

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis 2Q/2016



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Ref No. COR:MS/EL16030e/PP

August 11, 2016

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for 2Q/16

Thoresen Thai Agencies Public Company Limited

- Performance improved QoQ, with EBITDA for 2Q/16 improving 138% QoQ despite a relatively weak shipping and oil market environment
- Strong consolidated balance sheet with cash and short-term investments totalling of Baht 12.3 billion at the end 2Q/16
- Normalized net profit to TTA of Baht 10.5 million (Reported net loss to TTA of Baht 30.6 million)

Executive Summary

Performance Summary

in Million Baht	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
Revenues	5,998.5	2,956.6	3,531.6	-41%	19%	10,574.3	6,488.3	-39%
Gross Profit	1,226.3	339.1	807.9	-34%	138%	1,449.6	1,147.0	-21%
Gross Margin (%)	20%	11%	23%			14%	18%	
EBITDA	980.4	229.5	545.5	-44%	138%	989.1	774.9	-22%
EBITDA Margin (%)	16%	8%	15%			9%	12%	
Net Profit/(Loss)	211.5	(206.7)	99.6	-53%	148%	(248.3)	(107.1)	-57%
Net Profit Margin (%)	4%	-7%	3%			-2%	-2%	
Net Profit/(Loss) to TTA	(9.3)	(230.7)	(30.6)	-231%	87%	(247.1)	(261.3)	-6%
Number of Shares (million Shares)	1,821.6	1,822.5	1,822.5			1,821.6	1,822.5	
Basic earnings per share (in Baht)	(0.01)	(0.13)	(0.02)	-300%	85%	(0.15)	(0.13)	13%
Normalized Net Profit/(Loss)	209.4	(200.7)	140.9	-33%	170%	(271.5)	(59.8)	78%
Normalized Net Profit/(Loss) to TTA	(11.2)	(224.5)	10.5	194%	105%	(270.2)	(214.0)	21%

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

Restate 2Q/15 and 6M/15

Normalized consolidated net profit to Thoresen Thai Agencies Public Company Limited ("TTA") in 2Q/16 was Baht 10.5 million, which increased 194% YoY and 105% QoQ, as the shipping business rebounded from nearly 30 year-low level in 1Q/16 and there were higher subsea vessels activities during the quarter. Coal and fertilizer business also saw QoQ improvement on bottom-line contribution to the group. In addition, the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in 2Q/16 was at Baht 545.5 million, a decrease of 44% YoY but increased 138% QoQ.

Thoresen Shipping Group ("TSG")'s average TCE rate in 2Q/16 was at \$5,079 per day, which was an improvement of 36% QoQ but a decline of 19% YoY. The improved QoQ was from the rebound of the Baltic dry Index (BDI) from its 30 year-low point at 290 in February 2016 to around 700 level at

the end of July. The increase in BDI was due to the increase in global coal trade transaction and grains season. TSG reported net loss of Baht 196.2 million in 2Q/16 with normalized net loss of Baht 155.2 million.

Mermaid Maritime Public Company Limited (“MML Group”)'s total revenue in 2Q/16 was at Baht 1,751 million, an increase of 24% QoQ from low season in 1Q/16 at Baht 1,412.9 million but declined 51% YoY from 2Q/15 at Baht 3,560.1 million, when there were higher Subsea IRM – Vessels and cable laying activities. The revenue from Subsea IRM – Vessels in 2Q/16 increased 16% QoQ while revenue from cable laying significantly increased 322% QoQ. In addition, the utilization rate increased from 40% in 1Q/16 to 45% in 2Q/16. MML Group contributed a normalized net profit of Baht 274.5 million.

PM Thoresen Asia Holdings Public Company Limited (“PMTA”) contributed net profit of Baht 62.6 million in 2Q/16, with growing sales volume and revenues QoQ from the slowdown in the first quarter, which is normally a low season and earning quarter of the year. However, the drought situation is slowly relieved as rains had started at the end of May, after a delayed start to the season. The demand for factory area for leasing is still high with 100% occupancy rate.

Unique Mining Services Public Company Limited (“UMS”)'s sales volume in 2Q/16 was at 34 KTONs, decreased 56% YoY from 77 KTONs in 2Q/15 and declined 42% QoQ from 58 KTONs in 1Q/16. However, the other income grew 33% YoY and 85% QoQ since UMS have started implementing business turnaround plan. Moreover, the continuing cost reduction program had helped to reduce SG&A 43% YoY from Baht 30.9 million in 2Q/15 and decreased 18% QoQ from Baht 21.4 million in 1Q/16 to Baht 17.5 million in 2Q/16. Accordingly, UMS reported net loss to TTA of Baht 10.2 million in 2Q/16.

Overall, in 2Q/16, TTA reported consolidated net loss to TTA of Baht 30.6 million with normalized net profit to TTA of Baht 10.5 million. TTA still maintained strong net cash flow from operation of Baht 653.9 million for 6M/16, with cash and short-term investments on its consolidated balance sheet totaling to Baht 12.3 billion at the end of the second quarter 2016.

Consolidated Performance Summary

Consolidated Income Statement

in million Baht (MB)	2Q/15 Restate		1Q/16		2Q/16		%YoY		%QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
Revenues	5,998.5	100.0	2,956.6	100.0	3,531.6	100.0	(2,466.9)	-41%	575.0	19%
Costs	(4,772.2)	(79.6)	(2,617.5)	(88.5)	(2,723.8)	(77.1)	(2,048.5)	-43%	106.2	4%
Gross Profit	1,226.3	20.4	339.1	11.5	807.9	22.9	(418.4)	-34%	468.8	138%
Other Income	82.0	1.4	51.6	1.7	74.8	2.1	(7.2)	-9%	23.2	45%
Gain/(Loss) on Investment	6.4	0.1	6.7	0.2	(5.7)	(0.2)	(12.0)	-189%	(12.4)	-184%
SG&A	(679.7)	(11.3)	(359.3)	(12.2)	(487.6)	(13.8)	(192.1)	-28%	128.3	36%
EBITDA from Operation	635.0	10.6	38.2	1.3	389.5	11.0	(245.5)	-39%	351.3	920%
Equity Income	345.4	5.8	191.3	6.5	156.0	4.4	(189.4)	-55%	(35.3)	-18%
EBITDA	980.4	16.3	229.5	7.8	545.5	15.4	(435.0)	-44%	316.0	138%
Depreciation & Amortization	(438.0)	(7.3)	(291.1)	(9.8)	(288.5)	(8.2)	(149.6)	-34%	(2.6)	-1%
EBIT	542.4	9.0	(61.6)	(2.1)	257.0	7.3	(285.4)	-53%	318.6	517%
Financial Cost	(125.8)	(2.1)	(130.9)	(4.4)	(122.3)	(3.5)	(3.5)	-3%	(8.6)	-7%
Gain/(Loss) from Foreign Exchange	(124.8)	(2.1)	(4.5)	(0.2)	15.7	0.4	140.5	113%	20.2	450%
Non-Recurring Items - Impairment on Assets	-	-	-	-	-	-	-	0%	-	0%
Non-Recurring Items - Other	2.0	0.0	(6.1)	(0.2)	(41.3)	(1.2)	(43.3)	-2118%	35.2	580%
Profit before income tax	293.9	4.9	(203.0)	(6.9)	109.1	3.1	(184.8)	-63%	312.2	154%
Income Tax Expense	(82.4)	(1.4)	(3.7)	(0.1)	(9.5)	(0.3)	(72.9)	-88%	5.8	157%
Net Profit/(Loss)	211.5	3.5	(206.7)	(7.0)	99.6	2.8	(111.8)	-53%	306.4	148%
Net Profit/(Loss) attributable										
To Non-controlling interest	220.8	3.7	23.9	0.8	130.3	3.7	(90.5)	-41%	106.3	444%
To TTA	(9.3)	(0.2)	(230.7)	(7.8)	(30.6)	(0.9)	(21.4)	-231%	200.1	87%
Normalized Net Profit/(Loss)	209.4		(200.7)		140.9					
Normalized Net Profit/(Loss) to TTA	(11.2)		(224.5)		10.5					

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

In 2Q/16, consolidated revenues decreased 41% YoY and increased 19% QoQ to record at Baht 3,531.6 million. The lower YoY consolidated revenues were driven mainly by lower revenue contribution from transport group led by a slump in dry bulk shipping business while revenue from MML Group also dropped by 51% YoY as oil sector continues to face the price pressure. Total costs decreased 43% YoY to Baht 2,723.8 million mainly from lower shipping activities and vessel operating expenses, yet increased slightly 4% QoQ. Consequently, gross profit decreased 34% YoY but increased 138% QoQ to record at Baht 807.9 million with gross margin of 23% in 2Q/16.

Equity income decreased 55% YoY and 18% QoQ to Baht 156.0 million in 2Q/16, primarily from lower profit sharing from Asia Offshore Drilling "AOD" (major contributor to the equity income) due to lower rate contracted. As a result, the EBITDA in 2Q/16 was at Baht 545.5 million, a decrease of 44% YoY but increased 138% QoQ. Furthermore, the depreciation and amortization decreased 34% YoY. There was non-recurring item-other loss of around Baht 40 million from the sales of ships for scrap during the quarter.

Thoresen Shipping Group (TSG)

- Performance improved QoQ as rates picked up
- TSG's TCE Rate at \$5,079 per day was an improvement of 36% QoQ
- Owned fleet utilization rate remained at high level at 100% despite the continued weak market condition
- EBITDA and Net Profit/(Loss) improved 95% and 26% QoQ, respectively

Performance Summary

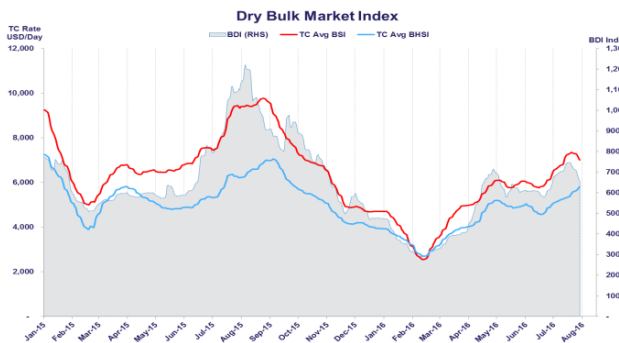
Income Statement*

in million Baht (MB)	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
Freight Revenue	1,214.4	744.7	800.4	-34%	7%	2,969.2	1,545.1	-48%
Vessel Operating Expenses	(1,074.5)	(764.3)	(738.3)	-31%	-3%	(2,582.5)	(1,502.6)	-42%
Gross Profit	139.9	(19.7)	62.1	-56%	416%	386.8	42.5	-89%
Other Income	36.4	15.4	1.1	-97%	-93%	45.2	16.5	-63%
Gains (Losses) on Investment	-	-	-	0%	0%	32.1	-	-100%
SG&A	(76.5)	(54.5)	(66.4)	-13%	22%	(164.7)	(120.9)	-27%
EBITDA	99.9	(58.7)	(3.2)	-103%	95%	299.3	(61.9)	-121%
Depreciation & Amortization	(172.8)	(103.3)	(101.1)	-42%	-2%	(340.6)	(204.4)	-40%
EBIT	(73.0)	(162.1)	(104.3)	-43%	36%	(41.3)	(266.3)	-545%
Financial Cost	(41.6)	(43.8)	(43.0)	3%	-2%	(84.3)	(86.8)	3%
Gain/(Loss) from Foreign Exchange	12.9	(51.1)	(7.8)	-160%	-85%	5.7	(58.8)	-1134%
Non-Recurring Items	1.9	(4.6)	(40.9)	-2282%	789%	(0.01)	(45.6)	402377%
Profit before income tax	(99.8)	(261.5)	(196.0)	-96%	25%	(119.9)	(457.6)	-282%
Income Tax Expense	(3.4)	(2.4)	(0.2)	-95%	-93%	(16.1)	(2.6)	-84%
Net Profit/(Loss)	(103.2)	(263.9)	(196.2)	-90%	26%	(136.1)	(460.1)	-238%
Normalized Net Profit/(Loss)	(105.0)	(259.3)	(155.2)	-48%	40%	(136.0)	(414.6)	-205%
Gross Margin (%)	12%	-3%	8%			13%	3%	
EBITDA Margin (%)	8%	-8%	0%			10%	-4%	
Net Profit Margin (%)	-8%	-35%	-25%			-5%	-30%	

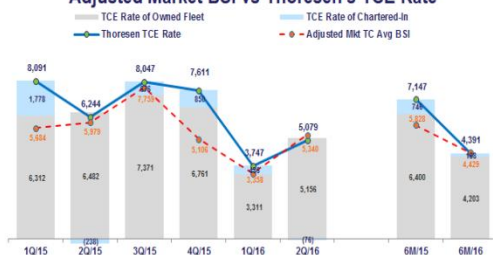
*as consolidated on TTA's P&L

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

In 2Q/16, the Baltic dry Index (BDI) has rebounded from its 30 years low at 290 in February 2016 to around 700 level at the end of July. The increase in BDI was due to the increase in global coal trade transaction and grains season. However, at this level, it is still below the cash breakeven point of many ship owners. BDI index averaged at 612 in 2Q/16, a decline of 3% YoY from 632 in 2Q/15 but significantly increased 71% QoQ from 358 in 1Q/16. Consequently, the Supramax average TC rates (key benchmark rates for TSG) increased to \$5,795 per day in 2Q/16 from 1Q/16 at \$3,801 per day but was lower than 2Q/15 at \$6,767 per day. Handysize average TC rates increased to \$4,791 per day in 2Q/16 from \$3,405 per day in 1Q/16 comparing with \$5,123 per day in 2Q/15.



Adjusted Market BSI vs Thoresen's TCE Rate



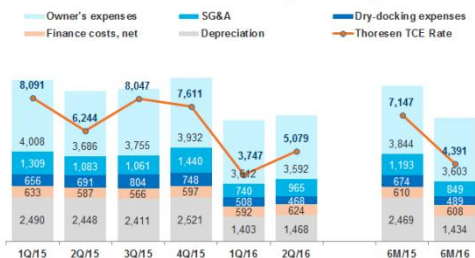
In 2Q/16, Thoresen Shipping Group (TSG)'s average TCE rate was at \$5,079 per day, which was an improvement of 36% QoQ but a decline of 19% YoY. The TSG's average TCE rate is consisted of owned fleet TCE rate of \$5,156 per day and slight losses from chartered-in vessels of \$76 per day. However, the achieved TCE rate in this quarter was slightly lower than the adjusted market TC Avg BSI of \$5,340 per day by 5% as TSG remain focused on supporting key customers for their freight needs while front running the

Thoresen Thai Agencies Public Company Limited

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TCE vs Cost Structure (per vessel day)



market booking cargoes as the market spot rates suddenly surge in mid-June toward July. The owned fleet utilization rate remained high at 100% despite the continued weak market condition. Accordingly, TSG's average TCE rate in 2Q/16 was slightly higher than the operating cash costs level of \$5,024 per day which was still lower than breakeven cash cost level for many other ship owners.

In this quarter, M.V. Thor Wave with capacity of 39,042 DWT and M.V. Thor Wind with capacity of 39,087 DWT were sold for scrap, following TTA's strategy to improve the fleet efficiency and fleet renewal program. At end of 2Q/16, TSG continues to own 21 vessels with an average size of 52,078 DWT and an average age of 11.60 years. Therefore, the group operated an average of 29.7 vessels (21.5 owned vessels⁽⁵⁾ and 8.2 chartered-in vessels) in 2Q/16.

The freight revenue in 2Q/16 increased to Baht 800.4 million or increased 7% QoQ from Baht 744.7 million in 1Q/16, but declining 34% from Baht 1,214.4 million in 2Q/15. Overall in this quarter, the gross profit was at Baht 62.1 million surging 416% QoQ as the TSG's average TCE rate increased above the operating cash costs level but down 56% YoY. Gross margin was at 8% in 2Q/16 comparing to -3% in 1Q/16 and 12% in 2Q/15. The general and administrative expenses in this quarter were back to the normal level from an exceptional low level in 1Q/16.

Therefore, TSG ended the quarter with negative EBITDA of Baht 3.2 million, increased 95% QoQ. There was non-recurring item loss of around Baht 40 million from the sales of ships for scrap during the quarter. In conclusion, TSG reported net loss of Baht 196.2 million in 2Q/16 with normalized net loss of Baht 155.2 million.

Fleet data Summary	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
Average DWT (Tons)	50,636	50,946	52,078	3%	2%	50,636	52,078	3%
Calendar days for owned fleet ⁽¹⁾	2,184	2,113	2,043	-6%	-3%	4,344	4,156	-4%
Available service days for owned fleet ⁽²⁾	2,123	2,065	1,952	-8%	-5%	4,187	4,017	-4%
Operating days for owned fleet ⁽³⁾	2,111	2,016	1,952	-8%	-3%	4,165	3,968	-5%
Owned fleet utilization ⁽⁴⁾	99.4%	97.6%	100.0%	1%	2%	99.5%	98.8%	-1%
Voyage days for chartered-in fleet	992	717	750	-24%	5%	2,600	1,467	-44%
Average number of vessels ⁽⁵⁾	34.1	30.0	29.7	-13%	-1%	37.4	29.9	-20%

Market Rate (USD/Day)	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
BDI Index	632	358	612	-3%	71%	623	486	-22%
BSI Index	647	363	554	-14%	52%	631	460	-27%
Mkt TC Avg BSI	6,767	3,801	5,795	-14%	52%	6,598	4,806	-27%
Adjusted Mkt TC Avg BSI	5,979	3,358	5,340	-11%	59%	5,828	4,429	-24%

Average Daily Operating Results ⁽⁶⁾ (USD/Day)	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
Thoresen TCE Rate ⁽⁷⁾	6,244	3,747	5,079	-19%	36%	7,147	4,391	-39%
TCE Rate of Owned Fleet	6,482	3,311	5,156	-20%	56%	6,400	4,203	-34%
TCE Rate of Chartered-In	(238)	436	(76)	-68%	-118%	746	188	-75%

Expenses	2Q/15	1Q/16	2Q/16	%YoY	%QoQ	6M/15	6M/16	%YoY
Vessel operating expenses (Owner's expenses)	3,686	3,612	3,592	-3%	-1%	3,844	3,603	-6%
Dry-docking expenses	691	508	468	-32%	-8%	674	489	-28%
General and administrative expenses	1,083	740	965	-11%	30%	1,193	849	-29%
Cash costs	5,461	4,860	5,024	-8%	3%	5,711	4,940	-14%
Finance costs, net	587	592	624	6%	5%	610	608	0%
Depreciation	2,448	1,403	1,468	-40%	5%	2,469	1,434	-42%
Total costs	8,495	6,855	7,116	-16%	4%	8,790	6,982	-21%
USD/THB Rate (Daily Average)	33.26	35.67	35.28	6%	-1%	32.95	35.47	8%

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

⁽¹⁾The per day basis is calculated based on available service days.

Mermaid Maritime Public Company Limited (MML Group)

- Revenue from Subsea IRM – Vessels increased 16% QoQ and from cable laying increased 322% QoQ
- Utilization rate increased from 40% in 1Q/16 to 45% in 2Q/16 but down from 74% in 2Q/15
- Net Profit increased 521% QoQ to Baht 274.2 million
- AOD I & II have been awarded a contract for extension of 3 more years

Performance Summary

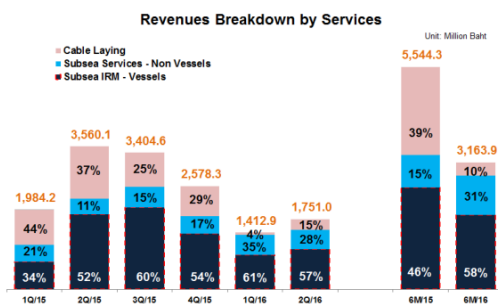
Income Statement

in million Baht	2Q/15	1Q/16	2Q/16	% YoY	% QoQ	6M/15	6M/16	% YoY
Total Revenues	3,560.1	1,412.9	1,751.0	-51%	24%	5,544.3	3,163.9	-43%
Total Costs	(2,710.8)	(1,216.4)	(1,209.7)	-55%	-1%	(4,913.8)	(2,426.2)	-51%
Gross Profit/(Loss)	849.3	196.5	541.3	-36%	176%	630.6	737.8	17%
Other Income	3.2	5.0	7.7	137%	53%	8.0	12.7	57%
SG&A	(386.4)	(153.4)	(235.9)	-39%	54%	(735.9)	(389.3)	-47%
EBITDA from Operation	466.1	48.1	313.1	-33%	551%	(97.3)	361.2	471%
Equity Income	249.1	151.6	122.9	-51%	-19%	486.4	274.5	-44%
EBITDA	715.2	199.7	436.0	-39%	118%	389.1	635.7	63%
Depreciation & Amortization	(209.6)	(147.3)	(147.2)	-30%	0%	(364.1)	(294.5)	-19%
EBIT	505.5	52.4	288.8	-43%	451%	25.0	341.2	1262%
Financial Cost	(27.4)	(30.3)	(30.9)	13%	2%	(53.9)	(61.1)	13%
Gain/(Loss) from Foreign Exchange	35.5	(9.1)	16.7	-53%	284%	34.8	7.6	-78%
Non-Recurring Items	0.4	0.7	(0.4)	-192%	-152%	0.4	0.3	-14%
Profit/(Loss) before income tax	514.0	13.7	274.3	-47%	1898%	6.3	288.1	4457%
Income Tax Expense	(10.8)	30.4	(0.2)	-98%	-101%	(20.8)	30.3	246%
Net Profit/(Loss)	503.2	44.2	274.2	-46%	521%	(14.5)	318.3	2301%
Net Profit/(loss) attributable								
To Non-controlling interest	209.3	17.9	115.1	-45%	544%	(10.4)	133.0	1382%
To TTA	293.9	26.3	159.1	-46%	505%	(4.1)	185.4	4632%
Normalized Net Profit/(Loss)								
	502.9	43.5	274.5	-45%	532%	(14.9)	318.0	2241%
Normalized Net Profit/(Loss) To TTA	293.7	25.9	159.3	-46%	515%	(4.3)	185.2	4389%
Gross Margin (%)	24%	14%	31%			11%	23%	
EBITDA Margin (%)	20%	14%	25%			7%	20%	
Net Profit Margin (%)	14%	3%	16%			0%	10%	

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

The oil and gas market continued to be volatile throughout 2Q/16. Oil prices have rebounded from their lowest point in January to their peak at above USD 52 per barrel in early June and then retracted to trade within the range of USD 45 - USD 50 per barrel underpinned by growing uncertainty over the global economy and a stronger dollar. However, the downside was limited as the non-OPEC production and inventories reduced.

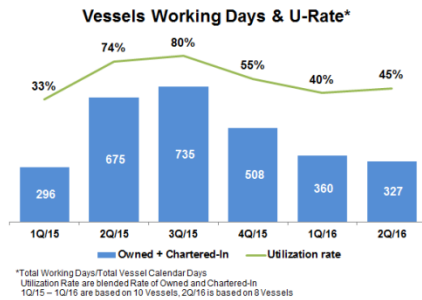
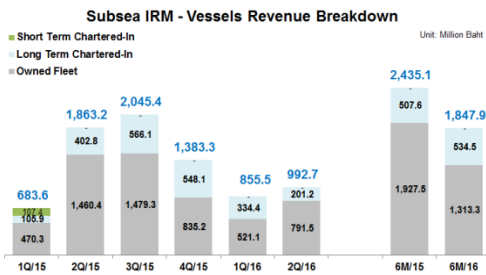
In 2Q/16, MML Group's total revenue was at Baht 1,751 million, an increase of 24% QoQ from low season in 1Q/16 at Baht 1,412.9 million but declined 51% YoY from 2Q/15 at Baht 3,560.1 million, when there were higher Subsea IRM – Vessels and cable laying activities. The revenue from Subsea IRM – Vessels in 2Q/16 increased 16% QoQ as some key vessels were able to secure projects while revenue from cable laying significantly increased 322% QoQ. In addition, the overall utilization rate increased from 40% in 1Q/16 to 45% in 2Q/16 but down from 74% in 2Q/15.



Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis 2Q/2016

Ref No. COR:MS/EL16030e/PP



In drilling business, the MML Group's three high specification jack-up drilling rigs, under Asia Offshore Drilling (AOD), have performed strongly with an average of 100% utilization in this quarter. Two out of three rigs, AOD I & AOD II, have been awarded an extension of 3 more years, AOD III's current contract will expire in October 2016 and the extension term is most likely, but under negotiation. The 'MTR-1' and 'MTR-2' remain cold stacked and marketed for sale. As for the new-builds ('MTR-3', 'MTR-4' and the DSCV), discussions are on-going with the shipyard, though the delivery has been postponed to end of the year. Options are being studied and the MML Group will select the financially most favourable option.

Total cost in 2Q/16 decreased 55% YoY from lower subsea activities in this quarter and decreased by only 1% QoQ despite higher subsea activities. Consequently, the gross profit increased 176% QoQ from Baht 196.5 million in 1Q/16 to Baht 541.3 million in this quarter, but declined 36% YoY from Baht 849.3 million in 2Q/15. In addition, MML Group's SG&A in 2Q/16 was back to normal level from exceptionally low levels in 1Q/16. Furthermore, the contribution to the equity income, mainly from AOD, was at Baht 122.9 million in this quarter due to lower rate contracted. Therefore, the overall EBITDA in 2Q/16 was at Baht 436.0 million or increased 118% QoQ from Baht 199.7 million in 1Q/16 but declined 39% YoY from Baht 715.2 million in 2Q/15. Depreciation and amortization decreased 30% YoY following the non-cash impairment at the end of 2015. **Accordingly in 2Q/16, MML Group reported the net profit of Baht 274.2 million and attributable net profit to TTA of Baht 159.1 million.**

Unique Mining Services Public Company Limited (UMS)

- Gross margin increased to 30% despite lower sales volume
- Higher income contribution from other services
- Lower net loss attributable to TTA

Performance Summary

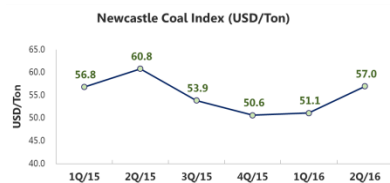
Income Statement

in million Baht	2Q/15	1Q/16	2Q/16	% YoY	% QoQ	6M/15	6M/16	% YoY
Total Revenues	169.4	120.6	79.2	-53%	-34%	358.2	199.8	-44%
Total Costs	(136.7)	(92.7)	(55.3)	-60%	-40%	(276.2)	(147.9)	-46%
Gross Profit	32.8	27.9	23.9	-27%	-14%	82.0	51.8	-37%
Other Income	1.1	0.8	1.4	33%	85%	1.34	2.20	65%
SG&A	(30.9)	(21.4)	(17.5)	-43%	-18%	(62.6)	(38.9)	-38%
EBITDA	2.9	7.3	7.8	169%	6%	20.7	15.1	-27%
Depreciation & Amortization	(14.3)	(10.4)	(10.3)	-28%	-1%	(28.6)	(20.7)	-27%
EBIT	(11.4)	(3.1)	(2.5)	-78%	-17%	(7.8)	(5.6)	-29%
Financial Cost	(14.1)	(12.7)	(8.8)	-38%	-31%	(29.0)	(21.4)	-26%
Gain/(Loss) from Foreign Exchange	(1.6)	(0.0)	-	100%	100%	(0.9)	(0.0)	-95%
Non-Recurring Items	-	(2.2)	-		100%	(0.2)	(2.2)	1200%
Profit/(loss) before income tax	(27.2)	(17.9)	(11.3)	59%	37%	(37.9)	(29.2)	-23%
Income Tax Expense	-	-	-			-	-	
Net Profit/(Loss)	(27.2)	(17.9)	(11.3)	59%	37%	(37.9)	(29.2)	-23%
Net Profits/(losses) attributable								
To Non-controlling interest	(3.1)	(1.9)	(1.1)	64%	41%	(4.3)	(3.0)	-30%
To TTA	(24.2)	(16.0)	(10.2)	58%	37%	(33.6)	(26.2)	-22%
Normalized Net Profit/(Loss)	(27.2)	(15.8)	(11.3)	59%	28%	(37.8)	(27.0)	
Normalized Net Profit/(Loss) To TTA	(24.0)	(14.1)	(10.2)	58%	28%	(33.5)	(24.2)	
Gross Margin (%)	19%	23%	30%			23%	26%	
EBITDA Margin (%)	2%	6%	10%			6%	8%	
Net Profit Margin (%)	-16%	-15%	-14%			-11%	-15%	

As consolidated on TTA's P&L

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

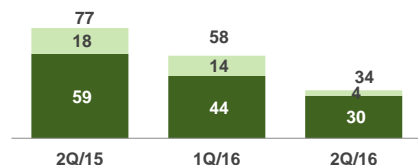
Non-Recurring Items include obsolescence and declining in value of inventories and impairment against machines and buildings.



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

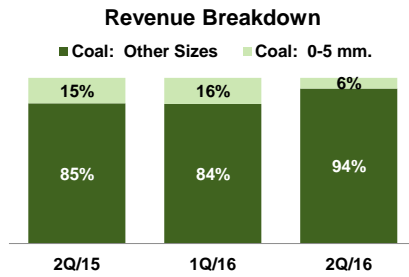
Sales Volume ('000 Tons)

■ Coal: Other Sizes ■ Coal: 0-5 mm.



In 2Q/16, Unique Mining Services Public Company Limited (“UMS”) had a net loss to TTA of Baht 10.2 million, compared to losses of Baht 24.2 million in 2Q/15. Coal prices started to rebound from the low level since 4Q/15 as China increased coal import after Chinese miners cut domestic production. China and the U.S. have been pushing for more natural-gas and clean-energy alternatives, so their demand for coal has dropped over the past year. The recent collapse in coal prices was a result of lower demand from both of these economies. Due to the depressed coal market environment, consequently, the Newcastle index Coal prices have decreased 6% YoY from 60.8 USD/ton in 2Q/15 to 57.0 USD/ton in 2Q/16 but increased 11% QoQ from 51.1 USD/ton in 1Q/16 mainly from higher China imports.

UMS’s sales volume in 2Q/16 was at 34 KTONs, decreased 56% YoY from 77 KTONs in 2Q/15 and declined 42% QoQ from 58 KTONs in 1Q/16. The lower sales volume in 2Q/16 compared to 2Q/15 was mainly from the



decreasing in sales volume of other size coal due to limited opportunities for importing coals for sales.

As a result, total revenues was at Baht 79.2 million in 2Q/16, decreased 53% YoY from Baht 169.4 million in 2Q/15 and 34% QoQ from Baht 120.6 million in 1Q/16. Total costs reduced 60% YoY and 40% QoQ, which was in relation to lower sales volume. Consequently, gross profit decreased 27% YoY from Baht 32.8 million in 2Q/15 and reduced 14% QoQ from Baht 27.9 million in 1Q/16 to Baht 23.9 million in 2Q/16. Other income grew 33% YoY and 85% QoQ since UMS have started implementing business turnaround plan aiming to increase revenue contribution from other services such as lighter and port related services.. In addition, the continuing cost reduction program had helped to reduce SG&A 43% YoY from Baht 30.9 million in 2Q/15 and decreased 18% QoQ from Baht 21.4 million in 1Q/16 to Baht 17.5 million in 2Q/16.

Accordingly, with lower SG&A, EBITDA increased 169% YoY and 6% QoQ to Baht 7.8 million in 2Q/2016, with EBITDA margin of 10%. Depreciation and amortization decreased 28% YoY and 1% QoQ, while financial restructuring helped to reduce financial cost 38% YoY and 31% QoQ.

Therefore, **UMS reported net loss of Baht 11.3 million and attributable net losses to TTA of Baht 10.2 million in 2Q/16.**

PM Thoresen Asia Holding Public Company Limited (PMTA)

- Net profit increased to Baht 62.6 million in 2Q/2016 or increased 137% QoQ
- PMTA paid cash dividends for financial year ended 31 December 2015 of 1.12 Baht per share with 50.1% payout ratio
- After the prolonged drought and saline intrusion within the region, rains have started but the level of rain is still low so the effects of drought and saline intrusion are slowly improved.

Performance Summary

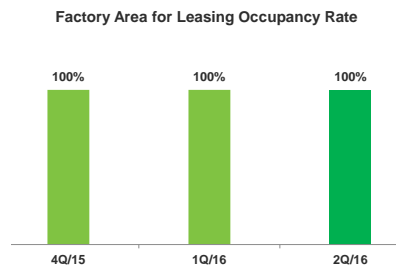
Income Statement								
<i>in Million Baht</i>	2Q/15	1Q/16	2Q/16	% YoY	% QoQ	6M/15	6M/16	% YoY
Sales Revenue	974.8	608.1	822.5	-16%	35%	1,551.4	1,430.6	-8%
Raw Material Costs	(757.5)	(455.0)	(615.2)	-19%	35%	(1,183.5)	(1,070.2)	-10%
Gross Profit	217.4	153.1	207.3	-5%	35%	367.9	360.4	-2%
Service & Other Income	13.1	10.9	15.3	17%	40%	24.6	26.2	6%
Operating Cost	(58.7)	(49.6)	(61.4)	5%	24%	(104.7)	(111.0)	6%
Cost of providing services	(2.4)	(4.2)	(5.0)	107%	18%	(4.1)	(9.2)	121%
SG&A	(67.9)	(59.1)	(66.8)	-2%	13%	(121.6)	(125.9)	3%
EBITDA	101.5	51.1	89.5	-12%	75%	162.1	140.6	-13%
Depreciation & Amortization	(13.7)	(16.4)	(16.2)	18%	-1%	(25.8)	(32.6)	26%
EBIT	87.8	34.7	73.3	-17%	111%	136.3	108.0	-21%
Financial Cost	(2.5)	(1.8)	(2.2)	-11%	23%	(4.0)	(3.9)	-2%
Gain/(Loss) from Foreign Exchange	(2.3)	(1.1)	(1.7)	-29%	45%	(2.3)	(2.8)	21%
Profit before income tax	83.0	31.8	69.4	-16%	118%	130.0	101.3	-22%
Income Tax Expense	(12.6)	(5.4)	(6.8)	-46%	27%	(21.7)	(12.2)	-44%
Net Profit	70.4	26.4	62.6	-11%	137%	108.3	89.0	-18%
Net Profit/(loss) attributable								
To Non-controlling interest	16.0	8.6	20.4	28%	136%	16.0	29.1	82%
To TTA	54.5	17.8	42.2	-23%	137%	92.3	60.0	-35%
Gross Margin (%)	22%	25%	25%			24%	25%	
EBITDA Margin (%)	10%	8%	11%			10%	10%	
Net Profit Margin (%)	7%	4%	8%			7%	6%	

In 2Q/16, PM Thoresen Asia Holdings Public Company Limited (“PMTA”) achieved net profit of Baht 62.6 million with growing sales volume and revenues QoQ from the slowdown in the first quarter, which is normally a low season quarter of the year. However, the drought situation is slowly relieved as rain has started at the end of May, after a delayed season.

Sales volume in 2Q/16 was 55,107 tons which decreased 15% YoY from 64,618 tons but increased 46% QoQ from 37,827 in 1Q/16. Despite the serious drought in Vietnam and delayed season, PMTA was able to maintain domestic sales volume at 31,165 tons in 2Q/16, slightly decreased 4% YoY from 32,376 tons but increased 37% QoQ. Export sales volume was 23,942

tons in 2Q/16 fell 26% YoY from 32,242 tons in 2Q/15 but grew 59% QoQ from 15,100 tons in 1Q/16. Reduction in sales volume was mainly from decrease in export sales to Zambia where Baconco had one time contract order of 10,000 tons in 2Q/15. Philippine is still the major export market followed by Madagascar in 2Q/16.

Sales Volume								
Unit: Tons	2Q/15	1Q/16	2Q/16	% YoY	% QoQ	6M/15	6M/16	% YoY
Fertilizer NPK	63,809	36,347	53,470	-16%	47%	98,329	89,817	-9%
Single fertilizer	117	1,084	1,004	758%	-7%	122	2,088	1617%
Pesticide	692	396	633	-9%	60%	1,109	1,029	-7%
Total	64,618	37,827	55,107	-15%	46%	99,560	92,934	-7%
Sales Volume Breakdown								
Unit: Tons	2Q/15	1Q/16	2Q/16	% YoY	% QoQ	6M/15	6M/16	% YoY
Domestic	32,376	22,727	31,165	-4%	37%	59,559	53,892	-10%
Export	32,242	15,100	23,942	-26%	59%	40,002	39,042	-2%
Total	64,618	37,827	55,107	-15%	46%	99,560	92,934	-7%



The demand for factory area for leasing remained high at 100% occupancy rate even though the company already expanded more space of factory area for leasing. The demand continues to grow from both existing and new customers. Therefore, revenue from factory area for leasing of Baht 15.1 million in 2Q/16, increased 31% YoY from Baht 11.5 million in 2Q/15 and grew 42% QoQ from Baht 10.6 million in 1Q/16.

In 2Q/16, sales revenue was Baht 822.5 million, decreased 16% YoY from Baht 974.8 million in 2Q/15 since sales volume decreased 15% YoY. Raw material cost decreased 19% YoY from Baht 757.5 million in 2Q/15 to Baht 615.2 million in 2Q/16. Gross margin grew from 22% in 2Q/2015 to 25% in 2Q/2016. Service & other income increased 17% YoY from Baht 13.1 million in 2Q/15 to Baht 15.3 million in 2Q/16, mainly from factory area for leasing. Operating cost slightly increased 5% YoY from Baht 58.7 million in 2Q/15 to Baht 61.4 million in 2Q/16 due to higher proportion of higher cost product. Cost of providing services grew from Baht 2.4 million in 2Q/15 to Baht 5.0 million in 2Q/16 due to land rental expense of Baconco 5 which started to apply from 4Q/15 onward (the first year location fees was exempted). SG&A fell from Baht 67.9 million in 2Q/15 to Baht 66.8 million in 2Q/16 or decreased 2% YoY, mainly from the decrease of transport cost on sales.

Consequently, EBITDA in 2Q/16 was Baht 89.5 million reduced 12% YoY from Baht 101.5 million and increased 75% QoQ from Baht 51.1 million in 1Q/16. EBITDA margin was 11% in 2Q/16, increased from 10% and 8% in 2Q/15 and 1Q/16, respectively. However, depreciation and amortization expenses increased 18% YoY from Baht 13.7 million to Baht 16.2 million in 2Q/16, driven by the expansion of factory area for leasing. Financial cost reduced 11% YoY from Baht 2.5 million in 2Q/15 to Baht 2.2 million in 2Q/16 but increased 23% QoQ from Baht 1.8 million in 1Q/16. Accordingly, in 2Q/16, PMTA reported net profit of Baht 62.6 million and attributable net profit to TTA of Baht 42.2 million.

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