

(Translation)

SGP/SET\_207

February 23, 2021

Subject        The Explanation of the change in operating results for the year ended December 31, 2020 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, 2020 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, 2020 with the net profit attributable to Owners of the parent company of Baht 2,061.84 Million which increased by Baht 701.93 Million or 51.62%, compared with the year 2019 which was the net profit attributable to Owners of the parent company of Baht 1,359.91 Million with the major changes during the year 2020 as follows:

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

The Company and its subsidiaries reported revenue from sales, revenue from transportation and revenue from services for the year 2020 of Baht 55,123.61 Million which decreased by Baht 11,952.95 Million or 17.82%, compared with the year 2019 amounting to Baht 67,076.56 Million which resulted from decreased in sales volume and the LPG world price (CP Saudi Aramco) was lower than the same period as the previous year. The average LPG world price (CP Saudi Aramco) at USD 400 per metric tons and USD 438 per metric tons for the year 2020 and 2019 respectively.

**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 2020 of Baht 51,362.85 Million which decreased by Baht 12,462.99 Million or 19.53%, compared with the year 2019 of Baht 63,825.84 Million which was resulted from the revenue decrease as reason above.

The Company and its subsidiaries had generated overall gross profit for the year 2020 of Baht 3,760.76 Million or equal to gross margin of 6.82% compared with the year 2019 amounting to Baht 3,250.72 Million or equal to gross margin of 4.85%. The gross profit increased by Baht 510.04 Million or 15.69% by compared with the previous year. Main resulted from the LPG price increased during in Q3/2020, then the gross profit for the year 2020 was higher than the previous year as table below

Gross profit	Unit: Million Baht		
	Y 2020	Y 2019	(Decreased)Increased
Q1	767.57	1,007.11	(239.54)
Q2	330.96	303.53	27.43
Q3	941.91	345.69	596.22
Q4	1,720.32	1,594.39	125.93
<b>Total</b>	<b>3,760.76</b>	<b>3,250.72</b>	<b>510.04</b>

### 3. Other income

During the year 2020, the Group of companies had the other income amounting to Baht 514.83 million, compared with the year 2019 amounting to Baht 361.88 million which increased by Baht 152.95 million or 42.27%. Mainly resulted from the Groups had gain on disposal of assets amount Baht 135.93 million and gain on business acquisition amount Baht 40.52 million.

### 4. Selling and administrative expenses

During the year 2020, the Group of companies had selling and administrative expenses amounting to Baht 1,392.45 million, compared with the year 2019 amounting to Baht 1,484.62 million which decreased by Baht 92.17 million or 6.21%. These mainly resulted from year 2019, the Groups has increased in loss on disposal of assets amount Baht 44.52 million and selling expenses amount Baht 13.11 million.

### 5. Loss from derivatives

During the year 2020, the Group of companies has recognized the unrealized loss on derivatives amounting to Baht 29.79 Million from the cross currency swap and interest rate swap contracts. The reason is due to the new financial reporting standard (TFRS 9 Financial instruments) which has adopted since Jan 2020. Therefore, the Group has to recognize expenditure higher than the same period of the previous year.

### 6. Financial Costs

During the year 2020, the Group of companies had financial costs of Baht 626.28 million compared with the same period of previous year which was amount Baht 578.92 million, increased by Baht 47.36 million or 8.18%. Main reasons were from the interest expenses from lease liabilities of the new financial report standard (TFRS 16 Lease) which was adopted since Jan 2020 amounting to Baht 23.98 million and issuing bond in Q1/2020 for investing in share of Siam Tank Terminal Company limited (Formerly as “Thai Public Port Company Limited”).

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director