

(Translation)

SGP/SET-172

May 9, 2019

Subject Explanation of the change in operating results for the first quarter ended March 31, 2019
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, 2019 compared with the same period of the previous year as follows:-

The Company and its subsidiaries had the operating results for Q1/2019 with the net Profit attributable to Owners of the parent company of Baht 560.04 Million which increased by Baht 459.27 Million or 455.76% compared with Q1/2018 which had the net Profit attributable to Owners of the parent company of Baht 100.77 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 Q1/2019 of Baht 17,648.68 Million which increased by Baht 2,054.90 Million or 13.18% compared with Q1/2018 amounting to Baht 15,593.78 Million. Main result was from increased in sales volume of the oversea LPG trading business, although the average LPG world price was lower than the same period as the previous year. The average LPG world price for 3 months as at Q1/2019 and Q1/2018 was USD 462 per metric ton and USD 523 per metric ton respectively.

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

During the period of Q1/2019, the Company and its subsidiaries had cost of sales, services and transportations of Baht 16,641.57 Million which increased by Baht 1,516.62 Million or 10.03% compared with Q1/2018 of Baht 15,124.95 Million.

The Company and its subsidiaries had generated overall gross profit for Q1/2019 of Baht 1,007.11 Million or equal to gross margin of 5.71% compared with Q1/2018 amounting to Baht 468.84 Million or equal to gross margin of 3.01%. The gross profit increased by Baht 538.27 Million or 114.81%. Main reasons were from increased in sales volume and gross margin per unit compare to the same period of the previous year.

3. Selling and administrative expenses

In Q1/2019, the Group of companies had selling and administrative expenses amounting to Baht 353.77 Million, compared with Q1/2018 amounting to Baht 338.33 Million which increased by Baht 15.44 Million or 4.56%.

4. Financial Costs

In Q1/2019, the Group of companies had the financial costs of Baht 142.49 Million, compared with Q1/2018 amounting to Baht 107.03 Million which increased by Baht 35.46 Million or 33.13%. Main reasons were from short-term borrowings and long term loan from financial institutions for working capital in LPG business.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director