บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

PRESS RELEASE
FINANCIAL RESULTS AS AT 31 DECEMBER 2007

Thanks to the robust economy in Europe and Middle East, the total liftings for the Group in 2007 grew 11% to 2,745,454 TEU - a new record for the Company. With stronger than expected demand for transshipment activities in South East Asia and Persian Gulf, the Group's Shipper Owned Container (SOC) liftings were up 16% for the year 2007 at 1,412,093 TEU. The Group's Carrier Owned Container (COC) liftings also increased by 6% in 2007 at 1,333,361 TEUs and was in line with capacity growth allocated to this trade. The overall demand in Q407 remained strong but adverse weather condition during the year end had caused terminal congestion in a few PRC and South East Asia ports and hence affected overall liftings. In fourth quarter, SOC liftings improved by 12% at 357,664 TEUs and COC liftings rose 5% at 339,451 TEUs, resulting in a total liftings increase of 8% at 697,115 TEUs.

Despite an 8% increase in liftings in Q407, total turnover before exchange difference and impairment appreciation was down by 4% at THB4,992 million. As explained previously, there are a few factors that will affect the turnover. Given the Group's revenue is US dollar denominated, while the reporting currency is in Thai Baht, as US dollar continued to weaken against the regional currency in Q407, Thai Baht had strengthened close to 7% against US dollar year-on-year. The Group's turnover thus suffered from this translation loss. In the fourth quarter, SOC had out-grown COC again. As SOC revenue was lower than COC, there was an unfavorable freight rate mixed which impacted the average revenue per TEU. For the full year 2007, total turnover before exchange difference and impairment appreciation was down by 2% at THB20,073 million.

Contrary to the revenue, the strong Thai Baht provided a translation gain to the Cost of Freight and Operation when majority of the Group's US dollar expenses were being translated to Thai Baht. In previous quarters, this translation gain had largely offset the increase in operating cost. However, in the fourth quarter of 2007, the bunker price had reached a new record with Cost of Freight and Operation registering an increase of 7% year-on-year at THB4,271 million.

The bunker price has been persistently high throughout 2007 while other cost items were still maintained without major increase. With the improved liftings, increase in number of vessels under owned operation and a translation gain, the Cost of Freight and Operation was down marginally by 1% at THB16,289 million.

In the fourth quarter of this year, the Group recorded a Gain on Exchange of THB105.8 million against THB173.6 million in the same quarter of last year. In 2007, Singapore property market had turn-in a stellar performance. The Group's office building in Singapore and Hong Kong had registered an impairment write-back amount to THB1,531.8 million. Consequently, the Group's Net Profit increased 68% to THB1,938 million year-on-year.

For the full year of 2007, the Group recorded a Gain on Exchange of THB249.3 million against THB471.3 million for the same period last year. With improved volume, more stable freight rate, an overall favorable translation gain to the Cost of Freight and Operation coupled with a significant impairment write-back at year end, the Group's Net Profit in 2007 was up by 24% year-on-year at THB3,816 million.

Regional Container Lines Public Company Limited
29 Feb 2008

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 2598 TEUs, with a fleet of 76,970 TEUs to support its own COC carriage as well. It also operates a network of 57 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 US$ *(million US$)*

	1st Quarter 2006	Half-Year 2006	9 months 2006	Year-end 2006	1st Quarter 2007	Half-Year 2007	9 months 2007	Year-end 2007
Freight income	128.4	259.5	396.5	533.9	136.1	275.2	425.3	571.5
Cost of freight and operations	(102.5)	(210.8)	(327.4)	(437.9)	(109.9)	(223.7)	(347.3)	(473.7)
Gross Profit	25.9	48.7	69.1	96.0	26.2	51.5	78.0	97.8
Gross Profit Margin	*20.2%*	*18.8%*	*17.4%*	*18.0%*	*19.3%*	*18.7%*	*18.3%*	*17.1%*
Other income	1.5	3.0	4.6	10.2	2.1	7.3	8.8	10.0
Gain on exchange	0.7	0.9	1.9	2.8	0.3	0.0	0.0	0.4
Reversal of loss on impairment of buildin	0.0	0.0	0.0	5.5	0.0	0.0	0.0	46.5
Total other income	2.2	3.9	6.5	18.5	2.4	7.3	8.8	56.9
Admin expenses	(7.0)	(14.2)	(22.8)	(30.6)	(8.3)	(16.9)	(26.4)	(34.9)
Loss on exchange	0.0	0.0	0.0	0.0	0.0	(0.4)	(0.3)	0.0
Total other expenses	(7.0)	(14.2)	(22.8)	(30.6)	(8.3)	(17.3)	(26.7)	(34.9)
Interest expenses	(3.2)	(5.5)	(9.1)	(12.7)	(3.6)	(7.1)	(10.3)	(13.6)
Profit / (loss) before taxation	17.9	32.9	43.7	71.2	16.7	34.4	49.8	106.2
Income tax	(0.1)	(0.2)	(0.3)	(0.5)	(0.1)	(0.2)	(0.4)	(0.7)
Profit / (loss) after taxation	17.8	32.7	43.4	70.7	16.6	34.2	49.4	105.5
Minority interest	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	17.8	32.7	43.3	70.7	16.6	34.2	49.4	105.5

COMPUTATION OF EBITDA								
Profit / (loss) before taxation	*17.9*	*32.9*	*43.7*	*71.2*	*16.7*	*34.4*	*49.8*	*106.2*
Add: Impairment loss	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Decuct: Impairment gain	*0.0*	*0.0*	*0.0*	*(5.5)*	*0.0*	*0.0*	*0.0*	*(46.5)*
Add: Interest	*3.2*	*5.5*	*9.1*	*12.7*	*3.6*	*7.1*	*10.3*	*13.6*
EBIT	*21.1*	*38.4*	*52.8*	*78.4*	*20.3*	*41.5*	*60.1*	*73.3*
Add: Amortisation	*0.0*	*0.0*	*0.0*	0.0	*0.0*	*0.0*	*0.0*	0.2
Add: Depreciation	7.9	*15.7*	*23.6*	32.8	6.3	*16.9*	*25.3*	33.9
EBITDA	*29.0*	*54.1*	*76.4*	*111.2*	*26.6*	*58.4*	*85.4*	*107.4*

ERNST & YOUNG OFFICE LIMITED
บริษัท สำนักงาน เอินส์ท แอนด์ ยัง จำกัด

33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047
Bangkok 10501
Thailand

Tel.: (66) 0-2264-0777
(66) 0-2661-9190
Fax: (66) 0-2264-0789-90
(66) 0-2661-9192
e-mail: ernstyoung.thailand@th.ey.com

Report of Independent Auditor

To The Shareholders of Regional Container Lines Public Company Limited

I have audited the accompanying consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as at 31 December 2007, the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year then ended, and the separate financial statements of Regional Container Lines Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries, and the separate financial statements of Regional Container Lines Public Company Limited for the year ended 31 December 2006, as presented herein for comparative purposes, were audited by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 27 February 2007.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regional Container Lines Public Company Limited and its subsidiaries and of Regional Container Lines Public Company Limited as at 31 December 2007 and the results of their operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matter as discussed in Note 4 to the financial statements whereby, effective 1 January 2007, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method. The Company has thus restated the separate financial statements as at 31 December 2006 and for the year then ended to reflect this accounting change. In my opinion, the adjustments made for the preparation of such financial statements are appropriate and have been properly applied.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 29 February 2008

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
ASSETS					
Current assets					
Cash and cash equivalents		2,802,443,491	2,606,332,855	142,999,275	315,450,259
Short-term investments		57,262,979	206,483,044	-	-
Trade accounts receivable - unrelated parties		2,121,459,462	1,608,283,084	-	-
Less: allowance for doubtful debts		(2,270,587)	(1,623,104)	-	-
Trade accounts receivable - unrelated parties, net	*6*	2,119,188,875	1,606,659,980	-	-
Trade accounts receivable - related parties	*6, 13*	104,873,171	118,200,332	1,214,293,030	1,078,573,698
Current portion of long-term loan to related company	*13*	-	9,023,300	-	-
Material supplies		461,970,379	251,031,339	20,951,178	21,496,708
Other current assets		226,705,040	226,202,817	21,805,477	21,449,414
Total current assets		5,772,443,935	5,023,933,667	1,400,048,960	1,436,970,079
Non-current assets					
Property investments held for long-term investment		1,695,343	1,837,748	-	-
Investments in subsidiaires	*7*	-	-	2,147,126,190	2,219,830,000
Investments in associated companies	*8*	206,500,969	202,091,785	20,000,000	20,000,000
Other long-term investments		29,336,610	31,357,323	-	-
Long-term loan to related company, net of current portion	*13*	-	14,286,894	-	-
Property and premises, net	*9*	3,709,374,079	2,263,710,202	13,390,738	15,661,310
Vessels and equipment, net	*9*	18,657,856,801	18,503,061,187	7,603,517,615	8,022,584,821
Other non-current assets		10,480,667	11,963,337	1,727,794	1,284,994
Total non-current assets		22,615,244,469	21,028,308,476	9,785,762,337	10,279,361,125
TOTAL ASSETS		28,387,688,404	26,052,242,143	11,185,811,297	11,716,331,204

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term loans from financial institution	*10*	557,000,000	-	557,000,000	-
Trade accounts payable - unrelated parties		2,573,524,224	2,263,714,787	4,791,240	3,749,236
Trade accounts payable - related parties	*13*	31,036,357	21,885,219	166,353,922	194,426,570
Current portion of finance lease creditors		-	26,246,559	-	-
Current portion of long-term loans	*11*	1,138,050,954	1,058,198,130	140,792,175	150,538,974
Current portion of debentures	*12*	769,200,000	769,200,000	769,200,000	769,200,000
Corporate income tax payable		16,015,573	10,409,042	-	-
Other current liabilities		312,920,254	261,124,246	68,216,216	80,653,600
Total current liabilities		5,397,747,362	4,410,777,983	1,706,353,553	1,198,568,380
Non-current liabilities					
Long-term loans, net of current portion	*11*	5,717,248,972	5,743,856,140	1,231,931,531	1,467,754,996
Debentures, net of current portion	*12*	384,700,000	1,153,900,000	384,700,000	1,153,900,000
Total non-current liabilities		6,101,948,972	6,897,756,140	1,616,631,531	2,621,654,996
Total liabilities		11,499,696,334	11,308,534,123	3,322,985,084	3,820,223,376
Shareholders' equity					
Share capital					
Registered					
663,000,000 ordinary shares of Baht 1 each		663,000,000	663,000,000	663,000,000	663,000,000
Issued and paid-up					
663,000,000 ordinary shares of Baht 1 each		663,000,000	663,000,000	663,000,000	663,000,000
Share premium		3,073,190,443	3,073,190,443	3,073,190,443	3,073,190,443
Translation adjustment		304,315,629	977,755,209	-	-
Retained earnings					
Appropriated - statutory reserve	*14*	66,300,000	66,300,000	66,300,000	66,300,000
Unappropriated		12,760,108,439	9,938,990,699	4,060,335,770	4,093,617,385
Equity attributable to Company's shareholders		16,866,914,511	14,719,236,351	7,862,826,213	7,896,107,828
Minority interest - equity attributable to minority shareholders' of subsidiaries		21,077,559	24,471,669	-	-
Total shareholders' equity		16,887,992,070	14,743,708,020	7,862,826,213	7,896,107,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,387,688,404	26,052,242,143	11,185,811,297	11,716,331,204

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

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DIRECTORS

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REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
Revenues					
Freight income		19,728,789,687	20,156,752,858	2,208,183,971	3,575,464,500
Gain on exchange		249,325,632	471,252,898	39,636,414	79,241,995
Gain on sale of fixed assets		150,898,683	113,949,415	-	-
Gain on sale of investments		-	14,153,327	-	-
Reversal of loss on impairment of buildings	*9*	1,531,783,699	200,545,894	-	-
Dividend received from subsidiary and associated companies		-	-	44,266,800	13,000,000
Other income		170,857,923	230,106,463	10,310,313	9,831,729
Share of income from investments accounted for under equity method - associated companies		22,458,302	27,167,224	-	-
Total revenues		21,854,113,926	21,213,928,079	2,302,397,498	3,677,538,224
Expenses					
Cost of freight and operations		16,288,976,127	16,438,621,733	941,321,093	904,359,258
Administrative expenses		1,255,605,069	1,202,910,102	191,613,961	181,906,822
Loss on sale of investments		1,069,569	-	13,974,535	-
Total expenses		17,545,650,765	17,641,531,835	1,146,909,589	1,086,266,080
Income before interest and income tax expenses		4,308,463,161	3,572,396,244	1,155,487,909	2,591,272,144
Interest expenses		(469,373,812)	(479,348,483)	(194,269,524)	(219,217,986)
Corporate income tax	*17*	(23,308,545)	(19,346,994)	-	-
Income after income tax		3,815,780,804	3,073,700,767	961,218,385	2,372,054,158
Net income attributable to minority interest		(163,064)	(1,105,099)	-	-
Net income for the year		3,815,617,740	3,072,595,668	961,218,385	2,372,054,158

(Unit: Baht)

Basic earnings per share					
Net income		5.76	4.63	1.45	3.58

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

		Consolidated financial statements						
		Issued and paid-up		Translation	Retained earnings		Minority interest	
	Note	share capital	Share premium	adjustment	Statutory reserve	Unappropriated	of subsidiaries	Total
Balance as at 31 December 2005		663,000,000	3,073,190,443	2,319,686,060	66,300,000	8,192,395,031	27,818,271	14,342,389,805
Unrealised item in income statement -								
Translation adjustment		-	-	(1,341,930,851)	-	-	-	(1,341,930,851)
Net income for the year 2006		-	-	-	-	3,072,595,668	-	3,072,595,668
Dividend paid	*20*	-	-	-	-	(1,326,000,000)	-	(1,326,000,000)
Decrease in minority interest		-	-	-	-	-	(3,346,602)	(3,346,602)
Balance as at 31 December 2006		663,000,000	3,073,190,443	977,755,209	66,300,000	9,938,990,699	24,471,669	14,743,708,020
Unrealised item in income statement -								
Translation adjustment		-	-	(673,439,580)	-	-	-	(673,439,580)
Net income for the year 2007		-	-	-	-	3,815,617,740	-	3,815,617,740
Dividend paid	*20*	-	-	-	-	(994,500,000)	-	(994,500,000)
Decrease in minority interest		-	-	-	-	-	(3,394,110)	(3,394,110)
Balance as at 31 December 2007		663,000,000	3,073,190,443	304,315,629	66,300,000	12,760,108,439	21,077,559	16,887,992,070

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit : Baht)

		Separate financial statements					
		Issued and paid-up		Translation	Retained earnings		
	Note	share capital	Share premium	adjustment	Statutory reserve	Unappropriated	Total
Balance as at 31 December 2005 - as previously reported		663,000,000	3,073,190,443	2,319,686,060	66,300,000	8,192,395,031	14,314,571,534
Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies	*4*	-	-	(2,319,686,060)	-	(5,144,831,804)	(7,464,517,864)
Balance as at 31 December 2005 - as restated		663,000,000	3,073,190,443	-	66,300,000	3,047,563,227	6,850,053,670
Net income for the year 2006 (restated)		-	-	-	-	2,372,054,158	2,372,054,158
Dividend paid	*20*	-	-	-	-	(1,326,000,000)	(1,326,000,000)
Balance as at 31 December 2006 - as restated		663,000,000	3,073,190,443	-	66,300,000	4,093,617,385	7,896,107,828
Balance as at 31 December 2006 - as previously reported		663,000,000	3,073,190,443	977,755,209	66,300,000	9,938,990,699	14,719,236,351
Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies	*4*	-	-	(977,755,209)	-	(5,845,373,314)	(6,823,128,523)
Balance as at 31 December 2006 - as restated		663,000,000	3,073,190,443	-	66,300,000	4,093,617,385	7,896,107,828
Net income for the year 2007		-	-	-	-	961,218,385	961,218,385
Dividend paid	*20*	-	-	-	-	(994,500,000)	(994,500,000)
Balance as at 31 December 2007		663,000,000	3,073,190,443	-	66,300,000	4,060,335,770	7,862,826,213

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Cash flows from operating activities				
Net income	3,815,617,740	3,072,595,668	961,218,385	2,372,054,158
Adjustments to reconcile net income to net cash				
provided by (used in) operating activities:				
Depreciation	1,160,372,029	1,189,139,190	459,969,593	449,029,073
Share of income from investments accounted for under				
equity method - associated companies	(22,458,302)	(27,167,224)	-	-
Dividend received from subsidiary and associated companies	-	-	(44,266,800)	(13,000,000)
Reversal of loss on impairment of buildings	(1,531,783,699)	(200,545,894)	-	-
Loss (gain) on sales of investments	1,069,569	(14,153,327)	13,974,535	-
Gain on sales of fixed assets	(150,898,683)	(113,949,415)	-	-
Increase (decrease) in allowance for doubtful debts	647,483	(214,953)	-	-
Unrealised exchange gain	(218,688,015)	(367,655,851)	(82,443,639)	(138,266,716)
Net income attributable to minority interest	163,064	1,105,099	-	-
Income from operating activities before changes in operating	3,054,041,186	3,539,153,293	1,308,452,074	2,669,816,515
assets and liabilities				
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	(413,274,609)	395,666,611	-	-
Trade accounts receivable - related parties	13,327,161	49,514,983	(148,170,486)	(332,777,348)
Material supplies	(210,939,040)	28,497,289	545,530	(10,346,551)
Other current assets	(502,223)	(7,747,723)	(356,063)	(8,969,617)
Other non-current assets	1,482,670	984,776	(442,800)	231,876
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	309,809,437	154,978,863	1,042,004	3,749,236
Trade accounts payable - related parties	8,978,276	11,274,121	(28,209,145)	22,856,537
Corporate income tax payable	5,606,531	(5,174,287)	-	-
Other current liabilities	48,238,834	(9,301,237)	(12,437,384)	14,656,060
Net cash provided by operating activities	2,816,768,223	4,157,846,689	1,120,423,730	2,359,216,708
Cash flows from investing activities				
Decrease in short-term investments	148,150,496	22,862,572	-	-
Decrease (increase) in long-term loan to related company	23,310,194	(23,310,194)	-	-
Decrease (increase) in investments in subsidiary and associated companies	-	(14,051,399)	58,729,275	(4,530,360)
Decrease (increase) in property, premises, vessels and equipment	(1,078,149,138)	889,613,982	(38,631,815)	(290,925,374)
Dividend received from subsidiary and associated companies	12,000,000	13,000,000	44,266,800	13,000,000
Translation adjustment	(1,018,948,344)	(1,327,697,769)	-	-
Net cash provided by (used in) investing activities	(1,913,636,792)	(439,582,808)	64,364,260	(282,455,734)

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Cash flows from financing activities				
Increase in short-term loans from financial institution	557,000,000	-	557,000,000	-
Decrease in finance lease creditors	(26,246,559)	(71,375,975)	-	-
Increase (decrease) in long-term loans	525,925,764	(1,834,377,777)	(150,538,974)	(164,707,109)
Decrease in debentures	(769,200,000)	(576,900,000)	(769,200,000)	(576,900,000)
Dividend paid	(994,500,000)	(1,326,000,000)	(994,500,000)	(1,326,000,000)
Net cash used in financing activities	(707,020,795)	(3,808,653,752)	(1,357,238,974)	(2,067,607,109)
Net increase (decrease) in cash and cash equivalents	196,110,636	(90,389,871)	(172,450,984)	9,153,865
Cash and cash equivalents at beginning of year	2,606,332,855	2,696,722,726	315,450,259	306,296,394
Cash and cash equivalents at end of year	2,802,443,491	2,606,332,855	142,999,275	315,450,259
Supplemental cash flows information				
Cash paid during the year for				
Interest expenses	487,443,793	527,933,468	198,750,651	201,729,202
Corporate income tax	3,808,165	16,916,021	-	-
Non-cash transaction				
Transfer of vessels and long-term loan from subsidiary company	-	-	-	1,935,308,525

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

1. GENERAL 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. The Company's registered address is 127/35 Ratchadapisek Road, Chongnonsi, Yannawa and Bangkok.

2. BASIS OF PREPARATION

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

	Company's Name	Type of business	Place of incorporation	Percentage owned
	Subsidiaries operating in Thailand			
a)	Asian Bulk Shipping Co., Ltd. (The company has ceased its operations)	Ship operating	Thailand	51% owned by the Company
b)	RCL Logistics Co., Ltd.	Logistics services	Thailand	100% owned by the Company
	Group of subsidiaries operating in Singapore			
c)	RCL Investment Pte. Ltd.	Holding company	Singapore	100% owned by the Company
d)	Regional Container Lines Pte. Ltd. and its subsidiary, Regional Container Lines (M) Sdn Bhd (100% owned: The company has ceased its operations)	Ship owning and operating	Singapore	85% owned by the Company and 15% owned by RCL Investment Pte. Ltd.

	Company's Name	Type of business	Place of incorporation	Percentage owned
	Group of subsidiaries operating in Singapore (Continued)			
e)	RCL Feeder Pte. Ltd. and its subsidiaries, RCL Australia Pty Ltd. (100% owned), RCL Agencies (M) Sdn Bhd. (100% owned) RCL Feeder Phils., Inc. (100% owned) RCL (Korea) Ltd. (100% owned) and Regional Container Lines Shipping Co., Ltd. (100% owned)	Holding company, cargo consolidation and operating	Singapore	98% owned by the Company and 2% owned by Regional Container Line Pte. Ltd.
f)	RCL Services S.A. (The company has ceased its operations)	Ship operating	Panama	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
g)	RCL Holdings Ltd. (The company has ceased its operations)	Ship operating	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
h)	RCL Shipmanagement Pte. Ltd.	Ship management	Singapore	51% owned by RCL Investment Pte. Ltd. and 49% owned by the Company
	Group of subsidiaries operating in Hong Kong			
i)	Regional Container Lines (H.K.) Ltd. and its subsidiaries, Regional Merchants Maritime Ltd. (80% owned) and Regional Merchants International Freight Forwarding Co., Ltd. (80% owned)	Holding company, shipping agent and the provision of transportation and cargo handling services	Hong Kong	100% owned by the Company

During the year 2007, RCL Feeder Pte. Ltd. invested an additional Baht 3 million in RCL (Korea) Limited, incorporated in Korea, increasing its investment from 85% of equity to 100% of equity.

Furthermore, during the year 2007 the Company sold all of its shareholding in Regional Container Lines Shipping Co., Ltd. to RCL Feeder Pte. Ltd. for USD 1.7 million.

b) The financial statements of the overseas subsidiaries are translated into Thai Baht at the average closing exchange rate as to assets and liabilities, and at the average exchange rate for revenues and expenses. The resultant difference has been shown under the caption of "Translation adjustment" in shareholders' equity.

c) Material outstanding balances and transactions between the Company and its subsidiaries ("the Group") have been eliminated from the consolidated financial statements. The cost of the investments of the Company in the subsidiaries exceeded their net book value at the acquisition date. The excess is being amortised over a period of 10 years.

d) No Thai income tax has been accrued for undistributed net income of the overseas subsidiaries, since the net income are intended to be retained by those subsidiaries for long-term reinvestment purposes.

2.3 The separate financial statements, which present investments in subsidiary and associated companies presented under the cost method, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 regarding Accounting Standards. The notifications mandate the use of the following new Accounting Standards.

a) Thai Accounting Standards which are effective for the current year

TAS 44 (revised 2007)	Consolidated Financial Statements and Separate Financial Statements
TAS 45 (revised 2007)	Investments in Associates
TAS 46 (revised 2007)	Interests in Joint Ventures

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45 as discussed in Note 4 to the financial statements. However, the Thai Accounting Standard No. 46 (revised) does not have any impact on the separate financial statements since the Company has no investments in joint ventures.

b) Thai Accounting Standards which are not effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases

TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES IN THE SEPARATE FINANCIAL STATEMENTS

During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, in compliance with Accounting Standard No. 44 (Revised 2007) regarding "Consolidated Financial Statements and Separate Financial Statements", under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method.

In this regard, the Company has restated the previous period's separate financial statements as though the investments in the subsidiary and associated companies had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the years ended 31 December 2007 and 2006 by Baht 2,854 million (Baht 4.31 per share) and Baht 701 million (Baht 1.06 per share), respectively. The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies" in the separate statements of changes in shareholders' equity.

Such change in accounting policy affects only the accounts related to investments in subsidiary and associated companies in the Company's separate financial statements, with no effect to the consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue recognition

Freight income

Freight income is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective rate method.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks and all short-term highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at their net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

5.4 Material supplies

Material supplies are valued at cost, on a first-in, first-out basis.

5.5 Investments

(a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in carrying amounts of securities are included in determining income.

(b) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.

(c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.

(d) Other long-term investments in non-marketable equity securities are stated at cost.

(e) Investments in associated companies are accounted for in the consolidated financial statements using the equity method.

(f) Investments in subsidiary and associated companies are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

Provision for loss is set aside only for any permanent diminution in the value of the investments.

5.6 Property, premises, vessels and equipment/Depreciation and amortisation

Property, premises, vessels, and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of fixed assets is calculated by reference to their costs after deducting residual value on the straight-line basis over the following estimated useful lives of assets.

Vessels	25 years
Condominiums and leasehold buildings	20, 50 years
Long-term leasehold land and leasehold improvements	The term of the lease
Other fixed assets	3 - 10 years

No depreciation is provided for land and vessels under construction.

Major repair and maintenance costs of vessels are capitalised when incurred and amortised on a straight-line basis over a period of 30 months.

5.7 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.8 Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding on the balance sheet date are translated into Baht at the rates ruling on the balance sheet date.

Exchange gains and losses are included in determining income.

5.9 Property investments held for long-term investment

Property investments held for long-term investment are stated at fair value.

5.10 Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

5.11 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

5.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for cargo claims is made based on the estimated amounts that are unrecoverable from insurance companies.

5.13 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

5.14 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, such as estimates of useful life of assets and of provision for doubtful accounts, which affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable – unrelated parties as at 31 December 2007 and 2006 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2007	2006
Under 90 days	2,079,885	1,582,973
91 - 180 days	23,179	20,351
181 - 365 days	18,396	4,959
Total	2,121,460	1,608,283
Less: Allowance for doubtful debts	(2,271)	(1,623)
Net	2,119,189	1,606,660

The balances of trade accounts receivable - related parties as at 31 December 2007 and 2006 are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Under 90 days	104,873	118,200	488,087	871,441
91 - 180 days	-	-	491,669	207,133
181 - 365 days	-	-	234,537	-
	104,873	118,200	1,214,293	1,078,574

7. 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 year ended 31 December	
	2007	2006	2007	2006	2007	2006	2007	2006
			Percent	Percent				
Investments in subsidiaries								
Subsidiaries operating in Thailand								
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	-	-
Subsidiaries operating in Singapore								
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	-	-
Subsidiary operating in Hong Kong								
i) Regional Container Lines (H.K.) Ltd.	HK$ 20 Million	HK$ 20 Million	100	100	217	217	-	-
Subsidiary operating in the People's Republic of China								
j) Regional Container Lines Shipping Co., Ltd.	USD 1.7 Million	USD 1.7 Million	-	100	-	73	32	-
Total investments in subsidiaries					2,147	2,220	32	-

During the year 2007, RCL Feeder Pte. Ltd. invested an additional Baht 3 million in RCL (Korea) Limited, incorporated in Korea, increasing its investment from 85% of equity to 100% of equity.

Furthermore, during the year 2007 the Company sold all of its shareholding in Regional Container Lines Shipping Co., Ltd. to RCL Feeder Pte. Ltd. for USD 1.7 million.

On 25 May 2007, the annual general meeting of the shareholders of Regional Container Lines Shipping Co., Ltd. approved the payment of a dividend of 7 million Yuan Renminbi, or approximately Baht 32 million, to the shareholder. The Company received the dividend in September 2007.

During the year 2006, the Company increased its investment in Regional Container Lines Shipping Company Limited by USD 120,000. Furthermore, a subsidiary company in Singapore invested approximately Baht 14 million in RCL (Korea) Limited, incorporated in Korea, comprising 85% of equity, and approximately Baht 14 million in PT Daerah Indah Shipping, incorporated in Indonesia, comprising 49% of equity.

8. 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	
	2007	2006	2007	2006	2007	2006	2007	2006
			Percent	Percent				
Investment in associated company of the Company								
Associated company operating in Thailand								
TIPS Co., Ltd.	Baht 100	Baht 100						
(Port operating)	Million	Million	20	20	20	20	167	168
Total investment in associated company					20	20	167	168

The accumulated share of the profit of the associated company, as at 31 December 2007 and 2006, is calculated based on the financial statements of the associated company, which are unaudited by that company's auditor.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2007	2006
The Company's investment in associated company	166,732	167,569
The subsidiaries' investments in associated companies	39,769	34,523
Total investments in associated companies accounted for under equity method	206,501	202,092

9. PROPERTY, PREMISES, VESSELS AND EQUIPMENT

PROPERTY AND PREMISES

(Unit Baht)

	Office building in Bangkok	Office buildings in Singapore	Office building in Hong Kong	Improvement of buildings in Singapore	Improvement of building in Hong Kong	Total
Cost						
31 December 2006	45,746,387	3,876,246,554	289,177,663	37,091,469	4,846,206	4,253,108,279
Acquisitions	-	2,276,945	-	12,365,400	-	14,642,345
Disposals	-	-	-	(3,553,546)	-	(3,553,546)
Translation adjustment	-	(146,829,594)	(19,530,110)	(1,827,292)	(327,297)	(168,514,293)
31 December 2007	45,746,387	3,731,693,905	269,647,553	4,4076,031	4,518,909	4,095,682,785
Accumulated depreciation						
31 December 2006	30,085,077	234,132,850	32,714,532	29,340,909	3,150,034	329,423,402
Depreciation for the year	2,270,572	13,397,129	1,241,384	3,600,961	923,904	21,433,950
Accumulated depreciation - disposals	-	-	-	(1,264,036)	-	(1,264,036)
Reclassification	-	(60,015,460)	-	-	-	(60,015,460)
Translation adjustment	-	(31,818,808)	(2,236,468)	(1,394,318)	(232,865)	(35,682,459)
31 December 2007	32,355,649	155,695,711	31,719,448	30,283,516	3,841,073	253,895,397
Provision for impairment loss						
31 December 2006	-	1,526,758,103	133,216,572	-	-	1,659,974,675
Reclassification	-	60,015,460	-	-	-	60,015,460
Reversal of impairment loss	-	(1,517,987,062)	(13,796,637)	-	-	(1,531,783,699)
Translation adjustment	-	(47,096,600)	(8,696,527)	-	-	(55,793,127)
31 December 2007	-	21,689,901	110,723,408	-	-	132,413,309
Net book value						
31 December 2006	15,661,310	2,115,355,601	123,246,559	7,750,560	1,696,172	2,263,710,202
31 December 2007	13,390,738	3,554,308,293	127,204,697	13,792,515	677,836	3,709,374,079

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

VESSELS AND EQUIPMENT – Consolidated financial statements

(Unit: Baht)

	Vessels	Vessels under construction	Major repair and maintenance costs	Containers	Office furniture, fixtures and equipment	Motor vehicles	Total
Cost							
31 December 2006	22,522,219,532	1,061,140,080	216,533,350	1,337,711,949	196,091,064	45,949,487	25,379,645,462
Acquisitions	845,828,200	833,278,631	31,184,325	246,567,551	104,595,196	3,950,697	2,065,404,600
Disposals	(320,124,613)	-	-	(142,338,334)	(2,688,382)	(1,007,094)	(466,158,423)
Write off	-	-	(43,510,875)	-	(61,226)	-	(43,572,101)
Transfer out	-	-	-	-	(362,520)	(1,614,579)	(1,977,099)
Translation adjustment	(789,320,359)	(86,635,890)	(6,500,570)	(82,433,168)	(7,751,695)	(481,170)	(973,122,852)
31 December 2007	22,258,602,760	1,807,782,821	197,706,230	1,359,507,998	289,822,437	46,797,341	25,960,219,587

(Unit: Baht)

	Vessels	Vessels under construction	Major repair and maintenance costs	Containers	Office furniture, fixtures and equipment	Motor vehicles	Total
Accumulated depreciation							
31 December 2006	5,757,231,003	-	54,069,147	889,695,906	149,609,249	25,978,970	6,876,584,275
Depreciation for the year	907,656,845	-	76,361,398	120,360,044	28,410,586	6,149,206	1,138,938,079
Accumulated depreciation - disposals	(278,847,834)	-	-	(140,118,592)	(2,497,414)	(1,007,094)	(422,470,934)
Write off	-	-	(24,662,908)	-	(52,864)	-	(24,715,772)
Transfer out	-	-	-	-	(210,104)	-	(210,104)
Translation adjustment	(211,770,623)	-	(1,455,232)	(50,940,588)	(1,492,067)	(104,248)	(265,762,758)
31 December 2007	6,174,269,391	-	104,312,405	818,996,770	173,767,386	31,016,834	7,302,362,786
Net book value							
31 December 2006	16,764,988,529	1,061,140,080	162,464,203	448,016,043	46,481,815	19,970,517	18,503,061,187
31 December 2007	16,084,333,369	1,807,782,821	93,393,825	540,511,228	116,055,051	15,780,507	18,657,856,801
Depreciation of property, premises, vessels and equipment for the year included in income statements							
2006							1,189,139,190
2007							1,160,372,029

Containers with net book values amounting to approximately Baht 104 million as at 31 December 2007 (2006: Baht 144 million) were acquired under finance lease agreements.

At the end of the year 2007, the subsidiaries in Singapore and Hong Kong arranged to reappraise the values of their buildings and recorded reversal of impairment loss amounting to Baht 1,532 million (2006: Baht 201 million), because of increases in their appraised values. These differences were reflected in the income statement.

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

VESSELS AND EQUIPMENT - Separate financial statements

(Unit: Baht)

	Vessels	Major repair and maintenance costs	Office furniture, fixtures and equipment	Motor vehicles	Total
Cost					
31 December 2006	10,343,529,515	72,147,079	31,246,673	7,863,500	10,454,786,767
Acquisitions	-	31,184,325	6,163,490	1,284,000	38,631,815
31 December 2007	10,343,529,515	103,331,404	37,410,163	9,147,500	10,493,418,582
Accumulated depreciation					
31 December 2006	2,378,330,492	22,243,820	24,121,735	7,505,899	2,432,201,946
Depreciation for the year	422,326,767	31,002,263	4,045,991	324,000	457,699,021
31 December 2007	2,800,657,259	53,246,083	28,167,726	7,829,899	2,889,900,967
Net book value					
31 December 2006	7,965,199,023	49,903,259	7,124,938	357,601	8,022,584,821
31 December 2007	7,542,872,256	50,085,321	9,242,437	1,317,601	7,603,517,615
Depreciation of property, premises, vessels and equipment for the year included in income statements					
2006					449,029,073
2007					459,969,593

10. SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

As at 31 December 2007, the balance of short-term loans from financial institution is the promissory notes which the Company has issued for a bank. The loans carry interest at the rates of 3.75% to 3.85% per annum and are due by January 2008.

11. LONG-TERM LOANS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	2007	2006	2007	2006
Loans of the Company:				
1) USD 40.5 million loan (2006: USD 44.7 million), repayable quarterly until the year 2015.	1,372,724	1,618,294	1,372,724	1,618,294
Loans of the Singaporean subsidiaries:				
2) USD 40.4 million loan (2006: USD 51.0 million), repayable quarterly until the year 2009.	1,362,510	1,838,948	-	-
3) USD 16.0 million loan (2006: USD 24.3 million), repayable semi-annually until the year 2009.	540,273	877,068	-	-
4) USD 2.7 million loan (2006: USD 3.4 million), repayable semi-annually until the year 2011.	91,172	122,717	-	-
5) USD 3.6 million loan repayable quarterly until the year 2011. During 2007, the subsidiary company made an early repayment.	-	128,904	-	-
6) USD 37.8 million loan (2006: USD 41.8 million), repayable quarterly until the year 2015.	1,276,404	1,508,696	-	-
7) USD 34.3 million loan (2006: USD 19.6 million) repayable quarterly until the year 2017.	1,158,218	707,427	-	-
8) USD 5.7 million loan repayable quarterly until the year 2014.	192,933	-	-	-
9) USD 25.5 million loan repayable quarterly until the year 2018.	861,066	-	-	-
Total	6,855,300	6,802,054	1,372,724	1,618,294
Less: Current portion	(1,138,051)	(1,058,198)	(140,792)	(150,539)
Long-term loans, net of current portion	5,717,249	5,743,856	1,231,932	1,467,755

Movement in the long-term loans during the year ended 31 December 2007 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2007	6,802,054	1,618,294
Add: Borrowings	1,657,169	-
Less: Repayment	(1,131,243)	(150,539)
Translation adjustment	(353,721)	-
Unrealised gain on exchange	(118,959)	(95,031)
Balance as at 31 December 2007	6,855,300	1,372,724

During the current year, a subsidiary company in Singapore made early repayment of a bank loan amounting to USD 3.6 million, or approximately Baht 129 million.

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 loans bear interest at rates based on LIBOR or SIBOR.

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

12. DEBENTURES

In 2003, the Company issued and offered 2.5 million units of unsecured and unsubordinated debentures with a par value of Baht 1,000 each, or a total Baht 2,500 million, to be used for the repayment of outstanding promissory notes and debentures of the Company, and for the long-term expansion of business. The maturity period of the debentures is 6 years, with the redemption date being 5 June 2009. The debenture holders are entitled to receive interest at a rate of 4 percent per annum for the first three years, and at MLR - 1.75 percent for the following three years. Such interest is payable quarterly. The terms and conditions of the debenture holders' rights contain certain covenants, and restrictions pertaining to matters such as the maintenance of a certain debt to equity ratio, the payment of dividends, the maintenance of financial ratios, and the assumption of guarantees or commitments.

13. 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 years, the Group had other significant business transactions with its related parties. The transactions are summarised below.

(Unit: Million Baht)

	For the years ended 31 December				
	Consolidated financial statements		Separate financial statements		Pricing policy
	2007	2006	2007	2006	
Transactions with subsidiary					
Charter freight income	-	-	2,208	3,575	Market price as at agreement date
Transactions with related parties					
Slot revenues	49	32	-	-	Price approximates market price
Charter freight expenses	33	18	-	-	Price approximates market price
Commission expenses	206	157	-	-	Price approximates market price
Terminal operating service	369	314	-	-	Price per tariff minus volume discount
Logistic service fees	30	26	-	-	Price approximates market price

Directors' remuneration

During the year 2007, the Group paid the directors' remuneration amounting to Baht 19.0 million (2006: Baht 16.6 million)

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to executive directors.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Trade accounts receivable - related parties				
Subsidiary				
RCL Feeder Pte. Ltd.	-	-	1,214	1,079
Related parties				
Siam Paetra International Co., Ltd.	3	2	-	-
PT Daerah Indah Shipping	6	6	-	-
Ngow Hock Co., Ltd.	89	103	-	-
Songkhla Shipping Agency Co., Ltd.	7	7	-	-
	105	118	1,214	1,079
Long-term loan to related party				
Related party				
PT Daerah Indah Shipping				
Long-term loan	-	23	-	-
Less: Current portion	-	(9)	-	-
Long-term loan, net of current portion	-	14	-	-
Trade accounts payable - related parties				
Subsidiary				
RCL Shipmanagement Pte Ltd.	-	-	166	194
Related parties				
RCL (Vietnam) Co., Ltd.	29	19	-	-
NH Logistics Co., Ltd.	-	2	-	-
Others	2	1	-	-
	31	22	166	194

During the year 2006, a subsidiary company in Singapore loaned USD 0.75 million, or approximately Baht 29 million, to an associated company. The loan is repayable in monthly installments within three years, from August 2006 to July 2009, and carries interest at rate of 7 percent per annum. During the year 2007, the associated company has made an early repayment of the loan.

14. STATUTORY RESERVE

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend payment.

15. EMPLOYEES AND RELATED COSTS

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
Number of employees at end of year	1,561	1,543	481	476
Employee costs for the year (Million Baht)	1,238	1,206	329	303

16. EMPLOYEE BENEFITS

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the Company and its employees, at a rate of 5 percent of the employees' basic salaries on a monthly basis. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

The Singaporean subsidiaries contribute to the Central Provident Fund which is managed by the Government of Singapore. In addition, the Hong Kong subsidiary and the People's Republic of China subsidiary operate provident fund schemes for their employees.

During 2007, the Group's contributions to these funds totaled Baht 52 million (2006: Baht 45 million).

17. CORPORATE INCOME TAX

The Company has been granted various tax privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520. These include exemption from corporate income tax on profits for a period of 8 years for certain operations. In addition, since 1999 shipping profits have been exempted from income tax. Corporate income tax of the Company has been calculated at the rate of 25 percent, on the net income of those operations which are not eligible for the above tax exemption.

Corporate income tax of the subsidiaries in Hong Kong has been calculated at the rate of 17.5% of net income.

Under the Singapore Income Tax Act, the shipping profits of the subsidiaries are exempted from income tax.

The Company's operating results for the years 2007 and 2006 can be divided into BOI promoted activities and non-BOI promoted activities as follows:

(Unit: Baht)

	Separate financial statements For the year ended 31 December 2007			
	Tax Payer Number			
	3101120028		3105114177	Total
	BOI Promoted	NON-BOI Promoted	Tax Exempted	
Revenues				
Freight income	899,455,760	-	1,308,728,211	2,208,183,971
Gain on exchange	73,826,508	-	-	73,826,508
Other income	203,358	10,106,955	-	10,310,313
Dividend received	-	44,266,800	-	44,266,800
Total revenues	973,485,626	54,373,755	1,308,728,211	2,336,587,592
Expenses				
Cost of freight and operations	306,499,859	-	634,821,234	941,321,093
Administrative expenses	78,408,293	14,568,330	112,611,873	205,588,496
Loss on exchange	-	-	34,190,094	34,190,094
Interest expenses	92,950,550	-	101,318,974	194,269,524
Total expenses	477,858,702	14,568,330	882,942,175	1,375,369,207
Net income for the year	495,626,924	39,805,425	425,786,036	961,218,385

(Unit: Baht)

	Separate financial statements For the year ended 31 December 2006			
	Tax Payer Number			
	3101120028		3105114177	Total
	BOI Promoted	NON-BOI Promoted	Tax Exempted	
Revenues				
Freight income	1,475,569,180	-	2,099,895,320	3,575,464,500
Gain on exchange	111,481,883	-	-	111,481,883
Other income	524,053	9,307,676	-	9,831,729
Dividend received	-	13,000,000	-	13,000,000
Total revenues	1,587,575,116	22,307,676	2,099,895,320	3,709,778,112
Expenses				
Cost of freight and operations	348,733,743	-	555,625,515	904,359,258
Administrative expenses	74,516,412	103,213	107,287,197	181,906,822
Loss on exchange	-	-	32,239,888	32,239,888
Interest expenses	109,758,820	-	109,459,166	219,217,986
Total expenses	533,008,975	103,213	804,611,766	1,337,723,954
Net income for the year	1,054,566,141	22,204,463	1,295,283,554	2,372,054,158

18. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income for the year by the number of ordinary shares in issue during the year.

19. 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 as of and for the years ended 31 December 2007 and 2006 are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2007 and as at 31 December 2007						
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenue from external customers	163	19,091	374	101	19,729	-	19,729
Inter-segment revenues	2,208	2,555	70	127	4,960	(4,960)	-
Freight income	2,371	21,646	444	228	24,689	(4,960)	19,729
Segment gross profit	1,305	1,851	125	159	3,440	-	3,440
Gain on exchange							249
Other income							322
Reversal of loss on impairment of buildings							1,532
Share of income from investments accounted for under equity method - associated companies							22
Administrative expenses							(1,257)
Interest expenses							(469)
Corporate income tax							(23)
Net income for the year							3,816
Property, premises, vessels and equipment	7,622	14,678	133	-	22,433	(66)	22,367
Others							6,021
Total assets							28,388

(Unit: Million Baht)

	Consolidated financial statements						
	For the year ended 31 December 2006 and as at 31 December 2006						
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenue from external customers	165	19,499	385	108	20,157	-	20,157
Inter-segment revenues	3,576	4,289	74	114	8,053	(8,053)	-
Freight income	3,741	23,788	459	222	28,210	(8,053)	20,157
Segment gross profit	2,703	762	135	118	3,718	-	3,718
Gain on exchange							471
Other income							358
Reversal of loss on impairment of buildings							201
Share of income from investments accounted for under equity method - associated companies							27
Administrative expenses							(1,203)
Interest expenses							(479)
Corporate income tax							(19)
Minority interest							(1)
Net income for the year							3,073
Property, premises, vessels and equipment	8,044	12,669	130	13	20,856	(89)	20,767
Others							5,285
Total assets							26,052

Transfer prices between business segments are as set out in Note 13 to the financial statements.

20. DIVIDEND

Dividends declared in 2007 and 2006 consist of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2006 income	Annual General Meeting of the shareholders on 26 April 2007	663.0	1.00
Interim dividends on 2007 income	Board of Directors' meeting on 10 August 2007	331.5	0.50
Total dividends paid in 2007		994.5	

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on 2005 income	Annual General Meeting of the shareholders on 28 April 2006	995.0	1.50
Interim dividends on 2006 income	Board of Directors' meeting on 10 August 2006	331.0	0.50
Total dividends paid in 2006		1,326.0	

21. COMMITMENT AND CONTINGENT LIABILITIES

21.1 Commitments

(a) As at 31 December 2007, the Company had outstanding commitments of approximately Baht 19 million (2006: Baht 4 million) in respect of lease agreements, and a subsidiary company in Singapore had outstanding commitments of USD 41 million or approximately Baht 1,387 million (2006: USD 56 million or approximately Baht 2,021 million) in respect of the following agreements.

(Unit: Million Baht)

	Charter hire	Container lease	Rental	Total
Payment period				
Within 1 year	621	156	30	807
During 2 - 5 years	64	477	34	575
Over 5 years	-	5	-	5
Total	685	638	64	1,387

(b) As at 31 December 2007, a subsidiary company in Singapore had the commitments amounting to USD 15 million, or approximately Baht 520 million (2006: USD 20 million, or approximately Baht 707 million) in respect of the building of 4 vessels (2006: 2 vessels). These amounts are to be paid within March 2008. Furthermore, the subsidiary company has a commitment amounting to JPY 2,610 million, or approximately Baht 776 million in respect of purchase of a vessel which is to be paid within December 2008.

In addition, another subsidiary company in Singapore has commitments amounting to USD 2.5 million, or approximately Baht 85 million in respect of software royalty agreements.

21.2 Guarantees

As at 31 December 2007, the Company had outstanding guarantees of USD 356 million and S$ 6 million or approximately Baht 12,215 million (2006: USD 356 million and S$ 6 million or approximately Baht 13,274 million) which had been issued to secure long-term credit lines of the overseas subsidiaries from financial institutions. The subsidiaries have utilised guarantees totalling USD 228 million and S$ 6 million, or approximately Baht 7,885 million (2006: USD 144 million or approximately Baht 5,184 million).

21.3 Bank Guarantees

As at 31 December 2006, the Company has outstanding letters of guarantees for a total of approximately Baht 357 million issued by a bank in respect of the building of vessels.

21.4 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 244 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 281 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.

22. FINANCIAL INSTRUMENTS

The Group could be exposed to the market risk, including primarily changes in interest rates and currency exchange rates. The Group uses derivatives and other instruments to manage and hedge such risk but not for speculative or trading purposes.

22.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.48 "*Financial Instruments: Disclosure and Presentations*", principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk arises from the inability of customers to meet the payment terms of the normal business transaction. Credit limit is granted for a specific credit amount and is being monitored regularly. Furthermore, it is the Group's policy to evaluate customer's credit worthiness based on its latest financial performance. Therefore, the Group does not anticipate to incur material credit losses from its debt collection.

Interest rate risk

Significant financial assets and liabilities as at 31 December 2007 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Consolidated financial statements

	Fixed interest rates within 1year	Floating interest rate	Non-interest bearing	Total	Interest rate
	(Million Baht)				(% p.a.)
Financial Assets					
Cash and cash equivalent	2,330	457	15	2,802	0.72 - 5.22% p.a.
Short-term investment	-	57	-	57	based on SIBOR
	2,330	514	15	2,859	
Financial liabilities					
Short-term loans from financial institution	557	-	-	557	3.75 - 3.85% p.a.
Long-term loans	-	6,855	-	6,855	based on LIBOR and SIBOR
Debentures	-	1,154	-	1,154	MLR - 1.75 p.a.
	557	8,009	-	8,566	

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 31 December 2007 and 2006, 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.

As at 31 December 2007, subsidiary companies in Singapore have entered into various forward contracts to purchase foreign exchange in order to hedge foreign currency risk. Detail of the contracts can be summarized as follows:

Foreign currency	Bought amount	Contractual exchange rate	Maturity date
		(per 1 USD)	
JPY	1,971,000,000	115.61 - 116.56	Within October 2008
SGD	6,000,000	1.4402 - 1.4427	Within February 2008

Commodity price risk

As at 31 December 2007, a subsidiary company in Singapore has entered into a contract to hedge exposure to bunker price fluctuations, covering the period from January 2008 to March 2008 and volume of 3,000 metric tons to 7,000 metric tons per month (2006: 2,000 metric tons to 5,000 metric tons per month covering the period from January 2007 to March 2007).

22.2 Fair value

Other than the long-term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short-term, and their carrying values do not materially differ from their fair values.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2008.

Separate financial statements

	Fixed interest rates within 1 year	Floating interest rate	Total	Interest rate
	(Million Baht)			(% p.a.)
Financial Assets				
Cash and cash equivalent	138	5	143	2.95 - 5.00 % p.a.
	138	5	143	
Financial liabilities				
Short-term loans from financial institution	557	-	557	3.75 - 3.85% p.a.
Long-term loans	-	1,373	1,373	based on LIBOR and SIBOR
Debentures	-	1,154	1,154	MLR - 1.75 p.a.
	557	2,527	3,084	

The Group could be exposed to risk in interest rates due primarily to the Group's long-term loan obligations. However, derivative and other financial instrument hedging are used for its long-term loan interest obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable interest rate debt. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps in which the Group agrees to exchange at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations at the balance sheet date. The Group does not hold or issue derivative instruments for speculative or trading purposes.

As at 31 December 2007, a subsidiary in Singapore has entered into a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 20 million (2006: USD 15 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.

REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN THAI BAHT *(million baht)*

	1st Quarter 2006	Half-Year 2006	9 months 2006	Year-end 2006	1st Quarter 2007	Half-Year 2007	9 months 2007	Year-end 2007
Freight income	5,016.9	9,999.3	15,162.0	20,156.8	4,821.3	9,643.4	14,776.2	19,728.8
Cost of freight and operations	(3,987.9)	(8,095.2)	(12,480.4)	(16,484.2)	(3,887.4)	(7,831.2)	(12,057.6)	(16,345.0)
Gross Profit	1,029.0	1,904.1	2,681.6	3,672.6	933.9	1,812.2	2,718.6	3,383.8
Gross Profit Margin	*20.5%*	*19.0%*	*17.7%*	*18.2%*	*19.4%*	*18.8%*	*18.4%*	*17.2%*
Other income	60.1	116.6	176.3	385.3	75.3	256.3	304.4	344.3
Gain on exchange	124.5	227.9	297.7	471.3	56.0	48.2	143.5	249.3
Reversal of loss on impairment of buildir	0.0	0.0	0.0	200.5	0.0	0.0	0.0	1,531.8
Total other income	184.6	344.5	474.0	1,057.1	131.3	304.5	447.9	2,125.4
Admin expenses	(274.0)	(546.3)	(871.5)	(1,157.3)	(295.0)	(592.7)	(918.2)	(1,200.7)
Loss on exchange	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(274.0)	(546.3)	(871.5)	(1,157.3)	(295.0)	(592.7)	(918.2)	(1,200.7)
Interest expenses	(124.5)	(211.9)	(348.3)	(479.4)	(128.0)	(247.4)	(358.7)	(469.4)
Profit / (loss) before taxation	815.1	1,490.4	1,935.8	3,093.0	642.2	1,276.5	1,889.6	3,839.1
Income tax	(1.8)	(5.7)	(12.1)	(19.3)	(3.0)	(8.2)	(13.0)	(23.3)
Profit / (loss) after taxation	813.3	1,484.7	1,923.7	3,073.7	639.2	1,268.3	1,876.6	3,815.8
Minority interest	(1.6)	(1.5)	(1.8)	(1.1)	0.4	0.7	0.6	(0.2)
Net profit / (loss) attributable to members	811.7	1,483.2	1,921.9	3,072.6	639.6	1,269.0	1,877.2	3,815.6

COMPUTATION OF EBITDA								
Profit / (loss) before taxation	*815.1*	*1,490.4*	*1,935.8*	*3,093.0*	*642.2*	*1,276.5*	*1,889.6*	*3,839.1*
Add: Impairment loss	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Decuct: Impairment gain	*0.0*	*0.0*	*0.0*	*(200.5)*	*0.0*	*0.0*	*0.0*	*(1,531.8)*
Add: Interest	*124.5*	*211.9*	*348.3*	*479.4*	*128.0*	*247.4*	*358.7*	*469.4*
EBIT	*939.6*	*1,702.3*	*2,284.1*	*3,371.9*	*770.2*	*1,523.9*	*2,248.3*	*2,776.7*
Add: Amortisation	*0.7*	*1.2*	*1.8*	2.5	*0.7*	*1.3*	*2.0*	6.6
Add: Depreciation	290.8	577.6	747.8	1,189.1	296.1	586.4	870.9	1,160.3
EBITDA	*1,231.1*	*2,281.1*	*3,033.7*	*4,563.5*	*1,066.9*	*2,111.6*	*3,121.2*	*3,943.6*

ERNST & YOUNG OFFICE LIMITED

33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
(Near Queen Sirikit National
Convention Centre)
Klongtoey, Bangkok 10110
G.P.O.Box 1047
Bangkok 10501
Thailand

Tel.: (66) 0-2264-0777
(66) 0-2661-9190
Fax: (66) 0-2264-0789-90
(66) 0-2661-9192
e-mail: ErnstYoung.Thailand@th.ey.com

29 February 2008

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 balance sheets as at 31 December 2007 and 2006, and the related statements of income and retained earnings for the years ended 31 December 2007 and 2006 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,
ERNST & YOUNG OFFICE LIMITED

Sumalee Reewarabandith
Partner

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	31 December 2007		31 December 2006	
	Million Baht	Million USD	Million Baht	Million USD
ASSETS				
Current assets				
Cash and cash equivalents	2,802.4	83.0	2,606.3	72.2
Short-term invesments	57.3	1.7	206.5	5.7
Trade accounts receivable - unrelated parties, net	2,119.2	62.8	1,606.7	44.5
Trade accounts receivable - related parties	104.9	3.1	118.2	3.3
Other current assets	688.6	20.4	486.2	13.5
Total current assets	5,772.4	171.0	5,023.9	139.2
Non-current assets				
Property and premises, net	3,709.4	112.3	2,263.7	65.9
Vessels and equipment, net	18,657.9	545.0	18,503.1	520.3
Other non-current assets	248.0	7.3	261.5	7.6
Total non-current assets	22,615.3	664.6	21,028.3	593.8
TOTAL ASSETS	28,387.7	835.6	26,052.2	733.0

See Basis of Preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

	31 December 2007		31 December 2006	
	Million Baht	Million USD	Million Baht	Million USD
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short-term loans from financial institution	557.0	16.5	-	-
Trade accounts payable - unrelated parties	2,573.5	76.2	2,263.7	62.7
Trade accounts payable - related parties	31.0	0.9	21.9	0.6
Current portion of finance lease creditors	-	-	26.2	0.7
Current portion of long-term loans	1,138.1	33.7	1,058.2	29.3
Current portion of debentures	769.2	22.8	769.2	21.3
Other current liabilities	329.0	9.7	271.5	7.5
Total current liabilities	5,397.8	159.8	4,410.7	122.1
Non-current liabilities				
Long-term loans, net of current portion	5,717.2	169.2	5,743.9	159.0
Debentures, net of current portion	384.7	11.4	1,153.9	32.0
Total non-current liabilities	6,101.9	180.6	6,897.8	191.0
Total liabilities	11,499.7	340.4	11,308.5	313.1
Shareholders' equity				
Share capital				
Issued and fully paid				
663,000,000 ordinary shares of Baht 1 each	663.0	20.6	663.0	20.6
Share premium	3,073.2	113.7	3,073.2	113.7
Translation adjustment	304.3	(15.0)	977.7	(13.7)
Retained earnings				
Appropriated - statutory reserve	66.3	1.9	66.3	1.9
Unappropriated	12,760.1	373.4	9,939.0	296.7
Equity attributable to Company's shareholders	16,866.9	494.6	14,719.2	419.2
Minority interest - equity attributable to minority shareholders of subsidiaries	21.1	0.6	24.5	0.7
Total shareholders' equity	16,888.0	495.2	14,743.7	419.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,387.7	835.6	26,052.2	733.0
	-	-	-	-

See Basis of Preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

	31 December 2007		31 December 2006	
	Million Baht	Million USD	Million Baht	Million USD
Revenues				
Freight income	19,728.8	571.5	20,156.8	533.9
Gain on exchange	249.3	0.4	471.3	2.8
Reversal of loss on impairment of buildings	1,531.8	46.5	200.5	5.5
Other income	344.3	10.0	385.3	10.2
Total revenues	21,854.2	628.4	21,213.9	552.4
Expenses				
Cost of freight and operations	15,184.6	439.8	15,295.1	405.1
Depreciation	1,160.4	33.9	1,189.1	32.8
Administrative expenses	1,200.7	34.9	1,157.3	30.6
Total expenses	17,545.7	508.6	17,641.5	468.5
Income before interest and income tax expenses	4,308.5	119.8	3,572.4	83.9
Interest expenses	(469.4)	(13.6)	(479.4)	(12.7)
Corporate income tax	(23.3)	(0.7)	(19.3)	(0.5)
Income after income tax	3,815.8	105.5	3,073.7	70.7
Net income attributable to minority interest	(0.2)	-	(1.1)	-
Net income for the year	3,815.6	105.5	3,072.6	70.7

See Basis of Preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

	31 December 2007		31 December 2006	
	Million Baht	Million USD	Million Baht	Million USD
Retained earnings - unappropriated				
Balance - beginning of year	9,939.0	296.7	8,192.4	261.1
Net income for the year	3,815.6	105.5	3,072.6	70.7
Dividend paid	(994.5)	(28.8)	(1,326.0)	(35.1)
Total retained earnings - unappropriated	12,760.1	373.4	9,939.0	296.7
Retained earnings - appropriated				
Statutory reserve	66.3	1.9	66.3	1.9
Total retained earnings - appropriated	66.3	1.9	66.3	1.9
Total retained earnings	12,826.4	375.3	10,005.3	298.6
	-	-	-	-

See Basis of Preparation

BASIS OF PREPARATION

1. *THAI BAHT FIGURES*

The Thai Baht figures in the balance sheets as at 31 December 2007 and 2006 and profit and loss accounts for the years then ended were extracted from the audited 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, Hong Kong and the People's Republic of China.

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 "Translation adjustment" in the shareholders' equity.

2. *USD FIGURES*

2.1 The USD figures in the consolidated balance sheets were determined by translating the Thai Baht consolidated balance sheets 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 December 2007 : USD 1 = Baht 33.7673
As of 31 December 2006 : USD 1 = Baht 36.0932

b) The approximate rates as of 1 January 1997 were used for brought-forward balances of share capital, share premium, investments, property, vessels and equipment:

For the Company and its Thailand subsidiary

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 rates as at the transaction dates were used for additional share capital, share premium, vessels and equipment, and disposals of equipment.

Any differences have been included in "Translation adjustment".

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 December 2007 :	USD 1	=	Baht 34.5236
31 December 2006 :	USD 1	=	Baht 37.7560