

(Translation)

SGP/SET-139

May 11, 2017

Subject Explanation of the change in operating results for the first quarter ended March 31, 2017
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, 2017 compared with the same period of the previous year as follows:-

The Company and its subsidiaries had the operating results for Q1/2017 with the net Profit attributable to Owners of the parent company of Baht 1,143.19 Million which increased by Baht 1,103.03 Million or 2,746.59% compared with Q1/2016 which had the net Profit attributable to Owners of the parent company of Baht 40.16 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 Q1/2017 of Baht 14,341.00 Million which increased by Baht 2,771.94 Million or 23.96% compared with Q1/2016 amounting to Baht 11,569.06 Million which mainly resulted from increase in the oversea LPG trading business. The revenue in oversea increased from sales volume and LPG world price (CP Saudi Aramco) which increased more than the same period as the previous year. The average LPG world price for 3 months as at Q1/2017 and Q1/2016 was USD 520 per metric ton and USD 324 per metric ton respectively.

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

During the period of Q1/2017, the LPG world price (CP Saudi Aramco) increased from the previous year which had significant impact to cost of the overseas LPG trading business. In addition, the overseas LPG trading business increased LPG retail sales volume in Q1/2017 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 Q1/2017 of Baht 1,643.18 Million or 11.46% which increased by Baht 1,174.01 Million or 250.23%, compared with Q1/2016 amounting to Baht 469.17 Million or 4.06%.

3. Selling and administrative expenses

In Q1/2017, the Group of companies had selling and administrative expenses amounting to Baht 328.20 Million, compared with Q1/2016 amounting to Baht 334.56 Million which decreased by Baht 6.36 Million or 1.90%.

4. Financial Costs

In Q1/2017, the Group of companies had the financial costs of Baht 112.71 Million, compared with Q1/2016 amounting to Baht 97.79 Million which increased by Baht 14.92 Million or 15.26%. These mainly resulted from long term loan from financial institution which had loans amounting to USD 14.6 million in Q3/2016 and amounting to USD 15.6 million in Q1/2017 with annual fixed interest rate at 4.60%, these were loans for group business expansion. Therefore, the finance cost was increased more than the same period of previous year.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)
Deputy Managing Director