



Thoresen Thai Agencies
Public Company Limited

Management Discussion and Analysis

FY2015



OUR VISION:

TO BE THE MOST TRUSTED ASIAN INVESTMENT GROUP BY 2020,
CONSISTENTLY DELIVERING ENHANCED STAKEHOLDER EXPERIENCE.

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis FY2015

Ref No. COR:MS/EL16005e/PP

February 29, 2016

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis on FY2015

Thoresen Thai Agencies Public Company Limited ("TTA") has changed the accounting period starting from 1 October to 30 September of next year to the period starting 1 January to 31 December of every year according to a resolution of the Annual General Shareholders' meeting No.1/2014. The financial statements for the period ended 31 December 2014 have been prepared under this new accounting period, presented from 1 October 2014 to 31 December 2014. However, for the benefit of users in comparing and analyzing the financial information, TTA has prepared unaudited consolidated statements of comprehensive income for the twelve-month period ended 31 December 2014 in comparison with year 2015, and hereby prepared management's discussion and analysis.

Thoresen Thai Agencies Public Company Limited

- EBITDA remained strong of Baht 1.8 billion with positive net cash from operations of Baht 635.5 million
- Cash and short-term investments totalling of Baht 13.4 billion at the end of 2015
- PMTA continued to strongly contribute to TTA
- Non-cash impairments on assets of Baht 11.5 billion

Executive Summary

Performance Summary

in Million Baht	FY14	FY15	% YoY	4Q/14	3Q/15	4Q/15	%YoY	%QoQ
Revenues	22,341.3	21,425.8	-4%	6,206.7	5,792.1	5,059.3	-18%	-13%
Gross Profit	4,641.2	3,613.9	-22%	1,017.4	1,337.1	827.3	-19%	-38%
Gross Margin (%)	21%	17%		16%	23%	16%		
EBITDA	3,576.2	1,841.7	-49%	799.2	1,081.9	(228.7)	-129%	-121%
EBITDA Margin (%)	16%	9%		13%	19%	-5%		
Net Profit/(Loss)	1,388.5	(14,797.9)	-1166%	138.2	633.4	(15,277.2)	-11156%	-2512%
Net Profit Margin (%)	6%	-69%		2%	11%	-302%		
Net Profit/(Loss) to TTA	902.1	(11,335.1)	-1357%	84.0	382.7	(11,564.8)	-13868%	-3122%
Number of Shares (million Shares)	1,301.2	1,822.5		1,301.2	1,822.5	1,822.5		
Basic earnings per share (in Baht)	0.73	(6.51)		0.63	0.21	(6.25)		
Normalized Net Profit	1,486.5	(233.3)	-116%	248.1	748.5	(804.5)	-424%	-207%
Normalized Net Profit to TTA	974.6	(256.3)	-126%	171.1	495.8	(576.0)	-437%	-216%

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recuring Items

“Strong cash on hand of Baht 13.4 billion and healthy balance sheet will financially help TTA to weather the downturn of the business”

In 2015, the shipping industry was suffering its worst downturn in nearly 30 years, where the Baltic Dry Index has fallen to its all-time low and averaging 718 in 2015 or declined 35% from an average of 1,105 in 2014 mainly from demand reduction for dry bulk shipping and a glut of ships build ordered 2-3 years ago. Additionally, oil market has been continuously under pressure as oil price fell from over USD 100 per BBL since mid-2014 to just over USD 30 BBL at the end of year 2015 due to global surplus supply and

reduced demand from global economic slowdown especially in China. These external factors significantly impacted TTA group's operating performance in 2015, in spite of the group's effort & plans to mitigate the impact. The weak industry environment in 2015 and the conservative accounting rules made it necessary for TTA to recognize non-cash impairments on assets in 2015 year-end consolidated results of approximately Baht 11.5 billion. In 2015, the Earnings Before Interest, Taxes, Depreciation and Amortization (**EBITDA**) **remains positive at Baht 1.8 billion.**

Thoresen Shipping Group ("TSG")'s average TCE rate in 2015 was at \$7,507 per day, which outperformed adjusted market BSI by 22% at \$6,154 per day, but dropped 20% from \$9,436 per day in 2014. Additionally, TSG had recorded non-cash impairment of approximately Baht 4.7 billion against its owned fleet as dry bulk vessels market values and freight rate had significantly declined to its lowest level. Excluding the impairment, TSG contributed a normalized net loss of only Baht 128.8 million, despite the relatively weak market condition.

Mermaid Maritime Public Company Limited ("MML Group") showed improved revenue of 8% in 2015 driven mainly from the growing cable laying business. The Subsea IRM – Vessels utilization rate maintained at 61% same as in 2014, while the tender rigs (MTR1 and MTR2) were put in cold stack throughout the year 2015. Furthermore, in line with MML Group's principles of transparency and conservative accounting approach, MML Group had recorded non-cash impairment on assets totaling of Baht 6 billion in 2015 as the global oil and gas industry continues to experience significant challenges from the current oil price environment. Exclusive of the impairment, MML Group contributed a normalized net profit of Baht 52.8 million.

PMTA continued its outstanding profitable performance for TTA in 2015, despite the challenging year from drought in Southeast Asia region with gross profit margin of 24% and growing sales volume of fertilizer of 198,541 tons per year. The demand for factory area for leasing remained very high and faced increasing demand from current customers, the utilization rate achieved 100%. PMTA is constructing a new Baconco 5-B Phase 2 factory area for leasing (capacity of 8,200 sqm) and expected to complete in 1Q/16. PMTA contributed Baht 174.9 million to TTA in 2015.

During the fourth quarter of 2015, the management has of the opinion, based on changes in circumstances, that TTA no longer has significant influence in an associate, Sino Grandness Food Industry Group Limited, and investment was transferred to long-term investment as at 31 December 2015.

UMS's sales volume decreased 24% YoY from 339 KTONs in 2014 to 259 KTONs in 2015. The decline in sales volume was mainly from lower volume of low-margin 0-5 mm size coal, compared to 2014 when the company had been focusing on selling 0-5 mm size coal inventories, and limited financial facilities in some quarters in 2015. Accordingly in 2015, UMS reported net loss of Baht 371.2 million with normalized loss of Baht 100.1 million

Overall in 2015, TTA reported net loss of Baht 11,335.1 million in 2015 with normalized net loss to TTA of Baht 256.3 million. TTA still maintained strong net cash flow from operation of Baht 635.5 million with cash and short-term investments on its consolidated balance sheet totaling to Baht 13.4 billion at the end of 2015.

Change in Accounting Policy

1. From 1 January 2015, TTA has adopted the following new and revised TFRS which have material effect on the TTA's financial statements:
 - a. TFRS 12 Disclosure of Interests in Other Entities
 - b. TFRS 13 Fair Value Measurement
2. Starting from 1 January 2015, the Group changed its accounting policy regarding hedge of foreign currency transactions and interest rates. Therefore, the comparative financial statements for the period of 2014 needed to be restated accordingly.

Summary of events that had significant impact on financial statements in 2015

1. January 2015: TTA completed the 9% acquisition of interest in Sino Grandness Food Industry Group Limited via Soleado Holdings Pte. Ltd., a wholly own subsidiary, with a value of Baht 610 million
2. March 2015: Capital increased from rights offering, with net amount received after expense of Baht 7,282 million
3. May 2015: IPO of PMTA stock, TTA hold 65% of paid up capital of PMTA (Post-IPO)
4. May 2015: Annual dividend payment of Baht 0.025 per share for the three-month period ended 31 December 2014.
5. July 2015: TTA issued a 3-yr debentures amounting to Baht 2 billion with 4.25% coupon rate to the public and/or institutional investors.

Consolidated Performance Summary

Consolidated Income Statement

in million Baht (MB)	FY14 (Restate)		FY15		%YoY	
	MB	%	MB	%	MB	%
Revenues	22,341.3	100.0	21,425.8	100.0	(915.5)	-4%
Costs	(17,700.1)	(79.2)	(17,811.8)	(83.1)	111.8	1%
Gross Profit	4,641.2	20.8	3,613.9	16.9	(1,027.2)	-22%
Other Income	164.0	0.7	176.2	0.8	12.2	7%
Gain/(Loss) on Investment	(9.2)	(0.0)	(155.2)	(0.7)	145.9	1577%
SG&A	(2,401.8)	(10.8)	(2,615.9)	(12.2)	214.1	9%
EBITDA from Operation	2,394.1	10.7	1,019.1	4.8	(1,375.0)	-57%
Equity Income	1,182.1	5.3	822.6	3.8	(359.5)	-30%
EBITDA	3,576.2	16.0	1,841.7	8.6	(1,734.5)	-49%
Depreciation & Amortization	(1,597.4)	(7.1)	(1,779.3)	(8.3)	182.0	11%
EBIT	1,978.8	8.9	62.4	0.3	(1,916.5)	-97%
Financial Cost	(497.7)	(2.2)	(518.8)	(2.4)	21.1	4%
Gain/(Loss) from Foreign Exchange	213.0	1.0	244.1	1.1	31.1	15%
Non-Recurring Items - Impairment on Assets	(66.2)	(0.3)	(11,571.2)	(54.0)	11,505.0	17367%
Non-Recurring Items - Other	(31.7)	(0.1)	(2,993.4)	(14.0)	2,961.7	9351%
Profit before income tax	1,596.2	7.1	(14,777.0)	(69.0)	(16,373.2)	-1026%
Income Tax Expense	(207.7)	(0.9)	(21.0)	(0.1)	(186.7)	-90%
Net Profit/(Loss)	1,388.5	6.2	(14,797.9)	(69.1)	(16,186.5)	-1166%
Net Profit/(Loss) attributable to Non-controlling interest	486.5	2.2	(3,462.8)	(16.2)	(3,949.3)	-812%
Net Profit/(Loss) attributable to TTA	902.1	4.0	(11,335.1)	(52.9)	(12,237.2)	-1357%
Non-Recurring Items - Impairment on Assets to TTA	(49.5)		(9,206.8)		9,157.3	18502%
Non-Recurring Items - Other to TTA	(23.1)		(1,872.1)		1,849.0	8014%
Normalized Net Profit to TTA	974.6		(256.3)		(1,230.9)	-126%

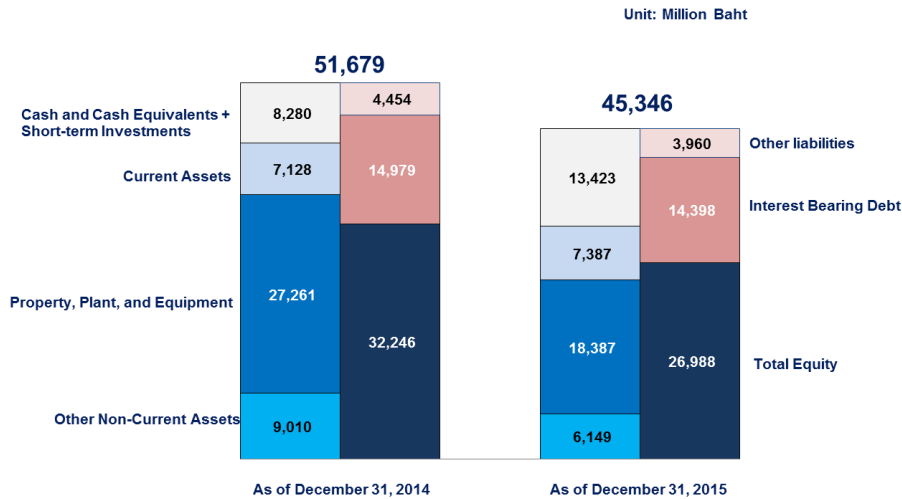
*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

Non-Recurring Items - Other includes share of impairment losses from MML's group drilling associate of Baht 2.2 billion in 2015.

In 2015, consolidated revenues slightly decreased 4% YoY to record at Baht 21,425.8 million which was mainly from lower revenue contribution from transport group led by dry bulk shipping business as freight rates have declined. Total costs slightly increased 1% YoY to Baht 17,811 million mainly from the energy group due to MML's learning curve for the cable laying business, especially in the first half of the year. Consequently, gross profit decreased 22% YoY to Baht 3,613.9 million, gross margin of 17% in 2015.

Equity income decreased 30% YoY to Baht 822.6 million in 2015 primarily from lower profit sharing from Asia Offshore Drilling "AOD" (major contributor to the equity income in 2014) as it had to agree on a discount of day rates with the customer in Saudi Arabia starting April 1, 2015.

Statement of Financial Position



As of December 31, 2015, TTA had total assets of Baht 45,346.4 million, decreased by Baht 6,332.5 million from Baht 51,678.9 million as of December 31, 2014. Current assets increased mainly from net cash of Baht 7,282.3 million received from right offering, while non-current assets decreased by Baht 11,734.9 million mainly from the decline of property, plant and equipment due to depreciation and non-cash impairment of the assets.

Total liabilities, as of December 31, 2015, were at Baht 18,358 million, a slight decline of Baht 1,074.8 million from the end of 2014 at Baht 19,432.8 million. The decline was mainly from lower interest bearing debts. Total equity decreased by Baht 5,257.7 million from Baht 32,246.1 million at the end of 2014 to Baht 26,988.4 million as of December 31, 2015 mainly due to the decline of retained earnings from non-cash impairments.

Statement of Cash Flows

For the statement of cash flows for the year ended December 31, 2015, TTA had net cash from operating activities of Baht 635.5 million, net cash used in investing activities of Baht 8,051.3 million mainly for short-term investments in marketable securities, dry-docking, purchases of PPE, etc. In addition, TTA had net cash paid from financing activities of Baht 5,554.8 million from loan and debenture repayment, interest payment, dividend payout and etc. Adding up together with beginning cash and cash equivalents as at 1 January 2015, foreign currency translation differences for foreign operations, and the effect of exchange rate changes on balances held in foreign currencies of Baht 7,793.1 million, TTA had cash and cash equivalents at the end of 2015 of Baht 5,932.1 million. Including short-term investments, TTA reported cash and cash equivalents and short-term investments totaling Baht 13,423 million.

Key Financial Ratio

Financial Ratios	2014	2015	2014*	2015*
Current Ratio (Times)	1.69	1.91	1.69	1.91
EBITDA to Revenue (%)	16.0%	8.6%	16.0%	8.6%
Net Profit to Revenue (%)	4.0%	-52.9%	4.4%	-1.2%
Return on Total Assets (%)	4.3%	-29.4%	3.5%	0.6%
Return on Equity (%)	4.1%	-49.4%	4.5%	-1.1%
Interest Bearing Debt to Equity (Times)	0.46	0.53	0.46	0.53
Net Interest Bearing Debt to Equity (Times)	0.21	0.04	0.21	0.04
Net Interest Bearing Debt to EBITDA (Times)	1.87	0.53	1.87	0.53

**Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items*

Note:

Current ratio	=	Current assets divided by current liabilities
EBITDA to sales revenue	=	EBITDA divided by sales revenue
Net profit on sale revenue	=	Net profit divided by sales revenue
Return on total assets	=	Net profit divided by average total assets
Return on equity	=	Net profit divided by average total shareholder's equity
Interest Bearing Debt to Shareholders' Equity	=	Interest Bearing Debt divided by shareholder's equity
Net Interest Bearing Debt to Shareholders' Equity	=	Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity
Net Interest Bearing Debt to EBITDA	=	Interest Bearing Debt net from cash and cash equivalent and current investments divided by EBITDA

Thoresen Shipping Group (TSG)

TRANSPORT

- Thoresen TCE Rate outperformed adjusted market BSI by 22% despite a relatively volatile year
- Non-cash impairment hit performance while EBITDA still positive at Baht 573.2 million
- Normalized net loss of Baht 128.8 million for the year
- Maintained chartered-in business which expected to continue in future

Performance Summary

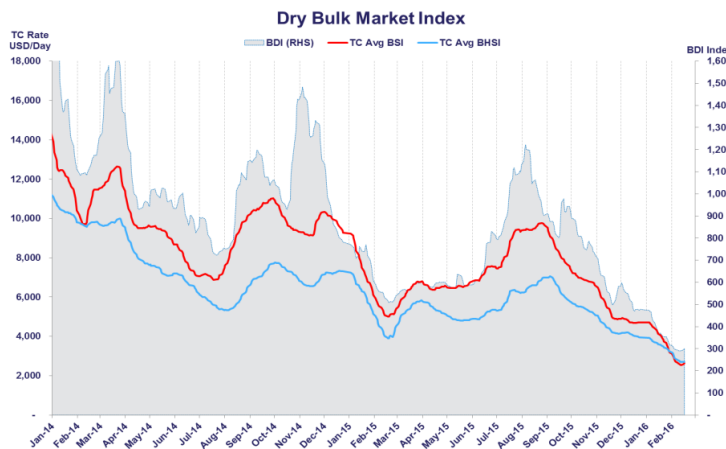
Income Statement*				
in million Baht (MB)	FY14	FY15	%YoY	
Freight Revenue	7,661.2	5,756.1	-25%	
Vessel Operating Expenses	(6,443.8)	(4,911.9)	-24%	
Gross Profit	1,217.4	844.3	-31%	
Other Income	190.7	50.6	-73%	
Gains (Losses) on Investment	-	32.1	0%	
SG&A	(314.8)	(353.7)	12%	
EBITDA	1,093.3	573.2	-48%	
Depreciation & Amortization	(607.8)	(714.2)	18%	
EBIT	485.6	(140.9)	-129%	
Financial Cost	(137.2)	(172.9)	26%	
Gain/(Loss) from Foreign Exchange	6.9	210.2	2927%	
Non-Recurring Items	(29.5)	(4,731.2)	15923%	
Profit before income tax	325.8	(4,834.8)	-1584%	
Income Tax Expense	(69.1)	(25.2)	-64%	
Net Profit/(Loss)	256.7	(4,860.0)	-1993%	
Normalized Net Profit/(Loss)	286.3	(128.8)	-145%	
Gross Margin (%)	16%	15%		
EBITDA Margin (%)	14%	10%		
Net Profit Margin (%)	3%	-84%		

	4Q/14	3Q/15	4Q/15	%YoY	%QoQ
Freight Revenue	2,213.7	1,388.6	1,398.3	-37%	1%
Vessel Operating Expenses	(1,965.7)	(1,154.6)	(1,174.8)	-40%	2%
Gross Profit	248.0	234.0	223.5	-10%	-4%
Other Income	46.9	0.9	4.6	-90%	429%
Gains (Losses) on Investment	-	-	-	0%	0%
SG&A	(62.3)	(81.5)	(107.5)	73%	32%
EBITDA	232.6	153.3	120.6	-48%	-21%
Depreciation & Amortization	(171.8)	(185.2)	(188.3)	10%	2%
EBIT	60.8	(32.0)	(67.7)	-211%	112%
Financial Cost	(41.3)	(43.8)	(44.8)	8%	2%
Gain/(Loss) from Foreign Exchange	15.0	231.2	(26.7)	-278%	-112%
Non-Recurring Items	(2.0)	0.0	(4,731.2)		
Profit before income tax	32.4	155.5	(4,870.4)	-15123%	-3233%
Income Tax Expense	(13.6)	(4.7)	(4.4)	-68%	-7%
Net Profit/(Loss)	18.8	150.8	(4,874.7)	-25984%	-3333%
Normalized Net Profit/(Loss)	20.9	150.8	(143.5)	-788%	-195%

*as consolidated on TTA's P&L

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

After the relatively volatile year, the Baltic Dry Index (BDI), an indicator of international cargo trade, has fallen to its all-time low and averaging 718 in 2015 or declined 35% from an average of 1,105 in 2014. Generally, the BDI falls for two main reasons: a reduced demand for dry bulk ships or lower international trade and a glut of ships, as the supply of ships cannot increase suddenly – it takes at least two years to build new ones. Dry bulk ships carry dry goods which are mainly raw materials where the demand for transporting them is an indicator of how much production is planned for the future. Therefore, this gives clues about economic growth in the future. There has been a spate of bad news from China,



whose economy relies on nearly \$4 trillion worth of imports and exports. In 2015, China's imports dropped by 13% and exports fell by about 2%. The import of coal and iron ore – both major components of the BDI – fell for the first time in over a decade. There is also a slowdown in steel production. The Chinese export slump is likely because of weak demand from the US and European nations.

Global commodity prices have also been falling, with copper prices at multi-year lows, as are aluminium, zinc, and tin, and also agricultural commodities like wheat, corn and soyabean. According to several reports, one reason for the BDI fall is a virtual collapse of cargo trade in the north Atlantic Ocean as a result of a slowdown in global economy. Consequently, the Capesize average TC drop 49% to \$6,997 per day in 2015 from as high as \$13,800 in 2014. Similarly, Panamax average TC spot rates were also reduced by 28% from \$7,718 per day in 2014 to \$5,560 per day in 2015. Meanwhile, TC rates for the smaller bulkers were not quite as depressed as the Capesize rates, yet declined 29% for Supramax and 30% for Handysize. The Supramax average TC rates (key benchmark rates for TSG) averaging at \$6,966 per day in 2015 comparing with \$9,818 per day in 2014, while Handysize average TC rates averaging \$5,381 per day in 2015 comparing with \$7,681 per day in 2014. **Thoresen Shipping Group (“TSG”), with most of its fleets are Supramax size, was less impacted from sharp market decline compared to dry bulk operators who operated with Cape size and Panamax.**

In 2015, TSG’s average TCE rate was at \$7,507 per day, outperformed the adjusted market TC Avg BSI of \$6,154 per day by 22% although declined 20% YoY from \$9,436 per day in 2014 as the dry bulk index weakened through the year. TSG’s average TCE rate for 2015 combined of owned fleet TCE rate of \$6,753 per day and additional margin from chartered-in vessels of \$754 per day. Totally, the group operated an average of 37.3 vessels (23.1 owned vessels⁽⁵⁾ and 14.3 chartered-in vessels) in 2015, decreased from an average of 41 vessels (21.4 owned vessels⁽⁵⁾ and 19.6 chartered-in vessels) in 2014, mainly due to limited market opportunities to do chartered-in vessels.

Accordingly, the freight revenue in 2015 decreased to Baht 5,756.1 million or reducing 25% YoY from Baht 7,661.2 million 2014, with gross profit of Baht 844.3 million or down 31% YoY. Gross margin was maintained at 15% in 2015 close to 16% in 2014. The operating cash cost per day in 2015 was at \$5,794 per day, which is comparatively flat from 2014, despite the increase in dry-docking expenses.

TSG achieved a positive EBITDA of Baht 573.2 million (down 48% YoY) with EBITDA margin of 10% despite the relatively weak market in 2015. TSG recorded non-cash impairment of approximately Baht 4.7 billion against its owned fleet vessels. The market values of the dry bulk vessels and the forward rates for the coming years dropped drastically in the fourth quarter of 2015, which have negatively affected vessel values and TSG has therefore completed a routine impairment test and reflected value accordingly. **In conclusion, TSG reported net loss of Baht 4,860.0 million in 2015 with normalized loss of Baht 128.8 million.**

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis FY2015

Ref No. COR:MS/EL16005e/PP

Fleet data Summary	FY14	FY15	%YoY	4Q/14	3Q/15	4Q/15	%YoY	%QoQ
Average DWT (Tons)	50,636	50,636	0%	50,636	50,636	50,636	0%	0%
Calendar days for owned fleet ⁽¹⁾	8,047	8,760	9%	2,208	2,208	2,208	0%	0%
Available service days for owned fleet ⁽²⁾	7,888	8,451	7%	2,172	2,180	2,084	-4%	-4%
Operating days for owned fleet ⁽³⁾	7,808	8,418	8%	2,143	2,169	2,084	-3%	-4%
Owned fleet utilization ⁽⁴⁾	99.0%	99.6%	1%	98.7%	99.5%	100.0%	1%	1%
Voyage days for chartered-in fleet	7,169	5,204	-27%	1,942	1,281	1,323	-32%	3%
Average number of vessels ⁽⁵⁾	41.0	37.3	-9%	44.4	37.5	37.0	-17%	-1%

Market Rate (USD/Day)	FY14	FY15	%YoY	4Q/14	3Q/15	4Q/15	%YoY	%QoQ
BDI Index	1,105	718	-35%	1,120	974	640	-43%	-34%
BSI Index	939	666	-29%	936	840	553	-41%	-34%
Mkt TC Avg BSI	9,818	6,966	-29%	9,825	8,782	5,779	-41%	-34%
Adjusted Mkt TC Avg BSI	8,465	6,154	-27%	8,494	7,759	5,106	-40%	-34%

Average Daily Operating Results ⁽⁶⁾ (USD/Day)	FY14	FY15	%YoY	4Q/14	3Q/15	4Q/15	%YoY	%QoQ
Thoresen TCE Rate ⁽⁷⁾	9,436	7,507	-20%	8,683	8,047	7,611	-12%	-5%
TCE Rate of Owned Fleet	8,988	6,753	-25%	8,653	7,371	6,761	-22%	-8%
TCE Rate of Chartered-In	448	754	68%	30	676	850	2733%	26%
Expenses								
Vessel operating expenses (Owner's expenses)	3,884	3,844	-1%	3,896	3,755	3,932	1%	5%
Dry-docking expenses	604	728	20%	625	804	748	20%	-7%
General and administrative expenses	1,237	1,222	-1%	905	1,061	1,440	59%	36%
Cash costs	5,725	5,794	1%	5,426	5,619	6,121	13%	9%
Finance costs, net	(4)	595	13713%	110	566	597	443%	6%
Depreciation	2,372	2,468	4%	2,418	2,411	2,521	4%	5%
Total costs	8,093	8,856	9%	7,954	8,596	9,239	16%	7%
USD/THB Rate (Daily Average)	32.48	34.25	5%	32.71	35.25	35.84	10%	2%

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

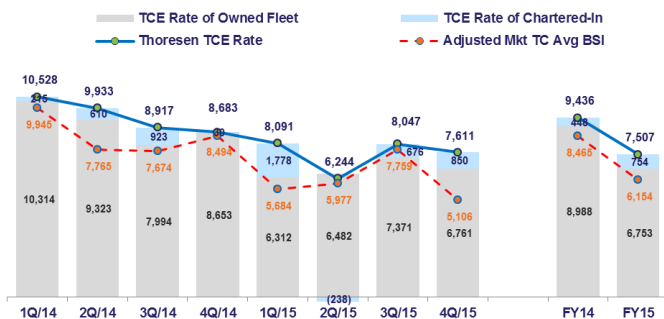
**Restated in compliance with IFRS

Note:

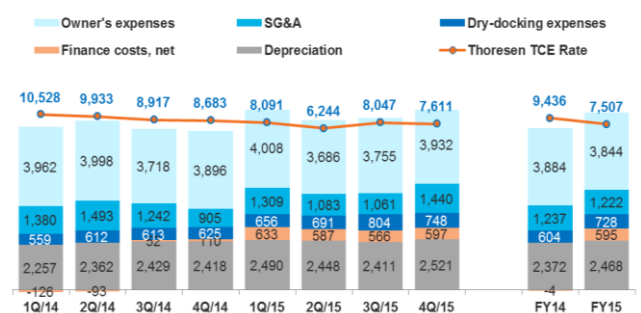
- Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Available service days are calendar days(1) less planned off hire days associated with major 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 utilisation 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.
- Adjusted Mkt TC Avg BSI = Market TC Avg BSI adjusting commission fee and Thoresen Fleet Type
- The per day basis is calculated based on available service days
- 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
 BHSI = The Baltic Exchange Handysize Index

Adjusted Market BSI vs Thoresen's TCE Rate



Revenue vs Cost Structure (per vessel day)



Mermaid Maritime Public Company Limited (MML Group)

ENERGY

- Total revenues grew by 8% YoY driven by MML's growing business (Cable Laying)
- High Subsea IRM - Vessels utilisation rate despite the dry-docking program in 1Q/15
- Normalized Net Profit of Baht 52.8 million with cash and cash equivalents of Baht 2,072 million
- Subsea business were well positioned with portfolio focusing on national oil companies

Performance Summary

Income Statement

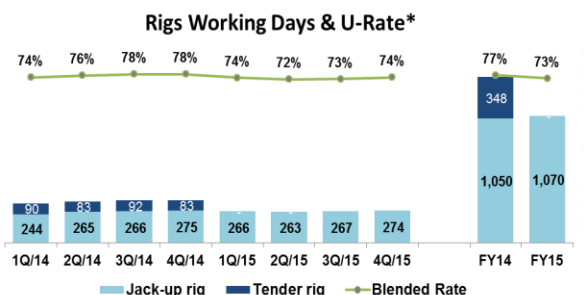
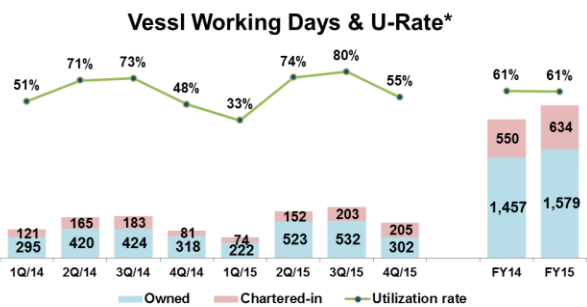
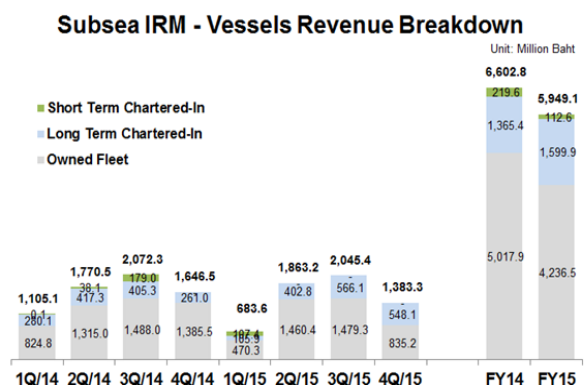
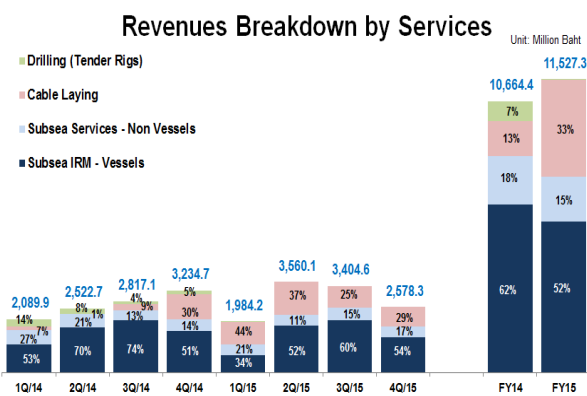
in million Baht	FY14	FY15	% YoY	4Q/14	3Q/15	4Q/15	% YoY	% QoQ
Total Revenues	10,664.4	11,527.3	8%	3,234.7	3,404.6	2,578.3	-20%	-24%
Total Costs	(8,178.4)	(9,594.9)	17%	(2,641.1)	(2,475.9)	(2,205.2)	-17%	-11%
Gross Profit/(Loss)	2,486.0	1,932.4	-22%	593.7	928.8	373.1	-37%	-60%
Other Income	22.1	14.7	-34%	5.9	3.1	3.5	-40%	13%
SG&A	(1,270.4)	(1,486.0)	17%	(329.2)	(379.7)	(370.4)	13%	-2%
EBITDA from Operation	1,237.6	461.1	-63%	270.4	552.2	6.2	-98%	-99%
Equity Income	1,005.4	507.3	-50%	229.8	264.8	(243.9)	-206%	-192%
EBITDA	2,243.0	968.4	-57%	500.2	817.0	(237.7)	-148%	-129%
Depreciation & Amortization	(776.8)	(840.1)	8%	(197.6)	(200.4)	(275.6)	40%	38%
EBIT	1,466.2	128.3	-91%	302.6	616.6	(513.3)	-270%	-183%
Financial Cost	(119.5)	(116.8)	-2%	(28.1)	(32.2)	(30.7)	9%	-5%
Gain/(Loss) from Foreign Exchange	25.0	59.4	137%	10.6	20.8	3.7	-65%	-82%
Non-Recurring Items	(53.3)	(6,002.9)	11159%	(53.9)	0.2	(6,003.5)	11040%	-3066431%
Non-Recurring Items - share of impairment losses from MML's drilling associate	-	(2,232.1)	-	-	-	(2,232.1)	-	-
Profit/(Loss) before income tax	1,318.4	(8,164.1)	-719%	231.2	605.4	(8,775.8)	-3896%	-1550%
Income Tax Expense	(138.1)	(18.1)	-87%	(89.2)	(25.9)	28.6	132%	210%
Net Profit/(Loss)	1,180.3	(8,182.2)	-793%	142.0	579.4	(8,747.2)	-6258%	-1610%
Net Profit/(loss) attributable								
To Non-controlling interest	505.7	(3,467.9)	-786%	60.5	241.4	(3,698.9)	-6215%	-1632%
To TTA	674.6	(4,714.3)	-799%	81.5	338.0	(5,048.3)	-6290%	-1593%
Normalized Net Profit/(Loss)	1,233.7	52.8	-96%	195.9	579.2	(511.6)	-361%	-188%
Normalized Net Profit/(Loss) To TTA	705.4	76.8	-89%	112.7	337.9	(256.8)	-328%	-176%
Gross Margin (%)	23%	17%		18%	27%	14%		
EBITDA Margin (%)	21%	8%		15%	24%	-9%		
Net Profit Margin (%)	11%	-71%		4%	17%	-339%		

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

The global oil and gas market has been continuously under pressure as oil prices have been falling since mid-2014 from over \$100 per barrel down to just over \$30 per barrel at the end of year 2015. Depressed prices were driven by surplus supply from Shale Oil production in the US, whereas OPEC continued to maintain production at around 30 million barrel/day to keep its market share with additional capacity from Iran is expected now that the sanctions have been lifted. In contrast, the demand for oil is still uncertain due to global economic slowdown especially in China. Consequently, this has led

to reductions in oil and gas spending, activity, and contract awards across the subsea and offshore drilling services segment thus creating supply and demand imbalance that has negatively impacted utilization and pricing.

However, Mermaid Maritime Public Company Limited (“MML Group”)'s subsea business remains well positioned and well respected in the industry, which was mainly from MML Group's strategy to shift from multinational oil companies portfolio to national oil companies (“NOC”) dominated portfolio during the past years. Currently, NOC accounts as much as 78% of MML's order book and still maintaining strong value of USD 255 million at the end of 2015 despite the low oil price environment.



*Total Working Days/Total Vessel Calendar Days
 Utilization Rate are blended Rate of Owned and Chartered-in
 In 2014, based on 9 Vessels. In 2015, based on 10 Vessels

*Total Working Days/Total Rig Calendar Days
 Utilization Rate are blended Rate of Owned and Chartered-in
 U-rate in 2014 is based on 5 rigs and 2015 is based on 4 rigs.

In 2015, MML Group's total revenue was at Baht 11,527.3 million, an increase of 8% YoY from Baht 10,664.4 million despite the dry-docking program of MML group's three high performing vessels (Mermaid Commander, Mermaid Endurer, and Mermaid Asiana) in 1Q/15. The increase in revenue for 2015 was mainly driven by the continued strong build out of the cable laying business which accounted 33% of total revenue or 162% increased from 2014. Meanwhile, the revenue from subsea IRM-vessels and survey services decreased 10% from 2014 at Baht 6,602.8 million to Baht 5,949.1 million in 2015. In addition, despite the challenging conditions, the overall subsea utilization rate remained flat at 61% with 2,213 working days in

2015 (10 vessels) and 2,007 working days in 2014 (9 vessels). The additional vessel in 2015 was from the chartered in vessel “Windermere” which was discharged at the end of year. In drilling business, the utilization rates were solid at 73%, though lower than 2014 at 77%. The tender rigs (MTR1 and MTR2) were put in cold stack throughout the year and are now marketed for sale. The overall cost increased 17% mainly from the larger contribution of cable laying business in which costs were incurred during learning curve of the business. With the increasing cost and no contribution from the tender rigs, **the overall EBITDA from operations in 2015 remained positive but nevertheless reduced to Baht 461.1 million** or decreased 63% YoY from Baht 1,237.6 million in 2014.

Moreover, in 2015 MML Group had announced to the Singapore stock exchange that Asia Offshore Drilling (“AOD”, Operation of 3 Jack-up rigs), has agreed to a 10% discount on day rates for customer in Saudi Arabia starting April 1, 2015. While the day rates have been lowered to USD 162,000 per day, the impact of the agreed discount with customer was not reflected in the books of AOD at that time. Eventually, the retroactive impact from this adjustment has been finalized and realized in 4Q/15 for the full year.

MML Group showed an EBITDA of Baht 968.4 million in 2015 or 57% lower than 2014 level. Furthermore, in line with MML’s principles of transparency and conservative accounting approach, MML had recorded non-cash impairment on assets totalling of Baht 6 billion in 2015. There was also share of impairment losses from MML’s drilling associate of Baht 2.2 billion according to IFRS requirement.

MML Group reported the consolidated financial statements for the FY2015 with net loss of Baht 8,182.2 million with normalized net profit of Baht 52.8 million. MML still maintained strong net cash flow from operations of approximately Baht 215.7 million, cash and cash equivalents of Baht 2,072 million, and Net IBD/Equity at 0.15 at the end of 2015.

Unique Mining Services Public Company Limited (UMS)

INFRASTRUCTURE

- Lower sales volume and revenue, but SG&A reduced from cost reduction program
- New services help increased other income
- Net loss attributable to TTA of Baht 329.2 million

Performance Summary

Income Statement

in million Baht	FY14	FY15	% YoY	4Q/14	3Q/15	4Q/15	% YoY	% QoQ
Total Revenues	711.5	577.5	-19%	112.5	114.5	104.8	-7%	-9%
Total Costs	(494.4)	(457.1)	-8%	(73.0)	(106.9)	(74.0)	1%	-31%
Gross Profit	217.1	120.4	-45%	39.5	7.6	30.8	-22%	303%
Other Income	(3.6)	3.2	189%	0.5	6.1	(4.24)	-900%	-170%
SG&A	(181.8)	(110.6)	-39%	(31.4)	(25.4)	(22.6)	-28%	-11%
EBITDA	31.7	13.0	-59%	8.7	(11.6)	3.9	-55%	134%
Depreciation & Amortization	(59.9)	(54.9)	-8%	(14.8)	(13.1)	(13.2)	-11%	1%
EBIT	(28.2)	(41.8)	49%	(6.1)	(24.7)	(9.3)	52%	-62%
Financial Cost	(66.0)	(55.4)	-16%	(14.7)	(13.3)	(13.1)	-11%	-2%
Gain/(Loss) from Foreign Exchange	0.4	(2.9)	-860%	(0.7)	(2.4)	0.5	168%	119%
Non-Recurring Items	(25.2)	(271.1)	977%	(0.5)	(19.2)	(251.8)	46424%	1212%
Profit/(loss) before income tax	(118.9)	(371.2)	212%	(22.1)	(59.6)	(273.7)	1138%	359%
Income Tax Expense	-	-	-	-	-	-	-	-
Net Profit/(Loss)	(118.9)	(371.2)	212%	(22.1)	(59.6)	(273.7)	1138%	359%
Net Profits/(losses) attributable								
To Non-controlling interest	(13.5)	(42.0)	212%	(2.5)	(6.8)	(31.0)	1138%	359%
To TTA	(105.5)	(329.2)	212%	(19.6)	(52.9)	(242.7)	1138%	359%
Normalized Net Profit/(Loss)	(93.8)	(100.1)	7%	(21.6)	(40.5)	(21.9)	2%	-46%
Normalized Net Profit/(Loss) To TTA	(83.1)	(88.8)	7%	(19.1)	(35.9)	(19.4)	2%	-46%
Gross Margin (%)	31%	21%		35%	7%	29%		
EBITDA Margin (%)	4%	2%		8%	-10%	4%		
Net Profit Margin (%)	-17%	-64%		-20%	-52%	-261%		

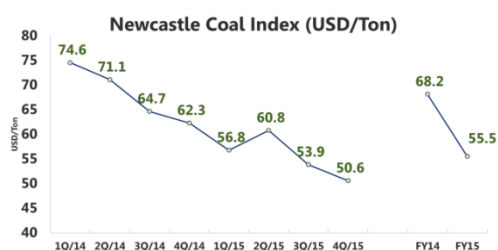
As consolidated on TTA's P&L

Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

Non-Recurring Items include obsolescence and declining in value of inventories and impairment against machines and buildings.

In 2015, Unique Mining Services Public Company Limited ("UMS") had a net loss of Baht 371.2 million comparing to losses of Baht 118.9 million in 2014. The negative performance of UMS was mainly because of low selling volume during the year and non-recurring items of Baht 271.1 million.

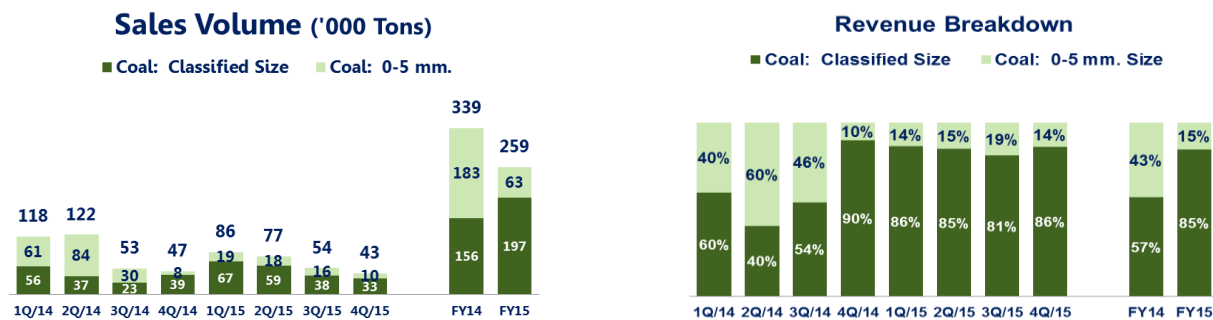
Following more than a decade of aggressive growth, global coal demand has stalled. According to International Energy Agency or IEA, coal prices continued to decrease due to an oversupply situation and decreased in demand, mainly from China. Coal demand in China is sputtering as the Chinese economy gradually shifts to one based more on services and less on



Newcastle index* data source : Bloomberg
 *Newcastle Coal is thermal coal exported (delivered FOB) out of the port of Newcastle in New South Wales, Australia. It is the price benchmark for seaborne thermal coal in the Asia-Pacific region. Net Calorific Value (AR) = 6,000 Kcal/kg

energy-intensive industries. New Chinese hydro, nuclear, wind and solar industries are also significantly curtailing coal power generation, driven not only by energy security and climate concerns but also by efforts to reduce local pollution.

On the supply side, a period of surging demand between 2007 and 2011 triggered a large increase in mining investments in Australia, Colombia, Indonesia and South Africa. These mines have come online at a period of dampened demand growth in China as mentioned while in the United States, cheap shale gas has led to some coal being displaced. Consequently, Newcastle index Coal prices have declined 19% YoY from 68.2 USD/ton in 2014 to 55.5 USD/ton in 2015, but down 54% from the last peak in 2011 at 120 USD/ton.



UMS's sales volume decreased 24% YoY from 339 KTONs in 2014 to 259 KTONs in 2015. The decline in sales volume was mainly from lower volume of low margin 0-5 mm size coal, as in 2014, UMS management had been focusing on selling down its 0-5 mm coal inventories and limiting the production of classified coals to rebalance its capital structure which continued into 2015. While focusing on selling down large volume of coal inventory, UMS was also impacted by the limited financial facilities for coal imports which have been prolonged since 2Q/15.

However, as earlier reported to SET, UMS shareholders have approved the request for financial assistance from TTA, which would help alleviate the liquidity concern as well as lower financial burden of UMS. Lastly, there were significant competitors in the domestic market with competitive prices.

In 2015, total revenues reduced 19% YoY while the cost reduced by only 8% YoY, therefore, the gross profit consequently decreased 45% YoY to Baht 120.4 million comparing with Baht 217.1 million in 2014. The other income increased 189% YoY as UMS have started implementing business turnaround plans to improve the performance back to profitability. According to the plan, UMS aim to

1. Increase coal sales volume for both classified coal and non-classified coal (0-5 mm) to both existing and new customers, which mostly are SME manufacturers, subject to the market conditions and profitability.
2. Improve asset utilization of UMS and its subsidiaries including leasing out coal storage area and offering coal screening service to coal traders. Increase lighter service and related logistic services. Manage and control to reduce maintenance cost and financial cost of UMS.
3. Reduce operation cost by cutting fixed overheads by revisiting cost items to ensure most benefit of such spending and cut down unnecessary cost. In addition, increasing sales volume will allow for the economy of scale.
4. Revise capital structure of UMS such as capital increase.

From the cost reducing program conducted during 2015, UMS was able to reduce SG&A by 39% YoY. EBITDA in 2015 has weakened to Baht 13 million, with EBITDA margin of 2%. In addition, depreciation and amortization reduced 8% from last year, while financial cost reduces 16%. Moreover, there was non-recurring item losses of Baht 271.1 million mainly from non-cash impairment and provision, comprising mainly from

1. Baht 198 million of non-cash allowance will be taken for obsolescence and declining in value of inventories. The decision is a result of the deterioration in quality of such coal inventory which has been accumulated up and has no movement for several years. Such coal is sited on floor and underground of the coal storage area and become contaminated with all soil and rock causing deterioration of its quality (including its calorific value and ash content) according to the report from coal specialist. This coal inventory may not be sold in the market.
2. Non-cash impairment of 57 million against the machines and buildings, including both factories in Samutsakorn and Ayuthaya Provinces. The machines are mostly the old machines and have not been utilized for several years. The valuation by the independent appraisal firm indicated that the book value of such assets is higher than the fair value.
3. Non-cash impairment of Baht 3.5 million against its investment UMS Distribution Company Limited (“UMSD”), a subsidiary of UMS, which is no longer in business operation.

Accordingly in 2015, UMS reported net loss of Baht 371.2 million and attributable net losses to TTA of Baht 329.2 million.

PM Thoresen Asia Holding Public Company Limited (PMTA)

- Fertilizer sales revenue rose by Baht 170.5 million or increased 6% YoY
- Domestic sales remained strong in spite of drought condition within the region
- Completion of new granulation unit (100,000 tons capacity) to support growth in export market
- Expansion of factory area for leasing from 31,000 sq. m. with additional 11,300 sq. m. to 42,300 sq. m., and further 8,200 sq. m. (named Baconco 5-B Phase 2) under construction opening early 2016, achieved 100% occupancy rate while the demand from current customers still keeps rising

Performance Summary

Income Statement

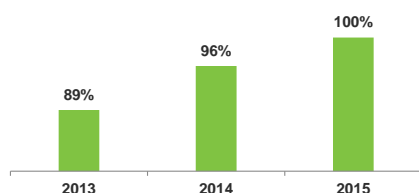
<i>in Million Baht</i>	FY14	FY15	% YoY	4Q/14	3Q/15	4Q/15	% YoY	% QoQ
Sales Revenue	3,088.0	3,258.5	6%	589.0	802.3	904.8	54%	13%
Raw Material Costs	(2,270.8)	(2,472.3)	9%	(425.0)	(616.6)	(672.1)	58%	9%
Gross Profit	817.2	786.2	-4%	163.9	185.7	232.7	42%	25%
Service & Other Income	36.6	52.4	43%	11.1	14.4	13.4	20%	-7%
Operating Cost	(207.3)	(236.0)	14%	(50.7)	(63.7)	(67.7)	33%	6%
Cost of providing services	(5.4)	(10.5)	95%	(1.6)	(2.4)	(4.0)	151%	66%
SG&A	(266.1)	(243.6)	-8%	(52.6)	(58.6)	(63.3)	20%	8%
EBITDA	375.0	348.6	-7%	70.2	75.4	111.0	58%	47%
Depreciation & Amortization	(40.8)	(57.2)	40%	(10.2)	(15.2)	(16.2)	60%	7%
EBIT	334.2	291.4	-13%	60.0	60.3	94.8	58%	57%
Financial Cost	(0.9)	(6.3)	593%	(0.6)	(1.0)	(1.3)	105%	23%
Gain/(Loss) from Foreign Exchange	13.3	(2.4)	-118%	10.6	0.9	(1.1)	-110%	-216%
Profit before income tax	346.6	282.6	-18%	70.0	60.2	92.4	32%	54%
Income Tax Expense	(63.6)	(49.6)	-22%	(14.6)	(11.1)	(16.9)	15%	52%
Net Profit	283.0	233.0	-18%	55.3	49.1	75.6	37%	54%
Net Profit/(loss) attributable								
To Non-controlling interest	-	58.1		-	16.8	25.4		51%
To TTA	-	174.9		-	32.3	50.2		55%
Gross Margin (%)	26%	24%		28%	23%	26%		
EBITDA Margin (%)	12%	11%		12%	9%	12%		
Net Profit Margin (%)	9%	7%		9%	6%	8%		

Year 2015 was another profitable year for PMTA ending with the net profit of Baht 233 million. Several key developments were accomplished during the year driven by the company's considerable effort including the completion of its new granulation units to support future growth especially for export market, expanding more factory area for leasing, and introduction of new products.

Supported by its strong branding, diverse product choices, and effective market campaign, PMTA continued to increased its 2015 sales revenue to Baht 3,258.5 million or 6% growth YoY from Baht 3,088 million in 2014, despite the challenging year with the shortage of rainfall in Southeast Asia that affected the demand of fertilizer.

Despite the tough situation in the industry, the company finally reached the level of sales volume same as last year. In 2015, sales volume of fertilizer is 198,541 tons, an increase of 1%YoY from 196,986 tons. The sales volume growth was hindered by limited opportunities for exporting to African countries as well as the drought problem in many Southeast Asia countries.

Occupancy Rate of Factory Area for Leasing



The demand for factory area for leasing remained very high, with increasing demand from current customers. It made the utilization rate of our factory area for leasing in 2015 achieved 100%. Thus, service income from factory area leasing business jumped from Baht 32.1 million to Baht 49.1 million or rose 53% YoY. Besides, PMTA is in the process of building Baconco 5-B Phase 2 factory area for leasing (capacity of 8,200 sqm) to support growing demand. The new phase factory area for leasing is scheduled to be completed in 1Q/16.

Table 2: Fertilizer Sales Volume

Unit: Tons	FY14	FY15	% YoY
Fertilizer NPK	191,743	193,075	1%
Single fertilizer	2,642	3,224	22%
Pesticide	2,601	2,242	-14%
Total	196,986	198,541	1%

4Q/14	3Q/15	4Q/15	% YoY	% QoQ
34,243	46,013	48,733	42%	6%
201	553	2,549	1170%	361%
790	546	587	-26%	7%
35,235	47,112	51,869	47%	10%

Sales Volume Breakdown

Unit: Tons	FY14	FY15	% YoY
Domestic	117,432	118,851	1%
Export	79,554	79,690	0%
Total	196,986	198,541	1%

4Q/14	3Q/15	4Q/15	% YoY	% QoQ
23,453	26,620	32,673	39%	23%
11,781	20,492	19,196	63%	-6%
35,235	47,112	51,869	47%	10%

In 2015, fertilizer sales revenue rose 6% YoY from Baht 3,088 million to Baht 3,258.5 million, contributed mainly from increasing of revenue per ton sales from 15,676 Baht per ton to 16,412 Baht per ton or increased 5% YoY, while the volume of fertilizer sales increased only 1% YoY from 196,986 tons to 198,541 tons. On the other hand, cost of raw material rose 9% YoY from Baht 2,270.8 million to 2,472.3 million, resulting in raw material cost per ton increased from 11,528 Baht per ton to 12,452 Baht per ton or increased 8% YoY. The higher growth rate of raw material cost than that of sales revenue diminished the gross margin in 2015 to 24% compared with 26% in 2014. In order to support the farmers, on 8 December 2014 Vietnamese government issued a decree cancelling the 5 % VAT on sales of all types of fertilizers effective from 1 January 2015.

Service and other income dramatically increased 43% YoY to Baht 52.4 million from Baht 36.6 million in 2014. The majority source of service and other income was from factory area for leasing rental fee. With 100%

occupancy rate of current factory area for leasing and growing demand for rental space, the new factory area for leasing named 5-B Phase 2 is now under construction.

Operating cost increased 14% YoY from Baht 207.3 million in 2014 to Baht 236 million in 2015 as the new capacity addition was still not fully utilized, while the SG&A, due to effective cost control, reduced from Baht 266.1 million in 2014 to Baht 243.6 million in 2015 or decreased 8% YoY.

Therefore, EBITDA was at Baht 348.6 million in 2015 reducing from Baht 375 million in 2014 or decreasing 7% YoY. As a result, EBITDA margin dropped from 12% to 11% in 2015. Depreciation and amortization significantly grew 40% YoY from Baht 40.8 million to Baht 57.2 million in 2015, from the new granulation unit installed.

Consequently, PMTA reported the consolidated financial statements for the year 2015 with net profit of Baht 233 million decreased 18% YoY from Baht 283 million in 2014.

Yours faithfully,
Thoresen Thai Agencies Public Company Limited

Mr. Chalermchai Mahagitsiri
President & Chief Executive Officer

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