

**SIAMGAS AND PETROCHEMICALS PUBLIC  
COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

# **Independent Auditor's Report**

To the shareholders of Siamgas and Petrochemicals Public Company Limited

## **My opinion**

In my opinion, the consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## **What I have audited**

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

## **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

## Key audit matter

## How my audit addressed the key audit matter

### 1) Impairment of investment in subsidiary

As discussed in Note 12 to the separate financial statements, the Company recorded an impairment charge of Baht 121 million against its investment at cost of Baht 280 million in Siam Ethanol Export Co., Ltd. (a subsidiary) as at 31 December 2016. This is because the operating results of ethanol business did not meet its original plan and the subsidiary ceased operation in 2012. The impairment affected to the separate financial statements only but it did not affect to the consolidated financial statements because the recoverable amount exceed the net assets of this entity in the consolidated financial statements.

In management's assessment of the impairment testing, the recoverable amount of investment in the subsidiary is based on the fair value less costs to sell of net assets. Management employed a qualified external valuer to appraise the fair values of assets in the subsidiary in 2015. The major assets of this subsidiary are property, plant and equipment. The fair values of property were determined based on the market value method, and the fair values of plant and equipment were determined based on the replacement cost method.

To test the impairment of investment in 2016, management:

- reviewed assumptions used in the previous valuation report to assess whether there were any significant events which might affect the assumptions used to determine the fair value in the current year,
- adjusted current assumptions, including useful lives of assets and replacement cost, based on available industry information, etc., and
- re-calculated the current fair value of assets and compared this against their net book value.

As a result of management's testing, an impairment charge of Baht 121 million was recorded in the separate financial statements.

I focused on this area due to the significance of the carrying value of the investment in subsidiary being assessed, and various assumptions used to assess the impairment testing which involve significant's management judgments.

I evaluated the impairment calculation of this investment prepared by management and assessed the assumptions used in the fair value calculation. I performed the following procedures:

- tested the reasonableness of key assumptions on a sample basis, based on my knowledge of the business and industry, e.g. by comparing the useful lives of assets against the guidance in the valuation standard and checking the replacement cost of assets against available information of similar assets,
- tested the accuracy of the underlying calculations of the fair value and the impairment charge.

I also evaluated the competency, qualifications, experience and independence of the external valuer by reference to reliable external source of information on the qualification and challenged the external valuer.

From the procedures performed above, I found the assumptions made by management in relation to the fair value and impairment calculations to be reasonable based on the available evidence.

Key audit matter	How my audit addressed the key audit matter
<p><b>2) Recognition of deferred tax assets on tax losses carried forwards</b></p> <p>Refer to Notes No. 2.15 accounting policy for current and deferred income taxes, No. 16 deferred income taxes, and No. 30 income tax to the consolidated financial statements.</p> <p>As at 31 December 2016, the Group recorded a gross deferred tax asset of Baht 606 million in the consolidated financial statements. This included deferred tax assets of Baht 365 million related to tax losses carried forward which mainly originated from subsidiaries in China (Baht 246 million) and Singapore (Baht 63 million). The Group recognises deferred tax assets arising from tax losses carried forwards to the extent that is probable that it will be utilised in future taxable profits.</p> <p>As the subsidiaries have recorded both profits and losses in the last four years, it's uncertain that the subsidiaries will have future taxable profits to utilise these deferred tax assets.</p> <p>I focused on this area as the amount of deferred tax assets recognised is significant and determining the appropriate level of deferred tax assets depends on significant management judgements in assessing future taxable profits.</p>	<p>Deferred tax assets on tax losses carried forwards were mainly originated from subsidiaries and audited by component auditors. Therefore, I planned our audit of the subsidiaries' financial information for the audit of consolidation purpose and communicated it to the component auditors.</p> <p>The component auditors evaluated key assumptions that management used to calculate the future taxable profits, which are used as a criterion to determine the amount of deferred tax assets. The component auditors also:</p> <ul style="list-style-type: none"> <li>• tested the detailed tax computations, and considered the expiry periods of accumulated tax losses, and</li> <li>• evaluated and challenged management's judgements and assessed the reasonableness of assumptions used to calculate the future taxable profits by comparing the current assumptions with past performance, including the sales growth rate and overhead costs.</li> </ul> <p>I reviewed the working paper and evaluated the testing results of the component auditors for the procedures performed in the above and found that the deferred tax assets on tax losses carried forwards were appropriately recognised within the reasonableness and an acceptable range of the key assumptions management used to estimate the future taxable profits.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>3) Impairment of goodwill</b></p> <p>As discussed in Note 14 to the consolidated financial statements, the Group recorded goodwill of Baht 1,538 million in the consolidated financial statements as at 31 December 2016. This included goodwill of Baht 1,516 million related to trading of petroleum business. According to the requirement of TFRSs, the Group is required to test the impairment of goodwill at least annually.</p> <p>Management applied the value-in-use model to determine the carrying value of the goodwill based on key judgements about:</p> <ul style="list-style-type: none"> <li>• revenue growth rates, and expected changes to overhead costs in the business,</li> <li>• discount rates calculated from capital structure, market risk and beta from available information in its industry.</li> </ul> <p>Based on management's assessment, the value-in-use of the goodwill was higher than its carrying value, so no impairment charge against goodwill should be recorded in this business.</p> <p>I focussed on this area because the procedure for impairment testing of goodwill depends on assumptions about future events (e.g. revenue growth rates, expected changes to overhead costs to the businesses, and the discount rates), and the calculation of the discounted cash flow forecast. Also, the carrying amount of the goodwill is significant to the consolidated financial statements.</p>	<p>I evaluated the procedures for the value-in-use calculation which was prepared under the discounted cash flow approach. I also:</p> <ul style="list-style-type: none"> <li>• tested the appropriateness of assumptions used in the five-year plan including revenue growth rates and expected changes to overhead costs to the business by comparing them to industry data or past performance</li> <li>• tested the accuracy of the underlying calculation of the discounted rates and compared the significant input data used in the cost of capital model with industry data.</li> <li>• tested the accuracy of the underlying calculation of the discounted cash flow model.</li> </ul> <p>I performed a sensitivity analysis of the key drivers of the revenue growth rate and discount rate within the cash flow forecasts to determine the extent of change in those assumptions, either individually or collectively, that would be required for the investment to be impaired.</p> <p>From the procedures performed above, I found that the discounted cash flow was prepared under the appropriate assumptions and was within an acceptable range of reasonable estimates. The value-in-use based on the discounted cash flow was higher than the carrying value of goodwill presented in the consolidated financial statements. Therefore, there is no impairment charge against goodwill.</p>

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Chaisiri Ruangritchai**

Certified Public Accountant (Thailand) No. 4526

Bangkok

22 February 2017

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,879,332,545	2,270,150,454	260,283,175	372,372,585
Short-term investments	8	108,038,765	307,515,850	108,038,765	307,515,850
Trade and other receivables, net	9	3,089,255,021	3,294,788,254	431,878,531	401,702,953
Inventories, net	10	3,345,261,308	4,375,300,164	165,033,877	173,472,616
Other current assets	11	497,714,852	338,367,897	22,233,135	12,772,019
<b>Total current assets</b>		<b>8,919,602,491</b>	<b>10,586,122,619</b>	<b>987,467,483</b>	<b>1,267,836,023</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	12	-	-	8,641,914,406	7,683,194,945
Investments in joint ventures	12	101,372,253	148,771,405	23,577,992	86,527,651
Long-term loans to related parties	33	36,592,920	43,795,600	1,821,451,432	2,671,526,631
Property, plant and equipment, net	13	15,731,578,545	15,246,465,087	5,073,115,582	4,805,469,226
Goodwill	14	1,537,801,207	1,537,801,207	-	-
Intangible assets, net	15	140,746,804	181,302,523	1,022,482	1,781,648
Deferred tax assets, net	16	421,867,415	360,479,366	-	-
Other non-current assets	17	1,667,285,440	993,710,614	378,462,740	438,250,352
<b>Total non-current assets</b>		<b>19,637,244,584</b>	<b>18,512,325,802</b>	<b>15,939,544,634</b>	<b>15,686,750,453</b>
<b>Total assets</b>		<b>28,556,847,075</b>	<b>29,098,448,421</b>	<b>16,927,012,117</b>	<b>16,954,586,476</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.



Siamgas and Petrochemicals Public Company Limited

Statement of Financial Position

As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings					
from financial institutions, net	18	1,726,730,219	4,885,505,981	567,998,088	2,626,940,373
Trade and other payables	19	4,030,654,237	4,010,233,903	605,250,989	622,507,300
Current portion of long-term loans					
from financial institutions, net	20	485,634,153	296,061,150	145,790,770	-
Current portion of bonds, net	22	1,299,904,959	1,499,837,326	1,299,904,959	1,499,837,326
Accrued income tax		78,282,688	107,013,542	-	31,613,043
Other current liabilities	21	83,807,352	64,151,945	12,948,395	13,810,972
<b>Total current liabilities</b>		<b>7,705,013,608</b>	<b>10,862,803,847</b>	<b>2,631,893,201</b>	<b>4,794,709,014</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net	20	886,146,494	370,606,423	375,169,916	-
Long-term loans from related parties	33	3,000,000	3,000,000	534,463,223	570,000,000
Bonds, net	22	4,993,956,054	3,295,757,210	4,993,956,054	3,295,757,210
Cylinder deposits	23	4,627,110,283	4,228,584,170	883,660,898	807,450,803
Employee benefit obligations	24	145,050,209	134,312,163	53,227,587	49,745,831
Deferred tax liabilities, net	16	377,567,972	415,735,584	87,806,559	110,492,068
Other non-current liabilities		19,147,079	12,891,596	2,324,619	2,534,069
<b>Total non-current liabilities</b>		<b>11,051,978,091</b>	<b>8,460,887,146</b>	<b>6,930,608,856</b>	<b>4,835,979,981</b>
<b>Total liabilities</b>		<b>18,756,991,699</b>	<b>19,323,690,993</b>	<b>9,562,502,057</b>	<b>9,630,688,995</b>

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2016 Baht	31 December 2015 Baht	31 December 2016 Baht	31 December 2015 Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital	25				
Authorised share capital					
918,931,500 ordinary shares					
with a par value of Baht 1 each		918,931,500	918,931,500	918,931,500	918,931,500
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		6,199,186,615	5,492,886,107	4,260,848,060	4,220,235,481
Other components of equity	32	521,802,484	1,207,855,440	148,160,008	148,160,008
<b>Total parent's equity</b>		<b>9,676,491,091</b>	<b>9,656,243,539</b>	<b>7,364,510,060</b>	<b>7,323,897,481</b>
Non-controlling interests		123,364,285	118,513,889	-	-
<b>Total equity</b>		<b>9,799,855,376</b>	<b>9,774,757,428</b>	<b>7,364,510,060</b>	<b>7,323,897,481</b>
<b>Total liabilities and equity</b>		<b>28,556,847,075</b>	<b>29,098,448,421</b>	<b>16,927,012,117</b>	<b>16,954,586,476</b>

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Income**

**For the year ended 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Revenue</b>					
Revenue from sales		47,693,791,441	57,581,629,069	8,383,826,624	10,668,739,460
Revenue from transportation		441,400,582	344,277,628	-	-
Revenue from services		26,217,216	156,103,697	110,638,791	126,773,763
<b>Total revenue</b>		<b>48,161,409,239</b>	<b>58,082,010,394</b>	<b>8,494,465,415</b>	<b>10,795,513,223</b>
Cost of sales and services		(44,889,720,298)	(54,805,627,892)	(8,030,893,483)	(10,125,741,658)
Cost of transportation		(380,755,457)	(239,819,851)	-	-
<b>Total cost of sales, services and transportation</b>		<b>(45,270,475,755)</b>	<b>(55,045,447,743)</b>	<b>(8,030,893,483)</b>	<b>(10,125,741,658)</b>
<b>Gross profit</b>		<b>2,890,933,484</b>	<b>3,036,562,651</b>	<b>463,571,932</b>	<b>669,771,565</b>
Dividend income		6,695,000	5,015,000	602,666,500	800,414,096
Other income	28	209,886,056	252,048,735	159,350,723	321,818,893
<b>Profit before expenses</b>		<b>3,107,514,540</b>	<b>3,293,626,386</b>	<b>1,225,589,155</b>	<b>1,792,004,554</b>
Selling expenses		(177,865,367)	(173,587,469)	(43,713,398)	(48,659,463)
Administrative expenses		(1,253,671,731)	(1,329,584,371)	(413,934,055)	(387,465,092)
<b>Total expenses</b>		<b>(1,431,537,098)</b>	<b>(1,503,171,840)</b>	<b>(457,647,453)</b>	<b>(436,124,555)</b>
Share of profit (loss) of joint ventures	12	7,823,919	(12,648,042)	-	-
<b>Profit before finance costs and income tax</b>	29	<b>1,683,801,361</b>	<b>1,777,806,504</b>	<b>767,941,702</b>	<b>1,355,879,999</b>
Finance costs		(411,396,012)	(410,469,025)	(337,242,012)	(318,767,889)
<b>Profit before income tax</b>		<b>1,272,405,349</b>	<b>1,367,337,479</b>	<b>430,699,690</b>	<b>1,037,112,110</b>
Income tax revenue (expenses)	30	(107,492,547)	(224,997,777)	22,834,505	(58,918,132)
<b>Profit for the year</b>		<b>1,164,912,802</b>	<b>1,142,339,702</b>	<b>453,534,195</b>	<b>978,193,978</b>
<b>Profit attributable to:</b>					
Owners of the parent		1,118,722,954	1,115,924,598	453,534,195	978,193,978
Non-controlling interests		46,189,848	26,415,104	-	-
<b>Profit for the year</b>		<b>1,164,912,802</b>	<b>1,142,339,702</b>	<b>453,534,195</b>	<b>978,193,978</b>
<b>Earnings per share for profit attributable to the equity holders of the parent</b>					
	31				
Basic earnings per share (Baht)		1.22	1.21	0.49	1.06

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2016**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Profit for the year	1,164,912,802	1,142,339,702	453,534,195	978,193,978
Other comprehensive income (expense):				
Items that will be reclassified subsequently to profit or loss				
- Currency translation difference	(693,879,908)	633,526,871	-	-
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements of post-employment benefit obligations	1,367,177	-	744,980	-
<u>Less</u> Income tax relating to remeasurements of post-employment benefit obligations	(272,023)	-	(148,996)	-
Total other comprehensive income (expense)	(692,784,754)	633,526,871	595,984	-
<b>Total comprehensive income for the year</b>	<b>472,128,048</b>	<b>1,775,866,573</b>	<b>454,130,179</b>	<b>978,193,978</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	433,765,152	1,766,191,786	454,130,179	978,193,978
Non-controlling interests	38,362,896	9,674,787	-	-
	<b>472,128,048</b>	<b>1,775,866,573</b>	<b>454,130,179</b>	<b>978,193,978</b>

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

<b>Consolidated financial statements</b>								
	<b>Attributable to equity holders of the parent</b>						<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Note</b>	<b>Issued and paid-up share capital</b>	<b>Premium on share capital</b>	<b>Retained earnings</b>		<b>Total other components of equity</b>		
				<b>Legal reserve</b>	<b>Unappropriated</b>			
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
<b>Opening balance - 1 January 2016</b>		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
Dividends paid	26	-	-	-	(413,517,600)	-	(33,512,500)	(447,030,100)
Total comprehensive income (expense) for the year		-	-	-	1,119,818,108	(686,052,956)	38,362,896	472,128,048
<b>Closing balance - 31 December 2016</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>6,199,186,615</u>	<u>521,802,484</u>	<u>123,364,285</u>	<u>9,799,855,376</u>
<b>Opening balance - 1 January 2015</b>		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		-	-	-	(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
<b>Closing balance - 31 December 2015</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>5,492,886,107</u>	<u>1,207,855,440</u>	<u>118,513,889</u>	<u>9,774,757,428</u>

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

	Note	Separate financial statements					Total equity Baht
		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		
<b>Opening balance - 1 January 2016</b>		918,931,500	1,874,481,829	162,088,663	4,220,235,481	148,160,008	7,323,897,481
Dividends paid	26	-	-	-	(413,517,600)	-	(413,517,600)
Total comprehensive income for the year		-	-	-	454,130,179	-	454,130,179
<b>Closing balance - 31 December 2016</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,260,848,060</u>	<u>148,160,008</u>	<u>7,364,510,060</u>
<b>Opening balance - 1 January 2015</b>		918,931,500	1,874,481,829	162,088,663	3,609,612,203	148,160,008	6,713,274,203
Dividends paid		-	-	-	(367,570,700)	-	(367,570,700)
Total comprehensive income for the year		-	-	-	978,193,978	-	978,193,978
<b>Closing balance - 31 December 2015</b>		<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>	<u>7,323,897,481</u>

The notes to the consolidated and separate financial statements from pages 16 to 69 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		1,272,405,349	1,367,337,479	430,699,690	1,037,112,110
Adjustments to reconcile profit before income tax					
Depreciation expenses - buildings and equipment	13	1,118,428,290	992,329,143	86,451,496	95,716,632
Amortisation expenses - intangible assets and other assets		57,863,658	83,871,748	759,166	2,677,293
Loss (gain) on sales and write-offs of equipment, net		9,320,882	(33,383,105)	10,029,618	(37,186,536)
Gain on change in fair value of short-term investments		(522,915)	(5,128,738)	(522,915)	(5,128,738)
Share of (profit) loss of joint ventures	12	(7,823,919)	12,648,042	-	-
(Reversal of) allowance for doubtful debts		1,306,392	(549,640)	-	-
Reversal of provision for diminution in value of inventories		(53,684,121)	(17,852,995)	-	-
Dividends income		(6,695,000)	(5,015,000)	(602,666,500)	(800,414,096)
Employee benefit expenses	24	13,640,385	12,677,368	4,915,158	4,499,417
Unrealised loss (gain) on exchange rates, net		16,355,188	(42,066,190)	81,439,352	(79,579,218)
Amortisation of front-end fee expenses		6,587,762	5,035,536	5,489,103	4,176,167
Impairment charge on investment in subsidiaries	12	-	-	-	11,000,000
Gain on investment return	12	-	-	-	(716,809)
Interest income	28	(20,346,139)	(26,452,066)	(70,655,722)	(84,615,805)
Finance costs		411,396,012	410,469,025	337,242,012	318,767,889
		2,818,231,824	2,753,920,607	283,180,458	466,308,306
Changes in operating assets and liabilities					
- Trade and other receivables		131,814,262	756,725,214	109,278,921	109,643,737
- Inventories		1,008,751,334	(764,553,123)	8,438,739	(27,585,539)
- Other current assets		(156,093,593)	(70,438,840)	738,644	5,915,257
- Other non-current assets		474,492,106	(53,488,162)	15,580,898	543,473
- Trade and other payables		(53,130,225)	286,719,466	(2,594,084)	(455,346,959)
- Other current liabilities		17,777,174	26,011,210	(862,577)	(17,939,377)
- Cylinder deposits		398,526,114	206,916,656	76,210,095	88,067,062
- Other non-current liabilities		5,826,372	(4,369,309)	(209,450)	(5,370,528)
- Employee benefits paid		(1,535,162)	(5,769,570)	(688,422)	(977,490)
Cash generated from operations		4,644,660,206	3,131,674,149	489,073,222	163,257,942
- Finance costs paid		(407,121,829)	(407,801,720)	(336,222,582)	(317,329,314)
- Income tax paid		(268,955,563)	(229,452,899)	(41,812,804)	(28,559,813)
<b>Net cash received from (used in) operating activities</b>		<b>3,968,582,814</b>	<b>2,494,419,530</b>	<b>111,037,836</b>	<b>(182,631,185)</b>

The notes to the consolidated and separate financial statements from pages 16 to 69 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 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Cash flows from investing activities</b>					
Proceeds (payments) of short-term investments, net		200,000,000	(50,000,000)	200,000,000	(50,000,000)
Proceeds from long-term loans from related parties	33	5,809,639	69,523,806	858,936,184	452,553,788
Payments for long-term loans to related parties	33	-	-	(70,000,000)	(1,437,505,226)
Payments for investment in subsidiaries	12	-	-	(895,769,802)	(10,349,912)
Proceed from investment return in subsidiary	12	-	-	-	5,831,680
Net cash received from acquisition of a subsidiary	12	47,763,803	-	-	-
Payment for purchase of investments in in joint venture		-	(62,949,661)	-	(62,949,659)
Advance payment for purchase of investments in joint ventures	17	(859,936,800)	-	-	-
Purchases of property, plant and equipment		(2,068,546,411)	(846,130,165)	(178,688,587)	(204,539,679)
Advance payments for purchase of equipment		(340,012,282)	(123,940,723)	(323,974,926)	(121,040,423)
Proceeds from sales of property, plant and equipment		30,836,529	300,793,296	24,843,840	282,508,148
Purchases of intangible assets		(1,231,453)	(1,430,152)	-	-
Interest received		26,437,126	31,530,918	71,048,046	182,335,652
Dividends received		6,695,000	5,015,000	602,666,500	800,414,096
<b>Net cash received from (used in) investing activities</b>		<b>(2,952,184,849)</b>	<b>(677,587,681)</b>	<b>289,061,255</b>	<b>(162,741,535)</b>
<b>Cash flows from financing activities</b>					
Proceeds from (repayments for) short-term loans from financial institutions, net		(3,142,635,372)	(1,461,218,034)	(2,058,942,285)	834,700,456
Proceeds from long-term loans from financial institutions	20	1,076,478,063	129,997,882	536,515,200	-
Repayments for long-term loans from financial institutions	20	(387,344,958)	(304,964,768)	(34,741,900)	-
Proceeds from long-term loans from related parties	33	-	-	490,000,000	470,000,000
Repayments for long-term loans from related parties	33	-	-	(525,536,777)	(920,000,000)
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	2,993,560,000	1,995,690,000	2,993,560,000	1,995,690,000
Dividends paid	26	(447,030,100)	(370,171,604)	(413,517,600)	(367,570,700)
<b>Net cash received from (used in) financing activities</b>		<b>(1,406,972,367)</b>	<b>(1,510,666,524)</b>	<b>(512,663,362)</b>	<b>512,819,756</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(390,574,402)</b>	<b>306,165,325</b>	<b>(112,564,271)</b>	<b>167,447,036</b>
Cash and cash equivalents at the beginning of the year		2,270,150,454	1,956,407,049	372,372,585	204,767,821
Exchange gain (loss) on cash and cash equivalents		(243,507)	7,578,080	474,861	157,728
<b>Cash and cash equivalents at the end of the year</b>	7	<b>1,879,332,545</b>	<b>2,270,150,454</b>	<b>260,283,175</b>	<b>372,372,585</b>
<b>Non-cash transactions</b>					
Payables for purchase of property, plant and equipment (included in other payables)		76,025,185	86,914,332	13,113,215	29,257,918

The notes to the consolidated and separate financial statements from pages 16 to 69 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, 30<sup>th</sup> 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 separate financial statements were authorised by the Board of Directors on 22 February 2017.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

The consolidated and separate 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 separate 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 separate financial statements, are disclosed in Note 4.

An English version of the consolidated and separate 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/revised financial reporting standards and interpretations are effective on 1 January 2016.

The Group management has determined that the revised accounting standards and financial reporting standards being effective for the accounting periods beginning on or after 1 January 2016 are not significantly impact to the financial information being presented.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

Revised financial reporting standards which are relevant and have a significant impact to the Group are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are the amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and the amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

**2 Accounting policies** (continued)

**2.2 New financial reporting standards and revised financial reporting standards and interpretations** (continued)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (continued)

Revised financial reporting standards which are relevant and have a significant impact to the Group are as follows: (continued)

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The Group management has assessed and considered that the above revised standards will not have a material impact on the Group.

**2 Accounting policies (continued)**

**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.

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-measurement 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 unless the transaction provides evidence of an impairment of the transferred asset. 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 with 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**

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 asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**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.

**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 in other comprehensive income.

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 Accounting policies (continued)**

**2.5 Cash and cash equivalents**

In the statements 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 statements 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.

**2.8 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 (not exceed 3 months) 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.

**2 Accounting policies** (continued)

**2.8 Investments** (continued)

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.

**2.9 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 land are credited to other comprehensive income and shown as gain on asset revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line to allocate their cost to their residual values over their estimated useful lives, 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.

#### **2.11.2 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 ten years.



**2 Accounting policies** (continued)

**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 the Group 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 the Group 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.

**2.14 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 Accounting policies** (continued)

**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 and its subsidiaries 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 nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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.

**2.16 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.

Remeasurement 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 Accounting policies** (continued)

**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.

**2.18 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 in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and the interim dividends are approved by the Board of Directors.

**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 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, 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 financial statements		Separate financial statements		Interest rate per annum	
	2016	2015	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht	% p.a.	% p.a.
Long-term loans from commercial banks						
- Fixed interest rates	630	347	-	-	3.60 - 4.45	4.40 - 4.45
- Floating interest rates	742	320	521	-	MLR-1.00, LIBOR 3M+4.25% LIBOR 1M+3.00% LIBOR 3M+3.42% LIBOR 3M+3.10%	MLR-1.00, LIBOR 3M+4.25% LIBOR 1M+3.00%
Long-term loans from related parties	3	3	534	570	1.75	1.75
					Fixed deposits + 0.50	Fixed deposits + 0.50
Bonds	6,294	4,796	6,294	4,796	4.30 - 5.20	4.70 - 5.90

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.

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 Financial risk management (continued)**

**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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2016, see note 13 for disclosure of land that are measured at fair value.

	<b>Consolidated and separate financial statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Financial assets at fair value through profit or loss</b>				
Short-term investments	108	-	-	108

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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Bonds, net				
- Book Value	6,342	4,837	6,342	4,837
- Fair Value	6,403	4,910	6,403	4,910

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 3.48% - 3.78% (2015: 3.52% - 3.61%). The fair values are within level 2 of the fair value hierarchy.

**3 Financial risk management** (continued)

**3.3 Fair value estimation** (continued)

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

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Long-term loans from financial institutions, net				
- Book value	630	347	-	-
- Fair value	626	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 3.48% - 4.51% (2015: 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.

**4 Critical accounting estimates, assumptions and judgements (continued)**

**(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) Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

**(e) 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.

**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 Group does not apply any financial ratios to monitor its capital. However, the Group has monitored its debt covenants as specified in the loan agreements and bond prospectus (Note 20 and 22).



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**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

For the year ended 31 December 2016	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and service income	68,160	2,065	193	(22,257)	48,161
Cost of goods sold and services	(65,426)	(1,889)	(160)	22,204	(45,271)
Operating profit	2,734	176	33	(53)	2,890
Other income	330	59	(15)	(157)	217
Net income before operating expenses	3,064	235	18	(210)	3,107
Unallocated expenses					(1,950)
Profit sharing from joint ventures					8
Net profit for the year					1,165

For the year ended 31 December 2015	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
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

For the year ended 31 December 2016 and 2015, the Group did not have any major customer who generates revenue more than 10% of total revenue.

**7 Cash and cash equivalents**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Cash on hand	9	8	3	2
Deposits held at call with banks	1,870	2,262	257	370
Cash and cash equivalents	1,879	2,270	260	372

The average interest rate on deposits held at call with banks was ranged between 0.05% - 4.30% per annum (2015: 0.05% - 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:

<b>For the year ended 31 December 2016</b>	<b>Consolidated financial statements</b> <b>Million baht</b>	<b>Separate financial statements</b> <b>Million Baht</b>
Opening amount	308	308
Additions	1,750	1,750
Redemptions	(1,950)	(1,950)
Closing amount	<u>108</u>	<u>108</u>

**9 Trade and other receivables, net**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b> <b>Million Baht</b>	<b>2015</b> <b>Million Baht</b>	<b>2016</b> <b>Million Baht</b>	<b>2015</b> <b>Million Baht</b>
Trade receivables	2,400	2,678	275	345
<u>Less</u> Allowance for doubtful accounts	(63)	(62)	(5)	(5)
Trade receivables, net	2,337	2,616	270	340
Trade receivables from related parties (Note 33)	49	56	19	20
Prepayments	182	226	45	41
Advance payments	173	192	1	1
Accrued income	3	11	-	-
Other receivables	345	194	-	-
Accrued interest income on loans to related parties (Note 33)	-	-	8	-
Other receivable from related parties (Note 33)	-	-	89	-
Trade and other receivables, net	<u>3,089</u>	<u>3,295</u>	<u>432</u>	<u>402</u>

The age analysis of trade receivables is as follows:

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b> <b>Million Baht</b>	<b>2015</b> <b>Million Baht</b>	<b>2016</b> <b>Million Baht</b>	<b>2015</b> <b>Million Baht</b>
<b>Trade receivables</b>				
Current	1,753	2,165	231	248
Overdue				
- less than 3 months	319	379	33	51
- 3 months to 12 months	239	36	1	10
- more than 12 months	89	98	10	36
Total	2,400	2,678	275	345
<u>Less</u> Allowance for doubtful accounts	(63)	(62)	(5)	(5)
<b>Trade receivable, net</b>	<u>2,337</u>	<u>2,616</u>	<u>270</u>	<u>340</u>

**9 Trade and other receivables, net (continued)**

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Trade receivables from related parties</b>				
Current	49	56	10	10
Overdue				
- less than 3 months	-	-	9	10
<b>Trade receivables from related parties</b>	<b>49</b>	<b>56</b>	<b>19</b>	<b>20</b>

**10 Inventories, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Raw material	25	39	-	-
Work in progress	16	21	-	-
Finished goods				
- Petroleum products	2,922	3,305	141	153
- Petrochemical products	23	37	-	-
- Oil products	119	91	-	-
- Others	16	11	1	1
- Goods in transit	137	835	23	19
Supplies and other	100	103	-	-
Total	3,358	4,442	165	173
<u>Less</u> Allowance for diminution in value of inventories	(13)	(67)	-	-
<b>Inventories, net</b>	<b>3,345</b>	<b>4,375</b>	<b>165</b>	<b>173</b>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to Baht 40,351 million (2015: Baht 49,850 million) in the consolidated financial statements and amounted to Baht 7,521 million (2015: Baht 9,653 million) in the separate 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 (2015: 1% and 1%, respectively). As at 31 December 2016, the inventories included minimum mandatory reserve on petroleum products and crude oil amounting to Baht 171.51 million in the consolidated financial statements, and Baht 77.29 million in the separate financial statements (31 December 2015: Baht 223.29 million in the consolidated financial statements, and Baht 93.17 million in the separate financial statements), which were net of allowance for net realisable value.

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**11 Other current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
VAT refundable	182	151	-	-
Corporate income tax refundable	18	8	15	7
Deposits for inventory	13	15	-	-
Deposits for tariff customs	182	76	-	-
Deposits at bank used as collateral	59	-	-	-
Others	44	88	7	6
Other current assets	498	338	22	13

**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	Separate financial statements	
	2016 Million Baht	2015 Million Baht
Opening balance, net	7,683	7,689
Acquisitions	896	10
Proceed of investment	-	(6)
Gains on investment return	-	1
Transfer from investment in joint venture (Note 12.2)	63	-
<u>Less</u> Impairment charge	-	(11)
Closing balance, net	8,642	7,683

The principal subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2016	2015	
<b>Direct Subsidiaries</b>				
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 <sup>(2)</sup>	Thailand	45.86%	42.65%	Transportation services
Siam Suksawat Company Limited	Thailand	100.00%	100.00%	Transportation and discharge goods, petroleum product distribution
Siamgas Hongkong Company Limited	Hongkong	100.00%	100.00%	Holding business
Super Gas Company Limited	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. <sup>(1)</sup>	Malaysia	-	100.00%	Petroleum products distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00%	100.00%	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00%	70.00%	Petroleum products distribution
Siamgas Myanmar Consortium Pte. Ltd.	Singapore	80.00%	80.00%	Holding business
Siam Gas Power Pte. Ltd. <sup>(3)</sup>	Singapore	100.00%	-	Holding business
Siamgas Global Investment Pte. Ltd. <sup>(4)</sup>	Singapore	100.00%	-	Holding business
Far East Petroleum Sdn. Bhd. <sup>(5)</sup>	Malaysia	100.00%	-	Petroleum and petrochemical product distribution, warehousing and storage service

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**12 Investments in subsidiaries and 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
		2016	2015	
<b>Indirect Subsidiary (holding by Unique Gas and Petrochemicals Public Company Limited)</b>				
Siam Lucky Marine Company Limited <sup>(2)</sup>	Thailand	14.77%	15.65%	Transportation services
<b>Indirect Subsidiary (holding by Lucky Carrier Company Limited)</b>				
Siam Lucky Marine Company Limited <sup>(2)</sup>	Thailand	39.37%	41.70%	Transportation services
<b>Indirect Subsidiaries (holding by Siamgas Hongkong Co., Ltd.)</b>				
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	Separate financial statements			
	Paid-up Capital		Cost Method	
	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	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 <sup>(2)</sup>	447	422	205	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.	425	425	388	388
SingGas (LPG) Pte. Ltd.	336	336	427	427
Siam Gas Trading Pte. Ltd.	12	12	12	12
MyGaz Sdn. Bhd.	121	121	84	84
Siam Gas Power Pte. Ltd. <sup>(3)</sup>	843	-	843	-
Siamgas Myanmar Consortium Pte. Ltd.	-	-	-	-
Siamgas Global Investment Pte. Ltd. <sup>(4)</sup>	2	-	2	-
Far East Petroleum Sdn. Bhd. <sup>(5)</sup>	89	-	89	-
Total investment in subsidiaries			8,763	7,804
Less Impairment charge			(121)	(121)
Investments in subsidiaries, net			8,642	7,683

As at 31 December 2016, the Company recognised impairment loss on investment in Siam Ethanol Export Company Limited amounting to Baht 121 million because the ethanol business operation did not operate as plan and has ceased its operation since 2012. The impairment testing was determined based on the fair value less cost to sell of net assets. Management employed a qualified external valuer to appraise the fair values of assets in the subsidiary. The major assets of this subsidiary are property, plant and equipment. The fair values of property were determined based on the market value method, and the fair values of plant and equipment were determined based on the replacement cost method.

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

**12.1 Investments in subsidiaries, net (continued)**

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

- (1) In August 2013, the Company's management approved the dissolution of United Gas & Petrochemicals Sdn. Bhd. for appropriate business management. This subsidiary had not started its operation and the dissolution did not have any impact on the Company's business operation. The Company recognised proceeds from investment return amounting to Baht 5.83 million in the financial statements for the year ended 2015. The liquidation process was completed on 10 March 2016.
- (2) On 24 February 2016, at the Board of Directors' meeting of Siam Lucky Marine Company Limited (a subsidiary), the board passed a resolution to approve an increase in share capital with 2.50 million shares of Baht 25.00 million. The number of shares (with a par value of Baht 10 each) increased from 42.20 million shares to 44.70 million shares. As a result, the Company's ownership interest changed from 42.65% to 45.86% but the Group's ownership interest remains unchanged at 99.99%. The registration with the Ministry of Commerce was completed on 25 April 2016.
- (3) On 5 July 2016, the Company has established Siam Gas Power Pte. Ltd. ('SPW'), registered in Singapore with 1 share at par value of SGD 1 or Bath 26.35. The Company owns 100% of shares of this subsidiary. The subsidiary is a holding company to support the investment in the electrical energy business. Subsequently, at the Extraordinary General Meeting of the subsidiary, the shareholders passed a resolution to increase SPW's registered capital to USD 24.01 million or Baht 843 million. The registration was completed on 14 September 2016. The Company has already paid the capital increase to SPW. The Company's ownership interest still remains at 100.00%.
- (4) On 25 August 2016, the Company has established Siamgas Global Investment Pte. Ltd. ("SGI"), registered in Singapore with 1 share at par value of USD 1 or Bath 34.78. The Company wholly own 100% share of the subsidiary that is a holding company. On 14 November 2016, at the Company's Board of Directors' meeting, the board passed a resolution to approve an increase in share capital of SGI, incorporated in Singapore, ("a subsidiary") with 49,999 shares with a par value of USD 1 each or approximately Baht 1.73 million. The number of shares (with a par value of USD 1 each) increased from 1 share to 50,000 shares. The Company's ownership interest remains unchanged at 100%. The registration was completed on 2 December 2016.
- (5) On 10 August 2016, at the Company's Board of Directors' meeting, the board passed a resolution to approve the acquisition of 3.00 million shares in the portion of 30% with a par value of MYR 1.00 each, totalling MYR 3.00 million or Baht 25.76 million in Far East Petroleum Sdn. Bhd. (a joint venture). Consequently, the Group owns 100% interest in Far East Petroleum Sdn. Bhd. who became a new subsidiary of the Group (Note 12.2). This acquisition is considered as an acquisition of a group of assets according to TFRS 3: Business combinations because the new subsidiary has not started its business operations yet.

The Group allocated the consideration paid to assets identified and liabilities assumed from the acquisition of group of assets. Details of the group of assets taken from acquisition of the subsidiary are as follows;

	<b>Million Baht</b>
Cash and cash equivalents	74
Property, plant and equipment - construction in progress (Note 13)	137
Other accounts payable - related party	(132)
Other assets less liabilities	7
Total assets identified and liabilities assumed at the acquisition date	<u>86</u>
Total purchase consideration at 30%	<u>26</u>
Net cash received from acquisition of a subsidiary	
<b>For the year ended 31 December 2016</b>	<b>Million Baht</b>
Cash payment for the purchase of additional investment	(26)
Cash balance in the new subsidiary at the acquisition date	<u>74</u>
Net cash received from acquisition of a subsidiary	<u>48</u>

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

**12.2 Investments in joint ventures**

The movement in investments in joint ventures are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Opening balance	149	109	87	24
Addition	-	63	-	63
Transfer to investment in subsidiary (Note 12.1)	(56)	-	(63)	-
Share of profit (loss)	8	(13)	-	-
Currency translation differences	-	(10)	-	-
Closing balance	101	149	24	87

The joint ventures are as follows:

	Country of incorporation	% ownership interest		Type of business
		2016	2015	
<b>Direct Joint Ventures</b>				
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 food and beverage
Far East Petroleum Sdn. Bhd. <sup>Note 12.1</sup>	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 financial statements Equity Method		Separate financial statements Cost Method	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
	Citygas Noth Co., Ltd.	150	150	100	90	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
			101	149	24	87

**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 Siam Nathalin Co., Ltd. are as follows:

	<b>Total assets</b> <b>Million Baht</b>	<b>Total liabilities</b> <b>Million Baht</b>	<b>Total revenue</b> <b>Million Baht</b>	<b>Net</b> <b>profit (loss)</b> <b>Million Baht</b>	<b>%</b> <b>ownership</b> <b>interest</b>
<b>For the year ended</b>					
<b>31 December 2016</b>					
Citygas North Co., Ltd.	263	163	323	10	79.64%
SG Gas Sdn. Bhd.	6	6	8	-	29.99%
Siam Nathalin Co., Ltd.	2	1	2	-	50.00%
	<u>271</u>	<u>170</u>	<u>333</u>	<u>10</u>	
<b>For the year ended</b>					
<b>31 December 2015</b>					
Citygas North Co., Ltd.	278	188	338	(12)	79.64%
SG Gas Sdn. Bhd.	4	4	5	(1)	29.99%
Siam Nathalin Co., Ltd.	-	-	-	-	50.00%
Far East Petroleum Sdn. Bhd.	58	-	-	(1)	70.00%
	<u>340</u>	<u>192</u>	<u>343</u>	<u>(14)</u>	



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**13 Property, plant and equipment, net**

**Consolidated financial statements**

	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
<b>As at 1 January 2015</b>										
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
<u>Less</u> 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
<b>For the year ended 31 December 2015</b>										
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
<b>As at 31 December 2015</b>										
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
<u>Less</u> 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

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**13 Property, plant and equipment, net (continued)**

	<b>Consolidated financial statements</b>									
	<b>Land</b>	<b>Buildings,</b>	<b>Terminals,</b>	<b>Gas</b>	<b>Gas</b>	<b>Machine,</b>	<b>Furniture,</b>	<b>Vehicles</b>	<b>Construction</b>	<b>Total</b>
	<b>Million Baht</b>	<b>infrastructure</b>	<b>gas filling</b>	<b>vessels</b>	<b>cylinders</b>	<b>factory tools</b>	<b>fixtures and</b>	<b>Million Baht</b>	<b>in progress</b>	<b>Million Baht</b>
		<b>and land</b>	<b>and service</b>			<b>and</b>	<b>office equipment</b>		<b>Million Baht</b>	
		<b>improvement</b>	<b>stations</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>equipment</b>	<b>Million Baht</b>			<b>Million Baht</b>
		<b>Million Baht</b>	<b>and gas</b>			<b>Million Baht</b>				
			<b>storage tanks</b>							
			<b>Million Baht</b>							
<b>For the year ended</b>										
<b>31 December 2016</b>										
Opening net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246
Additions	238	10	29	392	391	33	16	97	709	1,915
Transferred of assets from changing investment in joint venture to Investment in subsidiary	-	-	-	-	-	-	-	-	137	137
Transfer	-	506	401	476	2	-	14	33	(1,432)	-
Disposals, net	-	(4)	-	-	(3)	-	-	-	(32)	(39)
Currency translation differences	-	(302)	(1)	5	(14)	(76)	(16)	-	(5)	(409)
Depreciation charge	-	(169)	(70)	(421)	(204)	(190)	(27)	(37)	-	(1,118)
Closing net book value	<u>3,645</u>	<u>3,553</u>	<u>1,473</u>	<u>2,771</u>	<u>2,047</u>	<u>1,100</u>	<u>256</u>	<u>597</u>	<u>290</u>	<u>15,732</u>
<b>As at 31 December 2016</b>										
Cost - Historical cost	2,403	8,398	2,723	4,326	5,757	2,679	2,146	1,465	290	30,187
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	<u>3,645</u>	<u>8,398</u>	<u>2,723</u>	<u>4,326</u>	<u>5,757</u>	<u>2,679</u>	<u>2,146</u>	<u>1,465</u>	<u>290</u>	<u>31,429</u>
<u>Less</u> Accumulated depreciation	-	(4,845)	(1,250)	(1,555)	(3,710)	(1,579)	(1,890)	(868)	-	(15,697)
Net book value	<u>3,645</u>	<u>3,553</u>	<u>1,473</u>	<u>2,771</u>	<u>2,047</u>	<u>1,100</u>	<u>256</u>	<u>597</u>	<u>290</u>	<u>15,732</u>

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**13 Property, plant and equipment, net (continued)**

	<b>Separate financial statements</b>							
	<b>Land</b>	<b>Buildings, infrastructure and land improvement</b>	<b>Terminals, gas filling and service stations and gas storage tanks</b>	<b>Gas cylinders</b>	<b>Furniture, fixtures and office equipment</b>	<b>Vehicles</b>	<b>Construction in progress</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>As at 1 January 2015</b>								
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
<b>For the year ended 31 December 2015</b>								
Opening net book value	2,713	174	490	468	244	63	777	4,929
Additions	-	18	15	68	5	5	105	216
Transfer	-	66	8	-	8	-	(82)	-
Disposals, net	-	(1)	-	(1)	(217)	(24)	(2)	(245)
Depreciation charge	-	(9)	(17)	(53)	(12)	(4)	-	(95)
Closing net book value	2,713	248	496	482	28	40	798	4,805
<b>As at 31 December 2015</b>								
Cost - Historical cost	1,773	308	661	868	47	80	798	4,535
- Revaluation	940	-	-	-	-	-	-	940
	2,713	308	661	868	47	80	798	5,475
<u>Less</u> Accumulated depreciation	-	(60)	(165)	(386)	(19)	(40)	-	(670)
Net book value	2,713	248	496	482	28	40	798	4,805

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13 Property, plant and equipment, net (continued)

	Separate financial statements							Total Million Baht
	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	
<b>For the year ended 31 December 2016</b>								
Opening net book value	2,713	248	496	482	28	40	798	4,805
Additions	225	1	1	66	2	3	90	388
Transfer	-	495	296	-	2	-	(793)	-
Disposals, net	-	(3)	-	-	-	-	(31)	(34)
Depreciation charge	-	(13)	(18)	(47)	(4)	(4)	-	(86)
Closing net book value	<u>2,938</u>	<u>728</u>	<u>775</u>	<u>501</u>	<u>28</u>	<u>39</u>	<u>64</u>	<u>5,073</u>
<b>As at 31 December 20156</b>								
Cost - Historical cost	1,998	801	958	934	51	83	64	4,889
- Revaluation	940	-	-	-	-	-	-	940
	<u>2,938</u>	<u>801</u>	<u>958</u>	<u>934</u>	<u>51</u>	<u>83</u>	<u>64</u>	<u>5,829</u>
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(73)</u>	<u>(183)</u>	<u>(433)</u>	<u>(23)</u>	<u>(44)</u>	<u>-</u>	<u>(756)</u>
Net book value	<u>2,938</u>	<u>728</u>	<u>775</u>	<u>501</u>	<u>28</u>	<u>39</u>	<u>64</u>	<u>5,073</u>

**13 Property, plant and equipment - net (continued)**

**Fair value of land**

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	<b>Consolidated financial statements</b>		
	<b>Fair value measurements at 31 December 2016</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	3,645	-
	<b>Separate financial statements</b>		
	<b>Fair value measurements at 31 December 2016</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	2,938	-

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

Level 2 fair values of land 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.

Process of land appraisal 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.

**Assets pledged as collateral**

As at 31 December 2016, certain of gas vessels of a subsidiary with net book value of Baht 1,657.81 million (2015: Baht 1,460.57 million) have been pledged as collateral for loans from local commercial banks (Note 20).

**Borrowing costs attributable to the acquisition of qualifying assets**

Borrowing costs of Baht 4.07 million (2015: Baht 10.70 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 4.88% (2015: 5.13%) was used, representing the average borrowing cost of bonds.

**14 Goodwill**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>	
	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>
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.

	<b>Consolidated financial statements</b>			
	<b>2016 and 2015</b>			
	<b>Thailand</b>	<b>Vietnam</b>	<b>Singapore</b>	<b>Total</b>
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.

	<b>Thailand</b>	<b>Vietnam</b>	<b>Singapore</b>
Growth rate	4.18 %	5.22 %	2.10 %
Discount rate	12.19 %	10.38 %	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.

**15 Intangible assets, net**

	<b>Consolidated financial statements</b>		
	<b>2016</b>		
	<b>Customer relationship</b>	<b>Computer software</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>As at 1 January</b>			
Cost	263	87	350
<u>Less</u> Accumulated amortisation	(92)	(77)	(169)
Net book amount	171	10	181
<b>For the year ended 31 December</b>			
Opening net book amount	171	10	181
Additions	-	1	1
Amortisation charge	(35)	(3)	(38)
Currency translation differences	(3)	-	(3)
Closing net book amount	133	8	141
<b>As at 31 December</b>			
Cost	255	84	339
<u>Less</u> Accumulated amortisation	(122)	(76)	(198)
Net book amount	133	8	141

15 Intangible assets, net

	Consolidated financial statements		
	2015		
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
<b>As at 1 January</b>			
Cost	283	85	368
<u>Less</u> Accumulated amortisation	(62)	(72)	(134)
Net book amount	<u>221</u>	<u>13</u>	<u>234</u>
<b>For the year ended 31 December</b>			
Opening net book amount	221	13	234
Additions	-	1	1
Amortisation charge	(36)	(4)	(40)
Currency translation differences	(14)	-	(14)
Closing net book amount	<u>171</u>	<u>10</u>	<u>181</u>
<b>As at 31 December</b>			
Cost	263	87	350
<u>Less</u> Accumulated amortisation	(92)	(77)	(169)
Net book amount	<u>171</u>	<u>10</u>	<u>181</u>
	Separate financial statements		
	2016	2015	
	Computer software Million Baht	Computer software Million Baht	
<b>As at 1 January</b>			
Cost	14	14	
<u>Less</u> Accumulated amortisation	(12)	(10)	
Net book amount	<u>2</u>	<u>4</u>	
<b>For the year ended 31 December</b>			
Opening net book amount	2	4	
Amortisation charge	(1)	(2)	
Closing net book amount	<u>1</u>	<u>2</u>	
<b>As at 31 December</b>			
Cost	14	14	
<u>Less</u> Accumulated amortisation	(13)	(12)	
Net book amount	<u>1</u>	<u>2</u>	

16 Deferred income taxes, net

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

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Deferred tax assets	422	360	-	-
Deferred tax liabilities	(378)	(416)	(88)	(110)
Deferred tax assets (liabilities), net	<u>44</u>	<u>(56)</u>	<u>(88)</u>	<u>(110)</u>

**16 Deferred income taxes, net (continued)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	63	20	25	1
Deferred tax asset to be recovered after more than 12 months	543	479	89	89
	<u>606</u>	<u>499</u>	<u>114</u>	<u>90</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after more than 12 months	(562)	(555)	(202)	(200)
	<u>(562)</u>	<u>(555)</u>	<u>(202)</u>	<u>(200)</u>
<b>Deferred tax assets (liabilities), net</b>	<u>44</u>	<u>(56)</u>	<u>(88)</u>	<u>(110)</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
As at 1 January	(56)	(84)	(110)	(111)
(Charged)/credited to profit or loss (Note 30)	119	37	23	1
(Charged)/credited directly to other comprehensive income	(19)	(9)	(1)	-
As at 31 December	<u>44</u>	<u>(56)</u>	<u>(88)</u>	<u>(110)</u>



**Siamgas and Petrochemicals Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2016**

**16 Deferred income taxes, net** (continued)

The movement in deferred tax assets and liabilities during the year 2016 and 2015, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<b>Consolidated financial statements</b>						
	<b>Charged/credited to</b>			<b>Charged/credited to</b>			
	<b>As at 1 January 2015 Million Baht</b>	<b>Profit and loss Million Baht</b>	<b>Comprehensive income Million Baht</b>	<b>As at 31 December 2015 Million Baht</b>	<b>Profit and loss Million Baht</b>	<b>Comprehensive income Million Baht</b>	<b>As at 31 December 2016 Million Baht</b>
<b>Deferred tax assets</b>							
Allowance for doubtful accounts	4	1	-	5	-	-	5
Allowance for diminution in value of inventories	7	5	-	12	(12)	-	-
Provision for impairment of fixed assets	88	1	-	89	(9)	-	80
Employee benefit obligation	25	1	-	26	2	-	28
Remeasurements of post-employment benefit obligations	-	-	-	-	-	(1)	(1)
Unrealised gain on sales of goods/assets within the group	33	17	-	50	26	-	76
Tax loss carried forwards	216	47	-	263	102	-	365
Difference from purchase of assets from a business combination under common control	52	-	-	52	-	-	52
Others	50	(48)	-	2	(1)	-	1
<b>Deferred tax assets, gross</b>	<b>475</b>	<b>24</b>	<b>-</b>	<b>499</b>	<b>108</b>	<b>(1)</b>	<b>606</b>
<b>Deferred tax liabilities</b>							
Differences on depreciation	(160)	31	-	(129)	(19)	-	(148)
Fair value adjustments from business acquisition	(122)	(22)	-	(144)	9	-	(135)
Valuation surplus on land	(249)	-	-	(249)	-	-	(249)
Effect of currency translation on tax base	-	(23)	(9)	(32)	20	(18)	(30)
Others	(28)	27	-	(1)	1	-	-
<b>Deferred tax liabilities, gross</b>	<b>(559)</b>	<b>13</b>	<b>(9)</b>	<b>(555)</b>	<b>11</b>	<b>(18)</b>	<b>(562)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(84)</b>	<b>37</b>	<b>(9)</b>	<b>(56)</b>	<b>119</b>	<b>(19)</b>	<b>44</b>

16 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2016 and 2015, is as follows:

	Separate financial statements						
	Charged/credited to			Charged/credited to			
	As at 1 January 2015 Million Baht	Profit and loss Million Baht	Comprehensive income Million Baht	As at 31 December 2015 Million Baht	Profit and loss Million Baht	Comprehensive income Million Baht	As at 31 December 2016 Million Baht
<b>Deferred tax assets</b>							
Allowance for doubtful accounts	1	-	-	1	-	-	1
Provision for impairment from investment of subsidiaries	23	2	-	25	(1)	-	24
Employee benefit obligation	9	1	-	10	1	-	11
Remeasurements of post-employment benefit obligations	-	-	-	-	-	(1)	(1)
Loss carried forwards	-	-	-	-	25	-	25
Difference from a business combination under common control	52	-	-	52	-	-	52
Others	2	-	-	2	-	-	2
<b>Deferred tax assets, gross</b>	<b>87</b>	<b>3</b>	<b>-</b>	<b>90</b>	<b>25</b>	<b>(1)</b>	<b>114</b>
<b>Deferred tax liabilities</b>							
Differences on depreciation	(8)	(2)	-	(10)	(2)	-	(12)
Valuation surplus on land	(190)	-	-	(190)	-	-	(190)
<b>Deferred tax liabilities, gross</b>	<b>(198)</b>	<b>(2)</b>	<b>-</b>	<b>(200)</b>	<b>(2)</b>	<b>-</b>	<b>(202)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(111)</b>	<b>1</b>	<b>-</b>	<b>(110)</b>	<b>23</b>	<b>(1)</b>	<b>(88)</b>

Deferred income tax assets are recognised for tax losses and carried 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 tax assets of Baht 99 million (2015: Baht 89 million) in respect of losses amounting to Baht 497 million (2015: Baht 779 million) that can be carried forward against future taxable income within 2019 to 2021.

**17 Other non-current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Accrued interest income on loans to subsidiaries (Note 33)	-	7	158	168
Deposits at bank used as collateral	18	18	-	-
Deposits	28	28	8	8
Corporate income tax refundable	60	59	59	59
Advance payments for purchases of equipment	102	189	97	132
Deposit for investment in joint ventures <sup>(1)</sup>	860	-	-	-
Deferred charge	14	22	-	-
Prepaid rental	477	542	52	59
Leasehold	66	88	-	-
Others	42	41	4	12
Other non-current assets	<u>1,667</u>	<u>994</u>	<u>378</u>	<u>438</u>

<sup>(1)</sup> On 18 July 2016, Siam Gas Power Pte. Ltd. ('SPW'), which is a subsidiary of the Company, entered into a share purchase agreement for investment in the combined cycle power plant in Myanmar, with a total consideration of USD 48 million or approximately Baht 1,688.16 million. The source of fund is from the net working capital of the Group and borrowing from financial institution. SPW has purchased shares of two companies which are MSN International Limited ('MSN') and Asiatech Energy Pte. Ltd. ('AEPL') at the same proportion of 30% of registered and paid up capital in each company, for the purpose of holding shares in the combined cycle power plant directly. The payment of investment is divided into two tranches: the first tranche, SPW paid USD 24 million or Baht 860 million to acquire 30% of registered and paid up capital shares in MSN and AEPL, which was paid on 29 July 2016, and the second tranche, SPW will pay the remaining amount to the seller when SPW is granted permission from the relevant authorities in Myanmar to hold shares in the combined cycle power plant directly, and become one of the investors in joint venture of the power plant. The second tranche expects to be completed in 2017.

If the direct holding of shares in the power plant is not successfully, SPW has the right to terminate the share purchase agreement and refund all payments as above. Therefore, the Group has recorded the payment as deposit for investment in joint ventures as of 31 December 2016.

**18 Short-term loans from financial institutions, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Short-term loans from financial institutions	<u>1,727</u>	<u>4,886</u>	<u>568</u>	<u>2,627</u>

As at 31 December 2016, the Group and the Company have short-term promissory notes and trust receipts from local commercial banks amounting to Baht 1,727 million and Baht 568 million, respectively, bear interest rates at the range of 1.20% - 2.75% per annum and 1.95% - 2.75% per annum, respectively (2015: amounting to Baht 4,886 million and Baht 2,627 million bear interest rates at the range of 0.99% - 3.30% per annum and 1.71% - 3.30% per annum, respectively).

19 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Trade payables	2,707	2,828	420	395
Trade payables to related parties (Note 33)	-	-	36	42
Other payables	259	281	44	49
Other payables to related parties (Note 33)	5	2	21	54
Advance received from customers	419	283	-	-
Accrued interest	58	54	59	57
Accrued expenses	583	562	25	26
Trade and other payables	<u>4,031</u>	<u>4,010</u>	<u>605</u>	<u>623</u>

20 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Current portion of long-term loans, net</b>				
Thai Baht	187	101	-	-
US Dollar	302	196	148	-
<u>Less</u> Financing fee	(3)	(1)	(2)	-
	<u>486</u>	<u>296</u>	<u>146</u>	<u>-</u>
<b>Long-term loans, net</b>				
Thai Baht	378	183	-	-
US Dollar	512	189	378	-
<u>Less</u> Financing fee	(4)	(1)	(3)	-
	<u>886</u>	<u>371</u>	<u>375</u>	<u>-</u>
Total long-term loans, net	<u>1,372</u>	<u>667</u>	<u>521</u>	<u>-</u>

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Opening balance	667	802	-	-
Additions	1,077	130	537	-
Repayments	(387)	(304)	(35)	-
Unrealised loss from exchange rate	12	7	19	-
Currency translation differences	3	32	-	-
Closing balance	<u>1,372</u>	<u>667</u>	<u>521</u>	<u>-</u>

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

As at 31 December 2016 and 2015, the Group and the Company have long-term loans from local commercial banks as follows:

**The Company**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayment	Security
2016	2015			
521 (USD 14.60 million)	-	LIBOR 3M+3.42%	Principal repayment of USD 1.00 million are made on quarterly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by July 2019.	A Subsidiary

**Subsidiaries**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayment	Security
2016	2015			
127 (USD 3.54 million)	179 (USD 4.95 million)	4.45%	Principal repayment of USD 0.12 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.	Vessel (Note 13) and also guaranteed by the Company
122 (USD 3.73 million)	161 (USD 4.91 million)	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	4.40%	Principal repayment of Baht 3.33 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	
60 (USD 1.68 million)	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.	Vessel (Note 13) and also guaranteed by another subsidiary
-	10	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.	
-	12	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.	
45	68	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.	Vessels (Note 13) and also guaranteed by the Company and another subsidiary
15	25	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.	
7 (USD 0.18 million)	43 (USD 1.17 million)	LIBOR 3M+4.25%	Principal repayment of USD 0.25 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.	

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

As at 31 December 2016 and 2015, The Group and the Company have long-term loans from local commercial banks as follows: (continued)

**Subsidiaries** (continued)

Balance of loan, net (Million Baht)		Interest rate per annum	Repayment	Security
2016	2015			
17 (USD 0.48 million)	86 (USD 2.38 million)	LIBOR 3M+4.25%	Principal repayment of USD 0.48 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 (Note 13) and also guaranteed by the Company and another subsidiary
77 (USD 2.17 million)	-	LIBOR 3M+3.10%	Principal repayment of USD 0.32 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by October 2019.	
79 (USD 2.22 million)	-	3.60%	Principal repayment of USD 0.04 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 2021.	Vessels (Note 13) and also guaranteed by the Company and another two subsidiaries
139 (USD 3.97 million)	-	3.60%	Principal repayment of USD 0.14 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by April 2019.	
163 (USD 4.71 million)	-	4.25%	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 2021.	

1,372      667

During the year 2016, the Group entered into the interest rate and cross currency swap contracts with the financial institutions, see note 35 for disclosure of the interest rate and cross currency swap contracts with the financial institutions as at 31 December 2016.

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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Long-term loans, net				
- at fixed rates	630	347	-	-
- at floating rates	742	320	521	-
Total long-term loans, net	<u>1,372</u>	<u>667</u>	<u>521</u>	<u>-</u>

As at 31 December 2016, the weighted average effective interest rate of the long-term loans of the Group was approximately 4.81% and 4.24% per annum respectively. (2015: 4.55% per annum for the Group).

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

Maturity of long-term loans is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Within 1 year	486	296	146	-
Later than 1 year but not later than 5 years	886	371	375	-
Total long-term loans, net	1,372	667	521	-

**Credit facilities**

As at 31 December 2016, 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 24,375 million (2015: Baht 18,969 million).

**21 Other current liabilities**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Tax payables	26	23	9	11
Withholding tax payable	5	4	-	-
Others	53	37	4	3
Other current liabilities	84	64	13	14

**22 Bonds, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Current portion of long-term bonds, net</b>				
Thai Baht	1,300	1,500	1,300	1,500
<b>Long-term bonds, net</b>				
Thai Baht	5,000	3,300	5,000	3,300
Less Deferred financing fees	(6)	(4)	(6)	(4)
	4,994	3,296	4,994	3,296
Total bonds, net	6,294	4,796	6,294	4,796

The movements of bonds can be analysed as follows:

**For the year ended 31 December 2016**

	Consolidated financial statements Million baht	Separate financial statements Million Baht
Opening balance, net	4,796	4,796
Repayment	(1,500)	(1,500)
Issue of bond	3,000	3,000
Financing fee on issue of bond	(6)	(6)
Amortised financing fees	4	4
Closing balance, net	6,294	6,294

During the period from 28 January to 2 February 2016, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. The 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.

**22 Bonds, net (continued)**

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

<b>Type of bond</b>	<b>Fixed interest rate</b>
3 - years bond	4.30% per annum

The Company has successfully issued the bond of Baht 3,000 million to refinance the bond of Baht 1,500 million that was 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.

Maturity of bonds is as follows:

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Within 1 year	1,300	1,500	1,300	1,500
Later than 1 year but not later than 5 years	4,994	3,296	4,994	3,296
<b>Total bonds, net</b>	<b>6,294</b>	<b>4,796</b>	<b>6,294</b>	<b>4,796</b>

**23 Cylinder deposits**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Cylinder deposits	4,627	4,229	884	807

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**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Present value of obligations	145	134	53	50
Liability in the statement of financial position	145	134	53	50

Movements in employee benefit obligations are as follows:

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Opening balance	134	127	50	46
Current service costs	9	9	3	3
Interest costs	4	4	2	2
Remeasurements of post-employment benefit obligations	(1)	-	(1)	-
Benefit paid	(1)	(6)	(1)	(1)
<b>Closing balance</b>	<b>145</b>	<b>134</b>	<b>53</b>	<b>50</b>



**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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Current service costs	9	9	3	3
Interest costs	4	4	2	2
<b>Total</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>5</b>

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Cost of sales and services	7	4	2	2
Administrative expenses	6	9	3	3
<b>Total</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>5</b>

The principal actuarial assumptions used were as follows:

	2016	2015
Discount rate	3.1%	4.2%
Salary increase rate	4.5 - 7%	5 - 7
Turnover rate	0.0 - 35%	0.0 - 22%

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 7.54%	Decrease by 8.74%	Increase by 8.57%	Increase by 10.07%
Salary increase rate	1%	1%	Increase by 8.81%	Increase by 11.90%	Decrease by 7.90%	Decrease by 10.42%
Turnover rate	20%	20%	Decrease by 8.18%	Decrease by 8.59%	Increase by 9.94%	Increase by 10.23%

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**

	<b>Number of share Million shares</b>	<b>Ordinary share Million Baht</b>	<b>Share premium Million Baht</b>	<b>Total Million Baht</b>
As at 1 January 2015	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2015	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2016	919	919	1,875	2,794

As at 31 December 2016, total authorised number of shares was 919 million shares with a par value of Baht 1 per share (2015: 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 10 August 2016, at the Board of Directors' meeting of the Company, the board passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2016 at Baht 0.15 per share, for 919 million shares, totalling Baht 137.84 million. The interim dividends had already been paid to the shareholders on 8 September 2016.

On 21 April 2016, at the Annual General Shareholders' meeting of the Company, the shareholders passed a resolution to approve 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 2015 amounting to Baht 0.20 per share, totalling Baht 183.79 million. The interim dividends had already been paid on 3 September 2015. The remaining dividends of Baht 0.30 per share, totalling Baht 275.68 million, had already been paid to the shareholders on 17 May 2016.

**The Subsidiaries**

On 10 August 2016, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, the board passed a resolution to approve the payment of interim dividends from retained earnings and operating results for the six-month period ended 30 June 2016 at Baht 25.00 per share, for 10.50 million shares, totalling Baht 262.50 million. The interim dividends had already been paid to the shareholders on 5 September 2016.

On 19 April 2016, at the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited, the shareholders passed a resolution to approve dividend payment for the year 2015 from opening retained earnings and the operating results for the year ended 31 December 2015 in an amount of Baht 55.00 per share, for 10.50 million shares, totalling Baht 577.50 million, inclusive of interim dividends amounting to Baht 30.00 per share, totalling Baht 315.00 million. The interim dividends had already been paid on 1 September 2015. The remaining dividends of Baht 262.50 million, had already been paid to the shareholders on 11 May 2016.

On 29 March 2016, at the Board of Directors' meeting of MyGaz Sdn. Bhd., the board passed a resolution to approve the payment of interim dividends from retained earnings at MYR 1.00 per share or Baht 8.71 per share, for 12.00 million shares, totalling MYR 12.00 million or Baht 104.48 million. The Company recognised the dividend income in the separate statement of income amounting to MYR 8.40 million or Baht 73.14 million. The remaining dividends of MYR 3.60 million or Baht 31.35 million were dividend of non-controlling interests. The interim dividends had been paid in May and July 2016.

**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 financial statements		Separate financial statements	
	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht
Rental income	24	22	24	22
Interest income	20	26	71	85
Gain on disposals of property, plant and equipment and investment property	3	41	1	43
Gain on exchange rates	-	-	-	118
Others	163	163	63	54
<b>Other income</b>	<b>210</b>	<b>252</b>	<b>159</b>	<b>322</b>

**29 Expenses by nature**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht
Depreciation and amortisation expenses	1,176	1,076	87	98
Staff costs	1,185	1,200	282	292
Directors' and key management's remuneration	55	58	31	33
Impairment charge on investment in subsidiaries	-	-	-	11
Loss on exchange rates	60	174	35	-

**30 Income tax**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax	226	262	-	60
Deferred tax (Note 16)	(119)	(37)	(23)	(1)
<b>Total tax expense</b>	<b>107</b>	<b>225</b>	<b>(23)</b>	<b>59</b>

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 financial statements		Separate financial statements	
	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht
Profit before tax	1,272	1,367	431	1,037
Tax calculated at a tax rate of 10% - 25% (2015: 10% - 25%)	255	470	86	207
Tax effect of:				
Income not subject to tax	(135)	(200)	(120)	(159)
Expenses not deductible for tax purpose	18	43	10	11
Utilisation of previously unrecognised tax losses	(72)	(51)	-	-
Tax losses for which no deferred income tax asset was recognised	108	23	-	-
Others	(67)	(60)	1	-
Tax charge	<b>107</b>	<b>225</b>	<b>(23)</b>	<b>59</b>

**31 Earnings per share**

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit for the period attributable to the parent company (Million Baht)	1,119	1,116	454	978
Weighted average number of ordinary shares after deduction of treasury stock (Million Shares)	919	919	919	919
Basic earnings per share (Baht/Share)	1.22	1.21	0.49	1.06

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

32 Other components of equity

	Consolidated financial statements				
	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 equity Million Baht
<b>Opening balance - 1 January 2016</b>	969	(609)	22	826	1,208
Total comprehensive expense for the year	-	-	-	(686)	(686)
<b>Closing balance - 31 December 2016</b>	<u>969</u>	<u>(609)</u>	<u>22</u>	<u>140</u>	<u>522</u>
<b>Opening balance - 1 January 2015</b>	969	(609)	22	176	558
Total comprehensive income for the year	-	-	-	650	650
<b>Closing balance - 31 December 2015</b>	<u>969</u>	<u>(609)</u>	<u>22</u>	<u>826</u>	<u>1,208</u>

	Separate financial statements		
	Revaluation surplus on land Million Baht	Difference from purchase of assets from a business combination under common control Million Baht	Total other Component of equity Million Baht
<b>Opening balance - 1 January 2016</b>	757	(609)	148
Total comprehensive income for the year	-	-	-
<b>Closing balance - 31 December 2016</b>	<u>757</u>	<u>(609)</u>	<u>148</u>
<b>Opening balance - 1 January 2015</b>	757	(609)	148
Total comprehensive income for the year	-	-	-
<b>Closing balance - 31 December 2015</b>	<u>757</u>	<u>(609)</u>	<u>148</u>

**33 Related party transactions**

As at 31 December 2016, 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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	18	19
Joint ventures	46	52	-	-
Other related parties - the same shareholders and directors	3	4	1	1
<b>Total</b>	<b>49</b>	<b>56</b>	<b>19</b>	<b>20</b>
<b>Other receivables</b>				
Subsidiaries	-	-	89	-
<b>Cylinder deposits</b>				
Subsidiaries	-	-	2	2
<b>Deposits for building</b>				
Other related parties - the same shareholders and directors	7	9	3	3
<b>Prepayment for building</b>				
Other related parties - the same shareholders and directors	76	121	31	49
<b>Trade accounts payable</b>				
Subsidiaries	-	-	36	42
<b>Other payables</b>				
Subsidiaries	-	-	19	53
Other related parties - the same shareholders and directors	5	2	2	1
<b>Total</b>	<b>5</b>	<b>2</b>	<b>21</b>	<b>54</b>

**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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	1,784	2,628
Joint ventures	37	44	37	44
<b>Total</b>	<b>37</b>	<b>44</b>	<b>1,821</b>	<b>2,672</b>
<b>Accrued interest income</b>				
Current portion - Subsidiaries	-	-	8	-
Non current portion				
- Subsidiaries	-	-	158	161
- Joint ventures	-	7	-	7
	-	7	158	168
<b>Total</b>	<b>-</b>	<b>7</b>	<b>166</b>	<b>168</b>

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Opening balance	44	110	2,672	1,609
Additions	-	-	70	1,438
Proceeds	(6)	(70)	(859)	(453)
Unrealised gain(loss) on exchange rates	(1)	4	(62)	78
Closing balance	<b>37</b>	<b>44</b>	<b>1,821</b>	<b>2,672</b>

As at 31 December 2016, the details of long-term loans to subsidiaries and joint ventures are as follows:

- Interest rate of 5.45% per annum (2015: 6.15% per annum) is charged for a loan of Baht 446.48 million (2015: Baht 376.47 million). The loan is due for repayment in 2024.
- Interest rate of 5.45% per annum (2015: 6.15% per annum) is charged for a loan of Baht 24 million (2015: Baht 36.00 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 (2015: 0.50% per annum) is charged for a loan of Baht 356.54 million (2015: Baht 371.54 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 5.45% per annum (2015: 6.15% per annum) is charged for a loan of Baht 25.67 million or USD 0.72 million (2015: Baht 35.92 million or USD 1.00 million). The loan is due for repayment in 2020.
- Interest rate of 5.45% per annum (2015: 6.15% per annum) is charged for a loan of Baht 363.41 million or USD 10.19 million (2015: Baht 512.75 million or USD 14.27 million). The loan is due for repayment in 2020.
- Interest rate of 5.45% per annum (2015: 6.15% per annum) is charged for a loan of Baht 32.09 million or USD 0.90 million (2015: Baht 39.29 million or USD 1.09 million). The loan is due for repayment in 2020.
- Interest rate of 5.45% per annum (2015: 6.15% per annum) is charged for loans of Baht 4.50 million (2015: Baht 4.50 million). The loan is due for repayment in 2020.
- Interest rate of 2.45% per annum (2015: 2.21% per annum) is charged for a loan of Baht 568.76 million or USD 15.95 million (2015: Baht 1,295.03 million or USD 36.05 million). The loan is due for repayment in 2020.

**Long-term loans from related parties**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Long-term loans from related parties</b>				
Subsidiaries	-	-	534	570
Other related parties - the same shareholders and directors	3	3	-	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>534</b>	<b>570</b>
<b>Accrued interest expenses</b>				
Subsidiaries	-	-	1	4



**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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Opening balance	3	3	570	1,020
Additions	-	-	490	470
Repayments	-	-	(526)	(920)
Closing balance	3	3	534	570

As at 31 December 2016, the details of long-term loans from 2 subsidiaries are as follows:

- Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum (2015: plus 0.50% per annum) is charged for a loan of Baht 470 million (2015: Baht 500 million). The loan is dues for payment in 2020.
- Interest rate of 1.75% per annum (2015: 1.75% per annum) is charged for a loan of Baht 64 million (2015: Baht 70 million). The loan is dues for payment in 2024.

As at 31 December 2016, the Group has loan from director of Baht 3 million with no interest. The loan dues when the subsidiary has sufficient working capital.

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Sales of gas</b>				
Subsidiaries	-	-	24	501
Joint ventures	339	324	-	-
Other related parties - the same shareholders and directors	12	14	6	7
<b>Total</b>	<b>351</b>	<b>338</b>	<b>30</b>	<b>508</b>
<b>Wharfing service income</b>				
Subsidiaries	-	-	40	39
<b>Interest income</b>				
Subsidiaries	-	-	68	78
Joint ventures	2	6	2	6
<b>Total</b>	<b>2</b>	<b>6</b>	<b>70</b>	<b>84</b>
<b>Other income</b>				
Subsidiaries	-	-	69	62
<b>Dividend income</b>				
Subsidiaries	-	-	596	795

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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
<b>Purchase of goods</b>				
Subsidiaries	-	-	3	3
<b>Purchase of property and equipment</b>				
Subsidiaries	-	-	56	58
<b>Transportation expenses</b>				
Subsidiaries	-	-	232	221
<b>Wharfing expenses</b>				
Subsidiaries	-	-	19	14
<b>Rental expenses</b>				
Subsidiaries				
Other related parties - the same shareholders and directors	-	-	3	3
	30	32	12	12
<b>Total</b>	<b>30</b>	<b>32</b>	<b>15</b>	<b>15</b>
<b>Interest expenses</b>				
Subsidiaries	-	-	10	14
<b>Other expenses</b>				
Subsidiaries	-	-	7	8
Other related parties - the same shareholders and directors	40	34	19	15
<b>Total</b>	<b>40</b>	<b>34</b>	<b>26</b>	<b>23</b>

v) Directors' and key management remunerations

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Short-term employee benefits	54	57	31	33
Post-employment benefits	1	1	-	-
<b>Total</b>	<b>55</b>	<b>58</b>	<b>31</b>	<b>33</b>

**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 subsidiary filed a petition to the Central Tax Court to withdraw the judgment. On 25 May 2016, the Central Tax Court judged for the Revenue Department to return value added tax and a penalty and surcharge totalling Baht 5,539,038 with interest rate at 7.5% per annum since 12 March 2015 until fully settlement to the subsidiary. The Revenue Department also has to correct the assessment on value added tax and the assessment of the Administrative Appeal Committee in relation to service income arising from time charter party contracts. The Revenue Department filed the appeal to the Central Tax Court on 19 August 2016. However, the subsidiary filed the defending to the Central Tax Court on 2 December 2016. The Central Tax Court accepted the defending from the subsidiary and processed the appeal and the defending of both parties to the Supreme Court. The final judgement will be made by the Supreme Court.

As a result of the judgement by the Central Tax Court, the Group's management considers that if the case is appealed to the Supreme Court, the outcome will be favourable to the Group. Therefore, the Group didn't recognise the expense and contingent liability relating to the value added tax, penalty and surcharge on service income arising from the time charter party contracts from 2011 to date. As at 31 December 2016, the case is currently being reviewed by the Supreme Court.

**b) Letter of guarantee**

As at 31 December 2016 and 2015, the Group and the Company have bank guarantees issued on its behalf as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Letter of guarantee	2,310	2,291	921	867
Letter of credit	2,313	2,162	-	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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Within 1 year	59	106	17	19
During 2 - 5 years	130	325	61	78
Later than 5 years	284	1,304	102	105
Total	473	1,735	180	202

**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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Property, plant and equipment	1,031	511	597	498

**e) 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**

**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 financial institutions as at 31 December 2016 as follows:

**The Company**

Interests at LIBOR 3M+3.42% per annum of long-term loans of USD 29.20 million are converted to fixed interests at 4.60% per annum. This contract is effective for a period from 27 January 2017 to 26 July 2019.

**Subsidiary**

Long-term loans of USD 3.54 million or Baht 127.31 million bearing interests at LIBOR+3.00% per annum 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.

Long-term loans of Baht 122.77 million bearing interest rate at 4.62% per annum are converted to long-term loans of USD 3.73 million bearing fixed interest rate at 4.40% per annum. This contract is effective for a period from 8 January 2015 to 29 February 2020.

Long-term loans of Baht 79.17 million bearing interest rate at 3.00% per annum are converted to long-term loans of USD 2.22 million bearing fixed interest rate at 3.60% per annum. This contract is effective for a period from 16 February 2016 to 28 February 2021.

Long-term loans of Baht 139.55 million bearing interest rate at 3.00% per annum are converted to long-term loans of USD 3.97 million bearing fixed interest rate at 3.60% per annum. This contract is effective for a period from 27 April 2016 to 30 April 2019.

Long-term loans of Baht 163.40 million bearing interest rate at 2.57% per annum are converted to long-term loans of USD 4.71 million bearing fixed interest rate at 4.25% per annum. This contract is effective for a period from 26 September 2016 to 30 April 2021.

**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 financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Forward foreign exchange contracts - assets (liabilities)	-	10	-	-
Interest rate and cross currency swap contracts - assets (liabilities)	(21)	(19)	8	-

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 22 February 2017, at the Board of Directors' meeting of the Company, the board passed a resolution to propose the payment of dividends from retained earnings and operating results for the year 2016 amounting to Baht 0.50 per share, totalling Baht 459.47 million, inclusive of interim dividends for the first six months of 2016. The Company had already paid interim dividend for the operating result for the six-month period of the year 2016 amounting to Baht 0.15 per share, totalling Baht 137.84 million on 8 September 2016. The board will propose the shareholders at their meeting to get an approval for dividend payment.

**Subsidiary**

On 22 February 2017, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, the board passed a resolution to propose dividend payment for the year 2016 in an amount of Baht 55.00 per share, totalling Baht 577.50 million, inclusive of interim dividends from retained earnings and operating results for the six-month period of the year 2016, amounting to Baht 25.00 per share, totalling Baht 262.50 million. The interim dividends had already been paid on 5 September 2016. The remaining dividend of Baht 315.00 million will be paid in May 2017. The board will propose to the shareholders at their meeting to get an approval for dividend payment.

**b) Issue of bond**

During the period from 23-25 January 2017, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. 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:

<b>Type of bond</b>	<b>Fixed Interest rate</b>
3-year bond	3.95% per annum

The Company has successfully issued the bond of Baht 2,000 million and already used the proceeds from the bond to repay another bond of Baht 1,300 million due in January 2017. 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.

**c) Increase in share capital of Siam Gas Power Pte. Ltd.**

On 22 February 2017, at the Board of Directors' meeting of the Company, the board passed a resolution to approve an increase in share capital of Siam Gas Power Pte. Ltd, incorporated in Singapore with 24.00 million shares at par value of USD 1 each or approximately Baht 859.94 million. The number of shares increased from 24.01 million shares to 48.01 million shares (with a par value of USD 1 each). As a result, the Company's ownership interest remains unchanged at 100%.

**d) Sale of investment in Far East Petroleum Sdn. Bhd.**

On 23 January 2017, the Company entered into the share sales agreement in Far East Petroleum Sdn. Bhd. with third parties in the portion of 30% for 3.00 million shares at a par value of MYR 1.00 each, totalling MYR 3.00 million (approximately Baht 23.97 million). Currently, the shares transfer is still in the process and is expected to be completed in the first quarter 2017. As a result, the Company's ownership interest will decrease from 100.00% to 70.00% and Far East Petroleum Sdn. Bhd. still remains a subsidiary of the Group.

**e) Borrowing from financial institution for dry-docking**

On 13 January 2017, a subsidiary entered into long-term loan contract with a local commercial bank for dry-docking amounting to Baht 143.00 million with interest rate at 4.25% per annum. The principal repayment THB 3.97 million is made on monthly basis and the total repayment is due within 3 years from the first installment.