

Siamgas and Petrochemicals Public Company Limited



Presentation for Investors & Analysts
Quarter 3/2014

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Agenda

- SGP's Milestone
- Thailand Business Model and Highlights
- Oversea LPG Market Highlights
- Business Growth 2010 – Q3/2014
- Financial Results
- Business Outlook
- Q & A

SGP's Milestone

1975

Founded the Company

2004

Acquired Unique Gas and Petrochemicals Plc. in December 2004

2008

Listed in the Stock Exchange of Thailand, with the target to raise fund to expand the business in Thailand and East Asia

2010

- Purchased 100% equity interest in Super Gas Co., Ltd. which is located in Vietnam from Shanghai Crown Company
- Purchased 100% equity interest in Shell Gas (LPG) Private Limited which is located in Singapore and renamed to SingGas (LPG) Private Limited
- Purchased 100% equity interest in BP Zhuhai LPG Limited from Shine Top International Investment Limited (49%) and BP Global Investments Limited (51%) and renamed to Sino Siam Gas and Petrochemicals Company Limited

2011

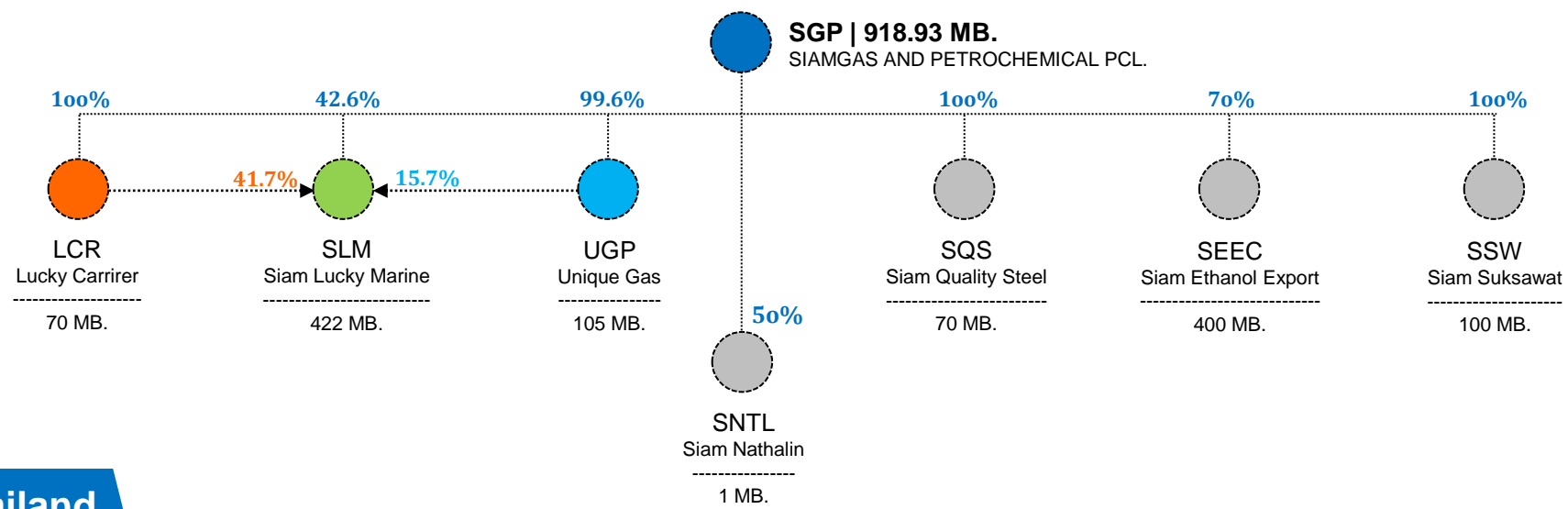
Purchased 100% equity interest in Chevron Ocean Gas & Energy Limited from Chevron China Limited and renamed to Siam Ocean Gas and Energy Limited

2013

- Purchased 79.64% equity interest in Shell Gas Haiphong and 100% equity interest in Shell Gas (LPG) Vietnam from Shell Gas (LPG) Holding B.V. and renamed to City Gas North Co., Ltd. and City Gas Co., Ltd. respectively
- Acquired LPG business and assets from Shell Timur SDN. BHD. in East Malaysia through MYGAZ SDN. BHD. a subsidiary of which 70% capital share owned by SGP

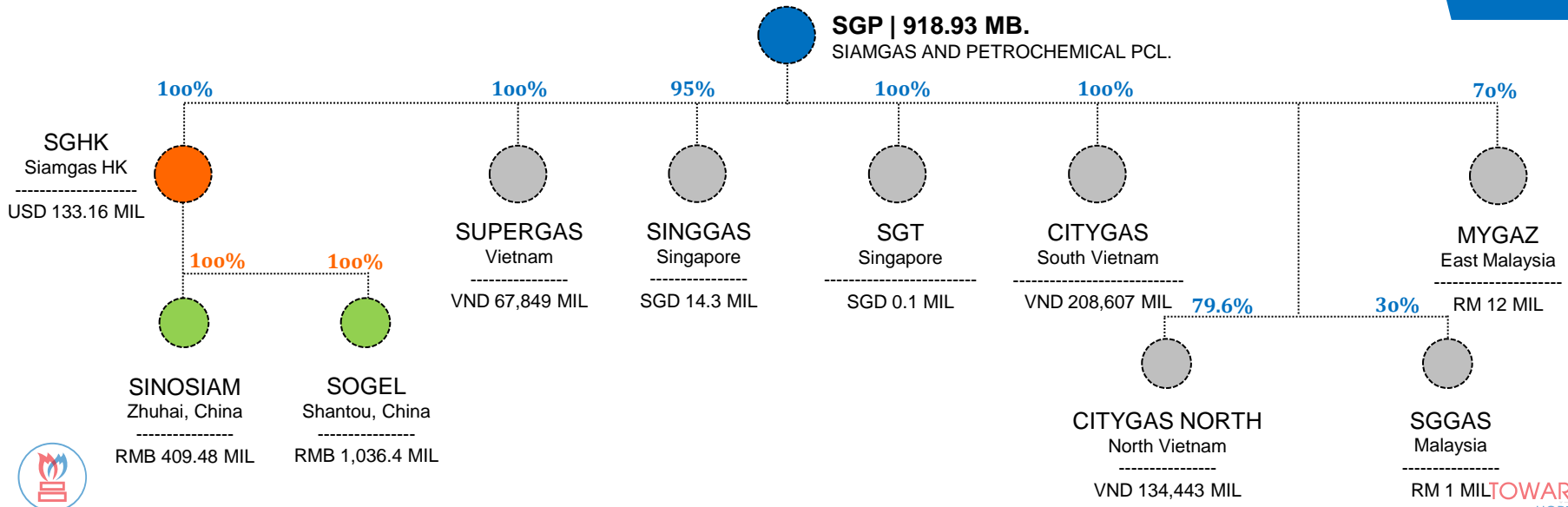


สยามแก๊ส



Thailand

Oversea





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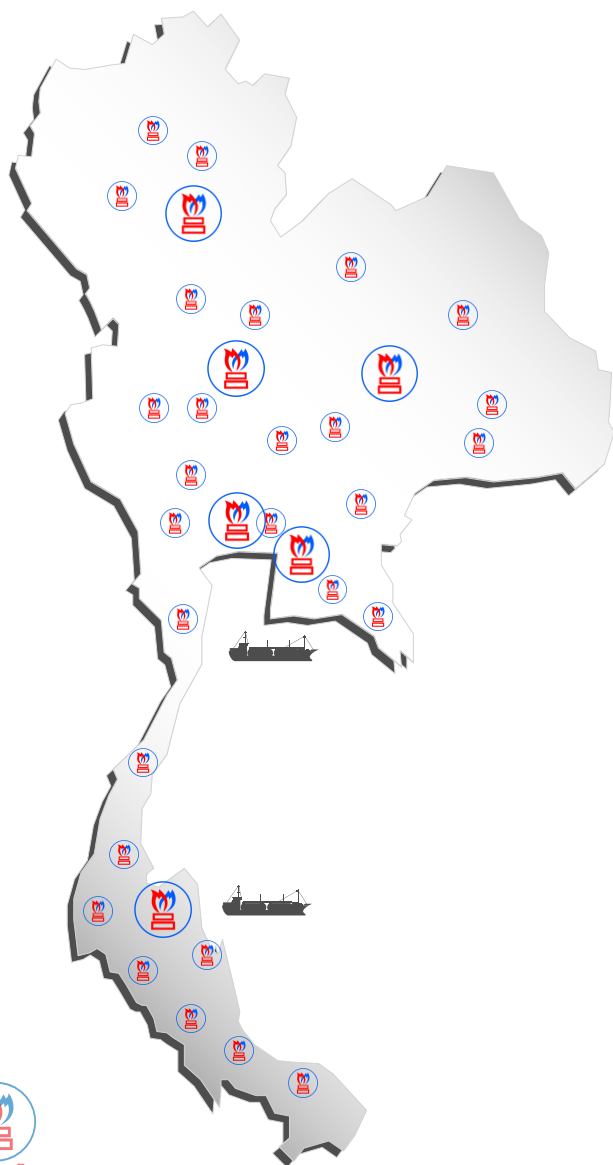
Thailand LPG Market Highlights

- Government's policy in lifting LPG prices
 - Price lifting for cooking sector and automotive sector were lift to baht 23.13/kg. in November
 - LPG price for industrial use has been lifted to reflect the LPG world price and cost of local supply
- High competition in automotive segment
- Gasoline price decreased sharply from high level
- Cross-category sales is no longer exist after the cooking gas and automotive gas are the same.

SGP's Presence in Thailand



SGP's Network in Thailand



Terminals & Jetties

Satupradit - Bangkok | Capacity 922 Ton.

Bangpakong - Chacherngsao | Capacity 4,823 Ton.

Surattani - Surattani | Capacity 3,330 Ton.

Phrapradaeng - Samutprakarn | Capacity 3,000 Ton. (on process)

Depots

Lampang Depot | Capacity 4,470 Ton.

Nakornsawan Depot | Capacity 1,348 Ton.

Konkaen Depot | Capacity 3,599 Ton.

Filling Plants & Autogas Stations

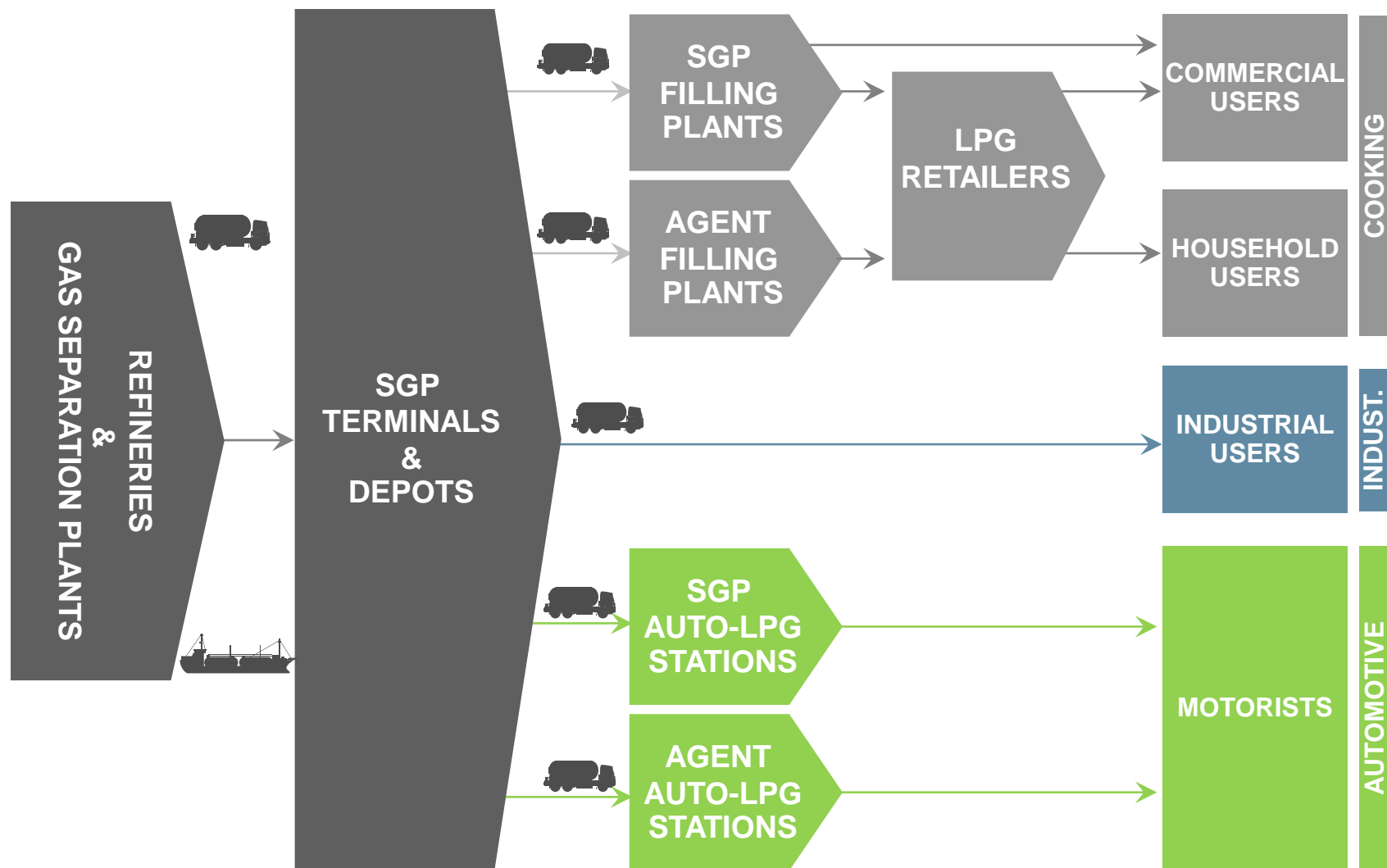
Company Filling Plants x 35+

Agent Filling Plants x 143+

Company Autogas Stations x 37+

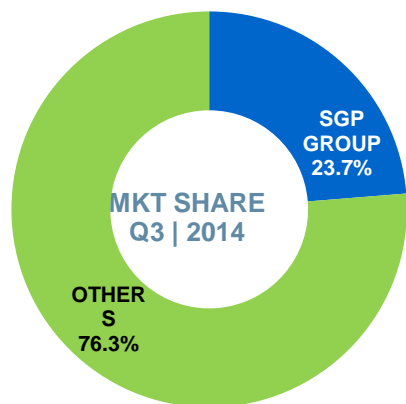
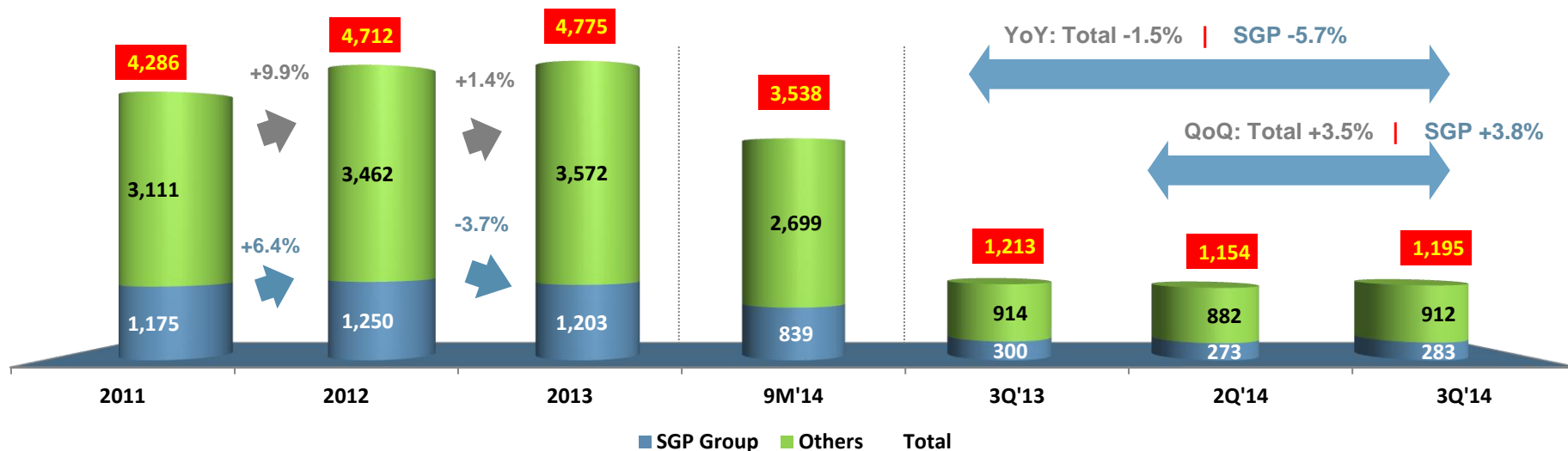
Agent Autogas Stations x 518+

Business Model – Thailand



Thailand LPG Market Highlights

LPG Sales Volume ('000 tons) | ALL SECTORS

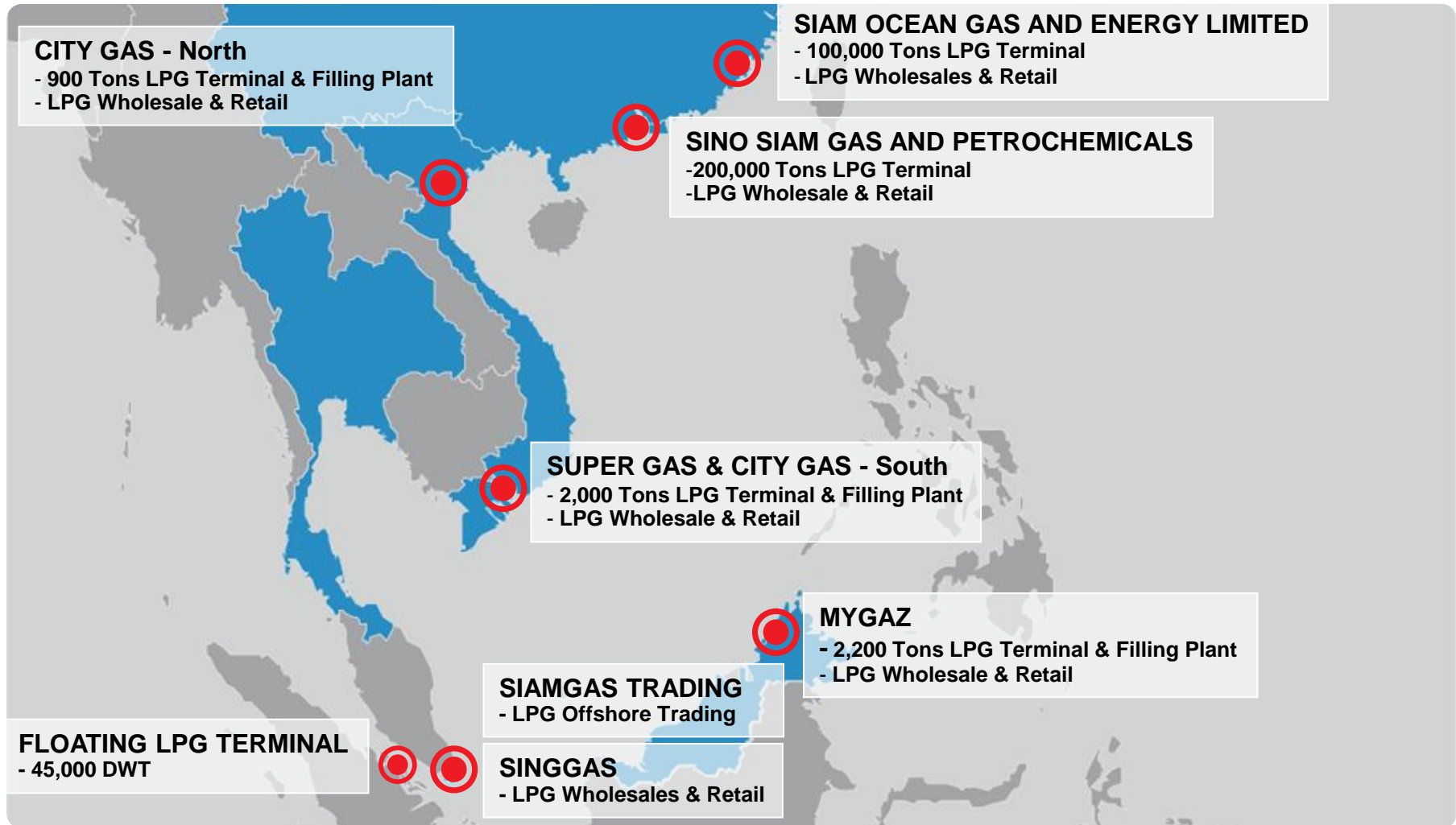


- Legislation on cross-application sales with strict enforcement
- Total market size 4.77 million TPA (2013)
 - Cooking 2.40 million TPA (50.3%)
 - Automotive 1.77 million TPA (37.1%)
 - Industrial 0.60 million TPA (12.6%)
- Average growth ('10-'13) 7.6%

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SGP's Presence in Oversea business





Super Gas Co. Ltd.



SingGas (LPG) Pte. Ltd.



Sino Siam Gas & Petrochemicals Co. Ltd,



Siam Ocean Gas & Energy Ltd.



Vietnam

Singapore

Zhuhai, China

Shantou, China

March 2010

July 2010

Dec 2010

Jun 2011

LPG Retail Business

Acquired Super Gas Co.,Ltd.
USD 11.5 mil
LPG Terminal & Filling Plant
Storage. Cap 2,000 tons

LPG Retail Business

Acquired from Shell Gas (LPG)
SGD 15 mil
LPG Filling Plant
Storage. Cap 75 tons

LPG Retail Business

Acquired from BP Zhuhai (LPG)
USD 101 mil
LPG Terminal (Bulk-Breaking)
LPG Filling Plant
LPG Retail Outlets
Storage. Cap 200,000 tons
(Underground Storage Caverns)

LPG Retail Business

Acquired from Chevron China
USD 51 mil
LPG Terminal (Bulk-Breaking)
Storage. Cap 100,000 tons
(Underground Storage Caverns)





Citygas North Co. Ltd.



Citygas Co. Ltd.



Mygaz Sdn. Bhd.



Siam Gas Trading Pte. Ltd.



North Vietnam

Vietnam

East Malaysia

Singapore

January 2013

January 2013

May 2013

January 2013

LPG Retail Business

Acquired Shell Gas Hai Phong
USD 0.3 mil
LPG Terminal & Filling Plant
Storage. Cap 900 tons

LPG Retail Business

Acquired Shell Gas Vietnam
USD 0.1 mil
LPG Cylinder only

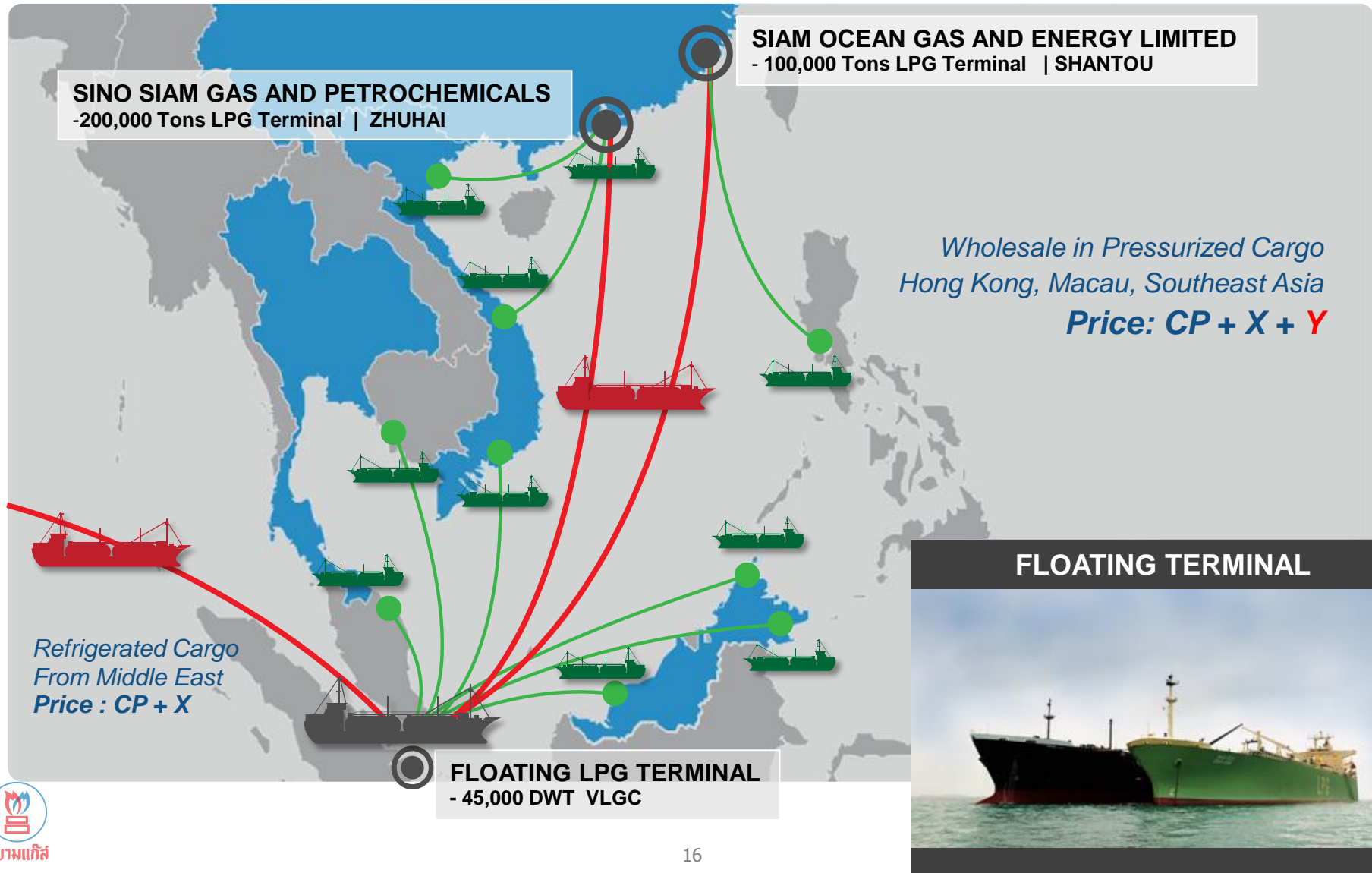
LPG Retail Business

Acquired LPG business and
assets from Shell Timur Sdn
Bhd
MYR 10.0 mil
LPG Terminal & Filling Plant
Storage. Cap 2,200 tons

LPG Wholesale Business



Regional LPG Wholesale (Re-Export) Model

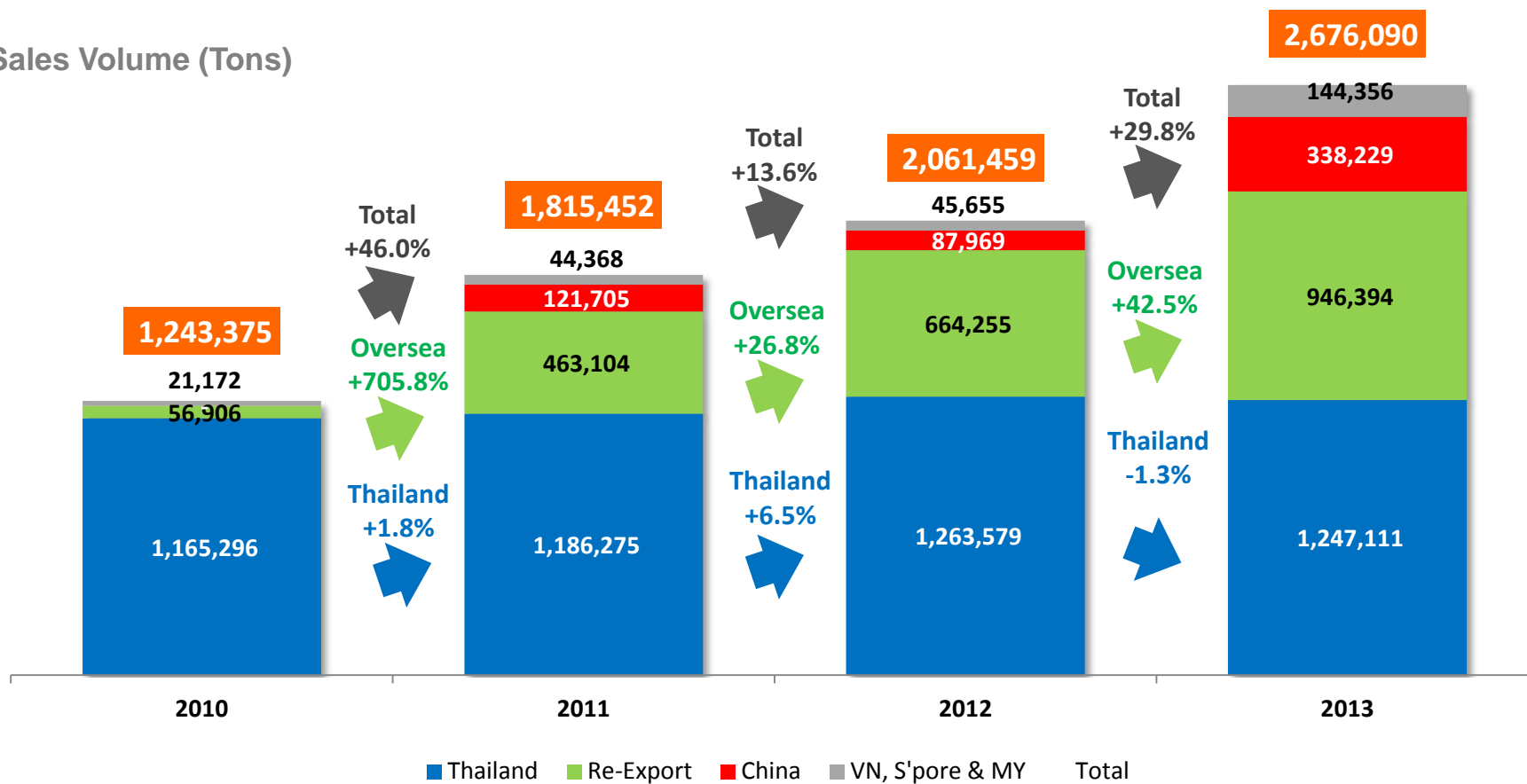


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Annually LPG Sales Growth : 2011 – 2013

Sales Volume (Tons)



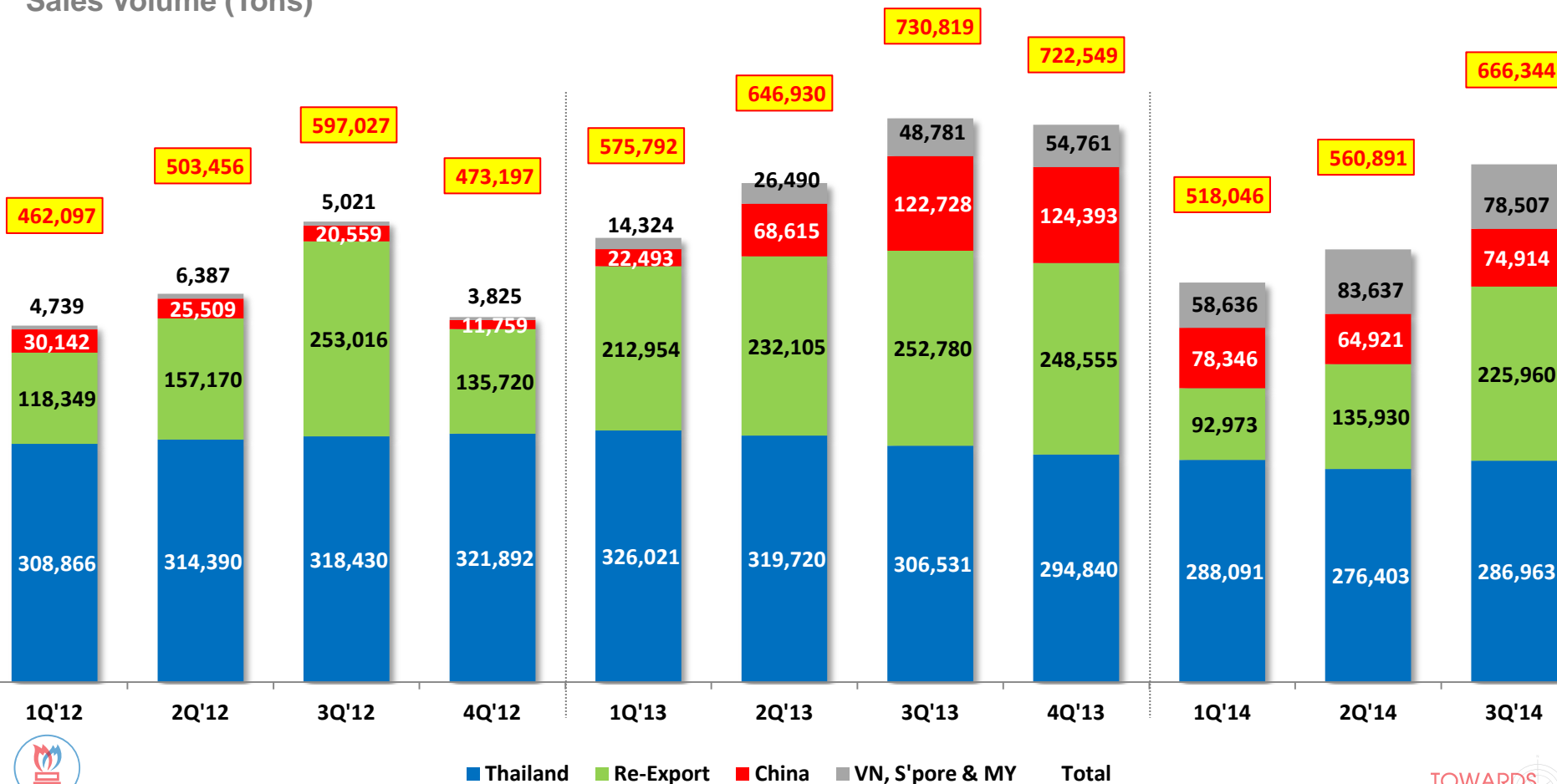


Quarterly LPG Sales Growth : 2012 – 3Q'14

YoY | Total -8.8% | Thailand -6.4% | Re-Export -10.6% China -39.0% | VSM +60.9%

QoQ | Total +18.8% | Thailand +3.8% | Re-Export +66.2% China +15.4% | VSM -6.1%

Sales Volume (Tons)

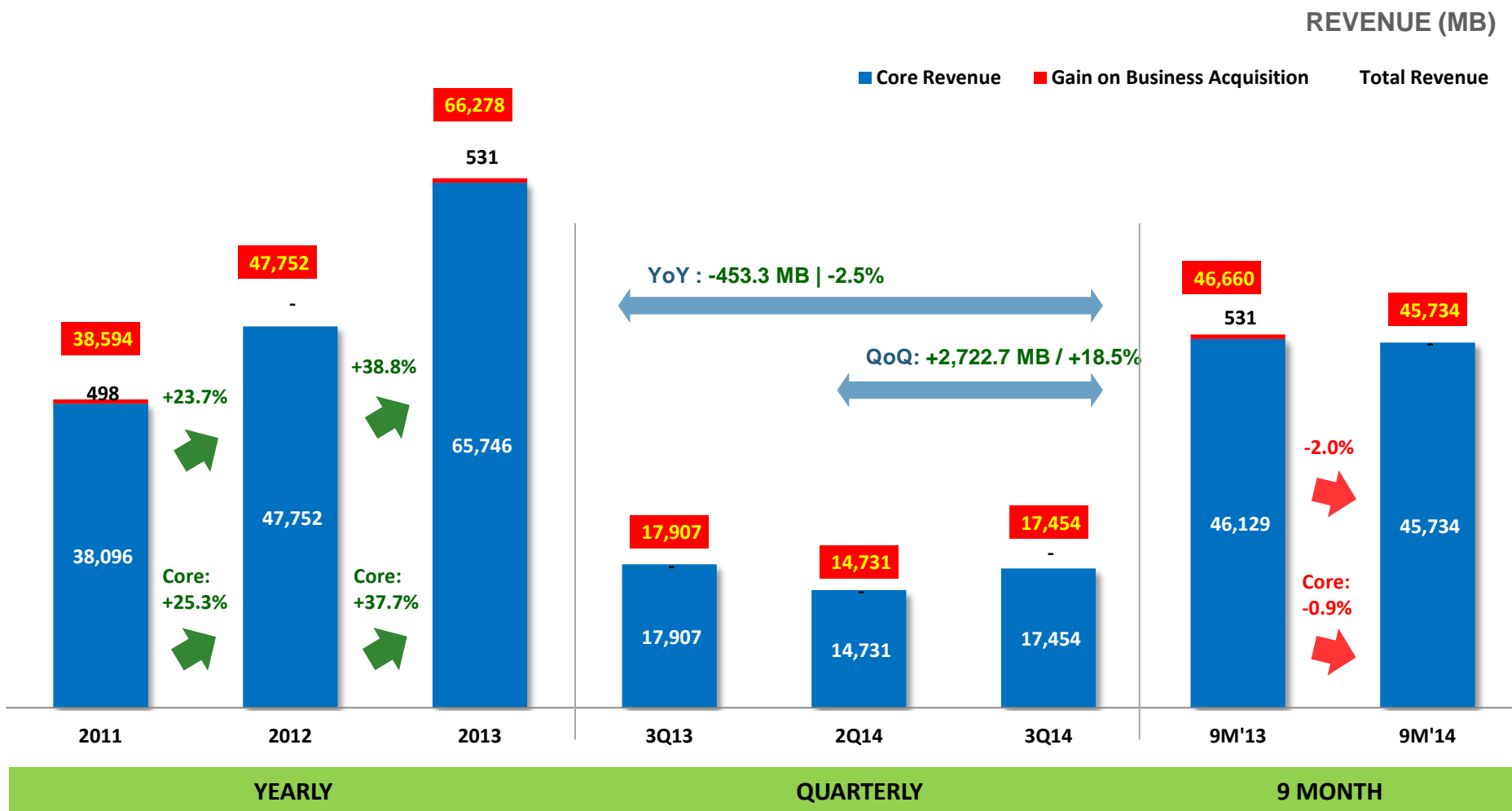




Agenda

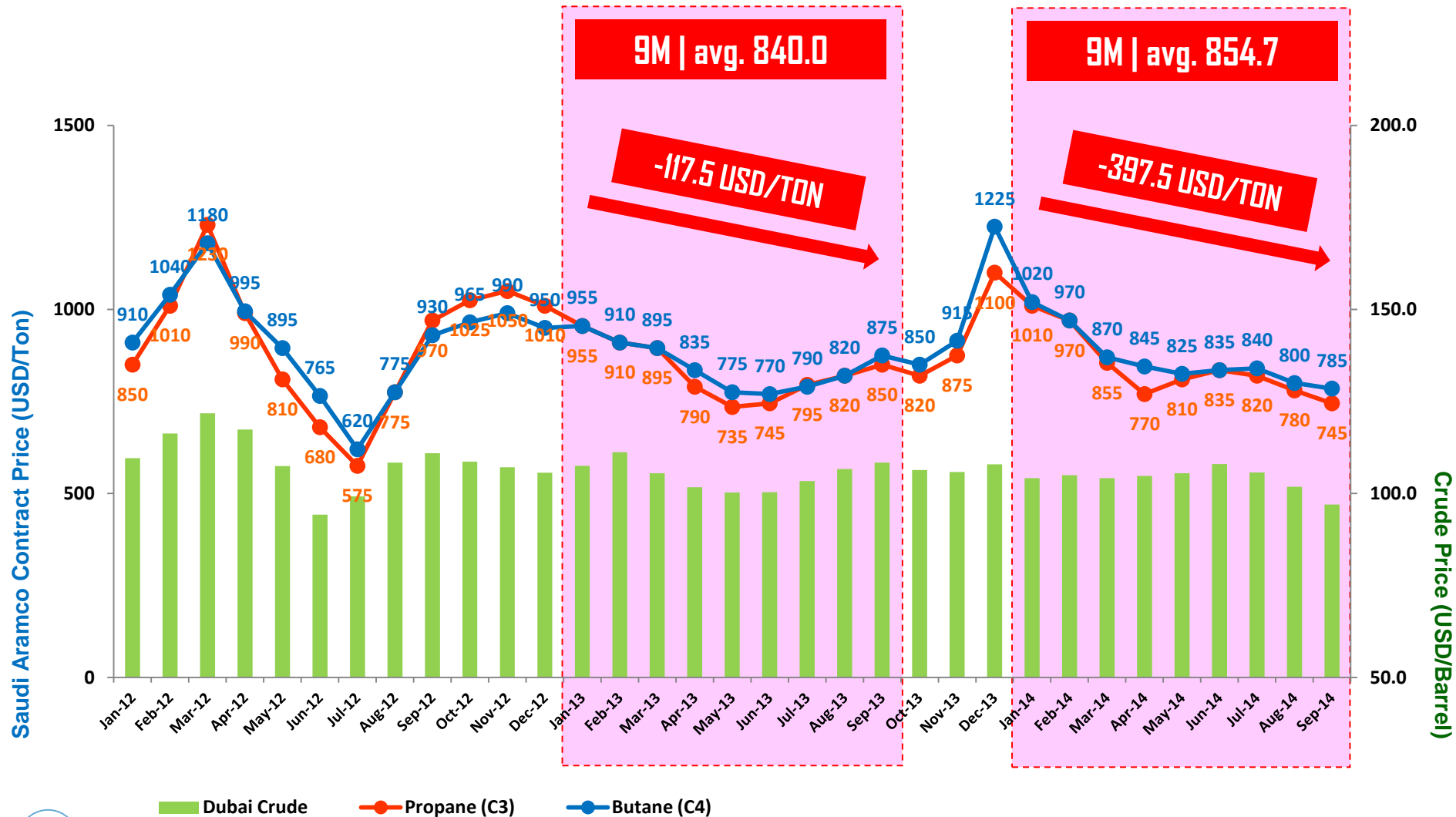
- SGP's Milestone
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Financial Highlights - Revenue





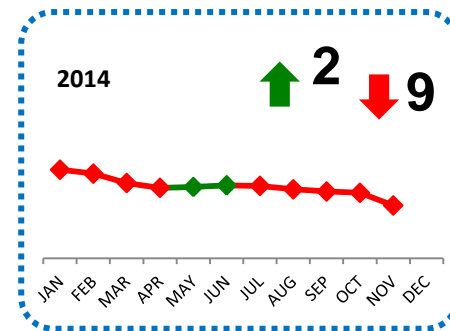
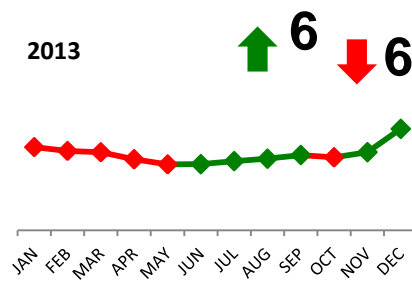
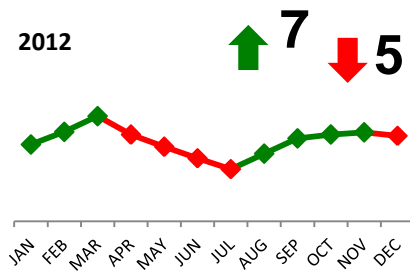
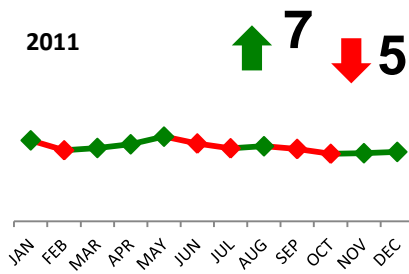
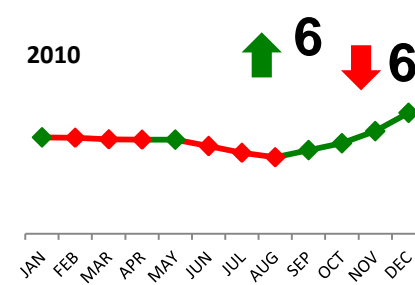
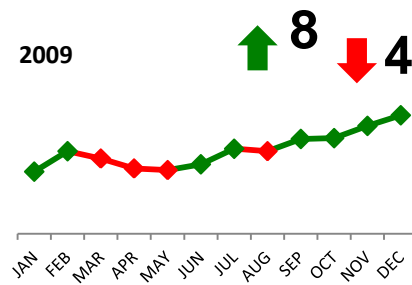
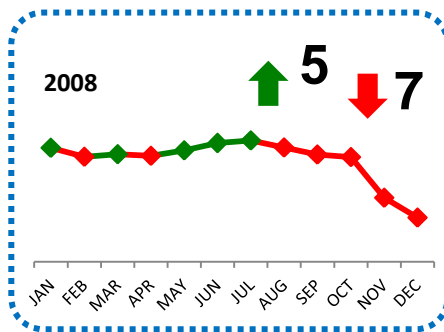
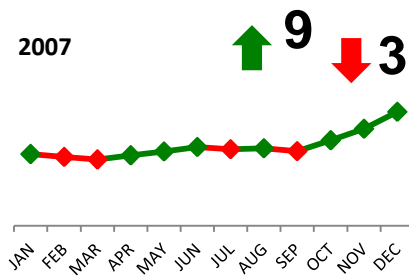
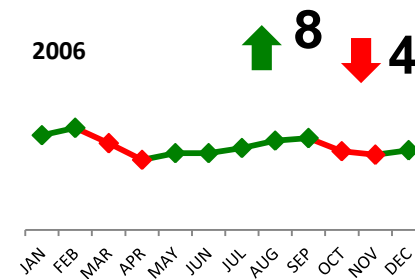
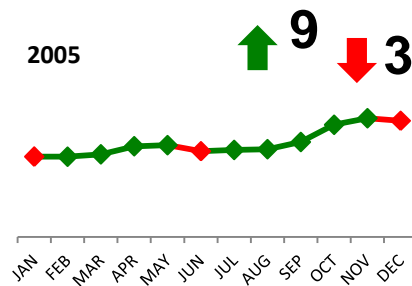
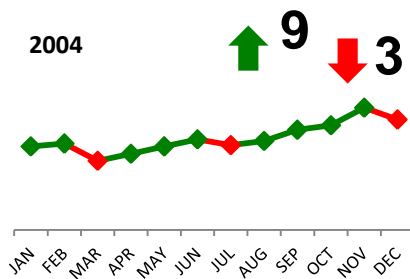
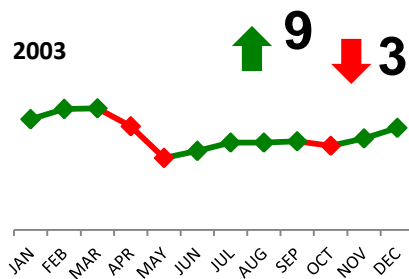
CP Price Movement vs Crude Price : Snap Shot 2012 – Sept'14



■ Dubai Crude ● Propane (C3) ● Butane (C4)



CP Price Movement

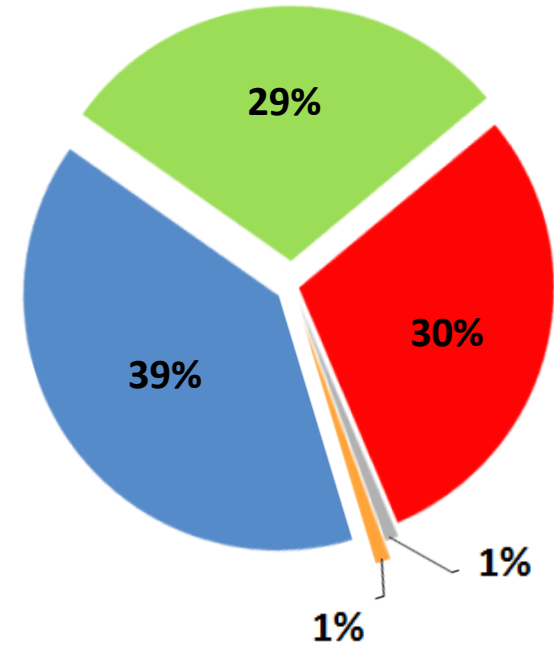
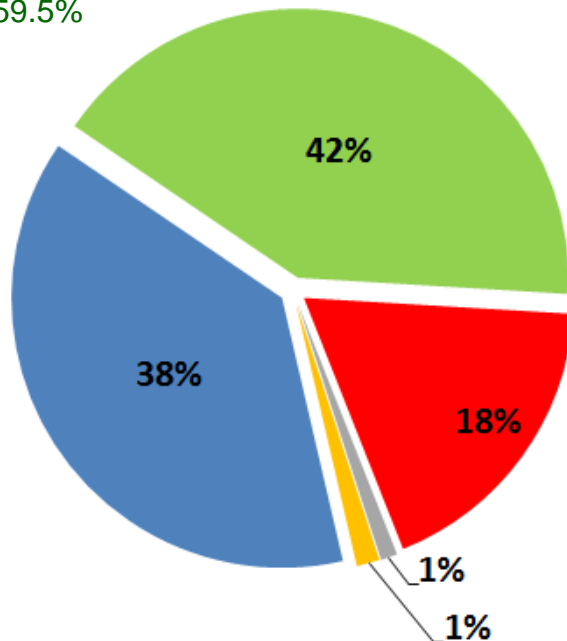


Revenue Portion

- Thailand
- Offshore trading
- Oversea business
- Logistic
- Other (Service&Other)

9M|2013

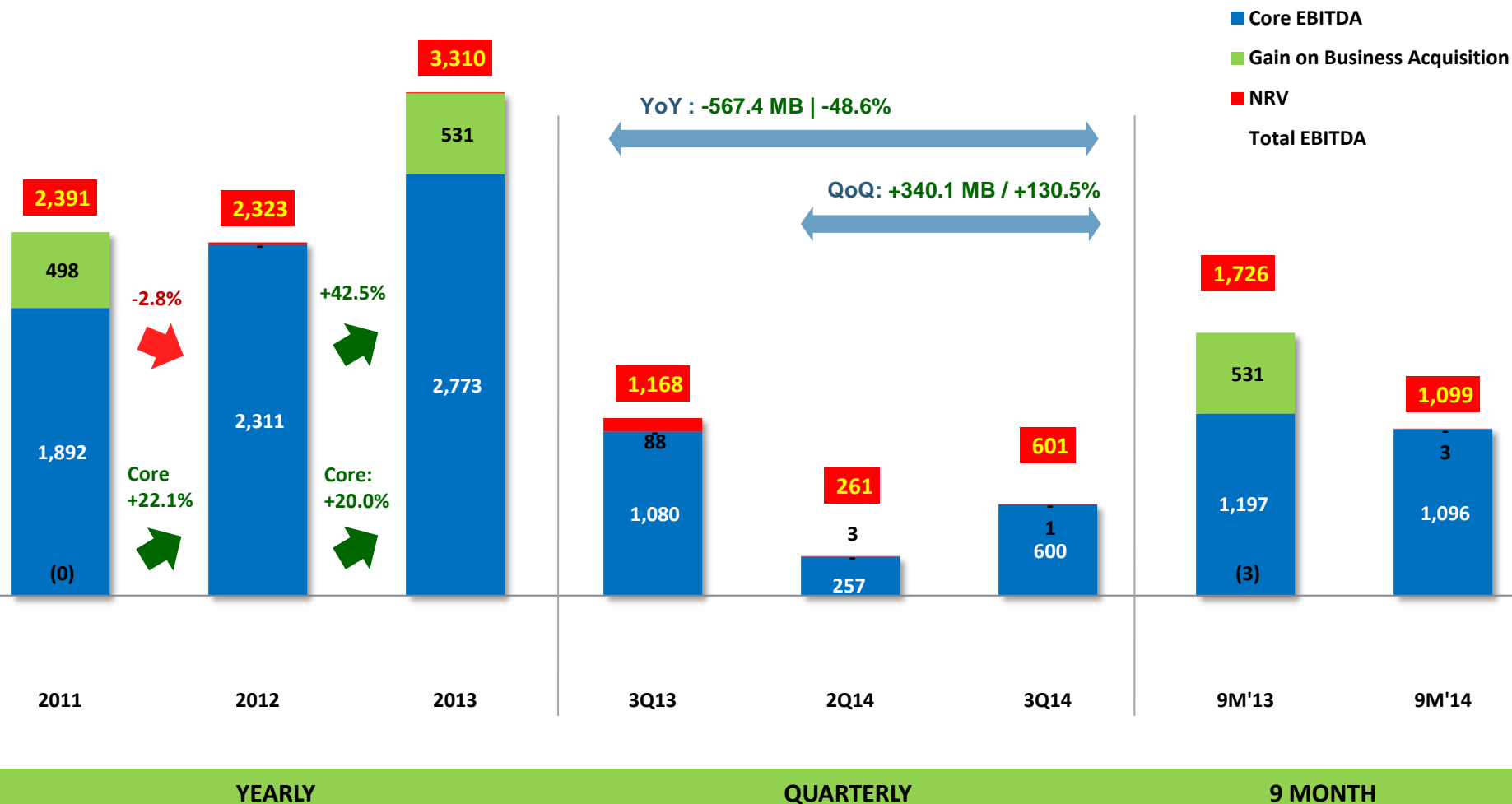
Thailand 40.5%
Oversea 59.5%



9M|2014

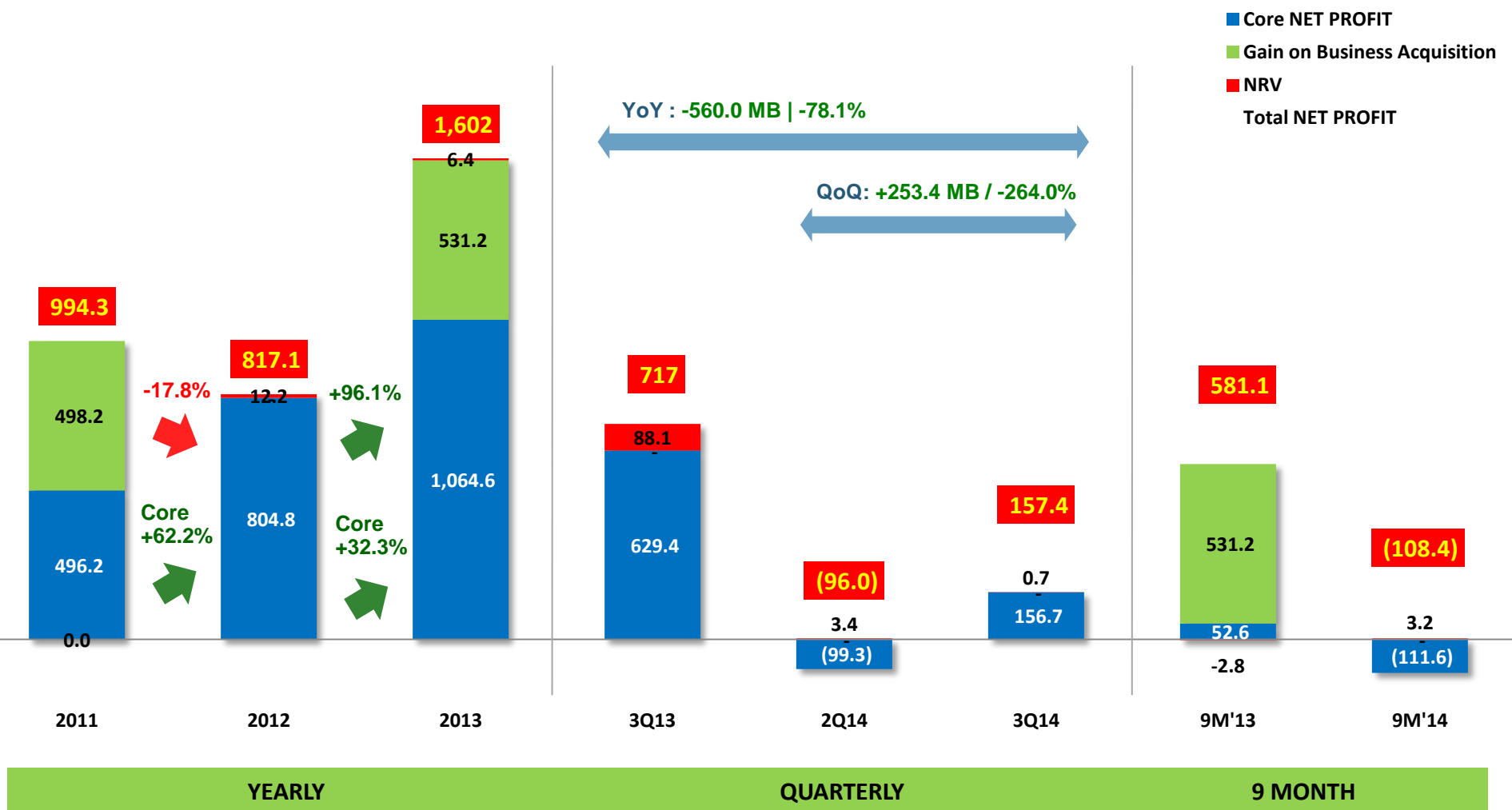
Thailand 41.1%
Oversea 58.9%

Financial Highlights – EBITDA (MB.)





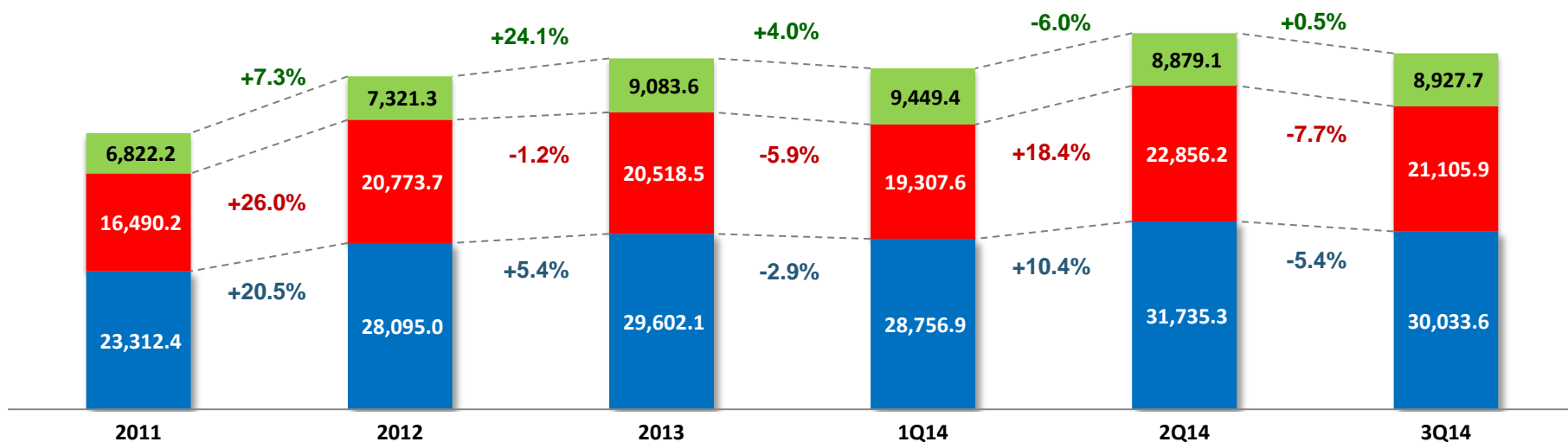
Financial Highlights – Net Profit (MB.)



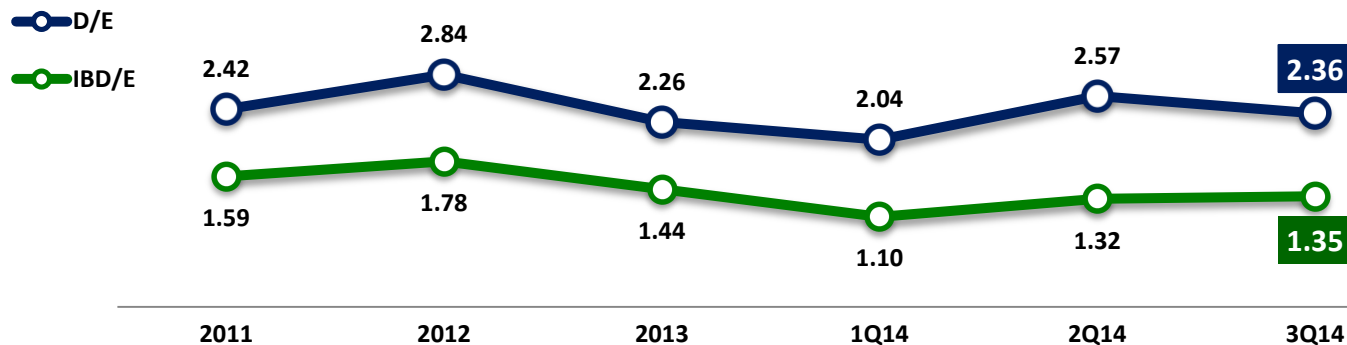
Financial Highlights – Balance Sheet & D/E

STATEMENT OF FINANCIAL POSITION

■ ASSETS ■ LIABILITIES ■ SHAREHOLDERS' EQUITY



GEARING RATIO (X)



2014 LPG Volume Achievement

LPG Sales Volume (Tons)

■ Malaysia & Singapore

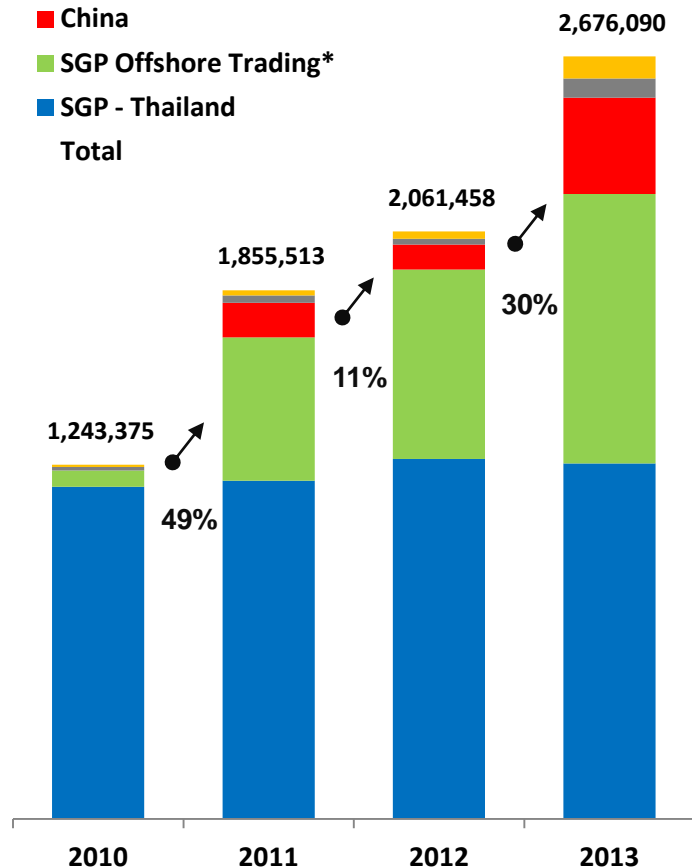
■ Vietnam

■ China

■ SGP Offshore Trading*

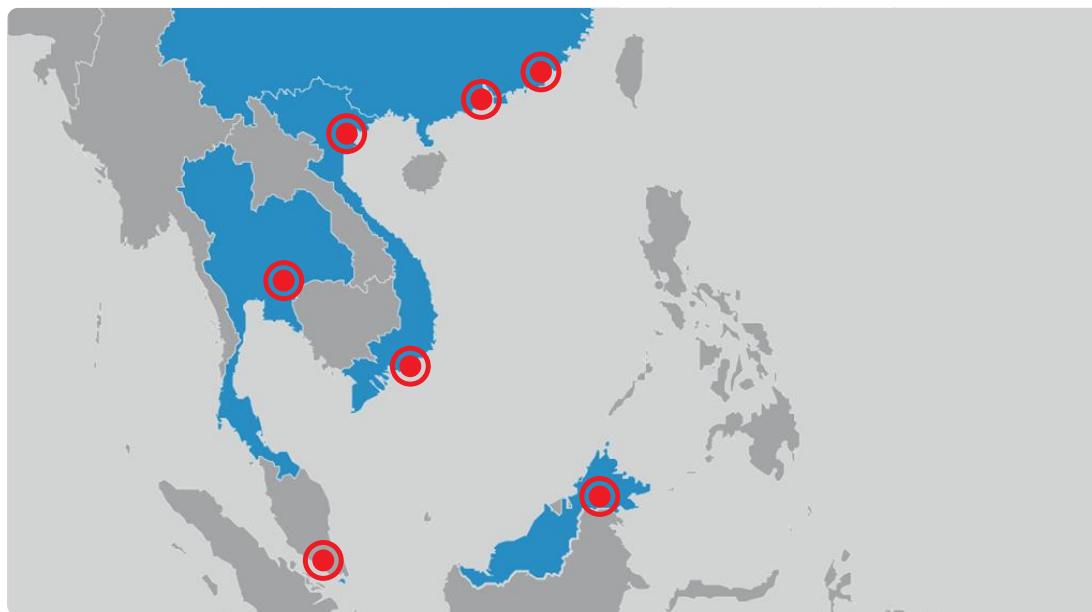
■ SGP - Thailand

Total



Sales Volume (tons)	2011	2012	2013	FORECAST 2014	9M/2014	% success
SGP - Thailand	1,186,275.26	1,263,579.00	1,247,111.49	1,300,000.00	851,457.30	65.5%
SGP Offshore Trading	503,164.61	664,255.00	946,393.96	1,028,000.00	454,863.18	44.2%
China	121,705.00	87,969.44	338,228.61	360,000.00	218,180.84	60.6%
Vietnam	26,496.00	19,972.00	67,388.20	194,400.00	137,053.77	70.5%
Malaysia & Singapore	17,872.00	25,683.00	76,967.68	117,600.00	83,725.60	71.2%
Total	1,855,512.87	2,061,458.44	2,676,089.94	3,000,000.00	1,745,280.70	58.2%

Domestic portion	63.9%	61.3%	46.6%	43.3%	48.8%
Oversea portion	36.1%	38.7%	53.4%	56.7%	51.2%
Growth (%)	49.2%	11.1%	29.8%	12.1%	

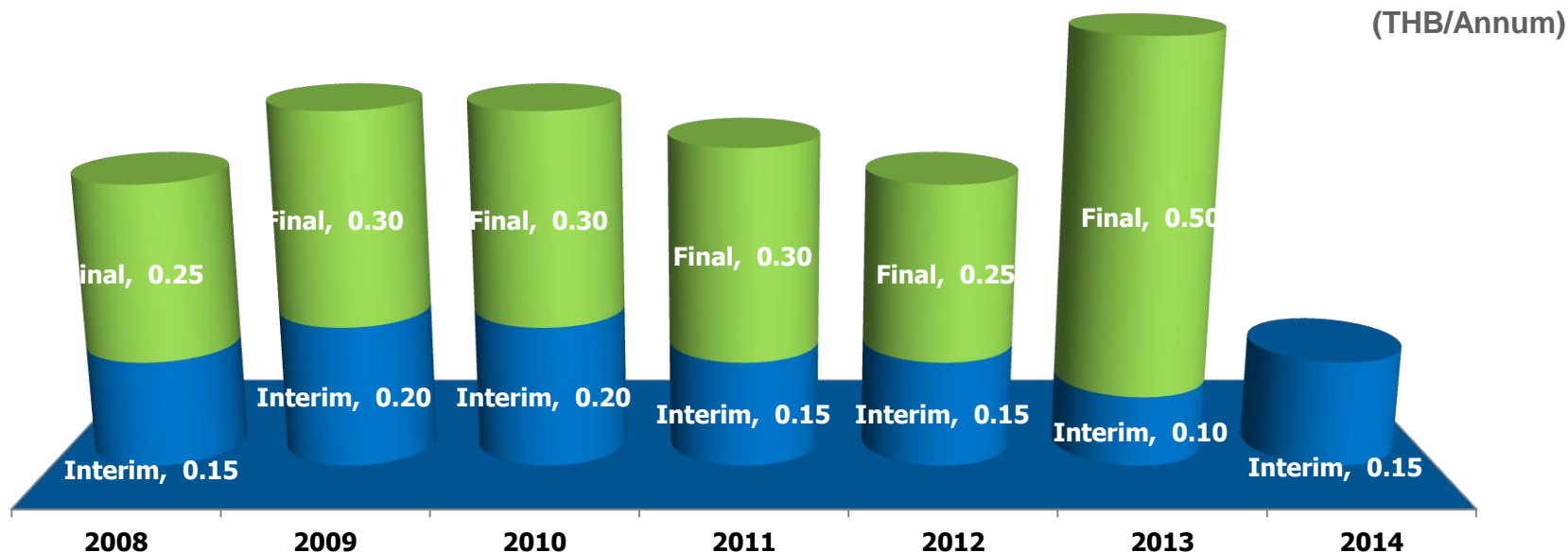


Dividend Payment

- **Dividend Policy**

- The Company has established the policy to pay dividends to the shareholders at the rate of not less than 40% of the net profit after corporate income tax, accumulated loss brought forward (if any) and appropriation of statutory reserve in accordance with the Company's separate financial statements. However, the Board of Directors may set the rate of dividend less than the one mentioned above depending on the operating results, financial situation, liquidity and the necessity to expand the operation as well as the reserve on circulating capital of the operating of the organization.

- **Historical Dividend Payments**





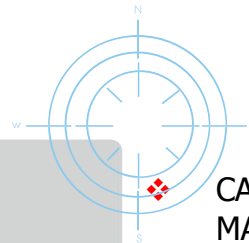
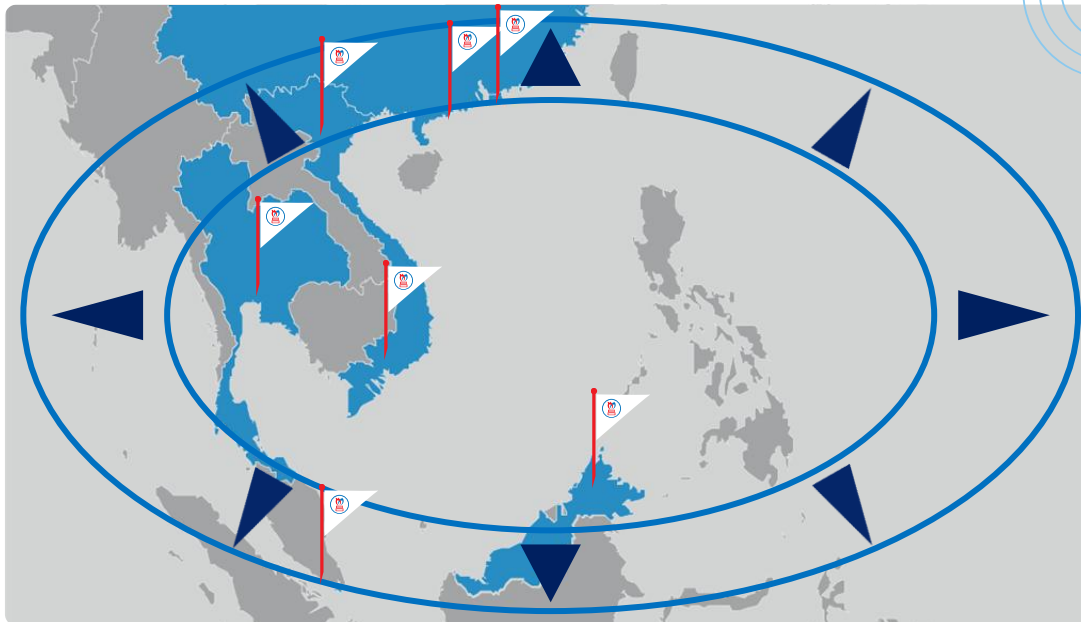
Questions are welcomed !

Supporting Documents

SGP's Business Overview

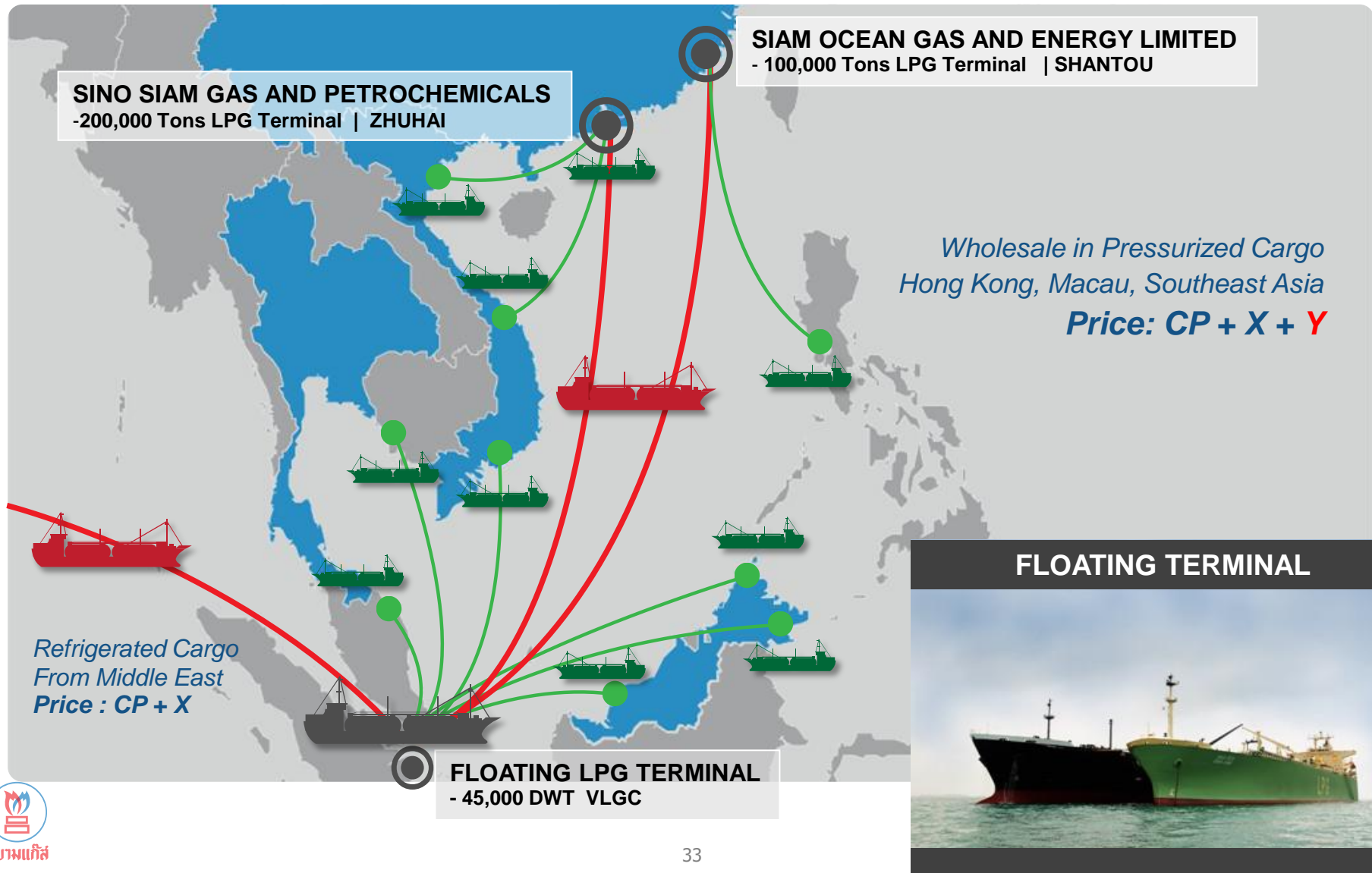
- One of the leading LPG Traders in Thailand
- Recent business expansion to overseas markets since 2010
- Leading LPG provider in East Asia with strong supply chain and key distribution facilities

Key Business Directions



- ❖ CAPTURE THAILAND ORGANIC MARKET GROWTH
- ❖ CAPTURE NEW MARKETS WHEN THAILAND MARKET FLOATS
- ❖ NEW WHOLESALE MARKETS
Enhance economy of scale
- ❖ NEW DOWNSTREAM GEOGRAPHIES
Stabilize profit margin
- ❖ NEW LOWER-COST SOURCES OF PRODUCTS
- ❖ REDUCE RISK OF ADVERSE CP MOVEMENTS

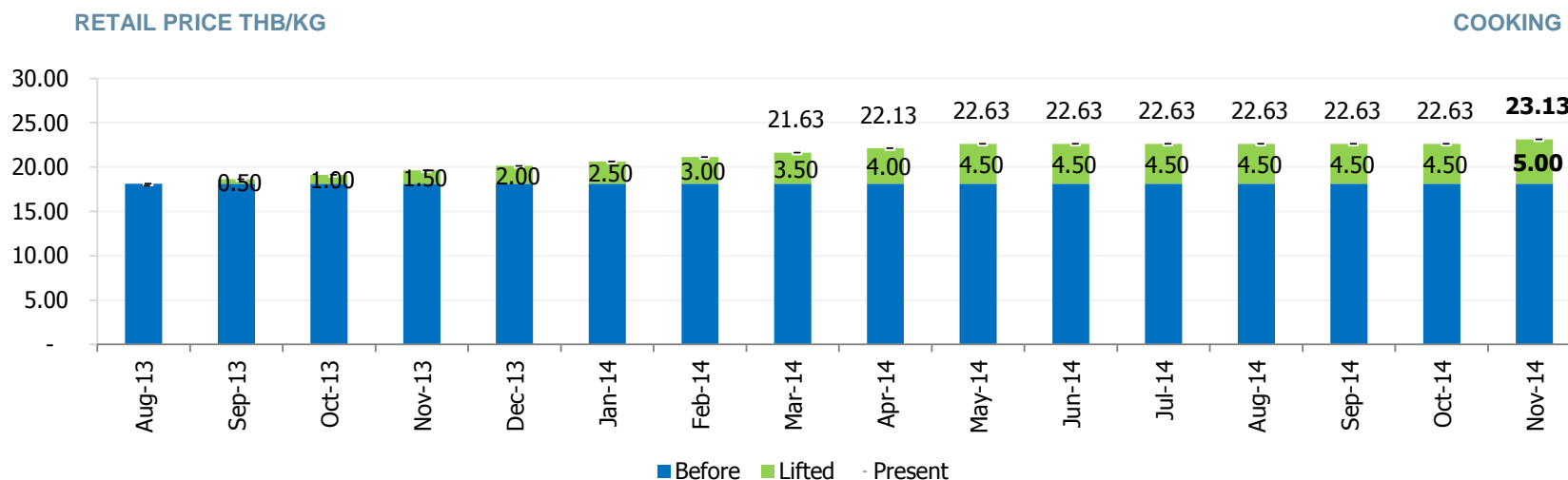
Regional LPG Wholesale (Re-Export) Model



Wholesale Regional Hub – Asset Investment Worthiness



LPG Cooking Price Lifting



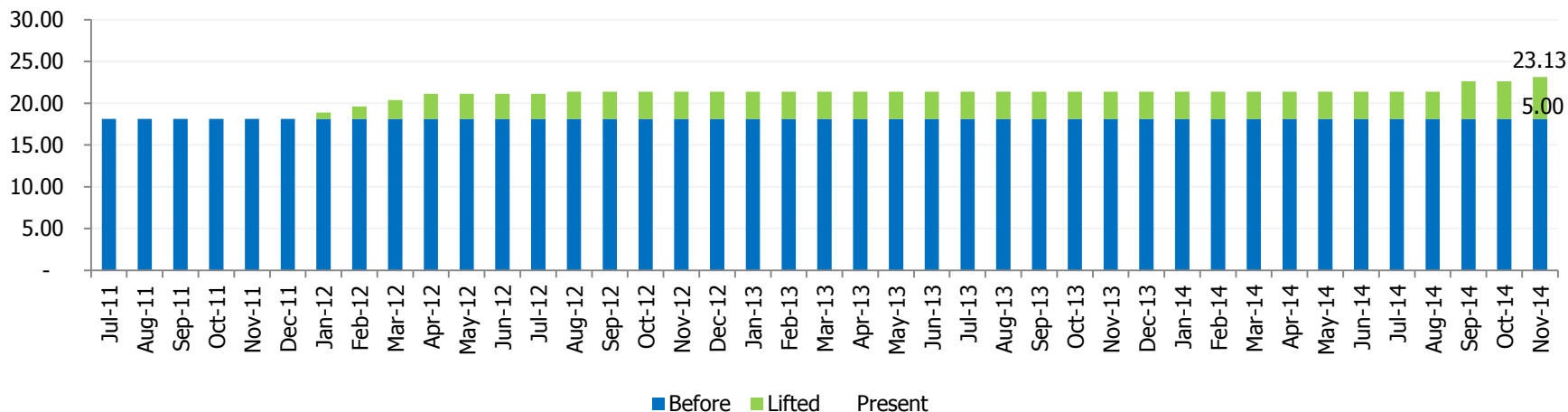
- Lifting starts in Sep'13 and holds in May and start lifting again in Oct'14 and Nov'14 (according to EPPO)
- Latest lifting at 5.00 Baht/kg
- Govt's Impact Alleviation Program in place to support low-income users
 - Eligible users: no electricity usage / electricity bill <90 units / small food-vendors or hawkers
 - Right to buy LPG at the same price as that of before the lifting
 - Right limits: household – not exceeding 18kg in 3 months / vendors – not exceeding 150kg/month
 - Rights exercised with SMS ordering via Data Center

โครงการบรรเทาผลกระทบจากการปรับราคา
ขายปลีกก๊าซปิโตรเลียมเหลว (LPG) ภาคครัวเรือน

Recent LPG Price Lifting in Thailand

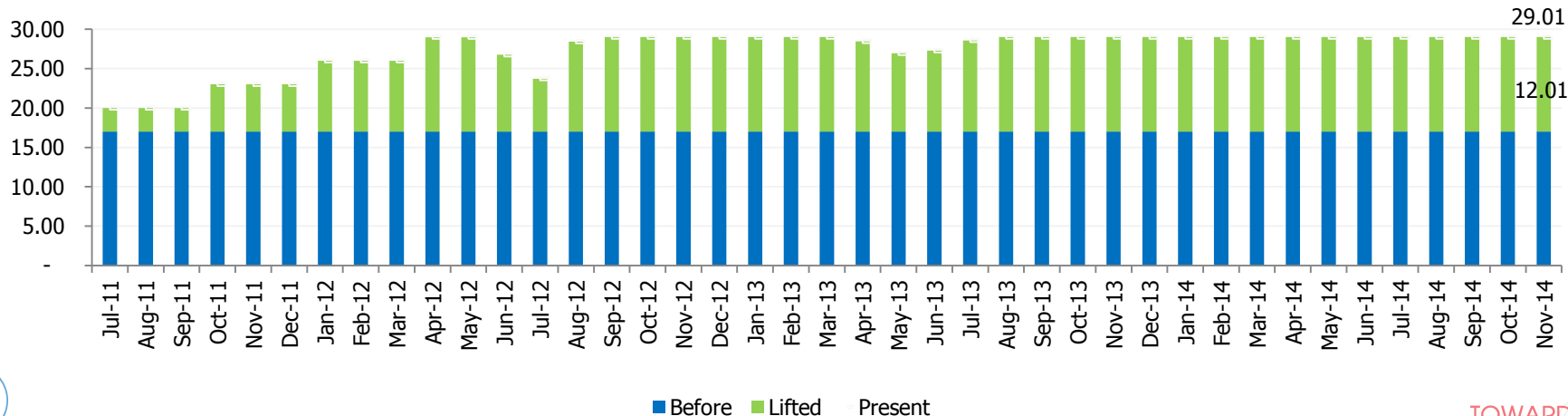
RETAIL PRICE THB/KG

AUTOMOTIVE

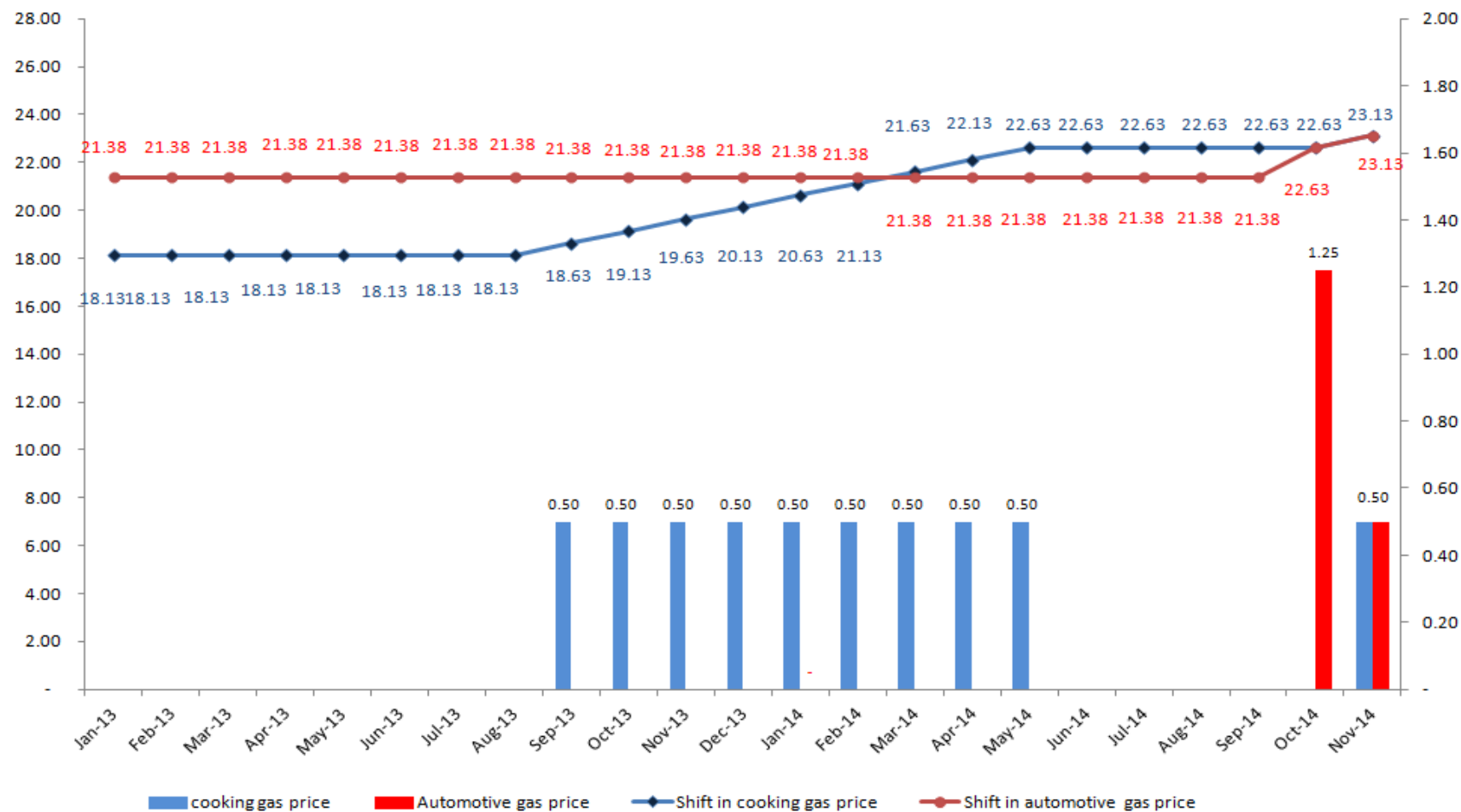


RETAIL PRICE THB/KG

INDUSTRIAL

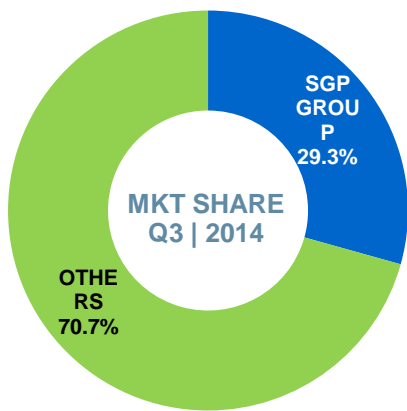
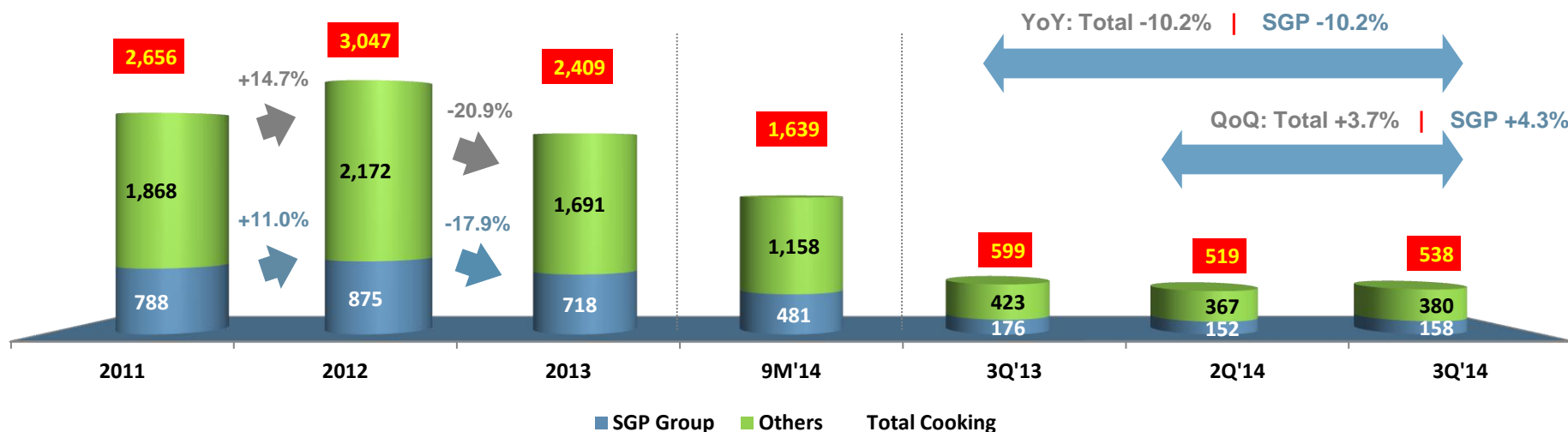


Cooking gas VS auto gas price lifting



Thailand LPG Market Highlights

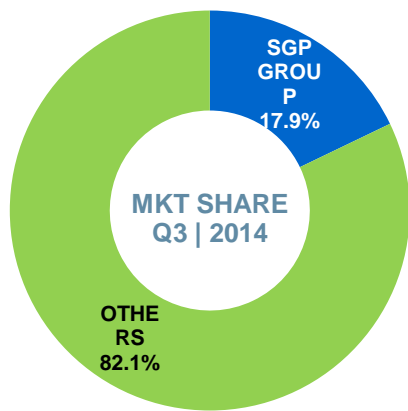
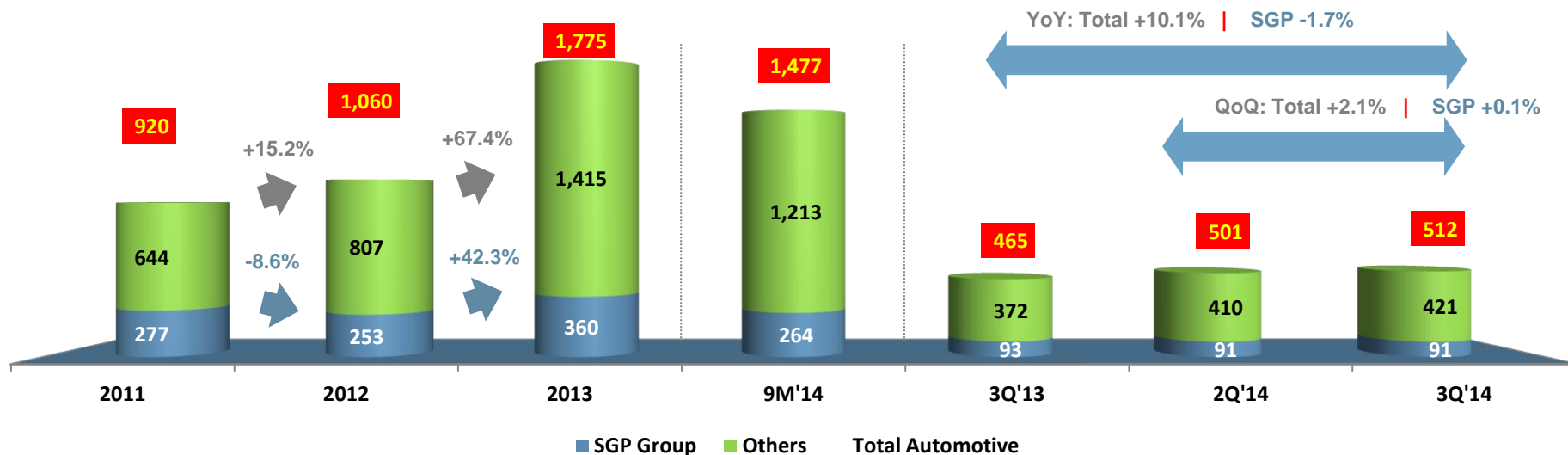
LPG Sales Volume ('000 tons) | COOKING SECTOR



- Govt's caps filling capacity affects cooking sales
- Commercial sector growth
- Low price elasticity
- Few substituted energy sources
- Cooking price lifting in 14 months (Sep'13 – Dec'14) total of THB 6.70/kg
- Impact alleviation program in place to support low-income users

Thailand LPG Market Highlights

LPG Sales Volume ('000 tons) | AUTOMOTIVE SECTOR



- LPG price (lifted by 3.25 THB/kg) is still attractive to convert
- Continuous growth in numbers of LPG vehicles and stations
- Competition from new traders

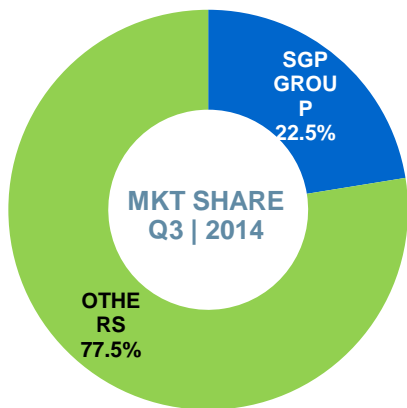
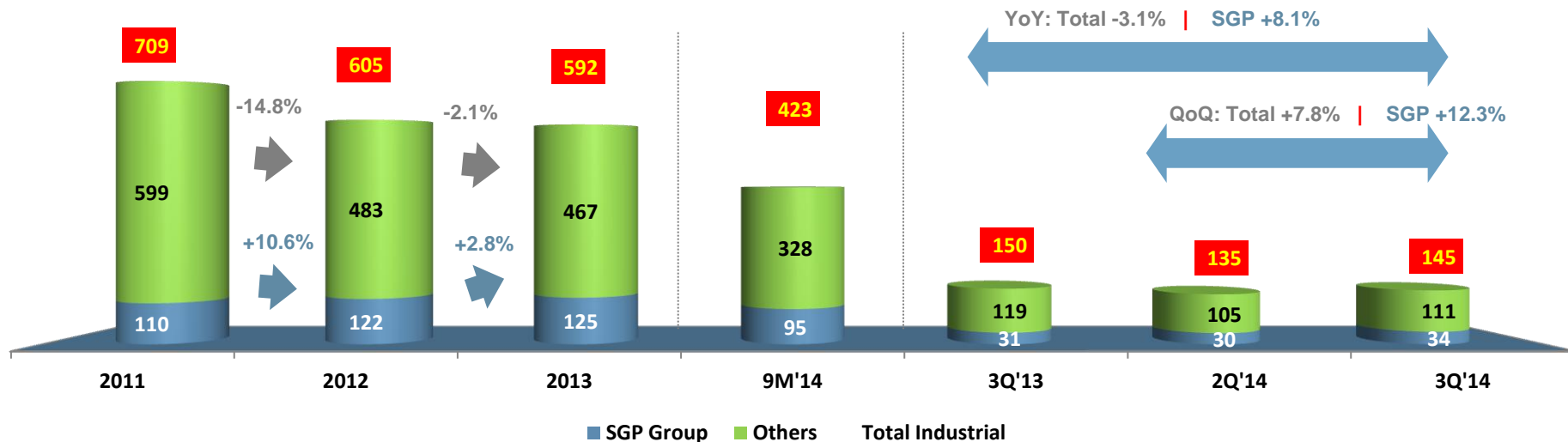
ENERGY	UNIT	RETAIL PRICE	CONS. KM/LT	COST THB/KM
NGV	THB/KG	10.50	10.69	0.98
LPG	THB/LT	13.08	7.41	1.77
LPG (CP \$605)	THB/LT	15.56	7.41	2.10
E85	THB/LT	22.88	6.13	3.73
GASOHOL 91 (E10)	THB/LT	33.18	7.91	4.19
GASOHOL 95 (E10)	THB/LT	35.20	7.91	4.45
ULG 95	THB/LT	42.26	8.76	4.82

CP Price (November 2014)

Data Source : Department of Energy Business

Thailand LPG Market Highlights

LPG Sales Volume ('000 tons) | INDUSTRIAL SECTOR



- LPG Price has been lifted w/policy trying to reflect LPG World Price
- Minor impact on growth due to LPG's advantages (i.e. cleanliness, lower R&M maintenance)

ENERGY	UNIT	PRICE (Exc.VAT)	HEATING VALUE (BTU)	PRICE/ Mil BTU
COAL	THB/KG	2.70	23,003	117.38
NG	THB/Mil BTU	450.00	1,000,000	450.00
LPG	THB/KG	29.13	47,300	615.76
FUELOIL *	THB/LT	18.19	39,600	459.32
LPG (CP \$605)	THB/KG	24.90	47,300	526.49
DIESEL OIL	THB/LT	29.39	36,700	800.82

CP Price (November 2014)

SGP's Strong Propositions

Fully Integrated
LPG Business &
Geographical
Synergy

UPSTREAM

Huge Strategic
LPG Storage Terminals
-300,000 tons
Floating Storage 45,000 tons
-Competitive Edge in
regional LPG Wholesale Biz

DOWNSTREAM

Oversea Subsidiaries
-China
-Vietnam
-Singapore
-East Malaysia

Strong Logistics w/

Company Tanker Vessels
-Pressurized x 18+
-VLGC x 3+

Continuously Growing LPG Demand
New Market Opportunities



Leading Energy Operator
in East Asia

Strong Foundation
Long-Time Experiences
Thailand's 2nd Largest LPG Trader

Customers' Recognition & Trust

Top LPG Import & Export
in China in 2011-2013
-“Quality & Reliability”

Financial Strength

- “Established Credibility”
among local & international
financial institutions
- Diversified Sources of Fund



China Terminal



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