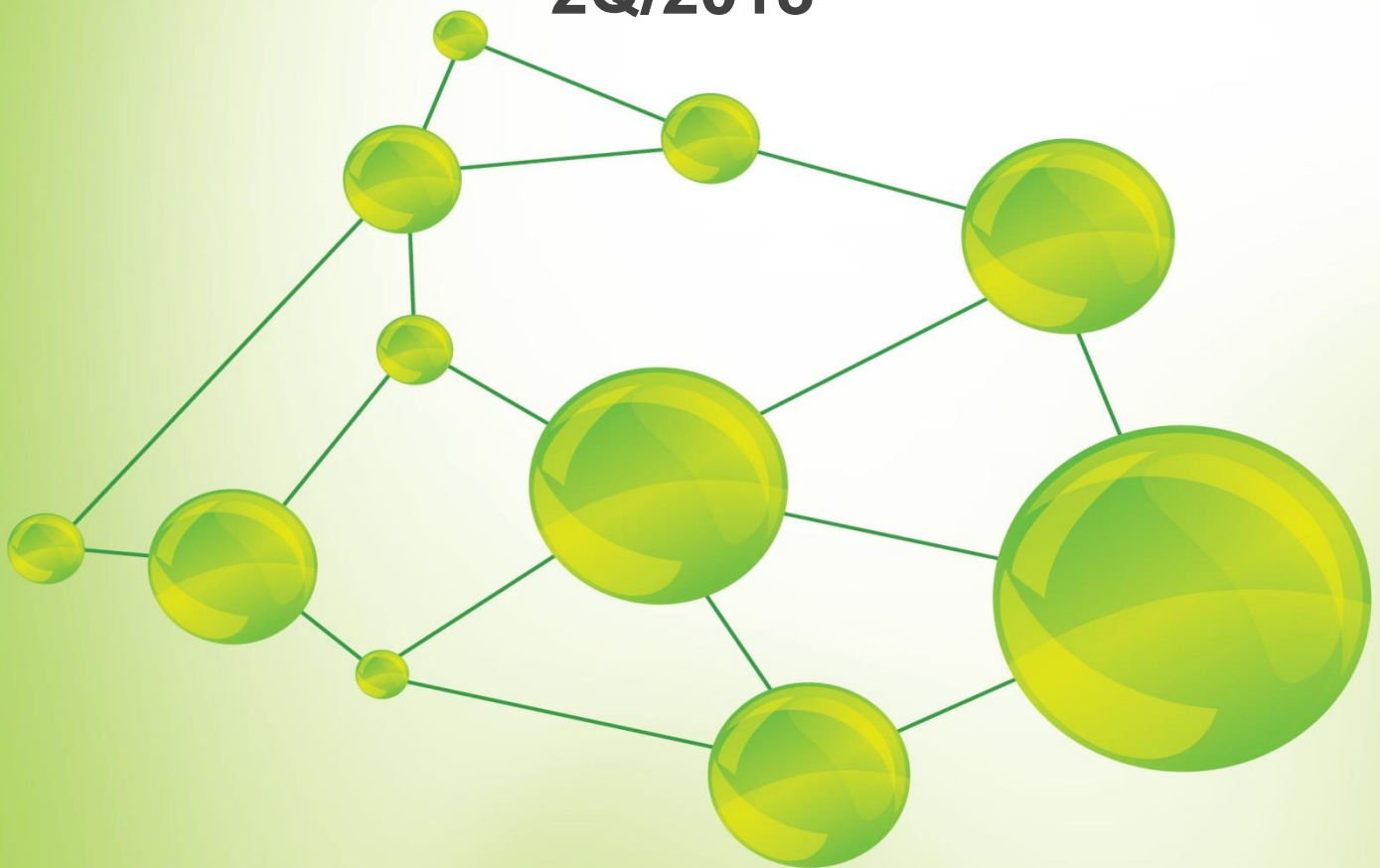


Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis

2Q/2018



**KEEP
THE
MOMENTUM**

14 August 2018

To: The President of the Stock Exchange of Thailand
 Subject: Management Discussion and Analysis for 2Q/2018

Thoresen Thai Agencies Public Company Limited

- TTA reported consolidated net profits of Baht 94.2 million, which increased 1050%QoQ in 2Q/18.
- Positive EBITDA of Baht 399.9 million for 2Q/18, increasing 94%QoQ.
- Higher bareboat charter rate for drilling business mainly increased share of profit of associates and JVs by 123%QoQ to Baht 135.3 million.
- Shipping Segment delivered highest net profit in the last 8 years (33 quarters) of Baht 270.2 million.
- Healthy capital structure reflected by low net interest bearing debt to equity at 0.12 times at the end of 2Q/18.

Performance Summary

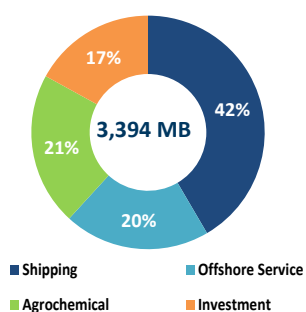
in million Baht	2Q/17	1Q/18	2Q/18	% YoY	% QoQ	6M17	6M18	% YoY
Revenues	3,597.0	3,113.2	3,394.2	-6%	9%	6,699.9	6,507.4	-3%
Gross Profits/(Losses)	974.2	615.1	755.4	-22%	23%	1,611.0	1,370.4	-15%
Share of Profit of Associates and JVs	70.7	60.8	135.3	91%	123%	140.4	196.1	40%
EBITDA	611.9	206.3	399.9	-35%	94%	998.5	606.2	-39%
Net Profits/(Losses)	292.4	(73.4)	(12.9)	-104%	82%	389.4	(86.3)	-122%
Net Profits/(Losses) to TTA	214.7	8.2	94.2	-56%	1050%	301.9	102.4	-66%
Number of Shares (million Shares)	1,822.5	1,822.5	1,822.5	0%	0%	1,822.5	1,822.5	0%
Basic Earnings per Share (in Baht)	0.12	0.004	0.05	-56%	1050%	0.17	0.06	-66%
Normalized Net Profits/(Losses)	254.9	(213.0)	5.4	-98%	103%	311.6	(207.5)	-167%
Normalized Net Profits/(Losses) to TTA	188.7	(104.3)	108.3	-43%	204%	254.5	4.0	-98%
Gross Margin (%)	27%	20%	22%			24%	21%	
EBITDA Margin (%)	17%	7%	12%			15%	9%	
Net Profit Margin (%)	8%	-2%	-0.4%			6%	-1%	

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

Consolidated Performance Highlights

In 2Q/18, revenues were recorded at Baht 3,394.2 million, increasing 9%QoQ and decreasing 6%YoY. Shipping, Offshore Service, Agrochemical, and Investment Segments contributed 42%, 20%, 21% and 17% to the consolidated revenues, respectively. Accordingly, gross profits amounted to 755.4 million, increasing 23%QoQ and decreasing 22%YoY. Share of profit of associates and JVs increased 123%QoQ and 91% YoY to Baht 135.3 million, mainly from higher bareboat charter rate for drilling business under its associate. EBITDA was at Baht 399.9 million, increasing 94%QoQ and decreasing 35%YoY. As Shipping Segment continued to deliver new high-record net profits to TTA of Baht 270.2 million, TTA reported consolidated net profits of Baht 94.2 million, which increased 1050%QoQ in 2Q/18, but decreased 56%YoY, mainly from loss under Offshore Service Segment due to lower operating days caused by scheduled dry docking and lower demand in Southeast Asia. However, Offshore Service Segment has received strong demand in Middle East and maintained firm utilization rate of owned vessels at 70% in 2Q/18.

Revenue Structure



2Q/18

Significant Events/ Changes during 2Q/18 and after Reporting Period

- TTA acquired one second-hand vessel and sold one old vessel as per TTA's continued thrust to renew fleet, and sold two tender rigs under Offshore Service Segment, which had been in cold stack and were marketed for sales.
- One subsea vessel under Offshore Service Segment and four vessels under Shipping Segment were sent for scheduled dry docking.

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for 2Q/18

Ref No. COR:MS/EL18028e/PTP

- TTA, through its subsidiary, was granted the right to enter into the Franchise Agreement (“FA”) with Taco Bell Restaurants Asia Pte. Ltd., a subsidiary of YUM Brand Inc., managing Taco Bell franchise in Asia, to enable the Group to diversify into fast-growing and stable Food & Beverage sector.
- TTA repaid debentures of Baht 2,000.0 million at maturity in July 2018.
- In August 2018, TTA entered into an agreement to acquire 80% stake in Asia Infrastructure Management (Thailand) Co., Ltd. (“AIM”), a Thai water contractor/service company, to create synergy with existing Water Business.

Business Segment Summary

Average TCE rate in 2Q/18 was at US\$ 11,993 per day, 14% over net market TC rate.

Shipping Segment’s freight revenues in 2Q/18 were reported at Baht 1,410.5 million, which increased 49%YoY due to improved freight rate. Average TCE rate increased 40%YoY to US\$ 11,993 per day in 2Q/18, outperformed net market TC Avg BSI of US\$ 10,480 per day by 14%. Continued strong growth in freight market was reflected by higher Baltic Dry Index (BDI). BDI has increased from 953 points at the beginning of 2017 to an average of 1,260 points in 2Q/18. Gross profits rose 60%YoY to Baht 459.9 million as freight rate escalated while operating cash cost maintained. Accordingly, EBITDA increased 82%YoY to Baht 412.4 million. As a result, Shipping Segment reported new high record of net profits to TTA of Baht 270.2 million, improving 184%YoY in 2Q/18.

Higher bareboat charter rate for drilling business increased share of profit of associates and JVs by 138%YoY.

Offshore Service Segment’s revenues in 2Q/18 were recorded at Baht 687.1 million, which increased 21% QoQ and decreased 55%YoY. The QoQ increase was due to seasonality while the YoY decrease resulted from lower operating days due to one vessel off-hired for dry docking and lower demand for chartered-in vessels in Southeast Asia. Accordingly, utilization rate for all performing vessels increased QoQ from 43% in 1Q/18 to 54% in 2Q/18, but decreased YoY from 64% in 2Q/17. However, utilization rate for owned vessels remained stable YoY at 70% in 2Q/18 due to strong demand in Middle East. Gross profits turned positive to Baht 3.1 million, compared to gross loss in the last quarter. Higher bareboat charter rate for drilling business under its associate made share of profit of associates and JVs increase by 138%YoY to Baht 96.2 million. EBITDA was Baht (76.2) million. Therefore, Offshore Service Segment reported net loss to TTA of Baht 143.1 million. Order book at the end of 2Q/18 was US\$ 165 million, increasing 14% from year-end 2017.

In 1H/18, total fertilizer sales volume increased 9%YoY to 100.3 KTONs, but decreased 11%YoY to 48.3 KTONs in 2Q/18.

Agrochemical Segment’s sales revenues in 2Q/18 amounted to Baht 701.6 million, increasing 1%QoQ and decreasing 11%YoY. Overall in 1H/18, Vietnamese farmers have suffered from low agricultural price over major crops and fruits, so they were temporarily concerned to save costs, rather than to improve yield. In addition, rice cultivation area was limited by higher salinity in the river water. However, total fertilizer sales volume increased 9%YoY to 100.3 KTONs in 1H/18 due to recovered export market and continued active sales and marketing for domestic market, but decreased 11%YoY to 48.3 KTONs in 2Q/18. Escalated raw material cost caused slimmer margin; therefore, gross profits (spread) decreased 25%YoY to Baht 164.9 million. EBITDA was Baht 43.5 million. Agrochemical Segment contributed net profits to TTA of Baht 19.4 million in 2Q/18.

Financial Position

Strong balance sheet with cash under management of Baht 7.4 billion.

As at June 30, 2018, TTA had total assets of Baht 37,723.1 million, increasing Baht 2,138.3 million from the end of 2017, mainly from cash proceed from debentures previously issued in 1Q/18. Cash under management, which combines cash, cash equivalents, and current investments, remained high at Baht 7,394.7 million. Total liabilities increased by Baht 2,053.2 million from the end of 2017 to Baht 12,584.0 million, due to the issuance of debentures mainly to repay maturing debentures of Baht 2,000.0 million in July 2018. Total equity increased to Baht 25,139.1 million, mainly from positive net profits and foreign currency translation for foreign operations as Thai Baht weakened against US Dollar. Strong capital structure of TTA was reflected by low net interest bearing debt to total equity (IBD/E) of 0.12 times.

Healthy capital structure with low net IBD/E at 0.12 times.

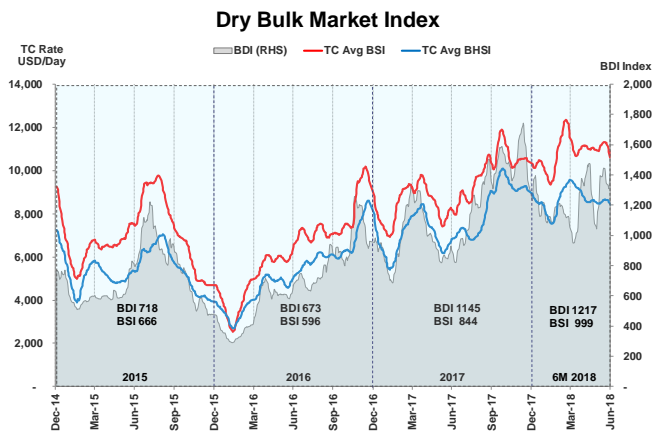
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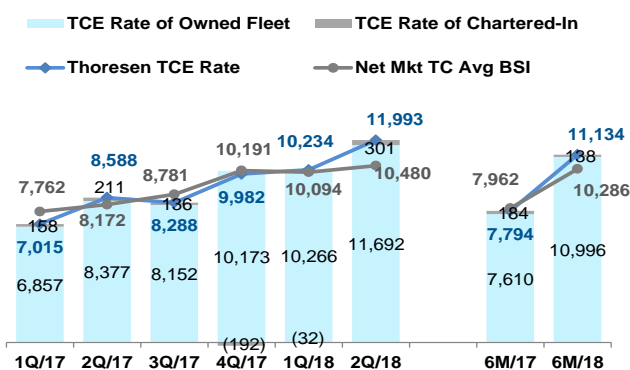
Shipping Segment

- Average TCE rate improved to US\$ 11,993 per day in 2Q/18, 14% over net market TC rate.
- Owned fleet utilization rate has remained high at 100% in 2Q/18.
- Net profits in 2Q/18 reached record highs at Baht 270.2 million, increasing 184%YoY.



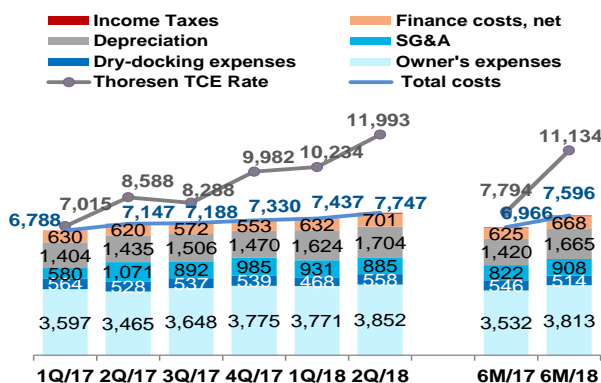
Baltic Dry index (BDI) has continually been on uptrend and increased from 953 points at the beginning of 2017 to an average of 1,260 points in 2Q/18, due to limited bulk carrier fleet growth and continued growth for dry bulk trade, especially iron ore and minor bulk trade. Although there are some risks in general, the views from shipping researchers expect that growth in seaborne dry bulk trade would outpace fleet growth for a second consecutive year in 2018, and the implemented and potential tariffs on trade between USA and its major trade partners (including China and the EU) have or could have minor impact on global seaborne dry bulk trade.

Net Market TC Avg BSI VS Thoresen's Average TCE Rate



In 2Q/18, Shipping Segment's average TCE rate was at US\$ 11,993 per day, improved 17%QoQ and 40%YoY, and also outperformed net Supramax average TC rate (net Mkt TC Avg BSI) of US\$ 10,480 per day by 14%. TCE rate comprised owned fleet TCE rate of US\$ 11,692 per day and gain from chartered-in vessels of US\$ 301 per day. The highest TCE rate was at US\$ 25,462 per day. Owned fleet utilization rate remained high at 100%. Total operating days increased by 8%YoY for owned fleet and by 99%YoY for chartered-in fleet due to increasing demand. Operating cash costs remained flat at US\$ 5,294 per day.

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



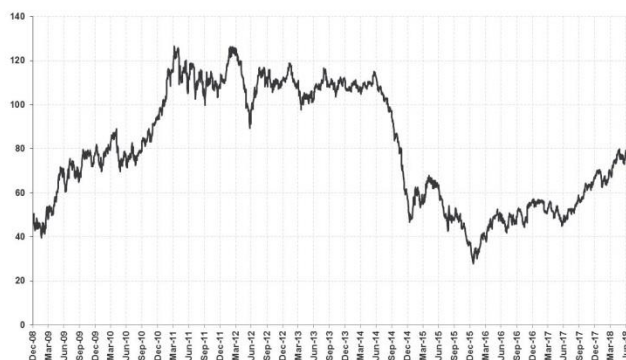
As part of on-going fleet renewal plan to develop a modern dry bulk fleet and to increase operating efficiencies, one second-hand vessel was acquired and one vessel was sold in 2Q/18. Shipping Segment operated an average of 30.1 vessels, comprising 20.7 owned vessels and 9.4 chartered-in vessels in 2Q/18, increasing from an aggregated average fleet in 2Q/17 of 24.0 vessels, which comprised 19.2 owned vessels and 4.8 chartered-in vessels. The increase was mainly due to higher demand. As at the end of 2Q/18, Shipping Segment owned 21 vessels with an average size of 55,285 DWT and an average age of 11.21 years.

The revenues in 2Q/18 increased 9%QoQ and 49%YoY to Baht 1,410.5 million, due to significant improvement in freight rate and higher demand. Gross profits amounted to Baht 459.9 million, which increased 60%YoY, and gross margin improved from 30% in 2Q/17 to 33% in 2Q/18. Accordingly, EBITDA was Baht 412.4 million, improving 82%YoY. Shipping Segment reported net profits to TTA of Baht 270.2 million, 184%YoY growth in 2Q/18.

Offshore Service Segment

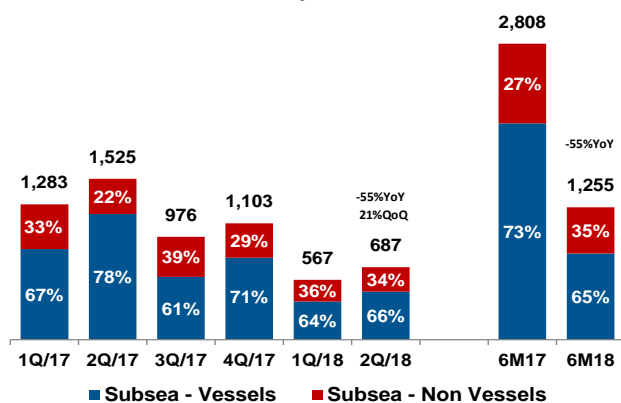
- Order book at the end of 2Q/18 was US\$ 165 million, increasing 14% from year-end 2017.
- Utilization rate for owned vessels remained stable at 70%, but one vessel off-hired for dry docking and lower demand for chartered-in vessels in Southeast Asia resulted in attributable loss of Baht 143.1 million in 2Q/18.
- Higher bareboat charter rate for drilling business made share of profit of associates and JVs increase by 138%YoY to Baht 96.2 million.

Brent Crude Oil (US\$/bbl)

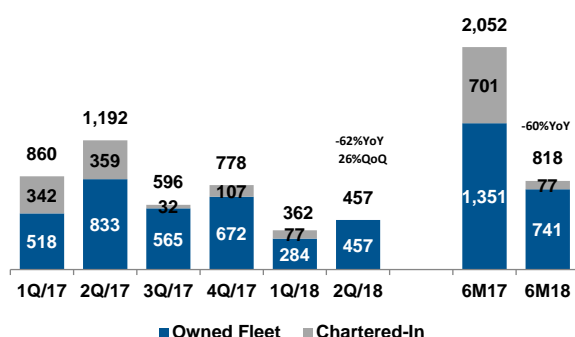


Source: CO1: COM

Revenue Breakdown by Services (in million Baht)



Subsea IRM - Vessels Revenue Breakdown (in million Baht)



Brent crude oil price rose from an average of US\$ 55/bbl in 2017 to an average of US\$ 75/bbl in 2Q/18. The ascent of crude oil's price during the past six months was caused by agreed oil production cut of OPEC and some non-OPEC producers, as well as concerns over tightened supplies caused by growing tension in the Middle East over the new sanctions against Iran and Venezuela by USA. However, the market outlook is still volatile due to the oil production increases by both OPEC producers and USA in the future. Brent crude oil has volatily traded in the range of US\$ 67–80/bbl in 2Q/18.

In 2Q/18, Offshore Service Segment recorded revenues of Baht 687.1 million, increasing 21%QoQ, but decreasing 55%YoY. The QoQ increase was due to seasonality and the YoY decrease was caused by lower demand and scheduled dry docking of one owned subsea vessels. Owned fleet utilization had picked up to 70% in 2Q/18, compared to 39% in the last quarter, and remained steady when compared to 73% in 2Q/17 mainly due to strong demand in Middle East. However, lower chartered-in working days driven by lower demand in Southeast Asia caused the YoY decrease in subsea utilization rate for all performing vessels from 64% in 2Q/17 to 54% in 2Q/18. With increasing revenues and improved gross margin, gross profits in 2Q/18 turned positive to Baht 3.1 million, compared to gross loss of Baht 32.4 million in the last quarter. SG&A decreased by 9%YoY, due to continued cost saving and rightsizing exercise. As a result of higher bareboat charter rate for drilling business under secured three-year contracts, share of profit of associates and JVs increased by 135%QoQ and 138%YoY to Baht 96.2 million. The new bareboat charter rate was adjusted back till January 2018, and the compensation was recognized in 2Q/18. EBITDA amounted to Baht (76.2) million, increasing 43% QoQ and decreasing 128% YoY. **Taking in to account of a loss from foreign exchange and an asset write-off on obsolete inventories, Offshore Service Segment reported net loss of Baht 245.6 million and attributable net loss to TTA of Baht 143.1 million in 2Q/18.** Order book as at 30 June 2018 was US\$ 165.0 million with work projected to be performed from 3Q/18 to the end of 2019.

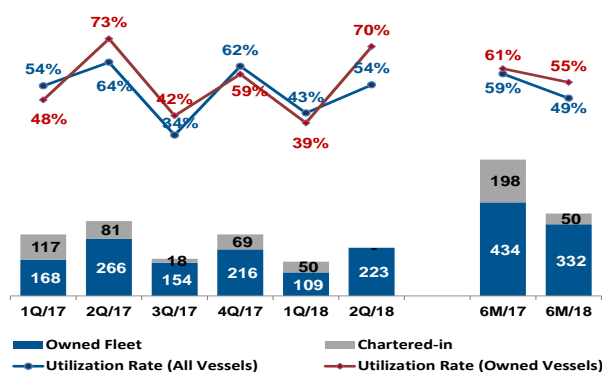
For drilling business, two tender rigs, which had been in cold stack and were marketed for sales, were sold. On the other hand, three high specification jack-up drilling rigs, operated under one of its associates, have performed strongly with a 100%

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Vessel Working Days & Utilization Rate ^{(1), (2)}



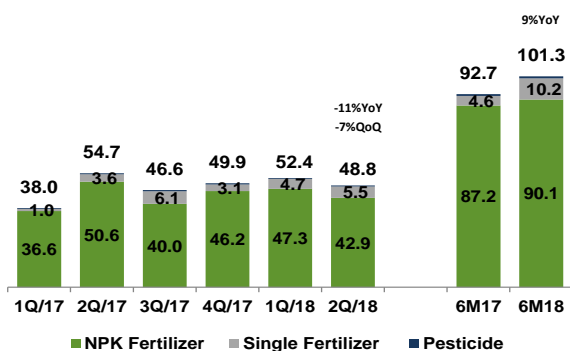
⁽¹⁾ Excluding three non-performing vessels, which is currently in cold stack.
⁽²⁾ Utilization rate is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days (excluding dry-docking period) for the relevant period.

utilization in 2Q/18 as all three rigs had been working under long-term contracts, expiring in 2019. Furthermore, in 2Q/18 these rigs received higher bareboat charter rate. In addition, Offshore Service Segment holds a 33.8 percent equity stake in this associate, and the remaining 66.2 percent is held by Seadrill Limited ("Seadrill"), subsequently novated to Seadrill Rig Holding Company Limited ("SRHL") as part of Seadrill's Chapter 11 plan of reorganization. Seadrill announced on 2 July 2018 that it has emerged from Chapter 11 after successfully completing its reorganization. Previously, this associate and its subsidiaries have agreed to become a party to the Seadrill restructuring package and, as a result of this joinder, have, among other things, reached agreement with the bank lenders to extend the maturities of its credit facility, and include more flexible financial covenants. In addition, its shareholders have agreed the terms of put and call options with certain conditions in relation to 33.8 percent of shares held by Offshore Service Segment.

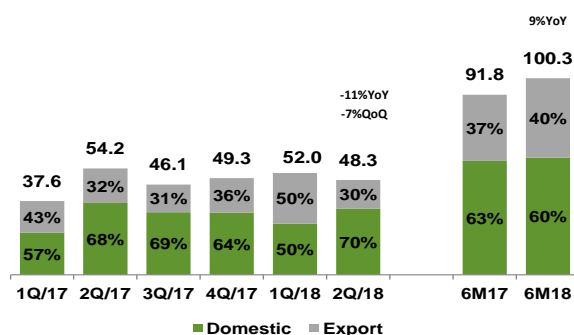
Agrochemical Segment

- In 1H/18, total fertilizer sales volume increased 9%YoY to 100.3 KTons, but decreased 11%YoY to 48.3 KTons in 2Q/18.
- Net profits to TTA in 2Q/18 were Baht 19.4 million.

Total Sales Volume by Product (KTons)



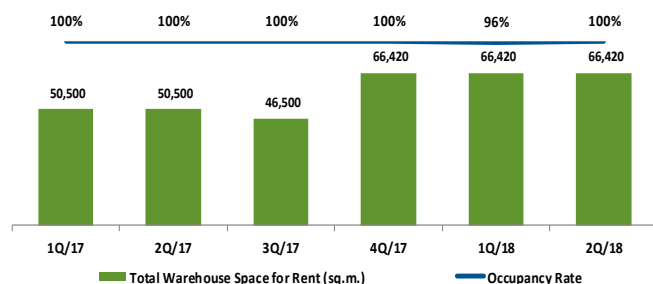
Total Fertilizer Sales Volume by Market (KTons)



During 1H/18, farmers in Vietnam suffered from low agricultural price over major crops and fruits, such as coffee and pepper, so farmers were temporarily concerned to save costs, rather than to improve yield, and preferred to use more single fertilizer, of which price, as well as yield, is lower. In addition, rice cultivation areas were limited by high salinity in the river, so demand for rice fertilizer declined. However, in 1H/18, total fertilizer sales volume still increased 9%YoY to 100.3 KTons as export market has recovered and continued active sales and marketing helped to boost domestic market. On the other hand, in 2Q/18 total fertilizer sales decreased 11%YoY to 48.3 KTons, and domestic sales volume increased 29%QoQ to 33.7 KTons due to seasonality, but decreased 8%YoY from sluggish demand and competition in Vietnam. Regarding sales volume by product, single fertilizer volume increased 51%YoY to 5.4 KTons while NPK fertilizer volume decreased 15%YoY to 42.9 KTons.

In 2Q/18, Agrochemical Segment recorded sales revenue of Baht 701.6 million, slightly increased from last quarter, but declined 11%YoY due to lower sales volume. Gross profits (spread) amounted to Baht 164.9 million, decreasing 25%YoY due to increasing raw materials cost. Accordingly, gross margin declined from 28% in 2Q/17 to 23% in 2Q/18. EBITDA was Baht 43.5 million, which increased 4%QoQ and decreased 57%YoY. Depreciation was stable QoQ, but slightly higher YoY from the commencement of new warehouses (Baconco 5-B and 5-C) in 4Q/17. In addition, there were realized/unrealized gain from

Factory Area for Leasing & Occupancy Rate



foreign exchange of Baht 7.9 million as Thai Baht weakened against US Dollar and Vietnamese Dong. **In conclusion, Agrochemical Segment reported net profits of Baht 28.3 million and attributable net profits to TTA of Baht 19.4 million in 2Q/18.**

Besides fertilizer, Agrochemical Segment also has factory area for leasing. In 2Q/18, this area has been fully utilized with total space of 66,420 sqm, and the total income from factory area leasing business and other income amounted to Baht 21.2 million, which increased by 62% YoY.

Investment Segment

- Investment Segment focused on Food & Beverage (F&B), Water, and Logistics.
 - F&B: 1) PHC, the sole franchisee of Pizza Hut business in Thailand, opened 5 net new outlets in 2Q/18 and 13 outlets for YTD2018. All new outlets were opened in the high traffic location in major provinces. As at 30 June, 2018, there were 121 outlets countrywide. 2) Siam Taco Company Limited (“STC”) was exclusively granted the right to enter into the Franchise Agreement for Taco Bell, the leading Mexican fast food chain owned by YUM Brand Inc. and tentatively plans to open the first outlet in late 4Q/18.
- Water: TTA entered into an agreement to acquire stakes in AIM, the water contractor/service company, in August 2018 to create synergy with existing Water Business.

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

Management Discussion and Analysis for 2Q/18

Ref No. COR:MS/EL18028e/PTP

Appendices

Shipping Segment Performance Summary

in million Baht (MB)	2Q/17	1Q/18	2Q/18	%YoY	%QoQ	6M17	6M18	%YoY
Freight Revenues	949.8	1,297.7	1,410.5	49%	9%	1,979.2	2,708.2	37%
Vessel Operating Expenses	662.5	948.5	950.6	43%	0%	1,499.2	1,899.1	27%
Gross Profits/(Losses)	287.3	349.2	459.9	60%	32%	480.1	809.1	69%
Other Income	5.2	3.6	5.8	11%	60%	24.8	9.4	-62%
Gains/(Losses) on Investment	-	-	-	0%	0%	-	-	-
SG&A	65.5	53.7	53.3	-19%	-1%	101.7	107.0	5%
EBITDA	226.9	299.1	412.4	82%	38%	403.1	711.5	76%
Depreciation & Amortization	87.9	93.7	102.6	17%	10%	175.6	196.3	12%
EBIT	139.0	205.5	309.7	123%	51%	227.6	515.2	126%
Finance Costs	38.0	36.5	42.3	11%	16%	77.3	78.7	2%
Gains/(Losses) from Foreign Exchange	(3.7)	(2.3)	2.3	161%	200%	(6.2)	(0.0)	100%
Gains/ (Losses) from Non-Recurring Items - Impairment on Assets	-	52.7	3.8	100%	-93%	-	56.5	100%
Gains/ (Losses) from Non-Recurring Items - Others	(0.5)	33.2	(0.4)	16%	-101%	(0.5)	32.8	7210%
Profits/(Losses) before Income Tax	96.8	252.7	273.1	182%	8%	143.6	525.7	266%
Income Tax Expenses	1.7	0.6	2.9	67%	414%	2.6	3.4	33%
Net Profits/(Losses)	95.1	252.1	270.2	184%	7%	141.1	522.3	270%
Normalized Net Profits/(Losses)	95.5	166.1	266.9	179%	61%	141.5	433.0	206%
Gross Margin (%)	30%	27%	33%			24%	30%	
EBITDA Margin (%)	24%	23%	29%			20%	26%	
Net Profit Margin (%)	10%	19%	19%			7%	19%	

*TTA held 100.00% of issued and paid up capital of TSG at the end of 2Q/18.

**As consolidated on TTA's P&L

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

Fleet data Summary	2Q/17	1Q/18	2Q/18	%YoY	%QoQ	6M17	6M18	%YoY
Average DWT (Tons)	52,908	54,514	55,285	4%	1%	52,908	55,285	4%
Calendar days for owned fleet ⁽¹⁾	1,795	1,856	1,968	10%	6%	3,595	3,824	6%
Available service days for owned fleet ⁽²⁾	1,786	1,808	1,883	5%	4%	3,564	3,691	4%
Operating days for owned fleet ⁽³⁾	1,750	1,808	1,883	8%	4%	3,511	3,691	5%
Owned fleet utilization ⁽⁴⁾	98.0%	100.0%	100.0%	2%	0%	98.5%	100.0%	1%
Voyage days for chartered-in fleet	430	982	857	99%	-13%	975	1,840	89%
Number of vessels at the ending period	20	21	21	5%	0%	20	21	5%
Average number of vessels ⁽⁵⁾	24.0	31.0	30.1	26%	-3%	24.8	30.6	23%

Market Rate (USD/Day)	2Q/17	1Q/18	2Q/18	%YoY	%QoQ	6M17	6M18	%YoY
BDI Index	1,006	1,175	1,260	25%	7%	975	1,217	25%
BSI Index	781	943	1,056	35%	12%	781	999	28%
Net Mkt TC Avg BSI**	8,602	10,094	10,480	22%	4%	8,382	10,286	23%

Average Daily Operating Results ⁽⁶⁾ (USD/Day)	2Q/17	1Q/18	2Q/18	%YoY	%QoQ	6M17	6M18	%YoY
Highest TCE Rate	16,263	17,881	25,462	57%	42%	17,537	25,462	45%
Thoresen TCE Rate ⁽⁷⁾	8,588	10,234	11,993	40%	17%	7,794	11,134	43%
TCE Rate of Owned Fleet	8,377	10,266	11,692	40%	14%	7,610	10,996	44%
TCE Rate of Chartered-In	211	(32)	301	43%	1035%	184	138	-25%
Expenses								
Vessel operating expenses (Owner's expenses)	3,465	3,771	3,852	11%	2%	3,532	3,813	8%
Dry-docking expenses	528	468	558	6%	19%	546	514	-6%
General and administrative expenses	1,070	931	885	-17%	-5%	822	908	10%
Cash costs	5,063	5,171	5,294	5%	2%	4,900	5,234	7%
Finance costs, net	620	632	701	13%	11%	625	668	7%
Depreciation	1,435	1,624	1,704	19%	5%	1,420	1,665	17%
Income Taxes	28	10	47	70%	392%	21	29	39%
Total costs	7,147	7,437	7,747	8%	4%	6,966	7,596	9%
Operating Results	1,441	2,797	4,246	195%	52%	829	3,538	327%
USD/THB Rate (Daily Average)	34.30	31.54	31.92	-7%	1%	34.71	31.73	-9%

⁽⁶⁾The per day basis is calculated based on available service days.

** Net Mkt TC Avg BSI = Mkt TC Avg BSI less commission

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

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis for 2Q/18

Ref No. COR:MS/EL18028e/PTP

Offshore Service Segment Performance Summary

in million Baht	2Q/17	1Q/18	2Q/18	% YoY	% QoQ	6M/17	6M/18	% YoY
Revenues	1,524.9	567.5	687.1	-55%	21%	2,808.0	1,254.6	-55%
Total Costs	1,090.9	599.9	684.0	-37%	14%	2,079.6	1,283.9	-38%
Gross Profits/(Losses)	434.0	(32.4)	3.1	-99%	110%	728.3	(29.3)	-104%
Other Income	3.2	7.3	6.4	99%	-12%	10.6	13.6	29%
SG&A	200.7	149.7	182.8	-9%	22%	394.7	332.4	-16%
EBITDA from Operation	236.5	(174.8)	(172.4)	-173%	1%	344.2	(347.1)	-201%
Share of Profit of Associates and JVs	40.5	40.9	96.2	138%	135%	82.1	137.0	67%
EBITDA	277.0	(133.9)	(76.2)	-128%	43%	426.4	(210.1)	-149%
Depreciation & Amortization	131.0	112.2	111.3	-15%	-1%	281.3	223.5	-21%
EBIT	146.0	(246.1)	(187.5)	-228%	24%	145.0	(433.6)	-399%
Finance Costs	30.7	29.0	32.2	5%	11%	61.4	61.2	-0.2%
Gains/(Losses) from Foreign Exchange	6.7	19.0	(12.9)	-293%	-168%	21.0	6.2	-71%
Gains/ (Losses) from Non-Recurring Items - Impairment on Assets	-	56.8	-	0%	-100%	-	56.8	100%
Gains/ (Losses) from Non-Recurring Items - Others	0.0	8.0	(9.2)	-117197%	-216%	45.5	(1.3)	-103%
Profits/(Losses) before Income Tax	122.0	(191.3)	(241.8)	-298%	-26%	150.2	(433.1)	-388%
Income Tax Expenses	(2.1)	3.7	3.8	286%	3%	0.0	7.5	34314%
Net Profits/(Losses)	124.0	(195.1)	(245.6)	-298%	-26%	150.2	(440.7)	-393%
Net Profits/(Losses) Attributable								
to Non-Controlling Interest	51.8	(81.2)	(102.5)	-298%	-26%	62.9	(183.7)	-392%
Net Profits/(Losses) to TTA	72.2	(113.9)	(143.1)	-298%	-26%	87.3	(257.0)	-395%
Normalized Net Profits/(Losses)	124.0	(259.8)	(236.4)	-291%	9%	104.7	(496.2)	-574%
Normalized Net Profits/(Losses) To TTA	72.2	(151.6)	(137.8)	-291%	9%	60.8	(289.3)	-576%
Gross Margin (%)	28%	-6%	0.5%			26%	-2%	
EBITDA Margin (%)	18%	-24%	-11%			15%	-17%	
Net Profit Margin (%)	8%	-34%	-36%			5%	-35%	

*TTA directly and indirectly held 58.22% of issued and paid up capital of MML at the end of 2Q/18.

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

Agrochemical Segment Performance Summary

in million Baht	2Q/17	1Q/18	2Q/18	% YoY	% QoQ	6M/17	6M/18	% YoY
Sales Revenues	791.8	696.4	701.6	-11%	1%	1,329.7	1,398.0	5%
Raw Material Costs	572.6	524.0	536.7	-6%	2%	957.4	1,060.7	11%
Gross Profits/(Losses) (Spread)**	219.1	172.4	164.9	-25%	-4%	372.3	337.2	-9%
Service & Other Income	13.1	13.2	21.2	62%	61%	27.9	34.4	24%
Operating Cost	60.1	69.2	65.4	9%	-5%	117.6	134.6	15%
Cost of Providing Services	6.4	6.0	8.9	39%	48%	12.8	15.0	17%
SG&A	65.3	68.7	68.2	4%	-1%	131.4	136.9	4%
EBITDA	100.4	41.7	43.5	-57%	4%	138.4	85.2	-38%
Depreciation & Amortization	15.6	16.6	16.8	7%	1%	31.6	33.4	6%
EBIT	84.7	25.1	26.8	-68%	7%	106.8	51.8	-51%
Finance Costs	0.4	1.3	1.5	294%	12%	0.4	2.8	647%
Gains/(Losses) from Foreign Exchange	3.6	(12.6)	7.9	116%	162%	(10.0)	(4.7)	53%
Gains/(Losses) from Non-Recurring Items - Impairment on Assets	-	-	-	0%	0%	-	-	0%
Gains/(Losses) from Non-Recurring Items - Others	-	-	0.1	0%	0%	-	0.1	0%
Profits/(Losses) before Income Tax	88.0	11.2	33.3	-62%	198%	96.5	44.4	-54%
Income Tax Expenses	14.1	5.2	5.0	-65%	-4%	20.3	10.2	-50%
Net Profits/(Losses)	74.0	6.0	28.3	-62%	374%	76.2	34.2	-55%
Net Profits/(Losses) Attributable								
To Non-Controlling Interests	23.3	1.9	8.9	-62%	374%	24.0	10.8	-55%
To TTA	50.7	4.1	19.4	-62%	374%	52.2	23.5	-55%
Gross (Spread) Margin (%)	28%	25%	23%			28%	24%	
EBITDA Margin (%)	13%	6%	6%			10%	6%	
Net Profit Margin (%)	9%	1%	4%			6%	2%	

*TTA held 68.52% of issued and paid up capital of PMTA at the end of 2Q/18.

**Gross Profits(Spread) = Sales Revenues - Raw Material Costs