

**SIAMGAS AND PETROCHEMICALS PUBLIC
COMPANY LIMITED**

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2015

AUDITOR'S REPORT

To the Shareholders of Siamgas and Petrochemicals Public Company Limited

I have audited the accompanying consolidated and company financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and of Siamgas and Petrochemicals Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its consolidated and company cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Chaisiri Ruangritchai
Certified Public Accountant (Thailand) No. 4526
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2016

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	2,270,150,454	1,956,407,049	372,372,585	204,767,821
Short-term investments	8	307,515,850	252,387,112	307,515,850	252,387,112
Trade and other receivables, net	9	3,294,788,254	4,013,994,893	401,702,953	518,651,517
Inventories, net	10	4,375,300,164	3,535,404,818	173,472,616	145,887,077
Other current assets	11	338,367,897	263,483,074	12,772,019	18,687,276
Total current assets		10,586,122,619	10,021,676,946	1,267,836,023	1,140,380,803
Non-current assets					
Investments in subsidiaries, net	12	-	-	7,683,194,945	7,688,959,904
Investments in joint ventures	12	148,771,405	109,328,591	86,527,651	23,577,992
Long-term loans to related parties, net	33	43,795,600	110,204,127	2,671,526,631	1,609,108,728
Property, plant and equipment, net	13	15,246,465,087	15,120,856,515	4,805,469,226	4,928,588,458
Goodwill	14	1,537,801,207	1,537,801,207	-	-
Intangible assets, net	15	181,302,523	233,985,696	1,781,648	4,458,941
Deferred tax assets, net	16	360,479,366	303,599,509	-	-
Other non-current assets	17	993,710,614	805,833,352	438,250,352	414,415,771
Total non-current assets		18,512,325,802	18,221,608,997	15,686,750,453	14,669,109,794
Total assets		29,098,448,421	28,243,285,943	16,954,586,476	15,809,490,597

Director _____

Director _____

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions, net	18	4,885,505,981	6,346,724,015	2,626,940,373	1,792,239,917
Trade and other payables	19	4,010,233,903	3,750,633,048	622,507,300	1,071,238,725
Current portion of long-term loans, net	20	296,061,150	265,829,356	-	-
Current portion of bonds, net	22	1,499,837,326	1,499,783,151	1,499,837,326	1,499,783,151
Accrued income tax		107,013,542	82,554,103	31,613,043	692,544
Other current liabilities	21	64,151,945	38,983,659	13,810,972	31,750,349
Total current liabilities		10,862,803,847	11,984,507,332	4,794,709,014	4,395,704,686
Non-current liabilities					
Long-term loans from financial institutions, net	20	370,606,423	536,498,473	-	-
Long-term loans from related parties	33	3,000,000	3,000,000	570,000,000	1,020,000,000
Bonds, net	22	3,295,757,210	2,795,945,218	3,295,757,210	2,795,945,218
Cylinder deposits	23	4,228,584,170	4,021,667,514	807,450,803	719,383,741
Employee benefit obligations	24	134,312,163	127,404,365	49,745,831	46,223,904
Deferred tax liabilities, net	16	415,735,584	387,770,287	110,492,068	111,054,248
Other non-current liabilities		12,891,596	17,430,295	2,534,069	7,904,597
Total non-current liabilities		8,460,887,146	7,889,716,152	4,835,979,981	4,700,511,708
Total liabilities		19,323,690,993	19,874,223,484	9,630,688,995	9,096,216,394

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	25				
Authorised share capital 918,931,500 ordinary shares with a par value of Baht 1 each		<u>918,931,500</u>	<u>918,931,500</u>	<u>918,931,500</u>	<u>918,931,500</u>
Issued and paid-up share capital					
918,931,500 ordinary shares, fully paid-up of Baht 1 each		918,931,500	918,931,500	918,931,500	918,931,500
Premium on share capital	25	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	27	162,088,663	162,088,663	162,088,663	162,088,663
Unappropriated		5,492,886,107	4,744,532,209	4,220,235,481	3,609,612,203
Other components of equity	32	<u>1,207,855,440</u>	<u>557,588,252</u>	<u>148,160,008</u>	<u>148,160,008</u>
Total parent's shareholders' equity		<u>9,656,243,539</u>	<u>8,257,622,453</u>	<u>7,323,897,481</u>	<u>6,713,274,203</u>
Non-controlling interests		<u>118,513,889</u>	<u>111,440,006</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>9,774,757,428</u>	<u>8,369,062,459</u>	<u>7,323,897,481</u>	<u>6,713,274,203</u>
Total liabilities and shareholders' equity		<u>29,098,448,421</u>	<u>28,243,285,943</u>	<u>16,954,586,476</u>	<u>15,809,490,597</u>

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Income
For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		57,581,629,069	61,177,299,810	10,668,739,460	12,275,495,223
Revenue from transportation		344,277,628	421,259,060	-	-
Revenue from services		156,103,697	160,255,667	126,773,763	169,714,083
Total revenue		58,082,010,394	61,758,814,537	10,795,513,223	12,445,209,306
Cost of sales and services		(54,805,627,892)	(60,589,171,462)	(10,125,741,658)	(11,665,898,520)
Cost of transportation		(239,819,851)	(335,268,456)	-	-
Total cost of sales, services and transportation		(55,045,447,743)	(60,924,439,918)	(10,125,741,658)	(11,665,898,520)
Gross profit		3,036,562,651	834,374,619	669,771,565	779,310,786
Dividends income		5,015,000	-	800,414,096	700,976,365
Other income	28	252,048,735	398,225,055	321,818,893	275,802,302
Profit before expenses		3,293,626,386	1,232,599,674	1,792,004,554	1,756,089,453
Selling expenses		(173,587,469)	(140,252,118)	(48,659,463)	(49,689,338)
Administrative expenses		(1,329,584,371)	(1,083,723,719)	(387,465,092)	(389,479,420)
Total expenses		(1,503,171,840)	(1,223,975,837)	(436,124,555)	(439,168,758)
Loss sharing from joint ventures	12	(12,648,042)	(7,272,789)	-	-
Profit before finance costs and income tax	29	1,777,806,504	1,351,048	1,355,879,999	1,316,920,695
Finance costs		(410,469,025)	(440,682,643)	(318,767,889)	(318,732,019)
Profit (loss) before income tax		1,367,337,479	(439,331,595)	1,037,112,110	998,188,676
Income tax	30	(224,997,777)	(97,999,653)	(58,918,132)	(54,741,973)
Net profit (loss) for the year		1,142,339,702	(537,331,248)	978,193,978	943,446,703
Profit (loss) attributable to:					
Owners of the parent		1,115,924,598	(514,303,832)	978,193,978	943,446,703
Non-controlling interests		26,415,104	(23,027,416)	-	-
Net profit (loss) for the year		1,142,339,702	(537,331,248)	978,193,978	943,446,703
Earnings per share for profit (loss) attributable to the equity holders of the parent	31				
Basic earnings (loss) per share (Baht)		1.21	(0.56)	1.06	1.03

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements

Siamgas and Petrochemicals Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2015

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Net profit (loss) for the year	1,142,339,702	(537,331,248)	978,193,978	943,446,703
Other comprehensive income (expenses):				
Items that will be reclassified subsequently to profit or loss				
- Currency translation difference	633,526,871	(329,901,394)	-	-
Items that will not be reclassified subsequently to profit or loss				
- Revaluation surplus on land	-	942,251,934	-	669,545,934
Less: Income tax relating to revaluation surplus on land	-	(188,450,387)	-	(133,909,187)
Total other comprehensive income	633,526,871	423,900,153	-	535,636,747
Total comprehensive income (expenses) for the year	1,775,866,573	(113,431,095)	978,193,978	1,479,083,450
Total comprehensive income (expenses) attributable to:				
Owners of the parent	1,766,191,786	(120,729,119)	978,193,978	1,479,083,450
Non-controlling interests	9,674,787	7,298,024	-	-
	1,775,866,573	(113,431,095)	978,193,978	1,479,083,450

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

	Consolidated						
	Attributable to equity holders of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total other components of equity Baht	Non- controlling interests Baht	Total equity Baht
			Legal reserve Baht	Unappropriated Baht	(Note 32)		
Opening balance 1 January 2015	918,931,500	1,874,481,829	162,088,663	4,744,532,209	557,588,252	111,440,006	8,369,062,459
Dividends paid (Note 26)	-	-	-	(367,570,700)	-	(2,600,904)	(370,171,604)
Total comprehensive income for the year	-	-	-	1,115,924,598	650,267,188	9,674,787	1,775,866,573
Closing balance 31 December 2015	918,931,500	1,874,481,829	162,088,663	5,492,886,107	1,207,855,440	118,513,889	9,774,757,428
Opening balance 1 January 2014	918,931,500	1,874,481,829	162,088,663	5,852,616,476	167,429,539	108,036,300	9,083,584,307
Dividends paid	-	-	-	(597,196,435)	-	(3,894,318)	(601,090,753)
Reversal of revaluation surplus on disposal of land	-	-	-	3,416,000	(3,416,000)	-	-
Total comprehensive income (expenses) for the year	-	-	-	(514,303,832)	393,574,713	7,298,024	(113,431,095)
Closing balance 31 December 2014	918,931,500	1,874,481,829	162,088,663	4,744,532,209	557,588,252	111,440,006	8,369,062,459

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

	Company				
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total other components of equity Baht (Note 32)
			Legal reserve Baht	Unappropriated Baht	Total equity Baht
Opening balance 1 January 2015	918,931,500	1,874,481,829	162,088,663	3,609,612,203	148,160,008
Dividends paid (Note 26)	-	-	-	(367,570,700)	-
Total comprehensive income for the year	-	-	-	978,193,978	-
Closing balance 31 December 2015	<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,220,235,481</u>	<u>148,160,008</u>
Opening balance 1 January 2014	918,931,500	1,874,481,829	162,088,663	3,259,945,935	(384,060,739)
Dividends paid	-	-	-	(597,196,435)	-
Reversal of revaluation surplus on disposal of land	-	-	-	3,416,000	(3,416,000)
Total comprehensive income for the year	-	-	-	943,446,703	535,636,747
Closing balance 31 December 2014	<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>3,609,612,203</u>	<u>148,160,008</u>

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Net profit (loss) before income tax		1,367,337,479	(439,331,595)	1,037,112,110	998,188,676
Adjustments to reconcile profit (loss) before income tax					
Depreciation expenses - buildings and equipment	13	992,329,143	1,027,977,993	95,716,632	101,732,716
Amortisation expenses - intangible assets and other assets		83,871,748	61,394,761	2,677,293	3,753,207
Gain on sales and write-offs of equipment, net		(33,383,105)	(37,656,838)	(37,186,536)	(32,781,643)
Gain on sales of investment property		-	(57,316,170)	-	-
Reversal of loss on land revaluation		-	(26,796,518)	-	(26,446,518)
Gain on changes in value of short-term investments	8	(5,128,738)	-	(5,128,738)	-
Loss sharing from investments in joint ventures	12	12,648,042	7,272,789	-	-
Reversal of allowance for doubtful debts		(549,640)	(5,071,826)	-	-
Provision for diminution in value of inventories (reversal)		(17,852,995)	73,445,035	-	-
Dividends income		(5,015,000)	-	(800,414,096)	(700,976,365)
Employee benefit expenses	24	12,677,368	11,748,941	4,499,417	4,076,931
Unrealised gain on exchange rates, net		(42,066,190)	(15,496,135)	(79,579,218)	(9,505,988)
Amortisation of front-end fee expenses		5,035,536	5,438,313	4,176,167	4,849,567
Impairment charge on investment in subsidiaries	12	-	-	11,000,000	47,700,000
Gain on investment return	12	-	-	(716,809)	-
Adjustment of net assets from business acquisition		-	(63,060,082)	-	(63,060,082)
Interest income	28	(26,452,066)	(31,603,749)	(84,615,805)	(75,784,527)
Finance costs		410,469,025	440,682,643	318,767,889	318,732,019
		2,753,920,607	951,627,562	466,308,306	570,477,993
Changes in operating assets and liabilities					
- Trade and other receivables		756,725,214	628,585,982	109,643,737	2,467,427,409
- Inventories		(764,553,123)	1,557,221,712	(27,585,539)	(24,885,137)
- Other current assets		(70,438,840)	151,773,293	5,915,257	19,661,787
- Other non-current assets		(53,488,162)	(58,226,470)	543,473	(14,941,842)
- Trade and other payables		286,719,466	465,428,781	(455,346,959)	(230,917,781)
- Other current liabilities		26,011,210	(30,831,473)	(17,939,377)	16,813,846
- Cylinder deposits		206,916,656	216,651,240	88,067,062	92,203,160
- Other non-current liabilities		(4,369,309)	(4,455,197)	(5,370,528)	(3,180,402)
- Employee benefits paid		(5,769,570)	(1,751,860)	(977,490)	(135,050)
Cash generated from operations		3,131,674,149	3,876,023,570	163,257,942	2,892,523,983
- Finance costs paid		(407,801,720)	(444,039,554)	(317,329,314)	(322,615,751)
- Income tax paid		(229,452,899)	(288,510,425)	(28,559,813)	(6,267,418)
Net cash received from (used in) operating activities		2,494,419,530	3,143,473,591	(182,631,185)	2,563,640,814

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchases of short-term investments, net		(50,000,000)	(252,387,112)	(50,000,000)	(252,387,112)
Proceeds from long-term loans from related parties	33	69,523,806	-	452,553,788	156,287,900
Payments for long-term loans to related parties	33	-	(4,500,000)	(1,437,505,226)	(40,525,000)
Payments for investment in subsidiaries	12	-	-	(10,349,912)	-
Proceed from investment in subsidiary	12	-	-	5,831,680	-
Payment for investment in joint venture		(62,949,661)	(8,335,785)	(62,949,659)	(8,335,785)
Purchases of property, plant and equipment		(846,130,165)	(661,108,902)	(204,539,679)	(356,915,269)
Advance payments for equipment		(123,940,723)	(22,256,877)	(121,040,423)	(21,435,775)
Proceeds from disposals of property, plant and equipment		300,793,296	136,096,638	282,508,148	50,943,984
Purchases of intangible assets		(1,430,152)	(1,554,357)	-	(1,451,140)
Interest received		31,530,918	24,295,236	182,335,652	7,132,873
Dividends received		5,015,000	-	800,414,096	700,976,365
Net cash received from (used in) investing activities		(677,587,681)	(789,751,159)	(162,741,535)	234,291,041
Cash flows from financing activities					
Proceeds from (payments for) short-term loans from financial institutions, net		(1,461,218,034)	(983,901,155)	834,700,456	(2,259,282,713)
Proceeds from long-term loans from financial institutions	20	129,997,882	22,293,948	-	-
Repayments for long-term loans from financial institutions	20	(304,964,768)	(286,722,029)	-	-
Proceeds from long-term loans from related parties	33	-	-	470,000,000	1,620,000,000
Repayments for long-term loans from related parties	33	-	-	(920,000,000)	(1,386,000,000)
Repayment for bond redemption	22	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)
Proceeds from issue of bonds, net	22	1,995,690,000	1,296,531,000	1,995,690,000	1,296,531,000
Payments for liabilities under finance lease agreements		-	(34,096,466)	-	-
Dividends paid	26	(370,171,604)	(601,090,772)	(367,570,700)	(597,196,435)
Net cash received from (used in) financing activities		(1,510,666,524)	(2,086,985,474)	512,819,756	(2,825,948,148)
Net increase (decrease) in cash and cash equivalents					
		306,165,325	266,736,958	167,447,036	(28,016,293)
Cash and cash equivalents at the beginning of the year		1,956,407,049	1,689,573,399	204,767,821	232,687,422
Exchange gain on cash and cash equivalents		7,578,080	96,692	157,728	96,692
Cash and cash equivalents at the end of the year	7	2,270,150,454	1,956,407,049	372,372,585	204,767,821
Non-cash items					
Payables for purchase of property, plant and equipment (included in other payables)		86,914,332	74,502,569	29,257,918	24,080,958

The notes to the consolidated and company financial statements from pages 12 to 75 are an integral part of these financial statements.

1 General information

Siamgas and Petrochemicals Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is 553, 30th Floor, The Palladium Building, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The Group has main business in trading liquefied petroleum gas (LPG) and petrochemical and transportation services by land and ship.

These consolidated and company financial statements were authorised by the Board of Directors on 24 February 2016.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, to the consolidated and company financial statements, are disclosed in Note 4.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (continued)

2.2 New financial reporting standards and revised financial reporting standards and interpretations

2.2.1 New financial reporting standards and revised accounting standards effective for the accounting periods beginning on or after 1 January 2015 that are relevant and have an impact on the Group's accounting policies and presentation of financial information are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. This revised standard has no significant impact to the Group.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The revision of this standard has no impact to the Group because the Group has recognised actuarial gains and losses in other comprehensive income and there is no past-service cost transaction.

TFRS 10 has a single definition of "control" and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

2 Accounting policies (continued)

2.2 Revised accounting standards and new financial reporting standards (continued)

2.2.1 New financial reporting standards and revised accounting standards effective for the accounting periods beginning on or after 1 January 2015 that are relevant and have an impact on the Group's accounting policies and presentation of financial information are as follows:
(continued)

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no significant impact to the Group, except for disclosures only.

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41(revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

2 Accounting policies (continued)

2.2 Revised accounting standards and new financial reporting standards (continued)

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (continued)

a) Financial reporting standards, which have a significant impact to the Group: (continued)

The Group's management has determined that the new/revised accounting standards and interpretations will not significantly impact the financial information being presented, except for TAS 36 (revised 2015), 'Impairment of assets' which will affect to disclosure in financial reporting as follow;

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2 Accounting policies (continued)

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures (continued)

2.3.1 Subsidiaries (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.3.2 Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (continued)

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures (continued)

2.3.4 Joint arrangements

The Group has applied TFRS 11 to all joint arrangements on 1 January 2015. Under TFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (continued)

2.4 Foreign currency translation (continued)

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within operating expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of petroleum and petrochemical products are determined by the weighted average method. Cost of oil product and other finished goods is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion, including selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

2 Accounting policies (continued)

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (a) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (b) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (c) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (d) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (continued)

2.9 Property, plant and equipment

Land is shown at fair value, based on valuations by external independent valuers every five years or when the fair value of a revalued asset differs materially from its carrying amount. All other plant and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property are credited to the revaluation reserve (included in fair value reserves) in shareholders' equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and charged against that reserve; all other decreases are charged to the statement of income.

Land is not depreciated. Depreciation is calculated on the straight line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Land improvement	5 - 10 years
Leasehold improvement	contract period
Buildings and infrastructure	5 - 32 years
Terminals, gas filling and service stations and gas storage tanks	3 - 50 years
Gas vessels	2.5 - 32 years
Gas cylinders	10 - 20 years
Machine, factory tools and equipment	5 - 32 years
Furniture, fixtures and office equipment	5 - 20 years
Vehicles	5 - 30 years
Dry-docking	2.5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gain or losses, net" in statement of income. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2 Accounting policies (continued)

2.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported as an intangible asset and included in interests in joint ventures respectively in the consolidated statement of financial position.

Recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.11 Intangible assets

2.11.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives between five to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 10 years.

2 Accounting policies (continued)

2.11 Intangible assets (continued)

2.11.2 Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship not over seven years.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases - where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where a Group Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2 Accounting policies (continued)

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (continued)

2.16 Employee benefits

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.17 Provisions

Provisions for legal claims and constructive obligation are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 Accounting policies (continued)

2.18 Cylinder deposits

Cylinder deposits are recorded as liabilities from customers and will be settled with each customer when customer return the cylinders together with related original receipt as evidence of the deposits to the Group.

2.19 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company in the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Transportation revenue is recognised in proportion to the lapsed time of the voyage, and services revenue are recognised when the services are rendered.

Revenue from rental is recognised on a straight-line basis over the lease term. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

2.21 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's board of directors who makes strategic decisions.

2 Accounting policies (continued)

2.23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.24 Financial instruments

Financial assets carried in the statement of financial position include cash and cash equivalents, short-term investments, trade and other receivables and short-term and long-term loans. Financial liabilities carried in the balance sheet include bank overdrafts and short-term loans from financial institutions, trade and other payables, long-term loans, bonds, other payables and cylinder deposits. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (the Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and borrowing. Management provides the principles for overall risk management to the operating currency. Entities in the Group use forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency of commercial transactions and borrowing. Foreign exchange risk arise from future commercial transactions that is not the currency of the Group's operation.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Interest rate risk

Interest rate risk arises from change in interest rates, which may have an impact on the Group's and Company's operations in the current reporting period and in future years. Liabilities which are affected from significant interest rate risk are as follows:

	Consolidated		Company		Interest rate per annum	
	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht	% p.a.	% p.a.
Long-term loans from commercial banks	347	-	-	-	4.40 – 4.45	-
	320	802	-	-	MLR-1, LIBOR 3M+4.25% LIBOR 1M+3.00%	MLR-1, MLR-1.5
Long-term loans from related parties	3	3	570	1,020	Fixed/ Savings deposits + 0.25	Fixed/ Savings deposits + 0.25

The Group sometimes borrows at fixed and floating rates and uses interest rate swaps as cash flow hedges of future interest payments because the Group assesses that the changes in interest rate will not significantly affect to the Group's operation.

3.1.3 Credit risk

The credit risk of the Group is export sales to primarily customers in overseas. However, the Group has no significant concentrations of credit risks for local sales. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an amount of committed credit facilities and also issue of bond in the financial market, the Group treasury aims at maintaining flexibility in funding by keeping committed credit facilities available for the operating and investing purpose of the Group in future.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception.

3 Financial risk management (continued)

3.2 Accounting for derivative financial instruments and hedging activities (continued)

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 35.

3.3 Fair value estimation

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, trade receivables from related parties and long-term loans. Financial liabilities carried in the statement of financial position include short-term loans from financial institutions, trade and other payables, trade payables to related parties, long-term loans, accrued corporate income tax, bonds and cylinder deposits.

The carrying amounts of the financial assets and financial liabilities approximate their fair values. Long-term loans from financial institutions, and long-term loans to/from related parties with interest charged at the floating rates, the carrying amount of such loans approximates the fair value. The terms to maturity of long-term loans from related parties with interest charged at the fixed rates, and cylinder deposits are uncertain, the Group cannot estimate a reliable repayment period, therefore the fair value cannot be reliably estimated.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2015, see note 13 for disclosure of land that are measured at fair value.

	Consolidated and Company			
	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Financial assets at fair value through profit or loss				
Short-term investments	308	-	-	308

The fair value of short-term investments are based on net asset value of individual mutual fund using quoted prices (unadjusted) in active markets for identical assets. The fair values are within level 1 of the fair value hierarchy.

There were no transfers between levels 1 and 2 during the year.

The Group disclosed fair values of bond and long-term loans from financial institutions which bear fixed interest rate as follows:

The book value and fair value of bonds and accrued interest expenses are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Bonds, net				
- Book Value	4,837	4,339	4,837	4,339
- Fair Value	4,910	4,405	4,910	4,405

The fair values of bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the bond rates at the date of the financial statements. The rates are interval from 3.52% - 3.61% (2014: 3.82 – 3.85%). The fair values are within level 2 of the fair value hierarchy.

The book value and fair value of long-term loans from financial institutions are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans from financial institutions, net				
- Book Value	347	-	-	-
- Fair Value	349	-	-	-

The fair values of long-term loans from financial institutions which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 3.52% - 4.11%. The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from financial institutions which bear floating interest rates approximate the carrying amounts.

4 Critical accounting estimates, assumptions and judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values of the Group's plant and equipment and intangible assets. The management reviews the calculations of depreciation and amortisation expenses where the estimated useful life and residual value differ from the previous estimation or there is written-off for technically obsolete or non-used assets by sales or abandon.

(b) Estimation of impairment of goodwill and investments in subsidiaries and joint ventures

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit in order to calculate present value. Significant estimates and assumptions used are growth rate and discount rate which reflect risk of the particular cash-generating unit (Note 14). Determination of the assumptions is necessary for the goodwill impairment testing.

The Group tests whether investment has suffered any impairment when indicators of impairment trigger. The recoverable amounts of cash-generating units have been determined based on the fair value net selling cost or value-in-use calculations as mentioned above. The determination is calculated based on the best available information.

(c) Retirement benefits

The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability.

Other key assumptions for retirement benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

(d) Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgements by the management, which includes the estimated collection losses on receivables, based on the Group's collection experience together with a review of the financial position of the debtors. The management reviews these estimates and assumptions on a regular basis.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company does not apply any financial ratios to monitor its capital. However, the Company has monitored its debt covenants as specified in the loan agreements and bond prospectus (Note 19, 20, and 22).

6 Segment information

Segment information is presented in respect of the Group operating segments which are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The operating segments are as follows:

Petroleum and
petrochemical products : Petroleum trading for household cooking, industry and transportation
businesses, and petrochemical trading
Transportation services : Transportation services by land and ship
Other segment : Cylinder manufacturing

	Consolidated				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
For the year ended 31 December 2015					
Sales and service income	78,179	2,371	168	(22,636)	58,082
Cost of goods sold and services	(75,487)	(1,878)	(144)	22,463	(55,046)
Operating profit	2,692	493	24	(173)	3,036
Other income	370	48	18	(179)	257
Net income before operating expenses	3,062	541	42	(352)	3,293
Unallocated expenses					(2,138)
Loss sharing from joint ventures					(13)
Net profit for the year					1,142

	Consolidated				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
For the year ended 31 December 2014					
Sales and service income	79,843	2,534	206	(20,824)	61,759
Cost of goods sold and services	(79,686)	(2,136)	(179)	21,077	(60,924)
Operating profit	157	398	27	253	835
Other income	479	34	70	(185)	398
Net income before operating expenses	636	432	97	68	1,233
Unallocated expenses					(1,763)
Loss sharing from joint ventures					(7)
Net loss for the year					(537)

For the year ended 31 December 2015 and 2014, the Group did not have any major customer who generates revenue more than 10% of total revenue.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

7 Cash and cash equivalents

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Cash on hand	8	8	2	2
Deposits held at call with banks	2,262	1,948	370	203
Cash and cash equivalents	2,270	1,956	372	205

The average interest rate on deposits held at call with banks was ranged between 0.05% - 3.25% per annum (2014: 0.01% - 3.25% per annum).

8 Short-term investments

Short-term investments comprise trading investments in units of mutual funds. The purpose of these investments is to invest short-term excess cash to achieve a competitive rate of return with low risk.

The movements of short-term investments can be analysed as follows:

For the year ended 31 December 2015	Consolidated Million baht	Company Million Baht
Opening amount	252	252
Additions	2,891	2,891
Redemptions	(2,840)	(2,840)
Gains on change in value of short-term investments	5	5
Closing amount	308	308

9 Trade and other receivables, net

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Trade receivables	2,678	3,499	345	444
Less Allowance for doubtful accounts	(62)	(62)	(5)	(5)
Trade receivables, net	2,616	3,437	340	439
Trade receivables from related parties (Note 33)	56	32	20	21
Prepayments	226	206	41	43
Advance payments	192	73	1	7
Other receivables	194	258	-	-
Accrued income	11	1	-	-
Other receivables from related parties (Note 33)	-	7	-	9
Trade and other receivables, net	3,295	4,014	402	519

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

9 Trade and other receivables, net (continued)

The age analysis of trade receivables is as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivables				
Current	2,165	3,191	248	297
Overdue				
- less than 3 months	379	186	51	96
- 3 months to 12 months	36	50	10	37
- more than 12 months	98	72	36	14
Total	2,678	3,499	345	444
<u>Less</u> Allowance for doubtful accounts	(62)	(62)	(5)	(5)
Trade receivable, net	2,616	3,437	340	439

The age analysis of trade receivables from related parties is as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivables from related parties				
Current	56	32	10	21
Overdue - less than 3 months	-	-	10	-
Trade receivables from related parties	56	32	20	21

10 Inventories, net

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Raw material	39	47	-	-
Work in progress	21	20	-	-
Finished goods				
- Petroleum products	3,305	2,643	153	122
- Petrochemical products	37	49	-	-
- Oil products	91	54	-	-
- Others	11	15	1	1
- Goods in transit	835	641	19	23
Supplies and other	103	151	-	-
Total	4,442	3,620	173	146
<u>Less</u> Allowance for diminution in value of inventories	(67)	(85)	-	-
Inventories, net	4,375	3,535	173	146

10 Inventories, net (continued)

The cost of inventories recognised as expense and included in ‘cost of sales’ amounted to Baht 49,850 million (2014: Baht 52,747 million) in the consolidated financial statements and amounted to Baht 9,653 million (2014: Baht 11,146 million) in the company financial statements.

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum products and crude oil at 1% and 1% of the total trading volume of petroleum products and crude oil in Thailand in each period, respectively (2014: 1% and 6%, respectively). As at 31 December 2015, the inventories included minimum mandatory reserve on petroleum products and crude oil amounting to Baht 223.29 million in the consolidated financial statements, and Baht 93.17 million in the company financial statements (31 December 2014: Baht 184.23 million in the consolidated financial statements, and Baht 81.94 million in the company financial statements), which were net of allowance for net realisable value.

After the statement of financial position date, the market price of petroleum and petrochemical products had continuously decreased as the global market condition. However, as at 31 December 2015, these inventories are stated at the lower of cost or net realisable value based on the market price on the statement of financial position date.

11 Other current assets

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
VAT refundable	151	173	-	-
Corporate income tax refundable	8	7	7	7
Deposits	15	6	-	-
Others	164	77	6	12
Other current assets	338	263	13	19

12 Investments in subsidiaries and joint ventures, net

12.1 Investments in subsidiaries, net

The movement in investments in subsidiaries are as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance - net	-	-	7,689	7,737
Acquisitions	-	-	10	-
Proceed of investment	-	-	(6)	-
Gains on investment return	-	-	1	-
Less Impairment charge	-	-	(11)	(48)
Closing balance - net	-	-	7,683	7,689

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

12 Investments in subsidiaries and joint ventures, net (continued)

12.1 Investments in subsidiaries, net (continued)

The principal subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2015	2014	
Direct Subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59%	99.59%	Petroleum and petrochemical products distribution
Lucky Carrier Company Limited	Thailand	99.99%	99.99%	Transportation and distribution
Siam Quality Steel Company Limited	Thailand	99.99%	99.99%	Manufacturing and distribution of LPG cylinders
Siam Ethanol Export Company Limited	Thailand	70.00%	70.00%	Manufacturing of ethanol products (ceased its operation)
Siam Lucky Marine Company Limited	Thailand	42.65%	42.65%	Transportation services
Siam Suksawat Company Limited	Thailand	100.00%	100.00%	Transportation and distribution
Siamgas Hongkong Company Limited	Hongkong	100.00%	100.00%	Holding business
Super Gas Company Limited ⁽¹⁾	Vietnam	100.00%	100.00%	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00%	95.00%	Petroleum products distribution
United Gas & Petrochemicals Sdn. Bhd. ⁽²⁾	Malaysia	100.00%	100.00%	Petroleum products distribution
Siam Gas Trading Pte. Ltd. ⁽⁴⁾	Singapore	100.00%	100.00%	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00%	70.00%	Petroleum products distribution
Citygas Company Limited ⁽¹⁾	Vietnam	-	100.00%	Petroleum products distribution
Siamgas Myanmar Consortium Pte. Ltd. ⁽³⁾	Singapore	80.00%	-	Holding business
Indirect Subsidiary (holding by Unique Gas and Petrochemicals Public Company Limited)				
Siam Lucky Marine Company Limited	Thailand	15.65%	15.65%	Transportation services

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

12 Investments in subsidiaries and interests in joint ventures, net (continued)

12.1 Investments in subsidiaries, net (continued)

The principal subsidiaries are as follows: (continued)

	Country of incorporation	% ownership interest		Type of business
		2015	2014	
Indirect Subsidiary (holding by Lucky Carrier Company Limited)				
Siam Lucky Marine Company Limited	Thailand	41.70%	41.70%	Transportation services
Indirect Subsidiaries (holding by Siamgas Hongkong Co., Ltd.)				
Sino Siam Gas and Petrochemical Co., Ltd.	The People’s Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Siam Ocean Gas and Energy Co., Ltd.	The People’s Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution

Details of investments in subsidiaries is as follows:

As at 31 December	Company			
	Paid-up Capital		Cost Method	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Unique Gas and Petrochemicals Public Company Limited	105	105	2,105	2,105
Lucky Carrier Company Limited	70	70	70	70
Siam Quality Steel Company Limited	70	70	70	70
Siam Ethanol Export Company Limited	400	400	280	280
Siam Lucky Marine Company Limited	422	422	180	180
Siam Suksawat Co., Ltd.	100	100	100	100
Siamgas Hongkong Co., Ltd.	4,088	4,088	4,088	4,088
Super Gas Co., Ltd. ⁽¹⁾	425	133	388	384
SingGas (LPG) Pte. Ltd.	336	336	427	427
United Gas & Petrochemicals Sdn. Bhd. ⁽²⁾	-	10	-	10
Siam Gas Trading Pte. Ltd. ⁽³⁾	12	2	12	2
MyGaz Sdn. Bhd.	121	121	84	84
Citygas Company Limited ⁽¹⁾	-	292	-	4
Siamgas Myanmar Consortium Pte. Ltd. ⁽⁴⁾	-	-	-	-
Total investment in subsidiaries			7,804	7,804
Less Impairment charge			(121)	(115)
Investment in subsidiaries, net			7,683	7,689

12 Investments in subsidiaries and interests in joint ventures, net (continued)

12.1 Investments in subsidiaries, net (continued)

Changes of investments in subsidiaries during the year are as follows:

- (1) On 19 October 2015, Super Gas Co., Ltd. (“SGV”) and Citygas Co., Ltd. (“CGV”), the Company’s subsidiaries in Vietnam, have been merged and continued their business operations under SGV. The objective of this merger is to strengthen the business operation in Vietnam. All CGV’s assets, liabilities, rights and obligations are transferred to SGV by virtue of the Civil and Commercial Code in the section of Amalgamation of Limited Companies in Vietnam.
- (2) In August 2013, the Company’s management had a resolution to approve the dissolution of United Gas & Petrochemicals Sdn. Bhd. (a subsidiary) in order to manage the business appropriately. The subsidiary has not started its operation and the dissolution does not have any impact on the Company’s business operation. The Company proceeded cash from return of investment amounting to Baht 6 million in 2015. The proceed exceed net book value at the date of investment return amounting to Baht 1 million. Therefore, the Company recognised the amount as gain on investment return in the current financial statements. As at 31 December 2015, the subsidiary is in liquidation process.
- (3) In December 2015, the Company invested in Siam Gas Trading Pte. Ltd., a subsidiary, amounting to SGD 0.40 million or Baht 10 million. The Company paid the subscription for 100% ownership interest.
- (4) On 18 November 2015, the Company established a new subsidiary, Siamgas Myanmar Consortium Pte. Ltd., registered in Singapore. The Company holds 80% of its share capital, totalling SGD 80 or Baht 2,041 (100 shares at SGD 1 per share).

In 2015, the Company recognised impairment loss on investment in Siam Ethanol Export Company Limited amounting to Baht 11 million or net tax Baht 9.8 million. As at 31 December 2015, the impairment charge balance of this investment was Baht 121 million because the ethanol business operation had not run as plan and stopped its operation. The impairment testing was determined based on the fair value net selling cost. The fair value is determined by Group’s management.

12.2 Investments in joint ventures

The movement in investments in joint ventures are as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	109	171	24	24
Addition	63	-	63	-
Loss sharing	(13)	(7)	-	-
Currency translation differences	(10)	(55)	-	-
Closing balance	149	109	87	24

12 Investments in subsidiaries and interests in joint ventures, net (continued)

12.2 Investments in joint ventures (continued)

The joint ventures are as follows:

	<u>Country of incorporation</u>	<u>% ownership interest</u>		<u>Type of business</u>
		<u>2015</u>	<u>2014</u>	
Direct Joint Ventures				
Citygas North Co., Ltd.*	Vietnam	79.64	79.64	Petrochemical products distribution
SG Gas Sdn. Bhd.*	Malaysia	29.99	29.99	Petrochemical products distribution
Siam Nathalin Co., Ltd.*	Thailand	50.00	50.00	Vessel transportation
Far East Petroleum Sdn. Bhd.*	Malaysia	70.00	-	Petroleum and petrochemical product distribution, warehousing and storage service

* The Group has ownership interest in investments in different percentage and classified as investments in joint ventures because shareholder agreements of joint ventures have determined the management structure including strategic financial decision and operation which has voting right from the shareholders or the representative of each parties.

Details of investments in joint ventures is as follow:

As at 31 December	Paid-up Capital (the Group's portion)		Consolidated Equity Method		Company Cost Method	
	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Citygas Noth Co., Ltd.	150	150	90	108	20	20
SG Gas Sdn. Bhd.	3	3	-	-	3	3
Siam Nathalin Co., Ltd.	1	1	1	1	1	1
Far East Petroleum Sdn. Bhd.	63	-	58	-	63	-
			149	109	87	24

On 7 November 2014, at the Board of Directors' meeting of the Company, a resolution was passed to approve the registration of Far East Petroleum Sdn. Bhd., a wholly owned subsidiary incorporated in Malaysia, with the registered capital amounting to Malaysian Ringgit 0.4 million. Its business is trading of petroleum products. Later on 24 February 2015, at the Board of Directors' meeting of the Company, it passed a resolution to increase Far East Petroleum Sdn. Bhd.'s registered capital to Malaysian Ringgit 10 million and change ownership interest to 70% in the joint venture. The dilution of interest is not significant impact to the Group because the joint venture has not commenced the operation in 2015. The registration was completed on 24 August 2015.

12 Investments in subsidiaries and interests in joint ventures, net (continued)

12.2 Investments in joint ventures (continued)

Key financial information as proportion of the Group's interest in Citygas North Co., Ltd., SG Gas Sdn. Bhd. and Far East Petroleum Sdn. Bhd. are as follows:

	Total assets Million Baht	Total liabilities Million Baht	Total revenue Million Baht	Net loss Million Baht	% ownership interest
For the year ended 31 December 2015					
Citygas North Co., Ltd.	278	188	338	(12)	79.64%
SG Gas Sdn. Bhd.	4	4	5	(1)	29.99%
Far East Petroleum Sdn. Bhd.	58	-	-	(1)	70.00%
	<u>340</u>	<u>192</u>	<u>343</u>	<u>(14)</u>	
For the year ended 31 December 2014					
Citygas North Co., Ltd.	344	235	363	(5)	79.64%
SG Gas Sdn. Bhd.	3	3	3	(2)	29.99%
	<u>347</u>	<u>238</u>	<u>366</u>	<u>(7)</u>	

As at 31 December 2015, Siam Nathalin Co., Ltd. and Far East Petroleum Sdn. Bhd. have not commenced their operations.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

13 Property, plant and equipment, net

	Consolidated									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
As at 1 January 2014										
Cost - Historical cost	2,136	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893	27,091
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,413	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893	27,368
Less Accumulated depreciation	-	(4,215)	(1,045)	(966)	(3,061)	(998)	(1,863)	(785)	-	(12,933)
Net book value	2,413	3,591	1,159	2,099	1,860	1,633	253	534	893	14,435
For the year ended 31 December 2014										
Opening net book value	2,413	3,591	1,159	2,099	1,860	1,633	253	534	893	14,435
Revaluation surplus on land	969	-	-	-	-	-	-	-	-	969
Additions	37	2	7	4	239	2	21	9	435	756
Transfer	-	27	44	101	-	1	241	31	(445)	-
Disposals, net	(18)	-	-	-	(1)	(2)	(1)	(3)	(1)	(26)
Currency translation differences	-	(1)	(2)	-	(9)	31	(5)	(1)	-	13
Depreciation charge	-	(214)	(75)	(283)	(196)	(185)	(36)	(38)	-	(1,027)
Closing net book value	3,401	3,405	1,133	1,921	1,893	1,480	473	532	882	15,120
As at 31 December 2014										
Cost - Historical cost	2,159	7,769	2,250	3,086	5,160	2,659	2,327	1,351	882	27,643
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,401	7,769	2,250	3,086	5,160	2,659	2,327	1,351	882	28,885
Less Accumulated depreciation	-	(4,364)	(1,117)	(1,165)	(3,267)	(1,179)	(1,854)	(819)	-	(13,765)
Net book value	3,401	3,405	1,133	1,921	1,893	1,480	473	532	882	15,120

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

13 Property, plant and equipment, net (continued)

	Consolidated									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
For the year ended 31 December 2015										
Opening net book value	3,401	3,405	1,133	1,921	1,893	1,480	473	532	882	15,120
Additions	6	18	20	11	206	2	20	15	560	858
Transfer	-	66	27	399	-	-	14	16	(522)	-
Disposals, net	-	(1)	(1)	(14)	(1)	-	(218)	(25)	(6)	(266)
Currency translation differences	-	194	1	310	(32)	45	9	-	(1)	526
Depreciation charge	-	(170)	(66)	(308)	(191)	(194)	(29)	(34)	-	(992)
Closing net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246
As at 31 December 2015										
Cost - Historical cost	2,165	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	28,372
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,407	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	29,614
Less Accumulated depreciation	-	(4,437)	(1,181)	(1,218)	(3,484)	(1,353)	(1,854)	(841)	-	(14,368)
Net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

13 Property, plant and equipment, net (continued)

	Company							
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
As at 1 January 2014								
Cost - Historical cost	1,748	202	622	724	26	94	779	4,195
- Revaluation	248	-	-	-	-	-	-	248
	1,996	202	622	724	26	94	779	4,443
<u>Less</u> Accumulated depreciation	-	(45)	(130)	(275)	(14)	(32)	-	(496)
Net book value	1,996	157	492	449	12	62	779	3,947
For the year ended 31 December 2014								
Opening net book value	1,996	157	492	449	12	62	779	3,947
Revaluation surplus on land	696	-	-	-	-	-	-	696
Additions	37	2	5	77	6	8	268	403
Transfer	-	22	11	-	237	-	(270)	-
Disposals, net	(16)	-	-	-	-	(1)	-	(17)
Depreciation charge	-	(7)	(18)	(58)	(11)	(6)	-	(100)
Closing net book value	2,713	174	490	468	244	63	777	4,929
As at 31 December 2014								
Cost - Historical cost	1,773	226	638	801	269	101	777	4,585
- Revaluation	940	-	-	-	-	-	-	940
	2,713	226	638	801	269	101	777	5,525
<u>Less</u> Accumulated depreciation	-	(52)	(148)	(333)	(25)	(38)	-	(596)
Net book value	2,713	174	490	468	244	63	777	4,929

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

13 Property, plant and equipment, net (continued)

	Company						
	Land	Buildings, infrastructure and land improvement	Terminals, gas filling and service stations and gas storage tanks	Gas cylinders	Furniture, fixtures and office equipment	Vehicles	Construction in progress
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Total Million Baht
For the year ended 31 December 2015							
Opening net book value	2,713	174	490	468	244	63	777
Additions	-	18	15	68	5	5	105
Transfer	-	66	8	-	8	-	(82)
Disposals, net	-	(1)	-	(1)	(217)	(24)	(2)
Depreciation charge	-	(9)	(17)	(53)	(12)	(4)	-
Closing net book value	2,713	248	496	482	28	40	798
As at 31 December 2015							
Cost - Historical cost	1,773	308	661	868	47	80	798
- Revaluation	940	-	-	-	-	-	-
	2,713	308	661	868	47	80	798
<u>Less</u> Accumulated depreciation	-	(60)	(165)	(386)	(19)	(40)	-
Net book value	2,713	248	496	482	28	40	798

13 Property, plant and equipment - net (continued)

Fair value of land

During 27 January 2014 to 18 February 2014, the Group engaged external, independent and qualified valuers to determine the fair value of the group's land. The Group's land was revalued by UK Valuations and Agency Co., Ltd.. The revaluation method is market comparison approach.

Land as at 31 December 2014 can be detailed as follows:

	1 January 2014 Million Baht	Increase valuation Million Baht	Disposal Million Baht	Addition Million Baht	Consolidated 31 December 2014 Million Baht
Land - historical cost	2,136	-	(14)	37	2,159
- valuation surplus	277	969	(4)	-	1,242
Total	2,413	969	(18)	37	3,401

	1 January 2014 Million Baht	Increase valuation Million Baht	Disposal Million Baht	Addition Million Baht	Company 31 December 2014 Million Baht
Land - historical cost	1,748	-	(12)	37	1,773
- valuation surplus	248	696	(4)	-	940
Total	1,996	696	(16)	37	2,713

During year 2014, the Group and the Company had recognised the fair value of land of Baht 969 million and Baht 696 million, respectively, and recognised the reversal of the loss on land revaluation previously recognised in profit or loss of Baht 27 million and Baht 26 million in the consolidated and company statements of income, respectively. In addition, the Group and the Company had also recognised the reversal of valuation surplus resulting from the disposal of related land during the period amounting to Baht 4 million in retained earnings.

Therefore, the Group and the Company had recognised the revaluation surplus net of deferred taxes of Baht 754 million and Baht 536 million in the consolidated and company statements of comprehensive income, respectively.

13 Property, plant and equipment - net (continued)

The table below analyses non financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Consolidated		
	Fair value measurements at 31 December 2015		
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht
Recurring fair value measurements			
Land	-	3,407	-
	Company		
	Fair value measurements at 31 December 2015		
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht
Recurring fair value measurements			
Land	-	2,713	-

There were no transfers between levels 1 and 2 during the year.

Level 2 fair values of land and retail units have been derived using the market comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square wah.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Valuation processes of the Group

The Group's finance department includes a team that performs the valuations of land required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held among the CFO, the valuation team and independent valuer at least five years a time.

As at 31 December 2015, certain of gas vessels of a subsidiary with net book value of Baht 1,460.57 million (2014: Baht 1,563.61) have been pledged as collateral for loans from local commercial banks (Note 20).

Borrowing costs of Baht 10.70 million (2014: Baht 10.17 million), arising from bonds issued to refinance the long-term loans for the construction of a new factory port and gas terminal at Suksawat, were capitalised during the year and are included in "Additions". A capitalisation rate of 5.13% (2014: 5.23%) was used, representing the average borrowing cost of bonds.

14 Goodwill

As at 31 December	Consolidated	
	2015	2014
	Million Baht	Million Baht
Goodwill	1,538	1,538

The Group's management considered the business of petroleum and petrochemical products located in each country as a cash generation unit ("CGU").

A segment-level summary of the goodwill allocation is presented below.

	Consolidated			
	2015 and 2014			
	Thailand	Vietnam	Singapore	Total
Goodwill allocation (Million Baht)	1,174	227	137	1,538

Impairment tests for goodwill

Goodwill arising from the acquisition of investment in the business of petroleum and petrochemical products in each country is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit which is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

	Thailand	Vietnam	Singapore
Growth rate	4.06%	4.00%	2.49%
Discount rate	8.54%	5.07%	9.32%

If the assumptions used in the calculation on impairment tests for goodwill change, the business growth rate decreased by 1.0% per annum or discount rate increased by 1.0% per annum, there is still no impairment of goodwill.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

15 Intangible assets, net

	Consolidated		
	2015		
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
As at 1 January			
Cost	283	85	368
<u>Less</u> Accumulated amortisation	(62)	(72)	(134)
Net book amount	221	13	234
For the year ended 31 December			
Opening net book amount	221	13	234
Currency translation differences	(14)	-	(14)
Additions	-	1	1
Amortisation charge	(36)	(4)	(40)
Closing net book amount	171	10	181
As at 31 December			
Cost	263	87	350
<u>Less</u> Accumulated amortisation	(92)	(77)	(169)
Net book amount	171	10	181
	Consolidated		
	2014		
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
As at 1 January			
Cost	283	80	363
<u>Less</u> Accumulated amortisation	(26)	(64)	(90)
Net book amount	257	16	273
For the year ended 31 December			
Opening net book amount	257	16	273
Currency translation differences	2	-	2
Additions	-	2	2
Amortisation charge	(38)	(5)	(43)
Closing net book amount	221	13	234
As at 31 December			
Cost	283	82	365
<u>Less</u> Accumulated amortisation	(62)	(69)	(131)
Net book amount	221	13	234

15 Intangible assets, net (continued)

	Company	
	2015	2014
	Computer software	Computer software
	Million Baht	Million Baht
As at 1 January		
Cost	14	13
<u>Less</u> Accumulated amortisation	(10)	(7)
Net book amount	<u>4</u>	<u>6</u>
For the year ended 31 December		
Opening net book amount	4	6
Additions	-	1
Amortisation charge	(2)	(3)
Closing net book amount	<u>2</u>	<u>4</u>
As at 31 December		
Cost	14	14
<u>Less</u> Accumulated amortisation	(12)	(10)
Net book amount	<u>2</u>	<u>4</u>

16 Deferred income taxes, net

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets	360	304	-	-
Deferred tax liabilities	(416)	(388)	(110)	(111)
Deferred tax assets (liabilities), net	<u>(56)</u>	<u>(84)</u>	<u>(110)</u>	<u>(111)</u>

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

16 Deferred income taxes, net (continued)

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	20	14	1	-
Deferred tax asset to be recovered after more than 12 months	479	461	89	87
	<u>499</u>	<u>475</u>	<u>90</u>	<u>87</u>
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	-	(4)	-	-
Deferred tax liability to be settled after more than 12 months	(555)	(555)	(200)	(198)
	<u>(555)</u>	<u>(559)</u>	<u>(200)</u>	<u>(198)</u>
Deferred tax assets (liabilities), net	<u>(56)</u>	<u>(84)</u>	<u>(110)</u>	<u>(111)</u>

The gross movement of the deferred income tax account is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
As at 1 January	(84)	21	(111)	71
(Charged)/credited to profit or loss (Note 30)	37	84	1	(48)
(Charged)/credited directly to other comprehensive income	(9)	(189)	-	(134)
As at 31 December	<u>(56)</u>	<u>(84)</u>	<u>(110)</u>	<u>(111)</u>

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

16 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2015 and 2014, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Consolidated					
	Charged/credited to			Charged/credited to		
	As at 1 January 2014 Million Baht	Profit and loss Million Baht	Comprehensive income Million Baht	As at 31 December 2014 Million Baht	Profit and loss Million Baht	Comprehensive income Million Baht
						As at 31 December 2015 Million Baht
Deferred tax assets						
Allowance for doubtful accounts	5	(1)	-	4	1	-
Allowance for diminution in value of inventories	-	7	-	7	5	-
Provision for impairment of fixed assets	94	(6)	-	88	1	-
Employee benefit obligation	18	7	-	25	1	-
Unrealised actuarial losses on employee benefits plan	5	(5)	-	-	-	-
Unrealised gain on sales of goods/assets within the group	51	(18)	-	33	17	-
Loss carried forwards	159	57	-	216	47	-
Difference from purchase of assets from a business combination under common control	52	-	-	52	-	-
Others	10	40	-	50	(48)	-
Deferred tax assets, gross	394	81	-	475	24	-
Deferred tax liabilities						
Differences on depreciation	(93)	(67)	-	(160)	31	-
Fair value adjustments from business acquisition	(216)	94	-	(122)	(22)	-
Valuation surplus on land	(62)	2	(189)	(249)	-	-
Currency translation difference	-	-	-	-	(23)	(9)
Others	(2)	(26)	-	(28)	27	-
Deferred tax liabilities, gross	(373)	3	(189)	(559)	13	(9)
Deferred tax assets (liabilities), net	21	84	(189)	(84)	37	(9)

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

16 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2015 and 2014, is as follows:

	Company					
	As at 1 January 2014 Million Baht	Charged/credited to		As at 31 December 2014 Million Baht	Charged/credited to	
		Profit and loss Million Baht	Comprehensive income Million Baht		Profit and loss Million Baht	Comprehensive income Million Baht
						As at 31 December 2015 Million Baht
Deferred tax assets						
Allowance for doubtful accounts	1	-	-	1	-	1
Provision for impairment from investment of subsidiaries	13	10	-	23	2	25
Employee benefit obligation	7	2	-	9	1	10
Loss carried forwards	53	(53)	-	-	-	-
Difference from a business combination under common control	52	-	-	52	-	52
Others	7	(5)	-	2	-	2
Deferred tax assets, gross	133	(46)	-	87	3	90
Deferred tax liabilities						
Differences on depreciation	(6)	(2)	-	(8)	(2)	(10)
Valuation surplus on land	(56)	-	(134)	(190)	-	(190)
Deferred tax liabilities, gross	(62)	(2)	(134)	(198)	(2)	(200)
Deferred tax assets (liabilities), net	71	(48)	(134)	(111)	1	(110)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 89 million (2014: Baht 111 million) in respect of losses amounting to Baht 779 million (2014: Baht 833 million) that can be carried forward against future taxable income.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

17 Other non-current assets

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Accrued interest income on loans to subsidiaries (Note 33)	7	4	168	256
Deposits at bank used as collateral	18	27	-	-
Deposits	28	38	8	23
Corporate income tax refundable	59	59	59	59
Advance payments for purchases of equipment	189	-	132	-
Deferred charge	22	9	-	-
Prepaid rental	542	540	59	55
Leasehold	88	92	-	-
Others	41	36	12	21
Other non-current assets	994	805	438	414

18 Short-term loans from financial institutions, net

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Short-term loans from financial institutions	4,886	6,347	2,627	1,792

As at 31 December 2015, the Group and the Company have short-term promissory notes and trust receipts from local commercial banks amounting to Baht 4,886 million and Baht 2,627 million, respectively, bear interest rates at the range of 0.99% - 3.30% per annum and 1.71% - 3.30% per annum, respectively (2014: amounting to Baht 6,347 million and Baht 1,792 million bear interest rates at the range of 0.88% - 3.35% per annum and 3.20% - 3.35% per annum, respectively).

19 Trade and other payables

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Trade payables	2,828	2,024	395	384
Trade payables to related parties (Note 33)	-	-	42	51
Other payables	281	249	49	56
Other payables to related parties (Note 33)	2	4	54	51
Advance received from customers	283	157	-	-
Accrued interest	54	51	57	56
Accrued expenses	562	439	26	26
Energy fund payable	-	827	-	447
Trade and other payables	4,010	3,751	623	1,071

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

20 Long-term loans from financial institutions, net

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Current portion of long-term loans, net				
Thai currency	101	194	-	-
US Dollar currency	196	73	-	-
<u>Less</u> Financing fee	(1)	(1)	-	-
	296	266	-	-
Long-term loans, net				
Thai currency	183	445	-	-
US Dollar currency	189	92	-	-
<u>Less</u> Financing fee	(1)	(1)	-	-
	371	536	-	-
Total long-term loans, net	667	802	-	-

The movement of long-term loans from financial institutions during the year can be analysed as follows:

For the year ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Opening balance	802	1,065	-	-
Additions	130	22	-	-
Repayments	(304)	(286)	-	-
Loss from exchange rate	7	-	-	-
Currency translation differences	32	1	-	-
Closing balance	667	802	-	-

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

20 Long-term loans from financial institutions, net (continued)

As at 31 December 2015 and 2014, a subsidiary has long-term loans from local commercial banks as follows:

Balance of loan, net (Million Baht)		Interest rate per annum	Repayment	Security
2015	2014			
10	30	MLR-1.00	Principal repayment of Baht 1.70 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by September 2016.	Vessel and also guaranteed by another subsidiary (Note 13)
12	30	MLR-1.00	The repayments of principal and interest totalling Baht 1.54 million are made on a monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by April 2017.	Vessels and also guaranteed by another subsidiary and Siamgas and Petrochemicals Public Company Limited (Note 13)
68	90	MLR-1.00	The repayments of principal and interest totalling Baht 2.20 million are made on a monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by January 2018.	
25	35	MLR-1.00	Principal repayment of Baht 0.85 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by June 2018.	
43 (USD 1.17 million)	23 (USD 0.70 million)	LIBOR 3M+4.25%	Principal repayment of USD 0.28 million are made on quarterly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2017.	
86 (USD 2.38 million)	141 (USD 4.28 million)	LIBOR 3M+4.25%	Principal repayment of USD 0.47 million (2014: Baht 15.67 million) are made on quarterly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2017.	Vessels and also guaranteed by another subsidiary and Siamgas and Petrochemicals Public Company Limited (Note 13)
179 (USD 4.95 million)	207 -	4.45%	Principal repayment of USD 0.12 million (2014: Baht 3.85 million) are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by June 2019.	
161	200	4.40%	Principal repayment of Baht 3.23 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2020	
7	46	4.40%	Principal repayment of Baht 3.32 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2016	
76 (USD 2.10 million)	- -	LIBOR 1M+3.00%	Principal repayment of USD 0.08 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by September 2018.	
Total	667	802		

During the year 2015, the Group amended its long-term loan agreement of Baht 205.43 million with interest rate of MLR-1.50% per annum to long-term loan agreement of USD 6.25 million with fixed interest rate of 4.45 % per annum.

20 Long-term loans from financial institutions, net (continued)

Under the terms and conditions as specified in the loan agreements, the subsidiary is not permitted to use pledged assets as collateral for other obligations without prior formal approval from the banks. The subsidiary has to comply with the conditions, including certain debt covenants as specified in the agreement.

The interest rate risk of long term loans of the Group are shown below:

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Long-term loans, net				
- at fixed rates	347	-	-	-
- at floating rates	320	802	-	-
Total long-term loans, net	667	802	-	-

As at 31 December 2015, the weighted average effective interest rate of the long-term loans of the Group was approximately 4.55% per annum (2014: 4.98% per annum).

Maturity of long-term loans is as follows:

As at 31 December	Consolidated	
	2015 Million Baht	2014 Million Baht
Within 1 year	296	266
Later than 1 year but not later than 5 years	371	536
Total long-term loans, net	667	802

Credit facilities

As at 31 December 2015, the Group has available unused credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, and forward contract, of Baht 18,969 million (2014: Baht 20,473 million).

21 Other current liabilities

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Tax payables	23	-	11	29
Withholding tax payable	4	4	-	-
Others	37	35	3	3
Other current liabilities	64	39	14	32

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

22 Bonds, net

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Current portion of long-term bonds, net				
Thai Baht	1,500	1,500	1,500	1,500
Long-term bonds, net				
Thai Baht	3,300	2,800	3,300	2,800
<u>Less</u> Deferred financing fees	(4)	(4)	(4)	(4)
	3,296	2,796	3,296	2,796
Total bonds, net	4,796	4,296	4,796	4,296

The movements of bonds can be analysed as follows:

For the year ended 31 December 2015	Consolidated Million baht	Company Million Baht
Opening balance, net	4,296	4,296
Repayment	(1,500)	(1,500)
Issue of bond	2,000	2,000
Financing fee on issue of bond	(4)	(4)
Amortised financing fees	4	4
Closing balance, net	4,796	4,796

During the period from 26 to 29 January 2015, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. The total value of debenture bond is Baht 2,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

The bonds are rated at BBB (Stable) by TRIS. The details of the bond are as follows:

Type of bond	Fixed interest rate
3 - years bond	4.70% per annum

The Company has successfully issued the bond of Baht 2,000 million to refinance the bond of Baht 1,500 million that was due in February 2015. Under the rights and responsibility of the issuer and the holders of bond, the Company has to comply with the conditions, including certain financial covenants.

Maturity of bonds is as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	1,500	1,500	1,500	1,500
Later than 1 year but not later than 5 years	3,296	2,796	3,296	2,796
Total bonds, net	4,796	4,296	4,796	4,296

23 Cylinder deposits

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Cylinder deposits	4,229	4,022	807	719

The Company has obligation for cylinder deposits which was transferred from the business acquisition of Siam Gas Industries Co., Ltd. on 27 April 2005 at net book value. The obligation will arise when customers return the cylinder together with original receipt in exchange for the deposit. Net book value of cylinder deposits of Baht 133 million was the remaining balance after being amortised over the useful life of cylinders until the date of the acquisition. If the Company had recognised the deposits at gross amount before amortisation, the Company may have additional cylinder deposits liabilities. However, the Company and management determine that the rate of deposits refund is very low based on the last five-year information (Note 34). The significant refund of deposits will occur when gas business operations significantly decline.

24 Employee benefit obligations

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Present value of obligations	134	127	50	46
Liability in the statement of financial position	134	127	50	46

Movements in employee benefit obligations are as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	127	117	46	42
Current service costs	9	8	3	3
Interest costs	4	3	2	1
Benefit paid	(6)	(1)	(1)	-
Closing balance	134	127	50	46

24 Employee benefit obligations (continued)

Costs of employee benefits recognised in the statement of income are as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	9	8	3	3
Interest costs	4	3	2	1
Total	13	11	5	4

The amounts recognised in cost of sales and services and administrative expenses are as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Cost of sales and services	4	4	-	-
Administrative expenses	9	7	5	4
Total	13	11	5	4

The principal actuarial assumptions used were as follows:

	2015	2014
Discount rate	4.2%	4.2%
Inflation rate	3.0%	3.0%
Salary increase rate	5%-7%	5% - 7%
Pre-retirement mortality rate	0.08%-1.03%	0.08% - 1.03%

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 8.74%	Increase by 10.07%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not significantly change compared to the previous period.

25 Share capital

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2014	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2014	919	919	1,875	2,794
Reduction of ordinary shares	-	-	-	-
As at 31 December 2015	919	919	1,875	2,794

As at 31 December 2015, total authorised number of shares was 919 million shares with a par value of Baht 1 per share (2014: 919 million shares with a par value of Baht 1 per share). All 919 million shares were issued and fully paid-up with the share premium of Baht 1,875 million.

26 Dividends paid

The Company

On 7 August 2015, at the Board of Directors' meeting of the Company, it passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2015 at Baht 0.20 per share, for 919 million shares, totalling Baht 183.79 million. The Company paid the dividends on 3 September 2015.

On 20 April 2015, at the Annual General Shareholders' meeting of the Company, it passed a resolution to approve dividend payment from retained earnings and the operating results for the year ended 31 December 2014 at Baht 0.35 per share, for 919 million shares, totalling Baht 321.63 million, inclusive of interim dividends at Baht 0.15 per share, totalling Baht 137.84 million. The Company had already paid interim dividend on 4 September 2014. The remaining dividends of Baht 183.79 million had already been paid to the shareholders on 14 May 2015.

The Subsidiaries

On 21 December 2015, at the Board of Directors' meeting of Lucky Carrier Company Limited, it passed a resolution to approve the payment of interim dividends from retained earnings at Baht 7 per share, for 7 million shares, totalling Baht 49 million. The Company paid the dividends on 28 December 2015.

On 7 August 2015, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, it passed a resolution to approve the payment of interim dividends from retained earnings and operating results for the six-month period ended 30 June 2015 at Baht 30 per share, for 10.5 million shares, totalling Baht 315 million. The Company paid the dividends on 1 September 2015.

On 14 August 2015, at the Board of Directors' meeting of Lucky Carrier Company Limited, it passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2015 at Baht 7 per share, for 7 million shares, totalling Baht 49 million. The Company paid the dividends on 1 September 2015.

26 Dividends paid (continued)

The Subsidiaries (continued)

On 17 April 2015, at the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited, it passed a resolution to approve dividend payment from retained earnings and the operating results for the year ended 31 December 2014 at Baht 60 per share, for 10.5 million shares, totalling Baht 630 million, inclusive of interim dividends at Baht 30 per share, totalling Baht 315 million. The Company had already paid interim dividend on 3 September 2014. The remaining dividends of Baht 315 million had already been paid to the shareholders on 30 April 2015.

On 17 April 2015, at the Annual General Shareholders' meeting of Lucky Carrier Company Limited, it passed a resolution to approve dividend payment from retained earnings and the operating results for the year ended 31 December 2014 at Baht 13 per share, for 7 million shares, totalling Baht 91 million, inclusive of interim dividends at Baht 3 per share, totalling Baht 21 million. The Company had already paid interim dividend on 14 August 2014. The remaining dividends of Baht 70 million had already been paid to the shareholders on 20 April 2015.

27 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary companies in Thailand are required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital, such reserve is not available for dividend distribution until the company is finally wound up.

28 Other income

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Rental income	22	39	22	38
Interest income	26	32	85	76
Gain on disposals of property, plant and equipment and investment property	41	100	43	33
Gain on exchange rates	-	32	118	44
Others	163	195	54	85
Other income	252	398	322	276

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

29 Expenses by nature

For the year ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Depreciation and amortisation expenses	1,076	1,089	98	105
Staff costs	1,200	1,185	292	279
Directors' and key management's remuneration	58	57	33	32
Impairment charge on investment in subsidiaries	-	-	11	48
Loss on exchange rates	174	-	-	-

30 Income tax

For the year ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Current tax	262	182	60	7
Deferred tax (Note 16)	(37)	(84)	(1)	48
Total tax expense	225	98	59	55

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

For the year ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Profit (loss) before tax	1,367	(439)	1,037	998
Tax calculated at a tax rate of 10% - 25% (2014: 10% - 25%)	470	25	207	200
Tax effect of:				
Income not subject to tax	(200)	(157)	(159)	(140)
Expenses not deductible for tax purpose	43	11	11	12
Utilisation of previously unrecognised tax losses	(51)	(19)	-	(18)
Tax losses for which no deferred income tax asset was recognised	23	262	-	-
Others	(60)	(24)	-	1
Tax charge	225	98	59	55

31 Earnings (loss) per share

Basic earnings (loss) per share attributable to equity holders of the parent is calculated by dividing the net profit (loss) for the period attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the period.

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
Net profit (loss) for the period attributable to the parent company (Million Baht)	1,116	(514)	978	943
Weighted average number of ordinary shares after deduction of treasury stock (Million Shares)	919	919	919	919
Basic earnings (loss) per share (Baht/Share)	1.21	(0.56)	1.06	1.03

There are no potential dilutive ordinary shares in issue during the year.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

32 Other components of shareholders' equity

	Consolidated				
	Revaluation surplus on land Million Baht	Difference from purchase of assets from a business combination under common control Million Baht	Difference from taking equity of a business combination under common control Million Baht	Currency translation differences Million Baht	Total other component of shareholders' equity Million Baht
Opening balance - 1 January 2015	969	(609)	22	176	558
Total comprehensive income for the year	-	-	-	650	650
Closing balance - 31 December 2015	<u>969</u>	<u>(609)</u>	<u>22</u>	<u>826</u>	<u>1,208</u>
Opening balance - 1 January 2014	248	(609)	22	506	167
Reversal of revaluation surplus on disposal of land	(3)	-	-	-	(3)
Total comprehensive income (expense) for the year	724	-	-	(330)	394
Closing balance - 31 December 2014	<u>969</u>	<u>(609)</u>	<u>22</u>	<u>176</u>	<u>558</u>

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2015

32 Other components of shareholders' equity (continued)

			Company
	Revaluation surplus on land Million Baht	Difference from purchase of assets from a business combination under common control Million Baht	Total other Component of shareholders' equity Million Baht
Opening balance - 1 January 2015	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2015	<u>757</u>	<u>(609)</u>	<u>148</u>
Opening balance - 1 January 2014	225	(609)	(384)
Reversal of revaluation surplus on disposal of land	(3)	-	(3)
Total comprehensive income for the year	535	-	535
Closing balance - 31 December 2014	<u>757</u>	<u>(609)</u>	<u>148</u>

33 Related party transactions

As at 31 December 2015, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 61.25% of the Company's share capital.

Details of subsidiaries and joint ventures are presented in Note 12.

The significant related party transactions are as follows:

i) Outstanding balances arising from sales and purchases of goods/services

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Trade accounts receivable				
Subsidiaries	-	-	19	20
Joint ventures	52	29	-	-
Other related parties - the same shareholders and directors	4	3	1	1
Total	56	32	20	21
Other receivables				
Subsidiaries	-	-	-	2
Joint ventures	-	7	-	7
Total	-	7	-	9
Cylinder deposits				
Subsidiaries	-	-	2	2
Deposits for building				
Other related parties - the same shareholders and directors	9	9	3	3
Prepayment for building				
Other related parties - the same shareholders and directors	121	170	49	69
Trade accounts payable				
Subsidiaries	-	-	42	51
Other payables				
Subsidiaries	-	-	53	50
Other related parties - the same shareholders and directors	2	4	1	1
Total	2	4	54	51

33 Related party transactions (continued)

The significant related party transactions are as follows: (continued)

ii) Loans from/to related parties

Long-term loans to related parties

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans to related parties				
Subsidiaries	-	-	2,628	1,499
Joint ventures	44	110	44	110
Total	44	110	2,672	1,609
Accrued interest income				
Subsidiaries	-	-	161	252
Joint ventures	7	4	7	4
Total	7	4	168	256

The movement of long-term loans to related parties can be analysed as follows:

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	110	36	1,609	1,652
Additions	-	5	1,438	41
Adjustment for net assets from business acquisition	-	63	-	63
Proceeds	(76)	-	(453)	(156)
Unrealised gain on exchange rates	10	6	78	9
Closing balance	44	110	2,672	1,609

As at 31 December 2015, the details of long-term loans to subsidiaries and joint ventures are as follows:

- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 376.47 million (2014: Baht 376.47 million). The loan is due for repayment in 2024.
- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 36.00 million (2014: Baht 50.00 million). The loan is due for repayment in 2024.
- Interest rate of average MLR rate for three Thai commercial banks plus 0.50% per annum (2014: 0.50% per annum) is charged for a loan of Baht 371.54 million (2014: Baht 370.00 million). The loan is due when the subsidiary has sufficient working capital.

33 Related party transactions (continued)

The significant related party transactions are as follows: (continued)

ii) Loans from/to related parties (continued)

Long-term loans to related parties (continued)

- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 35.92 million or USD 1.00 million (2014: Baht 32.81 million or USD 1.00 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.75% per annum) is charged for a loan of Baht 512.75 million or USD 14.27 million (2014: Baht 669.61 million or USD 20.41 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 39.29 million or USD 1.09 million (2014: Baht 35.89 million or USD 3.22 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.75% per annum) is charged for loans of Baht 4.50 million (2014: Baht 4.50 million). The loan is due for repayment in 2020.
- No borrowing (2014: Interest rate of 5.50% per annum was charged for loans of Baht 69.81 million or USD 2.13 million).
- Interest rate of 2.21% per annum is charged for a loan of Baht 1,295.03 million or USD 36.05 million (2014: nil). The loan is due for repayment in 2020.

Long-term loans from related parties

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans from related parties				
Subsidiaries	-	-	570	1,020
Other related parties - the same shareholders and directors	3	3	-	-
Total	3	3	570	1,020
Accrued interest expenses				
Subsidiaries	-	-	4	6

33 Related party transactions (continued)

The significant related party transactions are as follows: (continued)

ii) Loans from/to related parties (continued)

Long-term loans from related parties (continued)

The movement of long-term loans from related parties can be analysed as follows:

For the year ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Opening balance	3	3	1,020	786
Additions	-	-	470	1,620
Repayments	-	-	(920)	(1,386)
Closing balance	3	3	570	1,020

As at 31 December 2015, the details of long-term loans from 2 subsidiaries are as follows:

- Interest rate of average saving deposit interest rate of four Thai commercial banks plus 0.50% per annum (2014: plus 0.50% per annum) is charged for a loan of Baht 500 million (2014: Baht 950 million). The loan is due for payment in 2020.
- Interest rate of 1.75% per annum (2014: 1.75% per annum) is charged for a loan of Baht 70 million (2014: Baht 70 million). The loan is due for payment in 2024.

As at 31 December 2015, the Group has loan from director of Baht 3 million with no interest. The loan is due when the subsidiary has sufficient working capital.

33 Related party transactions (continued)

The significant related party transactions are as follows: (continued)

iii) Revenues from sales of goods and services, interest income and other income

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of gas				
Subsidiaries	-	-	501	1,558
Joint ventures	324	360	-	-
Other related parties - the same shareholders and directors	14	12	7	6
Total	338	372	508	1,564
Wharfing service income				
Subsidiaries	-	-	39	43
Other income				
Subsidiaries	-	-	62	66
Dividend income				
Subsidiaries	-	-	795	701
Interest income				
Subsidiaries	-	-	78	65
Joint ventures	6	7	6	7
Total	6	7	84	72

33 Related party transactions (continued)

The significant related party transactions are as follows: (continued)

iv) Purchases of goods and services and interest expenses

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Purchase of goods				
Subsidiaries	-	-	3	3
Purchase of property and equipment				
Subsidiaries	-	-	58	67
Transportation expenses				
Subsidiaries	-	-	221	294
Wharfing expenses				
Subsidiaries	-	-	14	18
Rental expenses				
Subsidiaries				
Other related parties - the same shareholders and directors	-	-	3	2
	32	29	12	11
Total	32	29	15	13
Interest expenses				
Subsidiaries	-	-	14	17
Other expenses				
Subsidiaries	-	-	8	5
Other related parties - the same shareholders and directors	34	40	15	18
Total	34	40	23	23

v) Directors' and key management remunerations

For the year ended 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	57	56	33	32
Post-employment benefits	1	1	-	-
Total	58	57	33	32

34 Commitments and contingent liabilities

a) Contingent liabilities

On 19 June 2011, the Revenue Department issued a notice of value added tax underpayment, including penalty and surcharge, for the period from October to December 2010 totalling Baht 8.85 million to a subsidiary. The assessment was issued because the subsidiary did not pay value added tax on transportation service income arising from time charter party contracts. The Revenue Department deemed that this service is classified as property rental, not transportation which is exempt from value added tax.

On 19 July 2011, the subsidiary appealed the assessment to the Administrative Appeal Committee of the Revenue Department. On 18 November 2014, the Administrative Appeal Committee issued a judgement agreeing with the Revenue Department's assessment. The subsidiary paid the value added tax assessment including penalty and surcharge in March 2015 in accordance with the Administrative Appeal Committee's assessment. However, this payment did not mean that the subsidiary accepted the assessment.

On 26 March 2015, the Group's management considered and disagreed that the assessment of the Revenue Department and the judgement of the Administrative Appeal Committee and filed a petition to the Central Tax Court to withdraw the judgment. The Group's management believes that transportation service income arising from time charter party contracts is the international vessel transportation service, which is subjected to 0% value added tax according to Section 80/1 of the Revenue Code. The Group's management has preliminarily assessed that the outcome will be favourable to the Group. Therefore, the Group did not recognise the expense and contingent liability relating to the value added tax, penalty and surcharge on service income arising from time charter party contracts from 2011 to date. As at 31 December 2015, this case is in the consideration of litigation at the Central Tax Court.

b) Letter of guarantee

As at 31 December 2015 and 2014, the Group and the Company have bank guarantees issued on its behalf as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Letter of guarantee	2,291	2,103	867	856
Letter of credit	2,162	1,048	36	-

The Group has available credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract. Credit facilities are secured by the subsidiaries and personal guarantees by the Company's directors.

34 Commitments and contingent liabilities (continued)

c) Operating lease commitments

The Group and the Company have commitments from long-term land, building and equipment lease agreements as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	106	98	19	15
During 2 - 5 years	325	316	78	53
Later than 5 years	1,304	1,391	105	71
Total	1,735	1,805	202	139

d) Capital commitments

The Group and the Company have capital commitments at the statements of financial position date but not recognised in the financial statements as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Property, plant and equipment	511	604	498	604

e) Relation to contingent liabilities from cylinder deposits

During the year 2004, the Company had entered into the Asset Purchase agreement with Siam Gas Industries Co., Ltd. On 27 April 2005, the Company has entered into cylinder deposit repayment agreement with Siam Gas Industries Co., Ltd. According to the agreement, Siam Gas Industries Co., Ltd. agrees to pay cylinder deposits to customer who has deposit receipts prior to the date of the Asset Sales and Purchase agreement, if aggregated refunds to customers are in excess of the amount specified in the Asset Sales and Purchase agreement. However, Siam Gas Industries Co., Ltd. has currently ceased the operation, and please see Note 23 in relation to contingent liabilities from cylinder deposits.

35 Financial instruments

Forward foreign exchange contracts

The Group's policy is to enter into forward foreign exchange contracts to reduce exposure on some part of sales, purchases and future purchases denominated in foreign currencies. As at 31 December 2015, the Group has outstanding forward foreign exchange contracts with banks for buying USD 6.63 million at average exchange rate of 22,584 Vietnam Dong per 1 USD. The contracts will be settled within 2016.

Interest rate and cross currency swap contracts

The interest rate and cross currency swap contracts are entered to manage the exposure on fluctuation in interest rates and foreign currency exchange rate on specific transaction. The Group has the interest rate and cross currency swap contracts with banks as at 31 December 2015 as follows:

Long-term loans of Baht 161.54 million bearing interest rate at 4.62% per annum are converted to long-term loans of USD 4.91 million bearing fixed interest rate at 4.40% per annum. This contract is effective for a period from 8 January 2015 to 28 February 2020.

Long-term loans of Baht 6.67 million bearing interest rate at 4.62% per annum are converted to long-term loans of USD 0.20 million bearing fixed interest rate at 4.40% per annum. This contract is effective for a period from 8 January 2015 to 29 February 2016.

Interests at LIBOR+3.00% per annum of long-term loans of USD 4.95 million are converted to fixed interests at 4.45% per annum. This contract is effective for a period from 18 February 2015 to 28 June 2019.

Fair value

The fair values of the financial instruments that the Group has not recognised in the statements of financial position are as follows:

As at 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Forward foreign exchange contracts - assets	10	1	-	-
Interest rate and cross currency swap contracts - liabilities	(19)	-	-	-

The fair values of forward foreign exchange contracts and interest rate and cross currency swap contracts were calculated using the rates quoted by the Group's bankers which were based on market conditions existing at the statement of financial position date, and are within level 2 of the fair value hierarchy.

36 Events after the reporting date

a) Dividend payment

The Company

On 24 February 2016, at the Board of Directors' meeting of the Company, it passed a resolution to propose the payment of dividend for the year 2015 amounting to Baht 0.50 per share, totalling Baht 459.47 million, inclusive of interim dividends for the first six months of 2015. The Company had already paid interim dividend for the operating result for the six-months period of the year 2015 amounting to Baht 0.20 per share, totalling Baht 183.79 million on 3 September 2015. The Board of Directors will propose the shareholders at their meeting to get an approval for dividend payment.

Subsidiary

On 24 February 2016, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, it passed a resolution to propose dividend payment for the year 2015 in an amount of Baht 55 per share, totalling Baht 577.50 million, inclusive of interim dividends from retained earnings and the operating results for the first six-months of 2015. The Board of Directors will propose to the shareholders at their meeting to get an approval for dividend. The Company had already paid interim dividend amounting to Baht 30 per share, totalling Baht 315 million on 1 September 2015. The remaining dividend of Baht 262.50 million will be paid in May 2016.

b) Issuance of bond

During the period from 28 January to 2 February 2016, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. Total value of debenture bond is Baht 3,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

The bonds are rated at BBB (Stable) by TRIS. The details of the bond are as follows:

Type of bond	Interest rate
3 - years bond	4.30% per annum

The Company has successfully issued the bond of Baht 3,000 million and already used the proceeds from the bond to repay another bond of Baht 1,500 million due in February 2016. Under the rights and responsibility of the issuer and the holders of bond, the Company has to comply with the conditions, including certain financial covenants.

36 Events after the reporting date (continued)

c) Borrowings from financial institution for vessel acquisition

On 15 February 2016, a subsidiary has entered into long-term loan contracts with a local commercial bank to acquire a vessel and for its dry-docking as details below;

- Long-term loan of Baht 95.00 million with annual interest rate at 3.00% per annum, the repayment of principle is Baht 1.66 million a month and the total repayment is due within 5 years and 2 months from the first installment.
- Long-term loan of Baht 220.00 million with annual interest rate at 3.00% per annum, the repayment of principle is Baht 6.11 million a month and the total repayment is due within 3 years and 2 months from the first installment.

The subsidiary has used its vessel as collateral. In addition, the loans are also guaranteed by Siamgas and Petrochemicals Public Company Limited., and another two subsidiaries.

d) Increase of subsidiary's share capital

On 24 February 2016, at the Board of Directors' meeting of the Company, it passed a resolution to approve the increase of share capital of a subsidiary to entitle to the privileges of the Board of Investment. The capital increase is of Baht 25 million with 2.50 million shares at par value of Baht 10 each. The Company still maintains 100% ownership interest in the subsidiary.