

Subject Management Discussion and Analysis for the nine-month periods ended 30 September 2021

To **Managing Directors**
The Stock Exchange of Thailand

Premier Tank Corporation Public Company Limited (the “Company”) would like to inform the operating results and financial position for the nine-month periods ended 30 September 2021, as the following details.

Operating results for the nine-month periods ended 30 September 2021

(Unit : Million Baht)	Q3/20	Q2/21	Q3/21	CHANGE		9M/20	9M/21	CHANGE %YoY
				%QoQ	%YoY			
Rental and services income	66.07	57.96	47.95	(17.27%)	(27.43%)	187.12	166.29	(11.13%)
Costs of rental and services	(16.12)	(13.93)	(13.67)	(1.86%)	(15.20%)	(46.76)	(41.37)	(11.52%)
Gross profit	49.96	44.03	34.28	(22.14%)	(31.37%)	140.36	124.92	(11.00%)
Other income	0.10	0.11	0.14	19.92%	42.52%	0.28	0.39	37.42%
Profit before expenses	50.05	44.15	34.42	(22.03%)	(31.23%)	140.64	125.31	(10.90%)
Administrative expenses	(8.75)	(8.97)	(11.64)	29.77%	33.07%	(32.68)	(30.17)	(7.69%)
Profit from operating activities	41.30	35.17	22.78	(35.24%)	(44.85%)	107.96	95.14	(11.87%)
Finance costs	(2.95)	(2.20)	(1.95)	(11.32%)	(34.01%)	(10.69)	(6.44)	(39.72%)
Profit before income tax	38.35	32.98	20.83	(36.83%)	(45.69%)	97.27	88.70	(8.81%)
Income tax	(6.21)	(6.08)	(3.92)	(35.53%)	(36.83%)	(17.91)	(16.47)	(8.06%)
Profit for the period	32.15	26.90	16.91	(37.13%)	(47.40%)	79.36	72.23	(8.99%)
Earning per share (Baht : Share)	0.11	0.09	0.06			0.26	0.24	

Explanations
Revenues

In Q3/2021, The Company recorded total rental and services income in the amount of Baht 47.95 million, comparable to Q2/2021, a decline from the previous quarter due to the new round of COVID-19 outbreak in Thailand, with the Delta strand causing more widespread impact inducing the government to impose stricter containment measures for the outbreak and accelerate the distribution of vaccines – affecting economic activities. These factors contributed to our in a decrease in rental and service income in line with the declining demand for fuel.

Revenues from rental and services of the Company for the first 9 months of 2021, the Company's revenues was Baht 166.29 million, decreased by 11.13% based on a declining in oil sales volume in the Northeast due to the epidemic COVID-19. The Company has revenues from Khon Kaen Oil Depot equivalent to 69% and from Sisaket Oil Depot at 31% of revenues from rental and service.

Cost of services

In Q3/2021, the Company reported total cost of rental and service of Baht 13.67 million, decrease by Baht 0.26 million or 1.86% from Q2/2021 mainly due to decrease in overtime and electricity expenses, according to the amount of oil distribution.

During the first 9 months of 2021, the Company reported total cost of rental and service of Baht 41.37 million, decreased by Baht 5.39 million or 11.52% which compared to the same period in 2020, caused by the reducing in depreciation of vehicles and oil depot equipment have been fully depreciated but is still in use and changes in the estimated useful life of the building and the oil depot, along with in 2020, the Company has maintenance cost for renovating prefabricated oil tanks and moving fire hose lines. As a result, the maintenance cost is higher than the normal costs during the said period.

Gross Profit

Gross profit of the Company for Q3/2021 was Baht 34.28 million, decrease by Baht 9.75 million from Q2/2021 or 22.14% and the first 9 months periods ended 30 September 2021, the Company's gross profit of Baht 124.92 million, decrease by Baht 15.44 million or 11% is decreased by the reducing in rental and service income due to the economic slowdown and the epidemic of COVID-19. However, the Company is able to maintain a similar margin to a year ago, even though the Company's rental and service revenues is declined, resulted from the decrease in depreciation and maintenance costs which compared to the same period of prior year.

Administrative expenses

The Company's administrative expenses for Q3/2021 was Baht 11.64 million, increase by Baht 2.67 million from Q2/2021, mainly due to an increase in expenses in preparing to be a listed company in the Stock Exchange and stamp duty.

During the 9 months periods ended 30 September 2021 decreased at 7.69% compared to the same period in 2020, the main changes arose from the high value assets were not written-off as the same of 2020, resulting the decrease in administrative expenses.

Net Profit

In Q3/2021, the Company reported total net profit of Baht 16.91 million, decrease by Baht 9.99 million from Q2/2021 or 37.13% and the Company's net profit for the nine-month periods ended 30 September 2021 decreased by 8.99% according to the reducing of income. Revenue from rental and service during the first nine months of 2021 decreased at 11.13% compared to the same period in 2020. However, the Company's net profit margin increased as a result of lower costs, due to a decrease in depreciation of vehicles, oil depot equipment and office equipment have been fully depreciated but is still in use. In addition, there was a change in the estimated useful life of the building and the oil depot to conform with the residual physical useful life and in 2020, the Company still has the highly maintenance costs than the ordinary due to the repair expenses of renovating prefabricated oil tanks and moving fire hose lines, resulting to the year 2021 the Company has a decrease in cost of rental and services which compared to the same period of prior year. In addition, administrative expenses are also reduced arising from the high value assets were not written-off as the same of 2020, and finance costs are also reduced by the decreased outstanding loans as well

Financial position as of 30 September 2021

(Unit : Million Baht)	31-Dec-20	%	30-Sep-21	%	CHANGE	
					Amount	%
ASSETS						
Current assets	50.66	8.08%	41.24	6.90%	(9.43)	(18.61%)
Non-current assets	576.17	91.92%	556.34	93.10%	(19.84)	(3.44%)
TOTAL ASSETS	626.84	100.00%	597.57	100.00%	(29.26)	(4.67%)
LIABILITIES AND SHAREHOLDERS 'EQUITY						
Current liabilities	123.17	19.65%	71.44	11.95%	(51.73)	(42.00%)
Non current liabilities	168.83	26.93%	119.07	19.93%	(49.76)	(29.47%)
TOTAL LIABILITIES	292.00	46.58%	190.51	31.88%	(101.50)	(34.76%)
Share capital - common shares	150.00	23.93%	150.00	25.10%	0.00	0.00%
Retained earnings	184.83	29.49%	257.06	43.02%	72.23	39.08%
TOTAL SHAREHOLDERS' EQUITY	334.83	53.42%	407.06	68.12%	72.23	21.57%
TOTAL LIABILITIES AND SHAREHOLDERS 'EQUITY	626.84	100.00%	597.57	100.00%	(29.26)	(4.67%)

Assets

The Company's assets as of September 30, 2021, mainly comprised of land, plant and equipment and investment properties.

Total assets of the Company decreased from Baht 626.84 million to Baht 597.57 million due to a decrease in property, plant, and equipment according to the depreciation during the year.

Liabilities

The Company's total liabilities as of September 30, 2021 mainly consisted of long-term loans from financial institutions which are due within one year, long-term loans from financial institutions and liabilities under lease agreements. As of September 30, 2021, the Company's liabilities decreased when compared to December 31, 2020, equivalent to 101.50 million baht, caused by the repayment of long-term loans from financial institutions.

Shareholders' equity

As for shareholders' equity as of September 30, 2021, when compared to December 31, 2020, it increased by 21.57% to 407.06 million baht. For the 9-month period of 2021, the Company did not increase capital share and provide dividend payment. Therefore, the increase in shareholders' equity was an increase from the net profit for the first 9 months of 2021.

Key Financial Ratio

Key Financial Ratio	As of 31 December 2020	As of 30 September 2021
Debt to Equity Ratio (times)	0.87	0.47
Return on Equity (%)	39.76	25.96
Return on Fixed Assets (%)	26.14	23.54

Debt to Equity Ratio

The Company's debt-to-equity ratio as of September 30, 2021 was 0.47 times, a decrease due to the Company's accelerated repayment of long-term loans from financial institutions, resulting in the reduction of the debt and financial costs while retained earnings increased in alignment with operating profit. The debt-to-equity ratio compared to December 31, 2020 decreased by 0.40 times.

Return on Equity Ratio

The Company's return on equity as of September 30, 2021 was 25.96%, a decrease compared to December 31, 2020 as the net profit and additional retained earnings increased. The increase in the net profit was less than the average equity increase, resulting in a lower return on equity.

Return on Fixed Assets

Return on fixed assets as of 30 September 2021, was 23.54%, decrease due to the reduction in the net profit for the 9 months periods by 8.99%, greater than the decrease in fixed assets caused by depreciation. Fixed assets decreased by 3.44% compared to December 31, 2020.

Please be informed accordingly

Your Sincerely,

Ms. Phattaya Ngowsakul
Chief Financial Officer