



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

Press Release for Financial Results as at 31 March 2020

RCL recorded a THB 22 Mil increase in revenue to THB 4,267 Mil in Q1 2020, compared with THB 4,245 Mil the same period in the preceding year. Notwithstanding a lower volume handled from Q1 2019 by 12% to 489,000TEUs, we were able to secure shipment at a noticeably improved freight income per TEU, combined with a favorable increase of gain from the exchange rate, which helped mitigate the impact from lower volume as demand for good and service plunged as a result of an extended Chinese New Year holidays and a lock down of cities as the Chinese government tried to contain the COVID-19. This factor added a significant disruption to the market which had already been damaged by the prolong trade war between U.S. and China.

Total expense in Q1 2020 reduced by THB 25.6 Mil from THB 4,210 Mil in the same period last year to THB 4,184 Mil. The reduction was mainly as a result of lower cost of freight and operation, which fell by 1% quarter on quarter to THB 3,938 Mil, consistent with a lower shipment volume. Following changes in the market, RCL reduced the number of sailings to adjust its supply level and to save cost of bunker. With the actions taken, we were able to put a break on the bunker cost which would have been inevitably increased by the IMO 2020 regulation implementation since the beginning of 2020.

Because of the above external factors which caused the unpredictable disruptions to the industry and internal actions taken, RCL group was able to report a net profit of THB 12.7 Mil in Q1 of 2020 compared with a net loss of THB 28.4 Mil in the same period last year.

14 May 2020

Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 46 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 108,543 TEUs to support its own COC carriage as well. RCL operates a network of 69 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 GROUP

QUARTERLY EARNING STATEMENTS IN US\$ MILLION

(million US\$)

	1st Quarter 2019	Half-Year 2019	9 months 2019	Year-End 2019	1st Quarter 2020
Freight income	132.9	267.1	398.5	530.9	133.7
Cost of freight and operations	(125.6)	(251.5)	(385.0)	(512.4)	(125.3)
Gross Profit	7.3	15.6	13.5	18.5	8.4
Gross Profit Margin	5.5%	5.8%	3.4%	3.5%	6.3%
Other income	0.9	2.3	3.1	3.9	0.6
Gain on exchange	0.5	0.7	1.4	1.3	1.4
Gain on sale of assets	0.6	1.4	2.5	3.3	0.6
Total other income	2.0	4.4	7.0	8.5	2.6
Admin expenses	(7.4)	(15.0)	(22.6)	(30.2)	(7.8)
Unrealised loss from changes in the fair value of Derivatives	(0.1)	(0.3)	(0.3)	(0.2)	(0.2)
Doubtful debt	0.0	0.0	0.0	(0.4)	0.1
Loss on impairment of Vessels and equipment, net	0.0	0.0	0.0	(1.2)	0.0
Total other expenses	(7.5)	(15.3)	(22.9)	(32.1)	(7.9)
Interest expenses	(2.6)	(5.0)	(7.7)	(10.4)	(2.6)
Profit / (loss) before taxation	(0.8)	(0.3)	(10.1)	(15.5)	0.5
Income tax	(0.1)	(0.2)	(0.2)	(0.3)	(0.1)
Profit / (loss) after taxation	(0.9)	(0.5)	(10.3)	(15.8)	0.4
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(0.9)	(0.5)	(10.3)	(15.8)	0.4

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(0.8)	(0.3)	(10.1)	(15.5)	0.5
Add: Impairment loss of assets	0.0	0.0	0.0	1.2	0.0
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	0.1	0.3	0.3	0.2	0.2
Add: Interest	2.6	5.0	7.7	10.4	2.6
EBIT	1.9	5.0	(2.1)	(3.7)	3.3
Add: Amortisation	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	11.1	22.2	34.1	46.0	11.9
EBITDA	13.0	27.2	32.0	42.3	15.2

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2020
AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

EXPRESSED IN
THAI BAHT



A. M. T. & Associates

สำนักงาน เอ. เอ็ม. ที. แอสโซซิเอท

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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**

(1) I have reviewed the accompanying consolidated statement of financial position of Regional Container Lines Public Company Limited and its subsidiaries as of March 31, 2020, the related consolidated statements of changes in equity, income, comprehensive income and cash flows for the three - month period ended March 31, 2020, as well as the condensed notes to the consolidated financial statements, and I have also reviewed the separate financial information for the same period 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 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

(2) 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

(3) 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 "Interim Financial Reporting".

Other matter

(4.1) The consolidated interim financial statement of Regional Container Lines Public Company Limited and its subsidiaries and the interim separate financial statement of Regional Container Lines Public Company Limited for the three - month period ended March 31, 2019, presented herein for comparison, were reviewed by another auditor in my office, in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and he drew a conclusion from the review under his report dated May 10, 2019 that nothing had come to his attention that caused him to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 (revised 2018), "Interim Financial Reporting".

(4.2) The consolidated statement of financial position of Regional Container Lines Public Company Limited and its subsidiaries and the separate statement of financial position of Regional Container Lines Public Company Limited as of December 31, 2019, presented herein for comparison, have been derived from such financial statements, which audited by another auditor in my office and reported in accordance with Standards on Auditing and expressed an unqualified opinion in his report dated February 21, 2020. I have not performed any other audit procedures subsequent such report date.



(NATSARAK SAROCHANUNJEEN)
Certified Public Accountant
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
May 13, 2020

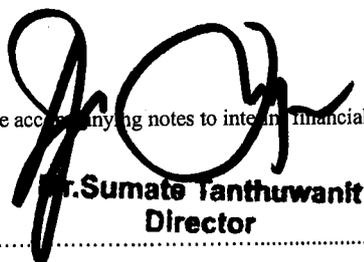
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position
As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,211,841	1,144,027	63,914	57,865
Trade receivables - unrelated parties		2,292,015	1,926,555	17,263	11,598
<u>Less: allowance for doubtful accounts</u>		(57,057)	(56,584)	-	-
Trade receivables - unrelated parties, net	5	2,234,958	1,869,971	17,263	11,598
Trade receivables - related parties		71,383	32,557	709,987	374,871
<u>Less: allowance for doubtful accounts</u>		(10,390)	(9,599)	-	-
Trade receivables - related parties, net	5 and 17	60,993	22,958	709,987	374,871
Other receivables	17	374,861	390,311	164,248	101,256
Material supplies		361,288	235,940	41,637	17,844
Other current assets		43,916	43,424	210	231
Total current assets		4,287,857	3,706,631	997,259	563,665
Non - current assets					
Other non - current financial assets	3.1	11,092	-	-	-
Property investments held for investment		5,104	4,710	-	-
Investments in subsidiaries, net	7	-	-	6,681,654	6,173,149
Investments in associates	8.1	372,582	339,189	54,580	50,426
Investments in joint ventures	8.2	125,214	106,425	-	-
Other long - term investments	3.1	-	10,248	-	-
Property and premises, net	9.1, 12 and 13	307,128	284,411	430	397
Vessels and equipment, net	3.2, 9.2, 12 and 13	11,647,852	12,467,107	6,166,444	5,790,378
Right - of - use assets, net	3.2 and 10	1,658,435	-	11,265	-
Intangible assets, net	11	-	-	-	-
Other non - current assets					
- Payment of advances for equipment	20.1 (c)	166,697	111,000	166,697	111,000
- Others		8,185	7,864	2,599	2,554
Total non - current assets		14,302,289	13,330,954	13,083,669	12,127,904
Total assets	23	18,590,146	17,037,585	14,080,928	12,691,569



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


Mr. Sumate Tanthuwant
Director

DIRECTOR


Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short - term loans from financial institutions	12	1,157,482	1,103,336	450,000	450,000
Trade payables - unrelated parties		3,703,681	3,151,410	71,651	48,806
Trade payables - related parties	17	4,697	10,958	-	-
Other payables					
- Accrued expenses		72,442	76,006	27,657	22,723
- Advance receipt	17	-	481	3,875,082	3,151,723
- Payable on purchase of assets	17	61,163	100,172	105,268	120,915
Current portion of long - term loans	13	817,271	743,103	623,240	572,730
Current portion of lease liabilities	3.2 and 14	524,768	354,252	4,043	-
Provision for onerous contracts	3.2 and 10	-	43,248	-	-
Income tax payable		3,745	2,416	-	-
Other current liabilities	3.1 and 6	128,903	129,896	1,309	10,330
Total current liabilities		6,474,152	5,715,278	5,158,250	4,377,227
Non - current liabilities					
Long - term loans, net of current portion	13	2,756,199	2,667,620	2,052,495	2,009,911
Lease liabilities, net of current portion	3.2 and 14	1,267,270	1,189,773	6,790	-
Deferred tax liabilities	18	9,125	8,393	-	-
Provisions for employee benefits	16	50,936	51,152	46,478	46,905
Other non - current financial liabilities	3.1 and 6	12,286	-	12,286	-
Total non - current liabilities		4,095,816	3,916,938	2,118,049	2,056,816
Total liabilities	23	10,569,968	9,632,216	7,276,299	6,434,043



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

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

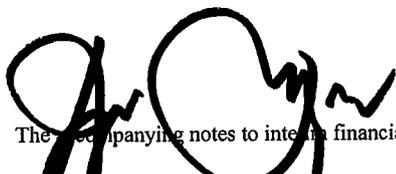
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Note	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)
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	2,507,654	2,495,401	1,200,807	1,170,506
Other components of equity	(371,337)	(973,060)	(274,192)	(790,994)
Total equity of parent Company's shareholders	8,014,331	7,400,355	6,804,629	6,257,526
Non - controlling interests	5,847	5,014	-	-
Total shareholders' equity	8,020,178	7,405,369	6,804,629	6,257,526
Total liabilities and shareholders' equity	23 18,590,146	17,037,585	14,080,928	12,691,569



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


Mr. Sumate Tanthuwant
Director


Mr. Sutep Tranantasiri
Director

..... DIRECTOR

..... DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity
For the three - month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements						
	Equity holders of parent company			Other components of equity		Total equity	
	Issued and fully paid - up share capital	Share premium	Retained earnings	Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	Total
			Exchanged differences on translating financial statement	Company's shareholder	Non - controlling interests	shareholder's equity	
Balance as at 1 January 2019	828,750	4,982,964	66,300	2,987,147	(464,368)	8,400,793	8,408,424
Total comprehensive income (loss) for the period	-	-	-	(27,686)	(152,937)	(180,623)	(181,390)
Balance as at 31 March 2019	828,750	4,982,964	66,300	2,959,461	(617,305)	8,220,170	8,227,034
Balance as at 1 January 2020	828,750	4,982,964	66,300	2,495,401	(973,060)	7,400,355	7,405,369
Total comprehensive income (loss) for the period	-	-	-	12,253	601,723	613,976	614,809
Balance as at 31 March 2020	828,750	4,982,964	66,300	2,507,654	(371,337)	8,014,331	8,020,178



Mr. Sumate Tanthuwari
Director

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

Mr. Suteep Tranantasin
Director

.....DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity (continued)
For the three - month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements					Total shareholder's equity
	Issued and fully paid - up share capital	Retained earnings		Other components of equity		
		Share premium	Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	
Balance as at 1 January 2019	828,750	4,982,964	66,300	1,481,617	(362,439)	6,997,192
Total comprehensive income (loss) for the period	-	-	-	(47,347)	(132,098)	(179,445)
Balance as at 31 March 2019	828,750	4,982,964	66,300	1,434,270	(494,537)	6,817,747
Balance as at 1 January 2020	828,750	4,982,964	66,300	1,170,506	(790,994)	6,257,526
Total comprehensive income (loss) for the period	-	-	-	30,301	516,802	547,103
Balance as at 31 March 2020	828,750	4,982,964	66,300	1,200,807	(274,192)	6,804,629




M. Sumats Tanthuwani
 Director

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


Mr. Sutep Trantasin
 Director

.....DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of income
For the three - month period ended 31 March 2020

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods ended 31 March		For the three - month periods ended 31 March	
		2020	2019	2020	2019
(Unit: Thousand Baht)					
Revenues					
Freight income	17	4,201,046	4,205,801	333,586	265,378
Other incomes					
Gain on exchange rate		44,566	14,662	37,830	-
Dividend income	8.1	-	-	-	22,148
Gain on sales of assets		18,291	20,507	-	-
Interest income		797	817	2	1
Others		2,406	3,307	-	-
Total revenues		<u>4,267,106</u>	<u>4,245,094</u>	<u>371,418</u>	<u>287,527</u>
Expenses					
Cost of freight and operations	17	3,937,638	3,975,587	230,731	225,322
Administrative expenses	17	246,954	234,521	64,731	62,789
Loss on exchange rate		-	-	-	5,298
Total expenses		<u>4,184,592</u>	<u>4,210,108</u>	<u>295,462</u>	<u>293,409</u>
Profit (loss) from operating activities		82,514	34,986	75,956	(5,882)
Finance costs		(81,332)	(80,623)	(40,756)	(37,915)
Gain (loss) from changes in fair value of derivatives	6	(4,899)	(3,550)	(4,899)	(3,550)
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	5	3,952	(41)	-	-
Share of profit (loss) from investments in associates	8.1	5,379	15,678	-	-
Share of profit (loss) from investments in joint venture	8.2	9,596	9,165	-	-
Profit (loss) before income tax expense		<u>15,210</u>	<u>(24,385)</u>	<u>30,301</u>	<u>(47,347)</u>
Tax expense (income)	18	2,512	4,007	-	-
Profit (loss) for the periods	23	<u>12,698</u>	<u>(28,392)</u>	<u>30,301</u>	<u>(47,347)</u>
Profit (loss) attributable to:					
Equity holders of the parent		12,253	(27,686)	30,301	(47,347)
Non - controlling interests		445	(706)	-	-
		<u>12,698</u>	<u>(28,392)</u>	<u>30,301</u>	<u>(47,347)</u>
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		<u>0.01</u>	<u>(0.03)</u>	<u>0.04</u>	<u>(0.06)</u>
The weighted average number of ordinary shares (Thousand share)		<u>828,750</u>	<u>828,750</u>	<u>828,750</u>	<u>828,750</u>



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

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the three - month period ended 31 March 2020

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods ended 31 March		For the three - month periods ended 31 March	
	2020	2019	2020	2019
Profit (loss) for the periods	12,698	(28,392)	30,301	(47,347)
Other comprehensive income (loss):				
Item that will be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statement	602,111	(152,998)	516,802	(132,098)
Total item that will be reclassified subsequently to profit or loss	602,111	(152,998)	516,802	(132,098)
Other comprehensive income (loss) for the periods	602,111	(152,998)	516,802	(132,098)
Total comprehensive income (loss) for the periods	614,809	(181,390)	547,103	(179,445)
Total comprehensive income (loss) for the periods attributable to:				
Equity holders of the parent	613,976	(180,623)	547,103	(179,445)
Non - controlling interests	833	(767)	-	-
	614,809	(181,390)	547,103	(179,445)



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

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

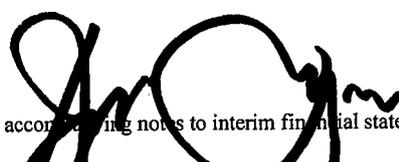
(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows
For the three - month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three - month periods ended 31 March		For the three - month periods ended 31 March	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the periods	12,698	(28,392)	30,301	(47,347)
Adjustments to reconcile profit (loss) for the periods to net cash provided by (used in) operating activities:				
Depreciation	373,381	351,805	101,967	95,604
Loss (gain) on sales and write - off of assets	(18,291)	(20,507)	-	238
Increase (decrease) in allowance for doubtful accounts	(3,952)	41	-	-
Dividend income	-	-	-	(22,148)
Gain (loss) from changes in fair value of derivatives	4,899	-	4,899	-
Unrealized loss (gain) on exchange rate	(40,530)	106,138	(38,628)	5,479
Share of profit (loss) from investments in associates	(5,379)	(15,678)	-	-
Share of profit (loss) from investments in joint ventures	(9,596)	(9,165)	-	-
Provisions for employee benefits	2,599	1,706	2,388	1,582
Interest income	(797)	(817)	(2)	(1)
Finance costs	81,332	80,623	40,756	37,915
Tax expenses (income)	2,512	4,007	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	398,876	469,761	141,681	71,322
Operating assets decrease (increase)				
Trade receivables - unrelated parties	(363,571)	(111,656)	(5,665)	(23,710)
Trade receivables - related parties	(38,035)	(11,448)	(304,236)	(169,916)
Other receivables	15,714	26,704	(56,125)	(198,025)
Material supplies	(125,348)	26,361	(23,793)	829
Other current assets	(1,292)	(1,362)	21	664
Other non - current assets	(321)	132	(45)	-
Operating liabilities increase (decrease)				
Trade payable - unrelated parties	556,396	(422,661)	26,954	(5,376)
Trade payable - related parties	(6,261)	(82,715)	-	-
Other payables - accrued expenses	(2,960)	14,930	4,734	6,709
Advance receipt	(481)	(1,872)	463,781	313,211
Other current liabilities	5,949	(8,401)	(1,635)	(2,600)
Employee benefit obligation paid	(2,815)	-	(2,815)	-
Cash received (paid) from operating activities	435,851	(102,227)	242,857	(6,892)
Cash received (paid) for income tax expenses	(385)	(2,951)	-	-
Net cash provided by (used in) operating activities	435,466	(105,178)	242,857	(6,892)

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


Mr. Sumate Tanthawanit
Director

DIRECTOR


Mr. Sutep Tranantasi
Director

DIRECTOR



(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows (continued)
For the three - month period ended 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods		For the three - month periods	
	ended 31 March		ended 31 March	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash received from sales of assets	97,209	136,398	-	115,653
Purchase of property, premises, vessels and equipment	(7,297)	(5,157)	(4,300)	(4,647)
Payment of payable on purchase of assets	(103,809)	(62,210)	(41,679)	(18,423)
Payment of advances for equipment	(27,409)	(58,696)	(27,409)	(58,696)
Interest received	532	248	2	1
Net cash provided by (used in) investing activities	<u>(40,774)</u>	<u>10,583</u>	<u>(73,386)</u>	<u>33,888</u>
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institutions	314	213,884	-	101,369
Increase (decrease) in long - term loans	(113,406)	(111,470)	(114,555)	(69,482)
Payment of lease liabilities	(171,719)	(109,511)	(1,128)	-
Finance costs paid	(56,691)	(80,279)	(40,384)	(37,414)
Net cash provided by (used in) financing activities	<u>(341,502)</u>	<u>(87,376)</u>	<u>(156,067)</u>	<u>(5,527)</u>
Exchange differences on translating financial statement	14,624	34,914	(7,355)	(26,488)
Net increase (decrease) in cash and cash equivalents	<u>67,814</u>	<u>(147,057)</u>	<u>6,049</u>	<u>(5,019)</u>
Cash and cash equivalents at beginning of periods	<u>1,144,027</u>	<u>1,202,343</u>	<u>57,865</u>	<u>21,119</u>
Cash and cash equivalents at end of periods	<u><u>1,211,841</u></u>	<u><u>1,055,286</u></u>	<u><u>63,914</u></u>	<u><u>16,100</u></u>

Supplemental disclosures of cash flows information :**Activities not affecting cash :**

Increase in right - of - use assets and lease liabilities

from adoption TFRS 16 "Leases"

258,105

-

11,789

-

Increase in right - of - use assets from classification

vessels and equipment from adoption TFRS 16 "Leases"

1,442,088

-

-

-



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

Mr. Sumate Tanthuwant
Director

.....DIRECTOR.....

Mr. Sutep Tranantasiri
Director

.....DIRECTOR.....

Regional Container Lines Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three - month period ended 31 March 2020

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards No. 34 “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 2019.

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.


Mr. Jumate Tantbawanit
Director

..... DIRECTOR

Mr. Sutep Tranantasin
Director


..... DIRECTOR



1.4 Basis of 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 2019.

1.5 Financial Reporting Standards which are effective in the current period

During the period, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

1.5.1 Financial Reporting Standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standards

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.1 to the interim financial statements.


Sumate Tanthawanit
Director



Mr. Sutep Tranantapin
Director  DIRECTOR

1.5.2 TFRS 16 “Leases”

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.2 to the interim financial statements.

1.5.3 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

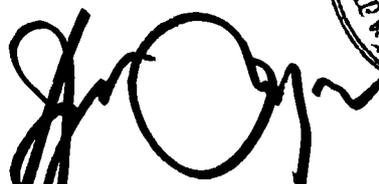
The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives as follows:

Financial Reporting Standards No 9: Financial Instrument

- Not to take into forward-looking information using in measurement of expected credit loss for a simplified approach.
- Use the fair value as at 1 January 2020 for measurement of investment in non-marketable equity which cost is an appropriate estimate of fair value.


Mrs. Umate Tanthuwant
Director



Mr. Sutep Tranantasin
Director  DIRECTOR

2. Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases as follows:

2.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at amortised cost.

Financial assets which are the equity instruments are measured at fair value through profit or loss. Equity securities which intends to hold for the long-term strategic purposes are measured at fair value through other comprehensive income. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets measured at amortised cost. The Group applies general or simplified approach for credit-impaired consideration which depends on the significant of credit risk.

Initial adoption

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is described in Note 3.1 to the interim financial statements.

2.2 Leases

At inception of contact, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.


Mr. Sumate Tanthuanit
Director

..... DIRECTOR

Mr. Sutep Tranantasin
Director

 DIRECTOR



Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liabilities are subsequently measured using the effective interest method and by reducing the carrying amount to reflect the lease payments made. The Group recognizes interest from lease liability in the statement of income. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable by the lessee under residual value guarantees;
- Exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

The Group as lessor

The Group classifies each of its leases as either a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

Sub lease

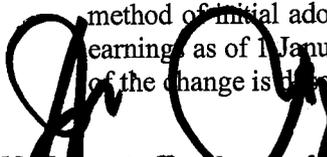
When the Group is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Group apply the exemption described in "Short-term leases and leases of low-value asset, then it classifies the sub-lease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- If the sublease is classified as a finance lease, the Group derecognise the right-of-use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

Initial adoption

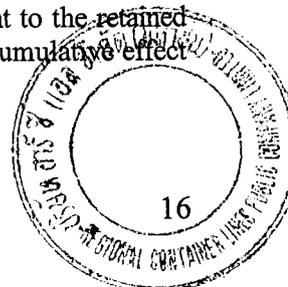
The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as of 1 January 2020, and the comparative information was not restated. The cumulative effect of the change is disclosed in Note 3.2 to the interim financial statements.


Ms. Simate Tanthuanant
 Director

DIRECTOR

Mr. Sutep Tranantasin
 Director


 DIRECTOR



3. Effect of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 1.5 to the interim financial statements, during the current period, the Group has adopted financial reporting standard related to financial instruments and TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as of 1 January 2020. Therefore, the comparative information was not restated. The impacts on the financial statement from changes in accounting policies due to the adoption of these standards are presented as follows:

3.1 Group of Financial Instruments Standards

The Group has adopted financial reporting standard related to financial instruments as described in Note 1.5.1 to the interim financial statements which have the material impact for the classification of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Category
	Classification under previous standards as at	Reclassifications	Classification under TFRS 9 as at	
	31 December 2019		1 January 2020	
Assets				
Other long - term investments	10,248	(10,248)	-	
Other non - current financial assets				
- Non-marketable equity securities	-	10,248	10,248	Financial asset measured at fair value through other comprehensive income
Liabilities				
Other current liabilities	129,896	(6,623)	123,273	
Other non-current financial liabilities				
- Derivatives	-	6,623	6,623	Financial liabilities measured at fair value through profit or loss

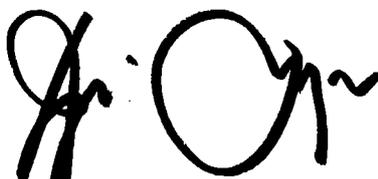
Besides, other financial assets and liabilities of the Group are measured at amortized cost.

3.2 TFRS 16 "Leases"

The Group has adopted TFRS16 "Leases" as described in Note 1.5.2 to the interim financial statements as follows:

- The Group recognised a right - of - use and a lease liability previously classified as an operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application (as of 1 January 2020). Therefore, the comparative information, which presented based on TAS 17, was not restated. The Group recognised the carrying amount of the right-of-use assets and lease liabilities, previously classified as financial leases, based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

- Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.


Mr. Umate Tanthuanit
Director

..... DIRECTOR

Mr. Sutep Tranantasin
Director


..... DIRECTOR



(Unaudited but reviewed)

Therefore the impacts from adoption of this standard at the date of initial application (as of 1 January 2020) as following:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Assets		
Increase in right - of - use assets	1,700,193	11,789
Increase in allowance for impairment of right - of - use assets	(43,248)	-
Decrease in vessels and equipment, net	(1,442,088)	-
	<u>214,857</u>	<u>11,789</u>
Liabilities		
Increase in lease liabilities	281,709	12,857
Increase in deferred interest expenses	(23,604)	(1,068)
Decrease in provision for onerous contracts	(43,248)	-
	<u>214,857</u>	<u>11,789</u>

4. 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 increase net income of the Group and the Company for the three - month period ended 31 March 2020 by Baht 18.8 million and Baht 6.5 million, respectively (Baht 0.023 per share and Baht 0.008 per share, respectively).

5. Trade receivables

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)
Under 90 days	2,002,768	1,669,490	17,263	10,854
91 - 180 days	89,202	56,826	-	-
181 - 365 days	99,404	132,944	-	744
Over 365 days	100,641	67,295	-	-
Total	<u>2,292,015</u>	<u>1,926,555</u>	<u>17,263</u>	<u>11,598</u>
<u>Less</u> Allowance for doubtful accounts	<u>(57,057)</u>	<u>(56,584)</u>	<u>-</u>	<u>-</u>
Net	<u>2,234,958</u>	<u>1,869,971</u>	<u>17,263</u>	<u>11,598</u>


Mr. Sumate Tanthuanit
Director

DIRECTOR


Mr. Sutep Tranantash
Director

DIRECTOR



(Unaudited but reviewed)

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

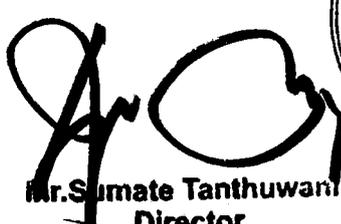
(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	60,993	22,972	304,237	283,518
91 - 180 days	-	9,585	306,872	91,353
181 - 365 days	10,390	-	98,878	-
Over 365 days	-	-	-	-
Total	71,383	32,557	709,987	374,871
Less Allowance for doubtful accounts	(10,390)	(9,599)	-	-
Net	60,993	22,958	709,987	374,871

6. Gain (loss) from changes in fair value of derivatives

(Unit: Thousand Baht)

	Note	Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2019 (audited)		(6,623)	(6,623)
Gain (loss) from changes in fair value		(4,899)	(4,899)
Exchange differences on translating financial statement		(764)	(764)
Ending balance as at 31 March 2020 (unaudited but reviewed)	21.1 (2)	(12,286)	(12,286)


Mr. Sumate Tanthuwant
Director

DIRECTOR


Mr. Sutep Tranantana
Director

DIRECTOR

(Unaudited but reviewed)

7. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company				Dividend for the three - month periods ended	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019	31 March 2020	31 March 2019
			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	12	-	-
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	234	216	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,196	4,800	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,124	1,038	-	-
f) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	80	74	-	-
<u>Subsidiary operating in Hong Kong</u>								
g) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	238	220	-	-
					6,890	6,365	-	-
					(208)	(192)		
					6,682	6,173		
<u>Less</u> : Allowance for impairment								
Total investments in subsidiaries, net								

Movement in the investments in subsidiaries for the three - month period ended 31 March 2020 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2019 (audited)	6,173,149
<u>Less</u> : Loss on impairment of investments	-
Exchange differences on translating financial statement	508,505
Investment as at 31 March 2020 (unaudited but reviewed)	6,681,654

As at 31 March 2020 and 31 December 2019, the Company provided the allowance for impairment due to plan to close the RCL Investment Pte. Ltd. Which is the subsidiary in Singapore.


Mr. Sumate Tanthuanit
 Director




Mr. Sutep Tranantasin
 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 three - month periods ended	
	As at 31 March	As at 31 December	As at 31 March	As at 31 December	As at 31 March	As at 31 December	As at 31 March	As at 31 December	31 March	31 March
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			Percent	Percent	(Unaudited but reviewed)	(Audited)				
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd. (Port operating)	Baht 100	Baht 100								
	Million	Million	22	22	55	50	372	337	-	22
Total investment in associates of the Company					55	50	372	337	-	22
<u>Investment in associates of the subsidiaries</u>										
Pu Chao Container Terminal Co., Ltd. (Port operating)	Baht 30 Million	Baht 30 Million	49	49	15	15	-	-	-	-
N - Square RCL Logistics Co., Ltd. (Warehouse operating)	Baht 5 Million	Baht 5 Million	40	40	2	2	1	2	-	-
Total investment in associates of the subsidiaries					17	17	1	2	-	-
Total investment in associates					72	67	373	339	-	22

Movements in the investment in associates for the three - month period ended 31 March 2020 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2019 (audited)	339,189	50,426
Dividend income	-	-
Share of profit under equity method	5,379	-
Exchange differences on translating financial statement	28,014	4,154
Investment as at 31 March 2020 (unaudited but reviewed)	372,582	54,580

In August 2019, a subsidiary in Thailand invested in a new company in Thailand, named N - Square RCL Logistics Co., Ltd., to manage the warehouse and distribution centers with 40% of share capital amounting Baht 5 million with paid - up capital amounting to Baht 5 million.


Mr. Sumate Tanthuwant
 Director

DIRECTOR


Mr. Sutep Tranantasin
 Director

DIRECTOR

8.2 Investments in joint venture

Company's name	Paid - up capital		Percentage directly owned by the Company		Equity method		(Unit: Million Baht) Dividend for the three - month periods ended	
	As at 31 March	As at 31 December	As at 31 March	As at 31 December	As at 31 March	As at 31 December	31 March	31 March
	2020	2019	2020	2019	2020	2020	2020	2019
			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	108	93	-	-
	Million	Million						
RCL Agencies East India Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	15	15	55	55	17	13	-	-
	Million	Million						
Total investment in joint venture					125	106	-	-

Movements in the investment in joint venture for the three - month period ended 31 March 2020 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2019 (audited)	106,425	-
Dividend income	-	-
Share of profit under equity method	9,596	-
Exchange differences on translating financial statement	9,193	-
Investment as at 31 March 2020 (unaudited but reviewed)	125,214	-

In April 2019, a subsidiary in Singapore and a foreign company in India had entered into a joint venture agreement to setting up company namely RCL Agencies East India Private Limited, for the purpose of shipping agent and providing transportation and cargo handling services, which has been registered in 1st quarter of year 2019. A subsidiary' shareholding is 55% of share capital. The share capital and paid - up capital amounted Indian Rupee 15 million.


Mr. Samate Tanthuwant
 Director




Mr. Sutep Tranantasin
 Director

(Unaudited but reviewed)

9. Property, premises, vessels and equipment, net

9.1 Property and premises, net

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 31 December 2019 (audited)	284,411	397
<u>Add</u> Acquisitions during period - at cost	31	-
<u>Less</u> Depreciation for the period	(1,578)	-
Exchange differences on translating financial statement	<u>24,264</u>	<u>33</u>
Net book value as at 31 March 2020 (unaudited but reviewed)	<u><u>307,128</u></u>	<u><u>430</u></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 2019 (audited)	12,467,107	5,790,378
<u>Add</u> Acquisitions during period - at cost	48,664	4,300
<u>Less</u> Reclassification to right - of - use assets due to the adoption of TFRS 16	(1,442,088)	-
Sale during period - at net book value	(78,918)	-
Depreciation for the period	(242,875)	(100,912)
Exchange differences on translating financial statement	<u>895,962</u>	<u>472,678</u>
Net book value as at 31 March 2020 (unaudited but reviewed)	<u><u>11,647,852</u></u>	<u><u>6,166,444</u></u>

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


Mr. Sumate Tanthuwant
Director



Mr. Sutep Tranantasin
Director


DIRECTOR

(Unaudited but reviewed)

Depreciation in the statements of income for the three - month period ended 31 March 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation included in				
Cost of freight and operations	240,911	348,312	100,301	95,102
Administrative expenses	3,542	3,493	611	502
Total	<u>244,453</u>	<u>351,805</u>	<u>100,912</u>	<u>95,604</u>

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Depreciation included in				
Cost of freight and operations	7,664	11,011	3,191	3,006
Administrative expenses	113	110	19	16
Total	<u>7,777</u>	<u>11,121</u>	<u>3,210</u>	<u>3,022</u>

10. Right - of - use assets, net

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019 (audited)	-	-
Effect of the adopted of TFRS 16:		
- Reclassification from vessels and equipment	1,442,088	-
- Recognized from operating leases	258,105	11,789
- Reclassification from provision for onerous contracts	(43,248)	-
Net book value as at 1 January 2020	1,656,945	11,789
<u>Add</u> Increased during period - at cost	-	-
<u>Less</u> Depreciation for the period	(128,928)	(1,055)
Exchange differences on translating financial statement	130,418	531
Net book value as at 31 March 2020 (unaudited but reviewed)	<u>1,658,435</u>	<u>11,265</u>


Mr. Sumate Tanthuanit
Director

..... DIRECTOR

Mr. Sutep Tranantasin
Director

 DIRECTOR



(Unaudited but reviewed)

The following are the amounts recognised in profit or loss for the three - month period ended March 31, 2020

	(Unit : Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right - of - use assets	128,928	1,055
Interest expense on lease liabilities	25,245	172
Expense relating to short-term lease and leases of low - value assets	337,138	178
Total	<u>491,311</u>	<u>1,405</u>

11. Intangible assets, net

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<u>Computer software</u>		
Net book value as at 31 December 2019 (audited)	-	-
<u>Add</u> Increased during period - at cost	-	-
<u>Less</u> Amortization for the period	-	-
Exchange differences on translating financial statement	-	-
Net book value as at 31 March 2020 (unaudited but reviewed)	<u>-</u>	<u>-</u>

As at 31 March 2020 and 31 December 2019, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 345 million and Baht 319 million, respectively.


Sumate Tanthuanit
Director

DIRECTOR


Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

12. Short - term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Loans from financial institution no. 1	450,000	450,000	450,000	450,000
Loans from financial institution no. 2	116,546	107,373	-	-
Loans from financial institution no. 3	590,936	545,963	-	-
Total	1,157,482	1,103,336	450,000	450,000

As at 31 March 2020 and 31 December 2019, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 31 March 2020 and 31 December 2019, loans from financial institution no. 2 is short - term loan amounting to USD 3.5 million, with interest at the rate of LIBOR+3.9% p.a. and LIBOR+4.15% p.a., respectively, is secured by office building subsidiaries.

As at 31 March 2020 and 31 December 2019, loans from financial institution no. 3 is short - term loan amounting to USD 18 million, with interest at the rate of LIBOR+1.80% p.a., which is unsecured.


Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director 
DIRECTOR

(Unaudited but reviewed)

13. Long - term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
<u>Loans of the Company</u>				
1) USD 8.0 million loan (2019: USD 9.5 million), repayable quarterly until the year 2021.	263,487	288,491	263,487	288,491
2) USD 15.0 million loan (2019: USD 15.5 million), repayable quarterly until the year 2027.	490,970	468,725	490,970	468,725
3) USD 26.3 million loan (2019: USD 27.3 million), repayable quarterly until the year 2026.	864,540	828,257	864,540	828,257
4) USD 2.4 million loan (2019: USD 2.4 million), repayable quarterly until the year 2026.	79,970	73,884	79,970	73,884
5) USD 13.5 million loan (2019: USD 13.7 million), repayable quarterly until the year 2029.	442,217	416,145	442,217	416,145
6) USD 13.5 million loan (2019: USD 13.7 million), repayable quarterly until the year 2029.	442,217	416,145	442,217	416,145
7) USD 2.8 million loan (2019: USD 3.0 million), repayable quarterly until the year 2023.	92,334	90,994	92,334	90,994
<u>Loans of the Singapore Subsidiaries</u>				
8) USD 5.5 million loan (2019: USD 5.9 million), repayable quarterly until the year 2023.	179,251	178,348	-	-
9) USD 6.1 million loan (2019: USD 6.4 million), repayable quarterly until the year 2025.	201,214	194,348	-	-
10) USD 4.7 million loan (2019: USD 4.9 million), repayable quarterly until the year 2025.	154,786	149,503	-	-
11) USD 6.6 million loan (2019: USD 6.9 million), repayable quarterly until the year 2025.	217,983	210,545	-	-
12) USD 1.4 million loan (2019: USD 1.4 million), repayable quarterly until the year 2025.	44,911	43,677	-	-
13) USD 1.4 million loan (2019: USD - million), repayable quarterly until the year 2025.	47,275	-	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
14) HKD 12.4 million loan (2019: HKD 13.3 million), repayable monthly until the year 2023.	52,315	51,661	-	-
Total	3,573,470	3,410,723	2,675,735	2,582,641
Less : Current portion	(817,271)	(743,103)	(623,240)	(572,730)
Long - term loans, net of current portion	2,756,199	2,667,620	2,052,495	2,009,911



[Signature]
Less : Current portion

Long - term loans, net of current portion

[Signature]
Mr Sumate Tanthuanit
Director

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

..... DIRECTOR *[Signature]* DIRECTOR

(Unaudited but reviewed)

Movements in the long - term loans during the three - month period ended 31 March 2020 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2019 (audited)	3,410,723	2,582,641
<u>Add</u> Borrowings	45,262	-
<u>Less</u> Repayments	(158,668)	(114,555)
Exchange differences on translating financial statement	276,153	207,649
Ending balance as at 31 March 2020 (unaudited but reviewed)	<u><u>3,573,470</u></u>	<u><u>2,675,735</u></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.

As at 31 March 2020, the Group and the Company had the remaining credit line of long - term loans are as follows:

In October 2018, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 6.5 million (31 March 2020: approximately Baht 213.4 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the Company has drawn down the loan amounting to USD 2.4 million in March and October 2019.

In January 2020, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 2.7 million (31 March 2020: approximately Baht 80.4 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", at present, the Company has not drawn down the loan.




Mr. Sumate Tanthuwant
Director

..... DIRECTOR

Mr. Sutep Tranantasin
Director  DIRECTOR

(Unaudited but reviewed)

14. Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
Lease liabilities as at 31 December 2019 (Audited)	1,544,025	-
Effects of the adoption of TFRS16 :		
Operating lease commitments as at 31 December 2019	271,426	2,977
<u>Less</u> Short-term leases and leases of low-value assets	(2,367)	(176)
<u>Add</u> Extension and termination options reasonably certain to be exercised	12,650	10,056
<u>Less</u> Deferred interest expenses	(23,604)	(1,068)
Lease liabilities as at 1 January 2020	1,802,130	11,789
Increase (Decrease) during the period :		
<u>Add</u> Lease payments at the commencement date	-	-
<u>Less</u> Deferred interest expenses	-	-
<u>Add</u> Amortization of deferred interest expenses	25,245	172
<u>Less</u> Payments	(175,628)	(1,128)
Exchange differences on translating financial statement	140,291	-
Lease liabilities as at 31 March 2020	1,792,038	10,833
<u>Less</u> : Current portion	(524,768)	(4,043)
Lease liabilities - net of current portion	1,267,270	6,790

(Unit : Thousand Baht)

	Consolidated financial statements					
	As at 31 March 2020 (Unaudited but reviewed)			As at 31 December 2019 (Audited)		
		Deferred interest			Deferred interest	
	Principal	expenses	Total	Principal	expenses	Total
Current portion	524,768	89,756	614,524	354,252	73,213	427,465
1 - 5 years	1,151,654	139,411	1,291,065	1,041,149	137,218	1,178,367
Over 5 years	115,616	4,249	119,865	148,624	6,123	154,747
Total	1,792,038	233,416	2,025,454	1,544,025	216,554	1,760,579




Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

(Unit : Thousand Baht)

Separate financial statements

	As at 31 March 2020 (Unaudited but reviewed)			As at 31 December 2019 (Audited)		
	Principal	Deferred interest expenses	Total	Principal	Deferred interest expenses	Total
Current portion	4,043	541	4,584	-	-	-
1 - 5 years	6,790	356	7,146	-	-	-
Over 5 years	-	-	-	-	-	-
Total	10,833	897	11,730	-	-	-

15. 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.

16. Provisions for employee benefits

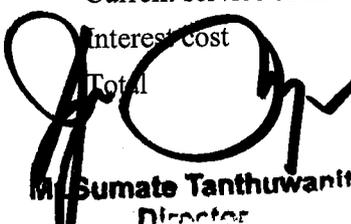
- Movement in the present value of the provisions for employee benefits for the three - month periods ended 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provisions for employee benefits at beginning of periods	51.15	35.12	46.90	31.93
Current service cost and interest	2.60	1.71	2.39	1.59
Benefits paid	(2.81)	-	(2.81)	-
Provisions for employee benefits at end of periods	50.94	36.83	46.48	33.52

- Expenses recognized in the statements of income for the three - month periods ended 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current service costs	2.26	1.51	2.08	1.41
Interest cost	0.34	0.20	0.31	0.18
Total	2.60	1.71	2.39	1.59




Mr. Sumate Tanthuwant
 Director

Mr. Sutep Tranantasi
 Director

DIRECTOR

DIRECTOR

- Principal actuarial assumptions as at 31 March 2020 and 31 December 2019 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 31 March 2020 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.23 million (increase Baht 1.40 million) and Separate financial statements would decrease Baht 1.12 million (increase Baht 1.28 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 1.86 million (decrease Baht 1.62 million) and Separate financial statements would increase Baht 1.69 million (decrease Baht 1.47 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Bath 0.57 million (increase Bath 0.63 million) and Separate financial statements would decrease Baht 0.54 million (increase Baht 0.59 million).
- If the life expectancy 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 0.05 million) and Separate financial statements would increase Baht 0.05 million (decrease Baht 0.05 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.

On 5 May 2019, the Company and a subsidiary in Thailand have amended its post-employment benefits plan to conform with Labour Protection Act which the main point is to increase the rate of benefit of an employee who has past service 20 years or more from 300 days to 400 days. The Company and a subsidiary in Thailand have recorded the effect of the change by recognizing past service cost as expenses immediately in the 2nd quarter income statement of the year 2019 amounted to Baht 9.13 million (The Company : Baht 8.31 million).


Mr. Sumate Tanthuwant
 Director

..... DIRECTOR **Mr. Sutep Tranantasin**
 Director  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 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2020	2019	2020	2019	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	291	183	Market price as at agreement date
Ship management fee	-	-	3	2	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	26	27	-	-	Price approximates market price
Terminal operating service	56	57	-	-	Price per tariff minus volume discount
Logistic service fees	6	11	-	-	Price approximates market price
Office rental and service expenses	2	2	2	2	Contract price




Mr. Sumate Tanthuwant
 Director

DIRECTOR

Mr. Sutep Tranantasin
 Director


 DIRECTOR

(Unaudited but reviewed)

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

(Unit: Million Baht)

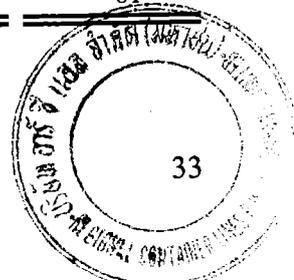
	Consolidated financial statements		Separate financial statements	
	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	710	375
<u>Related parties</u>				
Ngow Hock Co., Ltd.	55	18	-	-
RCL Agencies East India Private Limited	5	5	-	-
Siam Paetra International Co., Ltd.	10	10	-	-
N - Square RCL Logistics Co., Ltd.	1	-	-	-
	71	33	-	-
<u>Less Allowance for doubtful accounts</u>	(10)	(10)	-	-
	61	23	-	-
<u>Other receivables - related parties</u>				
<u>- Receipt on behalf of the Company</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	142	82
<u>- Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	3	1
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
RCL Agencies East India Private Limited	2	6	-	-
RCL Agencies (India) Private Limited	-	1	-	-
Others	3	4	-	-
	5	11	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	2,887	2,321
RCL Shipmanagement Pte. Ltd.	-	-	984	827
Regional Container Lines Pte. Ltd.	-	-	4	3
	-	-	3,875	3,151
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	87	81


Mr. Sumate Tanthuvan
Director

DIRECTOR

Mr. Sutep Tranantasin
Director


DIRECTOR



c) Management and directors benefit expenses

Management and directors benefit expenses consist the benefits paid to the Company's management and directors 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 and directors benefit expenses for the three - month periods ended 31 March 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short - term employee benefits	10	11	6	7

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 31 March 2020 and 31 December 2019 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, provisions for employee benefits and unused tax losses totaling Baht 169.71 million and Baht 329.64 million, respectively, (Separate Baht 96.44 million and Baht 114.47 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 3.83 million and Baht 3.79 million, respectively.




Mr. Sumate Tanthuwant
 Director

..... DIRECTOR

Mr. Sutep Tranantasin
 Director  DIRECTOR

(Unaudited but reviewed)

Tax expense (income) for the three - month periods ended 31 March 2020 and 2019, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current tax expense	2,554	4,032	-	-
Deferred tax expense (income) of temporary differences	(42)	(25)	-	-
Tax expense (income) reported in the statement of income	<u>2,512</u>	<u>4,007</u>	<u>-</u>	<u>-</u>

As at 31 March 2020 and 31 December 2019, the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	2,940
Provisions for employee benefits	892	850
Total	<u>3,832</u>	<u>3,790</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>9,125</u>	<u>8,393</u>


Mrs. Sumate Tanthuwant
Director



DIRECTOR

Mr. Sutep Tranantasi
Director  DIRECTOR

(Unaudited but reviewed)

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 period ended 31 March												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from external customers	77	123	4,117	4,072	7	11	4,201	4,206	-	-	4,201	4,206
Inter - segment revenues	291	183	265	285	3	5	559	473	(559)	(473)	-	-
Freight income	368	306	4,382	4,357	10	16	4,760	4,679	(559)	(473)	4,201	4,206
Segment gross profit (loss)	110	50	146	170	8	13	264	233	(1)	(3)	263	230
Gain (loss) on exchange rate											45	15
Gain on sales of assets											18	21
Other income											4	4
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9											4	-
Share of profit (loss) from investments in associates											5	16
Share of profit (loss) from investments in joint venture											10	9
Administrative expenses											247	235
Loss from changes in fair value of derivatives											5	3
Finance costs											81	81
Tax expenses (income)											3	4
Profit (loss) for the periods											13	(28)

(Unit: Million Baht)

Consolidated financial statements												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	As at	As at										
	31 March	31 December										
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Unaudited but reviewed)	(Audited)										
Property, premises, vessels and equipment, net	6,169	5,794	5,391	6,857	192	178	11,752	12,829	203	(77)	11,955	12,752
Others											6,635	4,286
Total assets											18,590	17,038




Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director



DIRECTOR

20. Commitments and contingent liabilities20.1 Commitments

- (a) As at 31 March 2020, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for service of approximately Baht 5 million in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 20 million or approximately Baht 656 million in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Other rental	Total
Within 1 year	653	2	655
During 1 - 5 years	-	1	1
Over than 5 years	-	-	-
Total	653	3	656

As at 31 March 2020, the Group had no obligations under operating lease agreements as a result of the adoption of the TFRS 16 as at 1 January 2020. Therefore the Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 14 to the interim financial statements.

- (b) As at 31 March 2020, a subsidiary in Singapore has bunker purchase commitments amounting to USD 2.7 million or approximately Baht 89.5 million covering the period of April 2020 at 6,000 MT (As at 31 December 2019, a subsidiary in Singapore has bunker purchase commitments amounting to USD 5 million or approximately Baht 151.5 million covering the period January 2020 at 9,000 MT).
- (c) As at 31 March 2020, the Company and the Group has sulphur scrubber purchase commitments amounting to USD 5.6 million or approximately Baht 185.3 million.

20.2 Guarantees

As at 31 March 2020, the Company has guarantee obligations of USD 121 million, SGD 6 million and HKD 35 million, or approximately Baht 4,244 million (31 December 2019: USD 122 million, SGD 6 million and HKD 35 million or approximately Baht 3,971 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 32 million and HKD 12 million, or approximately Baht 1,101 million (31 December 2019: USD 33 million and HKD 13 million, or approximately Baht 1,071 million).


Mr. Sumate Tanthuanit
 Director




Mr. Sutep Tranantana
 Director

..... DIRECTOR DIRECTOR

21. 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.

21.1 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 31 March 2020, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 2 promise amount of USD 11.40 million (31 December 2019 : 2 promise of amount USD 12.79 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 1.38 million per quarter, the contracts expiration date is the year 2021 and 2023.

For the three - month period ended 31 March 2020, the Company had unrealized gain (loss) from changes in the fair value of derivatives (loss) of USD 0.16 million, or approximately Baht 4.90 million (31 March 2019: gain of USD 0.11 million, or approximately Baht 3.55 million). The Company recorded the unrealized gain (loss) in the statements of income.


Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director 
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 31 March 2020 and 31 December 2019, 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 31 March 2020, 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.

21.2 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.

22. 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 31 March 2020, the Group's debt - to - equity ratio was 1.32 : 1 (31 December 2019 : 1.30 : 1) and the Company's was 1.07 : 1 (31 December 2019 : 1.03 : 1).


Ms. Simate Tanthuanit
Director




Mr. Sutep Tranantasin
Director

23. Functional currency financial statements

The USD functional currency statements of financial position as at 31 March 2020 and 31 December 2019 and the statements of income for the three - month periods ended 31 March 2020 and 2019, are as follows:

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

As at 31 March 2020

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)	As at 31 March 2020 (Unaudited but reviewed)	As at 31 December 2019 (Audited)
Assets				
Current assets				
Cash and cash equivalents	36,913	37,718	1,947	1,908
Trade receivables - unrelated parties	69,815	63,517	526	382
<u>Less: allowance for doubtful accounts</u>	(1,738)	(1,866)	-	-
Trade receivables - unrelated parties, net	68,077	61,651	526	382
Trade receivables - related parties	2,174	1,073	21,626	12,359
<u>Less: allowance for doubtful accounts</u>	(316)	(316)	-	-
Trade receivables - related parties, net	1,858	757	21,626	12,359
Other receivables	11,418	12,868	5,003	3,338
Material supplies	11,005	7,779	1,268	588
Other current assets	1,338	1,432	6	8
Total current assets	130,609	122,205	30,376	18,583
Non - current assets				
Other non - current financial assets	338	-	-	-
Property investments held for investment	155	155	-	-
Investments in subsidiaries, net	-	-	203,524	203,524
Investments in associates	11,349	11,183	1,663	1,663
Investments in joint ventures	3,814	3,509	-	-
Other long - term investments	-	338	-	-
Property and premises, net	9,355	9,377	13	13
Vessels and equipment, net	354,795	411,031	187,831	190,904
Right - of - use assets, net	50,516	-	343	-
Other non - current assets				
- Payment of advances for equipment	5,078	3,660	5,078	3,660
- Other	249	258	79	84
Total non - current assets	435,649	439,511	398,531	399,848
Total assets	566,258	561,716	428,907	418,431

Mr. Somate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	35,257	36,376	13,707	14,836
Trade payables - unrelated parties	112,815	103,900	2,183	1,609
Trade payables - related parties	143	361	-	-
Other payables				
- Accrued expenses	2,207	2,506	842	749
- Advance receipt	-	16	118,036	103,910
- Payable on purchase of assets	1,863	3,302	3,206	3,986
Current portion of long - term loans	24,894	24,499	18,984	18,883
Current portion of lease liabilities	15,984	11,679	123	-
Provision for onerous contracts	-	1,426	-	-
Income tax payable	114	80	-	-
Other current liabilities	3,927	4,283	40	341
Total current liabilities	197,204	188,428	157,121	144,314
Non - current liabilities				
Long - term loans, net of current portion	83,954	87,949	62,519	66,265
Lease liabilities, net of current portion	38,601	39,226	207	-
Deferred tax liabilities	278	277	-	-
Provisions for employee benefits	1,552	1,687	1,416	1,546
Other non - current financial liabilities	374	-	374	-
Total non - current liabilities	124,759	129,139	64,516	67,811
Total liabilities	321,963	317,567	221,637	212,125



Mr. Sumate Tanthuwant
Director

DIRECTOR



Mr. Sutep Tranantasi
Director

DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(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	85,308	84,918	5,603	4,639
Other components of equity	(42,858)	(42,601)	-	-
Total equity of parent Company's shareholders	244,117	243,984	207,270	206,306
Non - controlling interests	178	165	-	-
Total shareholders' equity	244,295	244,149	207,270	206,306
Total liabilities and shareholders' equity	566,258	561,716	428,907	418,431



Mr. Sumate Tanthuwant
Director



Mr. Sutep Tranantasin
Director

..... DIRECTOR DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 31 March 2020

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three - month periods ended 31 March		For the three - month periods ended 31 March	
	2020	2019	2020	2019
Revenues				
Freight income	133,654	132,950	10,613	8,389
Others income				
Gain on exchange rate	1,418	463	1,203	-
Dividend income	-	-	-	700
Gain on sales of assets	582	648	-	-
Interest income	25	26	-	-
Others	77	105	-	-
Total revenues	135,756	134,192	11,816	9,089
Expenses				
Cost of freight and operations	125,273	125,673	7,341	7,122
Administrative expenses	7,857	7,415	2,059	1,985
Loss on exchange rate	-	-	-	167
Total expenses	133,130	133,088	9,400	9,274
Profit (loss) from operating activities	2,626	1,104	2,416	(185)
Finance costs	(2,588)	(2,548)	(1,296)	(1,199)
Gain (loss) from changes in fair value of derivatives	(156)	(112)	(156)	(112)
Reversal of impairment loss (impairment loss)				
determined in accordance with TFRS 9	126	-	-	-
Share of profit (loss) from investments in associates	171	496	-	-
Share of profit (loss) from investments in joint ventures	305	290	-	-
Profit (loss) before income tax expenses	484	(770)	964	(1,496)
Tax expenses (income)	80	127	-	-
Profit (loss) for the periods attributable to:	404	(897)	964	(1,496)
Profit (loss) for the periods attributable to:				
Equity holders of the parent	390	(875)	964	(1,496)
Non - controlling interests	14	(22)	-	-
	404	(897)	964	(1,496)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	0.0005	(0.0011)	0.0012	(0.0018)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750

24. Approval of financial statements

These interim financial statements were authorized for issue by the Company's Board of Directors on 13 May 2020.


Mr. Sumate Tanthuwant*
 Director

DIRECTOR

Mr. Sutep Tranantasin
 Director

DIRECTOR

