



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

TRANSLATION

Ref. No. RCL 019 / 2017

November 10, 2017

Subject : Explanation on 3rd Quarter 2017 Operating Result
To : The Managing Director of the Stock Exchange of Thailand

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

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

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

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

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

The growth in both COC and SOC volume has predominately contributed to the improvement in Q3/2017's average freight rate per TEU by 14.5% against Q3/2016 and was slightly better than Q2/2017 by 2.2%. Freight income therefore



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was THB 2,930 million, up by 15.7% when compared to Q3/2016 and was 5.6% above Q2/2017.

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

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

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

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

Please be informed accordingly

(Company's seal)

Sincerely yours,

(Signed)

(Mr.Sumate Tanthuanit)
Managing Director