



Bor. Hor 006/2020

14th February 2020

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

Subject: Report of 2019 Audited Consolidated Financial performances

The Company is pleased to report the 2019 audited consolidated financial performance of the Group.

Reference to the audited financial statements ended 31st December 2019, the Company's Net Profit After Tax for the year ended 2019 stood at Baht 3,123 million as compared to the Net Profit After Tax of Baht 564 million in 2018. This was our second historical high in net earnings. Details of the Company's performance can be summarized as follows:

- 1 Sales and services stood at Baht 36,893 million, reflecting an increase of 33.52% from last year. This was mainly attributable to the significant increase in sales volume in international market, as a result of continuous crude supply together with high production reliability at our refinery.

Cost of sales and services in 2019 stood at Baht 33,422 million or 90.59% (88.62% in 2018) of sales and services before the allowance for diminution in value of inventory and hedging. The slight decrease of gross profit margin from 11.38% to 9.41% was mainly due to high opening inventory cost (of which Baht 782 million inventory value had been subject to NRV provision in 2018) and difference in product mix and selling price as compared to last year. In addition, the Company recorded a loss from price hedging contract of Baht 90 million in 2019 attributable to the increase of ICE Brent price from \$53.80 to \$66.00 per barrel at year end.

- 2 Selling and administrative expenses stood at Baht 166 million and Baht 1,087 million representing 0.45% and 2.95% of sales and services, respectively. Comparatively, these expenses in 2018 stood at Baht 166 million and Baht 1,180 million representing 0.60% and 4.27% of sales and services. The company is committed to controlling overhead expenses while improving the operating gross profit margin.
- 3 Gain on foreign exchange increased to Baht 467 million from Baht 122 million when compared to last year due to a continuous appreciation of Thai Baht against US Dollar in this year.



- 4 The fire insurance claim payment of Baht 593 million was received from the insurers in this year by our subsidiary, Kemaman Bitumen Company SDN BHD. At the same time, the refinery incurred additional operating expenses, mainly from leasing additional storage facilities for crude oil, logistic handling and other related expenses of Baht 387 million. Some of these expenses will be recurring until the crude tank that were damaged by fire last year become operational again in the first quarter of 2020.
- 5 The Group's cashflow generated from operations stood at Baht 3,953 million compared to the Baht 2,457 million in 2018 due to improved performance in this year as compared to last year and the cash received from insurer from the fire incident in the year 2018.
- 6 The Group's consolidated debt to equity ratio (D/E ratio) was at 0.86 comparing to 0.93 in 2018 due to better operation performance in this year.
- 7 Financial expense in 2019 was Baht 204 million as compared to Baht 169 million in the previous year. The increase was mainly due to increase of working capital financing used for purchase of crude oil.
- 8 Net Profit After Tax of Baht 3,123 million for 2019 represented earning per share of Baht 1.98 as compared to Baht 0.36 per share in previous year.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Chief Executive Officer