



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

## Press Release for Financial Results as at 31 March 2017

In Q1/2017, RCL registered a total liftings of 445,166 TEUs, an increase of 6% as compared to the same period in 2016. Liftings for Shipper Owned Container (SOC) was 193,490 TEUs, a growth of 6% and similarly, Carrier Owned Container (COC) liftings also locked in a 6% increase at 251,676 TEUs against the same period in 2016.

However, the freight rate per TEU in Q1/2017 declined 7.2% when compared to the same period in 2016, resulted in an operating income of THB 2,574 million, a decrease of 2.9% vis-a-vis the same period in 2016. In addition, the company's gain from disposal of old containers amounted to THB 62.9 million, the company recorded a total revenue of THB 2,644 million in Q1/2017, representing a decrease of 0.8% as compared to the same period in 2016.

Cost of freight and operations in Q1/2017 was THB 2,642 million, a slight increased of 1.5% versus the same period in 2016. The main factors contributing to the increase cost of freight and operations were the higher oil price which went up 71.6%, compared to the same period in 2016 and the Company's loss on exchange rate at THB 10.6 million. The total expenses was THB 2,924 million, reflecting a 0.2% increase, when compared to the same period in 2016, resulting in the company slipping into a net loss of THB 261 million while the net loss for the same period in 2016 was THB 243 million.

Although, the shipping industry in Asia for 1st quarter was sluggish due to the holiday seasons, the Company has in fact better performed, as it posted a net loss of THB 261 million in Q1/2017, a reduction of THB 233 million, whereas the net loss for Q4/2016 was THB 494 million. Despite a decrease in total liftings of 4.7%, and a dropped of 2.3% in freight income, cost of freight decreased 3.6% because of improvement in the Company's freight rate per TEU by 3.4%, as compared to Q4/2016. This indicated a positive trend for the Company.

Notably, the scenario in shipping industry has changed significantly. Freight rates has decreased drastically in 2016, though it started to move slightly upwards at the end of 2016 and continued to improve in Q1/2017. Less competitors arising from mergers and alliances including higher oil price, as well as growth in economy, are factors contributing to freight rates improvement in the next phase.



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

12 May 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 86,541 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
Freight income	2,651.5	5,273.6	7,806.5	10,440.7	2,574.0
Cost of freight and operations	(2,604.6)	(5,168.5)	(7,919.1)	(10,659.1)	(2,642.2)
<b>Gross Profit</b>	<b>46.9</b>	<b>105.1</b>	<b>(112.6)</b>	<b>(218.4)</b>	<b>(68.2)</b>
<b>Gross Profit Margin</b>	<b>1.8%</b>	<b>2.0%</b>	<b>-1.4%</b>	<b>-2.1%</b>	<b>-2.6%</b>
Other income	24.7	42.5	55.0	74.1	29.5
Unrealised gain from changes in the fair value of Derivatives	0.0	0.0	0.0	1.1	0.6
Gain on exchange	0.0	0.0	16.0	57.9	0.0
Gain on sale of investments	0.0	0.0	0.0	0.8	0.0
Gain on sale of assets	3.4	7.0	8.2	17.7	62.9
Total other income	28.1	49.5	79.2	151.6	93.0
Admin expenses	(239.3)	(484.4)	(724.9)	(966.2)	(222.4)
Unrealised loss from changes in the fair value of Derivatives	(4.5)	(5.5)	(2.9)	0.0	0.0
Loss on exchange	(32.2)	(6.4)	0.0	0.0	(10.6)
Doubtful debt	0.0	0.0	0.0	0.0	(0.4)
Loss on impairment of Vessels	0.0	0.0	0.0	(136.6)	0.0
Total other expenses	(276.0)	(496.3)	(727.8)	(1,129.6)	(233.4)
Interest expenses	(38.9)	(81.0)	(121.3)	(174.6)	(48.9)
Profit / (loss) before taxation	(239.9)	(422.7)	(882.5)	(1,371.0)	(257.5)
Income tax	(3.5)	(3.3)	0.5	(4.9)	(3.6)
Profit / (loss) after taxation	(243.4)	(426.0)	(882.0)	(1,375.9)	(261.1)
Minority interest	0.0	0.0	0.9	1.2	0.0
<b>Net profit / (loss) attributable to members</b>	<b>(243.4)</b>	<b>(426.0)</b>	<b>(881.1)</b>	<b>(1,374.7)</b>	<b>(261.1)</b>

### COMPUTATION OF EBITDA

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

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
THAILAND

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INTERIM FINANCIAL STATEMENTS  
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2017  
AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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EXPRESSED IN  
THAI BAHT

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

สำนักงาน เอ.เอ็ม.ที. แอสโซซิเอท

Accounting Management & Tax Services

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

(1) I have reviewed the accompanying consolidated statement of financial position of Regional Container Lines Public Company Limited and its subsidiaries as of March 31, 2017, the related consolidated statements of changes in equity, income, comprehensive income and cash flows for the three - month period ended March 31, 2017, as well as the condensed notes to the consolidated financial statements, and I have also reviewed the separate financial information for the same period of Regional Container Lines Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 (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 statement of Regional Container Lines Public Company Limited and its subsidiaries and the interim separate financial statement of Regional Container Lines Public Company Limited for the three - month period ended March 31, 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 she drew a conclusion from the review under her report dated May 12, 2016 that nothing had come to her attention that caused her 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  
May 12, 2017

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position**  
**As at 31 March 2017**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,431,521	1,255,452	48,276	35,932
Trade receivables - unrelated parties	1,516,379	1,583,663	14,369	23,495
<u>Less: allowance for doubtful accounts</u>	<u>(59,429)</u>	<u>(62,020)</u>	<u>-</u>	<u>-</u>
Trade receivables - unrelated parties, net	4	1,456,950	14,369	23,495
Trade receivables - related parties	4 and 15	59,631	165,973	122,871
Other receivables				
- Dividend receivables		-	-	20,000
- Others	15	438,867	566,125	443,555
Material supplies		208,749	19,310	27,803
Other current assets	5	50,924	1,884	1,306
<b>Total current assets</b>		<b>3,646,642</b>	<b>815,937</b>	<b>674,962</b>
<b>Non - current assets</b>				
Property investments held for				
long - term investment		5,550	5,824	-
Investments in subsidiaries, net	6	-	7,212,252	7,527,106
Investments in associates	7	376,143	57,123	59,618
Other long - term investments		11,609	12,116	-
Property and premises, net	8.1, 10 and 12	340,057	450	469
Vessels and equipment, net	8.2, 11 and 12	12,829,399	4,575,127	4,901,889
Intangible assets, net	9	25	31	-
Other non - current assets				
- Advances for vessel constructions	19	157,919	157,919	164,813
- Other		4,429	2,405	2,404
<b>Total non - current assets</b>		<b>13,725,131</b>	<b>12,005,276</b>	<b>12,656,299</b>
<b>Total assets</b>	22	<b>17,371,773</b>	<b>12,821,213</b>	<b>13,331,261</b>



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

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

DIRECTOR

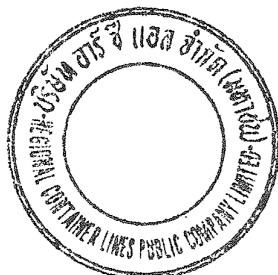
**Mr. Sutep Tranantasin**  
**Director**

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 March 2017**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short - term loans from financial institutions	10	1,735,064	1,271,194	965,400	1,167,200
Trade payables - unrelated parties		2,672,728	2,580,880	52,527	64,688
Trade payables - related parties	15	10,303	181,357	-	-
Other payables					
- Accrued expenses		76,139	97,377	20,890	24,849
- Advance receipt	15	7,673	7,089	1,569,456	1,165,611
- Payable on purchase of assets	15	31,966	22,036	91,410	95,401
Current portion of liabilities					
under financial lease agreement	11	99,562	103,843	-	-
Current portion of long - term loans	12	1,702,064	1,525,285	1,009,566	1,071,568
Provision for onerous contracts	18.1	393,851	411,045	-	-
Income tax payable		3,255	3,155	-	-
Other current liabilities		102,582	87,503	888	2,481
<b>Total current liabilities</b>		<b>6,835,187</b>	<b>6,290,764</b>	<b>3,710,137</b>	<b>3,591,798</b>
<b>Non - current liabilities</b>					
Liabilities under financial lease agreements,					
net of current portion	11	465,893	511,985	-	-
Long - term loans, net of current portion	12	1,428,193	2,024,889	941,801	1,063,082
Employee benefit obligation	14	38,147	37,362	35,843	35,182
Other non - current liabilities	16	9,077	8,713	-	-
<b>Total non - current liabilities</b>		<b>1,941,310</b>	<b>2,582,949</b>	<b>977,644</b>	<b>1,098,264</b>
<b>Total liabilities</b>	22	<b>8,776,497</b>	<b>8,873,713</b>	<b>4,687,781</b>	<b>4,690,062</b>



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

Mr. Sumate Tanthuanit  
Director

Mr. Sutep Tranantasin  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of financial position (continued)**  
**As at 31 March 2017**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Issued and fully paid - up				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Share premium	4,982,964	4,982,964	4,982,964	4,982,964
Retained earnings				
Appropriated - legal reserve	66,300	66,300	66,300	66,300
Unappropriated	2,616,856	2,877,943	2,149,964	2,299,515
Other components of equity	98,793	474,708	105,454	463,670
Total equity of parent Company's shareholders	8,593,663	9,230,665	8,133,432	8,641,199
Non - controlling interests	1,613	19,975	-	-
<b>Total shareholders' equity</b>	<b>8,595,276</b>	<b>9,250,640</b>	<b>8,133,432</b>	<b>8,641,199</b>
<b>Total liabilities and shareholders' equity</b>	<b>22 17,371,773</b>	<b>18,124,353</b>	<b>12,821,213</b>	<b>13,331,261</b>



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

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

DIRECTOR

**Mr. Sutep Tranantasin**  
**Director**

DIRECTOR



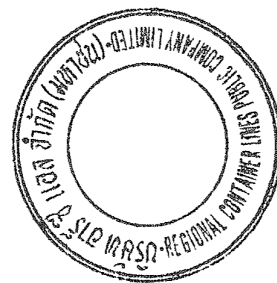
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of changes in equity

For the three - month period ended 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements					
	Equity holders of parent company				Total equity	
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity	
			Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	Company's shareholder
Total shareholder's equity						
<b>Balance as at 1 January 2016</b>	828,750	4,982,964	66,300	4,294,052	564,864	10,736,930
Total comprehensive income (loss) for the period	-	-	-	(243,360)	(274,351)	(694)
<b>Balance as at 31 March 2016</b>	828,750	4,982,964	66,300	4,050,692	290,513	10,219,219
<b>Balance as at 1 January 2017</b>	828,750	4,982,964	66,300	2,877,943	474,708	9,230,665
Subsidiaries dissolve and liquidate	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	(261,087)	(375,915)	2
<b>Balance as at 31 March 2017</b>	828,750	4,982,964	66,300	2,616,856	98,793	8,593,663
						1,613
						8,595,276



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

DIRECTOR

*[Signature]*  
**Mr. Sumate Tanthuwant**  
 Director

DIRECTOR

*[Signature]*  
**Mr. Sutep Trantasin**  
 Director

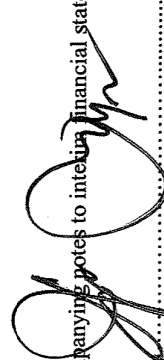
**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of changes in equity (continued)**  
**For the three - month period ended 31 March 2017**


Separate financial statements						(Unit: Thousand Baht)
	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity	
			Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	
					Exchange differences on translating financial statement	
Balance as at 1 January 2016	828,750	4,982,964	66,300	2,921,629	519,640	9,319,283
Total comprehensive income (loss) for the period	-	-	-	(110,557)	(238,808)	(349,365)
Balance as at 31 March 2016	828,750	4,982,964	66,300	2,811,072	280,832	8,969,918
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	-	-	-	(149,551)	(358,216)	(507,767)
Balance as at 31 March 2017	828,750	4,982,964	66,300	2,149,964	105,454	8,133,432

(Unit: Thousand Baht)



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

  
**Mr. Sumate Tanthuwani**  
 Director

  
**Mr. Sutep Tranantasin**  
 Director

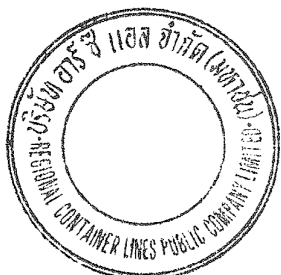
DIRECTOR

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of income**  
**For the three - month period ended 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods		For the three - month periods	
		ended 31 March		ended 31 March	
		2017	2016	2017	2016
<b>Revenues</b>					
Freight income	15	2,574,002	2,651,498	194,679	228,707
Other incomes					
Dividend income	7	-	-	22,668	22,410
Gain on sales of assets	8.2	62,853	3,415	-	170
Interest income		617	1,649	8	263
Unrealized gain on derivatives	5	629	-	629	-
Others		5,760	9,570	159	-
<b>Total revenues</b>		<u>2,643,861</u>	<u>2,666,132</u>	<u>218,143</u>	<u>251,550</u>
<b>Expenses</b>					
Cost of freight and operations	15	2,642,167	2,604,574	260,327	268,990
Administrative expenses	15	222,392	239,274	53,845	51,986
Others expense					
Doubtful debt		409	-	-	-
Loss on exchange rate		10,570	32,231	20,230	15,157
Unrealized loss on derivatives	5	-	4,451	-	4,451
Finance costs		48,911	38,927	33,292	21,523
<b>Total expenses</b>		<u>2,924,449</u>	<u>2,919,457</u>	<u>367,694</u>	<u>362,107</u>
Share of profit (loss) from investments in associates and joint venture	7	23,106	13,452	-	-
<b>Profit (loss) before income tax expense</b>		<u>(257,482)</u>	<u>(239,873)</u>	<u>(149,551)</u>	<u>(110,557)</u>
Tax expense (income)	16	3,603	3,547	-	-
<b>Profit (loss) for the periods</b>	22	<u>(261,085)</u>	<u>(243,420)</u>	<u>(149,551)</u>	<u>(110,557)</u>
<b>Profit (loss) attributable to:</b>					
Equity holders of the parent		(261,087)	(243,360)	(149,551)	(110,557)
Non - controlling interests		2	(60)	-	-
		<u>(261,085)</u>	<u>(243,420)</u>	<u>(149,551)</u>	<u>(110,557)</u>
<b>Basic earnings (loss) per share</b>					
Profit (loss) attributable to equity holders of the parent (Baht)		<u>(0.32)</u>	<u>(0.29)</u>	<u>(0.18)</u>	<u>(0.13)</u>
The weighted average number of ordinary shares (Thousand share)		<u>828,750</u>	<u>828,750</u>	<u>828,750</u>	<u>828,750</u>



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

**Mr. Sumate Tanthuwantit**  
Director

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the three - month period ended 31 March 2017**

(Unit : Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the three - month periods ended 31 March		For the three - month periods ended 31 March	
	2017	2016	2017	2016
<b>Profit (loss) for the periods</b>	<u>(261,085)</u>	<u>(243,420)</u>	<u>(149,551)</u>	<u>(110,557)</u>
<b>Other comprehensive income (loss):</b>				
<b>Item that will be reclassified subsequently to profit or loss:</b>				
Exchange differences on translating financial statement	<u>(375,915)</u>	<u>(274,985)</u>	<u>(358,216)</u>	<u>(238,808)</u>
<b>Total item that will be reclassified subsequently to profit or loss</b>	<u>(375,915)</u>	<u>(274,985)</u>	<u>(358,216)</u>	<u>(238,808)</u>
<b>Other comprehensive income (loss) for the periods</b>	<u>(375,915)</u>	<u>(274,985)</u>	<u>(358,216)</u>	<u>(238,808)</u>
<b>Total comprehensive income (loss) for the periods</b>	<u><u>(637,000)</u></u>	<u><u>(518,405)</u></u>	<u><u>(507,767)</u></u>	<u><u>(349,365)</u></u>
<b>Total comprehensive income (loss) for the periods attributable to:</b>				
Equity holders of the parent	<u>(637,002)</u>	<u>(517,711)</u>	<u>(507,767)</u>	<u>(349,365)</u>
Non - controlling interests	<u>2</u>	<u>(694)</u>	<u>-</u>	<u>-</u>
	<u><u>(637,000)</u></u>	<u><u>(518,405)</u></u>	<u><u>(507,767)</u></u>	<u><u>(349,365)</u></u>



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

**Mr. Sumate Tanthuanit**  
Director

DIRECTOR

**Mr. Sutep Tranantasin**  
Director

DIRECTOR

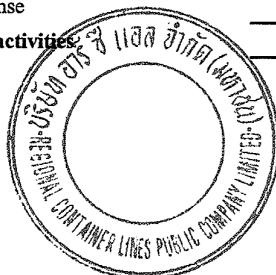
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows

For the three - month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods		For the three - month periods	
	ended 31 March		ended 31 March	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expenses	(257,482)	(239,873)	(149,551)	(110,557)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	397,736	350,310	125,079	121,714
Amortization	5	19	-	-
Loss (gain) on sales of fixed assets	(62,853)	(3,415)	-	-
Increase (decrease) in allowance for doubtful accounts	(2,591)	(5)	-	-
Dividend income	-	-	(22,668)	(22,410)
Unrealized loss (gain) on derivatives	(629)	4,451	(629)	4,451
Unrealized loss (gain) on exchange rate	8,833	15,852	20,316	12,469
Share of profit (loss) from investments in associates and joint venture	(23,106)	(13,452)	-	-
Employee benefit obligation	1,799	1,697	1,675	1,584
Interest income	(617)	(1,649)	(8)	(263)
Finance costs	48,911	38,927	33,292	21,523
Profit (loss) from operating activities before changes in operating assets and liabilities	110,006	152,862	7,506	28,511
Operating assets decrease (increase)				
Trade receivables - unrelated parties	78,768	131,891	9,126	5,599
Trade receivables - related parties	(47,546)	44,202	(43,102)	(52,216)
Others receivables	(78,481)	(7,165)	(122,570)	(177,569)
Material supplies	34,366	51,084	8,493	3,475
Other current assets	(4,201)	(2,134)	51	13
Other non - current assets	43	483	-	421
Operating liabilities increase (decrease)				
Trade payable - unrelated parties	89,800	(169,132)	(14,208)	49,254
Trade payable - related parties	(171,054)	131,300	-	-
Other payables - accrued expenses	(12,492)	5,204	2,614	4,613
Advance receipt	584	(1,202)	403,845	95,656
Other current liabilities	15,079	(9,073)	(1,593)	(1,201)
Employee benefit obligation paid	(1,014)	(2,579)	(1,014)	(2,579)
Cash from operating activities	13,858	325,741	249,148	(46,023)
Cash received (paid) for income tax expense	(4,512)	(6,499)	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>9,346</b>	<b>319,242</b>	<b>249,148</b>	<b>(46,023)</b>



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

*Mr. Sumate Tanthuanit*  
Director

DIRECTOR

*Mr. Sutep Tranantasin*  
Director

DIRECTOR



## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the three - month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods		For the three - month periods	
	ended 31 March		ended 31 March	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Decrease (increase) in property, premises, vessels and equipment	20,979	(77,430)	(665)	(69,145)
Increase (decrease) in payable on purchase of assets	9,930	-	(3,991)	-
Dividend received	22,668	22,410	22,668	22,410
Interest received	245	1,326	8	370
<b>Net cash provided by (used in) investing activities</b>	<b>53,822</b>	<b>(53,694)</b>	<b>18,020</b>	<b>(46,365)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institutions	509,252	223,796	(175,604)	118,466
Increase (decrease) in short term from related party	-	(300,000)	-	(300,000)
Increase (decrease) in liabilities financial lease	(50,373)	-	-	-
Increase (decrease) in long - term loans	(277,200)	(354,056)	(96,073)	(44,562)
Finance costs paid	(57,658)	(47,620)	(39,866)	(27,899)
Payment of liquidated subsidiaries to non - controlling interests	(18,364)	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>105,657</b>	<b>(477,880)</b>	<b>(311,543)</b>	<b>(253,995)</b>
Exchange differences on translating financial statement	7,244	10,851	56,719	52,979
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>176,069</b>	<b>(201,481)</b>	<b>12,344</b>	<b>(293,404)</b>
<b>Cash and cash equivalents at beginning of periods</b>	<b>1,255,452</b>	<b>2,014,379</b>	<b>35,932</b>	<b>341,623</b>
<b>Cash and cash equivalents at end of periods</b>	<b>1,431,521</b>	<b>1,812,898</b>	<b>48,276</b>	<b>48,219</b>



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

*Mr. Sumate Tanthuanit*  
Director

DIRECTOR

*Mr. Sutep Tranantasin*  
Director

DIRECTOR

**Regional Container Lines Public Company Limited and its subsidiaries****Notes to interim financial statements****For the three - month period ended 31 March 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 shareholders' equity, income, comprehensive income and cash flows in the same format as that used for the annual financial statements.

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

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

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statement should therefore be read in conjunction with the financial statements for the year ended 31 December 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 of 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 1<sup>st</sup> 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 Tanthuanit  
 Director

DIRECTOR

  
 .....  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

1.4 Financial reporting standards which are effective for the current period

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

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 31 March 2017 by Baht 14.74 million and Baht 37.28 million, respectively (Baht 0.02 per share and Baht 0.04 per share, respectively).

4. Trade receivables

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	1,380,392	1,440,535	14,369	23,495
91 - 180 days	30,981	82,263	-	-
181 - 365 days	75,910	27,445	-	-
Over 365 days	29,096	33,420	-	-
Total	1,516,379	1,583,663	14,369	23,495
<u>Less</u> Allowance for doubtful accounts	(59,429)	(62,020)	-	-
Net	<u>1,456,950</u>	<u>1,521,643</u>	<u>14,369</u>	<u>23,495</u>



Mr.Sumate Tanthuanit  
Director

DIRECTOR

Mr.Sutep Tranantasin  
Director

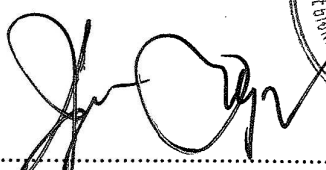
DIRECTOR

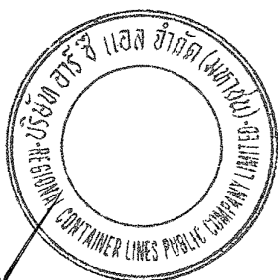
The balances of trade receivables - related parties are classified by aging as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	financial statements
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	59,631	12,085	165,973	122,871
91 - 180 days	-	-	-	-
181 - 365 days	-	-	-	-
Over 365 days	-	-	-	-
Total	<u>59,631</u>	<u>12,085</u>	<u>165,973</u>	<u>122,871</u>


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

	Note	(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statement	financial statement
Beginning balance as at 31 December 2016 (audited)		1,095	1,095
Unrealized gain on derivatives		629	629
Exchange differences on translating financial statement		(59)	(59)
Ending balance as at 31 March 2017			
(unaudited but reviewed)	20.1(2)	<u>1,665</u>	<u>1,665</u>

  
 Mr. Sumate Tanthawanit  
 Director



DIRECTOR



Mr. Sutep Tranantasin  
 Director

DIRECTOR

6. Investments in subsidiaries, net



(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the three - month periods ended	
	As at	As at	As at	As at	As at	As at	31 March	31 March
	31 March	31 December	31 March	31 December	31 March	31 December	2017	2016
	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	245	255	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	5,438	5,675	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,176	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	S\$ 0.3 Million	49	49	160	167	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	84	88	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	249	260	-	-
					7,372	7,694	-	-
<u>Less : Allowance for impairment</u>					(160)	(167)	-	-
Total investments in subsidiaries, net					7,212	7,527	-	-

Movement in the investments in subsidiaries for the three - month period ended 31 March 2017 are summarized below:

(Unit: Thousand Baht)

Investment as at 31 December 2016 (audited)	7,527,106
Exchange differences on translating financial statement	(314,854)
Investment as at 31 March 2017 (unaudited but reviewed)	7,212,252

Mr. Sumate Tanthuanit  
Director

DIRECTOR



Mr. Sutep Tranantasin  
Director

DIRECTOR



7. Investments in associates

(Unit: Million Baht)

Company's name	Separate financial statements									
	Percentage directly owned								Dividend for the three - month periods ended	
	Paid - up capital		by the Company		Cost method		Equity method			
	As at 31 March	As at 31 December	As at 31 March	As at 31 December	As at 31 March	As at 31 December	As at 31 March	As at 31 December	31 March	31 March
	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 Thailand</u>										
TIPS Co., Ltd. (Port operating)	100	100								
	Million	Million								
	Baht	Baht	22	22	57	60	336	353	23	22
Total investment in associates					57	60	336	353	23	22

Movements in the investment in associates for the three - month period ended 31 March 2017 are summarized below:

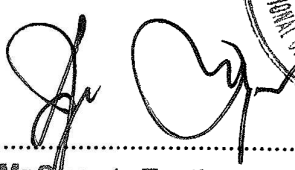
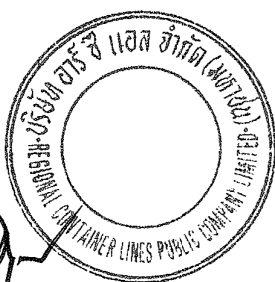
(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2016 (audited)	391,661	59,618
Dividend income	(22,668)	-
Share of profit under equity method	23,106	-
Exchange differences on translating financial statement	(15,956)	(2,495)
Investment as at 31 March 2017 (unaudited but reviewed)	376,143	57,123

Investment in associates, consisted of :

(Unit: Thousand Baht)

	Consolidated financial statements	
	As at	As at
	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)
The Company's investment in associates	335,699	352,548
The subsidiaries' investments in associates	40,444	39,113
Total investments in associate under equity method	376,143	391,661

DIRECTOR

Mr. Sumate Tanthuanit  
Director



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	-	-
<u>Less</u> Depreciation for the period	(2,335)	-
Exchange differences on translating financial statement	(15,361)	(19)
Net book value as at 31 March 2017 (unaudited but reviewed)	<u>340,057</u>	<u>450</u>

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

8.2 Vessels and equipment, net


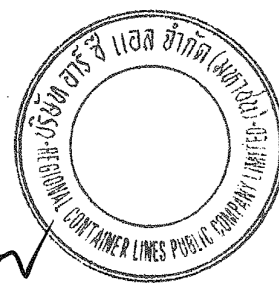
(Unit: Thousand Baht)


	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	58,640	665
<u>Less</u> Sale during period - at net book value	(16,766)	-
Depreciation for the period	(395,401)	(125,079)
Exchange differences on translating financial statement	(567,360)	(202,348)
Net book value as at 31 March 2017 (unaudited but reviewed)	<u>12,829,399</u>	<u>4,575,127</u>

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

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 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).

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

  
 ..... DIRECTOR .....  
**Mr. Sutep Tranantasin**  
 Director

Depreciation in the statements of income for the three - month period ended 31 March 2017 and 2016 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2017	2016
Depreciation included in		
Cost of freight and operations	393,796	346,862
Administrative expenses	3,940	3,448
Total	397,736	350,310

	(Unit : Thousand USD)	
	Consolidated financial statements	Separate financial statements
	2017	2016
Depreciation included in		
Cost of freight and operations	11,213	9,730
Administrative expenses	112	97
Total	11,325	9,827

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	(5)	-
Exchange differences on translating financial statement	(1)	-
Net book value as at 31 March 2017 (unaudited but reviewed)	25	-





Mr. Sumate Tanthuanit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

10. Short - term loans from financial institutions

(Unit: Thousand Baht)



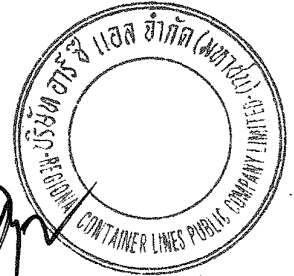
	Consolidated financial statements		Separate financial statements	
	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
Loans from financial institution no. 1	450,000	450,000	450,000	450,000
Loans from financial institution no. 2	515,400	717,200	515,400	717,200
Loans from financial institution no. 3	99,644	103,994	-	-
Loans from financial institution no. 4	670,020	-	-	-
Total	1,735,064	1,271,194	965,400	1,167,200


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

As at 31 March 2017 and 31 December 2016, loans from financial institution no. 2 is promissory note amounting to USD 15 million and USD 20 million, respectively, with interest at the rate of 4.78% p.a., and 3.61% p.a., respectively, which is unsecured.

As at 31 March 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+2% p.a., is secured by office building subsidiaries.

As at 31 March 2017, loans from financial institution no. 4 is short - term loan amounting to USD 19.5 million with interest at the rate of LIBOR+1.8% p.a., which is unsecured.

  
  
  
 Mr. Sumate Tanthuanit  
 Director

  
 Mr. Sutep Tranantasin  
 Director


DIRECTOR

11. Liabilities under finance lease agreements

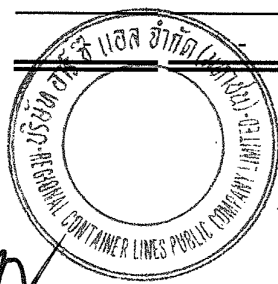
	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities under finance lease agreements	619,044	677,506	-	-
<u>Less</u> : deferred interest	(53,589)	(61,678)	-	-
	565,455	615,828	-	-
<u>Less</u> : current portion due within one year	(99,562)	(103,843)	-	-
Liabilities under finance lease agreements net of current portion	465,893	511,985	-	-

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	As at 31 March 2017			As at 31 December 2016		
	(Unaudited but reviewed)			(Audited)		
	Deffered			Deffered		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	388,898	33,343	422,241	417,900	38,923	456,823
Over 5 years	76,995	1,122	78,117	94,085	1,608	95,693
Total	465,893	34,465	500,358	511,985	40,531	552,516

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

  
 Mr. Sumate Tanthuwani  
 Director

DIRECTOR



  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR




12. Long - term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<u>Loans of the Company</u>				
1) USD 10.2 million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	351,159	375,454	351,159	375,454
2) USD 10.2 million loan (2016: USD 10.5 million), repayable quarterly until the year 2017.	351,159	375,454	351,159	375,454
3) USD 10.5 million loan (2016: USD 11.3 million), repayable quarterly until the year 2020.	360,780	403,425	360,780	403,425
4) USD 25.9 million loan (2016: USD 27.3 million), repayable quarterly until the year 2021.	888,269	980,317	888,269	980,317
<u>Loans of the Singapore Subsidiaries</u>				
5) USD 9.9 million loan (2016: USD 10.5 million), repayable quarterly until the year 2018.	340,164	376,530	-	-
6) USD 8 million loan (2016: USD 10.7 million), repayable semi - annually until the year 2018.	276,254	384,419	-	-
7) USD 6.9 million loan (2016: USD 7.3 million), repayable quarterly until the year 2018.	236,225	262,973	-	-
8) USD 6.6 million loan (2016: USD 7.9 million), repayable semi - annually until the year 2019.	225,058	281,860	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
9) HKD 22.9 million loan (2016: HKD 23.7 million), repayable monthly until the year 2023.	101,189	109,742	-	-
Total	3,130,257	3,550,174	1,951,367	2,134,650
<u>Less</u> Current portion	(1,702,064)	(1,525,285)	(1,009,566)	(1,071,568)
Long - term loans, net of current portion	1,428,193	2,024,889	941,801	1,063,082

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

  
  
 Mr. Sumate Tanthuwani  
 Director

  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

Movements in the long - term loans during the three - month period ended 31 March 2017 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2016 (audited)	3,550,174	2,134,650
<u>Add</u> Borrowings	-	-
<u>Less</u> Repayments	(277,200)	(96,073)
Exchange differences on translating financial statement	<u>(142,717)</u>	<u>(87,210)</u>
Ending balance as at 31 March 2017 (unaudited but reviewed)	<u><u>3,130,257</u></u>	<u><u>1,951,367</u></u>

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

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

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 (31 March 2017: approximately Baht 1,117 million) which is for the payment of 2 container vessels' construction, at present, the Company has not drawn down the loan.


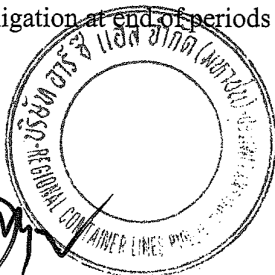
### 13. Debenture

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.

### 14. Employee benefit obligation

- Movement in the present value of the employee benefit obligation for the three - month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Employee benefit obligation at beginning of periods	37.36	38.87	35.18	36.96
Benefits paid	(1.01)	(2.58)	(1.01)	(2.58)
Current service cost and interest	1.80	1.70	1.67	1.58
Employee benefit obligation at end of periods	<u><u>38.15</u></u>	<u><u>37.99</u></u>	<u><u>35.84</u></u>	<u><u>35.96</u></u>

  
  
 DIRECTOR  
 Mr. Sumate Tanthuanit  
 Director

  
 DIRECTOR  
 Mr. Sutep Tranantasin  
 Director

- Expenses recognized in the statements of income for the three - month periods ended 31 March 2017 and 2016 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current service costs	1.46	1.38	1.36	1.28
Interest cost	0.34	0.32	0.31	0.30
Total	1.80	1.70	1.67	1.58

- Principal actuarial assumptions as at 31 March 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 31 March 2017 as follows:

- If the discount rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would decrease Baht 0.49 million (increase Baht 0.52 million) and Separate financial statements would decrease Baht 0.45 million (increase Baht 0.48 million).
- If the salary increase rate increases (decreases) by 0.5%, the employee benefit obligation in Consolidated financial statements would increase Baht 0.53 million (decrease Baht 0.50 million) and Separate financial statements would increase Baht 0.49 million (decrease Baht 0.46 million).
- If the life expectancy increases (decreases) by one year for all employees, the employee benefit obligation in Consolidated financial statements would increase Baht 0.08 million (decrease Baht 0.08 million) and Separate financial statements would increase Baht 0.08 million (decrease Baht 0.08 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.

  
  
  
 DIRECTOR .....  
 Mr. Sumate Tanthuwanit  
 Director

  
 DIRECTOR .....  
 Mr. Sutep Tranantasin  
 Director

15. Related party transactions

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

(Unit: Million Baht)

	For the three - month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	49	56	Market price as at agreement date
Ship management fee	-	-	2	2	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	33	28	-	-	Price approximates market price
Terminal operating service	73	24	-	-	Price per tariff minus volume discount
Logistic service fees	3	3	-	-	Price approximates market price

  
**Mr. Sumate Tanthuanit**  
 Director

DIRECTOR

  
**Mr. Sutep Tranantasin**  
 Director

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 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 31 March 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	166	123
<u>Related parties</u>				
Siam Paetra International Co., Ltd	11	12	-	-
Ngow Hock Co., Ltd.	42	-	-	-
RCL Agencies (India) Private Limited	7	-	-	-
	60	12	-	-
<u>Other receivables - related parties</u>				
- <u>Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	519	396
Regional Container Lines Pte. Ltd.	-	-	7	7
	-	-	526	403
- <u>Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	20	20
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	171	-	-
RCL (Vietnam) Co., Ltd.	8	8	-	-
Others	2	2	-	-
	10	181	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	1,485	619
RCL Shipmanagement Pte. Ltd.	-	-	71	533
Regional Container Lines Pte. Ltd.	-	-	6	6
	-	-	1,562	1,158
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	91	95

Mr. Sumate Tanthuanit  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

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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 periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short - term employee benefits	6	6	2	2

16. Tax expenses

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

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

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

As at 31 March 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 419.08 million and Baht 397.86 million, respectively, (the Company Baht 67.72 million and Baht 64.03 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 0.46 million and Baht 0.44 million, respectively.

As at 31 March 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 280.43 million and Baht 336.77 million, respectively.

Mr.Sumate Tanthuanit  
Director

DIRECTOR

Mr.Sutep Tranantasin  
Director



DIRECTOR

Tax expense (income) for the three - month periods ended 31 March 2017 and 2016, consisted of:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	financial statements
	2017	2016	2017	2016
Current tax expense (income)	2,863	2,855	-	-
Deferred tax expense (income) of temporary differences	740	692	-	-
Tax expense (income) reported in the statement of income	<u>3,603</u>	<u>3,547</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at	As at
	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)
<u>Deferred tax assets</u>		
Employee benefit obligation	461	436
Unused tax benefits on loss carry forward	-	-
Total	<u>461</u>	<u>436</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>9,077</u>	<u>8,713</u>

DIRECTOR

Mr. Sumate Tanthuanit  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director

17. Financial information by segment

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

(Unit: Million Baht)

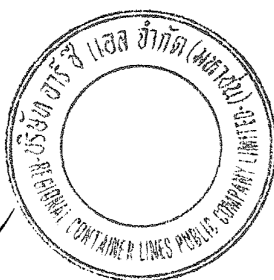
Consolidated financial statements												
For the three - month period ended 31 March 2017												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external customers	174	220	2,383	2,363	17	69	2,574	2,652	-	-	2,574	2,652
Inter - segment revenues	49	56	210	261	3	3	262	320	(262)	(320)	-	-
Freight income	223	276	2,593	2,624	20	72	2,836	2,972	(262)	(320)	2,574	2,652
Segment gross profit (loss)	(58)	(31)	(12)	52	15	20	(55)	41	(13)	7	(68)	48
Gain (loss) on exchange rate											(11)	(32)
Gain on sales of assets											63	3
Unrealized gain (loss) on derivatives											1	(4)
Other income											6	11
Share of profit (loss) of associates and joint venture											23	13
Administrative expense											222	239
Finance costs											49	39
Tax expenses (income)											4	4
Profit (loss) for the periods											(261)	(243)

(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
31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	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											
4,578	4,906	7,919	8,481	210	220	12,707	13,607	462	501	13,169	14,108
Others										4,203	4,016
Total assets										17,372	18,124



Mr. Sumate Tanthuwant  
Director



DIRECTOR



Mr. Sutep Tranant  
Director

DIRECTOR



18. Commitments and contingent liabilities18.1 Commitments

As at 31 March 2017, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 3 million (31 December 2016: Baht 6 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 34 million or approximately Baht 1,172 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	578	-	22	600
During 1 - 5 years	560	-	12	572
Over than 5 years	-	-	-	-
Total	1,138	-	34	1,172

18.2 Guarantees

As at 31 March 2017, the Company has guarantee obligations of USD 253 million, SGD 6 million and HKD 35 million, or approximately Baht 9,012 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 59 million and HKD 23 million, or approximately Baht 2,128 million (31 December 2016: USD 66 million and HKD 24 million, or approximately Baht 2,470 million).

19. Shipbuilding contracts

On 5 November 2015, the Company entered into 2 vessel building contracts amount of USD 46 million (As at 31 March 2017: approximately Baht 1,579.2 million) by making the 1<sup>st</sup> advance payment of USD 4.6 million (As at 31 March 2017: approximately Baht 157.9 million) and 28 December 2016 the Company amended to extend the 2<sup>nd</sup> payment to July 2017 and September 2017 for each vessel including postponed the delivery date of 2 vessels to July 2018 and September 2018 respectively.



Mr. Sumate Tanthuwani  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

20. 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.

20.1 Financial risk management

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

(1) Credit risk

Credit risk arises from the inability of customers to meet the payment terms in the normal course of business. Credit limits are set for specific amounts and due care is taken in granting credit. Furthermore, it is the Group's policy to evaluate customer's credit worthiness based on its latest financial performance. Therefore, the Group does not anticipate incurring material credit losses from its debt collection.


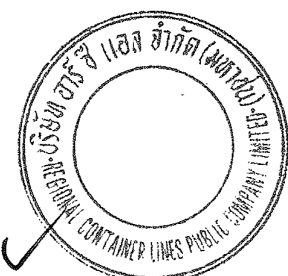
(2) Interest rate risk

The Group could be exposed to risk in interest rates due primarily to the Group's long-term loan obligations. However, derivative and other financial instrument hedging are used for its long-term loan interest obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable interest rate debt. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps in which the Group agrees to exchange at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations at the statements of financial position date. The Group does not hold or issue derivative instruments for speculative or trading purposes.

As at 31 March 2017, the Company had a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 10.5 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 31 March 2017, the Company had unrealized gain from changes in the fair value of derivatives of USD 0.02 million, or approximately Baht 0.63 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.

Mr. Sumate Tanthuwani  
Director

DIRECTOR



Mr. Sutep Tranam  
Director

DIRECTOR

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 31 March 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

Since year 2008, a subsidiary in Singapore had entered into various contracts to hedge exposure to bunker price fluctuations, which those contracts have been expired in June 2009 and the Group has not made any renewal.

20.2 Fair value

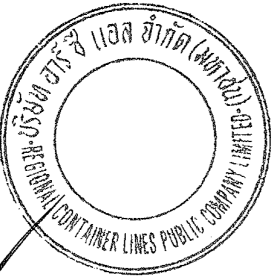
Other than the long - term loans, which carry interest at rates which closely approximate market interest rates, the majority of financial assets and liabilities are short - term, and their carrying values do not materially differ from their fair values.



21. Capital management

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

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

As at 31 March 2017, the Group's debt - to - equity ratio was 1.02 : 1 (31 December 2016 : 0.96 : 1) and the Company's was 0.58 : 1 (31 December 2016 : 0.54 : 1).



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

Mr. Sumate Tanthuanit  
 Director

Mr. Sutep Tranantasin  
 Director

22. Functional currency financial statements

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

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

As at 31 March 2017

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	41,662	35,010	1,405	1,002
Trade receivables - unrelated parties	44,132	44,162	418	655
<u>Less:</u> allowance for doubtful accounts	(1,730)	(1,729)	-	-
Trade receivables - unrelated parties, net	42,402	42,433	418	655
Trade receivables - related parties	1,735	337	4,830	3,426
Other receivables				
- Dividend receivables	-	-	-	558
- Others	12,773	10,039	16,476	12,369
Material supplies	6,075	6,780	562	775
Other current assets	1,482	1,257	55	37
<b>Total current assets</b>	<b>106,129</b>	<b>95,856</b>	<b>23,746</b>	<b>18,822</b>
<b>Non - current assets</b>				
Property investments held for long - term investment	162	162	-	-
Investments in subsidiaries, net	-	-	209,903	209,903
Investments in associates	10,947	10,922	1,662	1,662
Other long - term investments	338	338	-	-
Property and premises, net	9,897	9,976	13	13
Vessels and equipment, net	373,382	383,444	133,153	136,695
Intangible assets, net	1	1	-	-
Other non - current assets				
- Advance for vessel constructions	4,596	4,596	4,596	4,596
- Other	129	125	70	67
<b>Total non - current assets</b>	<b>399,452</b>	<b>409,564</b>	<b>349,397</b>	<b>352,936</b>
<b>Total assets</b>	<b>505,581</b>	<b>505,420</b>	<b>373,143</b>	<b>371,758</b>

Mr. Sunate Tanthuwant  
Director

DIRECTOR

Mr. Sutep Tranantasin  
Director

DIRECTOR

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## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of financial position (continued)

As at 31 March 2017

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short - term loans from financial institutions	50,497	35,449	28,097	32,549
Trade payables - unrelated parties	77,786	71,971	1,529	1,804
Trade payables - related parties	300	5,057	-	-
Other payables				
- Accrued expenses	2,216	2,716	608	693
- Advance receipt	223	198	45,677	32,505
- Payable on purchase of assets	930	615	2,660	2,660
Current portion of liabilities				
Under financial lease agreement	2,898	2,896	-	-
Current portion of long - term loans	49,536	42,534	29,382	29,882
Provision for onerous contracts	11,462	11,462	-	-
Income tax payable	95	88	-	-
Other current liabilities	2,986	2,440	25	69
<b>Total current liabilities</b>	<b>198,929</b>	<b>175,426</b>	<b>107,978</b>	<b>100,162</b>
<b>Non - current liabilities</b>				
Liabilities under financial lease agreements,				
net of current portion	13,559	14,277	-	-
Long - term loans, net of current portion	41,566	56,467	27,410	29,645
Employee benefit obligation	1,110	1,042	1,043	981
Other non - current liabilities	264	243	-	-
<b>Total non - current liabilities</b>	<b>56,499</b>	<b>72,029</b>	<b>28,453</b>	<b>30,626</b>
<b>Total liabilities</b>	<b>255,428</b>	<b>247,455</b>	<b>136,431</b>	<b>130,788</b>

  
 Mr. Surnate Tanthuwant  
 Director

  
 DIRECTOR

  
 Mr. Sutep Tranantasin  
 Director

DIRECTOR

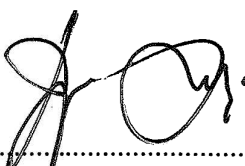
## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of financial position (continued)

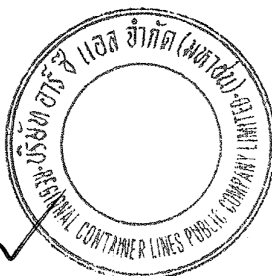
As at 31 March 2017

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
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	90,892	98,141	35,045	39,303
Other components of equity	(42,453)	(42,559)	-	-
Total equity of parent Company's shareholders	250,106	257,249	236,712	240,970
Non - controlling interests	47	716	-	-
<b>Total shareholders' equity</b>	<b>250,153</b>	<b>257,965</b>	<b>236,712</b>	<b>240,970</b>
<b>Total liabilities and shareholders' equity</b>	<b>505,581</b>	<b>505,420</b>	<b>373,143</b>	<b>371,758</b>



Mr. Sumate Tanthuwankit  
Director



DIRECTOR



Mr. Sutep Tranantasi  
Director

DIRECTOR

## Regional Container Lines Public Company Limited and its subsidiaries

## Statements of income


For the three - month period ended 31 March 2017

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three - month periods		For the three - month periods	
	ended 31 March		ended 31 March	
	2017	2016	2017	2016
<b>Revenues</b>				
Freight income	73,290	74,377	5,543	6,415
Other incomes				
Dividend income	-	-	645	629
Gain on sales of assets	1,790	96	-	5
Interest income	17	46	-	7
Unrealized gain on derivatives	18	-	18	-
Others	164	268	5	-
<b>Total revenues</b>	<b>75,279</b>	<b>74,787</b>	<b>6,211</b>	<b>7,056</b>
<b>Expenses</b>				
Cost of freight and operations	75,231	73,061	7,412	7,545
Administrative expenses	6,332	6,712	1,534	1,458
Others expense				
Doubtful accounts	12	-	-	-
Loss on exchange rate	301	904	576	425
Unrealized loss on derivatives	-	125	-	125
Finance costs	1,392	1,092	948	604
<b>Total expenses</b>	<b>83,268</b>	<b>81,894</b>	<b>10,470</b>	<b>10,157</b>
Share of profit (loss) of associates and joint venture	658	377	-	-
<b>Profit (loss) before income tax expenses</b>	<b>(7,331)</b>	<b>(6,730)</b>	<b>(4,259)</b>	<b>(3,101)</b>
Tax expenses (income)	103	99	-	-
<b>Profit (loss) for the periods</b>	<b>(7,434)</b>	<b>(6,829)</b>	<b>(4,259)</b>	<b>(3,101)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the parent	(7,434)	(6,827)	(4,259)	(3,101)
Non - controlling interests	-	(2)	-	-
	<b>(7,434)</b>	<b>(6,829)</b>	<b>(4,259)</b>	<b>(3,101)</b>
<b>Basic earnings (loss) per share</b>				
Profit (loss) attributable to equity holders of the parent (USD)	(0.009)	(0.008)	(0.005)	(0.004)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750

## 23. Approval of financial statements

These interim financial statements were authorized for issue by the Company's Board of Directors on 12 May 2017.



DIRECTOR

Mr. Sumate Tanthuwani  
Director



DIRECTOR

Mr. Sutep Tranantasin  
Director