



Bor. Hor. 007/2015

19th February 2015

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

Subject: Report of 2014 Audited Consolidated Financial Performance

The Company is pleased to report the 2014 audited consolidated financial performance of its Group.

Reference to the audited financial statements ended 31st December 2014, the Company's Net Profit After Tax recorded its best result of Baht 1,200 million or 44.4% increment, compared to Net Profit After Tax of Baht 831 million in 2013. Details are as follows:

1. Sales and services stood at Baht 45,727 million reflecting an increase of 34.75% from last year. The increase in sale revenue was mainly attributable to abundance supply of heavy crude and higher sales in export markets due to better market demand in this region and also the increase of our refinery production in Malaysia. In early 2014, the Company entered into a crude term supply contract with a major crude supplier whereby the Company has the opportunity to procure approximately 11 million barrel of heavy crude per annum.

The domestic asphalt sales remained healthy and reported similar sales volume in comparison to 2013.

2. Operating gross profit margin for 4th Quarter recorded another impressive Baht 854 million, continued to show improvement since 3rd Quarter despite the huge falling crude prices. The total operating gross profit for the full year was Baht 2,005 million compared to Baht 1,740 million despite a slow start in the first half year. The Brent market plummeted a whopping US\$ 53/barrel (from US\$111/bbl to US\$58/bbl) during the year. This free fall was the result of surplus crude supply in the market from Shale Oil in the US competing with OPEC productions and also negative global economic outlook by IMF.
3. Our hedging strategy has protected the gross profit margin in this incredible market volatility with a hedging gain of Baht 1,452 million as compared to 2013. This has contributed a significant positive impact to the result of this year as compared to 2013. Under the crude inventory policy, the company has marked to market (MTM) and provided a net realized value (NRV) provision of Baht 358 million on the crude inventory.



4. Selling and administrative expenses stood at Baht 153 million and Baht 644 million representing 0.33%, and 1.40% of sales and services, respectively. Comparatively, these expenses in 2013 stood at Baht 127 million and Baht 658 million or 0.37% and 1.94% of sales and services, respectively. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.

5. The Company's consolidated interest bearing short-term debt to equity ratio significantly improved to 0.80 from 1.72 down attributable to falling crude prices and better working capital management which improved the "crude to cash" conversion cycle. Furthermore, the current ratio which included the short-term loan was at 1.26 ratio, and it is more than adequate to fund this revolving of short-term loan.

The Company's consolidated interest bearing long-term debt to equity ratio improved slightly from 0.37 to 0.36.

6. Financial expense in 2014 was Baht 176 million, an increase from Baht 122 million of 2013 due to higher working capital needs for purchase of crude and the purchase of minority shareholding in the Malaysian refinery in the first quarter of 2014.

7. The Consolidated Net Profit After Tax (excluding minority interest) of Baht 1,200 million represented earning per share of Baht 7.85 attributable to the equity shareholders of the Company in 2014.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director