



Bor. Hor. 029/2017

4th May 2017

**Attention: President
The Stock Exchange of Thailand**

Subject: Report of 1st Quarter 2017 Financial performances

The Company is pleased to report 1st Quarter 2017 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 31st March 2017, Net Profit After Tax for the 1st quarter 2017 stood at Baht 1,237 million or 5.5% increment, compared to Net After Tax of Baht 1,173 million in the corresponding period of 2016. This quarter result was the 3rd highest record in Tipco's performance in line with the company's analyst presentation with respect to positive outlook during April 2017. Details of the Company's performance are as follows:

1 Sales and services stood at Baht 8,350 million, reflecting an increase of 26.44% from the same period of last year. This increase was mainly attributable to the increase of selling price during 1st quarter of 2017 in relation to higher crude oil prices. Nevertheless, sales volume decreased by 10.4% comparing to corresponding quarter in 2016 attributable to slower sales at the beginning of the year. The market sentiment improved subsequently and we saw a strong recovery in both demand and price.

Cost of sales and services in the 1st quarter 2017 stood at Baht 6,664 million or 79.81% (79.15% in corresponding quarter in 2016) of sales and services before the allowance for diminution in value of inventory and hedging. The Company managed to maintain a stable margin in the tough and challenging market conditions. In addition, the company had a gain from the reversal of net realizable value (NRV) provision of Baht 76.69 million on inventory but at the same time incurred hedging cost of Baht 192.40 million mainly due to "mark to market" unrealized loss.

2 Selling and administrative expenses stood at Baht 35.2 million and Baht 285.4 million representing 0.42% and 3.42% of sales and services respectively. Comparatively, these expenses in the same period 2016 stood at Baht 41.3 million and Baht 276.4 million or 0.63% and 4.18% of sales and services. The company is committed to controlling overhead expenses while improving the operating gross profit margin.

3 There was a recovery of doubtful account during 1st quarter 2017 of Baht 17.8 million mainly from customers of an overseas subsidiary in China. There was no net increase in allowance for doubtful accounts for domestic sales. The allowance for doubtful accounts was based on the prudent Group's policy for any debt outstanding more than 1 year to be fully provided.



- 4 The Group cashflow generated from operations stood at Baht 1,810 million compared to Baht 2,286 million in corresponding period in 2016. This cashflow reflects a robust cash generation from the Group operations.
- 5 The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.60 comparing to 0.59 in corresponding period due to prepayment of long-term loan.
- 6 Financial expense in the 1st quarter 2017 decreased to Baht 25.74 million from Baht 47.38 million when compared with the same period of prior year due to the decrease in long-term loan.
- 7 The Net Profit After Tax of Baht 1,237 million for the 1st quarter 2017 represented earning per share of Baht 0.80 (par value of Baht 1 each) compare to Baht 0.76 per share in corresponding quarter of 2016 attributable to the equity shareholders of the Company.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director