



Bor. Hor. 030/2020

6th November 2020

Subject: Report of 3rd Quarter 2020 Financial performances

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

The Company would like to report 3rd Quarter 2020 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30th September 2020, Net Profit After Tax for the 3rd quarter 2020 stood at Baht 1,862 million as compared to Net Profit After Tax of Baht 712 million in the corresponding period of 2019. Details of the Company's performance are as follows:

1. Sales and services stood at Baht 8,576 million, reflecting a decrease of 9.2% from the same period of last year due to reduction in sales volume, in particular our international market. In addition, there was a shift in emphasis towards retail sales rather than wholesale segment as the overall asphalt supply in the market was tight. As such, the lower international sales volume was a result of the above sales strategic change and effect of the COVID-19 pandemic. On the other hand, the domestic Thailand asphalt sales volume increased significantly resulted from the effect of over 7 months prolonged delay disbursement of fiscal year 2020 government budget in the previous two quarters which caused the demand to peak at record sale volume pace in the 3rd quarter.

Cost of sales and services in the 3rd quarter 2020 stood at Baht 6,062 million of sales and services before the reversal of allowance for diminution in value of inventory and hedging gain. The significantly improved gross profit margin was attributed mainly to the higher retail sales volume and average retail asphalt selling price in Thailand, Malaysia, Vietnam and Cambodia. This was the result of reduced asphalt supply from



Singapore's refineries plus drop in cost of asphalt production attributable to the high volatility in the global ICE Brent crude oil market quarterly price that plunged from USD 51/bbl in Q1 2020 to USD 33/bbl in Q2 2020 and recovered partially back to USD 43/bbl in Q3 2020. In addition, the company had a gain from the reversal of net realizable value (NRV) provision of Baht 42 million in this quarter attributable to the increase in market price of asphalt and petroleum products.

2. Selling and administrative expenses stood at Baht 43 million and Baht 318 million representing 0.5% and 3.7% of sales and services respectively. Comparatively, these expenses in the same period of 2019 stood at Baht 44 million and Baht 291 million or 0.5% and 3.1% of sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
3. Gain on exchange decreased to Baht 102 million compared from Baht 134 million in the corresponding period of 2019 due to the reduction of financial assets and liabilities denominated in foreign currencies and the depreciation of Baht against US Dollar in this quarter.
4. The Group's cashflow generated from operations increased to Baht 2,361 million compared to Baht 939 million in the corresponding period in 2019 due to improved performance during 3rd quarter of 2020 as compared to corresponding period of 2019.
5. The Group's consolidated debt to equity ratio (D/E ratio) was 0.60 comparing to 0.95 in the corresponding period of 2019 due to the reduction of working capital financing for crude inventory.
6. Financial expense was Baht 32 million as compared to Baht 46 million in the same period of prior year due to the reduction of interest rate and short-term loan used for working capital.
7. Income tax was Baht 433 million as compared to Baht 131 million in the corresponding period in 2019. The increase in income tax is mainly from the increase in profit before tax in this quarter.



8. The Net Profit After Tax of Baht 1,862 million represented earnings per share of Baht 1.18 (par value of Baht 1 each) as compared to earnings per share of Baht 0.45 in corresponding quarter of 2019.

Please be informed accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Chief Executive Officer