



Bor. Hor. 015/2020

8th May 2020

Subject: Report of 1st Quarter 2020 Financial performances

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

The Company would like to report 1st Quarter 2020 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 31st March 2020, Net loss for the 1st quarter 2020 stood at Baht 784 million or 209.2% decrease as compared to Net Profit After Tax of Baht 718 million in the corresponding period of 2019. Details of the Company's performance are as follows:

1. Sales and services stood at Baht 5,111 million, reflecting a decrease of 27.9% from the same period of last year. This was mainly attributable to the decrease in sale volume during 1st quarter of 2020 in several international markets which were under lockdown from the COVID-19 pandemic and the delay of the fiscal year 2020 government budget approval for the Thai domestic market. In addition, the selling price also decreased significantly attributable to the global oil market price plunged in this quarter.

Cost of sales and services in the 1st quarter 2020 stood at Baht 4,915 million or 96.2% (94.2% in corresponding quarter in 2019) of sales and services before the allowance for diminution in value of inventory and hedging gain. The slight decrease in gross profit was mainly due to the reduction in selling price in this quarter and difference in product mix as compared to the corresponding period in 2019. In addition, the Company recorded an allowance for diminution of inventory of Baht 2,163 million as a result of the sharp reduction in the global market price for crude oil, asphalt and petroleum products. Nevertheless, part of this allowance for inventory loss was offset by the gain from price hedging contracts of Baht 1,313 million in this quarter.



2. Selling and administrative expenses stood at Baht 46 million and Baht 276 million representing 0.9% and 5.4% of sales and services respectively. Comparatively, these expenses in the same period of 2019 stood at Baht 35 million and Baht 265 million or 0.5% and 3.7% of sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
3. Gain on foreign exchange of Baht 20 million compared to Baht 109 million in the corresponding period of 2019 due to a depreciation of Baht against US Dollar in this quarter.
4. The refinery incurred additional operating expense of Baht 42 million in hiring alternative storage facilities for crude oil, logistic handling and other related expenses attributable to the fire incident in 2018.
5. The Group's cashflow generated from operations decreased to Baht 379 million compared to Baht 474 million in the corresponding period of 2019 which mainly from a decrease in sales volume.
6. The Group's consolidated debt to equity ratio (D/E ratio) was 0.81 comparing to 1.00 in the corresponding period a year ago due to the significant reduction of crude payable in this period.
7. Financial expense in the 1st quarter 2020 of Baht 29 million as compared to Baht 60 million in the same period of prior year due to the reduction of interest rate and short-term loans used for purchase of crude oil.
8. Positive of income tax mainly from recorded deferred tax of the allowance for diminution of inventory and mark-to-market of price hedging contracts in this quarter.



9. The Net Loss After Tax of Baht 784 million for the 1st quarter 2020 represented loss per share of Baht 0.50 (par value of Baht 1 each) as compared to earnings per share of Baht 0.46 per share in corresponding quarter of 2019.

Please be informed accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Chief Executive Officer