

Subject Management Discussion and Analysis Yearly Ending 31 Dec 2020

To Managing Directors  
The Stock Exchange of Thailand

Premier Tank Corporation Public Company Limited (the “Company”) would like to inform operating result and financial position for the year ended 31 December 2020 as the following details

Operating result for the year ended 31 December 2020

(Unit : Million Baht )	2019	2020	CHANGE	
			Amount	%YoY
Rental and services income	176.84	253.39	76.55	43.29%
Costs of rental and services	(52.86)	(62.43)	(9.57)	18.10%
<b>Gross profit</b>	<b>123.98</b>	<b>190.96</b>	<b>66.98</b>	<b>54.03%</b>
Other income	0.37	0.39	0.02	4.96%
Profit before expenses	124.35	191.35	67.00	53.88%
Administrative expenses	(40.21)	(41.78)	(1.57)	3.91%
Profit from operating activities	84.14	149.56	65.43	77.76%
Finance costs	(17.30)	(13.30)	4.00	(23.11%)
Profit before income tax	66.83	136.26	69.43	103.88%
Income tax	(11.41)	(25.20)	(13.79)	120.94%
<b>Profit for the period</b>	<b>55.43</b>	<b>111.06</b>	<b>55.63</b>	<b>100.37%</b>
<b>Earning per share (Baht : Share)</b>	<b>0.20</b>	<b>0.37</b>		

Explanations

Revenue

In 2020, the company had rental and service revenues of 253.39 million baht, representing a growth rate of 43.29% compared to the same period of 2019, mainly since the Sisaket oil depot is open for full year. The company's oil distribution volume, including 2 oil depots, increased by 32.43% from 2019, mainly due to an increase in the Sisaket oil depot.

Cost of Service

Cost of rental and services in 2020 was 62.43 million baht, representing a growth rate of 18.10% compared to the same period of 2019, mainly due to an increase in salary and welfare costs and depreciation. As for the Sisaket oil depot, in 2019, the depreciation of the Sisaket oil depot is not yet a full year, and personnel also gradually increased during the year, Thus, in 2020, when full-year depreciation and overall personnel increased, the cost of rental and services also soared.

### Gross profit

In 2020, the Company's gross profit was 190.96 million baht, an increase of 54.03% compared to the same period of the previous year which was 123.98 million baht, and the gross profit margin increased from 70.11% in 2019 to 75.36%. In 2020, due to the Company's revenue from the Sisaket oil depot increased because of public relations for gas stations to receive more gas at the Sisaket oil depot. While the cost of service remains at the same level compared to 2019.

### Administrative expenses

Administrative expenses for 2020 were Baht 41.78 million. This was the 3.91% increase compared to 2019 due to disposal of asset of Khon Kaen oil depot concrete yards 4.72 million baht due to concrete yard in the gasoline parking lot waiting for the use of the depot has been damaged. The company therefore made major repairs by demolishing the damaged concrete patio and rebuilding the concrete floor. This major repair is a limited area of damage and is not a regular cost to repair every year.

### Net Profit

Net profit for the year 2020 was 111.06 million baht and had a net profit margin of 43.76%, an increase compared to the same period last year. This was due to a 54.03% increase in gross profit due to increased revenue at the Sisaket oil depot and the financial cost decreased by 23.11 , which decreased in accordance with the decrease in the amount of the repayment principal.

## Financial position as of 31 December 2020

(Unit : Million Baht )	31-Dec-19	%	31-Dec-20	%	CHANGE	
					Amount	%
<b>ASSETS</b>						
Current assets	41.16	6.41%	50.66	8.08%	9.50	23.09%
Non-current assets	600.45	93.59%	576.17	91.92%	(24.27)	(4.04%)
<b>TOTAL ASSETS</b>	<b>641.61</b>	<b>100.00%</b>	<b>626.84</b>	<b>100.00%</b>	<b>(14.77)</b>	<b>(2.30%)</b>
<b>LIABILITIES AND SHAREHOLDERS 'EQUITY</b>						
Current liabilities	155.63	24.26%	123.17	19.65%	(32.46)	(20.86%)
Non current liabilities	262.20	40.87%	168.83	26.93%	(93.37)	(35.61%)
<b>TOTAL LIABILITIES</b>	<b>417.83</b>	<b>65.12%</b>	<b>292.00</b>	<b>46.58%</b>	<b>(125.83)</b>	<b>(30.11%)</b>
Share capital - common shares	150.00	23.38%	150.00	23.93%	0.00	0.00%
Retained earnings	73.77	11.50%	184.83	29.49%	111.06	150.55%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>223.77</b>	<b>34.88%</b>	<b>334.83</b>	<b>53.42%</b>	<b>111.06</b>	<b>49.63%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS 'EQUITY</b>	<b>641.61</b>	<b>100.00%</b>	<b>626.84</b>	<b>100.00%</b>	<b>(14.77)</b>	<b>(2.30%)</b>

### Assets

The Company's assets as of 31 December 2020, which include land, plants and equipment, and investment properties of the Company's assets.

Total assets of the company Decreased from 641.61 million baht to 626.84 million baht or 2.30%, due to a decrease in property, plant, and equipment according to the amortized depreciation expense in the year.

### Liabilities

The company's total liabilities will consist mainly of current portion of long-term loans from financial institutions, Long-term loans from financial institutions and liabilities under lease agreements. As of December 31, 2020, the company had liabilities of 292.00 million baht, a decrease of 125.83 million baht from the same period of the previous year. This represents a 30.11 % decrease in short-term loan repayments and long-term loans from financial institutions.

### Shareholders' equity

Shareholders' equity as of 31 December 2020, when compared to 31 December 2019 increased by 49.63 % to 334.84 million baht. In 2020 the Company did not increase share capital and provide dividend payment. Therefore, the increase in shareholders' equity is an increase of net profit for the year 2020.

### Key financial Ratio

Key financial Ratio	As of December 31,2019	As of December 31,2020
Debt to Equity Ratio (times)	1.87	0.87
Return on Equity (%)	29.99	39.76
Return on Fixed Assets (%)	14.73	26.14

### Debt to Equity Ratio

The Company's debt to equity ratio as of December 31, 2020, was 0.87 times, a decrease because the company short term loan repayment and long-term loans from financial institutions. This causes debt to continue to decline while retained earnings increased in line with operating profit. As a result, the debt to equity ratio compared to December 31, 2019 decreased by 1.00 times.

### Return on Equity

The Company has an increase in the return on shareholders as of December 31, 2020, of 39.76% compared to 31 December 2019 due to a 100.37% increase in net profit in 2020, while average equity increased by 51.10% as the retained earnings increased, with net profit increasing more than average equity increased, resulting in a higher shareholder return ratio.

Return on Fixed Assets

Return on fixed assets as of December 31, 2020, is equal to 26.14, increasing as the company has an increase in net profit from the full-year operation of the Sisaket oil depot. while fixed assets are relatively stable.

Please be informed accordingly

Your Sincerely,

Ms.Phattaya Ngowsakul  
Chief Financial Officer