



LTR.SEA 218/2564

12 November 2021

Subject: Management Discussion and Analysis for Quarter 3/2021 ended 30 September 2021

ATTN: The Director and Manager
The Stock Exchange of Thailand

Sea Oil Public Company Limited (the “Company”) would like to clarify operating results of the Company and subsidiaries for quarter 3/2021 ended 30 September 2021 below:

Unit: Million Baht

Statement of Comprehensive Income (Unit: Million Baht)	For Quarter 3			For the nine-month period		
	2021	2020	% Increase / (Decrease)	2021	2020	% Increase / (Decrease)
Revenue from sales, services and rental income	2,579.93	1,313.87	96.36	7,202.29	4,060.79	77.36
Gross Profit	50.39	58.39	(13.70)	156.21	170.43	(8.34)
Other Income	3.63	9.39	(61.38)	10.05	20.60	(51.19)
Selling and Administrative Expenses	(65.39)	(65.53)	(0.22)	(191.51)	(178.57)	7.25
Reversal (loss) on impairment of financial assets	1.07	(10.00)	(110.75)	(6.31)	(8.71)	(27.53)
Gain on disposal of discontinued operation	-	54.36	(100.00)	-	54.36	(100.00)
Finance costs	(4.53)	(6.21)	(27.13)	(14.32)	(24.26)	(40.96)
Share of profit (loss) from a joint venture	72.85	3.47	1,995.97	159.23	12.52	1,171.59
Net profit for the period	61.47	46.73	31.55	118.92	64.32	84.88
Profit (loss) attributable to						
Owners of the Company	60.45	42.61	41.87	115.47	52.00	122.04
Non-controlling interests	1.02	4.12	(75.20)	3.45	12.32	(71.99)

Overview of the Business Operation of Quarter 3/2021 ended 30 September 2021

The Statement of Comprehensive Income of the Company and its subsidiaries had net profit at the amount of 61.47 million baht, increasing by 14.74 million baht or 31.55%, compared to the same quarter of the previous year which consisted of the net profit of owners of the Company at the amount of 60.45 million baht and net profit of non-controlling interests at the amount of 1.02 million baht. The main causes were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized share of profit from the joint venture, Pan Orient Energy (Siam) Limited, at the amount of 72.85 million baht, increasing by 69.38 million baht or 1,995.97% compared to the same quarter of the previous year. Due to the substantial increase in crude oil price by 71%, compared to the same quarter

of the previous year and the higher crude oil production volume, resulting in the increase of income of production and crude oil distribution.

Revenue

The Company and its subsidiaries had Total revenue from sales, services and rental income at the amount of 2,579.93 million baht, increasing by 1,266.06 million baht or 96.36%, compared to the same quarter of the previous year, as resulted from, mainly, the increase of oil trading revenue. The increased oil-trading revenue was resulted from the oil price, which was increased by 70%, compared to the same quarter of the previous year, as well as higher sales volume from expansion to international market and new markets in Asia and Europe.

Gross profit

The Company and its subsidiaries had Total Gross profit at the amount of 50.39 million baht, decreasing by 8.0 million baht or 13.70%, compared to the same quarter of the previous year. However, Gross profit margin is still decreasing from International Oil Trading, due to the competition in oil price for increasing market share in the international customers as well as the cost of services in Catering and Services Business which is greatly higher including for material supply, safety equipment and increased employee costs from COVID-19 Situation.

Overview of the Business Operation of the nine-month period ended 30 September 2021

The Statement of Comprehensive Income of the Company and its subsidiaries had net profit at the amount of 118.92 million baht increasing by 54.60 million baht or 84.88% compared to the same quarter of the previous year which consisted of the net profit of owners of the Company at the amount of 115.47 million baht and net profit of non-controlling interests at the amount of 3.45 million baht. The main reasons causing were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized share of profit from the joint venture, Pan Orient Energy (Siam) Limited, at the amount of 159.23 million baht, increasing by 146.71 million baht or 1,171.59%, compared to the same quarter of the previous year. Due to the increasing in production volume and higher crude oil price that effect the increased income of production and crude oil distribution.

Revenue

The Company and its subsidiaries had Total revenue from sales, services and rental income at the amount of 7,202.29 million baht, increasing by 3,141.50 million baht or 77.36%, compared to the same quarter of the previous year. Due to the increase of sales volume from expansion to international market and new markets in Asia and Europe. Including the increased of Revenue from services of Catering and Services, due to the Company received new contracts 2 projects since July 2020.

Gross profit

The Company and its subsidiaries had Total Gross profit at the amount of 156.21 million baht, decreasing 14.22 million baht or 8.34% compared to the same quarter of the previous year. Due to decreasing of Gross profit margin from International Oil Trading, due to competition in oil price for increasing market share in the international customers, as well as the cost of services in Catering and Services Business is greatly higher about material supply, safety equipment and increased of employee costs from COVID-19 situation.

Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	Consolidated FS			Separate FS		
	30 September 2021	31 December 2020	% Increase/ (Decrease)	30 September 2021	31 December 2020	% Increase/ (Decrease)
Current assets	1,423.87	757.05	88.08	600.92	238.63	151.82
Non-current assets	1,373.25	1,446.47	(5.06)	1,786.36	1,951.66	(8.47)
Total assets	2,797.12	2,203.52	26.94	2,387.28	2,190.29	8.99
Current liabilities	1,148.25	572.41	100.60	652.52	326.62	99.78
Non-current liabilities	89.07	210.44	(57.68)	86.27	208.57	(58.64)
Total liabilities	1,237.32	782.85	58.05	738.79	535.19	38.04
Equity attributable to owners of the Company	1,535.26	1,403.16	9.41	1,648.49	1,655.10	(0.40)
Non-controlling interests	24.54	17.51	40.17	-	-	-
Total equity	1,559.80	1,420.67	9.79	1,648.49	1,655.10	(0.40)

Assets

The Company and its subsidiaries had total assets of 2,797.12 million baht, increasing by 593.60 million baht or 26.94% compared to ended of year 2020, due to increase of Current assets at the amount of 666.82 million baht or 88.08%, from the increase of Trade accounts receivable and other receivables and cash.

Liabilities

The Company and its subsidiaries had total liabilities of 1,237.32 million baht, increasing by 454.47 million baht or 58.05% compared to ended of year 2020 due to increase of Current liabilities from the increase of Short-term borrowings from financial institutions and Trade account payables.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries equaled to 1,559.80 million baht, consisting of the owners of the company at the amount of 1,535.26 million baht and non-controlling interests at the amount of 24.54 million baht. The total shareholders' equity increased from ended of 2020 at the amount 139.13 million baht or 9.79 from the total increased comprehensive income of the period.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)
President and Chief Executive Officer