



Bor. Hor 005/2021

16th February 2021

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

Subject: Report of 2020 Audited Consolidated Financial performances

Tipco Asphalt Public Company Limited (“the Company”) is pleased to report the 2020 audited consolidated financial performance of the Group. Reference to the audited financial statements ended 31st December 2020, the Company’s Net Profit After Tax for the year ended 2020 stood at Baht 3,592 million as compared to the Net Profit After Tax of Baht 3,123 million in 2019. Details of the Company’s performance can be summarized as follows:

- 1 Sales and services stood at Baht 26,155 million, reflecting a decrease of 29.11% from last year due to significant decrease in sales volume in our international market. On the other hand, the domestic Thailand asphalt sales experienced strong volume and price increases resulted from shortage of asphalt supply as regional refineries cut production during the economic shut down under the Covid-19 crisis.

Cost of sales and services in 2020 stood at Baht 21,403 million or 81.83% (90.59% in 2019) of sales and services before the allowance for diminution in value of inventory and hedging. The improvement in gross profit margin was mainly due



to the higher retail sales volume together with an increase in average retail asphalt selling price as compared to the inventory cost. In addition, the Company recorded a gain from price hedging contract of Baht 803 million in 2020 attributable to the global oil market price plunge in the first quarter of this year.

- 2 Selling and administrative expenses stood at Baht 169 million and Baht 1,209 million representing 0.65% and 4.62% of sales and services, respectively. Comparatively, these expenses in 2019 stood at Baht 166 million and Baht 1,086 million representing 0.45% and 2.94% of sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
- 3 Gain on foreign exchange decreased to Baht 77 million from Baht 467 million when compared to last year due to the reduction of financial assets and liabilities denominated in foreign currencies and the depreciation of Thai Baht against US Dollar during the year.
- 4 The Company recorded total allowance for impairment loss of assets for Baht 74 million in 2020. This was mainly attributed to an allowance for impairment loss for Baht 68 million resulted from reduction of market value of land at Bangsaphan district of our wholly owned subsidiary, Thai Bitumen Co. Ltd.
- 5 Fire insurance claim payment of Baht 174 million was received from the insurers in 2020 by our subsidiary, Kemaman Bitumen Company SDN BHD. At the same time, the refinery incurred additional operating expenses, mainly from hiring alternative storage facilities for crude oil, logistic handling, and other related expenses of Baht 64 million. All three damaged crude tanks during the 2018 fire



have been recommissioned for refinery operation during the second quarter of 2020.

- 6 The Company's cashflow generated from operations stood at Baht 5,591 million compared to the Baht 3,940 million in 2019 due to improved performance as compared to last year's.
- 7 The Company's consolidated debt to equity ratio (D/E ratio) was at 0.42 comparing to 0.86 in 2019 due to the reduction of working capital financing and better operating performance in 2020.
- 8 Financial expense in 2020 was Baht 131 million as compared to Baht 204 million in the previous year. The decrease was mainly due to the reduction of interest rate and short-term loans used for working capital financing.
- 9 The Company recorded an allowance for expected credit losses of account receivable of Baht 57 million from the adoption of new accounting standards (TFRS 9) in 2020.
- 10 Income tax was Baht 757 million as compared to Baht 509 million in 2019. The increase in income tax was mainly from the increase in profit before tax.
- 11 Net Profit After Tax was Baht 3,592 million for 2020 and represented earning per share of Baht 2.28 as compared to Baht 1.98 per share in previous year.



Please circulate the above information to the public accordingly.

Sincerely yours,

A handwritten signature in blue ink, consisting of stylized Thai characters, with a horizontal line underneath.

Mr. Chaiwat Srivalwat
Chief Executive Officer