

(Translation)

SGP/SET-124

May 12, 2016

Subject Explanation of the change in operating results for the first quarter ended March 31, 2016
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 first quarter ended March 31, 2016 compared with the same period of the previous year as follows:-

The Company and its subsidiaries had the operating results for Q1/2016 with the net Profit attributable to Owners of the parent company of Baht 40.16 Million which increased by Baht 39.80 Million or 11,055.56% compared with Q1/2015 which had the net Profit attributable to Owners of the parent company of Baht 0.36 Million with the main reasons as follows:

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

The Group of companies had revenue from sales, transportation and services for Q1/2016 of Baht 11,569.06 Million which decreased by Baht 792.08 Million or 6.41% compared to Q1/2015 amounting to Baht 12,361.14 Million. The main reason was from the LPG world prices (CP Saudi Aramco) declined since last year. Thus, these were significant impact to revenue of overseas LPG trading business.

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

During the period of Q1/2016, the LPG world price (CP Saudi Aramco) still declined from the last year which had significant impact to cost of the overseas LPG trading business. In Q1/2016, CP price had higher declining rate than last year. However, the overseas business had higher retail sales volume in LPG in Q1/2016 compared with the same period of the previous year.

As a result of the above mention, the Group of companies generated overall gross profit for Q1/2016 of Baht 469.17 Million or 4.06% which increased by Baht 125.92 Million or 36.68%, compared to Q1/2015 amounting to Baht 343.25 Million or 2.78%.

3. Selling and administrative expenses

In Q1/2016, the Group of companies had selling and administrative expenses amounting to Baht 282.92 Million, compared to Q1/2015 amounting to Baht 320.23 Million which decreased by Baht 37.31 Million or 11.65%. These decrease resulted from the loss on exchange rate of the Group of companies amounting to Baht 45.92 Million in Q1/2015. But, the Group of companies had gain on exchange rate amounting to Baht 30.47 Million in Q1/2016 (included in other income).

4. Financial Costs

In Q1/2016, the Group of companies had the financial costs of Baht 97.79 Million, compared to Q1/2015 amounting to Baht 103.14 Million which decreased by Baht 5.35 Million or 5.19%. These decrease resulted from large amount of short and long term loan repayment to financial institutions during the period. In addition, the loan interest rate was lower than the same period of previous year.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director