



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

## Press Release for Financial Results as at 30 September 2014

RCL reported third quarter 2014 results, posting a net gain of THB 60 million versus a net loss of THB 222 million in 3Q2013. The stringent cost control, realignment of services and fleet deployment as well as selective product mix have contributed to the operating gain of THB 50 million in 3Q2014, before a gain on sales of fixed assets.

Regional Container Lines Group's Shipper Owned Container (SOC) vessels lifting in 3Q2014 decreased 7% year-on-year to 237,490 TEUs. For Carrier Owned Container (COC), the vessels lifting decreased 11% year-on-year to 237,104 TEUs. The total vessels lifting for 3Q2014 therefore decreased 9% year-on-year to 474,594 TEUs.

Total turnover for the third quarter before exchange difference, gain on sale of assets and adjustment for unrealized loss on derivatives, decreased by 8% Y-O-Y to THB 3,211 million.

The cost of freight and operation in 3Q2014 decreased by 16% to THB 2,835 million as compared to the same quarter the year before, mainly due to the decline in fixed cost, bunker cost and the lifting.

In 3Q2014 the group disposed some old containers, which translated to a disposal gain of THB 11 million similar to 3Q2013. In addition, the group recorded a loss on exchange of THB 32 million in 3Q2014 versus a loss of THB 14 million, in the same quarter of last year.

11 Nov 2014

*Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 49 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 75,063 TEUs to support its own COC carriage as well. RCL operates a network of 60 offices made up of both owned and agency partner offices to support its operations. Today, RCL is recognised as amongst the leading SOC and Intra Asian operator by both peers and customers alike*



**QUARTERLY EARNING STATEMENTS IN US\$ MILLION**

	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1st Quarter	Half-Year	9 months	Year-end	1st Quarter	Half-Year	9 months
	2012	2012	2012	2012	2013	2013	2013	2013	2014	2014	2014
Freight income	103.4	218.9	332.4	436.6	100.9	207.8	317.9	426.5	106.6	214.4	314.0
Cost of freight and operations	(114.3)	(215.8)	(327.5)	(429.3)	(103.2)	(207.5)	(314.8)	(417.6)	(102.3)	(192.9)	(281.1)
<b>Gross Profit</b>	<b>(10.9)</b>	<b>3.1</b>	<b>4.9</b>	<b>7.3</b>	<b>(2.3)</b>	<b>0.3</b>	<b>3.1</b>	<b>8.9</b>	<b>4.3</b>	<b>21.5</b>	<b>32.9</b>
<b>Gross Profit Margin</b>	<b>-10.5%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>-2.3%</b>	<b>0.1%</b>	<b>1.0%</b>	<b>2.1%</b>	<b>4.0%</b>	<b>10.0%</b>	<b>10.5%</b>
Other income	1.1	2.1	3.0	4.0	0.6	1.0	1.7	2.8	0.5	1.2	2.2
Adjustment for unrealised loss on derivatives	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Gain on exchange	4.4	0.6	0.0	0.3	0.1	1.0	0.3	0.8	0.0	0.0	0.0
Gain on sale of assets	1.2	2.5	3.7	9.4	1.3	2.4	2.7	3.1	0.3	0.6	0.9
Reversal of loss on impairment of buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	6.7	5.3	6.8	13.8	2.0	4.4	4.7	6.8	0.8	1.8	3.1
Admin expenses	(9.4)	(18.4)	(26.8)	(37.9)	(9.3)	(18.1)	(26.7)	(35.5)	(8.8)	(17.1)	(25.3)
Loss on exchange	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.1)	0.8
Loss on impairment of Vessels	0.0	0.0	0.0	(24.1)	0.0	0.0	0.0	(23.5)	0.0	0.0	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	(11.2)	0.0	0.0	0.0	(5.1)	0.0	0.0	0.0
Total other expenses	(9.4)	(18.4)	(27.8)	(73.2)	(9.3)	(18.1)	(26.7)	(64.1)	(9.0)	(17.2)	(24.5)
Interest expenses	(2.7)	(5.3)	(7.9)	(9.7)	(1.3)	(2.7)	(4.1)	(5.6)	(1.3)	(2.6)	(3.8)
Profit / (loss) before taxation	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5	7.7
Income tax	(0.1)	(0.2)	(0.3)	(0.6)	0.0	0.1	0.0	0.0	0.0	0.0	(0.2)
Profit / (loss) after taxation	(16.4)	(15.6)	(24.3)	(62.4)	(10.9)	(16.0)	(23.0)	(54.0)	(5.2)	3.5	7.5
Minority interest	0.0	0.0	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit / (loss) attributable to members</b>	<b>(16.4)</b>	<b>(15.6)</b>	<b>(24.4)</b>	<b>(62.5)</b>	<b>(10.9)</b>	<b>(16.0)</b>	<b>(23.0)</b>	<b>(54.0)</b>	<b>(5.2)</b>	<b>3.5</b>	<b>7.5</b>

**COMPUTATION OF EBITDA**

Profit / (loss) before taxation	(16.3)	(15.4)	(24.0)	(61.8)	(10.9)	(16.1)	(23.0)	(54.0)	(5.2)	3.5	7.7
Add: Impairment loss of assets	0.0	0.0	0.0	24.1	0.0	0.0	0.0	23.5	0.0	0.0	0.0
Add: Provision for loss under onerous contracts	0.0	0.0	0.0	11.2	0.0	0.0	0.0	5.1	0.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Adjustment/ Add Allowance for unrealised loss on derivatives	0.0	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0
Add: Interest	2.7	5.3	7.9	9.7	1.3	2.7	4.1	5.6	1.3	2.6	3.8
<b>EBIT</b>	<b>(13.6)</b>	<b>(10.1)</b>	<b>(16.2)</b>	<b>(16.9)</b>	<b>(9.6)</b>	<b>(13.4)</b>	<b>(18.9)</b>	<b>(19.9)</b>	<b>(3.9)</b>	<b>6.1</b>	<b>11.5</b>
Add: Amortisation	0.7	1.4	2.2	2.9	0.6	1.2	1.9	2.6	0.4	0.9	0.9
Add: Depreciation	9.8	19.8	30.0	40.3	9.5	19.3	29.3	39.0	8.9	17.8	26.9
<b>EBITDA</b>	<b>(3.1)</b>	<b>11.1</b>	<b>16.0</b>	<b>26.3</b>	<b>0.5</b>	<b>7.1</b>	<b>12.3</b>	<b>21.7</b>	<b>5.4</b>	<b>24.8</b>	<b>39.3</b>



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

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November 11, 2014

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

Dear Sirs,

**Consolidated financial statements in United States Dollars**

As requested, we have obtained from the management the consolidated statements of financial position as of September 30, 2014, the related consolidated statements of income and retained earnings for the nine - month period ended September 30, 2014 of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") in United States Dollars ("USD") and performed the following procedures as agreed upon:

- (i) We obtained management's basis in determining exchange rates applied in the translation of financial information.
- (ii) We recomputed the translation of financial information into USD.
- (iii) We checked the casting and extension of the translated USD financial information in the statements.

The above procedures do not constitute either an audit or a review in accordance with Thai generally accepted auditing standards and the basis of translation is not necessarily in compliance with Thai generally accepted accounting principles. We therefore cannot give any assurance on the basis of these procedures.

The above procedures were performed solely to assist you in the preparation of the financial information in USD for presentation to your bankers for the purpose of their facilities review, and are not to be referred to for any other purposes or distributed to any other parties without our prior consent.

Yours faithfully,  
A.M.T. & ASSOCIATES

Chaiyuth Angsuwithaya  
Partner

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

	30 September 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,327.1	40.9	1,754.1	53.4
Trade receivables - unrelated parties, net	2,069.9	63.8	1,964.1	59.8
Trade receivables - related parties	28.2	0.9	34.8	1.1
Material supplies	378.3	11.7	385.0	11.7
Other current assets	278.9	8.6	267.5	8.1
<b>Total current assets</b>	<b>4,082.4</b>	<b>125.9</b>	<b>4,405.5</b>	<b>134.1</b>
<b>Non - current assets</b>				
Property and premises, net	314.1	9.7	322.9	9.8
Vessels and equipment, net	14,011.3	421.6	14,883.6	444.9
Intangible assets, net	1.7	0.1	31.0	0.9
Other non - current assets	298.6	9.0	280.8	8.6
<b>Total non - current assets</b>	<b>14,625.7</b>	<b>440.4</b>	<b>15,518.3</b>	<b>464.2</b>
<b>TOTAL ASSETS</b>	<b>18,708.1</b>	<b>566.3</b>	<b>19,923.8</b>	<b>598.3</b>

*See basis of preparation*

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

	30 September 2014		31 December 2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current liabilities</b>				
Short - term loan from financial institution	455.7	14.0	459.4	14.0
Trade payables - unrelated parties	2,929.6	90.3	2,848.8	86.7
Trade payables - related parties	6.7	0.2	464.3	14.1
Current portion of long - term loans	1,337.7	41.2	1,160.0	35.3
Short - term loan from related party	-	-	300.0	9.1
Provision for onerous contracts	526.1	16.2	532.9	16.2
Provision for unrealised loss from changes in the fair value of derivatives	-	-	0.2	-
Other current liabilities	202.9	6.4	187.1	5.7
<b>Total current liabilities</b>	<b>5,458.7</b>	<b>168.3</b>	<b>5,952.7</b>	<b>181.1</b>
<b>Non - current liabilities</b>				
Long - term loans, net of current portion	3,437.4	105.9	4,632.8	140.9
Long - term loan from related party	300.0	9.2	-	-
Employee benefit obligation	35.7	1.1	31.9	1.0
Other non - current liabilities	6.8	0.2	6.7	0.2
<b>Total non - current liabilities</b>	<b>3,779.9</b>	<b>116.4</b>	<b>4,671.4</b>	<b>142.1</b>
<b>Total liabilities</b>	<b>9,238.6</b>	<b>284.7</b>	<b>10,624.1</b>	<b>323.2</b>
<b>Shareholders' equity</b>				
<b>Share capital</b>				
<b>Issued and fully paid up</b>				
828,750,000 ordinary shares of Baht 1 each	828.8	25.8	828.8	25.8
Share premium	4,983.0	173.9	4,983.0	173.9
<b>Retained earnings</b>				
Appropriated - legal reserve	66.3	1.9	66.3	1.9
Unappropriated	3,749.4	92.1	3,553.9	84.8
Exchange differences on translating financial statement	(180.1)	(12.8)	(151.0)	(11.9)
<b>Equity attributable to Company's shareholders</b>	<b>9,447.4</b>	<b>280.9</b>	<b>9,281.0</b>	<b>274.5</b>
Non - controlling interests	22.1	0.7	18.7	0.6
<b>Total shareholders' equity</b>	<b>9,469.5</b>	<b>281.6</b>	<b>9,299.7</b>	<b>275.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>18,708.1</b>	<b>566.3</b>	<b>19,923.8</b>	<b>598.3</b>

*See basis of preparation*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF RETAINED EARNINGS  
 FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

	2014		2013	
	Million Baht	Million USD	Million Baht	Million USD
	<u>Baht</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>
Retained earnings - unappropriated				
Balance - beginning of period	3,553.9	84.8	5,206.8	138.8
Effect of changes in accounting policy	-	-	-	-
Balance - beginning of period after adjustment	3,553.9	84.8	5,206.8	138.8
Profit (loss) for the period attributable to equity holders of the parent	195.5	7.3	(713.3)	(23.0)
Total retained earnings - unappropriated	<u>3,749.4</u>	<u>92.1</u>	<u>4,493.5</u>	<u>115.8</u>
Retained earnings - appropriated				
Legal reserve	66.3	1.9	66.3	1.9
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
Total retained earnings	<u><u>3,815.7</u></u>	<u><u>94.0</u></u>	<u><u>4,559.8</u></u>	<u><u>117.7</u></u>

*See basis of preparation*

## REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF INCOME

FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

	2014		2013	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	10,178.5	314.0	9,666.5	317.9
Other income				
Gain on exchange rate	-	0.8	20.5	0.3
Gain on sales of assets	29.7	0.9	81.6	2.7
Adjustment provision for unrealised loss on derivatives	0.1	-	1.5	-
Others	34.4	1.1	18.7	0.6
Total revenues	<u>10,242.7</u>	<u>316.8</u>	<u>9,788.8</u>	<u>321.5</u>
Expenses				
Cost of freight and operations	8,251.2	254.5	8,694.9	285.9
Depreciation and amortisation	900.5	27.8	971.5	31.1
Administrative expenses	788.1	24.3	742.4	24.4
Other expenses - loss on exchange rate	13.4	-	-	-
Finance costs	123.1	3.8	125.9	4.1
Total expenses	<u>10,076.3</u>	<u>310.4</u>	<u>10,534.7</u>	<u>345.5</u>
Share of profit (loss) of associates	<u>36.1</u>	<u>1.1</u>	<u>31.8</u>	<u>1.0</u>
Profit (loss) before income tax expense	202.5	7.5	(714.1)	(23.0)
Tax expense (income)	<u>5.7</u>	<u>0.2</u>	<u>(1.5)</u>	<u>-</u>
Profit (loss) for the period	<u>196.8</u>	<u>7.3</u>	<u>(712.6)</u>	<u>(23.0)</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	195.5	7.3	(713.3)	(23.0)
Non - controlling interests	<u>1.3</u>	<u>-</u>	<u>0.7</u>	<u>-</u>
	<u>196.8</u>	<u>7.3</u>	<u>(712.6)</u>	<u>(23.0)</u>

*See basis of preparation*

## Basis of preparation

### 1. Thai Baht figures

The Thai Baht figures in the statements of financial position as of 30 September 2014 and profit and loss accounts for the nine - month periods ended 30 September 2014 and 2013 were extracted from the reviewed consolidated financial statements. The consolidated financial statements included the financial statements of Regional Container Lines Public Company Limited (hereinafter called "the Company") and its subsidiaries in Thailand, Singapore and Hong Kong.

For consolidation purposes, foreign currency financial statements of the subsidiaries were translated into Thai Baht at the closing exchange rates as to assets and liabilities, and at the average rates as to revenues and expenses. The resultant difference has been presented under the caption of "Exchange differences on translating financial statement" in the shareholders' equity.

### 2. USD figures

2.1 The USD figures in the consolidated statements of financial position were determined by translating the Thai Baht consolidated statements of financial position of the Group (except for two subsidiaries in Singapore, of which the functional reporting currency in USD) using the following exchange rates:

- a) For assets and liabilities, we used the following approximate rates:

As of 30 September 2014 : USD 1 = Baht 32.4400

As of 31 December 2013 : USD 1 = Baht 32.8600

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

*For the Company and its Thailand subsidiaries*

USD 1 = Baht 25.5850

*For its Singapore subsidiaries with functional currency reporting in Singapore dollar*

USD 1 = SGD 1.4020

*For its Hong Kong subsidiaries*

USD 1 = HKD 7.7296



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- c) Approximate rate as at the transaction dates were used for additional share capital, share premium, property and premises, vessels and equipment and intangible assets and disposals of property and premises, vessels and equipment and intangible assets.

Any differences have been included in "Exchange differences on translating financial statement".

- 2.2 The USD figures in the consolidated profit and loss accounts were determined by translating the Thai Baht consolidated profit and loss accounts of the Group (except for the two subsidiaries in Singapore, of which the functional reporting currency in USD) using the average exchange rates, which were as follows:

30 September 2014 : USD 1 = Baht 32.4190  
30 September 2013 : USD 1 = Baht 30.4095