

(Translation)

SGP/SET-158

May 8, 2018

Subject Explanation of the change in operating results for the first quarter ended March 31, 2018
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, 2018 compared with the same period of the previous year as follows:-

The Company and its subsidiaries had the operating results for Q1/2018 with the net Profit attributable to Owners of the parent company of Baht 100.77 Million which decreased by Baht 1,042.41 Million or 91.19% compared with Q1/2017 which had the net Profit attributable to Owners of the parent company of Baht 1,143.18 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 Q1/2018 of Baht 15,593.78 Million which increased by Baht 1,252.78 Million or 8.74% compared with Q1/2017 amounting to Baht 14,341.00 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 was higher than the same period as the previous year. The average LPG world price for 3 months as at Q1/2018 and Q1/2017 was USD 523 per metric ton and USD 520 per metric ton respectively.

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

During the period of Q1/2018, the LPG world price (CP Saudi Aramco) was higher than the previous year which had significant impact to cost of the overseas LPG trading business. Thus, the cost of sales in Q1/2018 was higher than the same period of previous year.

As a result of the above mention, the Group of companies generated overall gross profit for Q1/2018 of Baht 468.84 Million or 3.01% which decreased by Baht 1,174.34 Million or 71.47%, compared with Q1/2017 amounting to Baht 1,643.18 Million or 11.46%.

3. Selling and administrative expenses

During the period of Q1/2018, the Group of companies had selling and administrative expenses amounting to Baht 338.33 Million, compared with Q1/2017 amounting to Baht 328.20 Million which increased by Baht 10.13 Million or 3.09%.

4. Financial Costs

In Q1/2018, the Group of companies had the financial costs of Baht 107.03 Million, compared with Q1/2017 amounting to Baht 112.71 Million which decreased by Baht 5.68 Million or 5.04%. Main reason from the Group of Companies had repayment of short term loans and long term loans from financial institutions during the period. Therefore, the finance cost was decreased more than the same period of previous year.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)
Deputy Managing Director