



**Bor. Hor 003/2023**

**17<sup>th</sup> February 2023**

**Attention: The President  
The Stock Exchange of Thailand**

**Subject: Report of the Company's 2022 audited consolidated financial performances**

Tipco Asphalt Public Company Limited ("the Company") is pleased to report the 2022 audited consolidated financial performance of the Group. Reference to the audited financial statements ended 31<sup>st</sup> December 2022, the Company's Net Profit After Tax for the year ended 2022 stood at Baht 2,367 million as compared to the Net Profit After Tax of Baht 2,220 million in 2021. Details of the Company's performance can be summarized as follows:

- 1 Sales and services stood at Baht 30,025 million, reflecting an increase of 22.82% from last year due to increase in selling price of all asphalt products resulted from the global oil price surge throughout the year.

Cost of sales and services in 2022 stood at Baht 25,130 million or 83.70% (80.68% in 2021) of sales and services before the allowance for diminution in value of inventory and loss from price hedging. The decrease in gross profit was mainly due to the increase in average inventory cost attributable to the increase in cost of feedstock and asphalt purchased price from regional refineries. The Company recorded losses of Baht 680 million from price hedging contracts caused by from the global oil price increase.

Revenue from construction contracts stood at Baht 3,376 million as compared to Baht 2,606 million in 2021. This was resulted from increase in construction and road maintenance



income, in particular the 3<sup>rd</sup> runway construction project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 3,229 million or 95.66% (92.23% in 2021) of revenue from construction contracts. The reduction in gross profit was mainly due to drastic increases in material and energy cost as compared to last year.

- 2 In May 2022, a Company's holding company sold all (51%) of its investment in Zhenjiang Tipco Asphalt Co. Ltd. to the other shareholder of the subsidiary. This resulted in a gain on disposal of investment in a subsidiary amounting to Baht 35 million. This was included in "other income" in the consolidated statements of comprehensive income.
- 3 Selling and administrative expenses stood at Baht 160 million and Baht 1,154 million, representing 0.48% and 3.45% of total sales and services, respectively. Comparatively, these expenses in 2021 stood at Baht 170 million and Baht 1,184 million representing 0.63% and 4.38% of total sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
- 4 The Company recognized an impairment loss for an ocean going asphalt tanker amounting to Baht 196 million and presented it under the impairment loss on property, plant and equipment. This caused a reduction in the carrying value of the asset to its recoverable value.
- 5 The Company recorded consolidated allowance for expected credit losses of Baht 120 million in 2022 as compared to Baht 33 million in 2021. This mainly resulted from an increase in loss rate percentage together with an increase in account receivable balance at the end of the year.



- 6 The Company's cashflow generated from operations stood at Baht 4,525 million as compared to the Baht 4,009 million in 2021 due to improved performance in 2022.
- 7 The Company's consolidated debt to equity ratio (D/E ratio) was maintained at 0.56, same as 2021's.
- 8 The Company's net profit after tax was Baht 2,367 million for 2022 and represented earning per share of Baht 1.50 as compared to Baht 1.41 per share in the previous year.

Please circulate the above information to the public accordingly.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "อ. ชัยวัฒน์", is written above a horizontal line.

Mr. Chaiwat Srivalwat  
Chief Executive Officer