



Bor. Hor. 050/2016

7th November 2016

**Attention: President
The Stock Exchange of Thailand**

Subject: Report of 3rd Quarter 2016 Financial performances

The Company is pleased to report 3rd Quarter 2016 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30th September 2016, the Company's Net Profit After Tax recorded for the 3rd quarter stood at Baht 329 million compared to Net After Tax of Baht 1,453 million in the corresponding period of 2015. Details are as follows:

- 1 Sales and services stood at Baht 4,793 million, reflecting a decrease of 48.4% from the same period of last year. This decrease was mainly attributable to the drop in selling price and sales volumes during 3rd quarter of 2016. Sales volume for asphalt product drop by 9.9% comparing to corresponding quarter in 2015 because weak demand in the export and domestic market this quarter

Cost of sales and services in the 3rd quarter 2016 stood at Baht 4,360 million or 90.96% (86.70% in corresponding quarter in 2015) of sales and services before the allowance for diminution in value of inventory and hedging. The overall lower gross profit margin was due to low asphalt selling price and weak demand.

Brent crude price start at USD 50.35 on the first trading day of July 2016 but reduced to USD 41.80 in August 2016 and gradually went up to USD 49.06 in September 2016. This resulted in the company recording a hedging gain of Baht 153 million which was partially offset by the NRV provision of Baht 108 million.

- 2 Selling and administrative expenses stood at Baht 66.8 million and Baht 189.3 million representing 1.39% and 3.95% of sales and services respectively. Comparatively, these expenses in the same period 2015 stood at Baht 54.1 million and Baht 262.7 million or 0.58% and 2.83% of sales and services, respectively. The company is committed to controlling these overheads.
- 3 There was a recovery of doubtful account during 3rd quarter 2016 of Baht 47.2 million from customers of an overseas subsidiary in China.



- 4 The Group cashflow generated from operations decrease to Baht 3,495 million compared to Baht 4,579 million in corresponding period in 2015.
- 5 The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.56 at the end of Q3 2016 comparing to 0.71 in corresponding period due to decrease in long-term loan, despite consolidating all the liabilities of our newly acquired foreign subsidiaries since the beginning of the year.
- 6 Financial expense in the 3rd quarter 2016 decreased to Baht 19.2 million from Baht 48.9 million when compared with the same period of prior year due to the decrease in long-term loan.
- 7 The Net Profit After Tax of Baht 328.8 million for the 3rd quarter 2016 represented earning per share of Baht 0.21 (par value of Baht 1 each) compare to Baht 0.94 per share in corresponding quarter of 2015 attributable to the equity shareholders of the Company.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director