



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

Press Release for Financial Results as at 30 September 2019

Amid continuing uncertainty in the trade environment, RCL reports a net loss of THB 307 Mil in Q3 2019 against THB 11 Mil profit in the previous quarter and a loss of THB 93 Mil in the corresponding quarter last year.

For Q3 2019, RCL recorded a 9% higher lifting of 562,000 TEU compared to the same quarter last year and secured additional 3% lifting from the previous quarter. The total revenue diminished by 8% to THB 4,115 Mil due to a bearish freight rate. The noticeable reduction is the lower freight income, THB 364 Mil or 8%, and a lesser gain from the disposal of asset by 9% against the same period in 2018. An average freight rate slumped by 15% year-over-year and 7% less than the previous quarter. Despite the difficult trade environment, Intra-Asia trade demonstrates the most promising potential growth, draw in many new comers to gain market share. Hence, resulting in a strong competition in this quarter, depressing the freight immensely.

In addition to the depressing trade atmosphere, a geopolitical tension in the middle east and the enforcement of sulfur emission cap starting from the beginning of 2020 has posted a noticeable indication of a higher cost to the shipping lines. Evidently, RCL has been able to restrain the cost of freight and operation was 4% lower year-over-year. While the bunker expense slightly decreased by 6% compared to what we had recorded in Q3, 2018. As for the total cost of administrative expense, we were able to maintain to almost the same as Q3, 2018 and decreased from the previous quarter, Q2 2019, by 2.1%. Our financial cost increased by 31% against the same quarter in the previous year because of the investment decision to take a greener step, installing scrubber system to our ships, to comply with IMO 2020 Sulfur cap regular and be a part of those who contribute in preserving our environmental amidst a higher LIBOR rate.

Hence the adverse result of Q3 2019 was mainly attributed by the poor freight rates. Among uncertainties still present in the market, RCL would continue best effort to produce a higher cost efficiency and strengthening our stand against harsh trade market situation, to ensure a sustainable operation.

Founded in 1979, RCL is a Thai based container shipping line. Listed on the Thai Stock Exchange since 1988, its core business is in the carriage of Shipper owned containers (SOC) and its own Carrier container containers (COC) in a service network that is fully Asia centric. RCL currently owns and operates a fleet of 46 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 110,911 TEUs to support its own COC carriage as well. RCL operates a network of 66 offices made up of both owned and agency partner offices to support its operations. Today, RCL is recognised as amongst the leading SOC and Intra Asian operator by both peers and customers alike.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN US\$ MILLION

(million US\$)

	1st Quarter 2018	Half-Year 2018	9 months 2018	Year-End 2018	1st Quarter 2019	Half-Year 2019	9 months 2019
Freight income	128.6	256.0	390.1	531.4	132.9	267.1	398.5
Cost of freight and operations	(127.4)	(251.1)	(380.9)	(516.9)	(125.6)	(251.5)	(385.0)
Gross Profit	1.1	4.9	9.2	14.5	7.3	15.6	13.5
Gross Profit Margin	1.2%	2.7%	3.4%	3.9%	5.5%	5.8%	3.4%
Other income	1.2	2.3	3.3	4.0	0.9	2.3	3.1
Gain on exchange	0.1	1.2	1.2	2.3	0.5	0.7	1.4
Gain on sale of assets	0.4	2.0	3.0	4.1	0.6	1.4	2.5
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	2.3	0.0	0.0	0.0
Total other income	1.7	5.5	7.5	12.7	2.0	4.4	7.0
Admin expenses	(7.2)	(14.4)	(21.5)	(28.5)	(7.4)	(15.0)	(22.6)
Unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	(0.1)	(0.1)	(0.3)	(0.3)
Loss on sale of investments	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	(1.5)	0.0	0.0	0.0
Total other expenses	(7.3)	(14.5)	(21.6)	(30.2)	(7.5)	(15.3)	(22.9)
Interest expenses	(1.6)	(3.2)	(5.2)	(7.7)	(2.6)	(5.0)	(7.7)
Profit / (loss) before taxation	(6.1)	(7.3)	(10.1)	(10.8)	(0.8)	(0.3)	(10.1)
Income tax	0.0	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)
Profit / (loss) after taxation	(6.1)	(7.4)	(10.2)	(11.0)	(0.9)	(0.5)	(10.3)
Minority interest	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0
Net profit / (loss) attributable to members	(6.1)	(7.4)	(10.2)	(11.1)	(0.9)	(0.5)	(10.3)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(6.1)	(7.3)	(10.1)	(10.8)	(0.8)	(0.3)	(10.1)
Add: Impairment loss of assets	0.0	0.0	0.0	1.5	0.0	0.0	0.0
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(2.3)	0.0	0.0	0.0
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	0.0	0.0	0.0	0.1	0.1	0.3	0.3
Add: Interest	1.6	3.2	5.2	7.7	2.6	5.0	7.7
EBIT	(4.5)	(4.1)	(4.9)	(3.7)	1.9	5.0	(2.1)
Add: Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	12.0	24.0	36.2	49.2	11.1	22.2	34.1
EBITDA	7.5	19.9	31.3	45.5	13.0	27.2	32.0

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH AND NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2019
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**

I have reviewed the accompanying consolidated statement of financial position as of September 30, 2019 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, 2019, the statements of changes in equity and cash flows for the nine - month period ended September 30, 2019, 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 2018), "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

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

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 (revised 2018), "Interim Financial Reporting".

(CHAIYUTH ANGSUWITHAYA)
Certified Public Accountant
Registration No. 3885

A.M.T. & ASSOCIATES
Bangkok, Thailand
November 8, 2019

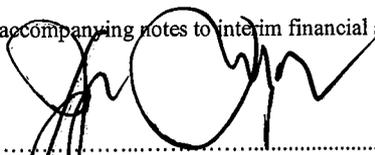
Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position
As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents	1,210,812	1,202,343	64,820	21,119	
Trade receivables - unrelated parties	1,730,659	2,271,166	1,566	2,944	
Less: allowance for doubtful accounts	(53,345)	(56,106)	-	-	
Trade receivables - unrelated parties, net	4	1,677,314	2,215,060	1,566	2,944
Trade receivables - related parties	4 and 16	28,024	43,697	1,329,874	725,253
Other receivables	16	392,961	488,116	1,332,899	958,440
Material supplies		254,351	332,237	21,361	17,984
Other current assets	5	42,875	42,457	252	1,127
Total current assets		3,606,337	4,323,910	2,750,772	1,726,867
Non - current assets					
Property investments held for					
long - term investment		4,762	5,065	-	-
Investments in subsidiaries, net	6	-	-	6,454,084	6,786,353
Investments in associates	7.1	334,619	353,353	51,149	53,782
Investments in joint ventures	7.2	96,433	62,085	-	-
Other long - term investments		10,395	10,930	-	-
Property and premises, net	8.1, 10 and 12	288,773	307,838	403	424
Vessels and equipment, net	8.2, 11 and 12	12,922,486	12,949,722	5,978,296	5,264,905
Intangible assets, net	9	-	-	-	-
Other non - current assets					
- Advances for vessel constructions	20	-	267,536	-	267,536
- Other	17	77,919	15,651	63,101	2,503
Total non - current assets		13,735,387	13,972,180	12,547,033	12,375,503
Total assets	23	17,341,724	18,296,090	15,297,805	14,102,370



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



DIRECTOR

Mr. Sumate Tanthuanit
Director



DIRECTOR

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short - term loans from financial institutions	10	1,112,702	932,300	450,000	350,000
Trade payables - unrelated parties		2,960,923	3,504,735	45,485	59,517
Trade payables - related parties	16	6,817	88,067	-	-
Other payables					
- Accrued expenses		109,218	79,861	33,326	15,922
- Advance receipt	16	1,867	4,260	5,398,250	4,296,703
- Payable on purchase of assets	16	57,440	77,237	81,849	104,486
Current portion of liabilities					
under finance lease agreements	11	354,713	326,336	-	-
Current portion of long - term loans	12	805,820	651,584	642,078	479,686
Provision for onerous contracts	19.1 (a)	43,867	46,126	-	-
Income tax payable		2,024	2,853	-	-
Other current liabilities	5	140,600	134,485	8,714	3,148
Total current liabilities		5,595,991	5,847,844	6,659,702	5,309,462
Non - current liabilities					
Liabilities under finance lease agreements,					
net of current portion	11	1,299,284	1,395,981	-	-
Long - term loans, net of current portion	12	2,712,556	2,600,087	2,040,093	1,763,781
Provisions for employee benefits	14	49,294	35,121	44,762	31,935
Deferred tax liabilities	17	8,201	8,633	-	-
Total non - current liabilities		4,069,335	4,039,822	2,084,855	1,795,716
Total liabilities	23	9,665,326	9,887,666	8,744,557	7,105,178



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Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of financial position (continued)
As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Shareholders' equity				
Share capital				
Registered				
	828,750	828,750	828,750	828,750
828,750,000 ordinary shares of Baht 1 each				
Issued and fully paid - up				
	828,750	828,750	828,750	828,750
828,750,000 ordinary shares of Baht 1 each				
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	2,664,139	2,987,147	1,378,270	1,481,617
Other components of equity	(871,027)	(464,368)	(703,036)	(362,439)
Total equity of parent Company's shareholders	7,671,126	8,400,793	6,553,248	6,997,192
Non - controlling interests	5,272	7,631	-	-
Total shareholders' equity	7,676,398	8,408,424	6,553,248	6,997,192
Total liabilities and shareholders' equity	17,341,724	18,296,090	15,297,805	14,102,370
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The accompanying notes to interim financial statements are an integral part of these interim financial statements.

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries

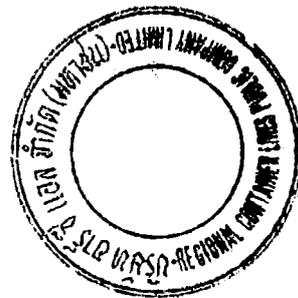
Statements of changes in equity

For the nine - month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity holders of parent company					Total equity of the parent company's shareholder				
	Issued and fully paid - up share capital	Share premium	Appropriated - legal reserve	Retained earnings	Unappropriated	Other comprehensive income (loss)	Exchange differences on translating financial statement	Other components of equity	Non - controlling interests	Total shareholders' equity
Balance as at 1 January 2018	828,750	4,982,964	66,300	3,427,764		(384,125)		8,921,653	1,617	8,923,270
Subsidiaries dissolve and liquidate	-	-	-	-	-	9,149		9,149	-	9,149
Purchase of investment in subsidiary	-	-	-	-	-	-	-	-	4,577	4,577
Total comprehensive income (loss) for the period	-	-	-	(328,389)		(93,808)		(422,197)	845	(421,352)
Dividend paid	-	-	-	(82,875)		-		(82,875)	-	(82,875)
Balance as at 30 September 2018	828,750	4,982,964	66,300	3,016,500		(468,784)		8,425,730	7,039	8,432,769
Balance as at 1 January 2019	828,750	4,982,964	66,300	2,987,147		(464,368)		8,400,793	7,631	8,408,424
Total comprehensive income (loss) for the period	-	-	-	(323,008)		(406,659)		(729,667)	(2,359)	(732,026)
Balance as at 30 September 2019	828,750	4,982,964	66,300	2,664,139		(871,027)		7,671,126	5,272	7,676,398

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

Mr. Sumate Tanthuwaniit
Director

Mr. Sutep Tranantasin
Director

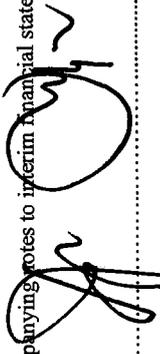
.....DIRECTOR.....DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity (continued)
For the nine - month period ended 30 September 2019

	Note	Separate financial statements					Total shareholder's equity	
		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 2018		828,750	4,982,964	66,300	1,869,950	(308,893)	7,439,071	
Total comprehensive income (loss) for the period		-	-	-	(134,925)	(56,380)	(191,305)	
Dividend paid	15	-	-	-	(82,875)	-	(82,875)	
Balance as at 30 September 2018		828,750	4,982,964	66,300	1,652,150	(365,273)	7,164,891	
Balance as at 1 January 2019		828,750	4,982,964	66,300	1,481,617	(362,439)	6,997,192	
Total comprehensive income (loss) for the period		-	-	-	(103,347)	(340,597)	(443,944)	
Balance as at 30 September 2019		828,750	4,982,964	66,300	1,378,270	(703,036)	6,553,248	



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



Mr. Sumate Tanthuwani
Director



Mr. Sutep Tranantasia
Director

.....DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods ended 30 September		For the three - month periods ended 30 September	
		2019	2018	2019	2018
Revenues					
Freight income	1.4.1 and 16	4,055,642	4,419,252	324,375	267,038
Others income					
Gain on exchange rate		22,905	121	389	-
Dividend income	7.1	-	-	-	22,441
Gain on sales of assets	8.2	32,878	35,997	-	-
Interest income		773	1,677	11	114
Unrealized gain on derivatives	5	-	427	-	427
Others		2,312	2,183	1	1
Total revenues		4,114,510	4,459,657	324,776	290,021
Expenses					
Cost of freight and operations	1.4.1 and 16	4,122,711	4,280,642	235,080	254,952
Administrative expenses	16	234,878	235,432	66,674	64,157
Others expense					
Loss on exchange rate		-	-	-	2,627
Unrealized loss on derivatives	5	148	-	148	-
Finance costs		83,780	64,154	42,800	32,030
Total expenses		4,441,517	4,580,228	344,702	353,766
Share of profit (loss) from investments in associates	7.1	9,003	20,249	-	-
Share of profit (loss) from investments in joint venture	7.2	13,300	8,477	-	-
Profit (loss) before income tax expenses		(304,704)	(91,845)	(19,926)	(63,745)
Tax expenses (income)	17	2,278	1,348	-	-
Profit (loss) for the periods	23	(306,982)	(93,193)	(19,926)	(63,745)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		(306,534)	(93,548)	(19,926)	(63,745)
Non - controlling interests		(448)	355	-	-
		(306,982)	(93,193)	(19,926)	(63,745)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		(0.37)	(0.11)	(0.02)	(0.08)
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 Tanthuanit
 Director

DIRECTOR

.....
Mr. Sutep Tranantasin
 Director

DIRECTOR

7

(Unaudited but reviewed)

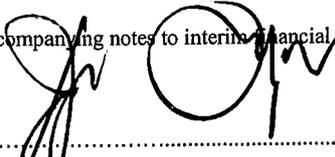
Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the three - month period ended 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three - month periods ended 30 September		For the three - month periods ended 30 September	
	2019	2018	2019	2018
Profit (loss) for the periods	(306,982)	(93,193)	(19,926)	(63,745)
Other comprehensive income (loss):				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	17,228	(186,376)	13,856	(155,872)
Total items that will be reclassified subsequently to profit or loss	17,228	(186,376)	13,856	(155,872)
Other comprehensive income (loss) for the periods	17,228	(186,376)	13,856	(155,872)
Total comprehensive income (loss) for the periods	<u>(289,754)</u>	<u>(279,569)</u>	<u>(6,070)</u>	<u>(219,617)</u>
Total comprehensive income (loss) for the periods attributable to:				
Equity holders of the parent	(289,306)	(279,924)	(6,070)	(219,617)
Non - controlling interests	(448)	355	-	-
	<u>(289,754)</u>	<u>(279,569)</u>	<u>(6,070)</u>	<u>(219,617)</u>



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


..... DIRECTOR
Mr. Sumate Tanthuanit
Director


..... DIRECTOR
Mr. Sutep Tranantasin
Director

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the nine - month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the nine - month periods ended 30 September		For the nine - month periods ended 30 September	
		2019	2018	2019	2018
Revenues					
Freight income	1.4.1 and 16	12,501,409	12,548,492	871,979	710,808
Others income					
Gain on exchange rate		45,282	39,800	-	4,004
Dividend income	6 and 7.1	-	-	51,465	67,535
Gain on sales of assets	8.2	77,650	97,944	-	-
Gain on dissolution of subsidiary, net	6	-	-	-	73,886
Interest income		2,775	5,254	64	316
Unrealized gain on derivatives	5	-	1,383	-	1,383
Others		29,227	11,830	1	1
Total revenues		12,656,343	12,704,703	923,509	857,933
Expenses					
Cost of freight and operations	16	12,076,899	12,253,482	675,965	716,361
Administrative expenses	16	709,256	691,875	203,219	186,225
Others expense					
Loss on exchange rate		-	-	20,881	-
Loss on dissolution of subsidiary		-	3,934	-	-
Loss on sales of assets		-	-	236	-
Unrealized loss on derivatives	5	8,240	-	8,240	-
Finance costs		243,092	166,787	118,315	90,272
Total expenses		13,037,487	13,116,078	1,026,856	992,858
Share of profit (loss) from investments in associates	7.1	30,859	63,712	-	-
Share of profit (loss) from investments in joint venture	7.2	34,405	23,797	-	-
Profit (loss) before income tax expenses		(315,880)	(323,866)	(103,347)	(134,925)
Tax expenses (income)	17	8,053	3,678	-	-
Profit (loss) for the periods	23	(323,933)	(327,544)	(103,347)	(134,925)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		(323,008)	(328,389)	(103,347)	(134,925)
Non - controlling interests		(925)	845	-	-
		(323,933)	(327,544)	(103,347)	(134,925)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		(0.39)	(0.40)	(0.12)	(0.16)
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 Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

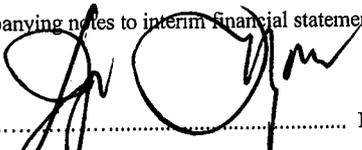
Regional Container Lines Public Company Limited and its subsidiaries
Statements of comprehensive income
For the nine - month period ended 30 September 2019

(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	
	2019	2018	2019	2018
Profit (loss) for the periods	<u>(323,933)</u>	<u>(327,544)</u>	<u>(103,347)</u>	<u>(134,925)</u>
Other comprehensive income (loss):				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	<u>(408,093)</u>	<u>(93,808)</u>	<u>(340,597)</u>	<u>(56,380)</u>
Total items that will be reclassified subsequently to profit or loss	<u>(408,093)</u>	<u>(93,808)</u>	<u>(340,597)</u>	<u>(56,380)</u>
Other comprehensive income (loss) for the periods	<u>(408,093)</u>	<u>(93,808)</u>	<u>(340,597)</u>	<u>(56,380)</u>
Total comprehensive income (loss) for the periods	<u>(732,026)</u>	<u>(421,352)</u>	<u>(443,944)</u>	<u>(191,305)</u>
Total comprehensive income (loss) for the periods attributable to:				
Equity holders of the parent	<u>(729,667)</u>	<u>(422,197)</u>	<u>(443,944)</u>	<u>(191,305)</u>
Non - controlling interests	<u>(2,359)</u>	<u>845</u>	<u>-</u>	<u>-</u>
	<u>(732,026)</u>	<u>(421,352)</u>	<u>(443,944)</u>	<u>(191,305)</u>



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


..... DIRECTOR


..... DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows
For the nine - month period ended 30 September 2019

(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	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax expenses	(315,880)	(323,866)	(103,347)	(134,925)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	1,069,137	1,165,935	295,200	316,103
Amortization	-	9	-	-
Loss (gain) on sales and write - off of assets	(77,650)	(97,944)	236	1,956
Loss (gain) on dissolution of subsidiaries, net	-	-	-	(73,886)
Increase (decrease) in allowance for doubtful accounts	(2,761)	(437)	-	-
Dividend income	-	-	(51,465)	(67,535)
Unrealized loss (gain) on derivatives	8,240	(1,383)	8,240	(1,383)
Unrealized loss (gain) on exchange rate	173,153	(40,553)	20,008	(17,555)
Share of profit (loss) from investments in associates	(30,859)	(63,712)	-	-
Share of profit (loss) from investments in joint venture	(34,405)	(23,797)	-	-
Provisions for employee benefits	16,080	5,118	14,735	4,747
Interest income	(2,775)	(5,254)	(64)	(316)
Finance costs	243,092	166,787	118,315	90,272
Profit (loss) from operating activities before changes in operating assets and liabilities	1,045,372	780,903	301,858	117,478
Operating assets decrease (increase)				
Trade receivables - unrelated parties	388,101	(225,955)	1,378	(5,184)
Trade receivables - related parties	15,673	6,964	(604,621)	(331,480)
Other receivables	95,748	267,105	(420,219)	(427,143)
Material supplies	77,886	(67,520)	(3,377)	(13,368)
Other current assets	3,281	(8,374)	875	(4)
Other non - current assets	1,404	(3,691)	1,192	(577)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	(546,285)	189,667	(15,761)	36,858
Trade payables - related parties	(81,250)	(9,075)	-	-
Other payables - accrued expenses	21,521	16,779	7,948	7,844
Advance receipt	(2,393)	2,821	1,307,712	1,951,257
Other current liabilities	(1,200)	12,504	(2,674)	(1,457)
Employee benefit obligation paid	(1,908)	-	(1,908)	-
Cash from operating activities	1,015,950	962,128	572,403	1,334,224
Cash received (paid) for income tax expenses	(12,576)	(6,440)	-	-
Net cash provided by (used in) operating activities	1,003,374	955,688	572,403	1,334,224



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

Mr. Sumat Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasia
Director

DIRECTOR

11

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries
Statements of cash flows (continued)
For the nine - month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine - month periods ended 30 September		For the nine - month periods ended 30 September	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash received from sales of assets	192,671	112,289	114,692	-
Purchase of property, premises, vessels and equipment	(1,213,917)	(939,544)	(1,140,969)	(842,644)
Payment of payable on purchase of assets	(74,901)	-	(17,866)	-
Payment of advances for vessel constructions	-	(120,380)	-	(120,380)
Payment of advances for purchase of assets	(71,452)	-	(61,790)	-
Dividend received	21,916	67,535	51,465	67,535
Interest received	2,182	4,746	64	148
Net cash and cash equivalents received from business combination	-	13,140	-	-
Proceeds from purchase of non - controlling interests	-	4,075	-	-
Net cash provided by (used in) investing activities	(1,143,501)	(858,139)	(1,054,404)	(895,341)
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institution	211,056	(416,715)	100,000	(542,149)
Payment of liabilities finance lease	(242,939)	(174,123)	-	-
Increase (decrease) in long - term loans	434,366	436,863	559,345	253,604
Finance cost paid	(235,256)	(168,391)	(108,859)	(94,147)
Dividend paid	-	(82,875)	-	(82,875)
Net cash provided by (used in) financing activities	167,227	(405,241)	550,486	(465,567)
Exchange differences on translating financial statement	(18,631)	(1,018)	(24,784)	7,097
Net increase (decrease) in cash and cash equivalents	8,469	(308,710)	43,701	(19,587)
Cash and cash equivalents at beginning of periods	1,202,343	1,639,980	21,119	77,813
Cash and cash equivalents at end of periods	1,210,812	1,331,270	64,820	58,226



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

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Satep Tachanont
Director

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 2019

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 2018) “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.

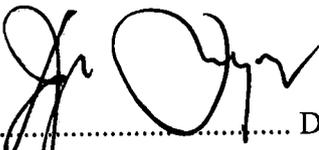
These interim financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is US Dollar. The presentation is in Thai Baht in accordance with the regulatory requirements in Thailand.

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 2018.

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.




..... DIRECTOR
Mr. Sunate Tanthuanit
Director


..... DIRECTOR
Mr. Sutep Tranamasua
Director

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 2018.

1.4 Adoption of new financial reporting standards

1.4.1 Financial reporting standards which are effective for the current period

During the period, the Group adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after 1 January 2019. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements. Accordingly, the Group reclassified revenues recovered from customers from “cost of freight and operations” to “freight income” for the three - month periods ended 30 September 2019 and 2018 amounting to USD 40.56 million or approximately Baht 1,251.80 million and USD 41.55 million or approximately Baht 1,368.41 million, respectively (The Company amounting to USD 0.01 million or approximately Baht 0.20 million and USD 0.01 million or approximately Baht 0.48 million, respectively) and for the nine - month periods ended 30 September 2019 and 2018 amounting to USD 122.26 million or approximately Baht 3,835.52 million and USD 119.23 million or approximately Baht 3,835.13 million, respectively (The Company amounting to USD 0.03 million or approximately Baht 0.91 million and USD 0.08 million or approximately Baht 2.43 million, respectively).

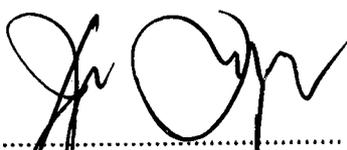
The above reclassification, due to initial adoption of TFRS 15 Revenue from Contract with Customers, superseding TAS 11 (revised 2017) Construction Contracts and TAS 18 (revised 2017) Revenue and the interpretation of relevant financial reporting standards, has no impact to the beginning retained earnings and profit and loss of the Group.

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

The Federation of Accounting Professions has issued the new accounting standard, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2020 as follows:

Accounting Standard

- TAS 1 Presentation of Financial Statements
- TAS 2 Inventories
- TAS 7 Statement of Cash Flows
- TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 Events after the Reporting Period
- TAS 16 Property, Plant and Equipment
- TAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 The Effects of Changes in Foreign Exchange Rates
- TAS 24 Related Party Disclosures



Mr. Sumate Tanthuwant
Director



DIRECTOR

Mr. Sutep Tranantasia
Director

DIRECTOR

Accounting Standard

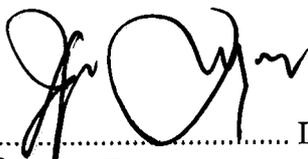
- TAS 26 Accounting and Reporting by Retirement Benefit Plans
- TAS 27 Separate Financial Statements
- TAS 29 Financial Reporting in Hyperinflationary Economies
- TAS 32 Financial Instruments: Presentation
- TAS 33 Earnings per Share
- TAS 34 Interim Financial Reporting
- TAS 36 Impairment of Assets
- TAS 37 Provisions, Contingent Liabilities and Contingent Assets
- TAS 38 Intangible Assets
- TAS 40 Investment Property
- TAS 41 Agriculture

Financial Reporting Standard

- TFRS 2 Share - based Payment
- TFRS 4 Insurance Contract
- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 8 Operating Segments
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement
- TFRS 15 Revenue from Contracts with Customers
- TFRS 16 Leases

Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs



Mr. Sumate Tanthuanit
Director



Mr. Sutep Tranantasin
Director

DIRECTOR

DIRECTOR

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 17 Distributions of Non - Cash Assets to Owners
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- TFRIC 21 Levies
- TFRIC 22 Foreign Currency Transactions and Advance Consideration

The management of the Group has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after 1 January 2020 as follows:

1) TAS 1, TAS 7, TAS 8, TAS 10, TAS 16, TAS 21, TAS 24, TAS 27, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TAS 40, TFRS 8, TFRS 10, TFRS 12, TFRS 13, TFRS 15 and TFRIC 22 will not have material impact on the financial statements when they are applied.

2) The management of the Group is currently evaluating the impact of TAS 32, TFRS 7, TFRS 9, TFRS 16, TFRIC 16 and TFRIC 19 to the financial statements when they are adopted.

3) The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) and No.2) are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.

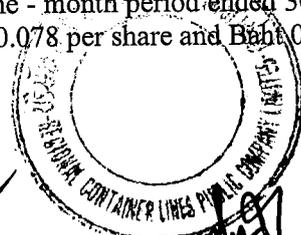
2. Significant accounting policies

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 2018.

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 increase net income of the Group and the Company for the three - month period ended 30 September 2019 by Baht 21.1 million and Baht 5.9 million, respectively (Baht 0.026 per share and Baht 0.007 per share, respectively) and for the nine - month period ended 30 September 2019 by Baht 64.5 million and Baht 18.0 million, respectively (Baht 0.078 per share and Baht 0.022 per share, respectively).


.....
Mr. Sumate Tanthuanit
Director



.....
Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

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
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	1,477,737	2,036,573	482	2,417
91 - 180 days	94,939	97,959	4	-
181 - 365 days	86,868	54,557	1,080	527
Over 365 days	71,115	82,077	-	-
Total	1,730,659	2,271,166	1,566	2,944
Less Allowance for doubtful accounts	(53,345)	(56,106)	-	-
Net	1,677,314	2,215,060	1,566	2,944

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
	2019	2018	2019	2018
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
Under 90 days	18,420	28,677	255,124	206,438
91 - 180 days	9,604	15,020	207,048	144,366
181 - 365 days	-	-	374,289	188,596
Over 365 days	-	-	493,413	185,853
Total	28,024	43,697	1,329,874	725,253


.....
Mr. Sumate Tanthuanit
Director

DIRECTOR




.....
Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Note	Consolidated financial statement	Separate financial statement
Beginning balance as at 31 December 2018 (audited)		546	546
Unrealized gain (loss) on derivatives		(8,240)	(8,240)
Exchange differences on translating financial statement		132	132
Ending balance as at 30 September 2019 (unaudited but reviewed)	21.1 (2)	<u>(7,562)</u>	<u>(7,562)</u>

6. Investments in subsidiaries, net

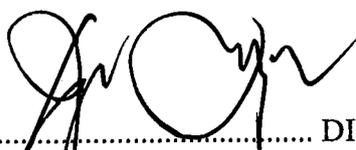
(Unit: Million Baht)

Company's name	Separate financial statements						Dividend for the nine - month periods ended	
	Paid - up capital		Percentage directly owned by the Company		Cost		30 September 2019	30 September 2018
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018		
			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	12	12	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	29	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	219	230	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	4,869	5,120	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,053	1,107	-	-
f) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	75	79	-	-
<u>Subsidiary operating in Hong Kong</u>								
g) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	223	235	-	-
					6,456	6,788	29	-
					(2)	(2)		
					<u>6,454</u>	<u>6,786</u>		

Less : Allowance for impairment

Total investments in subsidiaries, net




Mr. Sumate Tanthuanit
 Director

DIRECTOR


Mr. Sutep Tranantasin
 Director

DIRECTOR

(Unaudited but reviewed)

Movement in the investments in subsidiaries for the nine - month period ended 30 September 2019 are summarized below:

	(Unit: Thousand Baht)
Investment as at 31 December 2018 (audited)	6,786,353
Exchange differences on translating financial statement	(332,269)
Investment as at 30 September 2019 (unaudited but reviewed)	<u>6,454,084</u>

In the first quarter of 2018, RCL Service S.A. the debt of the Company of USD 2.42 million (approximately Baht 77.86 million) and liquidated. As a result, the Company recognized gain from dissolution of the subsidiary as follows:

	(Unit: Thousand Baht)
Gain from debt remitted	77,858
<u>Less</u> :Loss on dissolution of subsidiary	(1,576)
<u>Less</u> :Allowance for impairment of investments in subsidiary that invested in the dissolved subsidiary	<u>(2,396)</u>
Gain on dissolution of subsidiary, net for the nine - month period ended 30 September 2018	<u>73,886</u>

7. Investments in associates and joint venture

7.1 Investments in associates

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 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	30 September 2019	30 September 2018
			Percent	Percent	(Unaudited but reviewed)	(Audited)				
<u>Investment in associates of the Company</u>										
TIPS Co., Ltd.	Baht	Baht								
(Port operating)	100	100								
	Million	Million	22	22	51	54	333	341	22	68
Total investment in associates of the Company					51	54	333	341	22	68
<u>Investment in associates of the subsidiaries</u>										
PT Daerah Indah Shipping	-	USD								
(Ship agency)		0.75								
		Million	-	49	-	12	-	12	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
(Port operating)	Million	Million	49	49	15	15	-	-	-	-
N - Square RCL Logistics Co., Ltd.	Baht									
(Warehouse operating)	Million				2	-	2	-	-	-
Total investment in associates of the subsidiaries					17	27	2	12	-	-
Total investment in associates					68	81	335	353	22	68

Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Movements in the investment in associates for the nine - month period ended 30 September 2019 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2018 (audited)	353,353	53,782
Dividend income	(21,916)	-
Additional investment	2,039	-
Share of profit under equity method	30,859	-
Associates dissolve and liquidate	(12,208)	-
Exchange differences on translating financial statement	(17,508)	(2,633)
Investment as at 30 September 2019 (unaudited but reviewed)	334,619	51,149

In August 2019, a subsidiary in Thailand invested in a new company in Thailand, named N - Square RCL Logistics Co., Ltd., to manage the warehouse and distribution centers with 40% of share capital amounting Baht 5 million with paid - up capital amounting to Baht 5 million. And PT Daerah Indah Shipping which is an associated of subsidiary in Singapore has been dissolved.

7.2 Investments in joint ventures

Company's name	Paid - up capital		Percentage directly owned by the Company		Equity method		(Unit: Million Baht) Dividend for the nine - month periods ended	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	30 September 2019	30 September 2018
			Percent	Percent				
<u>Investment in joint ventures of the subsidiaries</u>								
RCL Agencies (India) Private Limited	INR	INR						
(Shipping agent and providing transportation and cargo handling services)	40	40	55	55	87	62	-	-
	Million	Million						
RCL Agencies East India Private Limited	INR							
(Shipping agent and providing transportation and cargo handling services)	15	-	55	-	9	-	-	-
	Million							
Total investment in joint ventures					96	62	-	-


 Mr. Sumate Tanthuwanit
 Director

DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

(Unaudited but reviewed)

Movements in the investment in joint ventures for the nine - month period ended 30 September 2019 are summarized below:

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Investment as at 31 December 2018 (audited)	62,085	-
Dividend income	-	-
Additional investment	3,719	-
Share of profit under equity method	34,405	-
Exchange differences on translating financial statement	<u>(3,776)</u>	<u>-</u>
Investment as at 30 September 2019 (unaudited but reviewed)	<u><u>96,433</u></u>	<u><u>-</u></u>

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

8. Property, premises, vessels and equipment, net

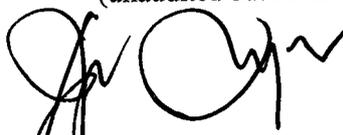
8.1 Property and premises, net

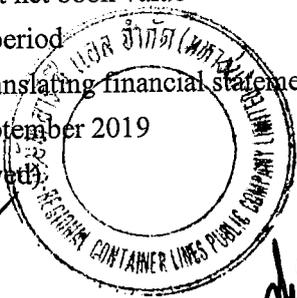
	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 31 December 2018 (audited)	307,838	424
<u>Add</u> Acquisitions during period - at cost	844	-
<u>Less</u> Depreciation for the period	(4,647)	-
Exchange differences on translating financial statement	<u>(15,262)</u>	<u>(21)</u>
Net book value as at 30 September 2019 (unaudited but reviewed)	<u><u>288,773</u></u>	<u><u>403</u></u>

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

8.2 Vessels and equipment, net

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 31 December 2018 (audited)	12,949,722	5,264,905
<u>Add</u> Acquisitions during period - at cost	1,798,130	1,400,414
<u>Less</u> Sale during period - at net book value	(115,021)	(114,928)
Depreciation for the period	(1,064,490)	(295,200)
Exchange differences on translating financial statement	<u>(645,855)</u>	<u>(276,895)</u>
Net book value as at 30 September 2019 (unaudited but reviewed)	<u><u>12,922,486</u></u>	<u><u>5,978,296</u></u>


.....
Mr. Sumate Tanthuanit
Director


.....
Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

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

As at 30 September 2019 and 31 December 2018, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 51 million (approximately Baht 1,559.6 million) and USD 51.2 million (approximately Baht 1,655.7 million), respectively (the Company only : amounted to approximately Baht - million an Baht - million, respectively).

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

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

During the third quarter of 2018, a subsidiary in Singapore sold containers which the gain on the sale was USD 1.1 million (approximately Baht 35.3 million).

During the first quarter of 2019 a subsidiary in Singapore sold containers which the gain on the sale was USD 0.7 million (approximately Baht 20.7 million).

During the second quarter of 2019, a subsidiary in Singapore sold containers which the gain on the sale was USD 0.8 million (approximately Baht 24.4 million).

During the third quarter of 2019, a subsidiary in Singapore sold containers which the gain on the sale was USD 1.1 million (approximately Baht 33.3 million).

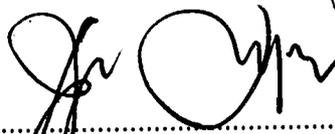
Depreciation in the statements of income for the three - month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	363,153	399,388	103,334	110,772
Administrative expenses	3,268	3,574	582	487
Total	<u>366,421</u>	<u>402,962</u>	<u>103,916</u>	<u>111,259</u>

(Unit : Thousand USD)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	11,753	12,112	3,342	3,362
Administrative expenses	106	109	19	15
Total	<u>11,859</u>	<u>12,221</u>	<u>3,361</u>	<u>3,377</u>


..... DIRECTOR

Ms. Sumate Tanthuwant
Director





Mr. Sutep Tranantasin
Director

..... DIRECTOR

(Unaudited but reviewed)

Depreciation in the statements of income for the nine - month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	1,058,808	1,155,552	293,578	314,836
Administrative expenses	10,329	10,383	1,622	1,267
Total	<u>1,069,137</u>	<u>1,165,935</u>	<u>295,200</u>	<u>316,103</u>

(Unit : Thousand USD)

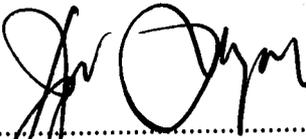
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	33,751	35,923	9,358	9,788
Administrative expenses	329	323	52	39
Total	<u>34,080</u>	<u>36,246</u>	<u>9,410</u>	<u>9,827</u>

9. Intangible assets, net

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<u>Computer software</u>		
Net book value as at 31 December 2018 (audited)	-	-
<u>Add</u> Increased during period - at cost	-	-
<u>Less</u> Amortization for the period	-	-
Exchange differences on translating financial statement	-	-
Net book value as at 30 September 2019 (unaudited but reviewed)	<u>-</u>	<u>-</u>

As at 30 September 2019 and 31 December 2018, computer software have been fully amortized but are still in use. The original cost of those asset amounted to approximately Baht 323 million and Baht 340 million, respectively.


DIRECTOR
Mr. Sumate Tanthuwant
Director




DIRECTOR
Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

10. Short - term loans from financial institutions

(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
	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Loans from financial institution no. 1	450,000	350,000	450,000	350,000
Loans from financial institution no. 2	108,912	-	-	-
Loans from financial institution no. 3	553,790	582,300	-	-
Total	<u>1,112,702</u>	<u>932,300</u>	<u>450,000</u>	<u>350,000</u>

As at 30 September 2019 and 31 December 2018, loans from financial institution no. 1 are promissory note with interest at the rate of MLR% p.a., which is unsecured.

As at 30 September 2019, loans from financial institution no. 2 is short - term loan amounting to USD 3.5 million, with interest at the rate of LIBOR+4.15% p.a., is secured by office building subsidiaries.

As at 30 September 2019 and 31 December 2018, loans from financial institution no. 3 is short - term loan amounting to USD 18 million, with interest at the rate of LIBOR+1.80% p.a., which is unsecured.


..... DIRECTOR


..... DIRECTOR

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

(Unaudited but reviewed)

11. Liabilities under finance lease agreements

	Consolidated		Separate	
	financial statements		Financial statements	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities under finance lease agreements	1,895,074	1,987,216	-	-
<u>Less</u> : deferred interest	(241,077)	(264,899)	-	-
	1,653,997	1,722,317	-	-
<u>Less</u> : current portion due within one year	(354,713)	(326,336)	-	-
Liabilities under finance lease agreements net of current portion	<u>1,299,284</u>	<u>1,395,981</u>	<u>-</u>	<u>-</u>

(Unit : Thousand Baht)

	Consolidated financial statements					
	As at 30 September 2019			As at 31 December 2018		
	(Unaudited but reviewed)			(Audited)		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	1,099,730	153,188	1,252,918	1,134,852	168,207	1,303,059
Over 5 years	199,554	9,010	208,564	261,129	13,408	274,537
Total	<u>1,299,284</u>	<u>162,198</u>	<u>1,461,482</u>	<u>1,395,981</u>	<u>181,615</u>	<u>1,577,596</u>

(Unit : Thousand Baht)

	Separate financial statements					
	As at 30 September 2019			As at 31 December 2018		
	(Unaudited but reviewed)			(Audited)		
	Deferred			Deferred		
	Principal	interest	Total	Principal	interest	Total
1 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



.....
Mr. Sunate Tanthuwant
 Director

DIRECTOR



.....
Mr. Sutep Tranantasin
 Director

DIRECTOR

(Unaudited but reviewed)

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
	2019	2018	2019	2018
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
<u>Loans of the Company</u>				
1) USD 3.0 million loan (2018: USD 5.3 million), repayable quarterly until the year 2020.	92,298	169,837	92,298	169,837
2) USD 11.0 million loan (2018: USD 15.5 million), repayable quarterly until the year 2021.	338,330	499,915	338,330	499,915
3) USD 16.0 million loan (2018: USD 17.4 million), repayable quarterly until the year 2027.	490,781	564,427	490,781	564,427
4) USD 28.3 million loan (2018: USD 31.2 million), repayable quarterly until the year 2026.	870,065	1,009,288	870,065	1,009,288
5) USD 1.5 million loan (2018: USD - million), repayable quarterly until the year 2026.	46,475	-	46,475	-
6) USD 13.7 million loan (2018: USD - million), repayable quarterly until the year 2029.	422,111	-	422,111	-
7) USD 13.7 million loan (2018: USD - million), repayable quarterly until the year 2029.	422,111	-	422,111	-
<u>Loans of the Singapore Subsidiaries</u>				
8) USD 6.3 million loan (2018: USD 7.6 million), repayable quarterly until the year 2023.	193,827	244,566	-	-
9) USD 6.7 million loan (2018: USD 7.5 million), repayable quarterly until the year 2025.	205,702	243,321	-	-
10) USD 5.1 million loan (2018: USD 5.8 million), repayable quarterly until the year 2025.	158,236	187,171	-	-
11) USD 7.2 million loan (2018: USD 8.1 million), repayable quarterly until the year 2025.	222,845	263,597	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
12) HKD 14.2 million loan (2018: HKD 16.8 million), repayable monthly until the year 2023.	55,595	69,549	-	-
Total	3,518,376	3,251,671	2,682,171	2,243,467
Less : Current portion	(805,820)	(651,584)	(642,078)	(479,686)
Long - term loans, net of current portion	2,712,556	2,600,087	2,040,093	1,763,781

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



Mr. Sumate Tanthuanit
Director

DIRECTOR



Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Movements in the long - term loans during the nine - month period ended 30 September 2019 are summarized below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance as at 31 December 2018 (audited)	3,251,671	2,243,467
<u>Add</u> Borrowings	908,230	908,230
<u>Less</u> Repayments	(473,864)	(348,885)
Exchange differences on translating financial statement	<u>(167,661)</u>	<u>(120,641)</u>
Ending balance as at 30 September 2019 (unaudited but reviewed)	<u><u>3,518,376</u></u>	<u><u>2,682,171</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 October 2018, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 6.5 million (30 September 2019: approximately Baht 199.9 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", the Company has drawn down the loan amounting to USD 1.5 million in March 2019.

In July 2019, the subsidiary in Singapore had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 2.9 million (30 September 2019: approximately Baht 88.6 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", at present, the subsidiary has not drawn down the loan.

On 21 October 2019, the Company had entered into long - term loan agreement with a financial institution to repayment the remaining balance USD 3 million (30 September 2019 : approximately Baht 92.3 million) of another financial institution which will be due in August 2020, the Company had drawdown the loan to repay on 6 November 2019.

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.


.....
Mr. Sumate Tanthuwant
Director



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DIRECTOR


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Mr. Sutep Tranantasin
Director

.....
DIRECTOR

(Unaudited but reviewed)

14. Provisions for employee benefits

- Movement in the present value of the provisions for employee benefits for the nine - month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Provisions for employee benefits at beginning of periods	35.12	28.30	31.93	25.61
Benefits paid	(1.91)	-	(1.91)	-
Current service cost and interest	6.95	5.12	6.43	4.74
Past service costs	9.13	-	8.31	-
Provisions for employee benefits at end of periods	<u>49.29</u>	<u>33.42</u>	<u>44.76</u>	<u>30.35</u>

- Expenses recognized in the statements of income for the three - month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Current service costs	2.02	1.51	1.86	1.40
Past service costs	-	-	-	-
Interest cost	0.30	0.20	0.28	0.18
Total	<u>2.32</u>	<u>1.71</u>	<u>2.14</u>	<u>1.58</u>

- Expenses recognized in the statements of income for the nine - month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Current service costs	6.04	4.52	5.60	4.20
Past service costs	9.13	-	8.31	-
Interest cost	0.91	0.60	0.83	0.54
Total	<u>16.08</u>	<u>5.12</u>	<u>14.74</u>	<u>4.74</u>


.....
Mr. Sumate Tanthuwani
Director



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DIRECTOR


.....
Mr. Sutep Tranantasin
Director

.....
DIRECTOR

(Unaudited but reviewed)

- Principal actuarial assumptions as at 30 September 2019 and 31 December 2018 are as follows:

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

- * Based on the weighted average by age group of employees
- ** Reference from TMO2017 : Thai Mortality Ordinary Table of 2017

- Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate, employee turnover rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that were reasonably possible as of 30 September 2019 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 3.24 million (increase Baht 3.71 million) and Separate financial statements would decrease Baht 2.96 million (increase Baht 3.40 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 4.53 million (decrease Baht 3.98 million) and Separate financial statements would increase Baht 4.13 million (decrease Baht 3.62 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Bath 1.54 million (increase Bath 1.70 million) and Separate financial statements would decrease Baht 1.45 million (increase Baht 1.60 million).
- If the life expectancy increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.14 million (decrease Baht 0.15 million) and Separate financial statements would increase Baht 0.13 million (decrease Baht 0.14 million).

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

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


..... DIRECTOR


..... DIRECTOR



Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

15. Dividend payment

At the Annual General Meeting of Shareholders held on April 27, 2018, the shareholders approved to pay dividend amounted Baht 82.88 million at Baht 0.10 per share.

16. Related party transactions

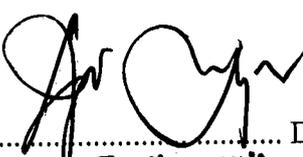
- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between 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 June				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	257	146	Market price as at agreement date
Ship management fee	-	-	2	3	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	25	42	-	-	Price approximates market price
Terminal operating service	60	55	-	-	Price per tariff minus volume discount
Logistic service fees	10	1	-	-	Price approximates market price
Office rental	3	2	2	2	Contract price

(Unit: Million Baht)

	For the nine - month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	653	331	Market price as at agreement date
Ship management fee	-	-	7	7	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	76	121	-	-	Price approximates market price
Terminal operating service	171	165	-	-	Price per tariff minus volume discount
Logistic service fees	32	6	-	-	Price approximates market price
Office rental	8	7	7	7	Contract price



Mr. Sumate Tanthuanit
 Director

DIRECTOR





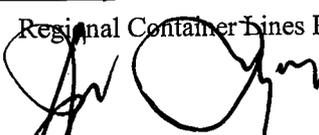
Mr. Sutep Tranantasin
 Director

DIRECTOR

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)	As at 30 September 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	1,330	725
<u>Related parties</u>				
RCL Agencies East India Private Limited	15	-	-	-
RCL Agencies (India) Private Limited	3	-	-	-
Siam Paetra International Co., Ltd	10	44	-	-
	28	44	-	-
<u>Other receivables - related parties</u>				
<u>- Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	1,275	899
Regional Container Lines Pte. Ltd.	-	-	6	6
	-	-	1,281	905
<u>- Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	33	30
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	-	77	-	-
RCL Agencies East India Private Limited	4	-	-	-
RCL Agencies (India) Private Limited	-	7	-	-
Others	3	4	-	-
	7	88	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	4,612	3,713
RCL Shipmanagement Pte. Ltd.	-	-	775	570
Regional Container Lines Pte. Ltd.	-	-	9	9
	-	-	5,396	4,292
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	82	86
	DIRECTOR		DIRECTOR	
Mr. Somate 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 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	For the three - month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short - term employee benefits	11	10	7	6

	(Unit: Million Baht)			
	For the nine - month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short - term employee benefits	33	29	21	18

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 2019 and 31 December 2018 the Group has deductible temporary differences, temporary differences arising from exchange difference occurring while translating financial statements in functional currency into presentation currency, provisions for employee benefits and unused tax losses totaling Baht 265.09 million and Baht 109.52 million, respectively, (Separate Baht 67.84 million and Baht 1.78 million, respectively). However, the Group did not recognize deferred tax assets as the Group believes that it is not probable that future taxable profit will be available to allow the entire deferred tax assets to be utilized including almost income of the Group being exempted from income tax, except a subsidiary in Thailand which recognized deferred tax assets amounted Baht 3.85 million and Baht 3.58 million, respectively.


 Mr. Sunate Tanthuwant
 Director



DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

(Unaudited but reviewed)

Tax expense (income) for the three - month periods ended 30 September 2019 and 2018, consisted of:

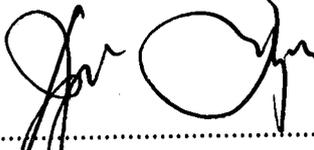
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Current tax expense	2,313	1,374	-	-
Deferred tax expense (income) of temporary differences	(35)	(26)	-	-
Tax expense (income) reported in the statement of income	<u>2,278</u>	<u>1,348</u>	<u>-</u>	<u>-</u>

Tax expense (income) for the nine - month periods ended 30 September 2019 and 2018, consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Current tax expense	8,322	6,811	-	-
Deferred tax expense (income) of temporary differences	(269)	(3,133)	-	-
Tax expense (income) reported in the statement of income	<u>8,053</u>	<u>3,678</u>	<u>-</u>	<u>-</u>

As at 30 September 2019 and 31 December 2018, the components of deferred tax assets and liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at 30 September 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	2,940
Provisions for employee benefits	906	637
Total	<u>3,846</u>	<u>3,577</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,201</u>	<u>8,633</u>


..... DIRECTOR
Mr. Sumate Tanthuanit
Director



..... DIRECTOR

Mr. Sutep Tranantasin
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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	108	157	3,938	4,249	10	13	4,056	4,419	-	-	4,056	4,419
Inter - segment revenues	257	146	289	244	3	5	549	395	(549)	(395)	-	-
Freight income	365	303	4,227	4,493	13	18	4,605	4,814	(549)	(395)	4,056	4,419
Segment gross profit (loss)	99	21	(173)	115	10	15	(64)	151	(3)	(12)	(67)	139
Gain (loss) on exchange rate											23	-
Gain on sales of assets											33	36
Others income											3	4
Share of profit (loss) from investments in associates											9	20
Share of profit (loss) from investments in joint ventures											13	8
Administrative expenses											235	235
Finance costs											84	64
Tax expenses (income)											2	1
Profit (loss) for the periods											(307)	(93)


Mr. Sumate Tanthuwani
 Director

DIRECTOR


Mr. Sutep Tranantana
 Director

DIRECTOR

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements												
For the nine - month periods ended 30 September												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	340	500	12,129	12,012	32	36	12,501	12,548	-	-	12,501	12,548
Inter - segment revenues	653	331	850	644	12	16	1,515	991	(1,515)	(991)	-	-
Freight income	993	831	12,979	12,656	44	52	14,016	13,539	(1,515)	(991)	12,501	12,548
Segment gross profit (loss)	225	25	173	263	35	44	433	332	(8)	(37)	425	295
Gain (loss) on exchange rate											45	40
Gain on sales of assets											78	98
Unrealized gain (loss) on derivatives											(8)	1
Others income											31	17
Share of profit (loss) from investments in associates											31	64
Share of profit (loss) from investments in joint ventures											34	24
Administrative expenses											709	692
Loss on dissolution of subsidiary											-	4
Finance costs											243	167
Tax expenses (income)											8	4
Profit (loss) for the periods											(324)	(328)

(Unit: Million Baht)

Consolidated financial statements												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Property, premises, vessels and equipment, net	5,981	5,269	6,841	7,549	179	191	13,001	13,009	210	248	13,211	13,257
Others											4,131	5,039
Total assets											17,342	18,296


 DIRECTOR
 Mr. Sumate Tanthuwant
 Director


 DIRECTOR
 Mr. Sutep Tranantasin
 Director

19. Commitments and contingent liabilities19.1 Commitments

- (a) As at 30 September 2019, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings and equipment of approximately Baht 9.0 million (31 December 2018: Baht 15 million) in respect of lease agreements, and subsidiaries in Singapore has outstanding commitments of USD 25 million or approximately Baht 779 million (31 December 2018 USD 30 million or approximately Baht 955 million) in respect of the following agreements.

(Unit: Million Baht)

Payment period	Charter hire	Container lease	Other rental	Total
Within 1 year	599	-	36	635
During 1 - 5 years	127	-	17	144
Over than 5 years	-	-	-	-
Total	726	-	53	779

- (b) As at 30 September 2019, a subsidiary in Singapore has bunker purchase commitments amounting to USD 5.8 million or approximately Baht 178.6 million covering the period of October 2019 - December 2019 at 3,000 - 9,000 MT per month (As at 31 December 2018, a subsidiary in Singapore has bunker purchase commitments amounting to USD 23.5 million or approximately Baht 758.8 million covering the period of January 2019 - June 2019 at 6,000 - 10,000 MT per month).
- (c) As at 30 September 2019, the Company and the Group has sulphur scrubber purchase commitments amounting to USD 6.9 million or approximately Baht 210.8 million and amounting to USD 9.2 million or approximately Baht 281.6 million, respectively.

19.2 Guarantees

As at 30 September 2019, the Company has guarantee obligations of USD 121 million, SGD 6 million and HKD 35 million, or approximately Baht 3,979 million (31 December 2018: USD 121 million, SGD 6 million and HKD 35 million or approximately Baht 4,186 million). These guarantees were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have outstanding guarantees totaling USD 35 million and HKD 14 million, or approximately Baht 1,137 million (31 December 2018: USD 44 million and HKD 17 million, or approximately Baht 1,497 million).

20. Shipbuilding contracts

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







..... DIRECTOR DIRECTOR

Mr. Sumate Tanthuanit
 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

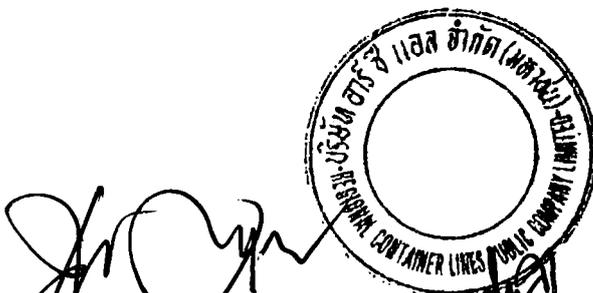
The Group could be exposed to risk in interest rates due primarily to the Group's long - term loan obligations. However, derivative and other financial instrument hedging are used for its long - term loan interest obligations.

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 2019, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 3 promise amount of USD 17.11 million (31 December 2018 : 2 promise of amount USD 14.72 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 2.13 million per quarter, the contracts expiration date is the year 2020, 2021 and 2023.

For the three - month period ended 30 September 2019, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.01 million, or approximately Baht 0.15 million (30 September 2018 : gain of USD 0.01 million, or approximately Baht 0.43 million). The Company recorded the unrealized gain (loss) in the statements of income.

For the nine - month period ended 30 September 2019, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.26 million, or approximately Baht 8.24 million (30 September 2018 : gain of USD 0.04 million, or approximately Baht 1.38 million). The Company recorded the unrealized gain (loss) in the statements of income.



.....
Mr. Sumtate Tanthuwant
Director

DIRECTOR

.....
Mr. Sutep Tranantasin
Director

DIRECTOR

(3) Foreign currency risk

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

In addition to foreign currency transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. As at 30 September 2019 and 31 December 2018, 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 2019, a subsidiary in Singapore has taken protection against the higher price risk with the physical bunker forward purchase contract within the certain limit in accordance with the Group's policy. The physical bunker forward purchase policy which blends interval forward with spot purchase has provide the Group with a less risk exposure to bunker price. And a subsidiary has outstanding commitments under the above purchase contract as described in note 19.1 (b) to the interim financial statements.

21.2 Fair value

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

22. Capital management

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

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

As at 30 September 2019, the Group's debt - to - equity ratio was 1.26 : 1 (31 December 2018 : 1.18 : 1) and the Company's was 1.33 : 1 (31 December 2018 : 1.02 : 1).


..... DIRECTOR


..... DIRECTOR

Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

23. Functional currency financial statements

The USD functional currency statements of financial position as at 30 September 2019 and 31 December 2018 and the statements of income for the three - month and nine - month periods ended 30 September 2019 and 2018, are as follows:

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

As at 30 September 2019

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	39,355	37,167	2,107	653
Trade receivables - unrelated parties	56,252	70,206	51	91
Less: allowance for doubtful accounts	(1,734)	(1,734)	-	-
Trade receivables - unrelated parties, net	54,518	68,472	51	91
Trade receivables - related parties	911	1,351	43,225	22,419
Other receivables	12,773	15,088	43,324	29,627
Material supplies	8,267	10,270	694	556
Other current assets	1,394	1,312	8	35
Total current assets	117,218	133,660	89,409	53,381
Non - current assets				
Property investments held for long - term investment	155	157	-	-
Investments in subsidiaries, net	-	-	209,779	209,779
Investments in associates	10,876	10,923	1,663	1,663
Investments in joint ventures	3,134	1,919	-	-
Other long - term investments	338	338	-	-
Property and premises, net	9,386	9,516	13	13
Vessels and equipment, net	420,024	400,301	194,314	162,748
Intangible assets, net	-	-	-	-
Other non - current assets				
- Advance for vessel constructions	-	8,270	-	8,270
- Other	2,532	483	2,051	77
Total non - current assets	446,445	431,907	407,820	382,550
Total assets	563,663	565,567	497,229	435,931



Mr. Sumate Tanthuwant
Director



DIRECTOR



Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2019

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	36,166	28,819	14,626	10,819
Trade payables - unrelated parties	96,240	108,338	1,478	1,840
Trade payables - related parties	222	2,722	-	-
Other payables				
- Accrued expenses	3,550	2,469	1,083	492
- Advance receipt	61	132	175,461	132,819
- Payable on purchase of assets	1,867	2,388	2,660	3,230
Current portion of liabilities				
under finance lease agreements	11,529	10,088	-	-
Current portion of long - term loans	26,192	20,142	20,870	14,828
Provision for onerous contracts	1,426	1,426	-	-
Income tax payable	66	88	-	-
Other current liabilities	4,569	4,156	284	98
Total current liabilities	181,888	180,768	216,462	164,126
Non - current liabilities				
Liabilities under finance lease agreements,				
net of current portion	42,231	43,152	-	-
Long - term loans, net of current portion	88,167	80,374	66,310	54,522
Provisions for employee benefits	1,602	1,086	1,455	987
Deferred tax liabilities	267	267	-	-
Total non - current liabilities	132,267	124,879	67,765	55,509
Total liabilities	314,155	305,647	284,227	219,635




DIRECTOR

Mr. Sumate Tanthuwant
Director



DIRECTOR

Mr. Sutep Tranantasin
Director

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2019

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(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	90,413	100,709	11,335	14,629
Other components of equity	(42,743)	(42,692)	-	-
Total equity of parent Company's shareholders	249,337	259,684	213,002	216,296
Non - controlling interests	171	236	-	-
Total shareholders' equity	249,508	259,920	213,002	216,296
Total liabilities and shareholders' equity	563,663	565,567	497,229	435,931



Mr. Sunkate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 September 2019

	(Unit: Thousand USD)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three - month periods ended 30 September		For the three - month periods ended 30 September	
	2019	2018	2019	2018
Revenues				
Freight income	131,420	134,125	10,479	8,123
Others income				
Gain on exchange rate	735	-	20	-
Dividend income	-	-	-	680
Gain on sales of assets	1,059	1,094	-	-
Interest income	25	50	-	4
Unrealized gain on derivatives	-	13	-	13
Others	82	63	-	-
Total revenues	<u>133,321</u>	<u>135,345</u>	<u>10,499</u>	<u>8,820</u>
Expenses				
Cost of freight and operations	133,434	129,879	7,606	7,740
Administrative expenses	7,608	7,136	2,160	1,945
Others expense				
Loss on exchange rate	-	12	-	116
Unrealized loss on derivatives	6	-	6	-
Finance costs	2,711	1,953	1,383	972
Total expenses	<u>143,759</u>	<u>138,980</u>	<u>11,155</u>	<u>10,773</u>
Share of profit (loss) from investments in associates	293	612	-	-
Share of profit (loss) from investments in joint ventures	430	238	-	-
Profit (loss) before income tax expenses	<u>(9,715)</u>	<u>(2,785)</u>	<u>(656)</u>	<u>(1,953)</u>
Tax expenses (income)	74	41	-	-
Profit (loss) for the period	<u>(9,789)</u>	<u>(2,826)</u>	<u>(656)</u>	<u>(1,953)</u>
Profit (loss) for the period attributable to:				
Equity holders of the parent	(9,775)	(2,837)	(656)	(1,953)
Non - controlling interests	(14)	11	-	-
	<u>(9,789)</u>	<u>(2,826)</u>	<u>(656)</u>	<u>(1,953)</u>
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	<u>(0.0118)</u>	<u>(0.0034)</u>	<u>(0.0008)</u>	<u>(0.0024)</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>



Mr. Sumate Tanthuwaniit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

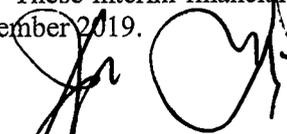
Statements of income

For the nine - month period ended 30 September 2019

	(Unit: Thousand USD)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine - month periods ended 30 September		For the nine - month periods ended 30 September	
	2019	2018	2019	2018
Revenues				
Freight income	398,493	390,104	27,795	22,097
Others income				
Gain on exchange rate	1,443	1,237	-	124
Dividend income	-	-	1,640	2,100
Gain on sales of assets	2,475	3,045	-	-
Gain on dissolution of subsidiary, net	-	-	-	2,297
Interest income	88	163	2	10
Unrealized gain on derivatives	-	43	-	43
Others	933	367	-	-
Total revenues	403,432	394,959	29,437	26,671
Expenses				
Cost of freight and operations	384,962	380,933	21,547	22,270
Administrative expenses	22,608	21,509	6,478	5,789
Others expense				
Loss on exchange rate	-	-	666	-
Loss on dissolution of subsidiary	-	122	-	-
Loss on sales of assets	-	-	7	-
Unrealized loss on derivatives	262	-	262	-
Finance costs	7,749	5,185	3,771	2,806
Total expenses	415,581	407,749	32,731	30,865
Share of profit (loss) from investments in associates	984	1,981	-	-
Share of profit (loss) from investments in joint ventures	1,097	740	-	-
Profit (loss) before income tax expenses	(10,068)	(10,069)	(3,294)	(4,194)
Tax expenses (income)	257	114	-	-
Profit (loss) for the period	(10,325)	(10,183)	(3,294)	(4,194)
Profit (loss) for the period attributable to:				
Equity holders of the parent	(10,296)	(10,209)	(3,294)	(4,194)
Non - controlling interests	(29)	26	-	-
	(10,325)	(10,183)	(3,294)	(4,194)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	(0.0124)	(0.0123)	(0.0040)	(0.0051)
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 8 November 2019.


Mr. Sumate Tanthuwant
 Director


 DIRECTOR


Mr. Sutep Tranantasin
 Director

DIRECTOR

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