



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

Press Release for Financial Results - 30 September 2017

Driven by higher freight rates and tight cost control, the Group's results for Q3/2017 were boosted, as it hit the highest note for the year so far. Against this backdrop, RCL saw stronger demand for shipments of both industrial, capital goods, intermediate goods and various agricultural commodities in Q3/2017.

The Group registered a net profit of THB 241.7 million for the quarter, which was a 153% recovery as compared to the same quarter of 2016 and a 48.4% improvement over Q2/2017.

Despite the two major constraints faced by the shipping industry as below, RCL still recorded its highest weekly volumes for the year in Q3/2017:

- The Imposition of strict environmental control by China's central government
- The introduction of Goods & Services Tax (GST) in India

RCL with its Asia centric network was a beneficiary of a robust Asian growth in the Third quarter. RCL's COC & SOC liftings grew by 6.6% and 3% respectively in Q3/2017 when compared to Q3/2016. COC also rose 6.6%, whilst SOC saw a 4.9% increase when compared to Q2/2017. In total, liftings of both products achieved for Q3/2017 was 484,571 TEUs which is equivalent to a growth of 5.1% against the same period last year and 5.9% against last quarter.

The growth in both COC and SOC volume has predominately contributed to the improvement in Q3/2017's average freight rate per TEU by 14.5% against Q3/2016 and was slightly better than Q2/2017 by 2.2%. Freight income therefore was THB 2,930 million, up by 15.7% when compared to Q3/2016 and was 5.6% above Q2/2017.



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

Total income rose by THB 374.7 million, a jump of 14.6% at THB 2,939 million compared to Q3/2016. This was a 3.3% improvement when compared to Q2/2017,

Despite a significant increase of 25.5% in bunker price when compared to Q3/2016, Cost of Freight and Operations was well managed in most aspects and was down by 11% at THB 2,448 million due to stringent measures.

With tighter cost control and efficiency attained in Q3/2017, Administration cost was also reduced by 6.5%, when compared to Q3/2016 and was 1.2% higher than Q2/2017. Correspondingly, RCL's total expenses of THB 2,722 million was translated to a 10.2% reduction vis-à-vis Q3/2016 and was higher 0.5% when compared to Q2/2017.

The robust net profit of THB 241.7 million achieved in Q3/2017 was largely attributed to cost cutting measures and improvement in productivity across all departments. Along with the agility to adapt to changes in the market situation, RCL has turned around from a loss in Q3/2016 to a profit in Q3/2017.

Date : 10 November 2017

Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 45 vessels with sizes ranging between 500 TEUs to 3316 TEUs. It also has a fleet of 88,242 TEUs to support its own COC carriage as well. RCL operates a network of 61 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 THAI BAHT MILLION

(million baht)

	1st Quarter 2016	Half-Year 2016	9 months 2016	Year-End 2016	1st Quarter 2017	Half-Year 2017	9 months 2017
Freight income	2,651.5	5,273.6	7,806.5	10,440.7	2,574.0	5,349.0	8,279.0
Cost of freight and operations	(2,604.6)	(5,168.5)	(7,919.1)	(10,659.1)	(2,642.2)	(5,078.3)	(7,527.0)
Gross Profit	46.9	105.1	(112.6)	(218.4)	(68.2)	270.7	752.0
Gross Profit Margin	1.8%	2.0%	-1.4%	-2.1%	-2.6%	5.1%	9.1%
Other income	24.7	42.5	55.0	74.1	29.5	65.5	97.6
Unrealised gain from changes in the fair value of Derivatives	0.0	0.0	0.0	1.1	0.6	0.1	0.4
Gain on exchange	0.0	0.0	16.0	57.9	0.0	16.1	21.2
Gain on sale of investments	0.0	0.0	0.0	0.8	0.0	0.0	0.0
Gain on sale of assets	3.4	7.0	8.2	17.7	62.9	98.9	98.4
Total other income	28.1	49.5	79.2	151.6	93.0	180.6	217.6
Admin expenses	(239.3)	(484.4)	(724.9)	(966.2)	(222.4)	(445.3)	(669.7)
Unrealised loss from changes in the fair value of Derivatives	(4.5)	(5.5)	(2.9)	0.0	0.0	0.0	0.0
Loss on exchange	(32.2)	(6.4)	0.0	0.0	(10.6)	0.0	0.0
Doubtful debt	0.0	0.0	0.0	0.0	(0.4)	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	(136.6)	0.0	0.0	0.0
Provision for loss under onerous contracts	0.0	0.0	0.0	(26.8)	0.0	0.0	0.0
Total other expenses	(276.0)	(496.3)	(727.8)	(1,129.6)	(233.4)	(445.3)	(669.7)
Interest expenses	(38.9)	(81.0)	(121.3)	(174.6)	(48.9)	(98.8)	(147.7)
Profit / (loss) before taxation	(239.9)	(422.7)	(882.5)	(1,371.0)	(257.5)	(92.8)	152.2
Income tax	(3.5)	(3.3)	0.5	(4.9)	(3.6)	(5.5)	(8.8)
Profit / (loss) after taxation	(243.4)	(426.0)	(882.0)	(1,375.9)	(261.1)	(98.3)	143.4
Minority interest	0.0	0.0	0.9	1.2	0.0	0.0	0.0
Net profit / (loss) attributable to members	(243.4)	(426.0)	(881.1)	(1,374.7)	(261.1)	(98.3)	143.4

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(239.9)	(422.7)	(882.5)	(1,371.0)	(257.5)	(92.8)	152.2
Add: Impairment loss of assets	0.0	0.0	0.0	136.6	0.0	0.0	0.0
Add: Provision for loss under onerous contracts	0.0	0.0	0.0	26.8	0.0	0.0	0.0
Less Adjustment / Add Allowance for unrealised (Gain) / Loss on derivatives	4.5	5.5	2.9	(1.1)	(0.6)	(0.1)	(0.4)
Add: Interest	38.9	81.0	121.3	174.6	48.9	98.8	147.7
EBIT	(196.5)	(336.2)	(758.3)	(1,034.1)	(209.2)	5.9	299.5
Add: Amortisation	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Add: Depreciation	350.4	687.0	1,024.3	1,424.0	397.7	774.6	1,157.6
EBITDA	153.9	350.8	266.0	390.0	188.5	780.5	1,457.1

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED

AND ITS SUBSIDIARIES

THAILAND

INTERIM FINANCIAL STATEMENTS

FOR THE THREE - MONTH AND NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2017

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 as of September 30, 2017 of Regional Container Lines Public Company Limited and its subsidiaries, the related consolidated statements of income and comprehensive income for the three - month and nine - month periods ended September 30, 2017, the statements of changes in equity and cash flows for the nine - month period ended September 30, 2017, as well as the condensed notes to the consolidated financial statements, and I have also reviewed the separate financial information for the same periods of Regional Container Lines Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 (revised 2016), "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 (revised 2016), "Interim Financial Reporting".

Other matter

(4.1) The consolidated interim financial statements of Regional Container Lines Public Company Limited and its subsidiaries and the interim separate financial statements of Regional Container Lines Public Company Limited for the three - month and nine - month periods ended September 30, 2016, 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 her report dated November 14, 2016 that nothing had come to her 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 2015), "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, 2016, 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 her report dated February 24, 2017. I have not performed any other audit procedures subsequent such report date.



(CHAIYUTH ANGSUWITHAYA)
Certified Public Accountant
Registration No. 3885

A.M.T. & ASSOCIATES
Bangkok, Thailand
November 10, 2017

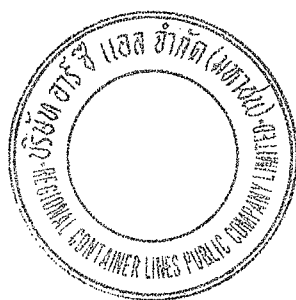
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,539,740	1,255,452	80,068	35,932
Trade receivables - unrelated parties		1,526,750	1,583,663	21,913	23,495
Less: allowance for doubtful accounts		(57,678)	(62,020)	-	-
Trade receivables - unrelated parties, net	4	1,469,072	1,521,643	21,913	23,495
Trade receivables - related parties	4 and 16	14,232	12,085	110,126	122,871
Other receivables					
- Dividend receivables		-	-	-	20,000
- Others	16	732,460	360,014	274,949	443,555
Material supplies		197,329	243,115	14,460	27,803
Other current assets	5	33,100	45,088	1,823	1,306
Total current assets		3,985,933	3,437,397	503,339	674,962
Non - current assets					
Property investments held for					
long - term investment		5,323	5,824	-	-
Investments in subsidiaries, net	6	-	-	6,998,151	7,527,106
Investments in associates	7	378,040	391,661	55,428	59,618
Other long - term investments		11,265	12,116	-	-
Property and premises, net	8.1, 10 and 12	324,587	357,753	436	469
Vessels and equipment, net	8.2, 11 and 12	12,169,949	13,750,286	4,223,403	4,901,889
Intangible assets, net	9	14	31	-	-
Other non - current assets					
- Advances for vessel constructions	20	306,461	164,813	306,461	164,813
- Other		4,590	4,472	2,408	2,404
Total non - current assets		13,200,229	14,686,956	11,586,287	12,656,299
Total assets	23	17,186,162	18,124,353	12,089,626	13,331,261



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

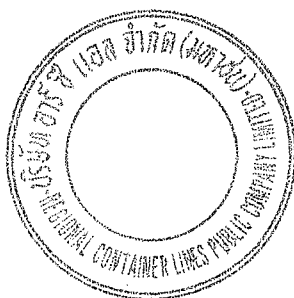
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short - term loans from financial institutions	10	1,378,579	1,271,194	816,800	1,167,200
Trade payables - unrelated parties		2,863,699	2,580,880	57,069	64,688
Trade payables - related parties	16	7,730	181,357	-	-
Other payables					
- Accrued expenses		98,557	97,377	25,884	24,849
- Advance receipt	16	10,392	7,089	1,629,330	1,165,611
- Payable on purchase of assets	16	7,335	22,036	88,696	95,401
Current portion of liabilities					
under financial lease agreement	11	173,850	103,843	-	-
Current portion of long - term loans	12	996,650	1,525,285	364,606	1,071,568
Provision for onerous contracts	19.1 (a)	382,160	411,045	-	-
Income tax payable		2,372	3,155	-	-
Other current liabilities		119,197	87,503	1,022	2,481
Total current liabilities		6,040,521	6,290,764	2,983,407	3,591,798
Non - current liabilities					
Liabilities under financial lease agreements,					
net of current portion	11	705,048	511,985	-	-
Long - term loans, net of current portion	12	1,663,597	2,024,889	1,363,100	1,063,082
Employee benefit obligation	14	41,829	37,362	39,276	35,182
Other non - current liabilities	17	8,762	8,713	-	-
Total non - current liabilities		2,419,236	2,582,949	1,402,376	1,098,264
Total liabilities	23	8,459,757	8,873,713	4,385,783	4,690,062



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

DIRECTOR

Mr. Sumate Tanthuwant

DIRECTOR

Mr. Sutep Tranantasin
Director

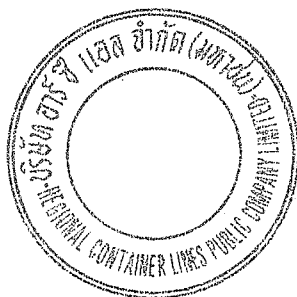
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Issued and fully paid - up				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Share premium	4,982,964	4,982,964	4,982,964	4,982,964
Retained earnings				
Appropriated - legal reserve	66,300	66,300	66,300	66,300
Unappropriated	3,021,356	2,877,943	1,960,208	2,299,515
Other components of equity	(174,582)	474,708	(134,379)	463,670
Total equity of parent Company's shareholders	8,724,788	9,230,665	7,703,843	8,641,199
Non - controlling interests	1,617	19,975	-	-
Total shareholders' equity	8,726,405	9,250,640	7,703,843	8,641,199
Total liabilities and shareholders' equity	23 17,186,162	18,124,353	12,089,626	13,331,261



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

DIRECTOR

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

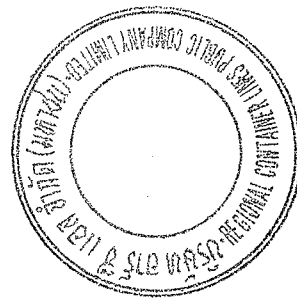
Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in equity

For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

Consolidated financial statements								
	Equity holders of parent company					Other components of equity		Total shareholder's equity
Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Total equity of the parent Company's shareholder	Other comprehensive income (loss)	Non - controlling interests	
			Appropriated - legal reserve	Unappropriated				
Balance as at 1 January 2016								
	828,750	4,982,964	66,300	4,294,052	10,736,930	564,864	32,321	10,769,251
Total comprehensive income (loss) for the period	-	-	-	(881,081)	(1,297,126)	(416,045)	(2,616)	(1,299,742)
Dividend paid	-	-	-	(41,437)	(41,437)	-	-	(41,437)
Balance as at 30 September 2016	828,750	4,982,964	66,300	3,371,534	9,398,367	148,819	29,705	9,428,072
Balance as at 1 January 2017								
	828,750	4,982,964	66,300	2,877,943	9,230,665	474,708	19,975	9,250,640
Subsidiaries dissolve and liquidate	-	-	-	-	(6,404)	(6,404)	(18,363)	(24,767)
Total comprehensive income (loss) for the period	-	-	-	143,413	(499,473)	(642,886)	5	(499,468)
Balance as at 30 September 2017	828,750	4,982,964	66,300	3,021,356	8,724,788	(174,582)	1,617	8,726,405



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

Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

DIRECTORDIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity (continued)
For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

		Separate financial statements					
Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity		Total shareholder's equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)		
					Exchange differences on translating financial statement		
Balance as at 1 January 2016		828,750	4,982,964	66,300	2,921,629	519,640	9,319,283
Total comprehensive income (loss) for the period		-	-	-	(335,788)	(364,816)	(700,604)
Dividend paid		-	-	-	(41,437)	-	(41,437)
Balance as at 30 September 2017		828,750	4,982,964	66,300	2,544,404	154,824	8,577,242
Balance as at 1 January 2017		828,750	4,982,964	66,300	2,299,515	463,670	8,641,199
Total comprehensive income (loss) for the period		-	-	-	(339,307)	(598,049)	(937,356)
Balance as at 30 September 2017		828,750	4,982,964	66,300	1,960,208	(134,379)	7,703,843



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

(Signature)

Mr.Sumate Tanthuwant
Director

(Signature)

Mr.Sutep Trantasin
Director

.....DIRECTOR.....DIRECTOR

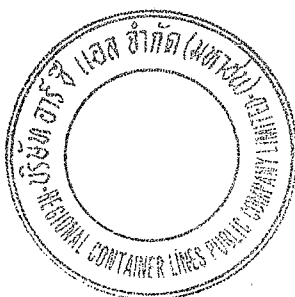
Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods		For the three - month periods	
		ended 30 September		ended 30 September	
		2017	2016	2017	2016
Revenues					
Freight income	16	2,930,025	2,532,920	208,542	227,311
Others income					
Gain on exchange rate		5,097	22,399	-	-
Dividend income	7	-	-	22,296	-
Gain on sales of assets	8.2	-	1,193	-	-
Interest income		1,056	444	30	15
Unrealized gain on derivatives	5	342	2,578	342	2,578
Others		2,542	4,768	-	-
Total revenues		2,939,062	2,564,302	231,210	229,904
Expenses					
Cost of freight and operations	16	2,448,679	2,750,609	236,660	256,004
Administrative expenses	16	224,984	240,508	56,878	53,106
Other expense - loss on exchange rate		-	-	3,554	4,987
Finance costs		48,949	40,240	28,884	30,600
Total expenses		2,722,612	3,031,357	325,976	344,697
Share of profit (loss) from investments in associates and joint venture	7	28,484	7,289	-	-
Profit (loss) before income tax expenses		244,934	(459,766)	(94,766)	(114,793)
Tax expenses (income)	17	3,271	(3,821)	-	-
Profit (loss) for the periods	23	241,663	(455,945)	(94,766)	(114,793)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		241,662	(455,112)	(94,766)	(114,793)
Non - controlling interests		1	(833)	-	-
		241,663	(455,945)	(94,766)	(114,793)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		0.29	(0.55)	(0.11)	(0.14)
The weighted average number of ordinary shares (Thousand share)		828,750	828,750	828,750	828,750



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

DIRECTOR

DIRECTOR

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Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

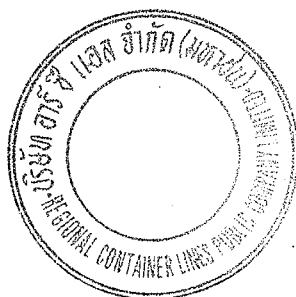
Regional Container Lines Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three - month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three - month periods ended 30 September		For the three - month periods ended 30 September	
	2017	2016	2017	2016
Profit (loss) for the periods	241,663	(455,945)	(94,766)	(114,793)
Other comprehensive income (loss):				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	(157,035)	(160,579)	(140,831)	(147,359)
Total items that will be reclassified subsequently to profit or loss	(157,035)	(160,579)	(140,831)	(147,359)
Other comprehensive income (loss) for the periods	(157,035)	(160,579)	(140,831)	(147,359)
Total comprehensive income (loss) for the periods	84,628	(616,524)	(235,597)	(262,152)
Total comprehensive income (loss) for the periods attributable to:				
Equity holders of the parent	84,627	(615,143)	(235,597)	(262,152)
Non - controlling interests	1	(1,381)	-	-
	84,628	(616,524)	(235,597)	(262,152)



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

DIRECTOR

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

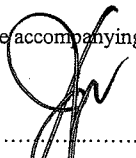
For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

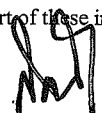
	Note	Consolidated financial statements		Separate financial statements	
		For the nine - month periods		For the nine - month periods	
		ended 30 September		ended 30 September	
		2017	2016	2017	2016
Revenues					
Freight income	16	8,278,995	7,806,513	611,172	687,335
Others income					
Gain on exchange rate		21,226	15,992	-	-
Dividend income	7	-	-	67,073	22,161
Gain on sales of assets	8.2	98,383	8,220	-	168
Interest income		2,683	3,393	150	395
Unrealized gain on derivatives	5	432	-	432	-
Others		13,936	19,785	156	3
Total revenues		8,415,655	7,853,903	678,983	710,062
Expenses					
Cost of freight and operations	16	7,526,958	7,919,134	735,247	781,573
Administrative expenses	16	669,707	724,900	165,237	165,457
Other expense					
Loss on exchange rate		-	-	24,020	19,840
Unrealized loss on derivatives	5	-	2,939	-	2,939
Finance costs		147,731	121,282	93,786	76,041
Total expenses		8,344,396	8,768,255	1,018,290	1,045,850
Share of profit (loss) from investments in associates and joint venture	7	80,956	31,839	-	-
Profit (loss) before income tax expenses		152,215	(882,513)	(339,307)	(335,788)
Tax expenses (income)	17	8,797	(538)	-	-
Profit (loss) for the periods	23	143,418	(881,975)	(339,307)	(335,788)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		143,413	(881,081)	(339,307)	(335,788)
Non - controlling interests		5	(894)	-	-
		143,418	(881,975)	(339,307)	(335,788)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		0.17	(1.06)	(0.41)	(0.41)
The weighted average number of ordinary shares (Thousand share)		828,750	828,750	828,750	828,750



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


Mr. Sumate Tanthuwant
 Director

DIRECTOR


Mr. Sutep Tranantasin
 Director

DIRECTOR

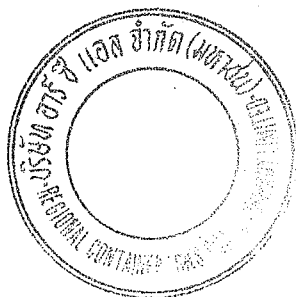
Regional Container Lines Public Company Limited and its subsidiaries

Statements of comprehensive income

For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine - month periods		For the nine - month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Profit (loss) for the periods	143,418	(881,975)	(339,307)	(335,788)
Other comprehensive income (loss):				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	(642,886)	(417,767)	(598,049)	(364,816)
Total items that will be reclassified subsequently to profit or loss	(642,886)	(417,767)	(598,049)	(364,816)
Other comprehensive income (loss) for the periods	(642,886)	(417,767)	(598,049)	(364,816)
Total comprehensive income (loss) for the periods	(499,468)	(1,299,742)	(937,356)	(700,604)
Total comprehensive income (loss) for the periods attributable to:				
Equity holders of the parent	(499,473)	(1,297,126)	(937,356)	(700,604)
Non - controlling interests	5	(2,616)	-	-
	(499,468)	(1,299,742)	(937,356)	(700,604)



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

..... DIRECTOR

..... DIRECTOR

Mr. Sumate Tanthuwantit
Director

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows

For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the nine - month periods		For the nine - month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before income tax expenses	152,215	(882,513)	(339,307)	(335,788)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	1,157,605	1,024,275	345,202	347,992
Amortization	16	50	-	-
Loss (gain) on sales of assets	(98,383)	(8,220)	-	(168)
Increase (decrease) in allowance for doubtful accounts	(4,342)	(20)	-	-
Dividend income	-	-	(67,073)	(22,161)
Unrealized loss (gain) on derivatives	(432)	2,939	(432)	2,939
Unrealized loss (gain) on exchange rate	(45,245)	(40,009)	11,397	11,315
Share of profit (loss) from investments in associates and joint venture	(80,956)	(31,839)	-	-
Employee benefit obligation	5,397	5,093	5,024	4,753
Interest income	(2,683)	(3,393)	(150)	(395)
Finance costs	147,731	121,282	93,786	76,041
Profit (loss) from operating activities before changes in operating assets and liabilities	1,230,923	187,645	48,447	84,528
Operating assets decrease (increase)				
Trade receivables - unrelated parties	113,547	311,699	1,582	4,684
Trade receivables - related parties	(2,147)	31,158	12,745	55,075
Other receivables	(371,454)	(68,266)	168,623	120,332
Material supplies	45,786	9,739	13,343	1,652
Other current assets	15,374	16,361	(85)	6,962
Other non - current assets	(118)	935	(4)	523
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	279,877	(266,435)	(10,561)	(21,515)
Trade payables - related parties	(173,627)	127,066	-	-
Other payables - accrued expenses	(9,902)	35,477	4,262	7,568
Advance receipt	3,303	(1,388)	463,718	(366,922)
Other current liabilities	31,689	9,126	(1,459)	(1,443)
Employee benefit obligation paid	(930)	(5,583)	(930)	(5,397)
Cash from operating activities	1,162,321	387,534	699,681	(113,953)
Cash received (paid) for income tax expenses	(12,526)	(10,780)	-	-
Net cash provided by (used in) operating activities	1,149,795	376,754	699,681	(113,953)



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

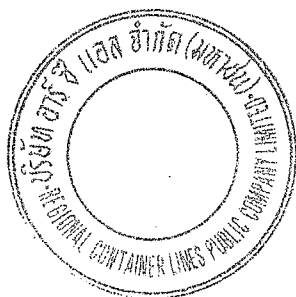
Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the nine - month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine - month periods		For the nine - month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in property, premises, vessels and equipment	(420,889)	(237,885)	(1,883)	(94,756)
Decrease (increase) in payable on purchase of assets	(14,701)	17,545	(6,704)	(640,870)
Decrease (increase) in intangible assets	-	(1)	-	-
Decrease (increase) in advances for vessel constructions	(141,648)	-	(141,648)	-
Dividend received	67,073	22,161	87,073	22,161
Interest received	1,691	3,814	133	503
Proceeds from subsidiaries dissolve and liquidate	48,060	-	-	-
Paid for subsidiary's investment in associates company	-	(8,907)	-	-
Net cash provided by (used in) investing activities	(460,414)	(203,273)	(63,029)	(712,962)
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institution	178,049	(41,013)	(300,000)	(41,013)
Increase (decrease) in short term - from related party	-	(300,000)	-	(300,000)
Increase (decrease) in liabilities financial lease	263,070	-	-	-
Increase (decrease) in long - term loans	(657,562)	(425,386)	(264,092)	883,890
Finance cost paid	(136,650)	(126,056)	(97,013)	(76,436)
Dividend paid	-	(41,437)	-	(41,437)
Payment of liquidated subsidiaries to non - controlling interests	(18,363)	-	-	-
Net cash provided by (used in) financing activities	(371,456)	(933,892)	(661,105)	425,004
Exchange differences on translating financial statement	(33,637)	7,344	68,589	93,447
Net increase (decrease) in cash and cash equivalents	284,288	(753,067)	44,136	(308,464)
Cash and cash equivalents at beginning of periods	1,255,452	2,014,379	35,932	341,623
Cash and cash equivalents at end of periods	1,539,740	1,261,312	80,068	33,159



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

DIRECTOR

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries**Notes to interim financial statements****For the three - month and nine - month periods ended 30 September 2017****1. General information****1.1 General matter**

Regional Container Lines Public Company Limited ("the Company") was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations. The Company's registered address is 127/35 Ratchadapisek Road, Chongnonsi, Yannawa, Bangkok.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2016) "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 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 2016.

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.

1.3 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 2016.

However, Since the 1st quarter of year 2017, the financial statements of Regional Merchants Maritime Co.,Ltd. and Regional Merchants International Freight Forwarding Co.,Ltd. shall not be included in the consolidated financial statement due to dissolution of those companies.



Mr.Sumate Tanthuwant
Director



DIRECTOR



Mr.Sutep Tranantasin
Director

DIRECTOR

1.4 Adoption of new financial reporting standards1.4.1 Financial reporting standards which are effective for the current period


During the period, the Company adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2017. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements.

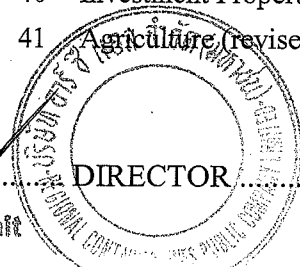
1.4.2 Financial reporting standards which are not effective for the current period

During the period, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2018 as follows.

Accounting Standards

TAS	1	Presentation of Financial Statements (revised 2017)
TAS	2	Inventories (revised 2017)
TAS	7	Statement of Cash Flows (revised 2017)
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2017)
TAS	10	Events after the Reporting Period (revised 2017)
TAS	11	Construction Contracts (revised 2017)
TAS	12	Income Taxes (revised 2017)
TAS	16	Property, Plant and Equipment (revised 2017)
TAS	17	Leases (revised 2017)
TAS	18	Revenue (revised 2017)
TAS	19	Employee Benefits (revised 2017)
TAS	20	Accounting for Government Grants and Disclosure of Government Assistance (revised 2017)
TAS	21	The Effects of Changes in Foreign Exchange Rates (revised 2017)
TAS	23	Borrowing Costs (revised 2017)
TAS	24	Related Party Disclosures (revised 2017)
TAS	26	Accounting and Reporting by Retirement Benefit Plans (revised 2017)
TAS	27	Separate Financial Statements (revised 2017)
TAS	28	Investments in Associates and Joint Ventures (revised 2017)
TAS	29	Financial Reporting in Hyperinflationary Economies (revised 2017)
TAS	33	Earnings per Share (revised 2017)
TAS	34	Interim Financial Reporting (revised 2017)
TAS	36	Impairment of Assets (revised 2017)
TAS	37	Provisions, Contingent Liabilities and Contingent Assets (revised 2017)
TAS	38	Intangible Assets (revised 2017)
TAS	40	Investment Property (revised 2017)
TAS	41	Agriculture (revised 2017)


 Mr. Sumate Tanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

Financial Reporting Standards

- TFRS 2 Share - based Payment (revised 2017)
- TFRS 3 Business Combinations (revised 2017)
- TFRS 4 Insurance Contracts (revised 2017)
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations (revised 2017)
- TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2017)
- TFRS 8 Operating Segments (revised 2017)
- TFRS 10 Consolidated Financial Statements (revised 2017)
- TFRS 11 Joint Arrangements (revised 2017)
- TFRS 12 Disclosure of Interests in Other Entities (revised 2017)
- TFRS 13 Fair Value Measurement (revised 2017)

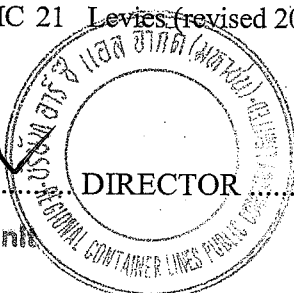
Accounting Standard Interpretations


- TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2017)
- TSIC 15 Operating Leases - Incentives (revised 2017)
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2017)
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2017)
- TSIC 29 Service Concession Arrangements : Disclosures (revised 2017)
- TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2017)
- TSIC 32 Intangible Assets - Web Site Costs (revised 2017)

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2017)
- TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2017)
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2017)
- TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2017)
Financial Reporting in Hyperinflationary Economies (revised 2017)
- TFRIC 10 Interim Financial Reporting and Impairment (revised 2017)
- TFRIC 12 Service Concession Arrangements (revised 2017)
- TFRIC 13 Customer Loyalty Programmes (revised 2017)
- TFRIC 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset,
Minimum Funding Requirements and their Interaction (revised 2017)
- TFRIC 15 Agreements for the Construction of Real Estate (revised 2017)
- TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2017)
- TFRIC 18 Transfers of Assets from Customers (revised 2017)
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017)
- TFRIC 21 Levies (revised 2017)


 Mr. Sumate Tanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

The management of the Company has assessed that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 23, TAS 24, TAS 27, TAS 28, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40 and TFRS 8, TFRS 10, TFRS 11, TFRS 12 and TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Group's business, therefore they do not have impact on the financial statement when they are applied.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

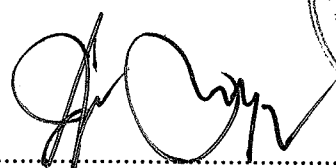
3. Change in accounting estimation

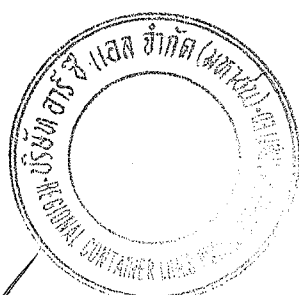
During the current period, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to decrease net income of the Company and the Group for the three - month period ended 30 September 2017 by Baht 3.96 million and Baht 15.31 million, respectively (Baht 0.005 per share and Baht 0.018 per share, respectively) and for the nine - month period ended 30 September 2017 by Baht 22.77 million and Baht 68.36 million, respectively (Baht 0.027 per share and Baht 0.082 per share, respectively).

4. Trade receivables

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

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	1,339,313	1,440,535	21,913	23,495
91 - 180 days	77,289	82,263	-	-
181 - 365 days	14,879	27,445	-	-
Over 365 days	95,269	33,420	-	-
Total	1,526,750	1,583,663	21,913	23,495
Less Allowance for doubtful accounts	(57,678)	(62,020)	-	-
Net	1,469,072	1,521,643	21,913	23,495


 Mr. Sumate Tanthuwant
 Director



DIRECTOR



Mr. Sutep Tranantasin
 Director

DIRECTOR

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

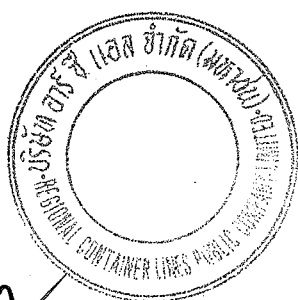
(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	14,232	12,085	65,831	52,009
91 - 180 days	-	-	44,295	53,434
181 - 365 days	-	-	-	17,428
Over 365 days	-	-	-	-
Total	14,232	12,085	110,126	122,871

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

(Unit : Thousand Baht)

	Note	Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2016 (audited)		1,095	1,095
Unrealized gain on derivatives		432	432
Exchange differences on translating financial statement		(89)	(89)
Ending balance as at 30 September 2017			
(unaudited but reviewed)	21.1(2)	1,438	1,438



[Signature]
 DIRECTOR

Mr.Sumate Tanthuwant
 Director

[Signature]

DIRECTOR

Mr.Sutep Tranantasin
 Director

6. Investments in subsidiaries, net

(Unit : Million Baht)

Company's name	Separate financial statements							
	Percentage directly owned by the Company						Dividend for the nine - month periods ended	
	Paid - up capital				Cost			
	As at	As at	As at	As at	As at	As at		
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2017	2016	2017	2016	2017	2016	2017	2016
			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	14	-	-
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	237	255	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,276	5,675	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,141	1,228	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	-	S\$ 0.3 Million	-	49	-	167	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	82	88	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	242	260	-	-
					6,998	7,694	-	-
<u>Less : Allowance for impairment</u>					-	(167)	-	-
Total investments in subsidiaries, net					6,998	7,527	-	-

In July 2017, RCL Holding Ltd. has been dissolved. The dissolution of the aforesaid subsidiary does not affect the operations of the Company.

Movement in the investments in subsidiaries for the nine - month period ended 30 September 2017 are summarized below:

(Unit : Thousand Baht)

Investment as at 31 December 2016 (audited)

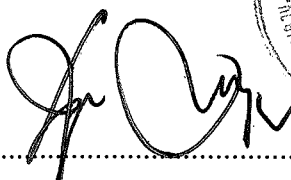
7,527,106

Exchange differences on translating financial statement

(528,955)

Investment as at 30 September 2017 (unaudited but reviewed)

6,998,151



DIRECTOR

Mr. Sumate Tanthuwant
Director




DIRECTOR

Mr. Sutep Tranantasin
Director

7. Investments in associates

(Unit : Million Baht)

Separate financial statements									
Company's name	Paid - up capital		Percentage directly owned by the Company		Cost method		Equity method		Dividend for the nine - month periods ended
	As at 30 September	As at 31 December	As at 30 September	As at 31 December	As at 30 September	As at 31 December	As at 30 September	As at 31 December	30 September 30 September
	2017	2016	2017	2016	2017	2016	2017	2016	2017 2016
			Percent	Percent	(Unaudited but reviewed)	(Audited)			
<u>Investment in associates of the Company</u>									
<u>Associated company operating in</u>									
<u>Thailand</u>									
TIPS Co., Ltd. (Port operating)	100	100							
	Million	Million							
	Baht	Baht	22	22	55	60	323	353	67 22
Total investment in associates					55	60	323	353	67 22

Movements in the investment in associates for the nine - month period ended 30 September 2017 are summarized below:

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2016 (audited)	391,661	59,618
Dividend income	(67,073)	-
Share of profit under equity method	80,956	-
Exchange differences on translating financial statement	(27,504)	(4,190)
Investment as at 30 September 2017 (unaudited but reviewed)	378,040	55,428

Investment in associates, consisted of :

(Unit : Thousand Baht)

	Consolidated financial statements	
	As at 30 September 2017	As at 31 December 2016
	(Unaudited but reviewed)	(Audited)
The Company's investment in associates	323,363	352,548
The subsidiaries' investments in associates	54,677	39,113
Total investments in associate under equity method	378,040	391,661



[Signature]
Mr. Sumate Tanthuanit
Director

[Signature]
Mr. Sutep Tranantasin
Director

DIRECTOR

8. Property, premises, vessels and equipment, net8.1 Property and premises, net

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2016 (audited)	357,753	469
<u>Add</u> Acquisitions during period - at cost	41	-
<u>Less</u> Depreciation for the period	(6,792)	-
Exchange differences on translating financial statement	(26,415)	(33)
Net book value as at 30 September 2017 (unaudited but reviewed)	<u>324,587</u>	<u>436</u>

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

8.2 Vessels and equipment, net

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2016 (audited)	13,750,286	4,901,889
<u>Add</u> Acquisitions during period - at cost	552,859	1,884
<u>Less</u> Sale during period - at net book value	(33,628)	-
Depreciation for the period	(1,150,813)	(345,202)
Exchange differences on translating financial statement	(948,755)	(335,168)
Net book value as at 30 September 2017 (unaudited but reviewed)	<u>12,169,949</u>	<u>4,223,403</u>

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

As at 30 September 2017 and 31 December 2016, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 25.6 million (approximately Baht 852.5 million) and USD 16.9 million (approximately Baht 604.4 million), respectively (the Company only: amounted to approximately Baht - million and Baht - million, respectively).

During the first quarter of 2016, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.1 million (approximately Baht 3.3 million).

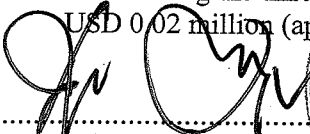
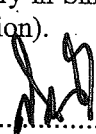
During the second quarter of 2016, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.1 million (approximately Baht 3.6 million).

During the third quarter of 2016, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.04 million (approximately Baht 1.2 million).

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

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

During the third quarter of 2017, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.02 million (approximately Baht 0.7 million).

Mr. Sumate Tanthuwant
 Director

Mr. Sutep Tranantasin
 Director

DIRECTOR

Depreciation in the statements of income for the three - month periods ended 30 September 2017 and 2016 consisted of the following:

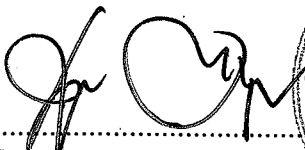
	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	379,098	333,383	108,688	111,709
Administrative expenses	3,937	3,965	290	275
Total	<u>383,035</u>	<u>337,348</u>	<u>108,978</u>	<u>111,984</u>

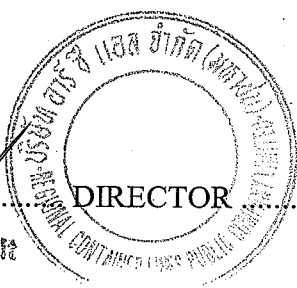
	(Unit : Thousand USD)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	11,348	9,571	3,259	3,209
Administrative expenses	118	114	9	7
Total	<u>11,466</u>	<u>9,685</u>	<u>3,268</u>	<u>3,216</u>

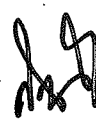
Depreciation in the statements of income for the nine - month periods ended 30 September 2017 and 2016 consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	1,145,820	1,013,378	344,279	347,197
Administrative expenses	11,785	10,897	923	795
Total	<u>1,157,605</u>	<u>1,024,275</u>	<u>345,202</u>	<u>347,992</u>

	(Unit : Thousand USD)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation included in				
Cost of freight and operations	33,436	28,746	10,046	9,849
Administrative expenses	344	309	27	22
Total	<u>33,780</u>	<u>29,055</u>	<u>10,073</u>	<u>9,871</u>


 Mr. Sumate Tanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

9. Intangible assets, net

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
<u>Computer software</u>		
Net book value as at 31 December 2016 (audited)	31	-
<u>Add</u> Increased during period - at cost	-	-
<u>Less</u> Amortization for the period	(16)	-
Exchange differences on translating financial statement	(1)	-
Net book value as at 30 September 2017 (unaudited but reviewed)	<u>14</u>	<u>-</u>

10. Short - term loans from financial institutions

(Unit : Thousand Baht)

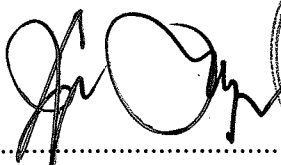
	Consolidated financial statements		Separate financial statements	
	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
Loans from financial institution no. 1	150,000	450,000	150,000	450,000
Loans from financial institution no. 2	666,800	717,200	666,800	717,200
Loans from financial institution no. 3	95,019	103,994	-	-
Loans from financial institution no. 4	466,760	-	-	-
Total	<u>1,378,579</u>	<u>1,271,194</u>	<u>816,800</u>	<u>1,167,200</u>



As at 30 September 2017 and 31 December 2016, loans from financial institution no. 1 are promissory notes with interest at the rate of MLR% p.a., which is unsecured.

As at 30 September 2017 and 31 December 2016, loans from financial institution no. 2 are promissory notes amounting to USD 20 million, with interest at the rate of 4.45% - 4.50% p.a., and 3.61% p.a., respectively, which is unsecured.

As at 30 September 2017 and 31 December 2016, loans from financial institution no. 3 is short - term loan amounting to USD 2.9 million with interest at the rate of LIBOR+4.10% and LIBOR+2% p.a., respectively, is secured by office building subsidiaries.

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


 Mr. Sumate Tanthuanit
 Director



 Mr. Sutep Tranantasin
 Director

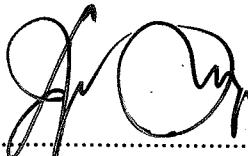
DIRECTOR

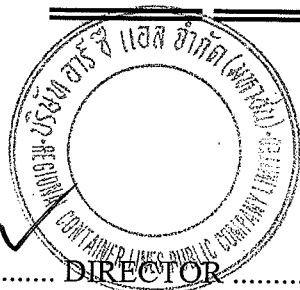
11. Liabilities under finance lease agreements

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
			Financial statements	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities under finance lease agreements	950,975	677,506	-	-
<u>Less:</u> deferred interest	(72,077)	(61,678)	-	-
	878,898	615,828	-	-
<u>Less:</u> current portion due within one year	(173,850)	(103,843)	-	-
Liabilities under finance lease agreements net of current portion	705,048	511,985	-	-

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	As at 30 September 2017			As at 31 December 2016		
	(Unaudited but reviewed)			(Audited)		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	656,497	43,832	700,329	417,900	38,923	456,823
Over 5 years	48,551	470	49,021	94,085	1,608	95,693
Total	705,048	44,302	749,350	511,985	40,531	552,516

	(Unit : Thousand Baht)					
	Separate financial statements					
	As at 30 September 2017			As at 31 December 2016		
	(Unaudited but reviewed)			(Audited)		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	-	-	-	-	-	-


 Mr. Sumate Tanthuanit
 Director




 Mr. Sutep Tranantasin
 Director

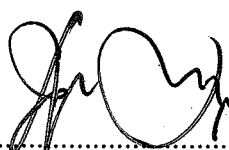

DIRECTOR

12. Long - term loans

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
<u>Loans of the Company</u>				
1) USD - million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	-	375,454	-	375,454
2) USD - million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	-	375,454	-	375,454
3) USD 9.0 million loan (2016: USD 11.3 million), repayable quarterly until the year 2020.	300,060	403,425	300,060	403,425
4) USD 22.9 million loan (2016: USD 27.3 million), repayable quarterly until the year 2021.	762,847	980,317	762,847	980,317
5) USD 19.9 million loan (2016: USD - million), repayable quarterly until the year 2027.	664,799	-	664,799	-
<u>Loans of the Singapore Subsidiaries</u>				
6) USD 8.7 million loan (2016: USD 10.5 million), repayable quarterly until the year 2018.	290,058	376,530	-	-
7) USD 5.4 million loan (2016: USD 10.7 million), repayable semi - annually until the year 2018.	178,702	384,419	-	-
8) USD 6.0 million loan (2016: USD 7.3 million), repayable quarterly until the year 2018.	198,651	262,973	-	-
9) USD 5.2 million loan (2016: USD 7.9 million), repayable semi - annually until the year 2019.	174,702	281,860	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
10) HKD 21.2 million loan (2016: HKD 23.7 million), repayable monthly until the year 2023.	90,428	109,742	-	-
Total	2,660,247	3,550,174	1,727,706	2,134,650
<u>Less</u> Current portion	(996,650)	(1,525,285)	(364,606)	(1,071,568)
Long - term loans, net of current portion	1,663,597	2,024,889	1,363,100	1,063,082

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

Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantornin
Director

DIRECTOR

Movements in the long - term loans during the nine - month period ended 30 September 2017 are summarized below:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 31 December 2016 (audited)	3,550,174	2,134,650
<u>Add</u> Borrowings.	683,320	683,320
<u>Less</u> Repayments	(1,340,882)	(947,412)
Exchange differences on translating financial statement	(232,365)	(142,852)
Ending balance as at 30 September 2017 (unaudited but reviewed)	<u>2,660,247</u>	<u>1,727,706</u>

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

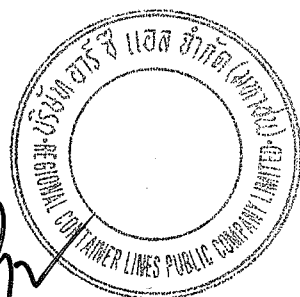
The loan agreements contain certain covenants and restrictions pertaining to matters such as the maintenance of financial ratios and shareholding structure.

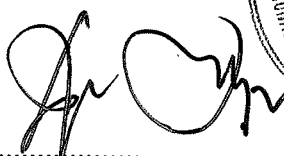
In January 2016, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 32.5 million (30 September 2017: approximately Baht 1,084 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.

In October 2017, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 27.44 million or approximately Baht 914.85 million which is for the payment of 2 container vessels' construction, at present, in the contract process to shipbuilding and the Company has not drawn down the loan

13. 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.




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Mr.Sumate Tanthuanit
Director


.....

Mr.Sutep Tranantasin
Director

DIRECTOR

14. Employee benefit obligation

- Movement in the present value of the employee benefit obligation for the nine - month periods ended 30 September 2017 and 2016 are as follows:

(Unit : Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Employee benefit obligation at beginning of periods	37.36	38.87	35.18	36.96
Benefits paid	(1.05)	(5.58)	(1.05)	(5.40)
Current service cost and interest	5.40	5.09	5.02	4.75
Losses (gains) on the settlement of employee benefit	0.12	-	0.12	-
Employee benefit obligation at ending of periods	<u>41.83</u>	<u>38.38</u>	<u>39.27</u>	<u>36.31</u>

- Expenses recognized in the statements of income for the three - month periods ended 30 September 2017 and 2016 are as follows:

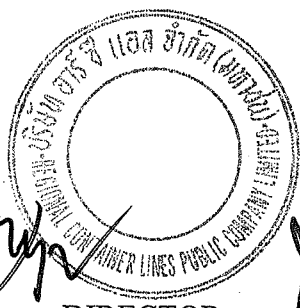
(Unit : Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current service costs	1.47	1.38	1.35	1.28
Interest cost	0.33	0.32	0.32	0.30
Losses (gains) on the settlement of employee benefit	-	-	-	-
Total	<u>1.80</u>	<u>1.70</u>	<u>1.67</u>	<u>1.58</u>

- Expenses recognized in the statements of income for the nine - month periods ended 30 September 2017 and 2016 are as follows:

(Unit : Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current service costs	4.39	4.13	4.07	3.84
Interest cost	1.01	0.96	0.95	0.91
Losses (gains) on the settlement of employee benefit	0.12	-	0.12	-
Total	<u>5.52</u>	<u>5.09</u>	<u>5.14</u>	<u>4.75</u>



[Signature]

DIRECTOR

[Signature]

DIRECTOR

Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

- Principal actuarial assumptions as at 30 September 2017 and 31 December 2016 are as follows:

	Percent	
	Consolidated financial statements	Separate financial statements
Discount rate	3.39 - 3.67	3.39
Salary increase rate	6.00	6.00
Employee turnover rate	0 - 24.00*	0 - 24.00*
Mortality rate	TMO2008**	TMO2008**

* Based on the weighted average by age group of employees

** Reference from TMO2008: Thai Mortality Ordinary Table of 2008

- Sensitivity analysis of significant actuarial assumptions

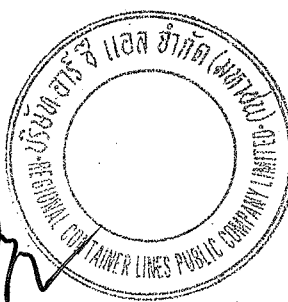
Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 30 September 2017 as follows:

- If the discount rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would decrease Baht 1.46 million (increase Baht 1.56 million) and Separate financial statements would decrease Baht 1.36 million (increase Baht 1.45 million).
- If the salary increase rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would increase Baht 1.59 million (decrease Baht 1.50 million) and Separate financial statements would increase Baht 1.48 million (decrease Baht 1.39 million).
- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation in Consolidated financial statements would increase Baht 0.25 million (decrease Baht 0.25 million) and Separate financial statements would increase Baht 0.24 million (decrease Baht 0.24 million).

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

15. Dividend paid

At the Annual General Meeting of Shareholder on 29 April 2016, the shareholders approved pay dividend amounted Baht 41.44 million at Baht 0.05 per shares.

DIRECTOR

Mr. Sumate Tanthuwant
Director



DIRECTOR

Mr. Sutep Tranantasin
Director

16. Related party transactions

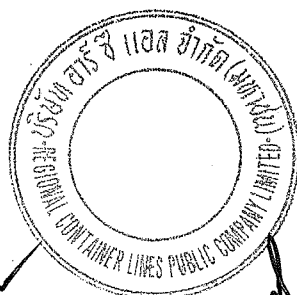
- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between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

(Unit : Million Baht)

	For the three - month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	66	52	Market price as at agreement date
Ship management fee	-	-	2	2	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	42	30	-	-	Price approximates market price
Terminal operating service	60	74	-	-	Price per tariff minus volume discount
Logistic service fees	3	5	-	-	Price approximates market price

(Unit : Million Baht)

	For the nine - month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	180	168	Market price as at agreement date
Ship management fee	-	-	6	6	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	109	86	-	-	Price approximates market price
Terminal operating service	194	198	-	-	Price per tariff minus volume discount
Logistic service fees	8	12	-	-	Price approximates market price



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DIRECTOR

Mr.Sumet Tanthuwani
Director

[Signature]

DIRECTOR

Mr.Sutep Tranantasin
Director

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

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	110	123
<u>Related parties</u>				
Siam Paetra International Co., Ltd	8	12	-	-
Ngow Hock Co., Ltd.	5	-	-	-
RCL Agencies (India) Private Limited	1	-	-	-
	14	12	-	-
<u>Other receivables - related parties</u>				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	227	396
Regional Container Lines Pte. Ltd.	-	-	7	7
	-	-	234	403
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	23	20
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	2	171	-	-
RCL (Vietnam) Co., Ltd.	5	8	-	-
Others	1	2	-	-
	8	181	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	1,478	619
RCL Shipmanagement Pte. Ltd.	-	-	52	533
Regional Container Lines Pte. Ltd.	-	-	8	6
RCL Services S.A.	-	-	81	-
	-	-	1,619	1,158
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	89	95

Payable on purchase of assets

Subsidiary

Regional Container Lines Pte. Ltd.

DIRECTOR

DIRECTOR

Mr. Sumate Tanthuwani
Director

Mr. Sutep Tranantasin
Director

c) Management benefit expenses

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

Management benefit expenses for the three - month and nine - month periods ended 30 September 2017 and 2016 are as follows:

(Unit : Million Baht)

	For the three - month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short- term employee benefits	8	9	5	4

(Unit: Million Baht)

	For the nine - month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short - term employee benefits	20	23	9	11

17. Tax expenses


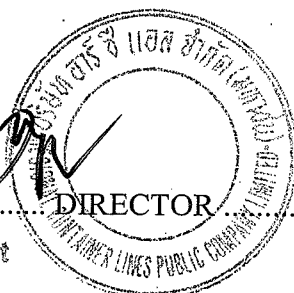
The Company has been granted various tax privileges by the Board of Investment under the Investment Promotion Act. B.E. 2520. These include exemption from corporate income tax on profits for a period of 8 years for certain operations. In addition, since 1999 shipping profits have been exempted from income tax.


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

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

As at 30 September 2017 and 31 December 2016 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, employee benefit obligation and unused tax losses totaling Baht 323.23 million and Baht 371.12 million, respectively, (the Company Baht 64.27 million and Baht 64.31 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 0.51 million and Baht 0.44 million, respectively.

As at 30 September 2017 and 31 December 2016 the Group has temporary difference arising from exchange difference from the translation of the financial statements from functional currency into presentation currency associated with investments in subsidiaries for which deferred tax liability has not been recognized, aggregating Baht 205.45 million and Baht 285.86 million, respectively.



Mr. Sumate Tanthuanit
 Director


Mr. Sutep Tranantasil
 Director

DIRECTOR

Tax expense (income) for the three - month periods ended 30 September 2017 and 2016, consisted of:


	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current tax expense (income)	3,307	(3,794)	-	-
Deferred tax expense (income) of temporary differences	(36)	(27)	-	-
Tax expense (income) reported in the statement of income	<u>3,271</u>	<u>(3,821)</u>	<u>-</u>	<u>-</u>

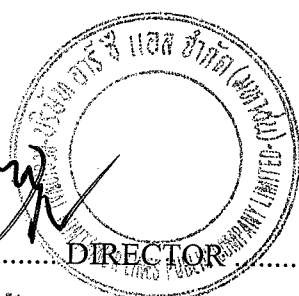
Tax expense (income) for the nine - month periods ended 30 September 2017 and 2016, consisted of:

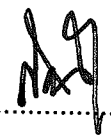
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Current tax expense (income)	8,128	(1,215)	-	-
Deferred tax expense (income) of temporary differences	669	677	-	-
Tax expense (income) reported in the statement of income	<u>8,797</u>	<u>(538)</u>	<u>-</u>	<u>-</u>

As at 30 September 2017 and 31 December 2016, the components of deferred tax assets and liabilities are as follows:

	Consolidated financial statements	
	As at	As at
	30 September 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)
<u>Deferred tax assets</u>		
Employee benefit obligation	511	436
Unused tax benefits on loss carry forward	-	-
Total	<u>511</u>	<u>436</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,762</u>	<u>8,713</u>


 Mr. Sumate Tanthuanit
 Director




 Mr. Sutep Tranantasin
 Director

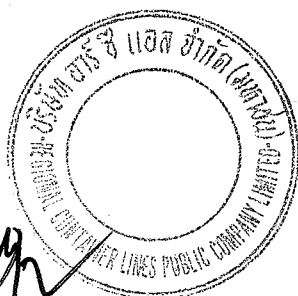
DIRECTOR

18. Financial information by segment

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

(Unit : Million Baht)

	Consolidated financial statements											
	For the three - month periods ended 30 September											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external customers	179	213	2,733	2,283	18	37	2,930	2,533	-	-	2,930	2,533
Inter - segment revenues	66	52	219	240	3	4	288	296	(288)	(296)	-	-
Freight income	245	265	2,952	2,523	21	41	3,218	2,829	(288)	(296)	2,930	2,533
Segment gross profit (loss)	(20)	(20)	497	(212)	16	15	493	(217)	(12)	(1)	481	(218)
Gain on exchange rate											5	22
Gain on sales of assets											-	1
Unrealized gain on derivatives											-	3
Others income											4	5
Share of profit (loss) from investments in associates and joint venture											29	7
Administrative expenses											225	240
Finance costs											49	40
Tax expenses (income)											3	(4)
Profit (loss) for the periods											242	(456)



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DIRECTOR

Mr.Sumate Tanthuwani
Director

[Signature]

DIRECTOR

Mr.Sutep Tranantasin
Director

(Unit : Million Baht)

Consolidated financial statements

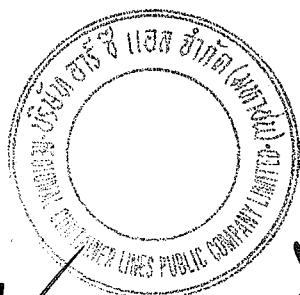
For the nine - month periods ended 30 September

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external customers	530	646	7,694	6,975	55	186	8,279	7,807	-	-	8,279	7,807
Inter - segment revenues	180	168	649	796	9	10	838	974	(838)	(974)	-	-
Freight income	710	814	8,343	7,771	64	196	9,117	8,781	(838)	(974)	8,279	7,807
Segment gross profit (loss)	(101)	(68)	844	(107)	46	57	789	(118)	(37)	5	752	(113)
Gain on exchange rate											21	16
Gain on sales of assets											98	8
Others income											18	23
Share of profit (loss) from investments in associates and joint venture											81	32
Administrative expenses											670	725
Unrealized loss on derivatives											-	3
Finance costs											148	121
Tax expenses (income)											9	(1)
Profit (loss) for the periods											143	(882)

(Unit : Million Baht)

Consolidated financial statements

	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Property, premises, vessels and equipment, net	4,230	4,906	7,652	8,481	201	220	12,083	13,607	412	501	12,495	14,108
Others											4,691	4,016
Total assets											17,186	18,124



[Signature]
Mr. Sumate Tanthuwant
Director

DIRECTOR

[Signature]
Mr. Sutep Tranantasin
Director

DIRECTOR

19. Commitments and contingent liabilities19.1 Commitments

As at 30 September 2017, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 8 million (31 December 2016 : Baht 6 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 36 million or approximately Baht 1,186 million (31 December 2016 : USD 35 million or approximately Baht 1,246 million) in respect of the following agreements.

(Unit : Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	538	-	37	575
During 1 - 5 years	549	-	62	611
Over than 5 years	-	-	-	-
Total	1,087	-	99	1,186

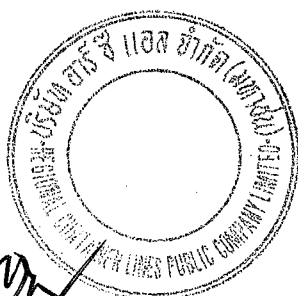
19.2 Guarantees

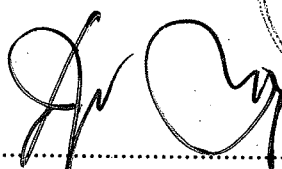
As at 30 September 2017, the Company has guarantee obligations of USD 253 million, SGD 6 million and HKD 35 million, or approximately Baht 8,748 million (31 December 2016 : USD 253 million, SGD 6 million and HKD 35 million or approximately Baht 9,400 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 49 million and HKD 21 million, or approximately Baht 1,733 million (31 December 2016 : USD 66 million and HKD 24 million, or approximately Baht 2,470 million).

20. Shipbuilding contracts

On 5 November 2015, the Company entered into 2 vessel building contracts amount of USD 46 million (As at 30 September 2017 : approximately Baht 1,532.31 million). The contract price of each vessel will be paid in 5 installments according to % of the contract price. The 1st and 2nd installments of 10% of contract price, the 3rd installment of 0%, the 4th installment of 5% of contract price and the 5th installment (on delivery) of 75% of contract price. And on 28 December 2016 the Company amended to extend the 2nd installment to July 2017 and September 2017 for each vessel including postponed the delivery date of 2 vessels to July 2018 and September 2018 respectively.

As at 30 September 2017, the Company had paid amounted USD 9.19 million (approximately Baht 306.46 million).





DIRECTOR

Mr. Sumate Tanthuwantit
Director



DIRECTOR

Mr. Sutep Tranantasin
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 30 September 2017, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional amount of USD 9.0 million (31 December 2016 : USD 11.3 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortized at a rate of USD 0.75 million per quarter over the period from 2015 to 2020.

As at 30 September 2017, the Company had unrealized gain from changes in the fair value of derivatives of USD 0.01 million, or approximately Baht 0.43 million (31 December 2016 : USD 0.03 million, or approximately Baht 1.09 million). The Company recorded the unrealized gain in the statements of income.



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Mr.Sumate Tanthuanit
Director

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DIRECTOR

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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 30 September 2017 and 31 December 2016, the Group does not hedge such exposures to foreign movement risk as it is minimal.

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

(4) Commodity price risk

Bunker cost represents a major component of the operational costs of a subsidiary in Singapore. Hence the said subsidiary is exposed to bunker price fluctuations. As at 30 September 2017, a subsidiary in Singapore had not entered into any new contract to hedge the exposure to bunker price fluctuations. Due to the fact that the risk management committee assessed the bunker price in the global market shown a downward trend. And the Company will be able to cope with the risk as the freight rate shall be adapted to higher bunker price accordingly.

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 30 September 2017, the Group's debt - to - equity ratio was 0.97 : 1 (31 December 2016 : 0.96 : 1) and the Company's was 0.57 : 1 (31 December 2016 : 0.54 : 1).

DIRECTOR

Mr. Sumate Tanthuanit
Director



DIRECTOR

Mr. Sutep Tranantasin
Director

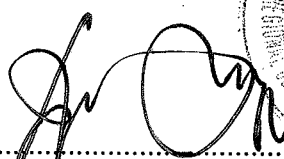

23. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2017 and 31 December 2016 and the statements of income for the three - month and nine month - periods ended 30 September 2017 and 2016, are as follows:

Regional Container Lines Public Company Limited and its subsidiaries**Statements of financial position****As at 30 September 2017**

(Unit : Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	46,183	35,010	2,402	1,002
Trade receivables - unrelated parties	45,793	44,162	657	655
<u>Less:</u> allowance for doubtful accounts	(1,730)	(1,729)	-	-
Trade receivables - unrelated parties, net	44,063	42,433	657	655
Trade receivables - related parties	427	337	3,303	3,426
Other receivables				
- Dividend receivables	-	-	-	558
- Others	21,969	10,039	8,247	12,369
Material supplies	5,919	6,780	434	775
Other current assets	993	1,257	54	37
Total current assets	119,554	95,856	15,097	18,822
Non - current assets				
Property investments held for long - term investment	160	162	-	-
Investments in subsidiaries, net	-	-	209,903	209,903
Investments in associates	11,339	10,922	1,662	1,662
Other long - term investments	338	338	-	-
Property and premises, net	9,736	9,976	13	13
Vessels and equipment, net	365,025	383,444	126,677	136,695
Intangible assets, net	-	1	-	-
Other non - current assets				
- Advance for vessel constructions	9,192	4,596	9,192	4,596
- Other	138	125	72	67
Total non - current assets	395,928	409,564	347,519	352,936
Total assets	515,482	505,420	362,616	371,758

Mr. Sumet Tanthuanit
Director



Mr. Sutep Tranantasin
Director

DIRECTOR

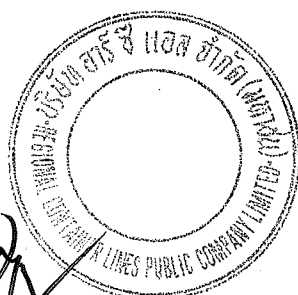
Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2017

(Unit : Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	41,349	35,449	24,499	32,549
Trade payables - unrelated parties	85,894	71,971	1,712	1,804
Trade payables - related parties	232	5,057	-	-
Other payables				
- Accrued expenses	2,956	2,716	776	693
- Advance receipt	312	198	48,870	32,505
- Payable on purchase of assets	220	615	2,660	2,660
Current portion of liabilities				
under financial lease agreement	5,214	2,896	-	-
Current portion of long - term loans	29,894	42,534	10,936	29,882
Provision for onerous contracts	11,462	11,462	-	-
Income tax payable	71	88	-	-
Other current liabilities	3,575	2,440	31	69
Total current liabilities	181,179	175,426	89,484	100,162
Non - current liabilities				
Liabilities under financial lease agreements,				
net of current portion	21,147	14,277	-	-
Long - term loans, net of current portion	49,898	56,467	40,885	29,645
Employee benefit obligation	1,255	1,042	1,178	981
Other non - current liabilities	263	243	-	-
Total non - current liabilities	72,563	72,029	42,063	30,626
Total liabilities	253,742	247,455	131,547	130,788



[Signature]
 Mr.Sumate Tanthuwant
 Director

DIRECTOR

[Signature]
 Mr.Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2017

(Unit : Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(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	102,326	98,141	29,402	39,303
Other components of equity	(42,301)	(42,559)	-	-
Total equity of parent Company's shareholders	261,692	257,249	231,069	240,970
Non - controlling interests	48	716	-	-
Total shareholders' equity	261,740	257,965	231,069	240,970
Total liabilities and shareholders' equity	515,482	505,420	362,616	371,758



[Signature]
 Mr. Sumate Tanthuwant
 Director

DIRECTOR

[Signature]
 Mr. Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

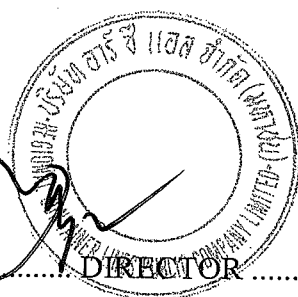
For the three - month period ended 30 September 2017

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	For the three - month periods ended 30 September		For the three - month periods ended 30 September	
	2017	2016	2017	2016
Revenues				
Freight income	87,498	72,735	6,236	6,525
Others income				
Gain on exchange rate	156	634	-	-
Dividend income	-	-	667	-
Gain on sales of assets	21	35	-	-
Interest income	31	13	1	1
Unrealized gain on derivatives	10	73	10	73
Others	79	138	-	-
Total revenues	87,795	73,628	6,914	6,599
Expenses				
Cost of freight and operations	73,351	78,893	7,092	7,351
Administrative expenses	6,716	6,904	1,700	1,521
Others expense - loss on exchange rate	-	-	111	144
Finance cost	1,465	1,155	867	876
Total expenses	81,532	86,952	9,770	9,892
Share of profit (loss) from investments in associates and joint venture	850	211	-	-
Profit (loss) before income tax expenses	7,113	(13,113)	(2,856)	(3,293)
Tax expenses (income)	98	(107)	-	-
Profit (loss) for the period	7,015	(13,006)	(2,856)	(3,293)
Profit (loss) for the period attributable to:				
Equity holders of the parent	7,015	(12,982)	(2,856)	(3,293)
Non - controlling interests	-	(24)	-	-
	7,015	(13,006)	(2,856)	(3,293)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	0.008	(0.016)	(0.003)	(0.004)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750



Mr. Sumate Tanthuwant
Director




Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the nine - month period ended 30 September 2017

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	For the nine - month periods ended 30 September		For the nine - month periods ended 30 September	
	2017	2016	2017	2016
Revenues				
Freight income	241,590	221,443	17,835	19,497
Others income				
Gain on exchange rate	620	454	-	-
Dividend income	-	-	1,957	629
Gain on sales of assets	2,871	233	-	5
Interest income	78	96	4	11
Unrealized gain on derivatives	13	-	13	-
Others	407	561	5	-
Total revenues	245,579	222,787	19,814	20,142
Expenses				
Cost of freight and operations	219,645	224,638	21,455	22,171
Administrative expenses	19,543	20,563	4,822	4,693
Others expense				
Loss on exchange rate	-	-	701	563
Unrealized loss on derivatives	-	83	-	83
Finance cost	4,311	3,440	2,737	2,157
Total expenses	243,499	248,724	29,715	29,667
Share of profit (loss) from investments in associates and joint venture	2,362	903	-	-
Profit (loss) before income tax expenses	4,442	(25,034)	(9,901)	(9,525)
Tax expenses (income)	(257)	(15)	-	-
Profit (loss) for the period	4,185	(25,019)	(9,901)	(9,525)
Profit (loss) for the period attributable to:				
Equity holders of the parent	4,185	(24,993)	(9,901)	(9,525)
Non - controlling interests	-	(26)	-	-
	4,185	(25,019)	(9,901)	(9,525)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	0.005	(0.030)	(0.012)	(0.011)
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 10 November 2017.

Mr. Sumate Thanthuanit
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

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