



## **TTA monitoring 2<sup>nd</sup>-half year impacts from Chinese slowdown, adopts cautious investment strategy, assured of company's financial strength**

**Bangkok, 2 Sep 2015** –TTA's management anticipates short-term impacts in the 2<sup>nd</sup>-half year from the economic slowdown, particularly in China, and is closely monitoring and assessing how the Chinese authorities are handling the situation. The company will take a cautious stance and stay prudent in decision-making on the investment in target businesses. The management indicates financial strength is vital for the business amid the current uncertainties, and highlights TTA's great financial standing following the recent capital raise.

**Mr Chalermchai Mahagitsiri, President and Chief Executive Officer of Thoresen Thai Agencies Public Company Limited, or TTA,** revealed that the company is closely monitoring the global economic situation, especially the situation in China, as the economic slowdown could have short-term implications for its performance in the second half year. The on-going situation, he said, is not beyond TTA's expectation, and the company's management has been taking a cautious approach in business expansion, waiting for the right time to invest in target businesses to ensure the stakeholders' best interests.

"What we are doing now is to consider any new expansion or investment opportunities with increased vigilance and maintain our financial strength. We are financially strong and competent, thanks to the excellent cash liquidity following the capital increase. We are also trying our best to outperform the respective industries by cutting cost and maximizing efficiency. Our past performance figures have been impressive, especially for Q2/2015, when the loss for Q1/2015 was overturned and a THB135.4 million net profit was recorded despite the global economic recession," he added.

To cope with the economic slowdown, in the shipping segment, the company will continue its implementation of the cost control policy, as well as manage the fleet to ensure maximum efficiency, and focus its service on bulk transport on the more lucrative strategic routes. It will have Mermaid Maritime negotiate for favourable contract terms with the customers who are leading players in the domestic and international oil and gas industries, and offer additional services to generate more revenue. Meanwhile, PM Thoresen Asia Holdings (PMTA), which invests in a fertilizer business in Vietnam, will respond to the current droughts in Asia by working to raise its export volume and earn more revenue from the management of rental warehouses.

For Q2/2015 (1 April to 30 June 2015), TTA's total revenue stood at THB5.9985 billion, an increase of 13 % year over year, or 31% quarter on quarter. Gross profit slightly dropped 6% year over year but significantly increased 449% quarter on quarter to THB 1.2263 billion, with a gross margin of 20%.

TTA had a net profit of THB135.4 million in Q2/2015, a decrease of 47% from net profit of THB254.6 million in Q2/2014, and increase of 147% from the net loss of THB 288.3 million in Q1/2015.



## **Key Strategic Business Unit**

**Thoresen Shipping.** TCE rate was influenced by the world economy throughout much of the quarter, and signs of recovery did not appear until June. TSS's average owned-fleet TCE rate at USD6,482 per day outperformed the adjusted market TC average BSI by 8%. The depressed market significantly limited the opportunity to win contracts for chartered-in vessels, which led to a net loss of THB103.2 million in Q2/2015.

**Mermaid Maritime.** Mermaid Maritime delivered an improved performance. Its net profit skyrocketed 197% quarter on quarter due to positive seasonal factors, the resumption to operation of its three subsea vessels from dry-docking in Q1/2015, and the significant quarterly profit from cable-laying projects. AOD, major contributor to the equity income, still maintained to generate sustainable profit sharing.

**PMTA.** PMTA maintained strong domestic sales and expanded export sales, dry-spells within the region that spanned Q1/2015 and Q2/2015. PMTA's rise in export followed the completion of new granulation production line opened in the previous quarter, which increased production capacity by 100,000 tonnes.

**UMS.** UMS recorded a loss in Q2/2015. The lower sales volume quarter on quarter was mainly due to lower coal sales volume due to limited financial facilities, which led to the delay of coal import for sale during the quarter.

**Sino Grandness.** Sino Grandness' Q2/2015 profit-sharing contribution to TTA totalled THB62.7 million, largely driven by increased sales of bottled fruit juices and canned vegetables in China as a result of an expansion of its distribution network.

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## **About TTA**

Thoresen Thai Agencies Public Company Limited ("TTA") is a strategic investment holding company listed on the Stock Exchange of Thailand (TTA: TB). Its investment strategy is to achieve growth through a balanced and diversified business portfolio both domestically and internationally. TTA's businesses include but are not limited to dry bulk shipping, offshore oil & gas services, fertilizer production and distribution, integrated port and logistics services and food & beverages. For more information, please visit [www.thoresen.com](http://www.thoresen.com).

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