



Bor. Hor. 017/2021

12th May 2021

Subject: Report of 1st Quarter 2021 Financial performances

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

The Company would like to report the 1st Quarter 2021 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 31st March 2021, net profit after tax for the 1st quarter 2021 stood at Baht 422 million or an 153.9% increase as compared to the net loss of Baht 784 million in the corresponding period of 2020. Details of the Company's performance are as follows:

1. Sales and services stood at Baht 5,468 million, reflecting an increase of 7.0% from the same period of last year. This was mainly attributed to the hike in selling price related to the global oil market price increase in this quarter. In addition, the domestic sale volume went up as a result of the continued disbursement acceleration of the government budget. Our refinery was shut down for planned major maintenance in this quarter which resulting to the decrease on international sales in this quarter.

Cost of sales and services stood at Baht 4,279 million or 78.3% (96.2% in corresponding quarter in 2020) of sales and services before the allowance for diminution in value of inventory and hedging gain. The improvement in gross profit was mainly due to the higher retail sales volume especially from the Thailand domestic market together with an increase in average retail asphalt selling price as compared to the inventory cost. In addition, the Company recorded loss from price hedging contracts of Baht 396 million because of an increase in the global market price for crude oil, asphalt, and petroleum products.

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During the 1st quarter 2021, the Company increased its shareholding from 25 percent to 62.5 percent, through the acquisition of 37.5 percent of the total issued and paid-up shares, in a related company and its subsidiary. Therefore, the Company has had control over this related company and its subsidiary which resulted in the status change from shareholding in an associate company to a subsidiary company. As a result, the Company recognized the revenue and cost from road and runway construction contracts due to the change in status of its shareholding in this subsidiary.

2. Selling and administrative expenses stood at Baht 37 million and Baht 281 million, representing 0.6% and 4.8% of sales and services income and revenue from construction, respectively. Comparatively, these expenses in the same period of 2020 stood at Baht 46 million and Baht 276 million or 0.9% and 5.4% of sales and services income. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
3. Loss on foreign exchange of Baht 25 million compared to gain on exchange of Baht 20 million in the corresponding period of 2020 due to the depreciation of Baht against US Dollar in this quarter.
4. The Group recorded a remeasurement gain on business combination of Baht 21 million resulted from the remeasure of a previously held interest at fair value at acquisition date of a related company.
5. The Group's cashflow generated from operations stood at Baht 1,059 million compared to Baht 376 million in the corresponding period of 2020 mainly from an improvement of gross profit and operating performance in this quarter.
6. The Group's consolidated debt to equity ratio (D/E ratio) was 0.67 comparing to 0.81 in the corresponding period a year ago due to the better operating performance in this quarter.



7. The Profit After Tax of Baht 422 million for the 1st quarter 2021 represented earnings per share of Baht 0.27 (par value of Baht 1 each) as compared to loss per share of Baht (0.50) per share in corresponding quarter of 2020.

Please be informed accordingly.

Sincerely yours,

A handwritten signature in black ink, appearing to read "ช. ชาติวัฒน์", is written above a horizontal line.

Mr. Chaiwat Srivalwat
Chief Executive Officer