



Bor. Hor. 037/2016

12th May 2016

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

Subject: Report of 1st Quarter 2016 Financial performances

The Company is pleased to report 1st Quarter 2016 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 31st March 2016, the Company's Net Profit After Tax recorded for the 1st quarter stood at Baht 1,186 million or 5.3% increment, compared to Net After Tax of Baht 1,126 million in the corresponding period of 2015. Details are as follows:

- 1 Sales and services stood at Baht 6,604 million, reflecting a decrease of 20% from the same period of last year. This decrease was mainly attributable to the drop in selling price during 1st quarter of 2016 in relation to lower crude oil prices. Nevertheless, sales volume increased by 38.5% comparing to corresponding quarter in 2015 because of strong demand in both export and domestic market. As a consequence, the Group's operations in refinery, logistic and customer support services were operating at high level of efficiency.

Cost of sales and services in the 1st quarter 2016 stood at Baht 5,211 million or 78.90% (85.34% in corresponding quarter in 2015) of sales and services before the allowance for diminution in value of inventory and hedging. The improvement of gross profit margin was mainly due to the increase of asphalt products sales, while crude cost remained low in the range \$27-40/bbl. In addition, the company had a hedging gain of Baht 121 million including the reversal of net realizable value (NRV) provision of Baht 144 million on inventory. The effectiveness of our hedging strategy has again mitigated the Group's exposure to the commodity market risks and contributed to a sustainable positive operating result.

- 2 Selling and administrative expenses stood at Baht 41.3 million and Baht 276.1 million representing 0.63% and 4.18% of sales and services respectively. Comparatively, these expenses in the same period 2015 stood at Baht 38.4 million and Baht 154.1 million or 0.46% and 1.86% of sales and services, respectively. The increase in administration expense was attributable to employee cost increase comparing to the same period of last year and expenses related to the new acquisition of 7 companies in Singapore, Vietnam, Indonesia and Thailand. The company is committed to controlling these overheads while improving the operating gross profit margin.



- 3 There was a recovery of doubtful account during 1st quarter 2016 of Baht 43.8 million from customers of an overseas subsidiary in China.
- 4 The Group cashflow generated from operations improved significantly to Baht 2,286 million compared to Baht 1,346 million in corresponding period in 2015. The increase was from the unrealised hedging gain in December 2015 but settled in January 2016.
- 5 The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.60 comparing to 0.97 in corresponding period, despite consolidating all the liabilities of our newly acquired foreign subsidiaries at the end of Q1 2016.
- 6 Financial expense in the 1st quarter 2016 decreased to Baht 47.4 million from Baht 54.0 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 1,186 million for the 1st quarter 2016 represented earning per share of Baht 0.77 (par value of Baht 1 each) compare to Baht 0.73 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