



Bor. Hor. 007/2018

14th February 2018

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

Subject: Report of 2017 Audited Consolidated Financial performances

The Company is pleased to report the 2017 audited consolidated financial performance of its Group.

Reference to the audited financial statements ended 31st December 2017, the Company's Net Profit After Tax for the year ended 2017 stood at Baht 2,537 million, compared to the Net Profit After Tax of Baht 3,110 million in 2016. Details of the Company's performance are as follows:

- 1 Sales and services stood at Baht 28,260 million, reflecting an increase of 18% from last year. This increase was mainly attributable to the increase of selling price in line with higher crude price during the year comparing to the prior year. Nevertheless, sales volume of asphalt product decreased by 8% comparing to 2016 because of weaker market demand attributable to prolonged rainy seasons in the export market and lesser Thai government stimulus program for road maintenance and repair.

Cost of sales and services in 2017 stood at Baht 24,109 million or 85.31% (82.99% in 2016) of sales and services before the allowance for diminution in value of inventory that had been adequately hedged. The decrease of gross profit margin was mainly due to the high crude cost.

- 2 Selling and administrative expenses stood at Baht 158.5 million and Baht 1,177.9 million representing 0.56% and 4.17% of sales and services respectively. Comparatively, these expenses in 2016 stood at Baht 259.4 million and Baht 1,045.4 million or 1.08% and 4.35% of sales and services, respectively. The decrease in selling expense was in line with decrease in sale volume, while the company committed to controlling these overhead expenses.
- 3 There was a recovery of doubtful account in 2017 of Baht 112.1 million from customers of an overseas subsidiary in China. The allowance for doubtful accounts was based on the Company's policy for any debt outstanding of more than 1 year to be fully provided.
- 4 The Group's cashflow generated from operations stood at Baht 4,514 million compared to the Baht 4,728 million in 2016.



- 5 The Group's consolidated debt to equity ratio (D/E ratio) improved to 0.51 from 0.59 after prepayment and repayment of long-term loans due to strong cashflow generated from operations. As a consequence, the long-term borrowing/equity ratio decreased to a minimal 0.04 from 0.09.
- 6 Financial expense in 2017 was Baht 106 million as compared to Baht 110 million in the previous year. The decrease was mainly due to repayment of long-term loan.
- 7 Net Profit After Tax of Baht 2,537 million for 2017 represented earning per share of Baht 1.63 (par value of Baht 1 each) as compared to Baht 2.01 per share in previous year.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director