



Bor. Hor. 006/2019

14th February 2019

Attention: President
The Stock Exchange of Thailand

Subject: Report of 2018 Audited Consolidated Financial performances

The Company is pleased to report the 2018 audited consolidated financial performance of its Group.

Reference to the audited financial statements ended 31st December 2018, the Company's Net Profit After Tax for the year ended 2018 stood at Baht 564 million, compared to the Net Profit After Tax of Baht 2,537 million in 2017. Details of the Company's performance are as follows:

1. Sales and services stood at Baht 27,632 million, reflecting only a small decrease of 2.22% from last year. International sales volume was lower during the first half year mainly attributable to the shortage in crude supply and a fire broke out at a subsidiary's crude oil storage tank farm in early July 2018 that caused shut down of operations at the refinery. Nevertheless, it restarted production again within 30 days after the fire and supply of crude returned to normal level. This has enabled sales revenue to improve during the second half year. In addition, selling price has increased which was in line with higher crude price during the year comparing to the prior year.

Cost of sales and services in 2018 stood at Baht 24,488 million or 88.62% (85.31% in 2017) of sales and services before the allowance for diminution in value of inventory that had been adequately hedged. The decrease of gross profit margin was mainly due to the higher crude cost during the year. In addition, the Company recorded

allowance for diminution in value of inventory of Baht 782 million in 2018 that was resulted from sharp reduction in market price for crude, asphalt and petroleum product at the end of the year.

2. Selling and administrative expenses stood at Baht 166 million and Baht 1,180 million representing 0.60% and 4.27% of sales and services respectively. Comparatively, these expenses in 2017 stood at Baht 159 million and Baht 1,178 million representing 0.56% and 4.17% of sales and services. The company is committed to controlling overhead expenses while improving the operating gross profit margin.
3. A “charge off” of Baht 358 million for fire damages at a subsidiary’s crude oil storage tank farm was recorded during the year 2018. The fire damage is adequately covered by comprehensive insurance policy.
4. The Group’s cashflow generated from operations stood at Baht 2,457 million compared to the Baht 4,514 million in 2017 due to decrease in gross profit margin from higher crude oil price. In addition, the operating cost has increased from the fire incident as compared to the prior year.
5. The Group’s consolidated debt to equity ratio (D/E ratio) was at 0.93 comparing to 0.51 in 2017 due to the increase in crude inventory (both price and volume) and receivables i.e. working capital supporting higher sales activities.
6. Financial expense in 2018 was Baht 169 million as compared to Baht 106 million in the previous year. The increase was mainly due to increase of short-term loans used for purchase of crude oil.
7. Net Profit After Tax of Baht 564 million for 2018 represented earning per share of Baht 0.36 (par value of Baht 1 each) as compared to Baht 1.63 per share in previous year.

Please circulate the above information to the public accordingly.

Sincerely yours,



Mr. Chaiwat Srivalwat

Managing Director