



LTR.SEA 120/2023

9 August 2023

Subject: Management Discussion and Analysis for Quarter 2 ended 30 June 2023

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 2 ended 30 June 2023 as follow:

Unit: Million Baht

Statement of Comprehensive Income (Unit: Million Baht)	For Quarter 2			For 6 months period		
	2022	2021	% Increase / (Decrease)	2022	2021	% Increase / (Decrease)
Revenue from Sales, Services, and Rental	4,475.86	6,057.54	(26.11)	9,139.15	10,438.41	(12.45)
Gross Profit	127.69	56.94	124.25	250.52	128.85	94.43
Other Income	3.05	4.66	(35.55)	4.14	9.87	(58.05)
Selling and Administrative Expenses	(90.63)	(109.72)	(17.40)	(176.25)	(190.65)	(7.55)
Loss on Reversal impairment of financial assets	(2.48)	1.99	224.62	0.15	6.25	97.60
Finance costs	(5.54)	(5.42)	2.21	(10.78)	(9.38)	14.93
Share of profit from a joint venture	57.49	150.68	(61.85)	128.23	251.80	(49.07)
<b>Profit for the period</b>	<b>85.54</b>	<b>155.99</b>	<b>(45.16)</b>	<b>183.47</b>	<b>259.27</b>	<b>(29.24)</b>
<b>Profit (loss) attributable to:</b>						
<b>Owners of the Company</b>	<b>85.79</b>	<b>152.76</b>	<b>(43.84)</b>	<b>183.67</b>	<b>253.33</b>	<b>(27.50)</b>
Non-controlling interests	(0.25)	3.23	(107.74)	(0.20)	5.94	(103.37)

#### **Overview of the Business Operation of Quarter 2 ended 30 June 2023**

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 85.54 million, decreased 45.16%, compared to the same quarter of the previous year which consisted of the net profit of owners of the Company of Baht 85.79 million and net loss of non-controlling interests of Baht 0.25 million. The main reasons 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, of Baht 57.49 million, decreased by 61.85% compared to the same quarter of the previous year due to the significant decrease in world crude oil price in the Q2/2023 about 78 USD/Barrel of 31% compared to the same quarter of the previous year about 113 USD/barrel.

### **Revenue**

The Company and its subsidiaries had Total revenue from sales, services, and rental income of Baht 4,475.86 million, decreased by 26.11%, compared to the same quarter of the previous year, as mainly resulting from the decrease in oil trading revenue of foreign customers and including the decline in oil prices in the market. However, overall oil trading volume increased by 12% compared to the same quarter of the previous year.

### **Gross profit**

The Company and its subsidiaries had a Total Gross profit of Baht 127.69 million, increased by 124.25%, compared to the same quarter of the previous year, mainly from the oil business. The gross profit margin increased from the inland export customers.

### **Selling and Administrative Expenses**

The Company and its subsidiaries had selling and administrative expenses of Baht 90.63 million decreased 17.40% compared to the same quarter of the previous year due to the decreased of personnel expenses.

### **Overview of the Business Operation for 6 months period ended 30 June 2023**

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 183.47 million, decreased by 29.24% compared to the same quarter of the previous year which consisted of the net profit of owners of the Company of Baht 183.67 million and net loss of non-controlling interests at the of Baht 0.20 million. 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, of Baht 128.23 million decreased by 49.07% compared to the same quarter of the previous year. Due to the average crude oil price in the world market decreased by 25.23% compared to the same quarter of the previous year.

### **Revenue**

The Company and its subsidiaries had Total revenue from sales, services, and rental income of Baht 9,139.15 million, or decreased by 12.45%, compared to the same quarter of the previous year, as mainly resulting from the decrease in revenue from oil trading. Revenue from oil trading declined due to lower oil prices in the market. However, overall oil trading volume increased by 14.25% compared to the same period last year due to the expansion of both domestic and international markets.

### **Gross profit**

The Company and its subsidiaries had a Total Gross profit of Baht 250.52 million, decreasing 94.43% compared to the same quarter of the previous year due to higher oil trading volume The gross profit margin increased from both domestic and foreign customers.

### Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 176.25 million decreased by 7.55% compared to the same quarter of the previous year mainly from the decrease in personnel expenses and marketing expenses of overseas subsidiaries.

### Statement of Financial Position

Statement of Financial Position  (Unit: Million Baht)	Consolidated FS		
	30 June 2023	31 December 2022	% Increase / (Decrease)
Current assets	2,085.23	2,384.84	(12.56)
Non-current assets	1,268.57	1,179.32	7.57
<b>Total assets</b>	<b>3,353.80</b>	<b>3,564.16</b>	<b>(5.90)</b>
Current liabilities	1,019.34	1,412.83	(27.85)
Non-current liabilities	38.16	30.06	26.95
<b>Total liabilities</b>	<b>1,057.50</b>	<b>1,442.89</b>	<b>(26.71)</b>
Equity attributable to owners of the Company	2,281.33	2,097.54	8.76
Non-controlling interests	14.97	23.73	(36.92)
<b>Total Owner's Equity</b>	<b>2,296.30</b>	<b>2,121.27</b>	<b>8.25</b>

#### Assets

The Company and its subsidiaries had total assets of Baht 3,353.80 million, decreasing by 210.36 million or 5.90% compared to ended of year 2022, due to the decreased of Current assets at the amount of 299.61 million or 12.56%, from decreasing of Trade and other receivables.

#### Liabilities

The Company and its subsidiaries had total liabilities of Baht 1,057.50 million, decreased by 385.39 million or 26.71% compared to ended of year 2022 due to the decrease in Trade accounts payable and short-term loans from financial institutions.

#### Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries of Baht 2,296.30 million, consisting of the owners of the company of 2,281.33 million and non-controlling interests of 14.97 million. The total shareholders' equity increased from ended of 175.03 million or 8.25% from in the capital and total comprehensive income increased of the period.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)  
President and Chief Executive Officer