

May 14, 2020

Subject Connected transaction on the lease agreement

To The President
The Stock Exchange of Thailand

The Board of Director's Meeting of Siamgas and Petrochemicals Public Company limited ("the Company") in the Meeting No. 4/2020 held on May 14, 2020 has approved the Company and its subsidiaries to enter into the office lease agreement with Great China Millennium (Thailand) Co., Ltd. ("Great China"), which own the Palladium World Office Building. The transaction is considered a connected transaction as the directors and the shareholders of the Company are the directors and shareholders of Great China, therefore the Company has to report and disclose the related information as follow:

1. Date of Transaction

Within May 2020

2. Related Parties

Lessee : Siamgas and Petrochemicals Public Company limited and its subsidiaries

Lesser : Great China Millennium (Thailand) Co., Ltd.

3. General Information of Transaction

The Company and its subsidiaries intend to lease office space in the Palladium World Office Building from Great China with the detail as follow:

Detail of Building	:	1 Office building, 38 floors, located at No. 555 Rachaprarop Road Makkasan Ratchathewi Bangkok
Size of Lease Premises	:	6 th Floor and 36 th – 38 th floor with total area of 9,048.36

		Sq. meter
Lease Period	:	36 months (September 1, 2021 - August 31, 2024)
Rental and Service Rate	:	Baht 600 per Sq. meter per month (same as current rate)

The rental and service fees for three years are equal to 195.44 million baht (not include water and electricity bill, VAT, and housing tax). If include VAT, it will equal to 201.14 million baht.

In this regard, Great China requested a 50% payment of the rental and service fees on a monthly basis in advance of 4 installments amount 20.00 million baht each and 1 installment amount 20.75 million baht, totaling 5 installments amount 100.75 million baht. However, the Company and its subsidiaries will charge interest base on duration of each payment period. The interest will be deducted from the payment immediately. Therefore, the advance payment will be equal to 96.22 million baht after deduction with detail as follow:

Date/Month/Year	Advance rental and service fee (mil. Baht)	Interest charge (mil. Baht)	Duration (months)	Advance rental and service fee (after deducting interest) (mil. Baht)
15 May – 15 Sept. 63	100.57	4.35	11.5 - 15.5	96.22

The Company and its subsidiaries calculate interest by using the same rate as debentures issued by the Company in January 2020, which is equal to 3.85 percent per annum. The Company and its subsidiaries will pay the remaining rental and service fees amount 100.57 million baht in the beginning of rental period which is in September 2021.

4. Total Value of Consideration and Criteria for Determining

The total value of the office lease agreement is baht 195.44 million. The transaction size is equal to 2.29% from the consolidated financial statement as of March 31, 2020, which is more than 0.03% but less than 3.00%, and deemed as medium sized transaction. This transaction shall be approved by the Board of Directors and disclose the information to the Stock Exchange of Thailand.

5. Detail of Connected Person

5.1 The Company and Great China have joint directors which are Mr. Worawit Weeraborwornpong ,Mrs. Patchara Weeraborwornpong, and Ms. Patcharawadee Weeraborwornpong.

5.2 Mr. Worawit Weeraborwornpong, the Company's Director and Major shareholder holding 39.38% stake in the Company holds 40.49% stake in Great China

5.3 Mr. Worawit Weeraborwornpong the Company's Director and Major Shareholder holding 39.38% stake in the Company holds 59.49% in Prom Maharaj Land Development Co.,Ltd. ("Prom Maharaj") Prom Maharaj is the major shareholder in Great China holding 57.74% stake in Great China.

6. Reasons and Necessities of Execution of the Transactions

The lease contract with Great China is due to the need for lot of office space and it is difficult to find such a space to meet the Company and its subsidiaries need. In addition, the Palladium World Office Building has complete utilities and enough parking for staff and customers. In addition, Great China will keep the rental and service fees as current rate but requested an advance payment. However, the Company and its subsidiaries will charge interest and deduct interest from the payment immediately when payment occurred.

7. Opinion of the Audit Committee

The Audit Committee has considered the information on the connected transaction by comparing with the office space available in the nearby area and has an opinion that the transaction is appropriate and benefit to the Company and its subsidiaries. The rental and service rate charged by Great China is appropriate comparing to the market price. In addition, Great China will keep the rental rate and service fees as current rate and the advance payment will be charged with interest with immediate interest deduction. The lease contract will secure office space for the Company and its subsidiaries in the near future. The Audit Committee recommend to the Board of Directors to approve the Company and its subsidiaries to enter into the lease contract with Great China.

Please be informed accordingly.

Yours sincerely,

Mrs. Jintana Kingkaew

(Mrs. Jintana Kingkaew)

Deputy Managing Director