



Bor. Hor.035/2019

13th August 2019

Attention: President
The Stock Exchange of Thailand

Subject: Report of 2nd Quarter 2019 Financial performances

The Company is pleased to report 2nd Quarter 2019 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30th June 2019, Net Profit After Tax for the 2nd quarter 2019 stood at Baht 1,052.9 million or 768.81% increase as compared to Net After Tax of Baht 121.2 million in the corresponding period of 2018. Details of the Company's performance are as follows:

- 1 Sales and services stood at Baht 10,783.9 million, reflecting an increase of 87.02% from the same period of last year. This was mainly attributable to the significant increase in sales volume of all main products during 2nd quarter of 2019 as a result of increased and continuous crude supply together with high production reliability at our refinery in this quarter.

Cost of sales and services in the 2nd quarter 2019 stood at Baht 9,822.4 million or 91.08% (87.73% in corresponding quarter in 2018) of sales and services before the allowance for diminution in value of inventory and hedging. The apparent reduction of gross margin was mainly due to higher gross margin in the corresponding quarter of 2018 therein the sales volume was low and in an uptrend market condition. Gross profit margin of this quarter was



satisfactory given that the market prices fluctuated within range bound. In addition, the Company has charged out to the Profit and Loss a hedging loss of Baht 35.6 million in this quarter which did not qualify for hedge accounting and also recorded a hedging gain of Baht 112.6 million as Other Comprehensive Income (OCI). Above all, the Company managed to maintain a stable margin in the tough and challenging market conditions.

- 2 Selling and administrative expenses stood at Baht 46.9 million and Baht 250.5 million representing 0.42% and 2.32% of sales and services respectively. Comparatively, these expenses in the same period 2018 stood at Baht 43.8 million and Baht 304.8 million or 0.76% and 5.29% of sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
- 3 Gain on exchange increased to Baht 98.8 million from Baht 0.5 million when compared to the corresponding period of 2018 due to an appreciation of Baht against US Dollar in this period.
- 4 The fire insurance gain of Baht 422.5 million, after netting out expenses incurred at a subsidiary' was attributable to the first interim insurance claim receipt of Baht 450.2 million from the insurers. The subsidiary incurred additional operating expenses from leasing additional storage facilities for crude, logistic handling and other related expenses during this quarter. Some of these expenses will be recurring until the damaged crude tanks are back in service.
- 5 The Group's cashflow generated from operations stood at Baht 1,194.7 million compared to Baht 588.6 million in corresponding period in 2018 due to improved performance during 2nd quarter of 2019 as compared to corresponding period of 2018 and the cash received from insurer from fire incident in the year 2018.



- 6 The Group's consolidated debt to equity ratio (D/E ratio) reached 1.13 comparing to 0.68 in corresponding period of 2018 due to increase in working capital financing for higher crude inventory.
- 7 Financial expense in the 2nd quarter 2019 increased to Baht 53.4 million from Baht 37.3 million when compared with the same period of prior year due to the increase in working capital financing.
- 8 The Net Profit After Tax of Baht 1,052.9 million for the 2nd quarter 2019 represented earning per share of Baht 0.67 (par value of Baht 1 each) as compared to Baht 0.08 per share in corresponding quarter of 2018.

Please disseminate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Chief Executive Officer