



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

TRANSLATION

Ref. No. RCL 023 / 2021

May 14th, 2021

Subject : Explanation on 1st Quarter 2021 Operation Result
To : The Managing Director of the Stock Exchange of Thailand

RCL is pleased to, once again, announce a phenomenal profit of THB 2.94 billion for 1Q21. This amount surpasses the already unprecedented profit of THB 1.3 billion achieved in 4Q20. And to that matter, the profit of 1Q21 has already exceeded the whole year profit of 2020 by 68%.

As the global economies started to recover from the impacts of COVID-19 pandemic, RCL's handled volume grew 6% to 517,000 TEUs in 1Q21 from 489,000 TEUs in 1Q20. The average freight in 1Q21 jumped to THB 13,795 per TEU from a high THB 9,555 per TEU in 4Q20 and from a low THB 8,588 per TEU in 1Q20.

The above combined factors led to a record revenue of THB 7.2 billion in 1Q21 from THB 5.2 billion in 4Q20 or a 37% increase. Unlike 4Q20 which saw freight spikes caused mainly by scarcity of boxes, 1Q21 freight hike was intensified by additional scarcity of vessels. Congestions among ports became prevalent in 1Q21.

The revenue growth in 1Q21 was favorable mainly because of market conditions. However, with the cost control measures of the Group, the cost of freight and operation dropped by 2% to THB 3.87 billion from THB 3.94 billion in 1Q20. Another contributing factor was a lower expense on slot purchase which had been reduced by 49% to THB 264 million from THB 518 million as RCL deployed more of its own ships. Three second-handed ships were purchased and financed by the Group's own funds during 1Q21. Announcements of which have already been made to the public in the quarter. During the period of high charter-hire rates, owning more ships would be more beneficial to the overall operation and competition.

The bunker cost which is a major cost item in our operation was also favorable. The bunker cost per ton in 1Q21 was much lower than in 1Q20. While it was higher in 1Q21 than in 4Q20, the rise in freight rates during the same period more than compensated for it. Other fixed cost especially the compensation cost was higher in 1Q21, commensurate with the overall increase in revenue.

In summary, the positive developments that occurred in 4Q20 have continued very strongly into the year 2021 so that they made the 1Q21 profit of THB 2.94 billion the best ever quarterly result.

Please be informed accordingly.

Sincerely yours,

(Company's seal)

(Signed)

(Mr.Sumate Tanthuanit)
Managing Director