised loss on derivatives	0.1	-	0.6	-
Others	7.6	0.2	5.6	0.2
Total revenues	<u>3,503.1</u>	<u>107.1</u>	<u>3,051.9</u>	<u>102.5</u>
Expenses				
Cost of freight and operations	3,055.3	93.5	2,801.4	93.9
Depreciation and amortisation	303.7	9.3	309.3	10.1
Administrative expenses	269.2	8.2	254.0	8.5
Other expenses - loss on exchange rate	-	0.3	19.4	-
Finance costs	42.2	1.3	38.8	1.3
Total expenses	<u>3,670.4</u>	<u>112.6</u>	<u>3,422.9</u>	<u>113.8</u>
Share of profit (loss) of associates	10.1	0.3	11.0	0.4
Profit (loss) before income tax expense	(157.2)	(5.2)	(360.0)	(10.9)
Tax expense (income)	1.0	-	(1.5)	-
Profit (loss) for the period	<u>(158.2)</u>	<u>(5.2)</u>	<u>(358.5)</u>	<u>(10.9)</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	(158.9)	(5.2)	(358.8)	(10.9)
Non - controlling interests	0.7	-	0.3	-
	<u>(158.2)</u>	<u>(5.2)</u>	<u>(358.5)</u>	<u>(10.9)</u>

See basis of preparation

Basis of preparation

1. Thai Baht figures

The Thai Baht figures in the statements of financial position as of 31 March 2014 and profit and loss accounts for the three - month periods ended 31 March 2014 and 2013 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 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 31 March 2014 : USD 1 = Baht 32.4600

As of 31 December 2013 : USD 1 = Baht 32.8600

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

31 March 2014	:	USD 1 = Baht 32.6663
31 March 2013	:	USD 1 = Baht 29.8267