

(Translation)

SGP/SET-237

August 10, 2023

Subject Explanation of the change in operating results for the 2nd quarter and six-month period ended June 30, 2023 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 2nd quarter and six-month period ended June 30, 2023 compared with the same period of the previous year as follows:

For the three-month in Q2/2023 compared with the same period of the previous year

Siamgas and Petrochemicals Public Company Limited and its subsidiaries (Siamgas Group) had the operating results in Q2/2023 with the net loss attributable to owners of the parent company of Baht 1,254.57 million compared with the same period in Q2/2022, the net profit attributable to owners of the parent company of Baht 176.29 million which decreased by Baht 1,430.86 million or 811.65% with main reasons as follows:

1. Revenue from sales, transportation, services

In Q2/2023, Siamgas Group had revenue from sales, transportation and services of Baht 20,495.68 million compared with the same period in Q2/2022 of Baht 24,632.29 million which decreased by Baht 4,136.61 million or 16.79%. These mainly resulted from decreasing in the LPG world price (CP Saudi Aramco) was lower than the same period as the previous year. The average LPG world price for 3 months as at Q2/2023 and Q2/2022 was USD 517 per metric ton and USD 852 per metric ton respectively.

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

During the period of Q2/2023, Siamgas Group had cost of sales, services and transportations of Baht 21,507.09 million compared with Q2/2022 of Baht 24,176.68 million which decreased by Baht 2,669.59 million or 11.04%. These mainly resulted from decreasing in the LPG world price compared with the same period as the previous year, as above mention in revenue part.

Siamgas Group had generated overall gross loss for Q2/2023 of Baht 1,011.41 million or equal to gross loss of 4.93% compared with gross profit for Q2/2022 amounting to Baht 455.61 million or equal to gross margin of 1.85%. The gross profit decreased by Baht 1,467.02 million or 321.99%. Mainly reason from loss in Q2/2023 due to the LPG world price greatly decrease. The average LPG world price for 3 months as at Q2/2023 and Q2/2022 decreased by USD 285 per metric ton and USD 157 per metric ton respectively.

3. Other income

In Q2/2023, Siamgas Group had other income amounting to Baht 140.78 million, compared to Q2/2022 amounting to Baht 199.32 million which decreased by Baht 58.54 million or 29.37%. Main reason was from the rebate income from government agency of an oversea subsidiary amount Baht 78.65 million.

4. Financial Costs

In Q2/2023, Siamgas Group had the financial costs of Baht 268.48 million, compared to Q2/2022 amounting to Baht 169.23 million which increased by Baht 99.25 million or 58.65%. Main reason was increased of short-term borrowings from financial institutions for working capital of business group during the period.

For the six-month in Q2/2023 compared with the same period of the previous year

Siamgas Group had the operating results for the six-month period in Q2/2023 with the net loss attributable to Owners of the parent company of Baht 970.81 million compared with the same period in Q2/2022, the net profit attributable to Owners of the parent company of Baht 1,165.58 million which decreased by Baht 2,136.39 million or 183.29% with the main reasons as follows:

1. Revenue from sales, transportation, services

Siamgas Group had revenue from sales, transportation and services for the six-month period in Q2/2023 of Baht 45,153.36 million compared with six-month period in Q2/2022 of Baht 51,415.44 million which decreased by Baht 6,262.08 million or 12.18%. These mainly resulted from decreasing the LPG world price (CP Saudi Aramco) was lower than the same period as the previous year. The average LPG world price for 6 months as at Q2/2023 and Q2/2022 were of USD 611 per metric ton and USD 827 per metric ton respectively.

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

During the period of Q2/2023 for the six-month, Siamgas Group had cost of sales, services and transportations of Baht 45,359.41 million compared with six-month period in Q2/2022 of Baht 49,409.34 million which decreased by Baht 4,049.93 million or 8.20%. These mainly resulted from decreasing in the LPG world price compared with the same period as the previous year, as above mention in revenue part.

Siamgas Group had generated overall gross loss for Q2/2023 of Baht 206.05 million or equal to gross loss of 0.46% compared with Q2/2022 amounting to Baht 2,006.10 million or equal to gross margin of 3.90%. The

gross profit decreased by Baht 2,212.15 million or 110.27%. Main reason was from gross loss in Q2/2023 due to the LPG world price greatly decrease, as above mention in the gross profit for 3 months period. Gross profit as table below;

Unit: Million Baht			
Gross profit	Y 2023	Y 2022	(Decreased)Increased
Q1	805.36	1,550.49	(745.13)
Q2	(1,011.41)	455.61	(1,467.02)
Total	(206.05)	2,006.10	(2,212.15)

3. Other income

For the six-month ended June 30, 2023, Siamgas Group had other income amounting to Baht 243.19 million, compared to Q2/2022 amounting to Baht 323.04 million which decreased by Baht 79.85 million or 24.72%. Main reason was from the rebate income from government agency of an oversea subsidiary amount Baht 78.65 million.

4. Financial Costs

For the six-month ended June 30, 2023, Siamgas Group had the financial costs of Baht 496.33 million, compared to Q2/2022 amounting to Baht 333.69 million which increased by Baht 162.64 million or 48.74%. Main reason was increased of short-term borrowings from financial institutions for working capital of business group during the period.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)
Deputy Managing Director