



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

Press Release for Financial Results as at 30 June 2019

Despite increasing challenges in the shipping industry, RCL was able to record a Net Profit of THB 11.4 Mil in Q2 2019 against a Net Loss of THB 43.1 Mil in the same quarter of 2018. Total lifting grew by 11% or 52,755 TEUs, resulting in an increase in total revenue to THB 4,297 Mil, an improvement of 3.3% or THB 136.3 Mil higher from Q2 2018.

In Q2 2019, trade environment worsened with no significant and sustainable improvement of the freight rates. The market also encountered many persisting uncertainties, i.e. volatile bunker prices, IMO 2020 regulation, and the trade war. These uncertainties translated into a higher bunker price by some 9.7%. Meanwhile, RCL has put a significant effort to improve internal efficiency as a safeguard to these threats. As a result, whilst a continuing growth in lifting, the total cost of freight & operation increased only by 0.7% from same quarter last year. Administrative expense for Q2 2019 also increased by 5% in comparison with Q2 2018. Over all, RCL still managed to restrict an increase of total expense at 1.7% compared with the same quarter of 2018 in spite of higher lifting.

A year-on-year comparison of the first half performance also revealed an improvement of RCL's operation. The company recorded a 4%, or THB 317 Mil increase of freight income and an 8.1% growth of lifting, and that raised the total revenue by 3.6% from the same period of 2018. RCL has managed to grow the lifting and revenue, while still keeping down the expense as the total expense inched up by only 0.7%, or THB 60 Mil year-on-year. Therefore, RCL was able to limit the Net Loss to THB17 Mil in first half of 2019 compared with the Net Loss of THB234 Mil in the same period of 2018.

In conclusion, as a consequence of the volatile market situations together with our internal actions, RCL Group reported a Net Profit of THB11.4 Mil in Q2 2019 and a Net Loss of THB17 Mil for the first half of 2019. This could be considered as a significant improvement compared to the Net Loss of THB234 Mil in the first half of 2018.

13 August 2019

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 48 vessels with sizes ranging between 200 TEUs and 6621 TEUs. It also has a fleet of 112,160 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 THAI BAHT MILLION

(million baht)

	1st Quarter 2018	Half-Year 2018	9 months 2018	Year-End 2018	1st Quarter 2019	Half-Year 2019
Freight income	4,059.4	8,129.2	12,548.5	17,181.0	4,205.8	8,445.8
Cost of freight and operations	(4,023.7)	(7,972.8)	(12,253.5)	(16,712.8)	(3,975.6)	(7,954.2)
Gross Profit	35.7	156.4	295.0	468.2	230.2	491.6
Gross Profit Margin	1.3%	2.8%	3.4%	3.9%	5.5%	5.8%
Other income	37.7	72.0	104.6	129.9	29.0	71.9
Unrealised gain from changes in the fair value of Derivatives	1.0	0.9	1.4	0.0	0.0	0.0
Gain on exchange	3.4	39.7	39.8	74.0	14.6	22.3
Gain on sale of assets	12.9	61.9	97.9	132.9	20.5	44.8
Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	73.2	0.0	0.0
Total other income	55.0	174.5	243.7	410.0	64.1	139.0
Admin expenses	(228.7)	(456.4)	(691.9)	(921.7)	(234.6)	(474.4)
Unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	(1.7)	(3.5)	(8.1)
Loss on sale of investments	(3.9)	(3.9)	(3.9)	(4.0)	0.0	0.0
Loss on impairment of Vessels	0.0	0.0	0.0	(49.9)	0.0	0.0
Total other expenses	(232.6)	(460.3)	(695.8)	(977.3)	(238.1)	(482.5)
Interest expenses	(50.1)	(102.6)	(166.8)	(249.5)	(80.6)	(159.3)
Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)	(24.4)	(11.2)
Income tax	0.7	(2.3)	(3.7)	(7.7)	(4.0)	(5.8)
Profit / (loss) after taxation	(191.3)	(234.3)	(327.6)	(356.3)	(28.4)	(17.0)
Minority interest	(0.4)	(0.5)	(0.8)	(1.4)	0.7	0.5
Net profit / (loss) attributable to members	(191.7)	(234.8)	(328.4)	(357.7)	(27.7)	(16.5)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(192.0)	(232.0)	(323.9)	(348.6)	(24.4)	(11.2)
Add: Impairment loss of assets	0.0	0.0	0.0	49.9	0.0	0.0
Less: Reversal of provision for loss under onerous contracts	0.0	0.0	0.0	(73.2)	0.0	0.0
Less: Unrealised (Gain) / Loss from changes in fair value of derivatives	(1.0)	(0.9)	(1.4)	1.7	3.5	8.1
Add: Interest	50.1	102.6	166.8	249.5	80.6	159.3
EBIT	(142.9)	(130.3)	(158.5)	(120.6)	59.7	156.2
Add: Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation	378.8	763.0	1,165.9	1,591.0	351.8	702.7
EBITDA	235.9	632.7	1,007.4	1,470.4	411.5	858.9

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

INTERIM FINANCIAL STATEMENTS
FOR THE THREE - MONTH AND SIX - MONTH PERIODS ENDED JUNE 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. แอสโซซิเอต

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position as of June 30, 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 six - month periods ended June 30, 2019, the statements of changes in equity and cash flows for the six - month period ended June 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

August 9, 2019

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,302,386	1,202,343	57,907	21,119
Trade receivables - unrelated parties		1,943,675	2,271,166	1,129	2,944
Less: allowance for doubtful accounts		(53,245)	(56,106)	-	-
Trade receivables - unrelated parties, net	4	1,890,430	2,215,060	1,129	2,944
Trade receivables - related parties	4 and 16	26,822	43,697	1,072,441	725,253
Other receivables	16	436,086	488,116	1,246,258	958,440
Material supplies		281,114	332,237	15,564	17,984
Other current assets	5	43,469	42,457	428	1,127
Total current assets		3,980,307	4,323,910	2,393,727	1,726,867
Non - current assets					
Property investments held for					
long - term investment		4,785	5,065	-	-
Investments in subsidiaries, net	6	-	-	6,440,217	6,786,353
Investments in associates	7.1	334,975	353,353	51,039	53,782
Investments in joint ventures	7.2	83,046	62,085	-	-
Other long - term investments		10,372	10,930	-	-
Property and premises, net	8.1, 10 and 12	290,351	307,838	402	424
Vessels and equipment, net	8.2, 11 and 12	11,532,712	12,949,722	4,719,537	5,264,905
Intangible assets, net	9	-	-	-	-
Other non - current assets					
- Advances for vessel constructions	20	364,284	267,536	364,284	267,536
- Other	17	87,184	15,651	62,971	2,503
Total non - current assets		12,707,709	13,972,180	11,638,450	12,375,503
Total assets	23	16,688,016	18,296,090	14,032,177	14,102,370



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

Mr. Sumate Tanthuwant
Director

Mr. Sutep Trananta
Director

DIRECTOR

DIRECTOR

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

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	10	1,113,120	932,300	450,000
Trade payables - unrelated parties		2,953,770	3,504,735	47,953
Trade payables - related parties	16	9,855	88,067	-
Other payables				
- Accrued expenses		92,344	79,861	23,105
- Advance receipt	16	2,839	4,260	4,869,232
- Payable on purchase of assets	16	5,680	77,237	81,673
Current portion of liabilities				
under financial lease agreement	11	318,121	326,336	-
Current portion of long - term loans	12	626,878	651,584	463,534
Provision for onerous contracts	19.1 (a)	43,773	46,126	-
Income tax payable		2,634	2,853	-
Other current liabilities	5	134,223	134,485	8,564
Total current liabilities		5,303,237	5,847,844	5,944,061
Non - current liabilities				
Liabilities under financial lease agreements,				
net of current portion	11	1,165,209	1,395,981	-
Long - term loans, net of current portion	12	2,196,323	2,600,087	1,484,271
Provisions for employee benefits	14	48,883	35,121	44,527
Deferred tax liabilities	17	8,212	8,633	-
Total non - current liabilities		3,418,627	4,039,822	1,528,798
Total liabilities	23	8,721,864	9,887,666	7,472,859



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

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Shareholders' equity				
Share capital				
Registered				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Issued and fully paid - up				
828,750,000 ordinary shares of Baht 1 each	828,750	828,750	828,750	828,750
Share premium	4,982,964	4,982,964	4,982,964	4,982,964
Retained earnings				
Appropriated - legal reserve	66,300	66,300	66,300	66,300
Unappropriated	2,970,673	2,987,147	1,398,196	1,481,617
Other components of equity	(888,255)	(464,368)	(716,892)	(362,439)
Total equity of parent Company's shareholders	7,960,432	8,400,793	6,559,318	6,997,192
Non - controlling interests	5,720	7,631	-	-
Total shareholders' equity	7,966,152	8,408,424	6,559,318	6,997,192
Total liabilities and shareholders' equity	23 16,688,016	18,296,090	14,032,177	14,102,370



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

DIRECTOR

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries
Statements of changes in equity
For the six - month period ended 30 June 2019

(Unit: Thousand Baht)

Consolidated financial statements

	Equity holders of parent company							Total shareholder's equity		
	Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity			Total equity of the parent Company's shareholder	Non - controlling interests
				Appropriated - legal reserve	Unappropriated	Exchange differences on translating financial statement				
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		-	-	-	-	-	8,634	8,634	-	8,634
Purchase of investment in subsidiary		-	-	-	-	-	-	-	2,093	2,093
Total comprehensive income (loss) for the period		-	-	-	(234,841)		92,568	(142,273)	490	(141,783)
Dividend paid	15	-	-	-	(82,875)		-	(82,875)	-	(82,875)
Balance as at 30 June 2018		828,750	4,982,964	66,300	3,110,048		(282,923)	8,705,139	4,200	8,709,339
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		-	-	-	(16,474)		(423,887)	(440,361)	(1,911)	(442,272)
Balance as at 30 June 2019		828,750	4,982,964	66,300	2,970,673		(888,255)	7,960,432	5,720	7,966,152



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

[Signature]
Mr. Sumate Tanthuanit
Director

[Signature]
Mr. Sutep Tranantasin
Director

DIRECTOR

DIRECTOR

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

(Unit: Thousand Baht)

Separate financial statements

	Note	Issued and fully paid - up share capital	Share premium	Retained earnings		Other components of equity		Total shareholder's equity
				Appropriated - legal reserve	Unappropriated	Other comprehensive income (loss)	Exchange differences on translating financial statement	
Balance as at 1 January 2018		828,750	4,982,964	66,300	1,869,950	(308,893)		7,439,071
Total comprehensive income (loss) for the period		-	-	-	(71,180)	99,492		28,312
Dividend paid	15	-	-	-	(82,875)	-		(82,875)
Balance as at 30 June 2018		828,750	4,982,964	66,300	1,715,895	(209,401)		7,384,508
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		-	-	-	(83,421)	(354,453)		(437,874)
Balance as at 30 June 2019		828,750	4,982,964	66,300	1,398,196	(716,892)		6,559,318



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



Mr. Sumate Tanthawanit
Director



Mr. Suteep Tranantasin
Director

.....DIRECTOR

.....DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three - month periods		For the three - month periods	
		ended 30 June		ended 30 June	
		2019	2018	2019	2018
Revenues					
Freight income	1.4.1 and 16	4,239,966	4,069,838	282,226	234,276
Others income					
Gain on exchange rate		7,715	36,260	-	17,004
Dividend income	6	-	-	29,730	-
Gain on sales of assets	8.2	24,265	49,002	-	-
Interest income		1,185	1,818	52	153
Others		23,608	3,502	-	-
Total revenues		4,296,739	4,160,420	312,008	251,433
Expenses					
Cost of freight and operations	1.4.1 and 16	3,978,601	3,949,109	215,563	236,558
Administrative expenses	16	239,816	227,765	73,994	61,665
Other expense					
Loss on exchange rate		-	-	16,383	-
Unrealized loss on derivatives	5	4,542	29	4,542	29
Finance costs		78,689	52,554	37,600	29,177
Total expenses		4,301,648	4,229,457	348,082	327,429
Share of profit (loss) from investments in associates	7.1	6,178	20,608	-	-
Share of profit (loss) from investments in joint ventures	7.2	11,940	8,392	-	-
Profit (loss) before income tax expenses		13,209	(40,037)	(36,074)	(75,996)
Tax expenses (income)	17	1,768	3,030	-	-
Profit (loss) for the periods	23	11,441	(43,067)	(36,074)	(75,996)
Profit (loss) for the periods attributable to:					
Equity holders of the parent		11,212	(43,183)	(36,074)	(75,996)
Non - controlling interests		229	116	-	-
		11,441	(43,067)	(36,074)	(75,996)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		0.01	(0.05)	(0.04)	(0.09)
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 Tanthuwana
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

DIRECTOR

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three - month periods		For the three - month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Profit (loss) for the periods	11,441	(43,067)	(36,074)	(75,996)
Other comprehensive income (loss) :				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	(272,323)	478,547	(222,355)	416,933
Total items that will be reclassified subsequently to profit or loss	(272,323)	478,547	(222,355)	416,933
Other comprehensive income (loss) for the periods	(272,323)	478,547	(222,355)	416,933
Total comprehensive income (loss) for the periods	(260,882)	435,480	(258,429)	340,937
Total comprehensive income (loss) for the periods attributable to :				
Equity holders of the parent	(259,738)	435,364	(258,429)	340,937
Non - controlling interests	(1,144)	116	-	-
	(260,882)	435,480	(258,429)	340,937



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

Mr.Sumate Tanthuanit
Director

DIRECTOR

Mr.Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the six - month period ended 30 June 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the six - month periods		For the six - month periods	
		ended 30 June		ended 30 June	
		2019	2018	2019	2018
Revenues					
Freight income	1.4.1 and 16	8,445,767	8,129,240	547,604	443,770
Others income					
Gain on exchange rate		22,377	39,652	-	7,571
Dividend income	6 and 7.1	-	-	51,878	45,094
Gain on sales of assets	8.2	44,772	61,947	-	-
Gain on dissolution of subsidiary, net	6	-	-	-	72,946
Interest income		2,002	3,577	53	202
Unrealized gain on derivatives	5	-	956	-	956
Others		26,915	9,647	-	-
Total revenues		<u>8,541,833</u>	<u>8,245,019</u>	<u>599,535</u>	<u>570,539</u>
Expenses					
Cost of freight and operations	1.4.1 and 16	7,954,188	7,972,840	440,885	461,409
Administrative expenses	16	474,378	456,443	136,545	122,068
Other expense					
Loss on exchange rate		-	-	21,681	-
Loss on dissolution of subsidiary		-	3,907	-	-
Loss on sales of assets		-	-	238	-
Unrealized loss on derivatives	5	8,092	-	8,092	-
Finance costs		159,312	102,633	75,515	58,242
Total expenses		<u>8,595,970</u>	<u>8,535,823</u>	<u>682,956</u>	<u>641,719</u>
Share of profit (loss) from investments in associates	7.1	21,856	43,463	-	-
Share of profit (loss) from investments in joint ventures	7.2	21,105	15,320	-	-
Profit (loss) before income tax expenses		<u>(11,176)</u>	<u>(232,021)</u>	<u>(83,421)</u>	<u>(71,180)</u>
Tax expenses (income)	17	5,775	2,330	-	-
Profit (loss) for the periods	23	<u>(16,951)</u>	<u>(234,351)</u>	<u>(83,421)</u>	<u>(71,180)</u>
Profit (loss) for the periods attributable to:					
Equity holders of the parent		(16,474)	(234,841)	(83,421)	(71,180)
Non - controlling interests		(477)	490	-	-
		<u>(16,951)</u>	<u>(234,351)</u>	<u>(83,421)</u>	<u>(71,180)</u>
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the parent (Baht)		<u>(0.02)</u>	<u>(0.28)</u>	<u>(0.10)</u>	<u>(0.09)</u>
The weighted average number of ordinary shares (Thousand share)		<u>828,750</u>	<u>828,750</u>	<u>828,750</u>	<u>828,750</u>



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

Mr. Sumate Tanthuwant
Director

Mr. Sutep Tranantasin
Director

Regional Container Lines Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six - month period ended 30 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six - month periods		For the six - month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Profit (loss) for the periods	(16,951)	(234,351)	(83,421)	(71,180)
Other comprehensive income (loss) :				
Items that will be reclassified subsequently to profit or loss :				
Exchange differences on translating financial statement	(425,321)	92,568	(354,453)	99,492
Total items that will be reclassified subsequently to profit or loss	(425,321)	92,568	(354,453)	99,492
Other comprehensive income (loss) for the periods	(425,321)	92,568	(354,453)	99,492
Total comprehensive income (loss) for the periods	(442,272)	(141,783)	(437,874)	28,312
Total comprehensive income (loss) for the periods attributable to :				
Equity holders of the parent	(440,361)	(142,273)	(437,874)	28,312
Non - controlling interests	(1,911)	490	-	-
	(442,272)	(141,783)	(437,874)	28,312



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

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of cash flows

For the six - month period ended 30 June 2019

(Unit: Thousand Baht)

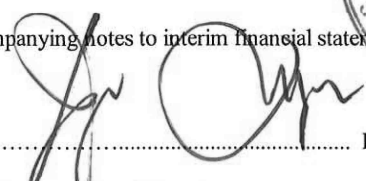
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the six - month periods		For the six - month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax expenses	(11,176)	(232,021)	(83,421)	(71,180)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (used in) operating activities:				
Depreciation	702,716	762,973	191,284	204,844
Amortization	-	9	-	-
Loss (gain) on sales and write - off of assets	(44,772)	(61,947)	238	1,931
Loss (gain) on dissolution of subsidiaries, net	-	-	-	(72,946)
Increase (decrease) in allowance for doubtful accounts	(2,861)	789	-	-
Dividend income	-	-	(51,878)	(45,094)
Unrealized loss (gain) on derivatives	-	(956)	-	(956)
Unrealized loss (gain) on exchange rate	142,577	(58,448)	21,693	(24,933)
Share of profit (loss) from investments in associates	(21,856)	(43,463)	-	-
Share of profit (loss) from investments in joint ventures	(21,105)	(15,320)	-	-
Provisions for employee benefits	13,762	3,412	12,592	3,164
Interest income	(2,002)	(3,577)	(53)	(202)
Finance costs	159,312	102,633	75,515	58,242
Profit (loss) from operating activities before changes in operating assets and liabilities	914,595	454,084	165,970	52,870
Operating assets decrease (increase)				
Trade receivables - unrelated parties	207,300	(154,947)	1,815	(4,930)
Trade receivables - related parties	16,875	(4,719)	(384,179)	(195,261)
Other receivables	52,237	276,502	(335,488)	(311,769)
Material supplies	51,123	(25,226)	2,420	(298)
Other current assets	1,509	(12,113)	699	43
Other non - current assets	(71,533)	(3,164)	(60,468)	(37)
Operating liabilities increase (decrease)				
Trade payables - unrelated parties	(553,870)	144,341	(13,775)	15,399
Trade payables - related parties	(78,212)	(7,726)	-	-
Other payables - accrued expenses	12,570	6,854	6,590	3,133
Advance receipt	(1,421)	11,879	787,296	989,389
Other current liabilities	215	17,682	5,416	(1,533)
Cash from operating activities	551,388	703,447	176,296	547,006
Cash received (paid) for income tax	(8,514)	(4,592)	-	-
Net cash provided by (used in) operating activities	542,874	698,855	176,296	547,006

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

DIRECTOR

DIRECTOR

11



Mr. Surnate Tanthuwant
Director



Mr. Sutep Tranantasri
Director



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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six - month periods		For the six - month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash received from sales of assets	160,680	73,286	115,613	-
Purchase of property, premises, vessels and equipment	(31,006)	(252,081)	(21,974)	(183,416)
Payment of payable on purchase of assets	(77,236)	-	(18,423)	-
Payment of advances for vessel constructions	(110,394)	(2,926)	(110,394)	(2,926)
Dividend received	22,092	45,094	51,878	45,094
Interest received	1,795	3,417	53	137
Net cash and cash equivalents received from business combination	-	13,140	-	-
Proceed from purchase of non - controlling interest	-	4,075	-	-
Net cash provided by (used in) investing activities	(34,069)	(115,995)	16,753	(141,111)
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institutions	213,844	(113,789)	92,740	(113,789)
Increase (decrease) in liabilities financial lease agreements	(159,264)	(97,250)	-	-
Increase (decrease) in long - term loans	(270,650)	(326,978)	(186,687)	(173,650)
Finance cost paid	(159,399)	(101,885)	(74,922)	(58,931)
Dividend paid	-	(82,875)	-	(82,875)
Net cash provided by (used in) financing activities	(375,469)	(722,777)	(168,869)	(429,245)
Exchange differences on translating financial statement	(33,293)	(13,774)	12,608	3,915
Net increase (decrease) in cash and cash equivalents	100,043	(153,691)	36,788	(19,435)
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	1,302,386	1,486,289	57,907	58,378



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

Mr. Sumate Tanthuwankit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries**Notes to interim financial statements****For the three - month and six - month periods ended 30 June 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.




Mr. Sumate Tanthuwant
Director

DIRECTOR



Mr. Sutep Tranantasin
Director

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 June 2019 and 2018 amounting to USD 40.75 million or approximately Baht 1,288.27 million and USD 38.71 million or approximately Baht 1,236.53 million, respectively (The Company amounting to USD 0.01 million or approximately Baht 0.38 million and USD 0.03 million or approximately Baht 0.98 million, respectively) and for the six - month periods ended 30 June 2019 and 2018 amounting to USD 81.70 million or approximately Baht 2,583.72 million and USD 77.67 million or approximately Baht 2,466.72 million, respectively (The Company amounting to USD 0.02 million or approximately Baht 0.71 million and USD 0.06 million or approximately Baht 1.96 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 and financial reporting standard interpretations, which are effective for financial statements period beginning on or after 1 January 2020 as follows:

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

TFRS 16 Leases

Financial Reporting Standard Interpretations

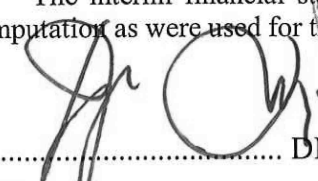
TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

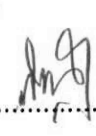
The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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.


.....
Mr. Sumate Tanthuanit
Director

DIRECTOR


.....
Mr. Sutep Tranantasin
Director

DIRECTOR

3. Change in accounting estimation

During the current period, the Group changed the estimated residual value of the vessels. This change was made so that the residual value of the vessels would approximate market value. The effect of the change is to increase net income of the Company and the Group for the three - month period ended 30 June 2019 by Baht 21.7 million and Baht 6.1 million, respectively (Baht 0.026 per share and Baht 0.007 per share, respectively) and for the six - month period ended 30 June 2019 by Baht 43.4 million and Baht 12.1 million, respectively (Baht 0.052 per share and Baht 0.015 per share, respectively).

4. Trade receivables

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Under 90 days	1,648,722	2,036,573	7	2,417
91 - 180 days	168,409	97,959	815	-
181 - 365 days	58,257	54,557	307	527
Over 365 days	68,287	82,077	-	-
Total	1,943,675	2,271,166	1,129	2,944
Less Allowance for doubtful accounts	(53,245)	(56,106)	-	-
Net	1,890,430	2,215,060	1,129	2,944

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Under 90 days	8,998	28,677	206,603	206,438
91 - 180 days	9,819	15,020	177,576	144,366
181 - 365 days	8,005	-	332,912	188,596
Over 365 days	-	-	355,350	185,853
Total	26,822	43,697	1,072,441	725,253

Mr. Sumate Tanthuanit
Director

Mr. Sutep Tranantasin
Director

DIRECTOR

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		(8,092)	(8,092)
Exchange differences on translating financial statement		208	208
Ending balance as at 30 June 2019 (unaudited but reviewed)	21.1 (2)	<u>(7,338)</u>	<u>(7,338)</u>

6. Investments in subsidiaries, net

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid - up capital		Percentage directly owned by the Company		Cost		Dividend for the six - month periods ended	
	As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018	30 June 2019	30 June 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	30	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	218	230	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 136.5 Million	S\$ 136.5 Million	100	100	4,859	5,120	-	-
e) RCL Feeder Pte. Ltd.	USD 138.6 Million	USD 138.6 Million	27	27	1,051	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	222	235	-	-
					6,442	6,788	30	-
Less : Allowance for impairment					(2)	(2)		
Total investments in subsidiaries, net					<u>6,440</u>	<u>6,786</u>		

Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

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

	(Unit: Thousand Baht)
Investment as at 31 December 2018 (audited)	6,786,353
Exchange differences on translating financial statement	(346,136)
Investment as at 30 June 2019 (unaudited but reviewed)	<u>6,440,217</u>

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

	(Unit: Thousand Baht)
Gain from debt remitted	76,867
<u>Less</u> :Loss on dissolution of subsidiary	(1,556)
<u>Less</u> :Allowance for impairment of investments in subsidiary that invested in the dissolved subsidiary	<u>(2,365)</u>
Gain on dissolution of subsidiary, net for the six - month period ended 30 June 2018	<u>72,946</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		(Unit: Million Baht)	
	As at	As at	As at	As at	As at	As at	As at	As at	Dividend for the six - month periods ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2019	2018	2019	2018	2019	2018	2019	2018	2019	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	323	341	22	45
Total investment in associates of the Company					51	54	323	341	22	45
<u>Investment in associates of the subsidiaries</u>										
PT Daerah Indah Shipping	USD	USD								
(Ship agency)	0.75	0.75								
	Million	Million	49	49	11	12	12	12	-	-
Pu Chao Container Terminal Co., Ltd.	Baht 30	Baht 30								
(Port operating)	Million	Million	49	49	15	15	-	-	-	-
Total investment in associates of the subsidiaries					26	27	12	12	-	-
Total investment in associates					<u>77</u>	<u>81</u>	<u>335</u>	<u>353</u>	<u>22</u>	<u>45</u>

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

Movements in the investment in associates for the six - month period ended 30 June 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	(22,092)	-
Share of profit under equity method	21,856	-
Exchange differences on translating financial statement	(18,142)	(2,743)
Investment as at 30 June 2019 (unaudited but reviewed)	<u>334,975</u>	<u>51,039</u>

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 six - month periods ended	
	As at 30 June	As at 31 December	As at 30 June	As at 31 December	As at 30 June	As at 31 December	30 June	30 June
	2019	2018	2019	2018	2019	2018	2019	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						
	Million	Million	55	55	76	62	-	-
RCL Agencies East India Private Limited	INR							
(Shipping agent and providing transportation and cargo handling services)	15							
	Million	-	55	-	7	-	-	-
Total investment in joint ventures					<u>83</u>	<u>62</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Investment as at 31 December 2018 (audited)	62,085	-
Dividend income	-	-
Additional investment	3,749	-
Share of profit under equity method	21,105	-
Exchange differences on translating financial statement	(3,893)	-
Investment as at 30 June 2019 (unaudited but reviewed)	<u>83,046</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.

Mr. Sumate Tanthuanit
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018 (audited)	307,838	424
<u>Add</u> Acquisitions during period - at cost	859	-
<u>Less</u> Depreciation for the period	(3,081)	-
Exchange differences on translating financial statement	(15,265)	(22)
Net book value as at 30 June 2019 (unaudited but reviewed)	<u>290,351</u>	<u>402</u>

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

8.2 Vessels and equipment, net

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018 (audited)	12,949,722	5,264,905
<u>Add</u> Acquisitions during period - at cost	35,997	21,974
<u>Less</u> Sale during period - at net book value	(115,908)	(115,851)
Depreciation for the period	(699,635)	(191,284)
Exchange differences on translating financial statement	(637,464)	(260,207)
Net book value as at 30 June 2019 (unaudited but reviewed)	<u>11,532,712</u>	<u>4,719,537</u>

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

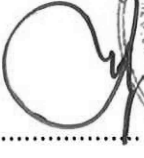
As at 30 June 2019 and 31 December 2018, the subsidiary in Singapore has containers acquired under finance lease agreements, with net book value amounting to USD 45.6 million (approximately Baht 1,399.1 million) and USD 51.2 million (approximately Baht 1,655.7 million), respectively (the Company only : 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 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).

Mr. Sumate Tanthuwant
 Director


Mr. Sutep Tranantasin
 Director

DIRECTOR

Depreciation in the statements of income for the three - month periods ended 30 June 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	347,343	380,638	95,143	104,701
Administrative expenses	3,568	3,489	538	426
Total	350,911	384,127	95,681	105,127

	(Unit : Thousand USD)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	10,987	11,918	3,010	3,279
Administrative expenses	113	109	17	13
Total	11,100	12,027	3,027	3,292

Depreciation in the statements of income for the six - month periods ended 30 June 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	695,655	756,164	190,244	204,064
Administrative expenses	7,061	6,809	1,040	780
Total	702,716	762,973	191,284	204,844

	(Unit : Thousand USD)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation included in				
Cost of freight and operations	21,998	23,811	6,016	6,426
Administrative expenses	223	214	33	24
Total	22,221	24,025	6,049	6,450


 Mr. Sumpate Tanthuwant
 Director


 DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

9. Intangible assets, net

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	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 June 2019	-	-
(unaudited but reviewed)	-	-

As at 30 June 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.

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 June	31 December	30 June	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	110,520	-	-	-
Loans from financial institution no. 3	552,600	582,300	-	-
Total	1,113,120	932,300	450,000	350,000

As at 30 June 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 June 2019, loans from financial institution no. 2 is short - term loan amounting to USD 3.6 million, with interest at the rate of LIBOR+4.15% p.a., is secured by office building subsidiaries.

As at 30 June 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

Mr. Sumate Tanthuwant
Director



DIRECTOR

Mr. Sutep Tranantasin
Director

11. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate Financial statements	
	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)
Liabilities under finance lease agreements	1,693,092	1,987,216	-	-
<u>Less : deferred interest</u>	<u>(209,762)</u>	<u>(264,899)</u>	<u>-</u>	<u>-</u>
	1,483,330	1,722,317	-	-
<u>Less : current portion due within one year</u>	<u>(318,121)</u>	<u>(326,336)</u>	<u>-</u>	<u>-</u>
Liabilities under finance lease agreements net of current portion	<u>1,165,209</u>	<u>1,395,981</u>	<u>-</u>	<u>-</u>

(Unit : Thousand Baht)

	Consolidated financial statements					
	As at 30 June 2019 (Unaudited but reviewed)			As at 31 December 2018 (Audited)		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
1 - 5 years	996,422	132,938	1,129,360	1,134,852	168,207	1,303,059
Over 5 years	168,787	6,218	175,005	261,129	13,408	274,537
Total	<u>1,165,209</u>	<u>139,156</u>	<u>1,304,365</u>	<u>1,395,981</u>	<u>181,615</u>	<u>1,577,596</u>

(Unit : Thousand Baht)

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



Mr. Sumate Tanthuwant
Director

DIRECTOR



Mr. Sutep Tranantasin
Director

DIRECTOR

12. Long - term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>Loans of the Company</u>				
1) USD 3.8 million loan (2018: USD 5.3 million), repayable quarterly until the year 2020.	115,125	169,837	115,125	169,837
2) USD 12.5 million loan (2018: USD 15.5 million), repayable quarterly until the year 2021.	383,208	499,915	383,208	499,915
3) USD 16.5 million loan (2018: USD 17.4 million), repayable quarterly until the year 2027.	505,030	564,427	505,030	564,427
4) USD 29.3 million loan (2018: USD 31.2 million), repayable quarterly until the year 2026.	898,067	1,009,288	898,067	1,009,288
5) USD 1.5 million loan (2018: USD - million), repayable quarterly until the year 2026.	46,375	-	46,375	-
<u>Loans of the Singapore Subsidiaries</u>				
6) USD 6.7 million loan (2018: USD 7.6 million), repayable quarterly until the year 2023.	206,304	244,566	-	-
7) USD 7.0 million loan (2018: USD 7.5 million), repayable quarterly until the year 2025.	213,810	243,321	-	-
8) USD 5.4 million loan (2018: USD 5.8 million), repayable quarterly until the year 2025.	164,472	187,171	-	-
9) USD 7.5 million loan (2018: USD 8.1 million), repayable quarterly until the year 2025.	231,629	263,597	-	-
<u>Loan of the Hong Kong Subsidiary</u>				
10) HKD 15.1 million loan (2018: HKD 16.8 million), repayable monthly until the year 2023.	59,181	69,549	-	-
Total	2,823,201	3,251,671	1,947,805	2,243,467
Less : Current portion	(626,878)	(651,584)	(463,534)	(479,686)
Long - term loans, net of current portion	2,196,323	2,600,087	1,484,271	1,763,781

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


 Mr. Sumate Tanthuwani
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Beginning balance as at 31 December 2018 (audited)	3,251,671	2,243,467
<u>Add</u> Borrowings	47,770	47,770
<u>Less</u> Repayments	(318,420)	(234,457)
Exchange differences on translating financial statement	(157,820)	(108,975)
Ending balance as at 30 June 2019 (unaudited but reviewed)	<u>2,823,201</u>	<u>1,947,805</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 2017, the Company had entered into long - term loan agreement with a financial institution. This loan has credit line of USD 27.4 million (30 June 2019: approximately Baht 842.4 million) which is for the payment of 2 container vessels' construction, the Company has drawn down the loan total amount in July 2019.

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 June 2019: approximately Baht 199.6 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 June 2019: approximately Baht 88.4 million) which is for the project of purchase and installation "Sulphur Dioxide Scrubber", at present, the subsidiary has not drawn down the loan.

13. Debenture

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




 DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

14. Provisions for employee benefits

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	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	-	-	-	-
Current service cost and interest	4.63	3.41	4.29	3.16
Past service costs	9.13	-	8.31	-
Provisions for employee benefits at end of periods	48.88	31.71	44.53	28.77

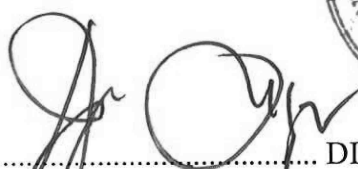
- Expenses recognized in the statements of income for the three - month periods ended 30 June 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current service costs	2.51	1.51	2.34	1.40
Past service costs	9.13	-	8.31	-
Interest cost	0.41	0.20	0.37	0.18
Total	12.05	1.71	11.02	1.58

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current service costs	4.02	3.01	3.74	2.80
Past service costs	9.13	-	8.31	-
Interest cost	0.61	0.40	0.55	0.36
Total	13.76	3.41	12.60	3.16




Mr. Sumate Tanthuwant
 Director

DIRECTOR


Mr. Sutep Tranantasin
 Director

DIRECTOR

- Principal actuarial assumptions as at 30 June 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 June 2019 as follows:

- If the discount rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 2.16 million (increase Baht 2.48 million) and Separate financial statements would decrease Baht 1.97 million (increase Baht 2.26 million).
- If the salary increase rate increases (decrease) by 1%, the provisions for employee benefits in Consolidated financial statements would increase Baht 3.02 million (decrease Baht 2.65 million) and Separate financial statements would increase Baht 2.75 million (decrease Baht 2.42 million).
- If the employee turnover rate increases (decrease) by 10%, the provisions for employee benefits in Consolidated financial statements would decrease Baht 1.03 million (increase Baht 1.13 million) and Separate financial statements would decrease Baht 0.97 million (increase Baht 1.07 million).
- If the mortality rate increases (decrease) by one year for all employees, the provisions for employee benefits in Consolidated financial statements would increase Baht 0.09 million (decrease Baht 0.10 million) and Separate financial statements would increase Baht 0.08 million (decrease Baht 0.09 million).

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

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



Mr. Sumate Tanthuwani
 Director


Mr. Sutep Tranantasin
 Director

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

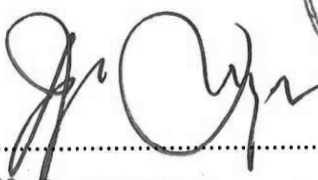
- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between 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				
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	213	97	Market price as at agreement date
Ship management fee	-	-	3	2	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	24	39	-	-	Price approximates market price
Terminal operating service	54	64	-	-	Price per tariff minus volume discount
Logistic service fees	11	2	-	-	Price approximates market price
Office rental	3	3	3	3	Contract price

(Unit: Million Baht)

	For the six - month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	Pricing policy
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	396	185	Market price as at agreement date
Ship management fee	-	-	5	4	Price approximates market price
<u>Transactions with related parties</u>					
Commission expenses	51	79	-	-	Price approximates market price
Terminal operating service	111	110	-	-	Price per tariff minus volume discount
Logistic service fees	22	5	-	-	Price approximates market price
Office rental	5	5	5	5	Contract price


 DIRECTOR
Mr. Sumate Tanthawanit
Director




 DIRECTOR
Mr. Sutep Tranantasin
Director

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited but reviewed)	As at 31 December 2018 (Audited)
<u>Trade receivables - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	1,072	725
<u>Related parties</u>				
RCL Agencies East India Private Limited	5	-	-	-
RCL Agencies (India) Private Limited	1	-	-	-
Siam Paetra International Co., Ltd	21	44	-	-
	27	44	-	-
<u>Other receivables - related parties</u>				
<u>- Receipt on behalf of the Company</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	1,189	899
Regional Container Lines Pte. Ltd.	-	-	6	6
	-	-	1,195	905
<u>- Advances payment</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte. Ltd.	-	-	31	30
<u>Trade payables - related parties</u>				
<u>Related parties</u>				
Ngow Hock Co., Ltd.	3	77	-	-
RCL Agencies East India Private Limited	1	-	-	-
RCL Agencies (India) Private Limited	-	7	-	-
Others	6	4	-	-
	10	88	-	-
<u>Advance from related parties</u>				
<u>Subsidiaries</u>				
RCL Feeder Pte. Ltd.	-	-	4,191	3,713
RCL Shipmanagement Pte. Ltd.	-	-	666	570
Regional Container Lines Pte. Ltd.	-	-	9	9
	-	-	4,866	4,292
<u>Payable on purchase of assets</u>				
<u>Subsidiary</u>				
Regional Container Lines Pte. Ltd.	-	-	82	86

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

c) Management benefit expenses

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

Management benefit expenses for the three - month and six - month periods ended 30 June 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	For the three - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short - term employee benefits	9	8	5	5

	(Unit: Million Baht)			
	For the six - month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short - term employee benefits	19	13	11	7

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 June 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 288.29 million and Baht 129.86 million, respectively, (Separate Baht 86.16 million and Baht 22.12 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 3.81 million and Baht 3.58 million, respectively.


 DIRECTOR
Mr. Sumate Tanthuwant
 Director


 DIRECTOR
Mr. Sutep Tranantasin
 Director

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current tax expense	1,977	3,172	-	-
Deferred tax expense (income) of temporary differences	(209)	(142)	-	-
Tax expense (income) reported in the statement of income	<u>1,768</u>	<u>3,030</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current tax expense	6,009	5,437	-	-
Deferred tax expense (income) of temporary differences	(234)	(3,107)	-	-
Tax expense (income) reported in the statement of income	<u>5,775</u>	<u>2,330</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	As at	As at
	30 June 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)
<u>Deferred tax assets</u>		
Allowance for impairment of investment	2,940	2,940
Provisions for employee benefits	871	637
Total	<u>3,811</u>	<u>3,577</u>
<u>Deferred tax liabilities</u>		
Property and premises, net	<u>8,212</u>	<u>8,633</u>

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

18. Financial information by segment

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

(Unit: Million Baht)

	Consolidated financial statements											
	For the three - month periods ended 30 June											
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	110	176	4,119	3,882	11	12	4,240	4,070	-	-	4,240	4,070
Inter - segment revenues	213	97	276	194	4	6	493	297	(493)	(297)	-	-
Freight income	323	273	4,395	4,076	15	18	4,733	4,367	(493)	(297)	4,240	4,070
Segment gross profit (loss)	75	8	176	110	12	16	263	134	(2)	(13)	261	121
Gain (loss) on exchange rate											8	36
Gain on sales of assets											24	49
Unrealized gain (loss) on derivatives											(5)	-
Others income											25	5
Share of profit (loss) from investments in associates											6	21
Share of profit (loss) from investments in joint ventures											12	8
Administrative expenses											239	228
Finance costs											79	52
Tax expenses (income)											2	3
Profit (loss) for the periods											11	(43)




 DIRECTOR
Mr. Sumate Tanthuwant
 Director


 DIRECTOR
Mr. Sutep Tranantasin
 Director

(Unit: Million Baht)

Consolidated financial statements												
For the six - month periods ended 30 June												
	Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	233	343	8,191	7,763	22	23	8,446	8,129	-	-	8,446	8,129
Inter - segment revenues	396	185	561	400	9	11	966	596	(966)	(596)	-	-
Freight income	629	528	8,752	8,163	31	34	9,412	8,725	(966)	(596)	8,446	8,129
Segment gross profit (loss)	126	4	346	148	25	29	497	181	(5)	(25)	492	156
Gain (loss) on exchange rate											22	40
Gain on sales of assets											45	62
Unrealized gain (loss) on derivatives											(8)	1
Others income											28	14
Share of profit (loss) from investments in associates											22	43
Share of profit (loss) from investments in joint ventures											21	15
Administrative expenses											474	456
Loss on dissolution of subsidiary											-	4
Finance costs											159	103
Tax expenses (income)											6	2
Profit (loss) for the periods											(17)	(234)

(Unit: Million Baht)

Consolidated financial statements											
Thailand		Singapore		Hong Kong		Total		Elimination		Grand Total	
As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Property, premises, vessels and equipment, net										11,823	13,257
Others										4,865	5,039
Total assets										16,688	18,296

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR

19. Commitments and contingent liabilities19.1 Commitments

- (a) As at 30 June 2019, the Company and its subsidiary in Thailand have outstanding commitments relating to the lease agreements for buildings of approximately Baht 10 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 755 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	570	-	38	608
During 1 - 5 years	123	-	24	147
Over than 5 years	-	-	-	-
Total	693	-	62	755

- (b) 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 June 2019, the Company and the Group has sulphur scrubber purchase commitments amounting to USD 6.9 million or approximately Baht 210.4 million and amounting to USD 8.9 million or approximately Baht 272.2 million, respectively.

19.2 Guarantees

As at 30 June 2019, the Company has guarantee obligations of USD 121 million, SGD 6 million and HKD 35 million, or approximately Baht 3,974 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 38 million and HKD 15 million, or approximately Baht 1,229 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 (as at 30 June 2019 approximately Baht 1,203.4 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 1 vessel and paid the remaining amount as scheduled.

As at 30 June 2019, the Company had made payment for the above - mentioned contracts amounting to USD 9.8 million (approximately Baht 300.9 million) and for other costs which related to the above vessels amounting to USD 2.1 million (approximately Baht 63.4 million).


 Mr. Sumate Tanthuwant
 Director




 Mr. Sutep Tranantasin
 Director

DIRECTOR

21. Financial instruments

The Group could be exposed to the market risk, including primarily changes in interest rates and currency exchange rates. The Group uses derivatives and other instruments to manage and hedge such risk but not for speculative or trading purposes.

21.1 Financial risk management

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

(1) Credit risk

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

(2) Interest rate risk

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

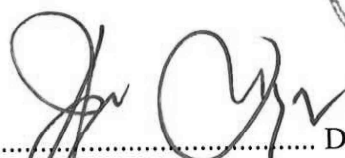
The Group's policy is to manage its interest cost using a mix of fixed and variable interest rate debt. To manage this mix in a cost - efficient manner, the Group enters into interest rate swaps in which the Group agrees to exchange at specific intervals, the difference between fixed and variable interest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

As at 30 June 2019, the Company had a period - by - period knock out swap and interest rate swap agreement covering the notional 3 promise amount of USD 19.3 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 June 2019, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.14 million, or approximately Baht 4.54 million (30 June 2018: gain of USD - million, or approximately Baht 0.03 million). The Company recorded the unrealized gain (loss) in the statements of income.

For the six - month period ended 30 June 2019, the Company had unrealized loss from changes in the fair value of derivatives of USD 0.26 million, or approximately Baht 8.09 million (30 June 2018: gain of USD 0.03 million, or approximately Baht 0.96 million). The Company recorded the unrealized gain (loss) in the statements of income.





Mr. Sumate Tanthuwatit
 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 June 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 June 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.

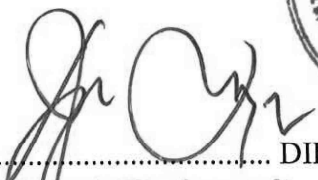
22. Capital management

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 June 2019, the Group's debt - to - equity ratio was 1.09 : 1 (31 December 2018 : 1.18 : 1) and the Company's was 1.14 : 1 (31 December 2018 : 1.02 : 1).




 DIRECTOR
Mr. Somate Tanthuwant
 Director


 DIRECTOR
Ms. Sutep Tranantasin
 Director

23. Functional currency financial statements

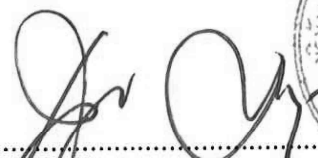
The USD functional currency statements of financial position as at 30 June 2019 and 31 December 2018 and the statements of income for the three - month and six - month periods ended 30 June 2019 and 2018, are as follows:

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

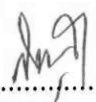
As at 30 June 2019

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	42,423	37,167	1,886	653
Trade receivables - unrelated parties	63,312	70,206	37	91
<u>Less: allowance for doubtful accounts</u>	<u>(1,734)</u>	<u>(1,734)</u>	<u>-</u>	<u>-</u>
Trade receivables - unrelated parties, net	61,578	68,472	37	91
Trade receivables - related parties	874	1,351	34,933	22,419
Other receivables	14,205	15,088	40,595	29,627
Material supplies	9,157	10,270	507	556
Other current assets	1,415	1,312	13	35
Total current assets	129,652	133,660	77,971	53,381
Non - current assets				
Property investments held for long - term investment	156	157	-	-
Investments in subsidiaries, net	-	-	209,779	209,779
Investments in associates	10,911	10,923	1,663	1,663
Investments in joint ventures	2,705	1,919	-	-
Other long - term investments	338	338	-	-
Property and premises, net	9,458	9,516	13	13
Vessels and equipment, net	375,658	400,301	153,731	162,748
Intangible assets, net	-	-	-	-
Other non - current assets				
- Advance for vessel constructions	11,866	8,270	11,866	8,270
- Other	2,840	483	2,051	77
Total non - current assets	413,932	431,907	379,103	382,550
Total assets	543,584	565,567	457,074	435,931


Mr. Sumate Tanthuwant
 Director




Mr. Sutep Tranantasil
 Director

DIRECTOR

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

As at 30 June 2019

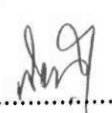
(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short - term loans from financial institutions	36,258	28,819	14,658	10,819
Trade payables - unrelated parties	96,214	108,338	1,562	1,840
Trade payables - related parties	321	2,722	-	-
Other payables				
- Accrued expenses	3,008	2,469	753	492
- Advance receipt	93	132	158,607	132,819
- Payable on purchase of assets	185	2,388	2,660	3,230
Current portion of liabilities				
under financial lease agreement	10,362	10,088	-	-
Current portion of long - term loans	20,419	20,142	15,099	14,828
Provision for onerous contracts	1,426	1,426	-	-
Income tax payable	86	88	-	-
Other current liabilities	4,372	4,156	279	98
Total current liabilities	172,744	180,768	193,618	164,126
Non - current liabilities				
Liabilities under financial lease agreements,				
net of current portion	37,955	43,152	-	-
Long - term loans, net of current portion	71,541	80,374	48,348	54,522
Provisions for employee benefits	1,592	1,086	1,450	987
Deferred tax liabilities	268	267	-	-
Total non - current liabilities	111,356	124,879	49,798	55,509
Total liabilities	284,100	305,647	243,416	219,635



Mr. Sumate Tanthuanit
Director

DIRECTOR



Mr. Sutep Tranantasin
Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2019

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June 2019	31 December 2018	30 June 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	100,188	100,709	11,991	14,629
Other components of equity	(42,557)	(42,692)	-	-
Total equity of parent Company's shareholders	259,298	259,684	213,658	216,296
Non - controlling interests	186	236	-	-
Total shareholders' equity	259,484	259,920	213,658	216,296
Total liabilities and shareholders' equity	543,584	565,567	457,074	435,931



[Signature]
Mr. Sumate Yanthuwanit
 Director

DIRECTOR

[Signature]
Mr. Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the three - month period ended 30 June 2019

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	For the three - month periods ended 30 June		For the three - month periods ended 30 June	
	2019	2018	2019	2018
Revenues				
Freight income	134,123	127,412	8,927	7,339
Others income				
Gain on exchange rate	245	1,141	-	517
Dividend income	-	-	940	-
Gain on sales of assets	768	1,541	-	-
Interest income	37	57	2	4
Others	746	109	-	-
Total revenues	135,919	130,260	9,869	7,860
Expenses				
Cost of freight and operations	125,855	123,617	6,819	7,409
Administrative expenses	7,585	7,130	2,341	1,931
Others expense				
Loss on exchange rate	-	-	518	-
Unrealized loss on derivatives	144	1	144	1
Finance cost	2,490	1,646	1,189	913
Total expenses	136,074	132,394	11,011	10,254
Share of profit (loss) from investments in associates	195	645	-	-
Share of profit (loss) from investments in joint ventures	377	263	-	-
Profit (loss) before income tax expenses	417	(1,226)	(1,142)	(2,394)
Tax expenses (income)	56	95	-	-
Profit (loss) for the period	361	(1,321)	(1,142)	(2,394)
Profit (loss) for the period attributable to:				
Equity holders of the parent	354	(1,324)	(1,142)	(2,394)
Non - controlling interests	7	3	-	-
	361	(1,321)	(1,142)	(2,394)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	0.0004	(0.0016)	(0.0014)	(0.0029)
The weighted average number of ordinary shares (Thousand share)	828,750	828,750	828,750	828,750


 Mr. Sumate Panthuwant
 Director

DIRECTOR


 Mr. Sutep Tranantasin
 Director

DIRECTOR

Regional Container Lines Public Company Limited and its subsidiaries

Statements of income

For the six - month period ended 30 June 2019

(Unit: Thousand USD)

	Consolidated financial statements		Separate financial statements	
	For the six - month periods ended 30 June		For the six - month periods ended 30 June	
	2019	2018	2019	2018
Revenues				
Freight income	267,073	255,979	17,316	13,974
Others income				
Gain on exchange rate	708	1,248	-	238
Dividend income	-	-	1,640	1,420
Gain on sales of assets	1,416	1,951	-	-
Gain on dissolution of subsidiary, net	-	-	-	2,299
Interest income	63	113	2	6
Unrealized gain on derivatives	-	30	-	30
Others	851	304	-	-
Total revenues	270,111	259,625	18,958	17,967
Expenses				
Cost of freight and operations	251,528	251,054	13,941	14,530
Administrative expenses	15,000	14,373	4,318	3,844
Others expense				
Loss on exchange rate	-	-	685	-
Loss on dissolution of subsidiary	-	123	-	-
Loss on sales of assets	-	-	8	-
Unrealized loss on derivatives	256	-	256	-
Finance cost	5,038	3,232	2,388	1,834
Total expenses	271,822	268,782	21,596	20,208
Share of profit (loss) from investments in associates	691	1,369	-	-
Share of profit (loss) from investments in joint ventures	667	482	-	-
Profit (loss) before income tax expenses	(353)	(7,306)	(2,638)	(2,241)
Tax expenses (income)	183	73	-	-
Profit (loss) for the period	(536)	(7,379)	(2,638)	(2,241)
Profit (loss) for the period attributable to:				
Equity holders of the parent	(521)	(7,394)	(2,638)	(2,241)
Non - controlling interests	(15)	15	-	-
	(536)	(7,379)	(2,638)	(2,241)
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the parent (USD)	(0.0006)	(0.0089)	(0.0032)	(0.0027)
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 9 August 2019.

Mr. Sumate Tanthuwant
Director

DIRECTOR

Mr. Sutep Tranantasin
Director

DIRECTOR