



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

TRANSLATION

Ref. No. RCL 005 / 2021

February 25th, 2021

Subject : Explanation for Operation Result for the Year 2020
To : The Managing Director of the Stock Exchange of Thailand

The year 2020, especially the second half, was extremely good for the shipping industry, despite the pandemic. For RCL, the Q4 saw a 26% increase in revenue to THB 5,224Mn., even though the handled cargo volume increased only 3 % compared to the previous year to 533,000 TEUs. This was primarily due to a 22% Q on Q surge in freight rates to THB 9,555 per TEU, resulting from severe equipment shortages everywhere.

While the demand spiked up as countries around the world started to open up their economies from lockdown, RCL continued to pursue its cost management. Hence, it's cost of freight and operation declined 11%. Coupled with lower bunker prices, the total expense was down THB 218Mn or 5% from the same quarter in 2019. This in effect turned around the operation from a net loss of THB 169 Mn. in Q4 2019 into a net profit of THB 1,260 Mn. in Q4 2020.

For the whole year, the positive trend of freight rates has been up continuously since the third quarter. The freight income per TEU was higher than that of 2019 by 11% and generated an additional 4% of freight income to THB 17.2 Bn. in 2020. The overall volume of cargos handled was down by 6% from the previous year, partly caused by congestion in ports. With improved productivity, the cost of freight and operation was trimmed from 2019 by 10% or THB 1,595Mn. to THB 14,360Mn. This led to an 8% reduction of total expense and increased margin to almost 10% compared to -3% in 2019.

All in all, as a result of improved market conditions and internal efficiency, RCL has been able to generate profit for the year 2020 in the amount of THB 1,745Mn. against a net loss of THB 493 Mn. in 2019.

Please be informed accordingly

(Company's seal)

Sincerely yours,

(Signed)

(Mr.Sumate Tanthuanit)
Managing Director