

**Thoresen Thai Agencies
Public Company Limited**

**Management Discussion and Analysis
FY2017**

**DIRECTING
THE FUTURE**

An abstract graphic design consisting of numerous overlapping, thin blue lines that form a complex pattern of triangles and polygons. The lines are scattered across the page, with a higher concentration in the lower-left and middle sections, creating a sense of movement and direction.

28 February 2018

To: The President of the Stock Exchange of Thailand

Subject: Management Discussion and Analysis for FY2017

Thoresen Thai Agencies Public Company Limited

- The upturn in shipping industry resulted in a turnaround from consolidated net losses to consolidated net profits to TTA of Baht 588.4 million in FY17, growing 241%YoY.
- Strong EBITDA of Baht 2,067.0 million for FY17.
- TTA acquired three second-hand vessels in FY17 at the aggregate value of US\$ 34.7 million to continue with fleet renewal.
- Strong consolidated balance sheet with cash on hand totaling Baht 6.4 billion at year-end 2017.
- Healthy capital structure reflected by low net interest bearing debt to equity at 0.07 times at year-end 2017.

Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	% YoY	% QoQ	2016	2017	% YoY
Revenues	3,597.5	3,113.0	3,547.2	-1%	14%	13,661.8	13,360.1	-2%
Gross Profits/(Losses)	840.0	753.1	1,061.0	26%	41%	2,880.2	3,425.1	19%
Equity Income	102.9	68.4	129.5	26%	89%	552.5	338.4	-39%
EBITDA	617.6	383.0	685.5	11%	79%	2,053.3	2,067.0	1%
Net Profits/(Losses)	(124.8)	25.6	277.0	322%	982%	(96.9)	692.0	814%
Net Profits/(Losses) to TTA	(163.9)	49.1	237.3	245%	383%	(418.3)	588.4	241%
Number of Shares (million Shares)	1,822.5	1,822.5	1,822.5			1,822.5	1,822.5	-
Basic Earnings per Share (in Baht)	(0.09)	0.03	0.13	245%	383%	(0.23)	0.32	241%
Normalized Net Profits/(Losses)	267.5	-15.1	253.9	-5%	1776%	414.3	550.3	33%
Normalized Net Profits/(Losses) to TTA	167.9	20.5	214.2	28%	945%	32.6	489.2	1402%
Gross Margin (%)	23%	24%	30%			21%	26%	
EBITDA Margin (%)	17%	12%	19%			15%	15%	
Net Profit Margin (%)	-3%	1%	8%			-1%	5%	

*Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Consolidated Performance Highlights

In 4Q/17, revenues increased 14%QoQ to Baht 3,547.2 million. Gross profits were Baht 1,061.0 million, improved 26%YoY and 41%QoQ mainly due to higher freight rate from Shipping for both YoY and QoQ growth and also from Offshore Service for QoQ growth. There were extraordinary profits from one of its associates under Investment, Therefore, equity income increased 26%YoY and 89%QoQ to Baht 129.5 million. EBITDA was Baht 685.5 million, increasing 11%YoY and 79%QoQ. Accordingly, consolidated net profits to TTA were recorded at Baht 237.3 million, increased 245%YoY and 383%QoQ. The QoQ increase was mainly due to higher utilization rate of vessels under Offshore Service and higher freight rate under Shipping, and the YoY increase resulted from the latter.

In FY17, revenues were recorded at Baht 13,360.1 million, in line with last year result but with improved margin. Shipping, Offshore Service, Agrochemical, and Investment contributed 30%, 37%, 21% and 12% to the consolidated revenues, respectively. Gross profits amounted to 3,425.1 million, which increased 19%YoY. Gross margin also improved from 21% in FY16 to 26% in FY17 because of higher margin from Shipping. However, equity income decreased 39%YoY to Baht 338.4 million, due to the day rate reduction as per the latest contract renewal of an associate company under Offshore Service. Therefore, EBITDA was Baht 2,067.0 million. In FY16, losses from Shipping and non-recurring (non-cash) items primarily from impairment charges and write-offs from Shipping and Offshore Service resulted in net losses to TTA of Baht 418.3 million whilst in FY17, net profits to TTA were recorded at

Baht 588.4 million, growing 241%YoY, mainly due to significantly improved freight rate under Shipping and lower finance costs.

Significant Events/ Changes during FY17

- Acquired three second-hand vessels and sold two old vessels as per its continued thrust to renew fleet.
- Reclassify the business segments into Shipping, Offshore Service, Agrochemical, and Investment.
- TTA, through its subsidiary, acquired Pizza Hut business in Thailand from Yum Restaurants International (Thailand) Co., Ltd. to enable the Group to diversify into fast-growing and stable Food & Beverage sector.

Business Segment Summary

Average TCE rate in FY17 was at US\$ 8,469 per day, improving 64%YoY.

Shipping's freight revenues in FY17 were recorded at Baht 4,007.4 million, which increased 26%YoY due to improved average TCE rate from US\$ 5,155 per day in FY16 to US\$ 8,469 per day in FY17. Continued uptrend in freight market was reflected in higher Baltic Dry Index (BDI) from its 30 year-lowest level at 290 points in February 2016 to an average of 1,145 points in 2017. In FY17, TCE rate significantly improved and operating cash cost remained flat, so gross margin rose materially YoY from 9% to 27% while in FY16, the freight rate was bottom and there were an impairment charge of Baht 308.0 million. As a result, there was a turnaround from net loss to TTA of Baht 874.4 million in FY16 to net profits to TTA of Baht 408.1 million in FY17.

Order book at year-end 2017 was US\$ 147.8 million.

Offshore Service's revenues in FY17 were recorded at Baht 4,886.7 million, which decreased by 25%YoY. The decrease resulted from the lower vessel utilization rate from 69% in FY16 to 56% in FY17. Management made efforts to save costs by rightsizing operations and this helped SG&A to decrease by 10%. Equity income, secured under 3-year contracts, decreased to Baht 157.9 million due to a reduction in day rates under renewed contracts. Accordingly, EBITDA decreased 49%YoY to Baht 690.6 million. Therefore, Offshore Service reported net profits to TTA of Baht 84.1 million, decreasing 76%YoY. Order book at year-end 2017 was US\$ 147.8 million with scheduled delivery mostly in 2018.

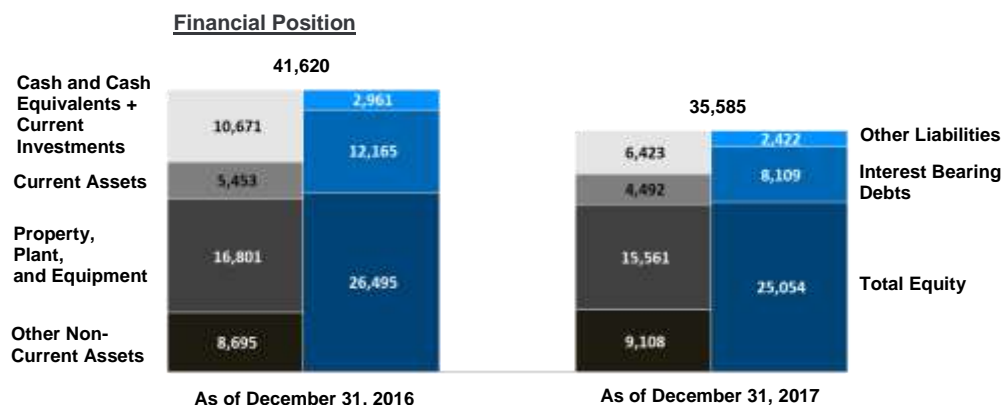
Higher-margin domestic sales volume grew 6%YoY to 121.8 Ktons

Agrochemical's sales revenues amounted to Baht 2,818.1 million, which decreased 11%YoY due to lower export sales volume. Despite lower revenues and higher raw material costs resulted from the temporary increase in import duties, gross margin (spread) in FY17 improved YoY from 28% to 29% due to continued focus on higher-margin domestic market and efficient raw material management. The demand for factory area for leasing is still high with 100% occupancy rate. To serve an increasing demand, approximately additional 20,000 sq.m. area has been constructed and completed in late 2017 and resulted in total factory area for leasing of 66,420 sq.m. at year-end 2017. There was unrealized loss on exchange rate of Baht 14.5 million in FY17. Agrochemical contributed net profits to TTA of Baht 131.4 million, declining 30%YoY in FY17.

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Management Discussion and Analysis for FY17

Ref No. COR:MS/EL18005e/PTP



Strong balance sheet with cash on hand of Baht 6.4 billion.

Healthy capital structure with low IBD/E at 0.07 times.

As at December 31, 2017, TTA had total assets of Baht 35,584.8 million, decreased by Baht 6,035.2 million from the end of 2016, mainly because of cash repayment of debentures and foreign currency translation differences for foreign operations. Cash, cash equivalents, and current investments (cash on hand) remained high at Baht 6,423.1 million. Total liabilities were Baht 10,530.8 million, decreased by Baht 4,594.6 million from the end of 2016 primarily due to repayment of due debentures and long-term borrowings. Retained earnings increased by Baht 502.2 million from year-end 2016 to Baht 628.6 million due to positive earnings while other component of equity, which largely was foreign currency translation differences for foreign operations, decreased to Baht 1,226.7 million; therefore, total equity decreased to Baht 25,054.0 million at year-end 2017. Strong capital structure was reflected by low net interest bearing debt to total equity (IBD/E) of 0.07 times.

Key Financial Ratio

Financial Ratios - Consolidated	Unit	4Q/16	3Q/17	4Q/17	2016	2017
Current Ratio	times	2.04	1.71	1.75	2.04	1.75
EBITDA to Revenues	%	17.2%	12.3%	19.3%	15.0%	15.5%
Net Profits to Revenues - Normalized	%	7.4%	-0.5%	7.2%	3.0%	4.1%
Net Profits to Revenues	%	-3.5%	0.8%	7.8%	-0.7%	5.2%
Returns on Total Assets* - Normalized		1.0%	1.4%	1.4%	1.0%	1.4%
Returns on Total Assets*	%	-0.2%	0.7%	1.8%	-0.2%	1.8%
Returns on Equity* - Normalized		0.2%	2.2%	2.4%	0.2%	2.4%
Returns on Equity*	%	-2.0%	0.9%	2.9%	-2.0%	2.9%
Interest Bearing Debt to Equity	times	0.46	0.32	0.32	0.46	0.32
Net interest Bearing Debt to Equity	times	0.06	0.05	0.07	0.06	0.07

* Annualized

Note:

Current ratio	=	Current assets/ current liabilities
EBITDA to revenues	=	EBITDA/ revenues
Net Profits to revenues - normalized	=	Normalized net profits/ revenues
Net Profits to revenues	=	Net profits/ revenues
Return on total assets - normalized	=	Normalized net profits/ average total assets
Return on total assets	=	Net profits/ average total assets
Return on equity - normalized	=	Normalized net profits/ average shareholder's equity (not including non-controlling interests)
Return on equity	=	Net profits/ average shareholder's equity (not including non-controlling interests)
Interest bearing debt to equity	=	Interest bearing debt/ total shareholder's equity
Net interest bearing debt to equity	=	(Interest bearing debt – cash and cash equivalents - current investments) / total shareholder's equity

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Shipping

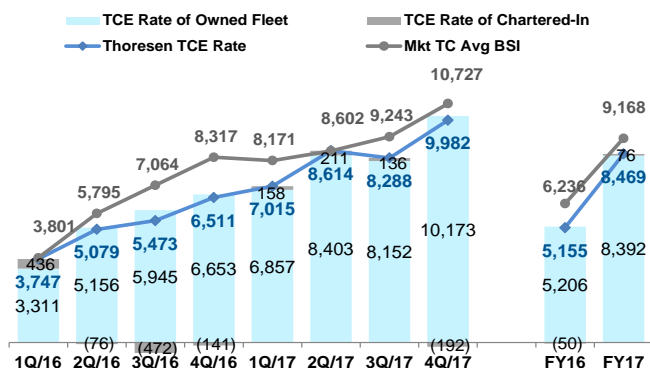
- Average TCE rate improved 64%YoY to US\$ 8,469 per day in FY17.
- Owned fleet utilization rate has remained high at 100% in 4Q/17 and near 100% in FY17.
- A turnaround on net profits, improving 147%YoY to Baht 408.1 million in FY17.

Dry Bulk Market Index



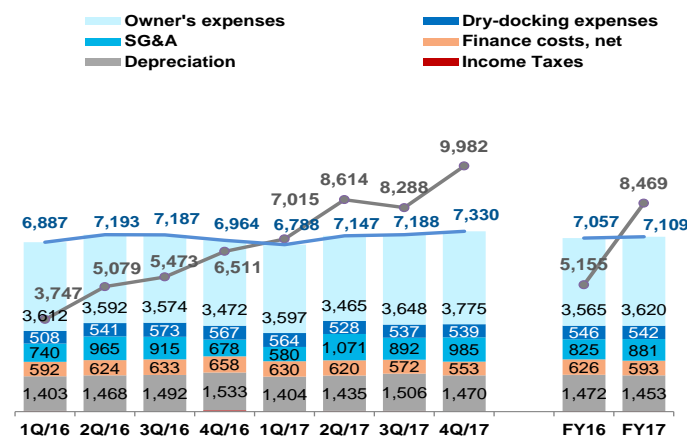
Baltic Dry index (BDI) has continually been on uptrend and picked up from its lowest level at 290 points in February 2016 to the highest level of 1,743 points in December 2017 with an average of 1,145 points for the year 2017, because of continued growth in the Chinese iron ore imports, as well as growth in global seaborne coal and minor bulk trade. The growth on Chinese iron ore imports was supported by the robust growth in steel production and ongoing shift to the higher-quality imported iron ore.

Market TC Avg BSI VS Thoresen's Average TCE Rate



In 4Q/17, freight revenues increased 38%YoY and 26%QoQ to Baht 1,131.9 million as the freight rate increased. Average TCE rate was at US\$ 9,982 per day, which increased 53%YoY and 20%QoQ. Owned fleet utilization rate was at 100%. Gross profits amounted to Baht 351.2 million, increasing 124%YoY and 37%QoQ and gross margin improved to 31% compared to 19% in 4Q/16. SG&A increased YoY and QoQ due to additional expenses for an additional vessel acquired in this quarter. EBITDA was Baht 297.8 million, improving 149%YoY. **Consequently, Shipping registered net profits of Baht 192.8 million, increasing 201%YoY and 160%QoQ in 4Q/17.**

Revenue VS Cost Structure (US\$ per vessel day)



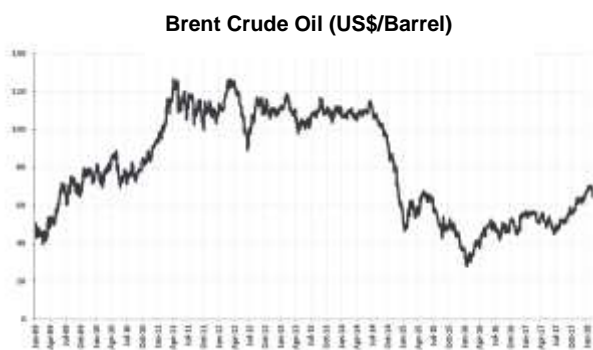
In FY17, freight revenues increased by 26%YoY to Baht 4,007.4 million, driven by the improved freight rate. Average TCE rate was at US\$ 8,469 per day and the highest TCE rate was at US\$ 18,112 per day. Average TCE rate increased 64%YoY from US\$ 5,155 per day in FY16. Operating cash costs remained flat YoY to US\$ 5,042 per day. Gross profits amounted to Baht 1,088.1 million, which increased 287%YoY, and gross margin improved from 9% in FY16 to 27% in FY17. Accordingly, EBITDA was Baht 914.4 million, improving 950%YoY. **In conclusion, Shipping reported a turnaround from net loss of Baht 874.4 million in FY16 to net profits of Baht 408.1 million, 147% growth in FY17.**

As part of on-going fleet renewal plan to develop a modern dry bulk fleet and to increase operating efficiencies, 3 second-hand vessels were acquired and 2 vessels were sold in 2017. Shipping operated an average of 25.0 vessels, comprising 19.8 owned vessels and 5.2 chartered-in vessels in FY17, decreasing from an aggregated average fleet of 28.4 vessels (21.1 owned vessels and 7.3 chartered-in vessels) in FY16. The decrease was mainly due to less availability of proper chartered-in vessels. As at

year-end 2017, Shipping owned 21 vessels with an average size of 53,742 DWT and an average age of 11.98 years.

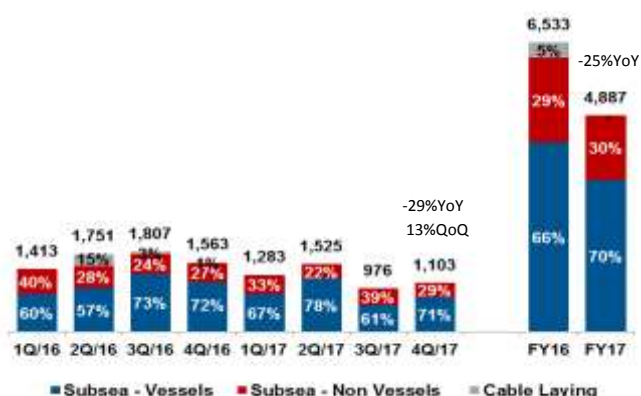
Offshore Service

- Order book at year-end 2017 was US\$ 147.8 million.
- Net profits to TTA amounted to Baht 36.5 million in 4Q/17, better QoQ and YoY while the results in FY17 decreased from lower vessel utilization rate.
- Stable equity income contribution from its drilling business under its associate.



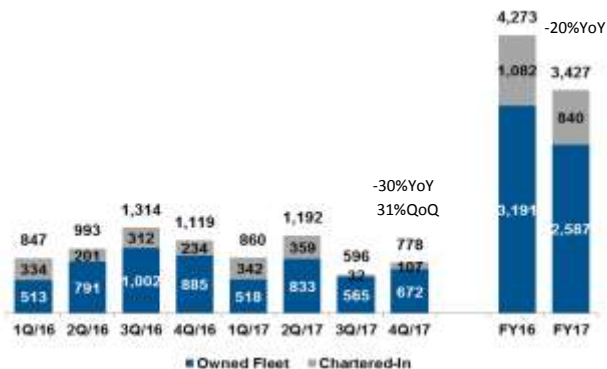
Brent crude oil price slowly rose from the lowest level at US\$ 28 per barrel last year and surged in 4Q/17 to the highest level at US\$ 67 per barrel. The ascent of crude oil's price in late 2017 was caused by a combination of a steady improvement in the global demand and growing tension in the Middle East. Brent crude oil was volatily traded in the range between US\$ 45 - 67 per barrel with the average of US\$ 55 per barrel during 2017.

Revenue Breakdown by Services (in million Baht)



In 4Q/17, Offshore Service recorded revenues of Baht 1,102.7 million, increasing 13%QoQ and decreasing 29%YoY. The QoQ increase was mainly due to higher utilization rate from 42% to 62%, and on the other hand, the YoY decrease primarily resulted from lower utilization rate. Gross profits amounted to Baht 343.7 million, increasing 93%QoQ but decreasing 15%YoY. Although gross profits decreased YoY, the gross margin was higher YoY from 26% to 31%. Equity income was stable QoQ as three-year contracts were renewed in FY16 but decreased YoY because of a reduction in day rates under new contracts. SG&A decreased 24%YoY, primarily due to cost saving and rightsizing exercise. **In conclusion, Offshore Service reported net profits of Baht 63.3 million and attributable net profits to TTA of Baht 1.9 million in 4Q/17.**

Subsea IRM - Vessels Revenue Breakdown (in million Baht)



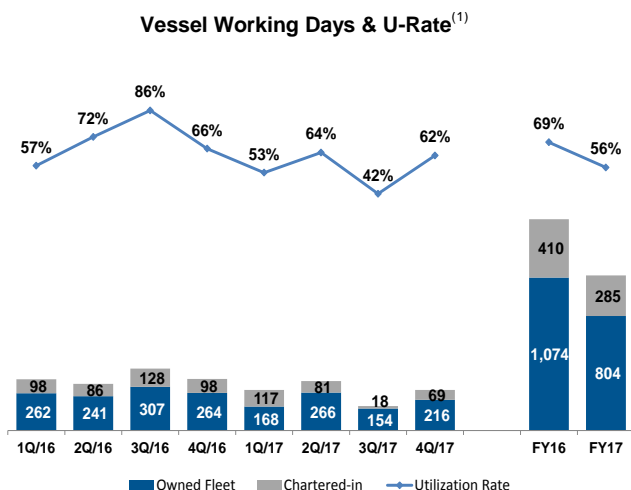
In FY17, Offshore Service recorded revenues of Baht 4,886.7 million, which declined 25%YoY mainly due to lower utilization rate from 69% in FY16 to 56% in FY17. Gross profits amounted to Baht 1,249.9 million, decreasing 28%YoY. Equity income was lower because of a reduction in day rates under new contracts. Accordingly, EBITDA decreased by 49% to Baht 690.6 million. As a result of cost saving implementation, SG&A decreased by 10%. **In conclusion, Offshore Service reported net profits of Baht 144.1 million and attributable net profits to TTA of Baht 84.1 million for FY17. Order book at year-end 2017 was US\$ 147.8 million with scheduled delivery mostly in 2018.**

For drilling business, two very old tender rigs, which are operated under one of its subsidiaries, have remained in cold stack and are

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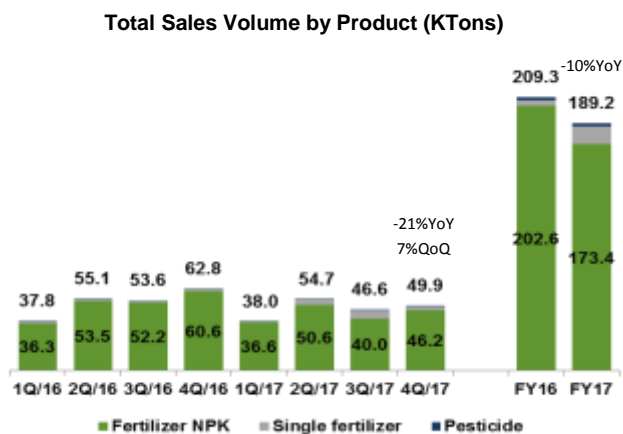


⁽¹⁾ Excluding three non-performing vessels, which is currently in cold stack.

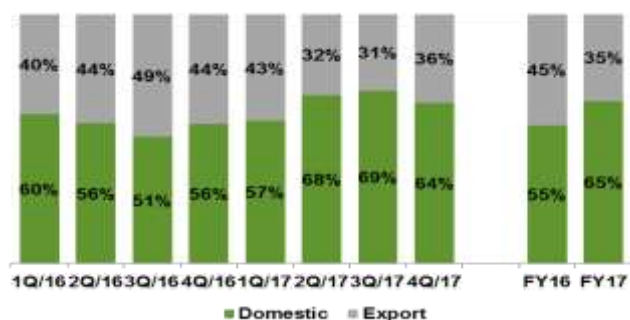
being marketed for sale while three high specification jack-up drilling rigs, operated under one of its associates, have performed strongly with a 100% utilization in FY17 as all three rigs have been awarded an extension of three-year contracts, expiring in 2019. In addition, Offshore Service holds a 33.8 percent equity stake in this associate, and the remaining 66.2 percent is held by Seadrill Limited ("Seadrill"). Seadrill and certain of its subsidiaries have filed prearranged Chapter 11 cases in the Southern District of Texas together with an agreed restructuring plan in September 2017. To date, this associate and its subsidiaries have not filed for Chapter 11 and have also been granted a temporary waiver and forbearance from any defaults which may have arisen under its credit facility. The associate's business operations are also expected to be largely unaffected by Seadrill's Chapter 11 filing.

Agrochemical

- Domestic fertilizer sales volume in Vietnam grew 6%YoY to 121.8 Ktons in FY17 despite the delay in Winter-Spring rice season.
- Continued focus on the higher-margin domestic market and efficient raw material management resulted in higher gross profit margin from 28% in FY16 to 29% in FY17.
- Net profits to TTA in 2017 were Baht 131.4 million, down 30%YoY due to lower export sale volume and unrealized loss from foreign exchange.



Fertilizer Sales Volume by Market (%)



In 4Q/17, heavy and prolonged rainfall and flood delayed Winter-Spring rice season, so many farmers gave up farming during the season. The plantation of major crops in Vietnam such as rice, maize, sweet potato, and soya were reported a YoY decrease. Such severe weather conditions affected the performance of Agrochemical in 4Q/17. Agrochemical recorded sales revenue of Baht 753.3 million, which increased 2%QoQ due to higher sales volume caused by seasonality but dropped 21%YoY due to lower sales volume caused by lower export demand and a shift in Winter-Spring rice season as aforementioned. Accordingly, gross profits increased 6%QoQ and decreased 24%YoY to Baht 228.9 million. **In conclusion, Agrochemical reported net profits of Baht 58.6 million and attributable net profits to TTA of Baht 40.2 million in 4Q/17.**

In FY17, Agrochemical recorded sales revenue of Baht 2,818.1 million, decreased 11%YoY due to lower export sales volume. Although the delay in Winter-Spring rice season became a challenge to sustain the domestic volume in 4Q/17, domestic fertilizer sales volume increased 6%YoY from 114.8 Ktons in FY16 to 121.8 Ktons in FY17 as a result of active sales and marketing while export fertilizer sales volume decreased 29%YoY

Factory Area for Leasing & Occupancy Rate



to 65.3 KTONs due to lower demand especially from Philippines. Gross profits (spread) were Baht 816.4 million, which decreased 9%YoY. Despite lower sales volume and the temporary increase in import duties into Vietnam of the main raw materials (DAP and MAP), effective in 3Q/17, Agrochemical was able to achieve higher gross margin (spread) from 28% in FY16 to 29% in FY17 due to continued focus on the higher-margin domestic market and efficient raw material management. The proportion of domestic fertilizer sales volume to total fertilizer sales volume increased from 55% in FY16 to 65% in FY17. Net profits decreased YoY because of lower export sales volume, as well as unrealized loss on exchange rate of Baht 14.5 million. **Consequently, Agrochemical reported net profits of Baht 191.8 million and attributable net profits to TTA of Baht 131.4 million in FY17.**

Besides fertilizer, Agrochemical also has factory area for leasing. In 4Q/17, total rental space increased to 66,420 sq.m. with the commencement of new warehouses (Baconco 5-B and 5-C), and they have been fully occupied.

Investment

- Investment Sector focused on Food & Beverage (F&B), Water, and Logistics and still have minor impact to consolidated net profits.
- F&B: PHC, the sole franchisee of Pizza Hut business in Thailand, reported the total-system-sales growth of 22%YoY, primarily from outlet expansion, mostly in non-urban areas, and the same-store-sales growth of 12%YoY for the period from acquisition date to the end of 2017. At 31 December, 2017, there were 108 outlets in total, which increased by 13 new outlets since the acquisition in June 2017.
- Water: TTA Suez signed Letter of Intent (LOI) with PWA for the joint study on the efficiency of the distribution & transmission network and the reduction of Non Revenue Water (NRW) in order to manage water resources in Pattaya area.

Yours faithfully,

Thoresen Thai Agencies Public Company Limited

Mr. Chalermchai Mahagitsiri
 President & Chief Executive Officer

Mr. Jitender P. Verma
 Director and Senior Executive Vice
 President & Group CFO

Thoresen Thai Agencies Public Company Limited

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Ref No. COR:MS/EL18005e/PTP

Appendices

Shipping Performance Summary

in million Baht (MB)	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	% YoY
Freight Revenues	820.4	896.3	1,131.9	38%	26%	3,176.9	4,007.4	26%
Vessel Operating Expenses	663.3	639.4	780.6	18%	22%	2,895.6	2,919.3	1%
Gross Profits/(Losses)	157.1	256.9	351.2	124%	37%	281.3	1,088.1	287%
Other Income	6.3	13.1	9.5	51%	-27%	31.7	47.4	50%
Gains/(Losses) on Investment	-	-	0.0	0%	0%	(0.2)	0.0	1.1
SG&A	43.8	56.4	63.0	44%	12%	225.7	221.1	-2%
EBITDA from Operation	119.6	213.5	297.8	149%	39%	87.1	914.4	950%
Equity Income	-	-	-	0%	0%	-	-	0%
EBITDA	119.6	213.5	297.8	149%	39%	87.1	914.4	950%
Depreciation & Amortization	99.0	95.4	93.9	-5%	-2%	402.9	364.8	-9%
EBIT	20.6	118.1	203.9	888%	73%	(315.8)	549.6	274%
Finance Costs	42.5	36.2	35.4	-17%	-2%	171.5	148.8	-13%
Gains/(Losses) from Foreign Exchange	81.8	(5.4)	1.0	-99%	118%	(16.4)	(10.6)	35%
Non-Recurring Items - Impairment on Assets	(240.5)	-	-	100%	0%	(308.0)	-	100%
Non-Recurring Items - Others	(7.4)	(0.2)	23.7	420%	12480%	(56.6)	23.1	141%
Profits/(Losses) before Income Tax	(188.0)	76.3	193.2	203%	153%	(868.2)	413.2	148%
Income Tax Expenses	3.6	2.1	0.5	-87%	-78%	6.2	5.1	-17%
Net Profits/(Losses)	(191.6)	74.2	192.8	201%	160%	(874.4)	408.1	147%
Normalized Net Profits/(Losses)	56.3	74.4	169.0	200%	127%	(509.9)	385.0	176%
Gross Margin (%)	19%	29%	31%			9%	27%	
EBITDA Margin (%)	15%	24%	26%			3%	23%	
Net Profit Margin (%)	-23%	8%	17%			-28%	10%	

*TTA held 100.00% of issued and paid up capital of TSG at year-end 2017.

**As consolidated on TTA's P&L

***Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Fleet data Summary	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Average DWT (Tons)	53,188	53,188	53,742	1%	1%	52,555	53,742	2%
Calendar days for owned fleet ⁽¹⁾	1,921	1,921	1,969	2%	2%	7,946	7,485	-6%
Available service days for owned fleet ⁽²⁾	1,897	1,897	1,836	-3%	-3%	7,763	7,296	-6%
Operating days for owned fleet ⁽³⁾	1,878	1,878	1,836	-2%	-2%	7,713	7,225	-6%
Owned fleet utilization ⁽⁴⁾	99.0%	99.0%	100.0%	1%	1%	99.4%	99.0%	0%
Voyage days for chartered-in fleet	316	316	624	98%	98%	2,690	1,914	-29%
Average number of vessels ⁽⁵⁾	23.8	23.8	26.7	12%	12%	28.4	25.0	-12%
Market Rate (USD/Day)	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
BDI Index	994	1,137	1,509	52%	33%	673	1,145	70%
BSI Index	795	843	977	23%	16%	596	844	42%
Mkt TC Avg BSI	8,317	9,243	10,727	29%	16%	6,236	9,168	47%
Average Daily Operating Results ⁽⁶⁾ (USD/Day)	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Highest TCE Rate	16,179	16,460	18,112	12%	10%	16,179	18,112	12%
Thoresen TCE Rate ⁽⁷⁾	6,511	8,288	9,982	53%	20%	5,155	8,469	64%
TCE Rate of Owned Fleet	6,653	8,152	10,173	53%	25%	5,206	8,392	61%
TCE Rate of Chartered-In	(141)	136	(192)	-36%	-241%	(50)	76	251%
Expenses	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
Vessel operating expenses (Owner's expenses)	3,472	3,648	3,775	9%	3%	3,565	3,620	2%
Dry-docking expenses	567	537	539	-5%	0%	546	542	-1%
General and administrative expenses	678	892	985	45%	11%	825	881	7%
Cash costs	4,717	5,077	5,300	12%	4%	4,936	5,042	2%
Finance costs, net	658	572	553	-16%	-3%	626	593	-5%
Depreciation	1,533	1,506	1,470	-4%	-2%	1,472	1,453	-1%
Income Taxes	56	33	7	-87%	-78%	23	20	-10%
Total costs	6,964	7,188	7,330	5%	2%	7,057	7,109	1%
Operating Results	4Q/16	3Q/17	4Q/17	%YoY	%QoQ	FY16	FY17	%YoY
USD/THB Rate (Daily Average)	(453)	1,100	2,651	685%	141%	(1,901)	1,360	172%
USD/THB Rate	35.39	33.39	32.95	-7%	-1%	35.30	33.94	-4%

⁽⁷⁾The per day basis is calculated based on available service days.

Note:

- Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Available service days are calendar days(1) less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Operating days are the available days (2) less unplanned off-hire days, which occurred during the service voyage.
- Fleet utilization is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.
- Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.
- The per day basis is calculated based on available service days for owned fleet
- Thoresen TCE Rate = Owned Vessel TCE Rate + Chartered-In Rate

TCE Rate = Time-Charter Equivalent Rate
TC Rate = Time-Charter Rate

BDI = The Baltic Exchange Dry Index
BSI = The Baltic Exchange Supramax Index
HSI = The Baltic Exchange Handysize Index

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for FY17

Ref No. COR:MS/EL18005e/PTP

Offshore Service Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	% YoY	% QoQ	FY16	FY17	% YoY
Revenues	1,562.7	976.0	1,102.7	-29%	13%	6,533.4	4,886.7	-25%
Total Costs	1,158.9	798.2	759.0	-35%	-5%	4,808.6	3,636.8	-24%
Gross Profits/(Losses)	403.8	177.8	343.7	-15%	93%	1,724.8	1,249.9	-28%
Other Income	47.9	15.0	9.3	-81%	-38%	67.4	34.9	-48%
SG&A	232.1	181.6	175.7	-24%	-3%	839.3	752.0	-10%
EBITDA from Operation	219.6	11.3	177.3	-19%	1476%	952.9	532.8	-44%
Equity Income	62.0	37.5	38.2	-38%	2%	407.6	157.9	-61%
EBITDA	281.6	48.8	215.5	-23%	342%	1,360.5	690.6	-49%
Depreciation & Amortization	154.6	129.5	127.0	-18%	-2%	599.2	537.8	-10%
EBIT	127.0	(80.7)	88.5	-30%	210%	761.3	152.8	-80%
Finance Costs	31.5	30.6	29.6	-6%	-3%	122.7	121.6	-1%
Gains/(Losses) from Foreign Exchange	0.4	4.1	11.7	3095%	183%	9.9	36.9	271%
Non-Recurring Items - Others	(144.8)	32.2	0.0	100%	-100%	(143.8)	77.8	154%
Profits/(Losses) before Income Tax	(48.9)	(75.0)	70.7	245%	194%	504.8	145.9	-71%
Income Tax Expenses	(73.7)	(5.6)	7.4	110%	232%	(100.3)	1.8	102%
Net Profits/(Losses)	24.8	(69.4)	63.3	155%	191%	605.0	144.1	-76%
Net Profits/(Losses) Attributable to Non-Controlling Interest	(12.3)	29.8	(26.8)	-117%	-190%	(255.2)	(60.0)	77%
Net Profits/(Losses) to TTA	12.5	(39.6)	36.5	192%	192%	349.8	84.1	-76%
Normalized Net Profits/(Losses)	169.6	(101.6)	63.3	-63%	162%	748.8	66.3	-91%
Normalized Net Profits/(Losses) To TTA	96.8	(58.4)	36.5	-62%	162%	433.5	38.9	-91%
Gross Margin (%)	26%	18%	31%			26%	26%	
EBITDA Margin (%)	18%	5%	20%			21%	14%	
Net Profit Margin (%)	2%	-7%	6%			9%	3%	

*TTA directly and indirectly held 58.22% of issued and paid up capital of MML at year-end 2017.

**Normalized Net Profits/(Losses) = Net Profits/(Losses) - Non-Recurring Items

Agrochemical Performance Summary

in million Baht	4Q/16	3Q/17	4Q/17	% YoY	% QoQ	FY16	FY17	% YoY
Sales Revenues	954.0	735.1	753.3	-21%	2%	3,177.7	2,818.1	-11%
Raw Material Costs	654.0	519.9	524.4	-20%	1%	2,280.5	2,001.7	-12%
Gross Profits/(Losses)	300.0	215.2	228.9	-24%	6%	897.2	816.4	-9%
Service & Other Income	16.6	16.1	14.9	-10%	-8%	57.0	58.8	3%
Operating Cost	73.6	68.4	66.4	-10%	-3%	244.3	252.4	3%
Cost of Providing Services	6.2	7.3	6.9	12%	-5%	19.8	27.0	36%
SG&A	86.6	70.0	76.0	-12%	9%	293.8	277.3	-6%
EBITDA	150.2	85.6	94.5	-37%	10%	396.4	318.5	-20%
Depreciation & Amortization	16.5	15.9	16.0	-3%	1%	65.8	63.5	-4%
EBIT	133.7	69.7	78.5	-41%	13%	330.6	255.1	-23%
Finance Costs	0.3	0.9	0.9	263%	-1%	5.8	2.2	-61%
Gains/(Losses) from Foreign Exchange	7.3	(1.8)	(2.6)	-136%	-44%	3.6	(14.5)	-499%
Profits/(Losses) before Income Tax	140.8	67.0	74.9	-47%	12%	328.5	238.4	-27%
Income Tax Expenses	29.9	10.1	16.3	-46%	62%	51.5	46.6	-9%
Net Profits/(Losses)	110.9	56.9	58.6	-47%	3%	277.0	191.8	-31%
Net Profits/(Losses) Attributable To Non-Controlling Interests	35.0	17.9	18.5	-47%	3%	89.1	60.4	-32%
To TTA	75.9	39.0	40.2	-47%	3%	188.0	131.4	-30%
Gross Margin (%)	31%	29%	30%			28%	29%	
EBITDA Margin (%)	16%	12%	13%			12%	11%	
Net Profit Margin (%)	12%	8%	8%			9%	7%	

*TTA held 68.52% of issued and paid up capital of PMTA at year-end 2017.

**Gross Profits = Sales Revenues - Raw Material Costs