



Bor. Hor. 012/2016

17th February 2016

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

Subject: Report of 2015 Audited Consolidated Financial performances

The Company is pleased to report the 2015 audited consolidated financial performance of its Group.

Reference to the audited financial statements ended 31st December 2015, the Company's Net Profit After Tax recorded its best ever result of Baht 5,079 million or 323.3% increment, compared to Net After Tax of Baht 1,200 million in 2014. Details are as follows:

1. Sales and services stood at Baht 37,137 million, reflecting a decrease of 19% from last year. This decrease was mainly attributable to the drop in selling price in line with lower crude price during the year comparing to the prior year. Nevertheless, sales volume increased by 12.8% comparing to 2014 because demand in both export and domestic market was strong. As a consequence, the Group's operations in refinery, logistic and customer support services were operating at the high level of efficiency.

Cost of sales and services in 2015 stood at Baht 30,641 million or 82.51% (95.62% in 2014) of sales and services before the allowance for diminution in value of inventory that had been adequately hedged. The significant improvement of gross profit margin was mainly due to stable asphalt prices arising from strong demand in both export and domestic market and lower crude cost. The Company achieved a hedging gain of Baht 922 million arising from the ICE Brent price falling from \$58/bbl on the first trading day of 2015 to \$36.5/bbl during the year. 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 200.5 million and Baht 944.6 million representing 0.54% and 2.54% of sales and services respectively. Comparatively, these expenses in 2014 stood at Baht 153.5 million and Baht 643.8 million or 0.34% and 1.41% of sales and services, respectively. The increase in administration expense was attributable to the employee cost increase comparing to 2014 and was in line with business expansion and expenses related to the new acquisition. The company is committed to controlling these overheads while improving the operating gross profit margin.



3. The allowance for doubtful accounts in 2015 was Baht 176.9 million mainly due to provisions for receivable outstanding due from certain customers of an overseas subsidiary in China. There was no net increase in allowance for doubtful accounts for domestic sales. The allowance for doubtful accounts was based on the prudent Group's policy for any debt outstanding more than 1 year to be fully provided.
4. The Group cashflow generated from operations improved significantly to Baht 6,375 million compared to Baht 2,630 million in 2014. This has positive impact to the consolidated debt to equity ratio.
5. The Group's consolidated debt to equity ratio (D/E ratio) continued to improve to 0.60 from 1.47 after repayment of all short term crude financing and prepayment of long-term loan of Baht 449 million due to strong cashflow. Furthermore, the long-term borrowing/equity ratio has also decreased to 0.24 from 0.49.
6. Financial expense in 2015 was Baht 151.1 million compared to Baht 221.8 million in the previous year. The decrease was mainly due to prepayment of long-term loan and 100% repayment of short-term crude financing.
7. Net Profit After Tax of Baht 5,079 million for 2015 represented earning per share of Baht 3.3 (par value of Baht 1 each) compare to Baht 0.78 per share in previous year.
8. The Group's Return on Equity (ROE) remained healthy at 62.4% and 21.4% in 2015 and 2014 respectively.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director