



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

TRANSLATION

Ref. No. RCL 018 / 2022

August 5th, 2022

Subject : Explanation on 2nd Quarter 2022 Operation Result
To : The Managing Director of the Stock Exchange of Thailand

RCL is very pleased to announce THB 15,581 million profit for the first six months of 2022, which is higher than the THB 6,130 million profit of the same period of the previous year by 154%. Key improvement aspects of the first half of this year were freight rates which improved by 79%, and a volume growth of 4%. However, the demand for energy increased as the global economy was recovering, and a prolonged conflict in Europe led to sanctions on Russian oil, further elevated the already inflated oil prices, RCL has taken actions to mitigate the impact by hedging some portions of its bunker use. This has resulted in only a 51% higher cost of freight and operation, a modest increase considering that bunker prices surged more than double from the year before.

For Q2 2022, the profit was THB 7,358 million, which is very remarkable compared to THB 3,189 million profit of Q2 2021 or 131% growth. It was, however, 11% below Q1 2022. With China pursuing a "Zero COVID-19" policy during the period, putting cities under strict lockdown, and hence export volumes suffered immense pressure, leading to an 8% decline in volumes, and the freight rates softened. Nevertheless, RCL managed to maintain the freight rate at the level only one percent below the Q1 period through its resiliency. Although the latest quarter expressed some slow down, the result still outperformed Q2 last year by a wide margin of 131%, with an average freight of 73% above the mentioned period.

All in all, the container industry will continue to be challenged by a series of disruptions and uncertainties. However, the company will utilize every tool at its disposal to cope with volatilities and continue to post values to customers and shareholders.

Please be informed accordingly.

Sincerely yours,

(Company's seal)

(Signed)

(Mr. Twinchok Tanthuanit)
Managing Director