



Bor. Hor. 023/2021

10th November 2021

Subject: Management Discussion and Analysis for Quarter 3 Ending 30th September 2021

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

The Company would like to report the 3rd quarter 2021 unaudited but reviewed consolidated financial performance of its Group. Reference to the unaudited but reviewed consolidated financial statements ended 30th September 2021, net profit after tax for the 3rd quarter 2021 stood at Baht 378 million or a 79.7% decrease as compared to the net profit after tax of Baht 1,862 million in the corresponding period of 2020. Details of the Company's 3rd quarter consolidated performance are as follows:

1. Sales and services stood at Baht 6,187 million, reflecting a decrease of 27.9% from the same period of last year. The reduction was mainly attributed to a drop in sales volume resulted from the "selective market sales" strategy employed for the international market and continuous negative effect of the COVID-19 pandemic in certain ASEAN countries. On the other hand, the selling price of all asphalt products increased during the quarter resulted from the global oil market price hike.

The cost of sales and services stood at Baht 5,182 million or 83.7% (70.7% in corresponding quarter in 2020) of sales and services before the reversal of allowance for diminution in value of inventory and hedging loss. The reduction in gross profit was mainly due to the higher cost of sales resulting from the continuous increase in crude oil



price. The Company also recorded losses from price hedging contracts of Baht 204 million in this quarter.

2. The selling and administrative expenses stood at Baht 43 million and Baht 294 million, representing 0.6% and 4.3% of total sales and services income respectively. Comparatively, these expenses in the same period of 2020 stood at Baht 43 million and Baht 318 million or 0.5% and 3.7% of total sales and services income.
3. The loss on foreign exchange was Baht 22 million as compared to the gain on exchange of Baht 102 million in the corresponding period of 2020. The loss resulted from the weakening of the Baht against US Dollar in this quarter.
4. The Group's cashflow generated from operations stood at Baht 883 million as compared to Baht 2,358 million in the corresponding period of 2020 mainly due to lower profit after tax as compared to the same period of last year.
5. The Group's consolidated debt to equity ratio (D/E ratio) slightly increased to 0.69 as compared to 0.60 in the corresponding period of 2020 due to the increase of working capital financing for crude inventory.
6. The profit after tax of Baht 378 million for the 3rd quarter 2021 represented earnings per share of Baht 0.24 (par value of Baht 1 each) as compared to earnings per share of Baht 1.18 in the corresponding quarter of 2020.
7. In October 2021, the refinery of the Group received its final insurance claim payment of MYR 34 million, or approximately Baht 271 million, for the 2018 fire incident from all the insurers.



Please be informed accordingly.

Sincerely yours,

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

Mr. Chaiwat Srivalwat
Chief Executive Officer