

(Translation)

SGP/SET-213

August 10, 2021

Subject Explanation of the change in operating results for the 2<sup>nd</sup> quarter and six-month period ended June 30, 2021 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, 2021 compared with the same period of the previous year as follows:

**For the three-month in Q2/2021 compared with the same period of the previous year**

Siamgas and Petrochemicals Public Company Limited and its subsidiaries had the operating results in Q2/2021 with the net Profit attributable to owners of the parent company of Baht 174.00 million compared with the same period in Q2/2020, the net profit attributable to owners of the parent company of Baht 12.22 million which increased by Baht 161.78 million or 1,323.90% with major reasons as follows:

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

In Q2/2021, the Company and its subsidiaries had revenue from sales, transportation and services of Baht 17,643.99 million compared with the same period in Q2/2020 of Baht 11,137.64 million which increased by Baht 6,506.35 million or 58.42%. These mainly resulted from increasing in sales volume and 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 Q2/2021 and Q2/2020 was USD 519 per metric ton and USD 305 per metric ton respectively.

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

During the period of Q2/2021, the Company and its subsidiaries had cost of sales, services and transportations of Baht 17,320.12 million compared with Q2/2020 of Baht 10,806.68 million which increased by Baht 6,513.44 million or 60.27%. These mainly resulted from increasing in sales volume and the LPG world price compared with the same period as the previous year.

The Company and its subsidiaries had generated overall gross profit for Q2/2021 of Baht 323.87 million or equal to gross margin of 1.84% compared with Q2/2020 amounting to Baht 330.96 million or equal to gross margin of 2.97%. The gross profit decreased by Baht 7.09 million or 2.14%.

### **3. Selling and administrative expenses**

In Q2/2021, the Group of companies had selling and administrative expenses amounting to Baht 355.94 million, compared to Q2/2020 amounting to Baht 295.26 million which increased by Baht 60.68 million or 20.55%. These mainly resulted from the selling expenses amount Baht 11.09 million and the staff cost amount Baht 9.24 million.

### **4. Financial Costs**

In Q2/2021, the Group of companies had financial costs of Baht 166.58 million compared to Q2/2020 which was Baht 152.17 million, increased by Baht 14.41 million or 9.47%. Main reason was from increasing the short-term borrowing from financial institutions for working capital of business.

### **For the six-month in Q2/2021 compared with the same period of the previous year**

The Company and its subsidiaries had the operating results for the six-month period in Q2/2021 with the net profit attributable to Owners of the parent company of Baht 1,496.06 million compared with the same period in Q2/2020, the net Profit attributable to Owners of the parent company of Baht 487.43 million which increased by Baht 1,008.63 million or 206.93% 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 Q2/2021 of Baht 34,878.10 million compared with six-month period in Q2/2020 of Baht 27,644.69 million which increased by Baht 7,233.41 million or 26.17%. These mainly resulted from increasing in sales volume and 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 Q2/2021 and Q2/2020 were of USD 550 per metric ton and USD 412 per metric ton respectively.

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

During the period of Q2/2021 for the six-month, the Company and its subsidiaries had cost of sales, services and transportations of Baht 32,609.50 million compared with six-month period in Q2/2020 of Baht 26,546.16 million which increased by Baht 6,063.34 million or 22.84%. The average of LPG world price (CP Saudi Aramco) had increased during the period Q1/2021 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 Q2/2021 of Baht 2,268.60 million or equal to gross margin of 6.50% compared with Q2/2020 amounting to Baht 1,098.53 million or equal to gross margin of 3.97%. The gross profit increased by Baht 1,170.07 million or 106.51%. Main reason was from the LPG price increasing in Q1/2021 as below.

Unit: Million Baht			
Gross profit	Y 2021	Y 2020	(Decreased)Increased
Q1	1,944.73	767.57	1,177.16
Q2	323.87	330.96	(7.09)
Total	2,268.60	1,098.53	1,170.07

### 3. Selling and administrative expenses

In Q2/2021, the Group of companies had selling and administrative expenses amounting to Baht 733.15 million, compared to Q2/2020 amounting to Baht 651.42 million which increased by Baht 81.73 million or 12.55%. These mainly resulted from the selling expenses amount Baht 14.11 million and the staff cost amount Baht 26.99 million.

### 4. Financial Costs

For the six-month ended June 30, 2021, the Group of companies had financial costs of Baht 324.34 million compared with the same period of previous year which was Baht 308.64 million, increased by Baht 15.70 million or 5.09%. Main reason was from increasing the short-term borrowing from financial institutions for working capital of business.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director