

(Translation)

SGP/SET-226

November 8, 2022

Subject Explanation of the change in operating results for the 3rd quarter and nine-month period ended September 30, 2022 over 20% compare with the same period of the previous year

To The President
The Stock Exchange of Thailand

Siamgas and Petrochemicals Public Company Limited would like to explain the change in operating results for the 3rd quarter and nine-month period ended September 30, 2022 compared with the same period of the previous year as follows:

For the three-month in Q3/2022 compared with the same period of the previous year

Siamgas and Petrochemicals Public Company Limited and its subsidiaries had the operating results in Q3/2022 with the net Loss attributable to owners of the parent company of Baht 54.15 million compared with the same period in Q3/2021, the net Profit attributable to owners of the parent company of Baht 1,320.68 million which decreased by Baht 1,374.83 million or 104.10% with main reasons as follows:

1. Revenue from sales, transportation, services

In Q3/2022, the Company and its subsidiaries had revenue from sales, transportation and services of Baht 24,487.14 million compared with the same period in Q3/2021 of Baht 19,813.53 million which increased by Baht 4,673.61 million or 23.59%. Mainly resulted from increased in LPG world price (CP Saudi Aramco) and sales volume compare to the same period of the previous year. The average LPG world price for 3 months as at Q3/2022 and Q3/2021 was USD 677 per metric ton and USD 648 per metric ton respectively.

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

During the period of Q3/2022, the Company and its subsidiaries had cost of sales, services and transportations of Baht 24,585.78 million compared with Q3/2021 of Baht 17,870.91 million, increased by Baht 6,714.88 million or 37.57%. Mainly resulted from the LPG world price (CP Saudi Aramco) 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 loss for Q3/2022 of Baht 98.64 million or equal to gross loss of 0.40% compared with Q3/2021 amounting to Baht 1,942.62 million or equal to gross margin of 9.80%. The gross profit decreased by Baht 2,041.26 million or 105.08%. This mainly resulted from the LPG world price (CP Saudi Aramco) gradually decreasing from May 2022 which increased cost of sales.

3. Other income

In Q3/2022, the Group of companies had the other income amounting to Baht 726.49 million, compared to Q3/2021 amounting to Baht 196.35 million which increased by Baht 530.14 million or 270.00%. Mainly resulted from the gain on disposals of assets was increased amount Baht 642.99 million and gain on exchange rate was decreased amount Baht 94.64 million.

4. Financial Costs

In Q3/2022, the Group of companies had financial costs of Baht 187.87 million compared to Q3/2021 which was amount Baht 162.86 million, increased by Baht 25.01 million or 15.36%. Main reason was from increased in the short-term borrowing from financial institutions for working capital.

For the nine-month in Q3/2022 compared with the same period of the previous year

The Company and its subsidiaries had the operating results for the nine-month period in Q3/2022 with the net Profit attributable to owners of the parent company of Baht 1,111.43 million compared with the same period in Q3/2021, the net Profit attributable to owners of the parent company of Baht 2,816.74 million which decreased by Baht 1,705.31 million or 60.54% 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 nine-month period in Q3/2022 of Baht 75,902.58 million compared with same period in Q3/2021 of Baht 54,691.63 million which increased by Baht 21,210.95 million or 38.78%. Mainly resulted from increased in LPG world price (CP Saudi Aramco) and sales volume compare to the same period of the previous year. The average LPG world price for the nine-month as at Q3/2022 and Q3/2021 were of USD 777 per metric ton and USD 583 per metric ton respectively.

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

During the period of Q3/2022 for the nine-month, the Company and its subsidiaries had cost of sales, services and transportations of Baht 73,995.12 million compared with Q3/2021 of Baht 50,480.41 million, increased by Baht 23,514.71 million or 46.58%. Mainly resulted from the LPG world price (CP Saudi Aramco) was higher than the same period as the previous year, as above mention in Revenue part.

The Group of companies had generated overall gross profit for the nine-month in Q3/2022 of Baht 1,907.46 million or equal to gross margin of 2.51% compared with Q3/2021 nine-month amounting to Baht 4,211.22 million or equal to gross margin of 7.70%. The gross profit decreased by Baht 2,303.76 million or 54.71%. This mainly resulted from the LPG world price (CP Saudi Aramco) gradually decreasing from May 2022 which increased the cost of. Thus, the gross profit decreased when compared with the same period as the previous year.

3. Other income

During the period of Q3/2022 for the nine-month, the Group of companies had the other income amounting to Baht 1,049.51 million, compared to Q3/2021 amounting to Baht 786.21 million which increased by Baht 263.30 million or 33.49%. These mainly resulted, the Groups have increased in the gain on disposal of assets amount Baht 421.96 million and decreased in the gain on exchange rate amount Baht 171.17 million.

4. Financial Costs

During the period of Q3/2022 for the nine-month, the Group of companies had financial costs of Baht 521.56 million compared with the same period of previous year which was amount Baht 487.20 million, increased by Baht 34.36 million or 7.05%. Main reason was from increased in the short-term borrowing from financial institutions for working capital of business.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director