



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

No. 6/2022

23 February 2022

Subject Management Discussion and Analysis for Operating Results for the year ended 31 December 2021

To President

The Stock Exchange of Thailand

V.L. Enterprise Public Company limited ("the Company") would like to clarify the operating results of the Company for the year ended 31 December 2021 as follows:

The operating results for 2021 mainly derived from the oil tanker fleet transportation service business.

1. The financial performance comparison for the year ended 31 December 2021 and 2020

(Unit : million Baht)

Statement of Income	31 December 2021	%	31 December 2020	%	Increase/ (Decrease)	%
Freight charges	662.8	99.0	646.6	99.0	16.2	2.5
Gain on disposal of assets	-	-	3.7	0.6	(3.7)	(100.0)
Gain on exchange rate	2.4	0.4	1.1	0.2	1.3	118.2
Other revenues	4.3	0.6	1.4	0.2	2.9	207.1
Total revenues	669.5	100.0	652.8	100.0	16.7	2.6
Cost of freight	551.0	83.1	478.5	74.0	72.5	15.2
Gross profit	111.8	16.9	168.1	26.0	(56.3)	(33.5)
Administrative expenses	32.6	4.9	27.3	4.2	5.3	19.4
Management benefit expenses	19.6	2.9	16.4	2.5	3.2	19.5
Income before finance costs and income tax expenses	66.3	9.9	130.6	20.0	(64.3)	(49.2)
Finance costs	37.1	5.5	38.0	5.8	(0.9)	(2.4)
Income before income tax expenses	29.2	4.4	92.6	14.2	(63.4)	(68.5)
Income tax expenses	6.1	0.9	8.2	1.3	(2.1)	(25.6)
Income for the period	23.1	3.5	84.4	12.9	(61.3)	(72.6)

Remark: Percentage in statement of comprehensive income derived from total revenues, while percentage of cost of freight and gross profit related to freight charges.



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

Total revenues

For 2021, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 662.8 million, Baht 2.4 million, and Baht 4.3 million from the freight charges, gain on exchange rate, and other revenues, respectively.

The proportion of freight charges can be classified as follows:

For 2021 and 2020

(Unit : million Baht)

Statement of Income	31 December 2021	%	31 December 2020	%	Increase/ (Decrease)	%
Freight charges						
- Domestic	402.8	60.8	407.9	63.1	(5.1)	(1.3)
- International	252.5	38.1	232.4	35.9	20.1	8.6
Other freight charges	7.5	1.1	6.3	1.0	1.2	19.0
Total freight charges	662.8	100.0	646.6	100.0	16.2	2.5

For 2021, the total freight charges of the Company was Baht 662.8 million, an increase of Baht 16.2 million compared to 2020 or decreased 2.5%.

This was caused by a decrease in the domestic freight charges, this was due to

- The number of voyage of the domestic decreased by the pandemic of the Coronavirus Disease 2019 (COVID 19) in new outbreak, which has been impact since 1Q21. In addition, the government has ordered the temporary closure of many places and designated areas as high-level and strictly control areas which affected to the slowdown in domestic oil consumption demand.

This was caused by an increase in the international freight charges, this was due to

- The number of voyage of the international in 2021 increased compared to 2020 due to in 3Q21, the Company has increased the number of voyage generated from the new vessel (V.L. 23).



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

Cost of freight

For 2021, cost of freight of the Company was Baht 551.0 million, an increase of Baht 72.5 million compared to 2020 or increased 15.2% due to fuel costs are increased as the bunker price of 2021 is highly trend and the increased usage of the bunker of international route from longer distance, which is the mainly cost of the operation, there were the employee expenses for protection of the pandemic of COVID-19, and the costs of preparation for new vessel for service to clients.

Gross profit

For 2021, gross profit of the Company was Baht 111.8 million or gross profit margin of 16.9% of total freight charges, a decrease of Baht 56.3 million compared to 2020 or decreased 33.5%. This was a result of the variable cost of freight, especially fuel costs, trend to increase.

Administrative expenses

For 2021, administrative expenses of the Company was Baht 32.6 million, an increase of Baht 5.3 million compared to 2020 or increased 19.4% due to in 2021 there was a doubtful debt account of Baht 1.9 million and the relevant expenses for issuance of warrants for exercise to ordinary share of Baht 1.0 million.

Management benefit expenses

For 2021, management benefit expenses of the Company was Baht 19.6 million, an increase of Baht 3.2 million compared to 2020 or increased 19.5% due to in 2021 there was an increase in employee expenses for key management person in post-employment benefits expenses arise the retirement of managements.

Finance cost

For 2021, finance cost of the Company was Baht 37.1 million, a decrease of Baht 0.9 million compared to 2020 or decreased 2.4% due to since 1Q21 the reduction of interest rate from financial institution for some credit lines for a period of 12 months.

Income tax expenses

For 2021, income tax expenses of the Company was Baht 6.1 million, a decrease of Baht 2.1 million compared to 2020 or decreased 25.6% due to in 2021, the Company has a decrease in operating profit.



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

Income for the year

For 2021, income for the year of the Company was Baht 23.1 million, a decrease of Baht 61.3 million compared to 2020 or decreased 72.6% due to increased in the cost of freight, administrative expenses and management benefit expenses.

2. Statement of financial position (abbreviated)

	31 December	31 December	Change
	2021	2020	
	(million Baht)		%
Current Assets			
Cash and cash equivalents	177.3	172.0	3.1
Trade and other current receivables	88.1	63.7	38.3
Supplies and spare parts	21.7	16.1	34.8
Other current financial assets	100.7	100.1	0.6
Other current assets	0.2	-	N/A
Total Current Assets	388.0	351.9	10.3
Non-current Assets			
Vessels and equipment	1,542.3	1,389.2	11.0
Right-of-use assets	18.0	20.3	(11.3)
Other non-current assets	3.7	2.3	60.9
Total Non-current Assets	1,564.0	1,411.8	10.8
Total Assets	1,952.0	1,763.7	10.7

	31 December	31 December	Change
	2021	2020	
	(million Baht)		%
Non-interest bearing debt			
Trade and other current payables	49.3	32.6	51.2
Purchase of fixed assets payable	1.4	0.1	1,300.0
Other liabilities	18.5	18.9	(2.1)
Total non-interest bearing debt	69.2	51.6	34.1
Interest-bearing debt			
Lease liabilities	16.8	19.1	(12.0)
Long-term loans	971.1	856.4	13.4
Total interest bearing debt	987.9	875.5	12.8
Total Liabilities	1,057.1	927.1	14.0
Total Shareholders' Equity	894.9	836.6	7.0
Total Liabilities and Shareholders' Equity	1,952.0	1,763.7	10.7

Assets

As of 31 December 2021, the Company reported total assets of Baht 1,952.0 million, an increase of Baht 188.3 million compared to 31 December 2020 or increased 10.7% due to in 1Q21, the Company has purchased one oil tanker vessel, is V.L. 23 which had the dead weight of 2,800 DWT.

Liabilities

As of 31 December 2021, the Company reported total liabilities of Baht 1,057.1 million, an increase of Baht 130.0 million compared to 31 December 2020 or increased 14.0% due to the increased of interest-bearing debts for long-term loans of Baht 114.7 million, in caused of the borrowing loans from financial institution for payment a new oil tanker vessel in 1Q21.



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5, โทรสาร 0-2254-8749

41 Asoke-Dindaeng Road, Makkasan Bangkok 10400 Thailand TEL. (662) 254-6604-5, FAX (662) 254-8749

Shareholders' Equity

As of 31 December 2021, the Company reported total shareholders' equity of Baht 894.9 million, an increase of Baht 58.3 million compared to 31 December 2020 or increased 7.0% due to the net income for 2021 of Baht 23.1 million, in 2Q21 and 3Q21 the dividend payment in the totaling of Baht 48 million, and 4Q21 the Company received subscriptions for the additional ordinary shares arising from the exercise of warrants for a total of Baht 83.4 million.

3. Significant financial ratio

	2021	2020
Current Ratio (Time)	1.92	1.90
Debt to Equity Ratio (Time)	1.18	1.11
Return of Assets (ROA) (%)	3.57	7.00
Return of Equity (ROE) (%)	2.67	10.41

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipa Klinsuwan)

Chief Executive Officer