



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

## PRESS RELEASE

### FINANCIAL RESULTS AS AT 30 JUNE 2010

Container lines continue to enjoy double digit growth in Asia to Europe trades with freight rates holding firm despite the increase of new capacity from new buildings and idle fleet. Confidence is rising in the international shipping industry that the world economy and trade are on the road to recovery, as China in particular has resumed strong maritime trade growth.

With the pick up in demand, the Group's Shipper Owned Container (SOC) liftings increased 7% in 2Q2010, y-o-y at 290,736 teus. The Group's Carrier Owned Container (COC) liftings also increased by 12% at 349,949 teus. Total liftings for 2Q2010 was 10% y-o-y increased at 640,685 teus. In comparison with the first 6 months of the previous year, SOC liftings rose 7% at 573,405 teus, COC climbed 9% at 668,197 teus, and total liftings increased by 8% at 1,241,602.

With the increase in the liftings of 10% and improved freight rates, the total revenues for the second quarter before exchange difference, gain on sales of assets and investment, and adjustment for derivatives edged up by 9% at THB3,918 million. For the first 6 months, total revenues before exchange difference, gain on sale of assets, and adjustment for derivatives was up by 5% at THB7,611 million.

As the fuel cost increased due to an increase on the consumption arising from full deployment of vessels, the total expenses in 2Q2010 was up by 3% at THB4,067 million. For the first 6 months, with the successful implementation of cost cutting initiatives despite escalating bunker cost in the second quarter, total expenses decreased by 4% y-o-y at THB8,041 million.

As a result, the Group reported 2Q2010 net loss attributable to equity holders of THB193 million versus a net loss of THB289 million in 2Q2009, an improvement of 33% y-o-y. With an improved in liftings and revenues in 2Q2010, marked by an escalated bunker cost throughout this year, the loss in 2Q2010 was narrowed by 44% as compared to the loss incurred in 1Q2010. For the first 6 months, the Group recorded a net loss attributable to equity holders at THB535 million versus a net loss of THB1,001 million for the same period in 2009, an improvement of 47% y-o-y.

*Founded in 1979, RCL is a Thai based container shipping line which was public listed on the Thai Stock Exchange since 1988. Its core business is in the carriage of Shipper owned containers (or SOC) and its own Carrier owned containers (or COC) within a service network that is fully Asia centric. RCL currently owns and operates a fleet of 42 vessels with sizes ranging between 500 TEUs to 2732 TEUs, with a fleet of 74,651 TEUs to support its own COC carriage as well. It also operates a network of 59 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*



QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million Baht)

	1 <sup>st</sup> Quarter 2009	Half-Year 2009	9 months 2009	Year-end 2009	1 <sup>st</sup> Quarter 2010	Half-Year 2010
Freight income	3,664.4	7,212.4	10,695.0	14,321.1	3,662.7	7,547.2
Cost of freight and operations	(4,048.0)	(7,694.2)	(11,486.1)	(15,341.3)	(3,686.3)	(7,401.0)
<b>Gross Profit</b>	<b>(383.6)</b>	<b>(481.8)</b>	<b>(791.1)</b>	<b>(1,020.2)</b>	<b>(23.6)</b>	<b>146.2</b>
<b>Gross Profit Margin</b>	<b>-10.5%</b>	<b>-6.7%</b>	<b>-7.4%</b>	<b>-7.1%</b>	<b>-0.6%</b>	<b>1.9%</b>
Other income	36.7	74.3	108.7	142.5	35.7	78.6
Adjustment for unrealised loss on derivatives	197.8	260.3	267.6	265.2	0.0	0.0
Gain on exchange	0.0	0.0	0.0	0.0	15.1	54.9
Gain on sale of assets	4.0	19.4	60.6	94.1	26.2	40.4
Reversal of loss on impairment of assets	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	238.5	354.0	436.9	501.8	77.0	173.9
Admin expenses	(301.6)	(606.7)	(906.3)	(1,190.9)	(283.3)	(634.9)
Allowance for unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	0.0	(0.3)	(1.3)
Loss on exchange	(164.7)	(69.9)	(26.5)	(20.9)	0.0	0.0
Loss on sale of investments	0.0	0.0	0.0	0.0	(3.8)	(3.8)
Loss on impairment of buildings	0.0	0.0	0.0	(1,628.0)	0.0	0.0
Loss on impairment of Vessels				0.0	0.0	0.0
Loss on disposal of vessels	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(466.3)	(676.6)	(932.8)	(2,839.8)	(287.4)	(640.0)
Interest expenses	(96.0)	(184.6)	(284.3)	(397.3)	(104.1)	(206.0)
Profit / (loss) before taxation	(707.4)	(989.0)	(1,571.3)	(3,755.5)	(338.1)	(525.9)
Income tax	(3.6)	(11.1)	(17.8)	(29.5)	(3.7)	(8.7)
Profit / (loss) after taxation	(711.0)	(1,000.1)	(1,589.1)	(3,785.0)	(341.8)	(534.6)
Minority interest	(0.3)	(0.6)	(0.6)	(0.9)	0.1	(0.1)
<b>Net profit / (loss) attributable to members</b>	<b>(711.3)</b>	<b>(1,000.7)</b>	<b>(1,589.7)</b>	<b>(3,785.9)</b>	<b>(341.7)</b>	<b>(534.7)</b>

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(707.4)	(989.0)	(1,571.3)	(3,755.5)	(338.1)	(525.9)
Add: Impairment loss of assets	0.0	0.0	0.0	1,628.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	0.0	0.0	
Less Adjustment/ Add Allowance for unrealised loss on derivatives	(197.8)	(260.3)	(267.6)	(265.2)	0.3	1.3
Less: Realised loss on derivatives	(653.8)	(736.5)	(728.3)	(732.3)	0.0	0.0
Add: Interest	96.0	184.6	284.3	397.3	104.1	206.0
<b>EBIT</b>	<b>(1,463.0)</b>	<b>(1,801.2)</b>	<b>(2,282.9)</b>	<b>(2,727.7)</b>	<b>(233.7)</b>	<b>(318.6)</b>
Add: Amortisation	5.1	10.0	14.3	19.0	7.8	15.6
Add: Depreciation	335.7	667.7	1,004.2	1,395.8	314.4	633.4
<b>EBITDA</b>	<b>(1,122.2)</b>	<b>(1,123.5)</b>	<b>(1,264.4)</b>	<b>(1,312.9)</b>	<b>88.5</b>	<b>330.4</b>

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
THAILAND

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INTERIM FINANCIAL STATEMENTS  
FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED JUNE 30, 2010  
AND  
REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

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EXPRESSED IN  
THAI BAHT

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**A. M. T. & Associates**

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

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**REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

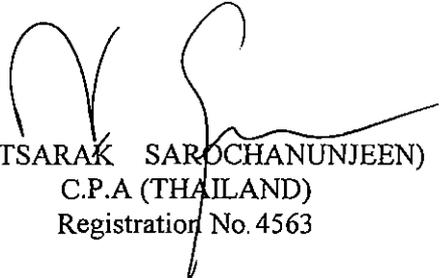
To The Shareholders and Board of Directors of Regional Container Lines Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as of June 30, 2010, and the related consolidated statement of income for the three - month and six - month periods ended June 30, 2010 and 2009, the consolidated statements of changes in shareholders' equity and cash flows for the six - month periods ended June 30, 2010 and 2009. I have also reviewed the separate financial statements of Regional Container Lines Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to report on these financial statements based on my review. As described in note 1.4 to the interim financial statements, I have not reviewed the interim financial statements of overseas subsidiaries which were included in the consolidated interim financial statements for the three - month and six - month periods ended June 30, 2010 and 2009. The interim financial statements of those subsidiaries reflect total assets as of June 30, 2010 and 2009 of Baht 13,856 million and Baht 16,305 million, respectively and total revenues for the three - month periods ended June 30, 2010 and 2009 of Baht 3,787 million and Baht 3,304 million, respectively and for the six - month periods ended June 30, 2010 and 2009 of Baht 7,319 million and Baht 6,453 million, respectively. The interim financial statements of the overseas subsidiaries have been reviewed by other auditors from same audit firm whose reports have been furnished to me, and my report, in so far as it relates to the amounts for the overseas subsidiaries included in the consolidated interim financial statements for the three - month and six - month periods ended June 30, 2010 and 2009, are based solely on the reports of the said auditors.

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

Based on my review and the reports of the other auditors as referred to in the first paragraph, nothing has come to my attention that causes me to believe that the consolidated and separate interim financial statements for the three - month and six - month periods ended June 30, 2010 and 2009 are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

The consolidated and separate balance sheets as of December 31, 2009, presented herein for comparison, have been derived from such financial statements, which I have audited and reported in accordance with generally accepted auditing standards and expressed an unqualified opinion in my report dated February 26, 2010. I have not performed any other audit procedures subsequent to such report date.



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

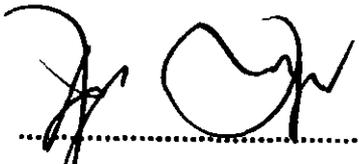
A.M.T. & ASSOCIATES  
Bangkok, Thailand  
August 13, 2010.

## Regional Container Lines Public Company Limited and its subsidiaries

## Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,955,351	2,115,961	1,322,148	181,052
Trade accounts receivable - unrelated parties		1,349,454	1,361,470	-	-
Less: Allowance for doubtful accounts		(9,260)	(11,063)	-	-
Trade accounts receivable - unrelated parties, net	2	1,340,194	1,350,407	-	-
Trade accounts receivable - related parties	2,12	3,726	8,655	171,639	275,692
Short - term loan to related party	3,18	-	-	226,709	-
Material supplies		414,681	359,860	17,398	18,080
Other current assets		268,933	302,347	40,846	48,097
<b>Total current assets</b>		<b>4,982,885</b>	<b>4,137,230</b>	<b>1,778,740</b>	<b>522,921</b>
<b>Non - current assets</b>					
Property investments held for					
long - term investment		4,458	1,648	-	-
Investments in subsidiaries	4	-	-	5,405,960	5,405,960
Investments in associated companies	5	197,421	197,158	20,000	20,000
Other long - term investments		10,961	11,274	-	-
Property and premises, net	6.1	2,607,746	2,693,964	7,722	8,850
Vessels and equipment, net	6.2	18,952,352	19,864,716	5,816,057	5,920,708
Intangible assets, net	7	187,627	184,777	-	-
Other non - current assets		52,521	54,998	2,148	2,145
<b>Total non - current assets</b>		<b>22,013,086</b>	<b>23,008,535</b>	<b>11,251,887</b>	<b>11,357,663</b>
<b>Total assets</b>		<b>26,995,971</b>	<b>27,145,765</b>	<b>13,030,627</b>	<b>11,880,584</b>



.....  
**Mr. Sumate Tanthuwank**  
**Director**




.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

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

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Balance sheets (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - unrelated parties		2,606,969	2,614,712	121,439	4,830
Trade accounts payable - related parties	12	25,172	35,068	45,270	187,274
Current portion of finance lease creditors		8,818	8,623	-	-
Current portion of long - term loans	9	1,364,916	1,353,776	135,396	139,262
Corporate income tax payable		10,220	21,042	156	4,167
Provision for unrealised loss from changes in the fair value of derivatives	8	11,532	10,511	-	-
Other current liabilities		564,686	543,435	59,211	64,125
<b>Total current liabilities</b>		<b>4,592,313</b>	<b>4,587,167</b>	<b>361,472</b>	<b>399,658</b>
<b>Non - current liabilities</b>					
Finance lease creditors, net of current portion		4,632	8,563	-	-
Long - term loans, net of current portion	9	7,585,937	8,516,638	846,228	940,021
Debentures, net	10	2,483,288	2,479,663	2,483,288	2,479,663
Other non - current liabilities		2,691	5,526	-	-
<b>Total non - current liabilities</b>		<b>10,076,548</b>	<b>11,010,390</b>	<b>3,329,516</b>	<b>3,419,684</b>
<b>Total liabilities</b>		<b>14,668,861</b>	<b>15,597,557</b>	<b>3,690,988</b>	<b>3,819,342</b>



**Mr. Sumate Tanthuanit**  
**Director**

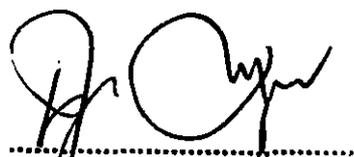
**Ms. Tuengrat Kirtiputra**  
**Director**

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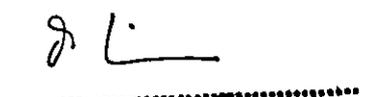
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Balance sheets (continued)**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Shareholders' equity</b>				
Share capital	11			
Registered				
828,750,000 ordinary shares of Baht 1 each as at 30 June 2010 and 663,000,000 ordinary shares of Baht 1 each as at 31 December 2009	828,750	663,000	828,750	663,000
Issued and paid - up				
792,698,440 ordinary shares of Baht 1 each as at 30 June 2010 and 663,000,000 ordinary shares of Baht 1 each as at 31 December 2009	792,698	663,000	792,698	663,000
Share premium	4,499,873	3,073,190	4,499,873	3,073,190
Translation adjustment	8,495	250,751	-	-
Retained earnings				
Appropriated - statutory reserve	66,300	66,300	66,300	66,300
Unappropriated	6,939,473	7,474,224	3,980,768	4,258,752
Equity attributable to the parent's shareholders	12,306,839	11,527,465	9,339,639	8,061,242
Minority interest - equity attributable to minority shareholders of subsidiaries	20,271	20,743	-	-
<b>Total shareholders' equity</b>	<b>12,327,110</b>	<b>11,548,208</b>	<b>9,339,639</b>	<b>8,061,242</b>
<b>Total liabilities and shareholders' equity</b>	<b>26,995,971</b>	<b>27,145,765</b>	<b>13,030,627</b>	<b>11,880,584</b>

  
 .....  
**Mr. Sumate Tanthuwani**  
**Director**



  
 .....  
**Ms. Tuangrat Kirtiputra**  
**Director**

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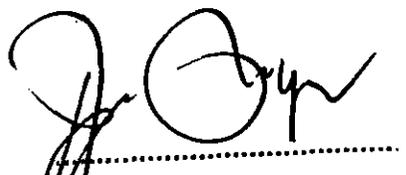
## Regional Container Lines Public Company Limited and its subsidiaries

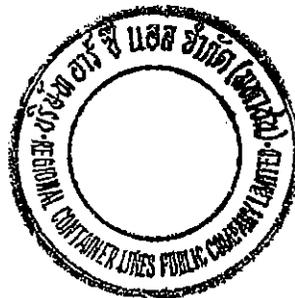
## Statements of changes in shareholders' equity

For the six - month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements					Minority interest -		
	Equity attributable to the parent's shareholders					equity attributable		
	Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings Statutory reserve	Unappropriated	Total equity attributable to the parent's shareholders	to minority shareholders of subsidiaries	Total
<b>Balance as at 31 December 2008</b>	663,000	3,073,190	640,611	66,300	11,260,093	15,703,194	28,018	15,731,212
Income (expenses) recognised directly in equity:								
Translation adjustment	-	-	(219,826)	-	-	(219,826)	(686)	(220,512)
Net income (expenses) recognised in equity	-	-	(219,826)	-	-	(219,826)	(686)	(220,512)
Net income (loss) for the period	-	-	-	-	(1,000,668)	(1,000,668)	563	(1,000,105)
Net income (expenses) recognised for the period	-	-	(219,826)	-	(1,000,668)	(1,220,494)	(123)	(1,220,617)
<b>Balance as at 30 June 2009</b>	663,000	3,073,190	420,785	66,300	10,259,425	14,482,700	27,895	14,510,595

  
 .....  
**Mr. Sumate Tanthuanit**  
**Director**



  
 .....  
**Ma. Tuangrat Kirtiputra**  
**Director**

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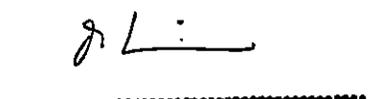
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the six - month periods ended 30 June 2010 and 2009**

(Unit: Thousand Baht)

		Consolidated financial statements							
		Equity attributable to the parent's shareholders					Minority interest - equity attributable		
		Issued and paid - up share capital	Share premium	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	to minority shareholders of subsidiaries	Total
Note					Statutory reserve	Unappropriated			
	<b>Balance as at 31 December 2009</b>	663,000	3,073,190	250,751	66,300	7,474,224	11,527,465	20,743	11,548,208
	Income (expenses) recognised directly in equity:								
	Translation adjustment	-	-	(242,256)	-	-	(242,256)	(606)	(242,862)
	Net income (expenses) recognised in equity	-	-	(242,256)	-	-	(242,256)	(606)	(242,862)
	Net income (loss) for the period	-	-	-	-	(534,751)	(534,751)	134	(534,617)
	Net income (expenses) recognised for the period	-	-	(242,256)	-	(534,751)	(777,007)	(472)	(777,479)
	Increased in ordinary share capital	129,698	1,426,683	-	-	-	1,556,381	-	1,556,381
	<b>Balance as at 30 June 2010</b>	792,698	4,499,873	8,495	66,300	6,939,473	12,306,839	20,271	12,327,110

  
**Mr. Sumate Tanthuwant**  
**Director**



  
**Ms. Tuangrat Kirtiputra**  
**Director**

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

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the six - month periods ended 30 June 2010 and 2009**

(Unit: Thousand Baht)

## Separate financial statements

	Note	Issued and paid - up share capital	Share premium	Retained earnings		Total
				Statutory reserve	Unappropriated	
<b>Balance as at 31 December 2008</b>		663,000	3,073,190	66,300	4,214,489	8,016,979
Net income (loss) for the period		-	-	-	57,394	57,394
<b>Balance as at 30 June 2009</b>		<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>4,271,883</u>	<u>8,074,373</u>
<b>Balance as at 31 December 2009</b>		663,000	3,073,190	66,300	4,258,752	8,061,242
Increased in ordinary share capital	11	129,698	1,426,683	-	-	1,556,381
Net income (loss) for the period		-	-	-	(277,984)	(277,984)
<b>Balance as at 30 June 2010</b>		<u>792,698</u>	<u>4,499,873</u>	<u>66,300</u>	<u>3,980,768</u>	<u>9,339,639</u>



**Mr. Sumate Tanthuwant**  
**Director**




**Ms. Tuangrat Kirtiputra**  
**Director**

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

## Regional Container Lines Public Company Limited and its subsidiaries

## Income statements

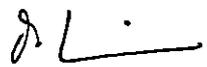
For the three - month periods ended 30 June 2010 and 2009

(Unit:Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Freight income		3,884,511	3,548,037	126,979	328,656
Other income					
Gain on exchange		39,825	94,826	-	-
Dividend income from an associated company	5	-	-	10,000	12,000
Gain on sales of fixed assets	6.2	14,248	15,392	-	-
Gain on sales of investments		25	-	-	-
Interest income		1,437	3,125	716	10,119
Adjustment for unrealised loss on derivatives	17.1, 17.3	-	62,465	-	-
Others		31,639	29,995	-	-
<b>Total revenues</b>		<b>3,971,685</b>	<b>3,753,840</b>	<b>137,695</b>	<b>350,775</b>
<b>Expenses</b>					
Cost of freight and operations		3,698,675	3,627,371	198,923	233,443
Administrative expenses		359,153	308,666	41,436	42,817
Management benefit expenses	13	8,481	15,402	2,273	2,541
Loss on exchange		-	-	1,173	7,713
Adjustment for unrealised loss on derivatives	8	1,016	-	-	-
<b>Total expenses</b>	14	<b>4,067,325</b>	<b>3,951,439</b>	<b>243,805</b>	<b>286,514</b>
Share of income (loss) from investment accounted for under equity method - associated companies		9,713	4,447	-	-
<b>Income (loss) before finance cost and corporate income tax</b>		<b>(85,927)</b>	<b>(193,152)</b>	<b>(106,110)</b>	<b>64,261</b>
Finance cost		(101,887)	(88,534)	(43,783)	(29,647)
<b>Income (loss) before corporate income tax</b>		<b>(187,814)</b>	<b>(281,686)</b>	<b>(149,893)</b>	<b>34,614</b>
Corporate income tax		(4,962)	(7,441)	(156)	(2,492)
<b>Net income (loss) for the period</b>		<b>(192,776)</b>	<b>(289,127)</b>	<b>(150,049)</b>	<b>32,122</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		(193,057)	(289,341)	(150,049)	32,122
Minority interests of the subsidiaries		281	214	-	-
		<b>(192,776)</b>	<b>(289,127)</b>		
(Unit: Baht)					
<b>Basic earnings (loss) per share</b>					
Net income (loss) attributable to equity holders of the parent		(0.28)	(0.44)	(0.22)	0.05
The weighted average number of ordinary shares (share)		681,528,348	663,000,000	681,528,348	663,000,000

  
 Mr. Sumate Tanthuwank  
 Director



  
 Ms. Tuangrat Kirtiputra  
 Director

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

## Regional Container Lines Public Company Limited and its subsidiaries

## Income statements

For the six - month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Freight income		7,547,206	7,212,432	237,238	662,084
Other income					
Gain on exchange		54,915	-	30,765	6,331
Dividend income from an associated company	5	-	-	10,000	12,000
Gain on sales of fixed assets	6.2	40,435	19,435	-	-
Interest income		2,085	8,262	1,036	16,338
Adjustment for unrealised loss on derivatives	17.1, 17.3	-	260,313	-	-
Others		61,516	59,720	-	-
<b>Total revenues</b>		<b>7,706,157</b>	<b>7,560,162</b>	<b>279,039</b>	<b>696,753</b>
<b>Expenses</b>					
Cost of freight and operations		7,368,837	7,655,805	381,710	480,674
Administrative expenses		646,443	614,307	83,377	85,988
Management benefit expenses	13	20,646	30,865	4,616	5,154
Loss on exchange		-	69,863	-	-
Loss on sales of investments		3,780	-	-	-
Adjustment for unrealised loss on derivatives	8	1,320	-	-	-
<b>Total expenses</b>	14	<b>8,041,026</b>	<b>8,370,840</b>	<b>469,703</b>	<b>571,816</b>
Share of income (loss) from investment accounted for under equity method - associated companies		14,976	6,235	-	-
<b>Income (loss) before finance cost and corporate income tax</b>		<b>(319,893)</b>	<b>(804,443)</b>	<b>(190,664)</b>	<b>124,937</b>
Finance cost		(206,015)	(184,607)	(87,164)	(63,503)
<b>Income (loss) before corporate income tax</b>		<b>(525,908)</b>	<b>(989,050)</b>	<b>(277,828)</b>	<b>61,434</b>
Corporate income tax		(8,709)	(11,055)	(156)	(4,040)
<b>Net income (loss) for the period</b>		<b>(534,617)</b>	<b>(1,000,105)</b>	<b>(277,984)</b>	<b>57,394</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		(534,751)	(1,000,668)	(277,984)	57,394
Minority interests of the subsidiaries		134	563	-	-
		<b>(534,617)</b>	<b>(1,000,105)</b>		
(Unit: Baht)					
<b>Basic earnings (loss) per share</b>					
Net income (loss) attributable to equity holders of the parent		(0.80)	(1.51)	(0.41)	0.09
The weighted average number of ordinary shares (share)		672,315,357	663,000,000	672,315,357	663,000,000

  
**Mr. Sumate Tanthuwant**  
 Director



  
**Ms. Tuangrat Kirtiputra**  
 Director

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

## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows

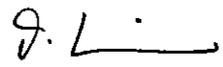
For the six - month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from operating activities</b>				
Net income (loss) before corporate income tax	(525,908)	(989,050)	(277,828)	61,434
Adjustments to reconcile net income (loss) before corporate income tax to net cash provided by (used in) operating activities:				
Depreciation	633,404	667,729	191,336	236,822
Amortization	15,595	9,961	-	-
Loss (gain) on sales of fixed assets	(40,435)	(19,435)	-	-
Loss (gain) on sales of investments	3,780	-	-	-
Increase (decrease) in allowance for doubtful accounts	(1,803)	(37,588)	-	-
Dividend income from an associated company	-	-	(10,000)	(12,000)
Increase (decrease) in adjustment for unrealised loss on derivatives	1,320	(260,313)	-	-
Unrealised loss (gain) on exchange rate	7,361	47,700	(28,628)	11,994
Share of loss (income) from investment accounted for under equity method - associated companies	(14,976)	(6,235)	-	-
Interest income	(2,085)	(8,262)	(1,036)	(16,338)
Finance cost	206,015	184,607	87,164	63,503
Income (loss) from operating activities before changes in operating assets and liabilities	282,268	(410,886)	(38,992)	345,415
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	(24,137)	415,990	-	188
Trade accounts receivable - related parties	4,929	77,397	103,665	(297,823)
Material supplies	(54,821)	60,593	682	1,299
Other current assets	33,419	(79,796)	7,251	2,003
Other non - current assets	2,253	(15,546)	(3)	(485)
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	(7,743)	(124,220)	116,609	(1,181)
Trade accounts payable - related parties	(8,907)	(24,686)	(141,015)	(105,442)
Provision for unrealised loss from changes in the fair value of derivatives	-	(736,511)	-	-
Other current liabilities	24,907	14,799	(4,414)	(1,185)
Other non - current liabilities	(2,835)	(3,131)	-	-
Cash from operating activities	249,333	(825,997)	43,783	(57,211)
Cash paid for corporate income tax	(19,531)	(11,737)	(4,167)	(1,634)
Net cash provided by (used in) operating activities	229,802	(837,734)	39,616	(58,845)

  
 Mr. Sumate Tanthuwant  
 Director



  
 Ms. Tuangret Kirtiputra  
 Director

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

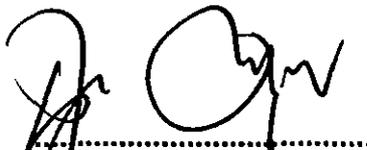
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the six - month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	(3,780)	-	-	-
Decrease (increase) in short - term loan to related party	-	-	(226,709)	-
Decrease (increase) in property, premises, vessels and equipment	(52,519)	18,399	(85,557)	(1,235)
Decrease (increase) in deposit for purchasing vessels	-	6,127	-	-
Decrease (increase) in intangible assets	(23,621)	(46,083)	-	-
Provision for unrealised loss from changes in the fair value of derivatives	(299)	-	-	-
Dividend received from associated company	10,000	12,000	10,000	12,000
Interest received	2,080	18,804	1,036	16,425
<b>Net cash provided by (used in) investing activities</b>	<b>(68,139)</b>	<b>9,247</b>	<b>(301,230)</b>	<b>27,190</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in finance lease creditors	(3,736)	(5,754)	-	-
Increase (decrease) in long - term loans	(647,892)	(221,580)	(69,632)	(72,884)
Increase (decrease) in debentures	3,625	(384,650)	3,625	(384,650)
Finance cost paid	(210,277)	(209,211)	(87,664)	(66,754)
Cash received from share capital increase	1,556,381	-	1,556,381	-
<b>Net cash provided by (used in) financing activities</b>	<b>698,101</b>	<b>(821,195)</b>	<b>1,402,710</b>	<b>(524,288)</b>
Translation adjustment	(20,374)	50,844	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>839,390</b>	<b>(1,598,838)</b>	<b>1,141,096</b>	<b>(555,943)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,115,961</b>	<b>3,437,169</b>	<b>181,052</b>	<b>749,697</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,955,351</b>	<b>1,838,331</b>	<b>1,322,148</b>	<b>193,754</b>



.....  
**Mr. Sumate Tanthuwani**  
**Director**




.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

**Regional Container Lines Public Company Limited and its subsidiaries****Notes to interim financial statements****For the three - month and six - month periods ended 30 June 2010****1. General information****1.1 Corporate information**

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

**1.2 Basis for the preparation of the interim financial statements**

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

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

**1.3 Adoption of new accounting standards**

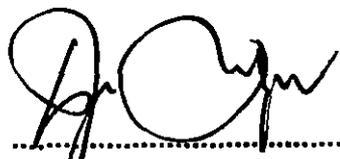
In May 2009, the Federation of Accounting Professions (FAP) has issued Notifications No. 12/2552 regarding the renumbering of Thai Accounting Standards to match correspondingly with the International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements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

In May 2010, the Federation of Accounting Professions (FAP) has issued Notifications No. 17/2553 regarding Accounting Standards and Financial Reporting Standards (revised 2009) which have been published in the Royal Gazette as follows:

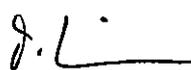
- 1) An accounting standard which is effective for the current period as follows:

Framework for the Preparation and Presentation of Financial Statements  
(revised 2009)

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

  
.....  
**Mr. Sumate Tanthuwant**  
**Director**



  
.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

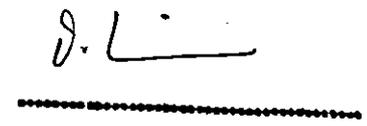
2) Accounting standards and financial reporting standards which are not effective for the current period as follows :

	<u>Effective date</u>
Accounting Standard No. 1 Presentation of Financial Statements (revised 2009)	January 1, 2011
Accounting Standard No. 2 Inventories (revised 2009)	January 1, 2011
Accounting Standard No. 7 Statement of Cash Flows (revised 2009)	January 1, 2011
Accounting Standard No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2009)	January 1, 2011
Accounting Standard No. 10 Events After the Reporting Period (revised 2009)	January 1, 2011
Accounting Standard No. 11 Construction Contracts (revised 2009)	January 1, 2011
Accounting Standard No. 12 Income Taxes	January 1, 2013
Accounting Standard No. 17 Leases (revised 2009)	January 1, 2011
Accounting Standard No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2009)	January 1, 2013
Accounting Standard No. 23 Borrowing Costs (revised 2009)	January 1, 2011
Accounting Standard No. 24 Related Party Disclosures (revised 2009)	January 1, 2011
Accounting Standard No. 27 Consolidated and Separate Financial Statements (revised 2009)	January 1, 2011
Accounting Standard No. 28 Investments in Associates (revised 2009)	January 1, 2011
Accounting Standard No. 29 Financial Reporting in Hyperinflationary Economics	January 1, 2011
Accounting Standard No. 31 Interests in Joint Venture (revised 2009)	January 1, 2011
Accounting Standard No. 33 Earnings per Share (revised 2009)	January 1, 2011
Accounting Standard No. 34 Interim Financial Reporting (revised 2009)	January 1, 2011
Accounting Standard No. 36 Impairment of Assets (revised 2009)	January 1, 2011
Accounting Standard No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2009)	January 1, 2011
Accounting Standard No. 38 Intangible Assets (revised 2009)	January 1, 2011
Accounting Standard No. 40 Investment Property (revised 2009)	January 1, 2011
Financial Reporting Standard No. 5 Non - Current Assets Held for Sale and Discontinued Operations (revised 2009)	January 1, 2011
Financial Reporting Standard No. 6 Exploration for and Evaluation of Mineral Resources	January 1, 2011

The management of the Company is still evaluating the effect of these accounting standards as to their effect to the financial statements for the year in which they are initially applied.

  
 Mr. Sunate Tanthuwarit  
 Director



  
 Ms. Tuengrat Kirtiputra  
 Director

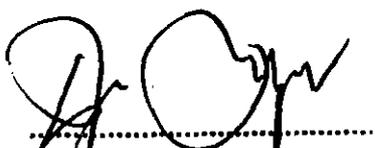
#### 1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009.

The consolidated financial statements for the three - month and six - month periods ended 30 June 2010 and 2009 include the financial statements of the overseas subsidiaries which have been reviewed by their auditors. The financial statements of those subsidiaries reflect total assets as of 30 June 2010 and 2009 of Baht 13,856 million and Baht 16,305 million, respectively and total revenues for the three - month periods ended 30 June 2010 and 2009 of Baht 3,787 million and Baht 3,304 million, respectively and for the six- month periods ended 30 June 2010 and 2009 of Baht 7,319 million and Baht 6,453 million, respectively.

#### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.



.....  
**Mr. Sumate Tanthuwatit**  
Director



.....  
**Ms. Tuangrat Kirtiputra**  
Director

2. Trade accounts receivable

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Under 90 days	1,299,526	1,285,961	-	-
91 - 180 days	36,449	62,157	-	-
181 - 365 days	10,294	5,063	-	-
Over 365 days	3,185	8,289	-	-
Total	1,349,454	1,361,470	-	-
Less Allowance for doubtful accounts	(9,260)	(11,063)	-	-
Net	1,340,194	1,350,407	-	-

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

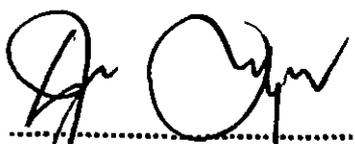
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Under 90 days	3,726	8,655	113,070	264,126
91 - 180 days	-	-	58,569	11,566
181 - 365 days	-	-	-	-
Over 365 days	-	-	-	-
Total	3,726	8,655	171,639	275,692

3. Short - term loan to related party

In June 2010, a subsidiary in Singapore had entered into an on call loan agreement with the Company in the amount of Baht 226.7 million without collateral. The interest is at the rate of 4% p.a.

In July 2010, the Company had acquired the total increased in share capital of the subsidiary, partial payment made by the conversion of the said loan.

  
 .....  
**Mr. Sumate Tanthuwant**  
 Director



  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

4. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the six - month periods ended	
	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	June
	2010	2009	2010	2009	2010	2009	2010	2009
			Percent	Percent				
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 81.4 Million	S\$ 81.4 Million	100	100	3,767	3,767	-	-
e) RCL Feeder Pte. Ltd.	USD 32.7 Million	USD 32.7 Million	98	98	1,095	1,095	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	217	217	-	-
Total investments in subsidiaries					5,406	5,406	-	-

5. Investments in associated companies

(Unit: Million Baht)

Company's name	Separate financial statements									
	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the six - month periods ended	
	30	31	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	December	June	June
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
			Percent	Percent						
<u>Investment in associated company of the Company</u>										
<u>Associated company operating in Thailand</u>										
TIPS Co., Ltd. (Port operating)	100	100	20	20	20	20	164	164	10	12
	Million	Million								
	Baht	Baht								
Total investment in associated company					20	20	164	164	10	12

  
 Mr. Sumate Tanthuwant  
 Director



  
 Ms. Tuangrat Kirtiputra  
 Director

The accumulated share of the profit of the Company's associated company, as at 30 June 2010, is calculated based on the financial statements of the associated company, which were prepared by the management and unreviewed by that company's auditor.

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2010	31 December 2009
The Company's investment in associated company	163,501	163,782
The subsidiaries' investments in associated companies	33,920	33,376
Total investments in associated companies accounted for under equity method	<u>197,421</u>	<u>197,158</u>

6. Property, premises, vessels and equipment, net

6.1 Property and premises, net

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2009 (audited)	2,693,964	8,850
<u>Add</u> Acquisitions during period - at cost	1,879	-
<u>Less</u> Depreciation for the period	(13,659)	(1,128)
Translation adjustment	(74,438)	-
Net book value as at 30 June 2010 (unaudited but reviewed)	<u>2,607,746</u>	<u>7,722</u>

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

6.2 Vessels and equipment, net

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2009 (audited)	19,864,716	5,920,708
<u>Add</u> Acquisitions during period - at cost	134,434	85,557
<u>Less</u> Sale during period - at net book value	(43,360)	-
Depreciation for the period	(619,745)	(190,208)
Translation adjustment	(383,693)	-
Net book value as at 30 June 2010 (unaudited but reviewed)	<u>18,952,352</u>	<u>5,816,057</u>

  
 Mr. Sumate Tanthuwani  
 Director



  
 Ms. Tuangrat Kirtiputra  
 Director

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

During the first quarter of 2010, a subsidiary in Singapore sold a vessel which the loss on the sale was USD 0.3 million (approximately Baht 9 million). And a subsidiary in Singapore sold containers which the gain on the sale was USD 1.1 million (approximately Baht 34.6 million).

During the second quarter of 2010, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.4 million (approximately Baht 14.2 million).

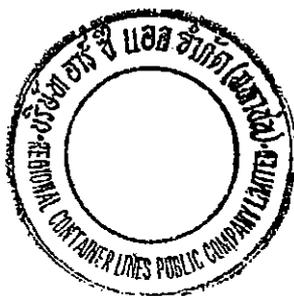
7. Intangible assets, net

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Computer software</u>		
Net book value as at 31 December 2009 (audited)	184,777	-
<u>Add</u> Increased during period - at cost	23,547	-
<u>Less</u> Amortization for the period	(15,521)	-
Translation adjustment	(5,176)	-
Net book value as at 30 June 2010 (unaudited but reviewed)	187,627	-

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

		(Unit: Thousand Baht)	
	Note	Consolidated financial statements	Separate financial statements
Beginning balance as at 1 January 2010 (audited)		10,511	-
Decrease due to :			
- Realised loss		-	-
- Adjustment for under provision		1,320	-
Translation adjustment		(299)	-
End balance as at 30 June 2010 (unaudited but reviewed)	17.1	11,532	-

  
 .....  
**Mr. Sumate Tanthuwarit**  
 Director



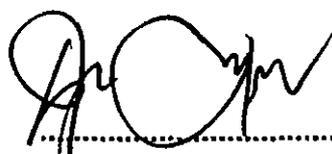
  
 .....  
**Ms. Tuangret Kirtiputra**  
 Director

9. Long - term loans

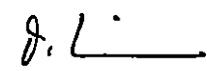
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
<u>Loans of the Company</u>				
1) USD 30.1 million loan (2009: USD 32.2 million), repayable quarterly until the year 2015.	981,624	1,079,283	981,624	1,079,283
<u>Loans of the Singaporean subsidiaries</u>				
2) USD 3.7 million loan (2009: USD 4.1 million), repayable quarterly until the year 2014.	120,484	137,266	-	-
3) USD 27.8 million loan (2009: USD 29.8 million), repayable quarterly until the year 2015.	901,943	994,390	-	-
4) USD 30.9 million loan (2009: USD 32.5 million), repayable quarterly until the year 2017.	1,001,439	1,085,598	-	-
5) USD 30.6 million loan (2009: USD 31.8 million), repayable quarterly until the year 2018.	992,787	1,061,128	-	-
6) USD 45.6 million loan (2009: USD 48.2 million), repayable semi - annually until the year 2018.	1,478,148	1,609,711	-	-
7) USD 19.3 million loan (2009: USD 20.2 million), repayable quarterly until the year 2018.	624,547	672,938	-	-
8) USD 19.2 million loan (2009: USD 21.6 million), repayable quarterly until the year 2014.	622,925	720,766	-	-
9) USD 14.0 million loan (2009: USD 15.8 million), repayable quarterly until the year 2014.	454,216	525,558	-	-
10) USD 29.8 million loan (2009: USD 33.3 million), repayable quarterly until the year 2012.	965,209	1,109,513	-	-
11) USD 24.9 million loan (2009: USD 26.2 million), repayable semi - annually until the year 2018.	807,531	874,263	-	-
Total	8,950,853	9,870,414	981,624	1,079,283
<u>Less Current portion</u>	<u>(1,364,916)</u>	<u>(1,353,776)</u>	<u>(135,396)</u>	<u>(139,262)</u>
Long - term loans, net of current portion	<u>7,585,937</u>	<u>8,516,638</u>	<u>846,228</u>	<u>940,021</u>

The above loans carry interest at rates based on LIBOR or SIBOR.



.....  
**Mr. Sumate Tanthuwani**  
**Director**

.....  
**Ms. Tuangrat Kirtiputra**  
**Director**

Movements in the long - term loans during the six - month period ended 30 June 2010 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 1 January 2010 (audited)	9,870,414	1,079,283
<u>Add</u> Borrowings	-	-
<u>Less</u> Repayments	(647,892)	(69,632)
Translation adjustment	(243,642)	-
Unrealised gain on exchange	(28,027)	(28,027)
End balance as at 30 June 2010 (unaudited but reviewed)	8,950,853	981,624

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

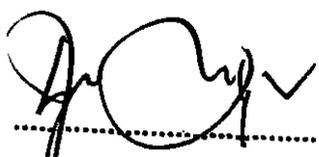
The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

#### 10. Debentures, net

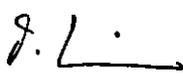
In October 2009, the Company issued and offered 2.5 million units of unsecured and unsubordinated debentures with a par value of Baht 1,000 each, or a total Baht 2,500 million, to be used for the repayment of outstanding bank loans, and working capital requirement. The maturity period of the debentures is 3 years, with the redemption date being 22 October 2012. The debenture holders are entitled to receive interest at a rate of 5.90 percent per annum. Such interest is payable quarterly in January, April, July and October of every year. 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.

Balance of Debentures consisted of the following:

	(Unit: Thousand Baht)	
	30 June 2010	31 December 2009
Debentures	2,500,000	2,500,000
<u>Less</u> Deferred cost of issuing debentures	(21,747)	(21,747)
<u>Add</u> Accumulated amortization of deferred cost of issuing debentures	5,035	1,410
Total	2,483,288	2,479,663

  
 .....  
**Mr. Sumate Tanthuwant**  
 Director



  
 .....  
**Mr. Tuangrat Kirtiputra**  
 Director

11. Share capitalThe Company:

At the Annual General Meeting of Shareholders held on 30 April 2010, the shareholders approved the following:

- Approved the increase of the Company's registered share capital from Baht 663.0 million (663 million ordinary shares at the par value of Baht 1.0 each) to Baht 828.75 million (828.75 million ordinary shares at the par value of Baht 1.0 each) for the purpose of enhancing the Company's financial liquidity and working capital, and supporting the Company's business expansion.

- Approved the allotment of 165,750,000 new ordinary shares at the par value of Baht 1.0 each, by the rights issue to the existing shareholders of the Company. The subscription ratio will be 4 existing shares to 1 new share at the offering price of Baht 12.0 each with the subscription period being 31<sup>st</sup> May - 4<sup>th</sup> June 2010. The Board of Directors or its designated person has been authorized to determine all other condition and details relating to the rights issue. If there are remaining shares from the rights issue, the Company may offer such shares in one or several tranches from time to time at the same offering price as for the rights issue or at a higher price by way of private placement.

The existing shareholders exercised to purchase totalling 129,698,440 ordinary shares and Baht 1,556.38 million in according to the above resolution. The increased paid - up share capital from this transaction had been registered with the Ministry of Commerce on 18 June 2010.



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**Mr. Sumate Tanthurwant**  
Director

.....  
**Ms. Tuangrat Kirtiputra**  
Director

12. Related party transactions

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

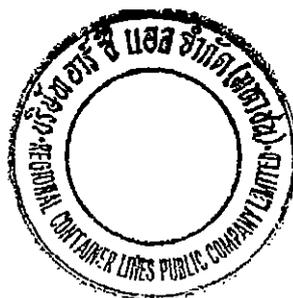
(Unit: Million Baht)

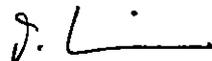
	For the three - month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
<b><u>Transactions with subsidiary</u></b>					
Charter freight income	-	-	127	329	Market price as at agreement date
Expenses related to cost of freight and operations advanced by a subsidiary	-	-	105	56	Actual payment
Ship management fee	-	-	1	2	Price approximates market price
<b><u>Transactions with related parties</u></b>					
Slot revenues	12	9	-	-	Price approximates market price
Commission expenses	29	25	-	-	Price approximates market price
Terminal operating service	88	108	-	-	Price per tariff minus volume discount
Logistic service fees	7	7	-	-	Price approximates market price

(Unit: Million Baht)

	For the six - month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2010	2009	2010	2009	
<b><u>Transactions with subsidiary</u></b>					
Charter freight income	-	-	237	662	Market price as at agreement date
Expenses related to cost of freight and operations advanced by a subsidiary	-	-	193	135	Actual payment
Ship management fee	-	-	3	4	Price approximates market price
<b><u>Transactions with related parties</u></b>					
Slot revenue	23	20	-	-	Price approximates market price
Commission expenses	56	54	-	-	Price approximates market price
Terminal operating service	170	159	-	-	Price per tariff minus volume discount
Logistic service fees	17	13	-	-	Price approximates market price

  
 .....  
**Mr. Sumate Tansuwanit**  
 Director



  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

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	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	172	276
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	4	9	-	-
	<u>4</u>	<u>9</u>	<u>172</u>	<u>276</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	45	187
<u>Related parties</u>				
RCL (Vietnam) Co., Ltd.	22	30	-	-
Others	3	5	-	-
	<u>25</u>	<u>35</u>	<u>45</u>	<u>187</u>

### 13. Management benefit expenses

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



  
 .....  
**Mr. Sumate Tanthuwant**  
**Director**

  
 .....  
**Ms. Tuangrat Kirtiputra**  
**Director**

14. Expenses by nature

Significant expenses by nature for the three - month and six - month periods ended 30 June 2010 and 2009 are as follow:

(Unit: Million Baht)

	For the three - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Salary and wages and other employee benefits	315	332	73	87
Management benefit expenses	9	16	3	2
Depreciations	319	332	99	119
Amortizations	8	5	-	-
Loss on exchange	-	-	-	8

(Unit: Million Baht)

	For the six - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Salary and wages and other employee benefits	636	687	146	181
Management benefit expenses	21	31	5	5
Depreciations	633	668	191	237
Amortizations	16	10	-	-
Loss on exchange	-	70	-	-



**Mr. Sumate Tanthuwant**  
Director

**Ms. Tuangrat Kirtiputra**  
Director

15. Financial information by segment

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

(Unit: Million Baht)

Consolidated financial statements												
For the three - month periods ended 30 June												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from external customers	58	56	3,705	3,436	121	57	3,884	3,549	-	-	3,884	3,549
Inter - segment revenues	127	322	349	536	12	10	488	868	(488)	(868)	-	-
Freight income	185	378	4,054	3,972	133	67	4,372	4,417	(488)	(868)	3,884	3,549
Segment gross profit (loss)	(63)	101	224	(204)	24	24	185	(79)	-	-	185	(79)
Gain on exchange											40	95
Gain on sales of fixed assets											14	15
Interest income											1	3
Adjustment for unrealised loss on derivatives											-	62
Other income											32	30
Share of income (loss) from investments												
accounted for under equity method												
- associated companies											10	4
Administrative expenses											(359)	(308)
Management benefit expenses											(9)	(16)
Finance cost											(102)	(88)
Corporate income tax											(5)	(7)
Net income (loss) for the period											(193)	(289)



.....  
**Mr. Sumate Tantawant**  
**Director**

.....  
**Ms. Tuengrat Kirtiputra**  
**Director**

(Unit: Million Baht)

## Consolidated financial statements

For the six - month periods ended 30 June

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from external customers	123	93	7,204	7,010	220	110	7,547	7,213	-	-	7,547	7,213
Inter - segment revenues	237	655	656	1,077	22	22	915	1,754	(915)	(1,754)	-	-
Freight income	360	748	7,860	8,087	242	132	8,462	8,967	(915)	(1,754)	7,547	7,213
Segment gross profit (loss)	(128)	197	259	(688)	47	48	178	(443)	-	-	178	(443)
Gain on exchange											55	-
Gain on sales of fixed assets											40	19
Interest income											2	8
Adjustment for unrealised loss on derivatives											-	260
Other income											62	60
Share of income (loss) from investments accounted for under equity method												
- associated companies											15	6
Administrative expenses											(646)	(614)
Management benefit expenses											(21)	(31)
Loss on exchange											-	(70)
Other expenses											(5)	-
Finance cost											(206)	(184)
Corporate income tax											(9)	(11)
Net income (loss) for the period											(535)	(1,000)

(Unit: Million Baht)

## Consolidated financial statements

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	30	31	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December	June	December
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Property, premises, vessels and equipment	5,828	5,934	15,577	16,466	123	130	21,528	22,530	32	28	21,560	22,558
Others											5,436	4,588
Total assets											26,996	27,146

  
 .....  
**Mr. Sumate Tanthuwant**  
 Director



  
 .....  
**Mr. Tuangrat Kirtiputra**  
 Director

16. Commitments and contingent liabilities16.1 Commitments

- (a) As at 30 June 2010, the Company has outstanding commitments of approximately Baht 4 million (31 December 2009: Baht 8 million) in respect of lease agreements, and a subsidiary in Singapore has outstanding commitments of USD 87 million or approximately Baht 2,812 million (31 December 2009: USD 111 million or approximately Baht 3,694 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	346	131	46	523
During 2 - 5 years	957	111	61	1,129
Over than 5 years	1,160	-	-	1,160
<b>Total</b>	<b>2,463</b>	<b>242</b>	<b>107</b>	<b>2,812</b>

- (b) As at 30 June 2010, a subsidiary in Singapore has commitments amounting to USD 44 million, or approximately Baht 1,425 million (31 December 2009: USD 44 million, or approximately Baht 1,466 million) in respect of the building of 2 vessels (31 December 2009: 2 vessels). These vessels will be delivered in April 2011.

In addition, another subsidiary in Singapore has commitments amounting to USD 0.6 million, or approximately Baht 20 million in respect of software royalty agreements (31 December 2009: USD 0.6 million, or approximately Baht 21 million); and Baht 60 million in respect of a software implementation agreement (31 December 2009: Baht 76 million)

16.2 Guarantees

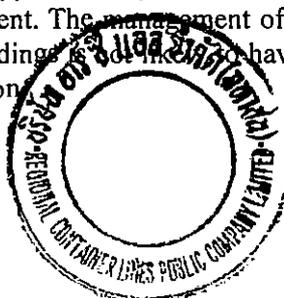
As at 30 June 2010, the Company has guarantee obligations of USD 570 million and S\$ 6 million, or approximately Baht 18,708 million (31 December 2009: USD 570 million and S\$ 6 million, or approximately Baht 19,242 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totalling USD 325 million and S\$ 0.5 million, or approximately Baht 10,552 million (31 December 2009: USD 344 million and S\$ 0.5 million, or approximately Baht 11,491 million).

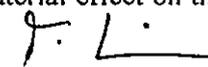
16.3 Litigation

In June 2000, a subsidiary in Singapore filed a petition to wind up an associated company in Malaysia and another petition to recover an outstanding agency balance of approximately RM 25 million or Baht 245 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 267 million, for illegal termination of an agency agreement. The management of subsidiary believes that the ultimate resolution of these legal proceedings may have a material effect on the results of its operations, or financial position.

  
 .....  
**Mr. Sumate Tanthuwant**  
**Director**



  
 .....  
**Mr. Tuangrat Kirtiputra**  
**Director**

17. Financial instruments17.1 Interest rate risk

As at 30 June 2010, a subsidiary in Singapore had a period - by - period knock out swap and interest rate swap agreement covering the notional amount of USD 8.0 million (31 December 2009: USD 9 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 amortized at a rate of USD 0.5 million per quarter over the period from 2004 to 2014.

As at 30 June 2010, a subsidiary company had unrealised losses from changes in the fair value of derivatives of USD 0.4 million, or approximately Baht 12 million (31 December 2009: USD 0.3 million, or approximately Baht 11 million). The Group recorded allowance for the loss in the income statement.

17.2 Foreign currency risk

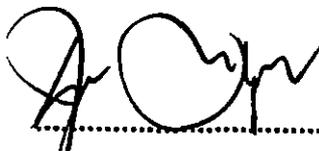
The Group business spans across the Asian region and, as a result, is exposed to foreign currency exchange rates. For that reason, the freight charges are priced in US dollars and payable in local currency equivalents, a natural foreign currency hedge is created by matching the currency of income flow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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 30 June 2010 and 31 December 2009, the Group does not hedge such exposures to foreign movement risk as it is minimal.

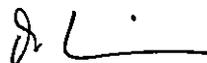
Whenever possible, it is the Group's policy to negotiate the terms of the hedged derivatives to match the terms of the hedged financial assets or liabilities item to maximise hedge effectiveness.

17.3 Commodity price risk

Since year 2008, a subsidiary in Singapore had entered into various contracts to hedge exposure to bunker price fluctuations, accordingly the subsidiary had provided provision for the estimated loss totalling USD 28.5 million (approximately Baht 992 million) and had recorded in the income statement for the year 2008, however, the actual loss from January 2009 to June 2009 was amounted USD 21.1 million (approximately Baht 728 million) effecting the subsidiary to record the gain adjustment in the first half of year 2009 for the over provision in year 2008 in the amount of USD 7.4 million (approximately Baht 265 million). Those contracts have been expired in June 2009 and the Group has not made any renewal.

  
 .....  
**Mr. Sumate Tanthuwant**  
 Director



  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director

18. Subsequence events

During July of 2010, the Company and a subsidiary had changed in the investments in subsidiaries as follows:

- The Company had acquired the increased share capital of Regional Container Lines Pte. Ltd. at the same holding of 100% of S\$ 55.1 million (approximately Baht 1,292.5 million), payment made by the conversion of loan from the Company amount of Baht 226.7 million (approximately S\$ 9.6 million) and additional payment of Baht 1,064.7 million (approximately S\$ 45.5 million).

- Regional Container Lines Pte. Ltd. had acquired the total increased in share capital of RCL Feeder Pte. Ltd. amounting to USD 105.9 million (approximately Baht 3,429.1 million), payment made by the conversion of partial amount of debt, resulting the proportion in investments in RCL Feeder Pte. Ltd. of Regional Container Lines Pte. Ltd. increased from 2.44% of equity to 76.97% of equity and the proportion of the Company decreased from 97.56% of equity to 23.03% of equity.

19. Reclassification

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

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2010.



  
 .....  
**Mr. Sumate Tanthawanit**  
 Director

  
 .....  
**Ms. Tuangrat Kirtiputra**  
 Director