

(Translation)

SGP/SET-222

May 11, 2022

Subject Explanation of the change in operating results for the first quarter ended March 31, 2022
over 20% compared with the same period of the previous year

To The President
The Stock Exchange of Thailand

Siamgas and Petrochemicals Public Company Limited (the Company) would like to explain the change in operating results for the first quarter ended March 31, 2022 compared with the same period of the previous year as follows:

The Company and its subsidiaries (the Group) had the operating results for Q1/2022 with the net Profit attributable to Owners of the parent company of Baht 989.29 million compared with Q1/2021 which had the net Profit attributable to Owners of the parent company of Baht 1,322.06 million, decreased by Baht 332.77 million or 25.17% with the main reasons as follows:

1. Revenue from sales, transportation, services

The Group had revenue from sales, transportation and services for Q1/2022 of Baht 26,783.15 million compared with Q1/2021 amounting to Baht 17,234.11 million, increased by Baht 9,549.04 million or 55.41%. Main result from the overseas LPG trading business have increased in sales volume and the average LPG world price was higher than the same period as the previous year. The average LPG world price for 3 months as at Q1/2022 and Q1/2021 was USD 803 per metric ton and USD 582 per metric ton respectively.

2. Cost of Sales & Services, Transportation and Gross Profit

During the period of Q1/2022, the Group had cost of sales, services and transportations of Baht 25,232.66 million compared with Q1/2021 of Baht 15,289.38 million, increased by Baht 9,943.28 million or 65.03%. Main result was from the average LPG world price which was higher than the same period as the previous year as above mentioned in the revenue part.

The Group had generated overall gross profit for Q1/2022 of Baht 1,550.49 million or equal to gross margin of 5.79% compared with Q1/2021 amounting to Baht 1,944.73 million or equal to gross margin of 11.28%. The gross profit decreased by Baht 394.24 million or 20.27%. Mainly reason from the gross margin in January 2022 was decreased due to the LPG world price. While in the same period of the previous year, the LPG world price increases continuously.

3. Other income

In Q1/2022, the Group had other income amounting to Baht 123.72 million compared with Q1/2021 amounting to Baht 194.51 million, decreased by Baht 70.79 million or 36.39%. Mainly reason from the gain on exchange rate decreased by Baht 54.48 million.

4. Loss from derivatives

In Q1/2022, the Group has recognized the unrealized gain on derivatives from the cross currency swap and interest rate swap contract (TFRS 9 Financial instruments) amounting to Baht 3.05 million, compared with Q1/2021, the Group has recognized the unrealized loss on derivatives amounting to Baht 21.63 million which increased in gain on derivatives by Baht 24.68 million. Main reason was from the amount of derivatives contract increase from the previous year.

Please be informed accordingly,

Yours sincerely,

(Mrs. Jintana Kingkaew)

Deputy Managing Director