

(Translation)

UAC.CS/012/2021

November 5, 2021

Subject: Explanation of the operating results for the third quarter period ended September 30, 2021

To: President

The Stock Exchange of Thailand

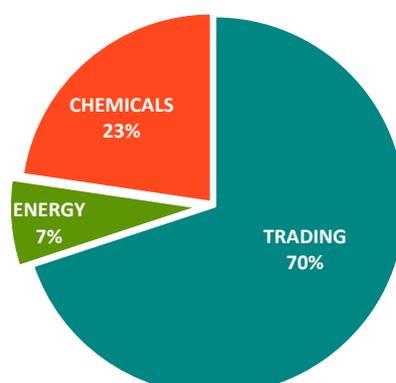
Attachment: Auditor's Report and Financial Statement for the third quarter period ended September 30, 2021

## Executive Summary

The new wave of the COVID-19 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of the decrease in the customer sales of products under energy industries, chemical industries and refinery petrochemicals due to declining demand for products, resulting in a reduction of production capacity, a delay in investments or a business expansion of these industries. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future.

However, The Group's management has continuously monitored ongoing developments, as a result, the Company's Sales for the third period ended September 30, 2021, increased of Baht 144.61 million or 52.32% (YoY) and for the 9-month period ended September 30, 2021, resulted in increase of Baht 134.65 million or 13.52% (YoY). Total sales from Biodiesel business, in which the Company has invested with a subsidiary of Bangchak Corporation Public Company Limited (BCP), declined due to COVID-19 pandemic but crude palm oil price still remained high. Consequently, the Company has received a continuous sharing profit from investment of Baht 152.32 million, resulting in profit attributable to equity holders of the Company and EBITDA of Baht 192.23 million and Baht 322.14 million, respectively.

### REVENUE BREAKDOWN 9M/2021



**Trading:** Total Revenue from Trading was Baht 790.51 million, increased Baht 122.79 million or 18.39% YoY, mostly from customers in Energy and Industrail sectors. Total Revenue from Trading in Q3/2021 and Gross Margin were higher than target due to the delivery of inventory to gas separation plants. Although the backlog trend of general industry customers

would decrease due to COVID-19 pandemic with lockdown and work from home, Total Revenue from Trading for the first 9 months was still on target and Gross Margin was higher than the plan.

**Manufacturing – Energy:** Total revenue from Manufacturing – Energy was Baht 84.21 million, decreased Baht 30.97 million or 26.89% YoY, mostly from PPP Plant and Sao Thien Power Plant which have affected continuously from inadequate raw materia for production for the first 6 months. Currently, PTTEP has supplied associated gas to the plants at the amount of 1.2 MMSCFD. Revenue from selling electricity from Mae Taeng Power Plant decreased which affected from machine breakdown problems during the second quarter, while revenue from selling soil improvement substance (SIS) increased as planned. Solar Power Plant generated electricity as target. However, the Company expected Manufacturing-Energy sector to improve with the continued rise in NGL product prices in line with the global crude oil price situation.

**Manufacturing – Chemicals:** Total revenue from Manufacturing – Chemicals was Baht 256.05 million which increased Baht 41.88 million from the previous year or 19.56% YoY. However, Chemicals business continued to confront with an increase of raw material price more than 50%, causing gross margins to decline by more than 10%. In addition, customers from both domestic and international have slowed down the orders while cash flow management was still as target by increasing credit limit (LC/TR) with EXIM Bank and reducing principal payments from KTB.

## Performance Analysis

The operating results of the separated financial statement for the 3-month and 9-month period ended September 30, 2021

The separated financial statement for the third quarter of 2021 ended September 30, 2021

The Separated Financial Statement (Unit: Million Baht)	Q3/2021	Q2/2021	Q3/2020	(QoQ)		(YoY)	
				Mil. Baht	%	Mil. Baht	%
Sales and Services	353.91	271.02	208.40	82.89	30.58%	145.51	69.82%
Gross Profit	48.17	42.94	20.04	5.23	12.17%	28.13	140.41%
Other Income	18.37	132.72	82.66	(114.35)	(86.16%)	(64.30)	(77.78%)
Selling & Administrative Expenses	31.94	34.14	31.08	(2.20)	(6.43%)	0.86	2.78%
Finance Cost	7.26	7.04	7.34	0.22	3.12%	(0.08)	(1.13%)
EBT	27.34	134.49	64.28	(107.15)	(79.67%)	(36.94)	(57.47%)
Tax	(5.50)	(3.36)	1.56	2.13	63.39%	7.06	452.56%
Net Profit	21.84	131.12	65.84	(109.28)	(83.34%)	(44.00)	(66.83%)
Comprehensive Income	21.84	131.12	65.84	(109.28)	(83.34%)	(44.00)	(66.83%)
EBITDA	52.38	159.30	89.73	(106.92)	(67.12%)	(37.35)	(41.63%)

The operating results of the separated financial statement for third quarter period ended September 30, 2021, resulted in decrease in total Net Profit of Baht 109.28 million or 83.34% (QoQ) and in decrease of Baht 44.00 million or 66.83% (YoY) as the following details below:

1. Revenue from sales and services increased Baht 145.51 million or 69.82% from the corresponding period of the previous year, mostly from revenue from Trading which increased Baht 143.16 million (Energy&Petroleum sectors increased by Baht 103.86 million, Industrial sectors increased in Baht 28.98 million, and Export&Others increased by Baht 9.31 million). The increase of revenue from Manufacturing-Energy (PPP) at the amount of Baht 1.23 million

resulting from the increase of raw material on third quarter of 2021 and Mae Taeng Power Plant not have affected by machine breakdown problems.

- Gross profit was Baht 48.17 million which increased 140.41% from the corresponding period of the previous year, by focusing on profitability in high gross margin products continuously. Gross profit margin of the third quarter of 2021 was 13.61% of revenue from sales and services increased from the corresponding period of the previous year (Q3/2020 = 9.61%)
- Other income decreased Baht 64.30 million from the corresponding period of the previous year since BBF postponed interim dividend payment from Q3/2021 to Q4/2021.
- Selling and Administrative expenses increased Baht 0.86 million or 2.78% from the corresponding period of the previous year due to the provision of deterioration of goods and selling expenses such as export, freight, etc.
- Finance cost decreased Baht 0.08 million or 1.13% from the corresponding period of the previous year due to the mostly from the decreased of long term loans and the increased of short term loan interest.
- Net Profit decreased Baht 44.00 million or 66.83% from the corresponding period of the previous year, mostly from the decrease of dividend income from investment in BBF.

#### The separated financial statement for 9-month period ended September 30, 2021

The Separated Financial Statement (Unit: Million Baht)	9M/2021	9M/2020	(YoY)	
			Mil. Baht	%
Sales and Services	874.70	757.60	117.10	15.46%
<b>Gross Profit</b>	<b>132.59</b>	<b>116.02</b>	<b>16.58</b>	<b>14.29%</b>
Other Income	160.33	171.55	(11.23)	(6.54%)
Selling & Administrative Expenses	97.02	96.38	0.64	0.66%
Finance Cost	21.02	24.27	(3.25)	(13.40%)
<b>EBT</b>	<b>174.87</b>	<b>166.91</b>	<b>7.96</b>	<b>4.77%</b>
Tax	(11.56)	(4.78)	6.78	141.90%
<b>Net Profit</b>	<b>163.32</b>	<b>162.13</b>	<b>1.18</b>	<b>0.73%</b>
<b>Comprehensive Income</b>	<b>163.32</b>	<b>162.13</b>	<b>1.18</b>	<b>0.73%</b>
<b>EBITDA</b>	<b>249.03</b>	<b>245.08</b>	<b>3.95</b>	<b>1.61%</b>

The operating results of the separated financial statement for the 9-month period ended September 30, 2021. resulted in increase in total Net Profit of Baht 1.18 million or 0.73% from the corresponding period of the previous year as the following details below:

- Revenue from sales and services increased Baht 117.10 million or 15.46% from the corresponding period of the previous year, mostly from revenue from Trading which increased Baht 122.79 million with the revenue from Energy and Industrail, the decrease of revenue from Manufacturing-Energy (PPP) at the amount of Baht 4.69 million resulting from the decrease of raw material on 1H/2564 and the decrease of revenue from Manufacturing-Energy (MT) at the amount of Baht 1.00 million.
- Gross profit was Baht 132.59 million which increased Baht 16.58 million or 14.29% from the corresponding period of the previous year, in compliance with the increase in revenue from sales and services. Gross profit margin for the 9-month of 2021 was 15.16% of revenue from sales and services decreased from the corresponding period of the previous year (9M/2020 = 15.31%)
- Other income decreased Baht 11.23 million or 6.54% from the corresponding period of the previous year, mostly from the decrease of dividend income from investment in BBF and government subsidy from Oil and LPG Funds

- Selling and Administrative expenses decreased Baht 0.64 million or 0.66% from the corresponding period of the previous year, mostly from the export, freight, decrease of cost of new project study, travelling cost as well as controlling the Company's expenses.
- Finance cost decreased Baht 3.25 million or 13.40% from the corresponding period of the previous year due to the decrease in long term loans.
- Net Profit increased Baht 1.18 million or 0.73% from the corresponding period of the previous year, mostly from the increase in revenue from sales and services and controlling the Company's expenses

**The operating results of the consolidated financial statement for the 3-month and 9-month period ended September 30, 2021**

**The consolidated financial statement for the third quarter of 2021 ended September 30, 2021**

The Consolidated Financial Statement (Unit: Million Baht)	Q3/2021	Q2/2021	Q3/2020	(QoQ)		(YoY)	
				Mil. Baht	%	Mil. Baht	%
Sales and Services	420.99	374.92	276.39	46.07	12.29%	144.61	52.32%
Gross Profit	63.62	68.34	41.66	(4.72)	(6.91%)	21.96	52.71%
Other Income	57.61	51.94	46.88	5.67	10.93%	10.73	22.89%
Selling & Administrative Expenses	47.81	49.45	45.85	(1.65)	(3.33%)	1.96	4.27%
Finance Cost	12.42	12.44	13.71	(0.01)	(0.09%)	(1.29)	(9.38%)
EBT	61.00	58.39	28.98	2.61	4.47%	32.02	110.48%
Tax	(5.69)	(3.79)	1.11	1.91	50.44%	6.81	611.38%
Net Profit	55.31	54.61	30.10	0.70	1.28%	25.21	83.77%
Comprehensive Income	58.38	56.77	32.23	1.60	2.82%	26.15	81.13%
EBITDA	102.26	100.07	73.41	2.19	2.18%	28.84	39.29%

The operating results of the consolidated financial statement for the third quarter period ended September 30, 2021, resulted in decrease in total comprehensive income of Baht 1.60 million or 2.82% (QoQ) and in increase in total comprehensive income of Baht 26.15 million or 81.13% (YoY) as the following details below:

- Revenue from sales and services increased Baht 144.61 million or 52.32% from the corresponding period of the previous year, mostly from the increase of revenue from Trading at the amount of Baht 143.98 million, the decrease of revenue from Manufacturing-Energy at the amount of Baht 20.61 million and the increase of revenue Manufacturing-Chemical at the amount of Baht 21.23 million.
- Gross profit was Baht 63.62 million which increased 52.71% from the corresponding period of the previous year by focusing on profitability in high gross margin products continuously. Gross profit margin was 15.11% of revenue from sales and services increased from the corresponding period of the previous year (Q3/2020 = 15.07%)
- Other income increased Baht 10.73 million or 22.89% from the corresponding period of the previous year, mostly from the profit sharing from investment in BBF at the amount of Baht 42.98 million and government subsidy from Oil and LPG Funds
- Selling and Administrative expenses increased Baht 1.96 million or 4.27% from the corresponding period of the previous year, mostly from the due to the provision of deterioration of goods and selling expenses such as export, freight, etc.
- Finance cost decreased Baht 1.29 million or 9.38% from the corresponding period of the previous year due to the decrease in long term loans.
- Comprehensive Income increased Baht 26.15 million or 81.13% from the corresponding period of the previous year, mostly from the increase in revenue from sales and services and from the profit sharing from investment in BBF.

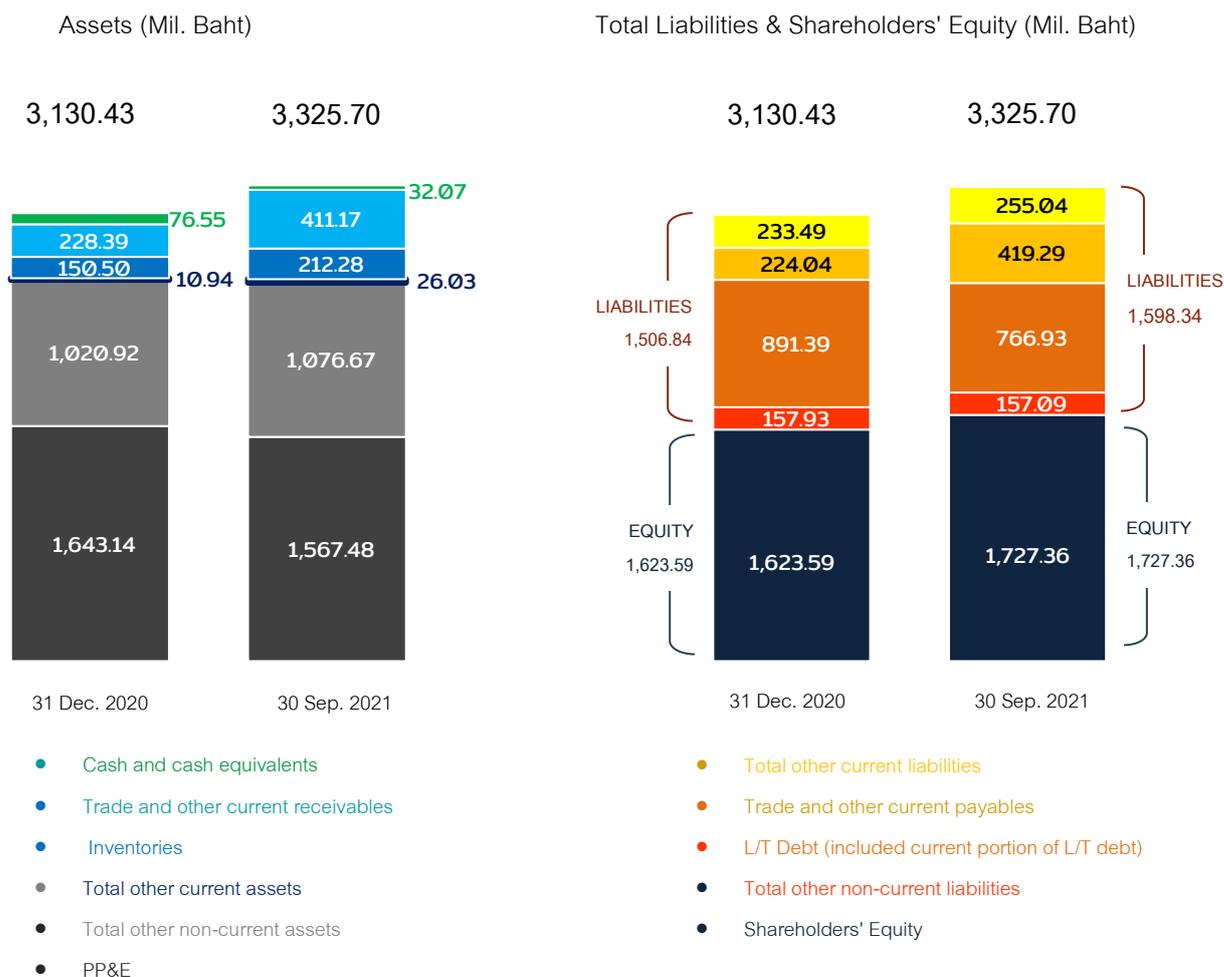
The consolidated financial statement for 9-month period ended September 30, 2021

The Consolidated Financial Statement (Unit: Million Baht)	6M/2021	9M/2020	(YoY)	
			Mil. Baht	%
Sales and Services	1,130.78	996.13	134.65	13.52%
<b>Gross Profit</b>	<b>195.73</b>	<b>194.32</b>	<b>1.41</b>	<b>0.72%</b>
Other Income	181.04	158.98	22.06	13.87%
Selling & Administrative Expenses	142.65	148.87	(6.21)	(4.17%)
Finance Cost	37.20	44.61	(7.41)	(16.61%)
<b>EBT</b>	<b>196.91</b>	<b>159.82</b>	<b>37.09</b>	<b>23.21%</b>
Tax	(12.43)	(5.35)	7.07	132.05%
<b>Net Profit</b>	<b>184.49</b>	<b>154.47</b>	<b>30.02</b>	<b>19.43%</b>
<b>Comprehensive Income</b>	<b>192.23</b>	<b>163.55</b>	<b>28.68</b>	<b>17.54%</b>
<b>EBITDA</b>	<b>322.14</b>	<b>296.92</b>	<b>25.22</b>	<b>8.49%</b>

The operating results of the consolidated financial statement for the 9-month period ended September 30, 2021, resulted in increase in total comprehensive income of Baht 28.68 million or 17.54% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 134.65 million or 13.52% from the corresponding period of the previous year, mostly from the increase of revenue from Trading at the amount of Baht 123.73 million, the decrease of revenue from Manufacturing-Energy at the amount of Baht 30.97 million, and the increase of revenue from Manufacturing-Chemical at the amount of Baht 41.88 million.
2. Gross profit was Baht 195.73 million which increased Baht 1.41 million or 0.72% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services and increase of cost of goods sold from Manufacturing-Chemical. Gross profit margin was 17.31% of revenue from sales and services increased from the corresponding period of the previous year (9M/2020 = 19.51%)
3. Other income increased Baht 22.06 million or 13.87% from the corresponding period of the previous year, mostly from the profit sharing from investment in BBF at the amount of Baht 152.30 million
4. Selling and Administrative expenses decreased Baht 6.21 million or 4.17% from the corresponding period of the previous year, mostly from the decrease of cost of new project study and expenses controlling during COVID-19 pandemic.
5. Finance cost decreased Baht 7.41 million or 16.61% from the corresponding period of the previous year due to the decrease in liabilities.
6. Comprehensive Income increased Baht 28.68 million or 17.54% from the corresponding period of the previous year, mostly from the increase in revenue from sales and services and from the profit sharing from investment in BBF.

The Statements of Financial Position as of September 30, 2021 has changed from December 31, 2020 as follows;



**Total Assets** was Baht 3,325.70 million, increased Baht 195.28 million or 6.24%, mostly from the increase in current assets of Baht 215.19 million and the decrease in non-current assets of Baht 19.91 million. consisted of;

- Trade and other current receivables increased Baht 182.79 million, mostly from Trade Receivable on due dates and Interest Receivable from Subsidiaries.
- Inventories increased Baht 61.79 million, mostly from pending delivered.
- Property, plant and equipment decreased Baht 75.66 million, mostly from the depreciation and amortization of Property, plant and equipment.

**Total Liabilities** was Baht 1,598.34 million, increased Baht 91.50 million or 6.07%, mainly from the increase in current liabilities of Baht 474.24 million and the decrease in non-current liabilities of Baht 382.74 million, mostly from reclassified debentures which maturity date remained less than 1 year at the amount of Baht 300 million and the increase of Bank overdrafts and short-term loans from financial institutions of Baht 182.75 million from P/N , T/R.

**Total Shareholders' Equity** was Baht 1,727.36 million, increased Baht 103.78 million or 6.39%, resulting from income of business performance and dividend payout.

The Cash flow statement as of September 30, 2021 has changed from September 30, 2020 as follows:

Unit: Million Baht)	30 Sep. 2021	30 Sep. 2020
Profit before tax	196.91	159.82
Profit from operating activities before changes in operating assets and liabilities	167.21	156.40
Net cash flows from operating activities	(105.21)	144.46
Net cash flows from (used in) investing activities	85.36	109.03
Net cash flows used in financing activities	(25.05)	(159.05)
Net activities	(44.90)	94.44
Decrease in translation adjustments	0.52	0.15
Effects of exchange rates on cash and cash equivalents	(0.09)	(1.15)
Net increase (decrease) in cash and cash equivalents	(44.48)	93.45
Cash and cash equivalents at beginning of period	76.55	40.46
Cash and cash equivalents at end of period	32.07	133.91

Cash flow statement for 9-month, the company has net cash flow used in operating activities of Baht 105.21 million, mainly from the increase in profit before income tax Baht 167.21 million. the decrease in cash resulted from increase in Trade receivables and inventories increase Baht 238.75 million, and payment of interest and tax of Baht 42.37 million.

Net cash flow acquired in investing activities of Baht 85.36 million, mostly from the dividend income from investment in BBF of Baht 119.92 million and payment of fixed assets and intangible assets of Subsidiaries of Baht 28.98 million.

Net cash flow used in financing activities of Baht 25.05 million, mostly from the short-term loans was baht 184.75 million, long-term loans repayment of Baht 124.22 million and and dividend payment of Baht 93.46 million.

From the above activities, the Company had a net decrease in cash and cash equivalents of Baht 44.48 million, with cash brought forward as of January 1, 2021 in the amount of Baht 76.55 million, and cash ended as of September 30, 2021 was Baht 32.07 million.

#### Financial Ratio

Consolidated financial statement	Q3/2021	Q2/2021	Q3/2020
NET PROFIT (%)	13.14	14.56	10.89
COMPREHENSIVE INCOME (%)	13.87	15.14	11.66
EBIT (%)	17.44	18.89	15.45
EBITDA (%)	24.29	26.69	26.56
EPS (บาท/หุ้น)	0.09	0.09	0.05

Consolidated financial statement	9M/2021	6M/2021	9M/2020
NET PROFIT (%)	16.32	18.20	15.51
COMPREHENSIVE INCOME (%)	17.00	18.86	16.42
EBIT (%)	20.70	22.64	20.52
EBITDA (%)	28.49	30.98	29.81
EPS (บาท/หุ้น)	0.29	0.20	0.25

Consolidated financial statement	9M/2021	6M/2020	9M/2020
ROA (%)	7.94	8.38	7.10
ROE (%)	16.16	17.25	15.27
D/E RATIO (เท่า)	0.98	1.02	1.06
Net Debt/EBITDA (เท่า)	3.65	3.51	3.58

Please be informed accordingly

Yours sincerely,

*-Signature-*

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company