

(Translation)

SGP/SET-224

August 9, 2022

Subject Explanation of the change in operating results for the 2<sup>nd</sup> quarter and six-month period ended June 30, 2022 over 20% compared with the same period of the previous year

To President  
The Stock Exchange of Thailand

Siamgas and Petrochemicals Public Company Limited would like to explain the change in operating results for the 2<sup>nd</sup> quarter and six-month period ended June 30, 2022 compared with the same period of the previous year as follows:

**For the three-month in Q2/2022 compared with the same period of the previous year**

Siamgas and Petrochemicals Public Company Limited and its subsidiaries had the operating results in Q2/2022 with the net profit attributable to owners of the parent company of Baht 176.29 million compared with the same period in Q2/2021, the net profit attributable to owners of the parent company of Baht 174.00 million which increased by Baht 2.29 million or 1.32% with major reasons as follows:

**1. Revenue from sales, transportation, services**

In Q2/2022, the Company and its subsidiaries had revenue from sales, transportation and services of Baht 24,632.29 million compared with the same period in Q2/2021 of Baht 17,643.99 million which increased by Baht 6,988.30 million or 39.61%. These mainly resulted from increasing in the LPG world price (CP Saudi Aramco) was higher than the same period as the previous year. The average LPG world price for 3 months as at Q2/2022 and Q2/2021 was USD 852 per metric ton and USD 519 per metric ton respectively.

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

During the period of Q2/2022, the Company and its subsidiaries had cost of sales, services and transportations of Baht 24,176.68 million compared with Q2/2021 of Baht 17,320.12 million which increased by Baht 6,856.56 million or 39.59%. These mainly resulted from increasing in the LPG world price compared with the same period as the previous year.

The Company and its subsidiaries had generated overall gross profit for Q2/2022 of Baht 455.61 million or equal to gross margin of 1.85% compared with Q2/2021 amounting to Baht 323.87 million or equal to gross margin of 1.84%. The gross profit increased by Baht 131.74 million or 40.68%.

### **3. Other income**

In Q2/2022, the Group of companies had other income amounting to Baht 199.32 million, compared to Q2/2021 amounting to Baht 395.35 million which decreased by Baht 196.03 million or 49.58%. Main reason was from decreasing gain on sales of assets amount Baht 223.15 million.

### **4. Loss from derivatives**

In Q2/2022, the Group has recognized the unrealized loss on derivatives from the cross currency swap and interest rate swap contract (TFRS 9 Financial instruments) amounting to Baht 4.47 million, compared with Q2/2021, the Group has recognized the unrealized loss on derivatives amounting to Baht 11.26 million which decreased in loss on derivatives by Baht 6.79 million. Main reason was from the amount of derivatives contract decrease from the previous year.

### **For the six-month in Q2/2022 compared with the same period of the previous year**

The Company and its subsidiaries had the operating results for the six-month period in Q2/2022 with the net profit attributable to Owners of the parent company of Baht 1,165.58 million compared with the same period in Q2/2021, the net profit attributable to Owners of the parent company of Baht 1,496.06 million which decreased by Baht 330.48 million or 22.09% with the major reasons as follows:

#### **1. Revenue from sales, transportation, services**

The Company and its subsidiaries had revenue from sales, transportation and services for the six-month period in Q2/2022 of Baht 51,415.44 million compared with six-month period in Q2/2021 of Baht 34,878.10 million which increased by Baht 16,537.34 million or 47.41%. These mainly resulted from increasing the LPG world price (CP Saudi Aramco) was higher than the same period as the previous year. The average LPG world price for 6 months as at Q2/2022 and Q2/2021 were of USD 827 per metric ton and USD 550 per metric ton respectively.

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

During the period of Q2/2022 for the six-month, the Company and its subsidiaries had cost of sales, services and transportations of Baht 49,409.34 million compared with six-month period in Q2/2021 of Baht 32,609.50 million which increased by Baht 16,799.84 million or 51.52%. The average of LPG world price (CP Saudi Aramco) had increased during the period Q2/2022 then the average LPG price was higher than the same period of the previous year, as above mention in Revenue part.

The Company and its subsidiaries had generated overall gross profit for Q2/2022 of Baht 2,006.10 million or equal to gross margin of 3.90% compared with Q2/2021 amounting to Baht 2,268.60 million or equal to gross margin of 6.50%. The gross profit decreased by Baht 262.50 million or 11.57%. 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.

Unit: Million Baht			
Gross profit	Y 2022	Y 2021	(Decreased)Increased
Q1	1,550.49	1,944.73	(394.24)
Q2	455.61	323.87	131.74
Total	2,006.10	2,268.60	(262.50)

### 3. Other income

For the six-month ended June 30, 2022, the Group of companies had other income amounting to Baht 323.03 million, compared to Q2/2021 amounting to Baht 589.87 million which decreased by Baht 266.84 million or 45.24%. Main reason was from decreasing gain on sales of assets amount Baht 221.04 million.

### 4. Loss from derivatives

For the six-month ended June 30, 2022, the Group has recognized the unrealized loss on derivatives from the cross currency swap and interest rate swap contract (IFRS 9 Financial instruments) amounting to Baht 1.42 million, compared with Q2/2021, the Group has recognized the unrealized loss on derivatives amounting to Baht 32.89 million which decreased in loss on derivatives by Baht 31.47 million. Main reason was from the amount of derivatives contract decrease from the previous year.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director