

(Translation)

SGP/SET\_183

February 18, 2020

Subject The Explanation of the change in operating results for the year ended December 31, 2019 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 clarify the change in operating results for the year ended December 31, 2019 compared with the same period of the previous year as follows:

The Company and its subsidiaries reported the operating results for the year ended December 31, 2019 with the net profit attributable to Owners of the parent company of Baht 1,359.92 Million which increased by Baht 488.74 Million or 56.10%, compared with the year 2018 which was the net profit attributable to Owners of the parent company of Baht 871.18 Million with the major changes during the year 2019 as follows:

**1. Revenue from sales, Revenue from transportation, Revenue from services and other income**

The Company and its subsidiaries reported revenue from sales, revenue from transportation and revenue from services for the year 2019 of Baht 67,076.56 Million which decreased by Baht 1,445.92 Million or 2.11%, compared with the year 2018 amounting to Baht 68,522.48 Million which resulted from decreased in the average LPG world price (CP Saudi Aramco) at USD 438 per metric tons and USD 541 per metric tons for the year 2019 and 2018 respectively.

In addition, the other income for the year 2019 of Baht 361.88 Million which decreased by Baht 215.58 Million or 37.33%, compared with the year 2018 amounting to Baht 577.46 Million which resulted from decreased in the gain on exchange rate amount Baht 56.03 Million and the gain on disposals of assets amount Baht 36.83 Million.

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

The Company and its subsidiaries had cost of sales, services and transportations for the year 2019 of Baht 63,825.84 Million which decreased by Baht 2,436.21 Million or 3.68% compared with the year 2018 of Baht 66,262.05 Million.

The Company and its subsidiaries had generated overall gross profit for the year 2019 of Baht 3,250.72 Million or equal to gross margin of 4.85% compared with the year 2018 amounting to Baht 2,260.43 Million or equal to gross margin of 3.30%. The gross profit increased by Baht 990.29 Million or 43.81% by compared with the previous year. Main reason was from the cost of goods sold which was lower than the previous year.

## **3. Financial Costs**

During the year 2019, the Group of Companies had financial costs of Baht 578.92 Million, compared with the year 2018, amounting to Baht 492.86 Million which increased by Baht 86.06 Million or 17.46%. Main reasons were from increase in the short-term borrowings and long term loan from financial institutions for purchasing of assets and investing in other business for expanding Group business.

## **4. Income tax**

During the year 2019, the Group of Companies had income tax of Baht 307.36 Million, compared with the year 2018, amounting to Baht 151.37 Million which increased by Baht 155.99 Million or 103.05%. Main reason was due to increase in oversea corporate income tax expenses caused by higher profit.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director