



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

Press Release for Financial Results as at 30 June 2018

Continuity of unfavourable freight environment and higher bunker cost in 2Q led RCL to register a net loss of THB 43 Mil, against a net loss of THB 193 Mil in 1Q 2018. This was an improvement over the last quarter. Nevertheless, the bottom line fell short when compared to the same quarter of 2017, during which it recorded a net profit of THB 162 Mil. With higher liftings, RCL clinched an increase in revenue of THB 2,924 Mil, which translated to 2.8% above the revenue for the same quarter last year. Similarly, the revenue increase was 2.4% in comparison to the previous quarter. RCL had to bear a 31.7% up-swing in its bunker cost for 2Q 2018 on a year on year basis and was 5.5% higher than that of 1Q 2018, due to the continuous rise in the key cost factor, being bunkering cost.

The average freight rate for 2Q 2018, saw a marginal year-on-year improvement of 1.1% for RCL, whilst it recorded a higher percentage increase of 5.3% vis-a-vis last quarter. In view of the above, freight income went up by a marginal 2.1% vis-à-vis 2Q 2017 and was more or less the same as 1Q 2018.

Whilst gain on sale of assets was significantly higher in 2Q 2018, it was 36.1% above 2Q 2017 and 276.9% higher than that of the 1Q 2018. RCL Group's Shipper Owned Container (SOC) liftings in 2Q 2018 was better by 3.8% year-on-year. As for Carrier Owned Container (COC), the liftings performance was much better, hitting a high of 11.3% increase year-on-year. Consequential to the above, total liftings recorded for 2Q 2018, an increase of 8.3% year-on-year. In comparison to previous quarter, liftings for both core business SOC and COC however dropped 12.9% and 1.1% respectively, bringing the total liftings down by 6%.

When compared to same quarter of 2017, both cost of freight & operations and administration expenses for 2Q 2018 inched up by 11.4% and 2.2% respectively, resulting in an increase of 10.5% in total expenses. This was again mainly due to corresponding increases in variable and fixed cost of operation i.e. amongst others - higher bunker costs, charter-hire, amid improved liftings.



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

On a positive note, cost of freight & operations marked a 2.9% decrease and administration expense was well maintained at the same figure as last quarter. Total expenses were 2.7% lower than that incurred in 1Q 2018. In conclusion, according to the financial report, volume and revenue continued its growth, while on the cost side, bunker cost kept inching upwards, impacting the profitability of the company.

10 August 2018

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 45 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 99,171 TEUs to support its own COC carriage as well. RCL operates a network of 66 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.

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED

AND ITS SUBSIDIARIES

THAILAND

INTERIM FINANCIAL STATEMENTS

FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED JUNE 30, 2018

AND

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

EXPRESSED IN

THAI BAHT



A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอต

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position as of June 30, 2018 of Regional Container Lines Public Company Limited and its subsidiaries, the related consolidated statements of income and comprehensive income for the three - month and six - month periods ended June 30, 2018, the statements of changes in equity and cash flows for the six - month period ended June 30, 2018, as well as the condensed notes to the consolidated financial statements, and I have also reviewed the separate financial information for the same periods of Regional Container Lines Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 (revised 2017), "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 (revised 2017), "Interim Financial Reporting".

(CHAIYUTH ANGSUWITHAYA)

Certified Public Accountant

Registration No. 3885

AMT. & ASSOCIATES

Bangkok, Thailand

August 10, 2018

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position
As at 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,486,289	1,639,980	58,378	77,813
Trade receivables - unrelated parties		1,825,144	1,633,591	15,904	10,974
Less: allowance for doubtful accounts		(57,174)	(56,385)	-	-
Trade receivables - unrelated parties, net	5	1,767,970	1,577,206	15,904	10,974
Trade receivables - related parties	5 and 17	53,988	49,003	382,435	187,174
Other receivables	17	493,221	766,950	713,725	401,891
Material supplies		265,302	240,076	13,377	13,079
Other current assets	6	48,801	33,546	3,614	2,701
Total current assets		4,115,571	4,306,761	1,187,433	693,632
Non - current assets					
Property investments held for					
long - term investment		5,198	5,182	-	-
Investments in subsidiaries, net	7	-	-	6,931,101	6,838,625
Investments in associates	8.1	347,945	354,430	54,929	54,165
Investments in joint venture	8.2	46,679	30,313	-	-
Other long - term investments		11,163	11,008	-	-
Property and premises, net	9.1, 11 and 13	316,052	315,590	433	427
Vessels and equipment, net	9.2, 12 and 13	11,613,749	11,943,366	4,098,705	4,024,138
Intangible assets, net	10	-	9	-	-
Other non - current assets					
- Advances for vessel constructions	21	488,368	438,458	488,368	438,458
- Other	18	7,614	4,450	2,465	2,428
Total non - current assets		12,836,768	13,102,806	11,576,001	11,358,241
Total assets	24	16,952,339	17,409,567	12,763,434	12,051,873

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



..... DIRECTOR

..... DIRECTOR

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasim
Director

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short - term loans from financial institutions	11	1,266,860	1,379,895	680,400	801,600
Trade payables - unrelated parties		3,227,014	3,082,437	64,582	48,337
Trade payables - related parties	17	2,106	7,570	-	-
Other payables					
- Accrued expenses		96,007	80,272	24,625	22,181
- Advance receipt	17	14,303	2,424	2,967,759	2,026,623
- Payable on purchase of assets	17	82,728	-	170,626	86,675
Current portion of liabilities					
under financial lease agreement	12	237,358	229,545	-	-
Current portion of long - term loans	13	758,264	1,073,930	361,325	356,295
Provision for onerous contracts	20.1 (a)	121,965	120,267	-	-
Income tax payable		2,607	2,686	-	-
Other current liabilities		123,654	105,482	998	2,531
Total current liabilities		5,932,866	6,084,508	4,270,315	3,344,242
Non - current liabilities					
Liabilities under financial lease agreements,					
net of current portion	12	861,351	966,414	-	-
Long - term loans, net of current portion	13	1,408,552	1,398,517	1,079,841	1,242,954
Provisions for employee benefits	15	31,709	28,297	28,770	25,606
Other non - current liabilities	18	8,522	8,561	-	-
Total non - current liabilities		2,310,134	2,401,789	1,108,611	1,268,560
Total liabilities	24	8,243,000	8,486,297	5,378,926	4,612,802



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

Mr. Sumate Tanthuanit
Director

DIRECTOR

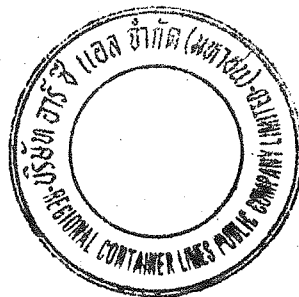
Mr. Sutep Tranantasin
Director

DIRECTOR

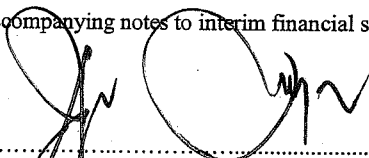
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 30 June 2018

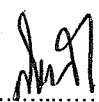
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
828,750,000 ordinary shares of Baht 1 each		828,750	828,750	828,750	828,750
Issued and fully paid - up					
828,750,000 ordinary shares of Baht 1 each		828,750	828,750	828,750	828,750
Share premium		4,982,964	4,982,964	4,982,964	4,982,964
Retained earnings					
Appropriated - legal reserve		66,300	66,300	66,300	66,300
Unappropriated		3,110,048	3,427,764	1,715,895	1,869,950
Other components of equity		(282,923)	(384,125)	(209,401)	(308,893)
Total equity of parent Company's shareholders		8,705,139	8,921,653	7,384,508	7,439,071
Non - controlling interests		4,200	1,617	-	-
Total shareholders' equity		8,709,339	8,923,270	7,384,508	7,439,071
Total liabilities and shareholders' equity	24	16,952,339	17,409,567	12,763,434	12,051,873



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


 DIRECTOR
Mr. Sumate Tanthuanit
Director


 DIRECTOR
Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity
For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity holders of parent company										
	Note	Issued and fully paid - up share capital	Share premium	Appropriated -		Retained earnings		Other components of equity		Total equity of the parent Company's shareholder	Non - controlling interests
legal reserve				Unappropriated	Other comprehensive income (loss)	Exchange differences on translating financial statement					
Balance as at 1 January 2017		828,750	4,982,964	66,300	2,877,943		474,708	9,230,665	19,975	9,250,640	
Subsidiaries dissolve and liquidate		-	-	-	-	(6,498)	(6,498)	(6,498)	(18,363)	(24,861)	
Total comprehensive income (loss) for the period		-	-	-	(98,249)	(485,851)	(485,851)	(584,100)	4	(584,096)	
Balance as at 30 June 2017		828,750	4,982,964	66,300	2,779,694	(17,641)	(17,641)	8,640,067	1,616	8,641,683	
Balance as at 1 January 2018		828,750	4,982,964	66,300	3,427,764	(384,125)	(384,125)	8,921,653	1,617	8,923,270	
Subsidiaries dissolve and liquidate		-	-	-	-	8,634	8,634	8,634	-	8,634	
Purchase of investment in subsidiary	4	-	-	-	-	-	-	-	2,093	2,093	
Total comprehensive income (loss) for the period		-	-	-	(234,841)	92,568	92,568	(142,273)	490	(141,783)	
Dividend paid	16	-	-	-	(82,875)	-	-	(82,875)	-	(82,875)	
Balance as at 30 June 2018		828,750	4,982,964	66,300	3,110,048	(282,923)	(282,923)	8,705,139	4,200	8,709,339	

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

(Signature)

Mr. Sumate Tanthawanit
Director

(Signature)

.....DIRECTOR

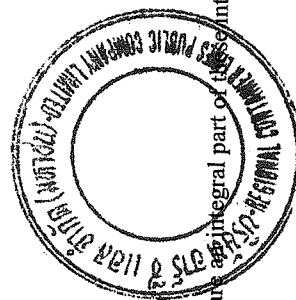
Mr. Sutep Trantanasin
Director

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity (continued)
For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	Separate financial statements						Total shareholder's equity	
	Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity		
				Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)		Exchange differences on translating financial statement
Balance as at 1 January 2017		828,750	4,982,964	66,300	2,299,515	463,670	8,641,199	
Total comprehensive income (loss) for the period		-	-	-	(244,541)	(457,218)	(701,759)	
Balance as at 30 June 2017		828,750	4,982,964	66,300	2,054,974	6,452	7,939,440	
Balance as at 1 January 2018		828,750	4,982,964	66,300	1,869,950	(308,893)	7,439,071	
Total comprehensive income (loss) for the period		-	-	-	(71,180)	99,492	28,312	
Dividend paid	16	-	-	-	(82,875)	-	(82,875)	
Balance as at 30 June 2018		828,750	4,982,964	66,300	1,715,895	(209,401)	7,384,508	

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



.....DIRECTOR

.....DIRECTOR

Mr.Sumate Tanthuwantit
Director

Mr.Suteep Tranantasin
Director

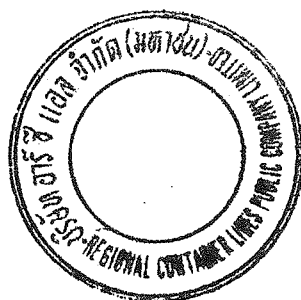
Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods ended 30 June		For the three - month periods ended 30 June	
		2018	2017	2018	2017
Revenues					
Freight income	17	2,833,311	2,774,968	233,296	207,951
Others income					
Gain on exchange rate		36,260	26,699	17,004	-
Dividend income	8.1	-	-	-	22,109
Gain on sales of assets	9.2	49,002	36,075	-	-
Interest income		1,818	1,010	153	112
Others		3,502	5,634	-	-
Total revenues		2,923,893	2,844,386	250,453	230,172
Expenses					
Cost of freight and operations	17	2,712,582	2,436,112	235,578	238,260
Administrative expenses	17	227,765	222,467	61,665	54,517
Other expense					
Loss on exchange rate		-	-	-	236
Unrealized loss on derivatives	6	29	539	29	539
Finance costs		52,554	49,871	29,177	31,610
Total expenses		2,992,930	2,708,989	326,449	325,162
Share of profit (loss) from investments in associates	8.1	20,608	22,730	-	-
Share of profit (loss) from investments in joint venture	8.2	8,392	6,636	-	-
Profit (loss) before income tax expenses		(40,037)	164,763	(75,996)	(94,990)
Tax expenses (income)	18	3,030	1,923	-	-
Profit (loss) for the periods	24	(43,067)	162,840	(75,996)	(94,990)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		(43,183)	162,838	(75,996)	(94,990)
Non - controlling interests		116	2	-	-
		(43,067)	162,840	(75,996)	(94,990)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		(0.05)	0.20	(0.09)	(0.11)
The weighted average number of ordinary shares (Thousand share)		828,750	828,750	828,750	828,750



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

Mr. Sumate Tanthuwanki
Director

DIRECTOR

Mr. Sutep Tranantasim
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the three - month period ended 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods		For the three - month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Profit (loss) for the periods	(43,067)	162,840	(75,996)	(94,990)
Other comprehensive income (loss) :				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	478,547	(109,936)	416,933	(99,002)
Total items that will be reclassified subsequently to profit or loss	478,547	(109,936)	416,933	(99,002)
Other comprehensive income (loss) for the periods	478,547	(109,936)	416,933	(99,002)
Total comprehensive income (loss) for the periods	435,480	52,904	340,937	(193,992)
Total comprehensive income (loss) for the periods attributable to :				
Equity holders of the parent	435,364	52,902	340,937	(193,992)
Non - controlling interests	.116	2	-	-
	435,480	52,904	340,937	(193,992)



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

[Signature]

Mr. Sumate Tanthuanit
 Director

DIRECTOR

[Signature]

Mr. Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the six - month periods ended 30 June		For the six - month periods ended 30 June	
		2018	2017	2018	2017
Revenues					
Freight income	17	5,662,518	5,348,970	441,814	402,630
Others income					
Gain on exchange rate		39,652	16,129	7,571	-
Dividend income	8.1	-	-	45,094	44,777
Gain on sales of assets	9.2	61,947	98,928	-	-
Gain on dissolution of subsidiary, net	7	-	-	72,946	-
Interest income		3,577	1,627	202	120
Unrealized gain on derivatives	6	956	90	956	90
Others		9,647	11,394	-	157
Total revenues		5,778,297	5,477,138	568,583	447,774
Expenses					
Cost of freight and operations	17	5,506,118	5,078,279	459,453	498,587
Administrative expenses	17	456,443	445,268	122,068	108,360
Other expense					
Loss on exchange rate		-	-	-	20,466
Loss on dissolution of subsidiary		3,907	-	-	-
Finance costs		102,633	98,782	58,242	64,902
Total expenses		6,069,101	5,622,329	639,763	692,315
Share of profit (loss) from investments in associates	8.1	43,463	43,509	-	-
Share of profit (loss) from investments in joint venture	8.2	15,320	8,963	-	-
Profit (loss) before income tax expenses		(232,021)	(92,719)	(71,180)	(244,541)
Tax expenses (income)	18	2,330	5,526	-	-
Profit (loss) for the periods	24	(234,351)	(98,245)	(71,180)	(244,541)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		(234,841)	(98,249)	(71,180)	(244,541)
Non - controlling interests		490	4	-	-
		(234,351)	(98,245)	(71,180)	(244,541)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		(0.28)	(0.12)	(0.09)	(0.30)
The weighted average number of ordinary shares (Thousand share)		828,750	828,750	828,750	828,750

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



Mr. Sunate Tanthuanit
Director

DIRECTOR



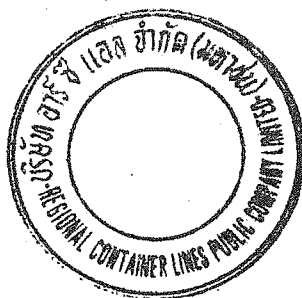
Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
 Statements of comprehensive income
 For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six - month periods ended 30 June		For the six - month periods ended 30 June	
	2018	2017	2018	2017
Profit (loss) for the periods	(234,351)	(98,245)	(71,180)	(244,541)
Other comprehensive income (loss) :				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	92,568	(485,851)	99,492	(457,218)
Total items that will be reclassified subsequently to profit or loss	92,568	(485,851)	99,492	(457,218)
Other comprehensive income (loss) for the periods	92,568	(485,851)	99,492	(457,218)
Total comprehensive income (loss) for the periods	(141,783)	(584,096)	28,312	(701,759)
Total comprehensive income (loss) for the periods attributable to :				
Equity holders of the parent	(142,273)	(584,100)	28,312	(701,759)
Non - controlling interests	490	4	-	-
	(141,783)	(584,096)	28,312	(701,759)



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

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DIRECTOR

Mr. Sumate Tanthuanit
 Director

[Signature]

DIRECTOR

Mr. Sutep Tranantasin
 Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows

For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six - month periods ended 30 June		For the six - month periods ended 30 June	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before income tax expenses	(232,021)	(92,719)	(71,180)	(244,541)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	762,973	774,570	204,844	236,224
Amortization	9	11	-	-
Loss (gain) on sales and write - off of assets	(61,947)	(98,928)	1,931	-
Loss (gain) on dissolution of subsidiaries, net	-	-	(72,946)	-
Increase (decrease) in allowance for doubtful accounts	789	(3,311)	-	-
Dividend income	-	-	(45,094)	(44,777)
Unrealized loss (gain) on derivatives	(956)	(90)	(956)	(90)
Unrealized loss (gain) on exchange rate	(58,448)	(27,303)	(24,933)	7,870
Share of profit (loss) from investments in associates	(43,463)	(43,509)	-	-
Share of profit (loss) from investments in joint venture	(15,320)	(8,963)	-	-
Provisions for employee benefits	3,412	3,598	3,164	3,349
Interest income	(3,577)	(1,627)	(202)	(120)
Finance costs	102,633	98,782	58,242	64,902
Profit (loss) from operating activities before changes in operating assets and liabilities	454,084	600,511	52,870	22,817
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(154,947)	105,726	(4,930)	7,170
Trade receivables - related parties	(4,719)	(1,518)	(195,261)	77,779
Other receivables	276,502	(247,395)	(311,769)	298,743
Material supplies	(25,226)	18,452	(298)	11,434
Other current assets	(12,113)	15,794	43	(117)
Other non - current assets	(3,164)	36	(37)	(2)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	144,341	250,062	15,399	(27,378)
Trade payables - related parties	(7,726)	(163,285)	-	-
Other payables - accrued expenses	6,854	(18,049)	3,133	521
Advance receipt	11,879	1,124	989,389	67,929
Other current liabilities	17,682	16,340	(1,533)	(1,429)
Employee benefit obligation paid	-	(930)	-	(930)
Cash from operating activities	703,447	576,868	547,006	456,537
Cash received (paid) for income tax	(4,592)	(9,439)	-	-
Net cash provided by (used in) operating activities	698,855	567,429	547,006	456,537

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



Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director

DIRECTOR

11

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows (continued)

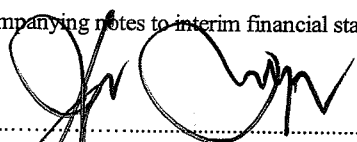
For the six - month period ended 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the six - month periods		For the six - month periods	
	ended 30 June		ended 30 June	
	2018	2017	2018	2017
Cash flows from investing activities				
Cash received from sales of assets	73,286	128,357	-	-
Purchase of property, premises, vessels and equipment	(252,081)	(502,448)	(183,416)	(853)
Payment of payable on purchase of assets	-	(22,036)	-	-
Payment of advances for vessel constructions	(2,926)	-	(2,926)	-
Dividend received	45,094	44,777	45,094	64,777
Interest received	3,417	1,063	137	72
Proceeds from subsidiaries dissolve and liquidate	-	48,060	-	-
Net cash and cash equivalents received from business combination	13,140	-	-	-
Proceed from purchase of non - controlling interest	4,075	-	-	-
Net cash provided by (used in) investing activities	(115,995)	(302,227)	(141,111)	63,996
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institution	(113,789)	177,491	(113,789)	(290,404)
Increase (decrease) in liabilities financial lease	(97,250)	322,450	-	-
Increase (decrease) in long - term loans	(326,978)	(409,453)	(173,650)	(189,914)
Finance cost paid	(101,885)	(79,806)	(58,931)	(63,897)
Dividend paid	(82,875)	-	(82,875)	-
Payment of liquidated subsidiaries to non - controlling interests	-	(18,363)	-	-
Net cash provided by (used in) financing activities	(722,777)	(7,681)	(429,245)	(544,215)
Exchange differences on translating financial statement	(13,774)	(16,968)	3,915	45,640
Net increase (decrease) in cash and cash equivalents	(153,691)	240,553	(19,435)	21,958
Cash and cash equivalents at beginning of periods	1,639,980	1,255,452	77,813	35,932
Cash and cash equivalents at end of periods	1,486,289	1,496,005	58,378	57,890

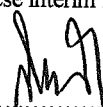


The accompanying notes to interim financial statements are an integral part of these interim financial statements.



DIRECTOR

Mr. Sumate Tanthuwani
Director



DIRECTOR

Mr. Sutep Tranantasin
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 2018

1. General information

1.1 General matter

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, Bangkok.

1.2 Basis for the preparation of the interim financial statements

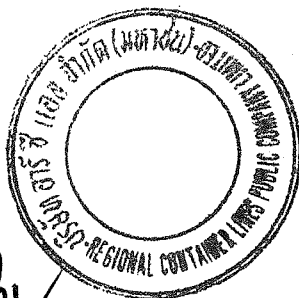
These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2017) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, changes in shareholders' equity, income, comprehensive income and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation is in Thai Baht in accordance with the regulatory requirements in Thailand.

The USD functional currency interim financial statements are translated into the Thai Baht presentation currency financial statements at the rate of exchange prevailing at the end of reporting period in respect of assets and liabilities, and the transactions in the income statements and statements of comprehensive income are translated at the average exchange rates of each period, differences being recorded as "Exchange differences on translating financial statement" in other comprehensive income, other component of shareholders' equity.

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 statement should therefore be read in conjunction with the financial statements for the year ended 31 December 2017.

An English language version of the interim financial statements has been prepared from the statutory interim financial statements that were issued in Thai language. In case of conflict or difference in understanding, the interim financial statements in Thai language shall prevail.



[Handwritten signature of Mr. Sumate Tanthuwani]

DIRECTOR

Mr. Sumate Tanthuwani
Director

[Handwritten signature of Mr. Sutep Tranantasin]

DIRECTOR

Mr. Sutep Tranantasin
Director

1.3 Basis of interim consolidation

These interim 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 2017 except as follow :

(1) In the 1st quarter of year 2018, RCL Service S.A. has been dissolved, which is a small subsidiary and has not effected to the group structure as dissussed in note 7 to the interim financial statements.

(2) In the 1st quarter of year 2018, a subsidiary in Singapore made an additional investment in RCL (Vietnam) Co., Ltd. (RCV) from 49% to 80% of share capital, resulting status of RCV change from an associate to be a subsidiary of the Company. As a result, the Company’s consolidated financial statement have included RCV’s statement of financial position as of 30 June 2018 and statement of income and comprehensive income for the period from 1 February 2018 to 30 June 2018.

(3) On 15 June 2018, a subsidiary in Singapore incorporated a subsidiary, RCL (Myanmar) Co., Ltd. in the Republic of the Union of Myanmar, to provide general and commercial representation for maritime transportation as well as freight-forwarding services, logistics services, warehouse, and any ancillary activities. The subsidiary in Singapore is holding 65% of share capital amounting USD 250,000. On 17 July 2018, the subsidiary in Singapore paid the capital investment of USD 162,500.

(4) On 18 May 2018, a subsidiary in Singapore incorporated a wholly-owned subsidiary of share capital amounting USD 850,000, Regional Logistics Co., Ltd. in The People’s Republic of China to undertake international logistics, to provide inbound and outbound international transportation both cargo land and marine transportation, customs declarations, warehousing and dispatching. At the present, the subsidiary in Singapore is in the process of arranging for capital injection.

1.4 Adoption of new financial reporting standards

1.4.1 Financial reporting standards which are effective for the current period

During the period, the Company and its subsidiaries adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after 1 January 2018. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements.

1.4.2 Financial reporting standards which are not effective for the current period

During the period, the Federation of Accounting professions has issued TFRS 15 Revenue from Contracts with Customers, which is effective for financial statements period beginning on or after 1 January 2019.

The management of the Company has assessed that the TFRS will not has material impact on the financial statements when it is applied.



[Signature]
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Mr.Sumate Tanthuwani
Director

DIRECTOR

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Mr.Sutep Tranantasin
Director

DIRECTOR

2. 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 2017 with the change in accounting policy as follows:

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variables returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in the statements of income.

The Group measures goodwill at the acquisition date as :

- The fair value of the consideration transferred ; plus
- The recognized amount of and non-controlling interest in the acquiree ; plus
- In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree ; less
- The fair value of the identifiable assets acquired and liabilities assumed

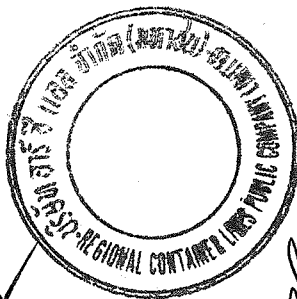
When the excess is positive, goodwill is recognized and if the excess is negative, a gain on business acquisition is recognized immediately in the statements of income.

Consideration transferred includes the fair value of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represent a present obligation and arises from a past event, and its fair value can be measured reliably.

At the acquisition date, the non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.



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Mr.Sumate Tanthuwani
 Director

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 DIRECTOR

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Mr.Sutep Tranantasin
 Director

.....
 DIRECTOR

3. Change in accounting estimation

During the current period, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to decrease net income of the Company and the Group for the three - month period ended 30 June 2018 by Baht 1.49 million and Baht 6.33 million, respectively (Baht 0.002 per share and Baht 0.008 per share, respectively) and for the six - month period ended 30 June 2018 by Baht 5.93 million and Baht 18.51 million, respectively (Baht 0.007 per share and Baht 0.022 per share, respectively).

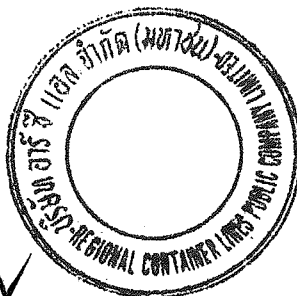
4. Business acquisitions

On 1 February 2018, a subsidiary in Singapore purchased 31% of the registered share capital of RCL (Vietnam) Co., Ltd. ("RCV") from the existing shareholders. (Registered capital of VND 4,748 million), totalling USD 0.1 million or approximately Baht 3.2 million. The Group's equity interest in RCV increased from 49% to 80%, resulting in the change of its status from an associate to a subsidiary.

RCL (Vietnam) Co., Ltd. operates as Shipping Agent. As a result of obtaining control of RCV shall increase capacities in expanding business in Vietnam.

The acquisition qualifies for treatment as a business combination in accordance with TFRS 3 (revised 2017) Business Combinations, which requires that the assets acquired and liabilities assumed be record at their fair value, together with goodwill, if any. At the acquisition date the fair value of the identifiable assets acquired and liabilities incurred is close to the carrying amount and the fair value of the subsidiary's previously held equity interest in the acquiree was measured based on the price at which the subsidiary paid for additional investment.

At the acquisition date, the non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.



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DIRECTOR

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DIRECTOR

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

At the acquisition date, the fair value of investments in RCL (Vietnam) Co., Ltd., which the subsidiaries previously held equity interest in the acquiree, is as follows:

(Unit : Thousand Baht)

Fair value of the subsidiary's previously - held in the acquiree before business combination	5,052
<u>Less</u> Carrying amount of investment at equity method	<u>(6,320)</u>
Gain (loss) on fair value adjustments of investment	<u><u>(1,268)</u></u>

The subsidiary recognized the loss on fair value adjustment in the statements of income for the 1st quarter of 2018.

At the acquisition date, the consideration transferred and the recognition of amounts of assets acquired and liabilities assumed, non-controlling interest in the acquiree and the Group's previously - held equity interest in the acquiree are as follows :

(Unit : Thousand Baht)

	<u>Recognized Value</u>
Consideration transferred	3,158
<u>Add</u> Fair value of the subsidiary's previously - held equity interest in the acquiree before business combination	<u>5,052</u>
Total	<u>8,210</u>
<u>Less</u> Net amounts of assets acquired and liabilities assumed	
<u>Identifiable Assets</u>	
- Cash and cash equivalents	20,373
- Trade receivables	264
- Other receivables	2,597
<u>Identifiable liabilities</u>	
- Trade payables	(2,248)
- Other payables	(8,086)
- Non - controlling interests	<u>(2,580)</u>
Net identifiable assets and liabilities - acquired	<u>10,320</u>
Gain from purchase	<u><u>(2,110)</u></u>

The subsidiary recognized the gain from purchase in the statements of income for 1st quarter of 2018.

Net cash payment for acquisition in RCL (Vietnam) Co., Ltd. as follows :

(Unit : Thousand Baht)

Consideration transferred	3,158
<u>Less</u> Cash and cash equivalents in proportionate to the share holding (20,373 x 80%)	<u>(16,298)</u>
Net cash and cash equivalents received from business combination	<u><u>(13,140)</u></u>

The subsidiary does not have any acquisition costs.

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

5. Trade receivables

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	1,594,156	1,543,307	10,265	2,155
91 - 180 days	107,831	21,578	7	-
181 - 365 days	25,352	12,596	326	8,004
Over 365 days	97,805	56,110	5,306	815
Total	1,825,144	1,633,591	15,904	10,974
<u>Less</u> Allowance for doubtful accounts	(57,174)	(56,385)	-	-
Net	<u>1,767,970</u>	<u>1,577,206</u>	<u>15,904</u>	<u>10,974</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	53,988	49,003	100,339	79,559
91 - 180 days	-	-	92,279	64,330
181 - 365 days	-	-	145,920	43,285
Over 365 days	-	-	43,897	-
Total	<u>53,988</u>	<u>49,003</u>	<u>382,435</u>	<u>187,174</u>



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DIRECTOR

Mr. Sumato Tanthuwant
Director

[Signature]

DIRECTOR

Mr. Sutop Tranantasin
Director

6. Unrealized gain from changes in the fair value of derivatives

(Unit: Thousand Baht)

	Note	Consolidated financial statement	Separate financial statement
Beginning balance as at 31 December 2017 (audited)		2,282	2,282
Unrealized gain on derivatives		956	956
Exchange differences on translating financial statement		71	71
Ending balance as at 30 June 2018 (unaudited but reviewed)	22.1(2)	3,309	3,309

7. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Paid - up capital		Separate financial statements				Dividend for the six - month periods ended	
			Percentage directly owned by the Company		Cost			
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	30 June 2018	30 June 2017
			Percent	Percent	(Unaudited but reviewed)	(Audited)		
<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	235	232	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,229	5,156	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,131	1,115	-	-
f) RCL Service S.A.	-	USD 10,000	-	49	-	2	-	-
g) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	81	80	-	-
<u>Subsidiary operating in Hong Kong</u>								
h) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	239	236	-	-
					6,933	6,839	-	-
					(2)	-	-	-
					6,931	6,839	-	-

Less : Allowance for impairment

Total investments in subsidiaries, net



Mr. Surwate Yanthuwanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

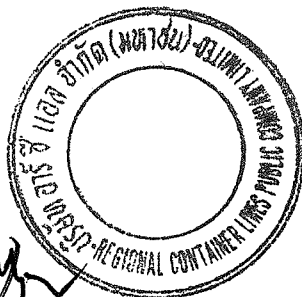
DIRECTOR

Movement in the investments in subsidiaries for the six - month period ended 30 June 2018 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2017 (audited)	6,838,625
<u>Less</u> : Subsidiaries dissolve and liquidate	(1,556)
<u>Less</u> : Allowance for impairment	(2,365)
Exchange differences on translating financial statement	96,397
Investment as at 30 June 2018 (unaudited but reviewed)	<u><u>6,931,101</u></u>

During the first quarter of 2018, RCL Service S.A. the debt of the Company of USD 2.42 million (approximately Baht 76.87 million) and liquidated. As a result, the Company recognized gain from dissolution of the subsidiary as follows:

	(Unit: Thousand Baht)
Gain from debt remitted	76,867
<u>Less</u> : Loss on dissolution of subsidiary	(1,556)
<u>Less</u> : Allowance for impairment of investments in subsidiary that invested in the dissolved subsidiary	(2,365)
Gain on dissolution of subsidiary, net for the six - month period ended 30 June 2018	<u><u>72,946</u></u>



[Signature]
 Mr. Sumpate Tanthuanit
 Director

DIRECTOR

[Signature]
 Mr. Sutep Tranantasin
 Director

DIRECTOR

8. Investments in associates and joint venture8.1 Investments in associates

Company's name	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		(Unit: Million Baht) Dividend for the six - month periods ended	
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	30 June 2018	30 June 2017
			Percent	Percent	(Unaudited but reviewed)	(Audited)				
	Baht	Baht								
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd. (Port operating)	Baht	Baht								
	100	100								
	Million	Million	22	22	55	54	335	331	45	45
Total investment in associates of the Company					55	54	335	331	45	45
<u>Investment in associates of the subsidiaries</u>										
RCL (Vietnam) Co., Ltd. (Ship agency)		VND								
		4,748								
		Million	-	49	-	5	-	10	-	-
PT Daerah Indah Shipping (Ship agency)	USD	USD								
	0.75	0.75								
	Million	Million	49	49	13	12	13	13	-	-
Pu Chao Container Terminal Co., Ltd. (Port operating)	Baht 30	Baht 30								
	Million	Million	49	49	15	15	-	-	-	-
Total investment in associates of the subsidiaries					28	32	13	23	-	-
Total investment in associates					83	86	348	354	45	45

Movements in the investment in associates for the six - month period ended 30 June 2018 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2017 (audited)	354,430	54,165
Dividend income	(45,094)	-
Share of profit under equity method	43,463	-
Changed from associate to subsidiary	(10,062)	-
Exchange differences on translating financial statement	5,208	764
Investment as at 30 June 2018 (unaudited but reviewed)	347,945	54,929

Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director

DIRECTOR

8.2 Investments in joint venture

(Unit: Million Baht)

Company's name	Consolidated financial statements							
	Paid - up capital		Percentage directly owned by the Company		Equity method		Dividend for the six - month periods ended	
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	30 June 2018	30 June 2017
			Percent	Percent				
<u>Investment in joint venture of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40	55	55	47	30	-	-
Total investment in joint venture	Million	Million			47	30	-	-

Movements in the investment in joint venture for the six - month period ended 30 June 2018 are summarized below:

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Investment as at 31 December 2017 (audited)	30,313	-
Dividend income	-	-
Share of profit under equity method	15,320	-
Exchange differences on translating financial statement	1,046	-
Investment as at 30 June 2018 (unaudited but reviewed)	46,679	-



[Signature]

Mr. Sumate Tanthuanit
Director

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DIRECTOR

[Signature]

Mr. Sutep Tranantasin
Director

DIRECTOR

9. Property, premises, vessels and equipment, net9.1 Property and premises, net

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 31 December 2017 (audited)	315,590	427
<u>Add</u> Acquisitions during period - at cost	76	-
<u>Less</u> Depreciation for the period	(3,102)	-
Exchange differences on translating financial statement	3,488	6
Net book value as at 30 June 2018 (unaudited but reviewed)	<u>316,052</u>	<u>433</u>

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

9.2 Vessels and equipment, net

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 31 December 2017 (audited)	11,943,366	4,024,138
<u>Add</u> Acquisitions during period - at cost	292,425	223,836
<u>Less</u> Sale during period - at net book value	(11,339)	(1,931)
Depreciation for the period	(759,871)	(204,844)
Exchange differences on translating financial statement	149,168	57,506
Net book value as at 30 June 2018 (unaudited but reviewed)	<u>11,613,749</u>	<u>4,098,705</u>

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




As at 30 June 2018 and 31 December 2017, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 31.8 million (approximately Baht 1,052.1 million) and USD 35.7 million (approximately Baht 1,163.7 million), respectively (the Company only : amounted to approximately Baht - million an Baht - million, respectively).

During the first quarter of 2017, a subsidiary in Singapore sold containers which the gain on the sale was USD 1.8 million (approximately Baht 62.9 million).

During the second quarter of 2017, a subsidiary in Singapore sold containers which the gain on the sale was USD 1.1 million (approximately Baht 36.8 million).

During the first quarter of 2018, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.4 million (approximately Baht 13.0 million).

During the second quarter of 2018, a subsidiary in Singapore sold containers which the gain on the sale was USD 1.5 million (approximately Baht 49.1 million).

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

Depreciation in the statements of income for the three - month periods ended 30 June 2018 and 2017 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	380,638	372,926	104,701	110,827
Administrative expenses	3,489	3,908	426	318
Total	<u>384,127</u>	<u>376,834</u>	<u>105,127</u>	<u>111,145</u>

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	11,918	10,875	3,279	3,235
Administrative expenses	109	114	13	9
Total	<u>12,027</u>	<u>10,989</u>	<u>3,292</u>	<u>3,244</u>

Depreciation in the statements of income for the six - month periods ended 30 June 2018 and 2017 consisted of the following:

(Unit: Thousand Baht)

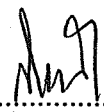
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	756,164	766,722	204,064	235,591
Administrative expenses	6,809	7,848	780	633
Total	<u>762,973</u>	<u>774,570</u>	<u>204,844</u>	<u>236,224</u>

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation included in				
Cost of freight and operations	23,811	22,088	6,426	6,787
Administrative expenses	214	226	24	18
Total	<u>24,025</u>	<u>22,314</u>	<u>6,450</u>	<u>6,805</u>



Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

10. Intangible assets, net

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Computer software</u>		
Net book value as at 31 December 2017 (audited)	9	-
<u>Add</u> Increased during period - at cost	-	-
<u>Less</u> Amortization for the period	(9)	-
Exchange differences on translating financial statement	-	-
Net book value as at 30 June 2018 (unaudited but reviewed)	-	-

11. Short - term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)
Loans from financial institution no. 1	350,000	150,000	350,000	150,000
Loans from financial institution no. 2	330,400	651,600	330,400	651,600
Loans from financial institution no. 3	123,900	122,175	-	-
Loans from financial institution no. 4	462,560	456,120	-	-
Total	1,266,860	1,379,895	680,400	801,600


As at 30 June 2018 and 31 December 2017, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 30 June 2018 and 31 December 2017, loans from financial institution no. 2 are promissory note amounting to USD 10 million and USD 20 million, with interest at the rate of 5.28% p.a., and 4.50% - 4.52% p.a., respectively, which is unsecured.

As at 30 June 2018 and 31 December 2017, loans from financial institution no. 3 is short - term loan amounting to USD 3.75 million, with interest at the rate of LIBOR+4.15% p.a., and LIBOR+6% p.a., respectively, is secured by office building subsidiaries.

As at 30 June 2018 and 31 December 2017, loans from financial institution no. 4 is short - term loan amounting to USD 14 million, with interest at the rate of LIBOR+1.80% p.a., which is unsecured.


Mr. Sumale Tanthuanit
Director


Mr. Sutep Tranantasin
Director

DIRECTOR

12. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities under finance lease agreements	1,184,752	1,300,826	-	-
<u>Less</u> : deferred interest	(86,043)	(104,867)	-	-
	1,098,709	1,195,959	-	-
<u>Less</u> : current portion	(237,358)	(229,545)	-	-
Liabilities under finance lease agreements net of current portion	861,351	966,414	-	-

(Unit : Thousand Baht)

	Consolidated financial statements					
	As at 30 June 2018			As at 31 December 2017		
	(Unaudited but reviewed)			(Audited)		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	799,239	50,956	850,195	861,793	64,487	926,280
Over 5 years	62,112	1,337	63,449	104,621	2,591	107,212
Total	861,351	52,293	913,644	966,414	67,078	1,033,492

(Unit : Thousand Baht)

	Separate financial statements					
	As at 30 June 2018			As at 31 December 2017		
	(Unaudited but reviewed)			(Audited)		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	-	-	-	-	-	-


 Mr. Sumate Tanthuwani
 Director


 Mr. Sutep Tranantasin
 Director

DIRECTOR

13. Long - term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
<u>Loans of the Company</u>				
1) USD 6.8 million loan (2017: USD 8.3 million), repayable quarterly until the year 2020.	223,020	268,785	223,020	268,785
2) USD 18.4 million loan (2017: USD 21.4 million), repayable quarterly until the year 2021.	608,740	697,060	608,740	697,060
3) USD 18.4 million loan (2017: USD 19.4 million), repayable quarterly until the year 2027.	609,406	633,404	609,406	633,404
<u>Loans of the Singapore Subsidiaries</u>				
4) USD - million loan (2017: USD 8.1 million), repayable quarterly until the year 2018.	-	263,898	-	-
5) USD 2.7 million loan (2017: USD 5.4 million), repayable semi - annually until the year 2018.	88,547	174,629	-	-
6) USD 4.6 million loan (2017: USD 5.5 million), repayable quarterly until the year 2018.	151,434	179,190	-	-
7) USD 3.9 million loan (2017: USD 5.2 million), repayable semi - annually until the year 2019.	129,847	170,719	-	-
8) USD 8.4 million loan (2017: USD - million), repayable quarterly until the year 2023.	277,536	-	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
9) HKD 18.6 million loan (2017: HKD 20.3 million), repayable monthly until the year 2023.	78,286	84,762	-	-
Total	2,166,816	2,472,447	1,441,166	1,599,249
<u>Less</u> : Current portion	(758,264)	(1,073,930)	(361,325)	(356,295)
Long - term loans, net of current portion	1,408,552	1,398,517	1,079,841	1,242,954

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

Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Movements in the long - term loans during the six - month period ended 30 June 2018 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
Beginning balance as at 31 December 2017 (audited)	2,472,447	1,599,249
<u>Add</u> Borrowings	266,763	-
<u>Less</u> Repayments	(593,741)	(173,650)
Exchange differences on translating financial statement	21,347	15,567
Ending balance as at 30 June 2018 (unaudited but reviewed)	<u>2,166,816</u>	<u>1,441,166</u>

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

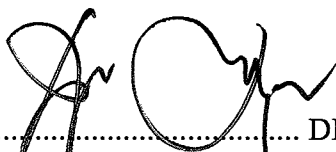
The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

In January 2016, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 32.5 million (30 June 2018: approximately Baht 1,073.8 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

In October 2017, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 27.4 million (30 June 2018: approximately Baht 906.6 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

14. Debenture

At the Annual General Meeting of Shareholders held on 24 April 2015, the shareholders approved issue and offer debentures not exceeding Baht 3,000 million and not longer than 7 years from the date of each issuance. The terms and conditions of the debentures shall be determined by the Board of Directors. Currently, the Company has not issued and offered the said debentures.



.....
Mr. Sumate Tanthuwani
Director



.....
Mr. Sutep Tranantasin
Director

DIRECTOR

15. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the six - month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Provisions for employee benefits at beginning of periods	28.30	37.36	25.61	35.18
Benefits paid	-	(1.05)	-	(1.05)
Current service cost and interest	3.41	3.60	3.16	3.35
Losses (gains) on the settlement of employee benefit	-	0.12	-	0.12
Provisions for employee benefits at ending of periods	31.71	40.03	28.77	37.60

- Expenses recognized in the statements of income for the three - month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current service costs	1.51	1.46	1.40	1.36
Interest cost	0.20	0.34	0.18	0.32
Losses (gains) on the settlement of employee benefit	-	0.12	-	0.12
Total	1.71	1.92	1.58	1.80


- Expenses recognized in the statements of income for the six - month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current service costs	3.01	2.92	2.80	2.72
Interest cost	0.40	0.68	0.36	0.63
Losses (gains) on the settlement of employee benefit	-	0.12	-	0.12
Total	3.41	3.72	3.16	3.47


 DIRECTOR
 Mr. Surpate Tanthuwani
 Director




 DIRECTOR
 Mr. Sutep Tranantasin
 Director

- Principal actuarial assumptions as at 30 June 2018 and 31 December 2017 are as follows:

	Percent	
	Consolidated financial statements	Separate financial statements
Discount rate	2.81	2.81
Salary increase rate	5 - 6.00	6.00
Employee turnover rate	0 - 24.00*	2 - 24.00*
Mortality rate	TMO2017**	TMO2017**

* Based on the weighted average by age group of employees

** Reference from TMO2017 : Thai Mortality Ordinary Table of 2017

- Sensitivity analysis of significant actuarial assumptions

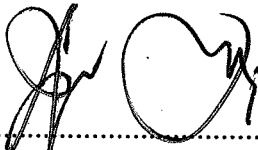
Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 30 June 2018 as follows:

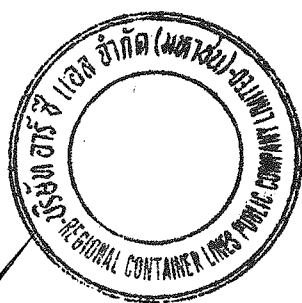
- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.49 million (increase Baht 1.71 million) and Separate financial statements would decrease Baht 1.36 million (increase Baht 1.56 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 1.90 million (decrease Baht 1.68 million) and Separate financial statements would increase Baht 1.72 million (decrease Baht 1.52 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits would decrease Baht 0.70 million (increase Baht 0.77 million) and Separate financial statements would decrease Baht 0.67 million (increase Baht 0.73 million).
- If the mortality rate increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.06 million (decrease Baht 0.07 million) and Separate financial statements would increase Baht 0.06 million (decrease Baht 0.07 million).

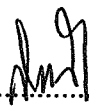
In presenting the above sensitivity analysis, the present value of the provisions for employee benefits has been calculated by using the same method that applied in calculating the provisions for employee benefits recognized in the statement of financial position.

16. Dividend paid

At the Annual General Meeting of Shareholder on 27 April 2018, the shareholders approved pay dividend amounted Baht 82.88 million at Baht 0.10 per shares.


 DIRECTOR
Mr. Sumate Tanthuwant
 Director




 DIRECTOR
Mr. Sutep Tranantasin
 Director

17. 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	
	2018	2017	2018	2017	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	97	65	Market price as at agreement date
Ship management fee	-	-	2	2	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	39	34	-	-	Price approximates market price
Terminal operating service	64	61	-	-	Price per tariff minus volume discount
Logistic service fees	2	2	-	-	Price approximates market price
Office rental	3	3	3	2	Contract price

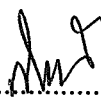
(Unit: Million Baht)

	For the six - month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	185	114	Market price as at agreement date
Ship management fee	-	-	4	4	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	79	67	-	-	Price approximates market price
Terminal operating service	110	134	-	-	Price per tariff minus volume discount
Logistic service fees	5	5	-	-	Price approximates market price
Office rental	5	5	5	4	Contract price




 DIRECTOR

Mr. Sumate Tanthuwani
 Director

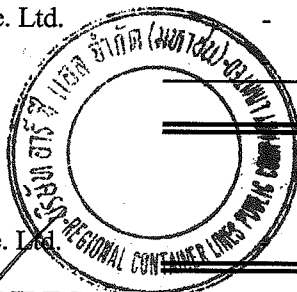

 DIRECTOR

Mr. Sutep Tranantasin
 Director

The outstanding balances of the above transactions have been presented in the statements of financial position as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)
Trade receivables - related parties				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	382	187
<u>Related parties</u>				
Ngow Hock Co., Ltd.	49	38	-	-
Siam Paetra International Co., Ltd	5	7	-	-
RCL Agencies (India) Private Limited	-	4	-	-
	54	49	-	-
Other receivables - related parties				
<u>- Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	658	348
Regional Container Lines Pte. Ltd.	-	-	7	6
	-	-	665	354
<u>- Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	27	24
Trade payables - related parties				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	2	-	-
RCL (Vietnam) Co., Ltd.	-	5	-	-
RCL Agencies (India) Private Limited	1	-	-	-
Others	1	1	-	-
	2	8	-	-
Advance from related parties				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	2,542	1,792
RCL Shipmanagement Pte. Ltd.	-	-	402	144
Regional Container Lines Pte. Ltd.	-	-	10	9
RCL Service S.A.	-	-	-	79
	-	-	2,954	2,024
Payable on purchase of assets				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	88	87



Mr. Sumate Tanthuwani
Director

Mr. Sutep Tranantasin
Director

c) Management benefit expenses

Management benefit expenses consist the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange.

Management benefit expenses for the three - month and six - month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Million Baht)

	For the three - month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Short - term employee benefits	8	6	5	2

(Unit: Million Baht)

	For the six - month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Short - term employee benefits	13	12	7	4

18. Tax expenses

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.

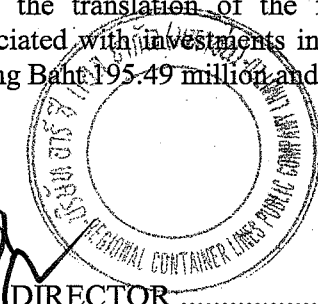
The corporate income tax rate being used by the Company and its subsidiaries in Thailand 20% on the net income of those operations which are not eligible for the above tax exemption.

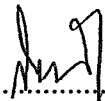
Corporate income tax of the overseas subsidiaries and associate has been calculated by applying the applicable statutory rates of the relevant countries.

As at 30 June 2018 and 31 December 2017 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, the provisions for employee benefits and unused tax losses totaling Baht 296.02 million and Baht 343.69 million, respectively, (the Company Baht 25.60 million and Baht 52.58 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 3.53 million and Baht 0.54 million, respectively.

As at 30 June 2018 and 31 December 2017 the Group has temporary difference arising from exchange difference from the translation of the financial statements from functional currency into presentation currency associated with investments in subsidiaries for which deferred tax liability has not been recognized, aggregating Baht 195.49 million and Baht 194.08 million, respectively.


.....
Mr. Sumate Tanthuwani
Director




.....
Mr. Sutep Tranantasin
Director

DIRECTOR

Tax expense (income) for the three - month periods ended 30 June 2018 and 2017, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current tax expense (income)	3,172	1,958	-	-
Deferred tax expense (income) of temporary differences	(142)	(35)	-	-
Tax expense (income) reported in the statement of income	<u>3,030</u>	<u>1,923</u>	<u>-</u>	<u>-</u>

Tax expense (income) for the six - month periods ended 30 June 2018 and 2017, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Current tax expense (income)	5,437	4,821	-	-
Deferred tax expense (income) of temporary differences	(3,107)	705	-	-
Tax expense (income) reported in the statement of income	<u>2,330</u>	<u>5,526</u>	<u>-</u>	<u>-</u>

As at 30 June 2018 and 31 December 2017, the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	-
Provisions for employee benefits	588	538
Total	<u>3,528</u>	<u>538</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,522</u>	<u>8,561</u>



Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

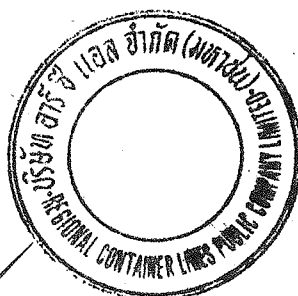
DIRECTOR

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 are as follows:

(Unit: Million Baht)

Consolidated financial statements												
For the three - month periods ended 30 June 2018												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	175	177	2,646	2,578	12	20	2,833	2,775	-	-	2,833	2,775
Inter - segment revenues	97	65	194	220	6	3	297	288	(297)	(288)	-	-
Freight income	272	242	2,840	2,798	18	23	3,130	3,063	(297)	(288)	2,833	2,775
Segment gross profit (loss)	8	(23)	110	359	15	15	133	351	(13)	(12)	120	339
Gain (loss) on exchange rate											36	27
Gain on sales of assets											49	36
Others income											6	7
Share of profit (loss) from investments in associates											21	23
Share of profit (loss) from investments in joint venture											8	6
Administrative expenses											228	223
Finance costs											52	50
Tax expenses (income)											3	2
Profit (loss) for the periods											(43)	163





Mr. Sumato Tanthawanit
 Director

DIRECTOR



Mr. Sutep Tranantasia
 Director

DIRECTOR

(Unit: Million Baht)

Consolidated financial statements

For the six - month periods ended 30 June 2018

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	341	351	5,298	4,961	24	37	5,663	5,349	-	-	5,663	5,349
Inter - segment revenues	185	114	400	430	11	6	596	550	(596)	(550)	-	-
Freight income	526	465	5,698	5,391	35	43	6,259	5,899	(596)	(550)	5,663	5,349
Segment gross profit (loss)	4	(81)	148	347	29	30	181	296	(25)	(25)	156	271
Gain (loss) on exchange rate											40	16
Gain on sales of assets											62	99
Others income											15	13
Share of profit (loss) from investments in associates											43	43
Share of profit (loss) from investments in joint venture											15	9
Administrative expenses											456	445
Loss on dissolution of subsidiary											4	-
Finance costs											103	99
Tax expenses (income)											2	5
Profit (loss) for the periods											(234)	(98)

(Unit: Million Baht)

Consolidated financial statements

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)	As at 30 June 2018 (Unaudited but reviewed)	As at 31 December 2017 (Audited)
Property, premises, vessels and equipment, net	4,104	4,030	7,252	7,622	196	195	11,552	11,847	378	412	11,930	12,259
Others											5,022	5,151
Total assets											16,952	17,410



Mr. Sumate Tenthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

20. Commitments and contingent liabilities20.1 Commitments

- (a) As at 30 June 2018, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 6 million (31 December 2017: Baht 10 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 33 million or approximately Baht 1,101 million (31 December 2017: USD 34 million or approximately Baht 1,121 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	661	-	36	697
During 1 - 5 years	365	-	39	404
Over than 5 years	-	-	-	-
Total	1,026	-	75	1,101

- (b) As at 30 June 2018, a subsidiary in Singapore has bunker purchase commitments amounting to USD 8.8 million or approximately Baht 290.6 million covering the period of July 2018 - September 2018 at 4,000 - 8,000 MT per month (31 December 2017 : USD - million, or approximately Baht - million at - MT per month).
- (c) As at 30 June 2018, the Company has sulphur scrubber purchase commitments amounting to USD 1.5 million or approximately Baht 48.1 million.

20.2 Guarantees

As at 30 June 2018, the Company has guarantee obligations of USD 227 million, SGD 6 million and HKD 35 million, or approximately Baht 7,809 million (31 December 2017: USD 253 million, SGD 6 million and HKD 35 million or approximately Baht 8,551 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 38 million and HKD 19 million, or approximately Baht 1,341 million (31 December 2017: USD 46 million and HKD 20 million, or approximately Baht 1,598 million).

21. Shipbuilding contracts

On 5 November 2015, the Company entered into 2 vessel building contracts amount of USD 46 million (as at 30 June 2018 approximately Baht 1,518.5 million). The payment term of each vessel was scheduled in 5th installment periods with different percentages based on the contract price: 10% for 1st and 2nd installment, 0% for the 3rd installment, 5% for the 4th installment and 75% for the 5th installment (payment upon delivery of the vessel). On 28 December 2016, the Company extended the payment of 2nd installment of each vessel to July 2017 and September 2017, respectively and on 5 July 2017, the Company postponed the delivery date of both vessels to August 2018 and October 2018, respectively.

On 5 July 2017, the Company entered into 2 optional vessel building contracts amount of USD 39.2 million (as at 30 June 2018 approximately Baht 1,295.2 million). The payment term of vessel was scheduled in 5th installment periods with different percentages based on the contract price: 10% for the 1st and 2nd installment, 0% for the 3rd installment, 5% for the 4th installment and 75% for the 5th installment (payment upon delivery of the vessel). On 4 January 2018, the Company postponed the delivery date of both vessels to July 2019 and August 2019, respectively.

As at 30 June 2018, the Company had made payment for the above - mentioned contracts amounting to USD 14.7 million (approximately Baht 471.18 million).

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 Mr. Sunate Tanthuwant
 Director

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 Mr. Sutep Tranantasin
 Director

..... DIRECTOR

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 principally comprise cash and cash equivalents, trade receivables, trade payables, and loans. The financial risks associated with these financial instruments and how they are managed is described below.

(1) Credit risk

Credit risk arises from the inability of customers to meet the payment terms in the normal course of business. Credit limits are set for specific amounts and due care is taken in granting credit. 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 incurring material credit losses from its debt collection.

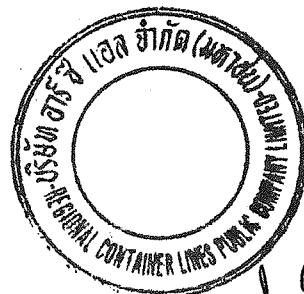
(2) Interest rate risk

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 statements of financial position date. The Group does not hold or issue derivative instruments for speculative or trading purposes.

As at 30 June 2018, the Company had a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 6.75 million (31 December 2017: USD 8.30 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 0.75 million per quarter over the period from 2015 to 2020.

For the six-month period ended 30 June 2018, the Company had unrealized gain from changes in the fair value of derivatives of USD 0.03 million, or approximately Baht 0.96 million (30 June 2017: USD 0.003 million, or approximately Baht 0.09 million). The Company recorded the unrealized gain in the statements of income.




 DIRECTOR
Mr. Sumate Tanthuanit
 Director


 DIRECTOR
Mr. Sutep Tranantasin
 Director

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 30 June 2018 and 31 December 2017, 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.

(4) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 30 June 2018, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 20.1 (b) to the interim financial statements.

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. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

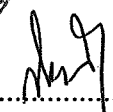
The Company manages its capital position with reference to its debt - to - equity ratio also to comply with a condition in the long - term loan agreements, which require the Company to maintain a consolidated debt - to - equity ratio of not more than 1.5 : 1.

As at 30 June 2018, the Group's debt - to - equity ratio was 0.95 : 1 (31 December 2017 : 0.95 : 1) and the Company's was 0.73 : 1 (31 December 2017 : 0.62 : 1).


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Mr. Sumate Tanthuanit
Director



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DIRECTOR


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Mr. Sutep Tranantasin
Director

.....
DIRECTOR

24. Functional currency financial statements

The USD functional currency statements of financial position as at 30 June 2018 and 31 December 2017 and the statements of income for the three - month and six - month periods ended 30 June 2018 and 2017, are as follows:

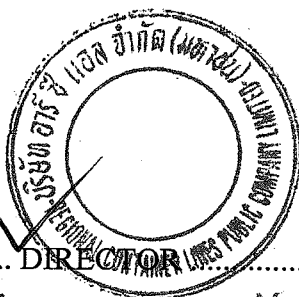
Regional Container Lines Public Company Limited and its subsidiaries**Statements of financial position**


As at 30 June 2018

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	44,985	50,337	1,767	2,388
Trade receivables - unrelated parties	55,240	50,141	481	337
<u>Less:</u> allowance for doubtful accounts	(1,730)	(1,731)	-	-
Trade receivables - unrelated parties, net	53,510	48,410	481	337
Trade receivables - related parties	1,634	1,504	11,575	5,745
Other receivables	14,928	23,540	21,602	12,336
Material supplies	8,030	7,369	405	401
Other current assets	1,476	1,030	109	83
Total current assets	124,563	132,190	35,939	21,290
Non - current assets				
Property investments held for long - term investment	157	159	-	-
Investments in subsidiaries, net	-	-	209,779	209,903
Investments in associates	10,531	10,879	1,663	1,663
Investments in joint venture	1,413	930	-	-
Others long - term investments	338	338	-	-
Property and premises, net	9,566	9,687	13	13
Vessels and equipment, net	351,506	366,586	124,053	123,516
Other non - current assets				
- Advance for vessel constructions	14,781	13,458	14,781	13,458
- Other	230	136	74	73
Total non - current assets	388,522	402,173	350,363	348,626
Total assets	513,085	534,363	386,302	369,916


 Mr. Sumate Tanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

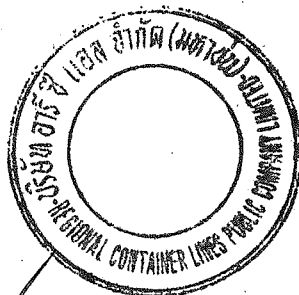
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2018

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	38,343	42,354	20,593	24,604
Trade payables - unrelated parties	97,670	94,611	1,955	1,484
Trade payables - related parties	64	232	-	-
Other payables				
- Accrued expenses	2,906	2,464	745	681
- Advance receipt	433	74	89,823	62,205
- Payable on purchase of assets	2,504	-	5,164	2,660
Current portion of liabilities				
under financial lease agreement	7,184	7,046	-	-
Current portion of long - term loans	22,950	32,963	10,936	10,936
Provision for onerous contracts	3,691	3,691	-	-
Income tax payable	79	82	-	-
Other current liabilities	3,742	3,238	30	77
Total current liabilities	179,566	186,755	129,246	102,647
Non - current liabilities				
Liabilities under financial lease agreements,				
net of current portion	26,070	29,663	-	-
Long - term loans, net of current portion	42,632	42,926	32,683	38,151
Provisions for employee benefits	960	869	871	786
Other non - current liabilities	257	262	-	-
Total non - current liabilities	69,919	73,720	33,554	38,937
Total liabilities	249,485	260,475	162,800	141,584



Mr. Surtate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

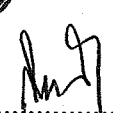
As at 30 June 2018

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares	25,834	25,834	25,834	25,834
Issued and fully paid - up				
828,750,000 ordinary shares	25,834	25,834	25,834	25,834
Share premium	173,890	173,890	173,890	173,890
Retained earnings				
Appropriated - legal reserve	1,943	1,943	1,943	1,943
Unappropriated	104,378	114,362	21,835	26,665
Other components of equity	(42,572)	(42,191)	-	-
Total equity of parent Company's shareholders	263,473	273,838	223,502	228,332
Non - controlling interests	127	50	-	-
Total shareholders' equity	263,600	273,888	223,502	228,332
Total liabilities and shareholders' equity	513,085	534,363	386,302	369,916


 Mr. Sumate Tanthuwant
 Director

DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

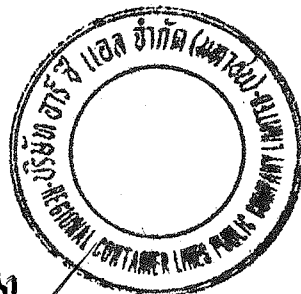
Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 June 2018

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three - month periods ended 30 June		For the three - month periods ended 30 June	
	2018	2017	2018	2017
Revenues				
Freight income	88,700	80,802	7,308	6,056
Others income				
Gain on exchange rate	1,141	765	517	-
Dividend income	-	-	-	645
Gain on sales of assets	1,541	1,060	-	-
Interest income	57	30	4	3
Others	109	164	-	-
Total revenues	91,548	82,821	7,829	6,704
Expenses				
Cost of freight and operations	84,905	71,063	7,378	6,951
Administrative expenses	7,130	6,483	1,931	1,588
Others expense				
Loss on exchange rate	-	-	-	14
Unrealized loss on derivatives	1	15	1	15
Finance cost	1,646	1,454	913	922
Total expenses	93,682	79,015	10,223	9,490
Share of profit (loss) from investments in associates	645	662	-	-
Share of profit (loss) from investments in joint venture	263	192	-	-
Profit (loss) before income tax expenses	(1,226)	4,660	(2,394)	(2,786)
Tax expenses (income)	95	56	-	-
Profit (loss) for the period	(1,321)	4,604	(2,394)	(2,786)
Profit (loss) for the period attributable to:				
Equity holders of the parent	(1,324)	4,604	(2,394)	(2,786)
Non - controlling interests	3	-	-	-
	(1,321)	4,604	(2,394)	(2,786)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	(0.002)	0.006	(0.003)	(0.003)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750



.....
Mr. Sumat Tantuwani
 Director

DIRECTOR

.....
Mr. Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the six - month period ended 30 June 2018

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six - month periods ended 30 June		For the six - month periods ended 30 June	
	2018	2017	2018	2017
Revenues				
Freight income	178,305	154,092	13,912	11,599
Others income				
Gain on exchange rate	1,248	464	238	-
Dividend income	-	-	1,420	1,290
Gain on sales of assets	1,951	2,850	-	-
Gain on dissolution of subsidiary, net	-	-	2,299	-
Interest income	113	47	6	3
Unrealized gain on derivatives	30	3	30	3
Others	304	328	-	5
Total revenues	181,951	157,784	17,905	12,900
Expenses				
Cost of freight and operations	173,380	146,294	14,468	14,363
Administrative expenses	14,373	12,827	3,844	3,122
Others expense				
Loss on exchange rate	-	-	-	590
Loss on dissolution of subsidiary	123	-	-	-
Finance cost	3,232	2,846	1,834	1,870
Total expenses	191,108	161,967	20,146	19,945
Share of profit (loss) from investments in associates	1,369	1,254	-	-
Share of profit (loss) from investments in joint venture	482	258	-	-
Profit (loss) before income tax expenses	(7,306)	(2,671)	(2,241)	(7,045)
Tax expenses (income)	73	159	-	-
Profit (loss) for the period	(7,379)	(2,830)	(2,241)	(7,045)
Profit (loss) for the period attributable to:				
Equity holders of the parent	(7,394)	(2,830)	(2,241)	(7,045)
Non - controlling interests	15	-	-	-
	(7,379)	(2,830)	(2,241)	(7,045)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	(0.009)	(0.003)	(0.003)	(0.009)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750

25. Approval of financial statements

These interim financial statements were authorized for issue by the Company's Board of Directors on 10 August 2018.


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Mr. Sumarb Tanthuanit
Director

DIRECTOR


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Mr. Sutep Tranantasin
Director

DIRECTOR