

(Translation)

SGP/SET_151

February 22, 2018

Subject The Explanation of the change in operating results for the year ended December 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 clarify the change in operating results for the year ended December 31, 2017 compared with the same period of the previous year as follows:

The Company and its subsidiaries reported the operating results for the year ended December 31, 2017 with the net profit attributable to Owners of the parent company of Baht 2,811.10 Million which increased by Baht 1,692.38 Million or 151.28%, compared with the year 2016 which was the net profit attributable to Owners of the parent company of Baht 1,118.72 Million with the major changes during the year 2017 as follows:

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

The Company and its subsidiaries reported revenue from sales, revenue from transportation and revenue from services for the year 2017 of Baht 59,152.26 Million which increased by Baht 10,990.85 Million or 22.82%, compared with the year 2016 amounting to Baht 48,161.41 Million which resulted 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 the year 2017 and 2016 was USD 485 per metric tons and USD 340 per metric tons respectively.

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

The Company and its subsidiaries had generated overall gross profit for the year 2017 of Baht 4,946.71 million or equal to gross margin of 8.36% compared with the year 2016 amounting to Baht 2,890.93 million or equal to gross margin of 6.00%. The gross profit increased by Baht 2,055.78 million or 71.11% in year 2017 compared with the previous year. Main reasons were from increased in sales volume and

LPG world price which has mentioned as above.

3. Selling and administrative expenses

During the year 2017, the Group of Companies had selling and administrative expenses amounting Baht 1,424.69 Million, compared with the year 2016 of Baht 1,431.54 Million which decreased by Baht 6.85 Million or 0.48% by compare with the previous year.

4. Financial Costs

During the year 2017, the Group of Companies had financial costs of Baht 461.14 Million, compared with the year 2016, amounting to Baht 411.40 Million which increased by Baht 49.74 Million or 12.09% 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 and dry docking amounting to Baht 793.69 Million with average interest rate at 4.20 - 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