

(Translation)

SGP/SET-165

November 6, 2018

Subject Explanation of the operating results for the 3rd quarter and nine-month period ended
Sept. 30, 2018 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 operating results for the 3rd quarter and nine-month period ended Sept 30, 2018 compared with the same period of the previous year as follows:-

For the three-month in Q3/2018 compared with the same period of the previous year

Siamgas and Petrochemicals Public Company Limited and its subsidiaries had the operating results in Q3/2018 with the net Profit attributable to owners of the parent company of Baht 738.34 million which decreased by Baht 106.79 million or 12.64% compared with the same period in Q3/2017 which was the net profit attributable to owners of the parent company of Baht 845.13 million with main reasons as follows:

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

In Q3/2018, the Company and its subsidiaries had revenue from sales, revenue from transportation and revenue from services of Baht 19,192.93 million which increased by 36.44% or Baht 5,126.02 million compared with the same period in Q3/2017 of Baht 14,066.91 million which was a reason from increased in revenue of LPG overseas trading business. 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 Q3/2018 and Q3/2017 were of USD 589 per metric ton and USD 428 per metric ton respectively.

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

In Q3/2018, the Company and its subsidiaries had cost of sales, services and transportations of Baht 17,965.48 million which increased by 40.80% or Baht 5,205.63 million compared with the same period in Q3/2017 of Baht 12,759.85 million.

The Company and its subsidiaries had generated overall gross profit for the three-month ended 30 Sept, 2018 of Baht 1,227.45 million or equal to gross margin of 6.40% compared with the same period in Q3/2017 with gross profit of Baht 1,307.06 million or equal to gross margin of 9.29%. The gross profit decreased by Baht 79.61 million or 6.09% in Q3/2018 compared with the same period last year. Main reason was from the cost of goods sold higher than the previous year.

3. Selling and administrative expenses

In Q3/2018, the Group of companies had selling and administrative expenses amounting to Baht 340.85 million, compared to Q3/2017 amounting to Baht 311.98 million which increased by Baht 28.87 million or 9.25%. Main reasons were increased from the impairment of assets of a subsidiary amounting to Baht 7.00 million and the consultant fee amounting to Baht 10.62 million by compared to Q3/2017.

4. Financial Costs

In Q3/2018, the Group of companies had financial costs of Baht 127.87 million compared to Q3/2017 which was Baht 119.05 million, increased by Baht 8.82 million as the result from the Group of companies had increased the short-term borrowings from financial institutions for working capital of group business.

For the nine-month in Q3/2018 compared with the same period of the previous year

The Company and its subsidiaries had the operating results for the nine-month period in Q3/2018 with the net profit attributable to owners of the parent company of Baht 1,604.82 million which decreased by Baht 317.43 million or 16.51% compared with the same period. In Q3/2017, the net profit attributable to owners of the parent company of Baht 1,922.25 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 Q3/2018 of Baht 50,768.82 million which increased by 21.51% or Baht 8,988.58 million compared with nine-month period in Q3/2017 of Baht 41,780.24 million which was reason from increased in revenue LPG overseas trading business. 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 Q3/2018 and Q3/2017 were of USD 541 per metric ton and USD 453 per metric ton respectively.

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

For the nine-month period in Q3/2018, the Company and its subsidiaries had cost of sales, services and transportations of Baht 48,017.93 million which increased by 24.60% or Baht 9,478.84 million compared with the same period in Q3/2017 of Baht 38,539.09 million.

The Company and its subsidiaries had generated overall gross profit for the nine-month ended 30 Sept, 2018 of Baht 2,750.89 million or equal to gross margin of 5.42% compared with the same period in Q3/2017 with gross profit of Baht 3,241.15 million or equal to gross margin of 7.76%. The gross profit decreased by Baht 490.26 million or 15.13% in Q3/2018 compared with the same period last year. Main reason was from the cost of goods sold higher than the previous year.

3. Selling and administrative expenses

For the nine-month period in Q3/2018, the Group of companies had selling and administrative expenses amounting to Baht 1,020.88 million, compared to Q3/2017 amounting to Baht 979.49 million which increased by Baht 41.39 million or 4.23%. Main reasons were decreased from the impairment of assets of a subsidiary amounting to Baht 21.00 million and the public donations amounting to Baht 9.66 million by compared to Q3/2017.

4. Financial Costs

For the nine-month ended Sept. 30, 2018, the group of companies had financial costs of Baht 344.58 million compared with the same period of previous year which was Baht 334.49 million, increased by Baht 10.09 million as the result from the Group of companies had increased the short-term borrowings from financial institutions for working capital of group business.

Please be informed accordingly,

Sincerely yours,

(Mrs. Jintana Kingkaew)

Deputy Managing Director