



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

TRANSLATION

Ref. No. RCL 011 / 2020

May 13th, 2020

Subject : Explanation on 1st Quarter 2020 Operation Result
To : The Managing Director of the Stock Exchange of Thailand

RCL recorded a THB 22 Mil increase in revenue to THB 4,267 Mil in Q1 2020, compared with THB 4,245 Mil the same period in the preceding year. Notwithstanding a lower volume handled from Q1 2019 by 12% to 489,000 TEUs, we were able to secure shipment at a noticeably improved freight income per TEU, combined with a favorable increase of gain from the exchange rate, which helped mitigate the impact from lower volume as demand for good and service plunged as a result of an extended Chinese New Year holidays and a lock down of cities as the Chinese government tried to contain the COVID-19. This factor added a significant disruption to the market which had already been damaged by the prolong trade war between U.S. and China.

Total expense in Q1 2020 reduced by THB 25.6 Mil from THB 4,210 Mil in the same period last year to THB 4,184 Mil. The reduction was mainly a result of lower cost of freight and operation, which fell by 1% quarter on quarter to THB 3,938 Mil, consistent with a lower shipment volume. Following changes in the market, RCL reduced the number of sailings to adjust its supply level and to save cost of bunker. With the actions taken, we were able to put a break on the bunker cost which would have been inevitably increased by the IMO 2020 regulation implementation since the beginning of 2020.

Because of the above external factors which caused the unpredictable disruptions to the industry and internal actions taken, RCL group was able to report a net profit of THB 12.7 Mil in Q1 of 2020 compared with a net loss of THB 28.4 Mil in the same period last year.

Please be informed accordingly.

Sincerely yours,

(Company's seal)

(Signed)

(Mr.Sumate Tanthuanit)
Managing Director