

(Translation)

SGP/SET-148

November 8, 2017

Subject Explanation of the change in operating results for the 3rd quarter and nine-month period ended Sept 30, 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 3rd quarter and nine-month period ended Sept 30, 2017 compared with the same period of the previous year as follows:-

For the three-month in Q3/2017 compared with the same period of the previous year

Siamgas and Petrochemicals Public Company Limited and its subsidiaries had the operating results in Q3/2017 with the net Profit attributable to owners of the parent company of Baht 845.13 million which increased by Baht 919.97 million or 1,229.25% compared with the same period in Q3/2016 which was the net loss attributable to owners of the parent company of Baht 74.84 million with main reasons as follows:

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

In Q3/2017, the Company and its subsidiaries had revenue from sales, revenue from transportation and revenue from services of Baht 14,066.91 million which increased by 38.33% or Baht 3,898.10 million compared with the same period in Q3/2016 of Baht 10,168.81 million which was a reason from increased in revenue of LPG trading business in locals and overseas. These mainly resulted from increased in sales volume and the LPG world price (CP Saudi Aramco) which was higher than the same period as the previous year. The average LPG world price for 3 months as at Q3/2017 and Q3/2016 was USD 428 per metric ton and USD 299 per metric ton respectively.

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

The Company and its subsidiaries had generated overall gross profit for the three-month ended 30 Sept, 2017 of Baht 1,307.06 million or equal to gross margin of 9.29% compared with the same period in Q3/2016 with gross profit of Baht 253.62 million or equal to gross margin of 2.49%. The gross profit increased by Baht 1,053.44 million or 415.36% in Q3/2017 compared with the same period last year. Main reasons were from increased in sales volume and LPG world price which has mentioned as above.

3. Selling and administrative expenses

In Q3/2017, the Group of companies had selling and administrative expenses amounting to Baht 311.98 million, compared to Q3/2016 amounting to Baht 303.56 million which increased by Baht 8.42 million or 2.77%. Main reason was increased from the consultant fee amounting to Baht 4.09 million by compared to Q3/2016.

4. Financial Costs

In Q3/2017, the Group of companies had financial costs of Baht 119.05 million compared to Q3/2016 which was Baht 106.24 million, increased by Baht 12.81 million as the result from the short term and long term loan were increased from loan for an investment in the power plant in Myanmar and the purchase of vessel and the dry-docking expenditure in the transportation business.

For the nine-month in Q3/2017 compared with the same period of the previous year

The Company and its subsidiaries had the operating results for the nine-month period in Q3/2017 with the net profit attributable to Owners of the parent company of Baht 1,922.25 million which increased by Baht 1,702.44 million or 774.51% compared with the same period. In Q3/2016, the net profit attributable to Owners of the parent company of Baht 219.81 million with the major reasons as follows:

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

The Company and its subsidiaries had revenue from sales, revenue from transportation and revenue from services for the nine-month period in Q3/2017 of Baht 41,780.24 million which increased by 22.17% or Baht 7,582.29 million compared with nine-month period in Q3/2016 of Baht 34,197.95 million which was reason from increased in revenue LPG trading business in locals and overseas. These mainly resulted from increased in sales volume and the LPG world price (CP Saudi Aramco) which was higher than the

same period of the previous year. The average LPG world price for 9 months as at Q3/2017 and Q3/2016 were of USD 453 per metric ton and USD 323 per metric ton respectively.

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

The Company and its subsidiaries had generated overall gross profit for the nine-month ended 30 Sept, 2017 of Baht 3,241.15 million or equal to gross margin of 7.76% compared with the same period in Q3/2016 with gross profit of Baht 1,449.58 million or equal to gross margin of 4.24%. The gross profit increased by Baht 1,791.57 million or 123.59% in Q3/2017 compared with the same period last year. Main reasons were from increased in sales volume and LPG world price which has mentioned as above.

3. Selling and administrative expenses

In Q3/2017, the Group of companies had selling and administrative expenses amounting to Baht 979.49 million, compared to Q3/2016 amounting to Baht 1,021.92 million which decreased by Baht 42.43 million or 4.15%. Main reason was decreased from the consultant fee amounting to Baht 19.50 million by compared to Q3/2016.

4. Financial Costs

For the nine-month ended Sept 30, 2017, the group of companies had financial costs of Baht 334.49 million compared with the same period of previous year which was Baht 307.32 million, increased by Baht 27.17 million as the result from the short term loan and long term loan were increased from loan for an investment in the power plant in Myanmar amounting to USD 15.60 million or equivalent to Baht 543.33 million with interest rate at LIBOR 3M + 3.42% per annum and the total repayment is due within 3 years and the purchase of vessel amounting to USD 14.34 million or equivalent to Baht 490 million with interest rate at 4.94% per annum and the total repayment is due within 5 years

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director