

UAC.CS/001/2021

February 25, 2021

Subject: Explanation of the operating results for the year period ended December 31, 2020

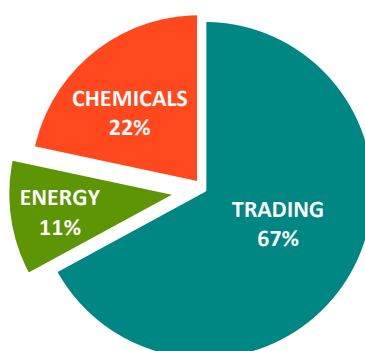
To: President
The Stock Exchange of Thailand

Attachment: Auditor's Report and Financial Statement for the year period ended December 31, 2020

Executive Summary

In 2020, countries around the world, including Thailand, have been affected by the pandemic of coronavirus (COVID-19) situation and slowdown in economy and trade around the world; including the price of crude oil and petrochemical products that have dropped significantly. As a result, the Company had a decrease in revenue from sales and services of more than Baht 1,602.73 million, mainly due to a decrease in revenue of oil refinery and petrochemical customers of Baht 1,495.20 million, revenue in the energy business of Baht 54.55 million, and revenue in Chemical products of Baht 71.36 million. However, the biodiesel business that the Company has jointly invested with a subsidiary of Bangchak Corporation Public Company Limited (BCP) continued to receive profit sharing from investment of Baht 263.07 million. Hence, the Company and its subsidiaries still maintained a high level of liquidity by controlling expenses in all areas, focusing on more efficient performance in every business unit, including the beginning of the digital transformation process by deploying in the Company. As a result, the comprehensive income of the Company and EBITDA exceeded the expectations of Baht 271.17 million and 442.17 million, respectively.

REVENUE BREAKDOWN 2020



Trading: there was a decrease in revenue from customers of all industry groups, especially the oil refinery and petrochemical sectors due to a decrease in production capacity resulting in a decrease in the demand for products and services. As a result, the revenue from sales and services of Trading business decreased Baht 1,476.83 million or 63.43% YoY. However, from the situation of COVID-19, the Company has adjusted the marketing strategy to focus on products with gross profit higher than 20%.

Manufacturing – Energy: In 2020, Mae Teang Power Plant and Solar Power Plant generated electricity as target, while PPP Plant got less Associated Gas which was not enough for production. As a result, the revenue from energy group decreased 27.61% YoY to Baht 143.02 million.

Manufacturing – Chemical: The revenue from sales of Chemicals was Baht 274.82 million which decreased by Baht 71.36 million from the previous year or 20.61% YoY due to the economics recession and the fluctuation of raw materials price which increased more than 30%.

Performance Analysis

The operating results of the separated financial statement for the year period ended December 31, 2020

The Consolidated Financial Statement (Unit: Million Baht)	Q4/2020	2020 (A)	2019 (B)	YOY (A-B)	
				Million Baht	%
Sales and Services	206.65	964.24	2,490.08	(1,525.84)	(61.28%)
Gross Profit	30.77	146.78	286.95	(140.16)	(48.85%)
Other Income	7.64	179.19	46.72	132.48	283.58%
Selling & Administrative Expenses	38.98	135.36	168.77	(33.41)	(19.80%)
Finance Cost	6.93	31.20	37.51	(6.31)	(16.82%)
EBT	(7.50)	159.41	127.38	32.03	25.14%
Tax	1.42	(3.36)	(25.50)	(22.15)	(86.84%)
Net Profit	(6.08)	156.05	101.88	54.17	53.18%
Comprehensive Income	(6.08)	156.05	101.88	54.17	53.18%
EBITDA	17.47	262.55	230.76	31.79	13.78%

The operating results of the separated financial statement for the year period ended December 31, 2020, resulted in increase in net profit of Baht 54.17 million or 53.18% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services decreased Baht 1,525.84 million or 61.28% from the corresponding period of the previous year, mostly from revenue from Big Lot of Trading which was a non-regular transaction decreased Baht 854.14 million, together with the decrease of regular transactions of Trading at the amount of Baht 630.75 million and the decrease of revenue from Manufacturing-Energy (PPP) at the amount of Baht 62.08 million resulting from the decrease of raw material.
2. Gross profit was Baht 146.78 million which decreased Baht 140.16 million or 48.85% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services. Gross profit margin of the third quarter of 2020 was 15.22% of revenue from sales and services decreased from the corresponding period of the previous year (2019 = 11.52%)

3. Other income increased Baht 132.48 million or 283.58% from the corresponding period of the previous year, mostly from the interim dividend income from investment in BBF at the amount of Baht 143.56 million from the performance of 2019 and first half of this year.
4. Selling and Administrative expenses decreased Baht 33.41 million or 19.80% from the corresponding period of the previous year, resulting from a decrease in Selling expenses and Administrative expenses of Baht 11.30 million and 22.11 million respectively, by controlling expenses during pandemic of COVID-19.
5. Finance Cost decreased Baht 6.31 million or 16.82% from the corresponding period of the previous year due to the decrease in liabilities.
6. Net Profit increased Baht 54.17 million or 53.18% from the corresponding period of the previous year, mostly from dividend income from BBF and the decrease in selling and administrative expenses due to the expenses control policy during pandemic of COVID-19.

The operating results of the consolidated financial statement for the year period ended December 31, 2020

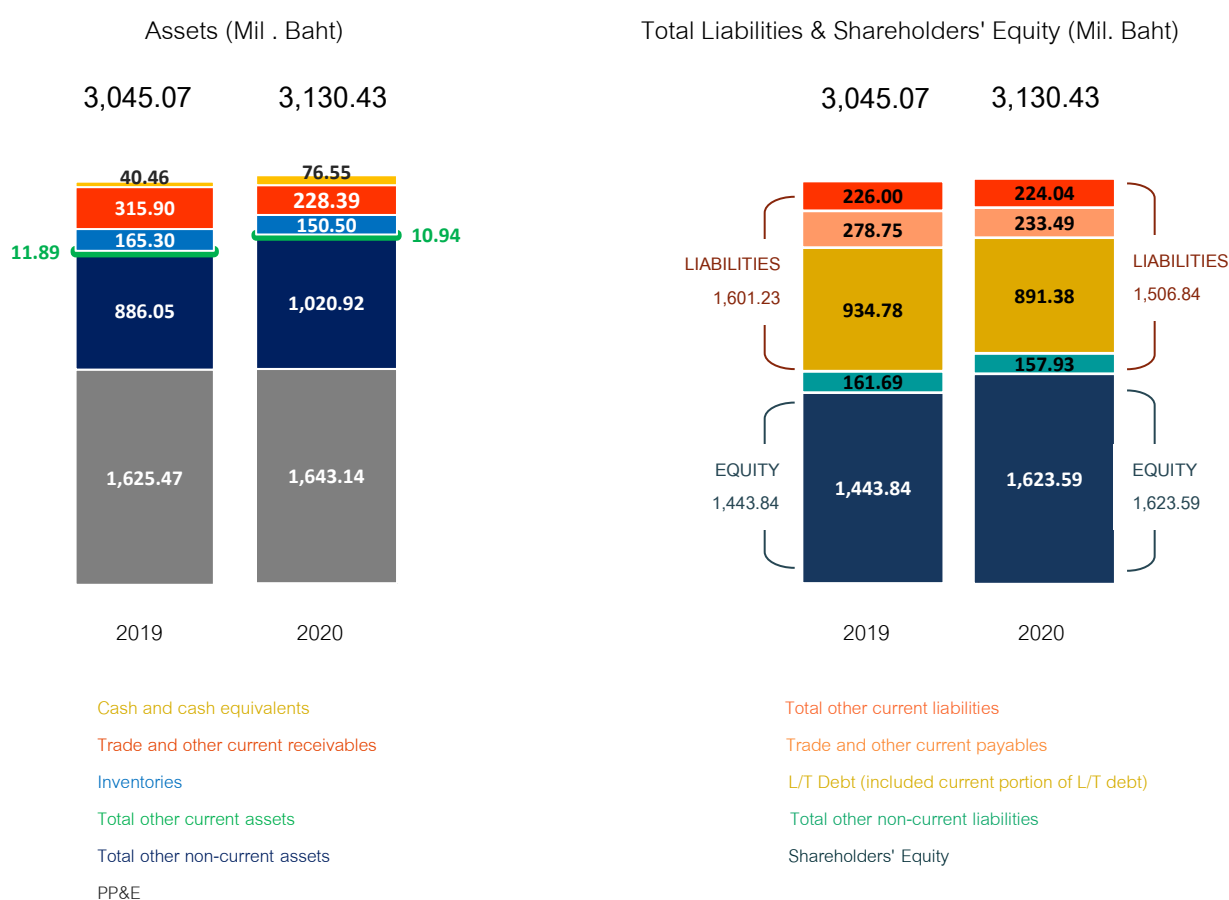
The Consolidated Financial Statement (Unit: Million Baht)	Q4/2020	2020 (A)	2019 (B)	YOY (A-B)	
				Million Baht	%
Sales and Services	273.10	1,269.23	2,871.96	(1,602.73)	(55.81%)
Gross Profit	45.65	239.97	386.14	(146.18)	(37.86%)
Other Income	128.15	287.12	104.12	183.00	175.75%
Selling & Administrative Expenses	58.94	207.81	253.64	(45.83)	(18.07%)
Finance Cost	12.21	56.82	61.61	(4.79)	(7.78%)
EBT	102.64	262.46	175.02	87.45	49.96%
Tax	1.93	(3.42)	(21.45)	(18.03)	(84.04%)
Net Profit	104.57	259.04	153.57	105.47	68.68%
Comprehensive Income	107.63	271.17	163.88	107.29	65.47%
EBITDA	145.26	442.17	352.65	89.51	25.38%

The operating results of the consolidated financial statement for the year period ended December 31, 2020, resulted in increase in net profit of Baht 107.29 million or 65.47% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services decreased Baht 1,602.73 million or 55.81% from the corresponding period of the previous year, mostly from the decrease of revenue from Big Lot of Trading which was a non-regular transaction decreased Baht 854.14 million, the decrease of revenue from Manufacturing-Energy and Manufacturing-Chemical at the amount of Baht 54.55 million and Baht 71.36 million, respectively.
2. Gross profit was Baht 239.97 million which decreased Baht 146.18 million or 37.86% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services. Gross profit margin was 18.91% of revenue from sales and services increased from the corresponding period of the previous year (2019 = 13.45%)

- Other income increased Baht 183.00 million or 175.75% from the corresponding period of the previous year, mostly from the profit sharing from investment in BBF at the amount of Baht 263.07 million due to the government policy of using B10 resulting in higher demand of biodiesel.
- Finance cost decreased Baht 4.79 million or 7.78% from the corresponding period of the previous year due to the decrease in liabilities.
- Comprehensive Income increased Baht 107.29 million or 65.47% from the corresponding period of the previous year, mostly from profit sharing from investment in BBF of Baht 263.07 million.

The Statements of Financial Position as of December 31, 2020 has changed from December 31, 2019 as follows;



Total Assets was Baht 3,130.43 million, increased Baht 85.36 million or 2.80%, mostly from the decrease in current assets of Baht 67.18 million and non-current assets of Baht 152.54 consisted of;

- Cash and cash equivalents increased Baht 36.09 million.
- Trade and other receivables decreased Baht 87.52 million in compliance with the decrease in revenue from sales
- Property, plant and equipment was Baht 1,643.14 million which increased Baht 17.67 million, consisted of Property, plant and equipment of Baht 1,536.62 million and right-of-use assets due to TFRS 16 adoption of Baht 106.52 million.

Total Liabilities was Baht 1,506.84 million, decreased Baht 94.39 million or 5.89%, mostly from the decrease in current liabilities of Baht 530.80 million and the increase in non-current liabilities of Baht 436.42 million, consisting of;

- Trade and other payables decreased Baht 45.26 million

2. Current portion of debenture decreased Baht 400 million by fully repayment of bond on June 12, 2020. Then, the company issued and offered new bond (Name-Registered Certificate of Unsubordinated and Unsecured Debentures) of Baht 300 million on June 18, 2020 which will be due on June 18, 2022.
3. Current portion of long-term loan decreased Baht 82.82 million due to principal repayment exemption for 6-12 months from financial institution.
4. Current portion of liabilities under long-term lease agreements of Baht 23.75 million consisted of TFRS 16 adoption at the amount of Baht 7.80 million and lease agreement of Baht 15.95 million.
5. Lease liabilities, net of current portion of Baht 104.19 million consisted of TFRS 16 adoption at the amount of Baht 101.31 million.

Total Shareholders' Equity was Baht 1,623.59 million, increased Baht 179.75 million or 12.45%, resulting from income of business performance.

The Cash flow statement as of December 31, 2020 has changed from December 31, 2019 as follows;

(Unit: Million Baht)	2020	2019
Profit before tax	262.46	175.02
Profit from operating activities before changes in operating assets and liabilities	179.15	317.14
Net cash flows from operating activities	173.57	911.46
Net cash flows from (used in) investing activities	109.57	(12.72)
Net cash flows used in financing activities	(251.64)	(937.71)
Net activities	31.51	(38.97)
Decrease in translation adjustments	4.49	(0.60)
Effects of exchange rates on cash and cash equivalents	0.09	(0.0001)
Net increase (decrease) in cash and cash equivalents	36.09	(39.56)
Cash and cash equivalents at beginning of period	40.46	80.03
Cash and cash equivalents at end of period	76.55	40.46

Cash flow statement for year 2020, the company had net cash flow from operating activities of Baht 179.15 million, mainly from profit before income tax Baht 262.46 million, receipt from trade receivable and other receivable Baht 79.04 million, payment of trade payable and other payable Baht 30.97 million and payment of interest and tax Baht 65.13 million.

Net cash flow acquired in investing activities of Baht 109.57 million, mainly from the receipt of dividend income from BBF of Baht 143.56 million and from purchase of fixed assets and assets under concession agreement of Baht 34.86 million.

Statement of cash flows used in financing activities of Baht 251.64 million, mostly from the repayment of debentures (net) of Baht 100 million, loan repayment from financial institutions (net) of Baht 69.76 million and dividend payment of Baht 130.18 million.

From the above activities, the Company had a net increase in cash and cash equivalents of Baht 36.09 million, with cash brought forward as of January 1, 2020 in the amount of Baht 40.46 million, and cash ended as of December 31, 2020 was Baht 76.55 million.

Financial Ratio

Consolidated financial statement	2020	2019
NET PROFIT (%)	20.41	5.35
COMPREHENSIVE INCOME (%)	21.37	5.71
EBIT (%)	25.16	8.24
EBITDA (%)	34.84	12.28
ROA (%)	18.78	4.63
ROE (%)	18.52	12.31
EPS (Baht/Share)	0.406	0.245
D/E RATIO (Times)	0.98	1.15
Net Debt/EBITDA (Times)	3.23	4.43

Please be informed accordingly

Yours sincerely,

-Signature-

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company