



SIAMGAS

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

AGGRESSIVE GROWTH PORTFOLIO

ANNUAL REPORT

2015

Vision

To be the Leading Energy Provider in East Asia.

MISSION

To be prepared for the company's business expansion, market growth and future gas price floating. To urge business advantages by improving the company's potential in the upstream business and to cover the local and international markets, especially countries in East Asia, and even in higher level of the product supply chain with the company's product and service network

To come up with plans aimed at increasing facilities, storage terminals, filling plants, service stations, transporting vessels and transporting trucks

To continuously develop human resource for higher operation capability, effectiveness and security

To place importance on policies regarding product security, service and practices within organization

To focus on well living standard of people by providing premium product and service, especially security and convenience aspects in budget and fair price

To emphasize environment preservation, ethical business conduct, responsibility towards society, shareholders and other related parties

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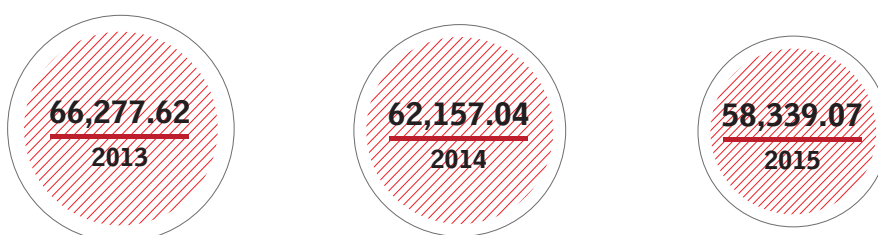
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Financial conclusion

		2013	2014	2015
FINANCIAL DATA				
Asset	Million Baht	29,602.09	28,243.29	29,098.45
Liabilities	Million Baht	20,518.50	19,874.22	19,323.69
Shareholders' Equity	Million Baht	9,083.58	8,369.06	9,774.76
Paid-up capital	Million Baht	918.93	918.93	918.93
Revenue from sales	Million Baht	64,308.12	61,177.30	57,581.63
Total revenue	Million Baht	66,277.62	62,157.04	58,339.07
Gross profit	Million Baht	2,339.45	834.37	3,036.56
EBITDA	Million Baht	3,310.34	1,090.72	2,854.01
Net profit	Million Baht	1,602.26	(514.30)	1,115.92
EPS	Baht	1.74	(0.56)	1.21
FINANCIAL RATIO				
Net profit margin	Percent	2.49	(0.87)	1.96
Return on equity (R.O.E.)	Percent	18.15	(6.42)	11.69
Return on asset (R.O.A.)	Percent	5.57	(1.90)	3.93
D/E ratio	Times	2.26	2.37	1.98
IBD ratio	Times	1.44	1.39	1.07
Liquidity ratio	Times	0.96	0.84	0.97
STOCK DATA				
Last price	Baht/share	15.80	9.50	10.40
Market capitalization	Million Baht	14,519.09	8,729.84	9,556.87
Book value	Baht/share	9.77	8.99	10.51
Dividend paid	Baht/share	0.60	0.35	0.50

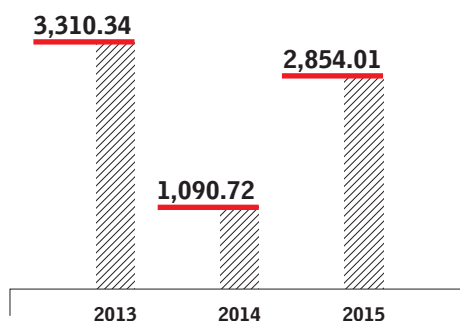
TOTAL REVENUE

Million Baht



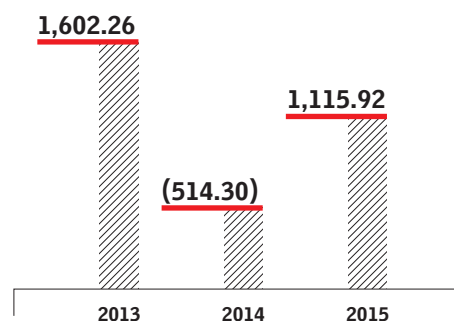
EBITDA

Million Baht



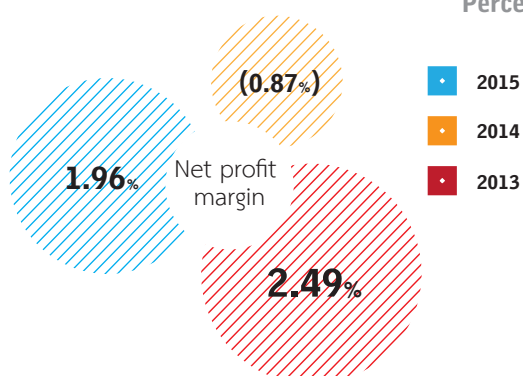
NET PROFIT

Million Baht



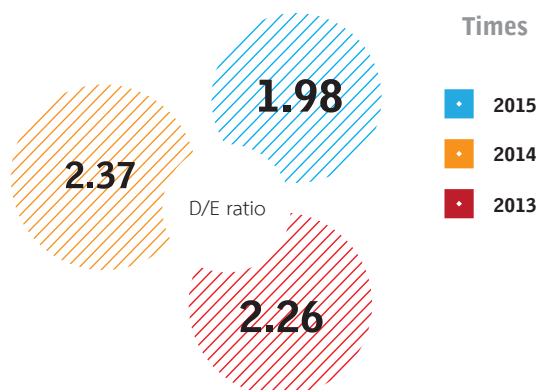
NET PROFIT MARGIN

Percent



NET DEBT TO EQUITY RATIO

Times



MESSAGE FROM THE CHAIRMAN AND EXECUTIVE CHAIRMAN

Thai economy in 2015 expanded by 2.8%, when compared with the previous year which was 0.9%, due to favorable results from acceleration of public expenditures and operations pursuant to economic stimulus measures. Other positive factor was the continued increasing number of tourists visiting the country and inflation and interest rate were maintained at low level. However, import sector of Thailand still has been impacted from economy slowdown of the important trade partner, i.e. China.



A handwritten signature in black ink, appearing to be 'Worawit'.

Mr. Worawit Weeraborwornpong
Executive Chairman of the Management



A handwritten signature in black ink, appearing to be 'Chaisit'.

Gen. Chaisit Shinawatra
Chairman of the Board

With regards to domestic energy situation, on January 2015, the Committee on Energy Policy Administration (CEPA) resolved to approve a new formula for calculating retail prices of LPG to reflect actual costs, by applying weighted average cost of production and procurement backdated for 3 months from 3 major sources (i.e. gas separation plant, oil refinery & aromatic plant and imported LPG). Consequently, domestic retail prices of LPG in 2015 were reduced continually pursuant to prices of imported LPG.

Global economic conditions in 2015 still have been impacted from a slowdown in Chinese economy which is a second largest economy in the world, both on manufacturing index and domestic demand. The China's economy grew only 7.4%, which was the lowest growth in the past 24 years of economic development. With regard to global energy situations, global oil prices still dropped continually as a result from the decision made by the OPEC to maintain oil production at current high level. Additionally, as sanction against Iran has been lifted, so now Iran can return to global oil markets and this return could cause oil prices in 2016 to go further down.

With regard to business conditions of the Company in 2015, as the domestic markets received positive outcome from adjustment of retail prices of LPG which made LPG used in household sector, transportation sector and industrial sector have uniform prices, therefore sales volume of the Company had decreased in proportion close to overall markets and they began to slightly recover during the fourth quarter of 2015. Concerning the global markets, even though LPG prices constantly went down but such decrease was in narrower gap than in 2014 and the number of months where prices have been adjusted up and down for 12 months in a year were equal which went up 6 months and went down 6 months, so degree of LPG prices fluctuation impacted to the Company was lesser than the last year in which prices went up 2 months and went down 10 months. Moreover, the Company has

progressively penetrated the Chinese markets which made sales volume of LPG in China grew considerably at 163.2%, despite the slowdown in Chinese economy. Additionally, overseas LPG sales volume of the Company can grow continuously.

Due to improvement of sales volume plus efficiently management, total revenues in 2015 of the company and its subsidiaries were 58,339.08 million baht, decreasing from 62,157.04 million baht, or 6.54 percent from 2014. Net profit from the parent company was 1,115.93 million baht, increasing 316.98 percent from 2014 which was recorded loss at 514.30 million baht. Thus, the Board of Directors proposed to the shareholders' meeting to consider on dividend payout at 0.30 Baht per share. When combining with interim dividend payout already paid at 0.20 Baht per share, total amount of dividend payout was 0.50 baht per share. For prediction of 2016, the Company expected that LPG prices in the world markets will gradually increase and domestic LPG sales volume will continual rise further from 2015. Therefore, it is anticipated that the group can generate operating profit from both domestic and overseas businesses and can achieve the target sets to respond to expectation of all shareholders and stakeholders.

On behalf of the Board of Directors, we would like to express our sincere gratitude to all shareholders, investors, partners, customers, employees, and other parties including the financial institutions in Thailand and overseas who have been providing valuable supports and contribution to the company's success at all time. Please rest assured that we shall operate business prudently, carefully and under code of ethics and corporate governance for sustainable development to maximize profits for all related parties with aims to become the prosperous organization that grow together with Thailand and South East Asia, pursuant our vision statement.

AUDIT COMMITTEE REPORT

The Audit Committee of Siamgas and Petrochemicals Public Company Limited appointed by the Board of Directors, comprises of three independent directors who possess completed qualifications set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company's Audit Committee consists of :

1. Mr. Viroj Klangboonkrong
Chairman of the Audit Committee
2. Mr. Harn chiocharn
Audit Committee Member
3. Mrs. Sudjit Divari
Audit Committee Member

During the year 2015, the Audit Committee held sixteen meetings and all of its members attended the meetings together with the Internal Audit Office and the Management. They also attended meetings with the External Auditors to review the auditor's plans and audit scope, including to acknowledge results of the audit works. In addition, the Audit Committee had a meeting without the presence of the Management to discuss and be informed about independent opinion of the External Auditors.

The Audit Committee independently worked and expressed their opinions in accordance with the roles and responsibilities assigned by the Board of Directors. They oversaw the operation according to the principles, the standards and the regulations which relevant to the company's businesses. Major activities of the Audit Committee were concluded as follows:

1. Review accurate and adequate financial reports:

- Reviewed the interim and 2015 annual financial statements of the company and its subsidiaries with the External Auditors and the Management by

questioning, discussing and advising on certain issues and matters relating to the company and its subsidiaries' financial reports. The External Auditors confirmed that they performed the engagements independently and obtained a kind cooperation with the Management. Deputy Managing Director & Chief of Financial Officer confirmed that the company's accounting systems were effective. The recording data was complied with International Financial Reporting Standards.

2. Review suitable and efficient internal control and internal audit systems:

- Reviewed the independence of the Internal Audit Office, its scope of responsibilities and annual audit plan as well as considered the audit report and monitored the implementation of solutions as mentioned in the audit report. Gave advice to improve the audit performance and considered the appropriateness of the budget, workforce, training and personnel development as well as approved on appointment, transfer and dismissal of Chief Audit Executive.
- Assessed the adequacy and effectiveness of internal control system by considering from internal audit report and the opinion of the External Auditors.
- Reviewed the adequacy of internal control system for the year 2015 pursuant to the evaluation forms issued by the Office of SEC.

3. Review compliance with laws pertaining to securities and the stock exchange, regulations of the Stock Exchange of Thailand and laws concerning company business:

- Attended the meeting with the Management and the Internal Audit Office to review the company operations in order to ensure that the company operated its business in compliance with related laws and regulations.

- Monitored progress of litigation involving the Company.
- Acknowledged reports from the External Auditors that there are no issues to be presented to the Audit Committee according to section 89/25 of the Securities and Exchange Act.

4. Consider, select, recommend remuneration and nominate the company's auditors:

- The Audit Committee proposed to the company's Board of Directors to recommend at the Annual General Meeting of shareholders for the appointment of Mr. Chaisiri Ruangritchai Certified Public Accountant (Thailand) No.4526 or Mr. Somchai Jinnovart Certified Public Accountant (Thailand) No.3271 or Mr. Prasit Yuengsrikul Certified Public Accountant (Thailand) No. 4174 or Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977, auditors of PricewaterhouseCoopers ABAS Co., Ltd.(PwC) as the company and its subsidiaries' auditors for fiscal year 2016, together with the remuneration. The Audit Committee is of the view that the External Auditors of the company are independent auditors with their professional practices, relevant experience and qualifications set forth by the Office of SEC.

5. Consider the connected transactions and transactions with conflict of interest in line with relevant legislations and regulations:

- The Audit Committee acknowledged reports from the Management on the connected transaction and transaction with conflict of interest pursuant to the measures specified by the Office of SEC.

6. Prepare for the participation in Private Sector Collective Action Coalition Against Corruption :

- The Audit Committee assigned the Internal Audit Office and the Management to conduct a detail study and to prepare a self-evaluation in accordance with the self-evaluation form regarding anti-corruption measures and assigned persons to receive training in Anti-Corruption program :The Practical Guide Program, as organized by Thai Institute of Directors Association, to ensure readiness in the participation in such program.

7. Others :

- Reviewed the information disclosed to the SET and the Office of SEC, as disclosed in the company's annual report for year 2015 (Form 56-2) and in the annual information disclosure form as at December 31, 2015 (Form 56-1).
- Reported the Audit Committee's activities to the Board of Directors periodically.
- The Audit Committee performed Audit Committee self - assessment by completed the questionnaire prepared by audit committee members in respect to the efficiency of the Audit Committee's performance.

“

In conclusion, The Audit Committee has fully performed its duties as specified in the Audit Committee's Charter as approved by the Board of Directors. The Audit Committee is of the opinion that the Company's report on financial information is correct in compliance with the financial reporting standards, with effective and proper internal control system and internal audit, and that the business operations comply with applicable laws and regulations relating to the Company's business.

”

On behalf of the Audit Committee



(Mr. Viroj Klangboonkrong)
Chairman of the Audit Committee
24 February 2016

Board of Director



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1. **Gen. Chaisit Shinawatra**
Chairman

2. **Mr. Worawit Weeraborwornpong**
Vice Chairman

3. **Mrs. Patchara Weeraborwornpong**
Director

4. **Mr. Supachai Weeraborwornpong**
Director

5. **Mr. Suttipong Vasuvanichphan**
Director

6. **Mr. Viroj Klangboonklong**
Independent Director and Chairman of Audit Committee

7. **Mr. Harn Chiocharn**
Independent Director and Member of Audit Committee

8. **Mrs. Sudjit Divari**
Independent Director and Member of Audit Committee

9. **Mr. Somchai Korprasobsuk**
Director

10. **Mrs. Jintana Kingkaew**
Secretary to the Board of Directors

Management Team



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1. **Mr. Worawit Weeraborwornpong**
Chairman
2. **Mrs. Patchara Weeraborwornpong**
Executive Director
3. **Mr. Supachai Weeraborwornpong**
Managing Director
4. **Mr. Suttipong Vasuvanichphan**
Deputy Managing director

5. **Mrs. Jintana Kingkaew**
Deputy Managing director
6. **Mr. Anuwat Poosantipong**
Deputy Managing director
7. **Mr. Somchai Korprasorbsuk**
Assistant Managing Director

Board of Director, Executives, and Control Authorities

Siamgas and Petrochemicals Public Company Limited

Gen.Chaisit Shinawatra Age 71 year

Position : Independent Director and Chairman

Educational Credential

- / Chulachomklao Royal Military Academy Class 16
- / Command and General Staff College Class 57
- / National Defence College Class 40
- / Engineer Course Class at Colonel Fort Cow Bell, Virginia USA

Other Academic

- / Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

- None -

Working experience

Since 2008	Honorary Advisory Thai Sumsung Electronic Co., Ltd.
Since 2006	Independent Director and Chairman Siamgas and Petrochemicals PCL.
Since 2005	Vice Chairman Olympic of Thailand under Royal Patronage
Since 2003	Chairman Muay Thai Federation
Since 2003	Honorary Advisory National Council of Boy Scouts
2002 - 2003	Assistant Commander in Chief Royal Thai Armed Forces
2003 - 2004	Commander in Chief Royal Thai Armed Forces
2004 - 2005	Chief of Defend Forces Royal Thai Armed Forces
2003 - 2006	Director Sport Authority of Thailand
2002 - 2006	Director Provincial Electricity Authority
2003 - 2006	Vice Chairman Thai Military Bank PCL.
2011 - 2013	Advisor to The Prime Minister

Share holder ratio (As of 31 December 2015)

- None -

Mr.Worawit Weeraborwornpong Age 70 year

Position : Vice Chairman / CEO

Educational Credential

- / Bachelor's degree of Bangkok Thonburi University

Other Academic

- / Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

Husband of Mrs.Patchara Weeraborwornpong and Father of
Mr.Supachai Weeraborwornpong

Working experience

Since 2013	Director MYGAZ SND. BHD.
Since 2013	Director CITYGAS NORTH CO., LTD.
Since 2013	Director CITYGAS CO., LTD.
Since 2012	Director Siam Suksawat Co., Ltd.
Since 2010	Director SIAM OCEAN GAS AND ENERGY LIMITED
Since 2010	Director SINO SIAMGAS AND PETROCHEMICALS CO., LTD.
Since 2010	Director SIAMGAS HK Company Limited
Since 2010	Director SINGGAS (LPG) PTE Limited
Since 2010	Director SUPERGAS Company Limited
Since 2008	Director Siam Quality Steel Co., Ltd.
Since 2005	Vice Chairman Siamgas and Petrochemicals PCL.
Since 2004	Chairman Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2015)

Common share 441,881,599 shares (48.09% of total shares)

Mr.Supachai Weeraborwornpong Age 43 year

Position : Director / Managing Director

Educational Credential

- / M.B.A. Sasin Graduate Institute of Chulalongkorn University
- / B.S. Civil Engineering Michigan State University, U.S.A.

Other Academic

- / Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

Son of Mr.Supachai Weeraborwornpong and Mrs.Patchara Weeraborwornpong

Working experience

Since 2013	Director MYGAZ SND. BHD.
Since 2013	Director CITYGAS NORTH CO., LTD.
Since 2013	Director CITYGAS CO., LTD.
Since 2012	Director Siam Suksawat Co., Ltd.
Since 2010	Director SIAM OCEAN GAS AND ENERGY LIMITED
Since 2010	Director SINO SIAMGAS AND PETROCHEMICALS CO., LTD.
Since 2010	Director SIAMGAS HK Company Limited
Since 2010	Director SINGGAS (LPG) PTE Limited
Since 2010	Director SUPERGAS Company Limited
Since 2008	Director Siam Quality Steel Co., Ltd.
Since 2005	Managing Director Siamgas and Petrochemicals PCL.
Since 2004	Managing Director Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2015)

Common share 50,871,000 shares (5.54% of total shares)

Mrs.Patchara Weeraborwornpong Age 67 year

Position : Director / Executive director

Educational Credential

- / High school

Other Academic

- / Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

Wife of Mr.Worawit Weeraborwornpong and Mother of Mr.Supachai Weeraborwornpong

Working experience

Since 2005	Director Siamgas and Petrochemicals PCL.
Since 2004	Director Uniquegas and Petrochemicals PCL.
Since 1994	Director Bobae Tower Co., Ltd.
Since 1992	Managing Director Prom Maharaj Land Development Co., Ltd.
Since 1992	Director Exhibition and International Conference (Thailand) Co., Ltd.

Share holder ratio (As of 31 December 2015)

Common share 50,000,000 shares (5.44% of total shares)

Board of Director, Executives, and Control Authorities

Siamgas and Petrochemicals Public Company Limited

Mr.Suttipong Vasuvanichphan Age 66 year

Position : Director / Deputy Managing Director

Educational Credential

/ Vocational Diploma | Chetupon Commercial College

Other Academic

/ Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

- None -

Working experience

Since 2012	Director Siam Suksawat Co., Ltd.
Since 2008	Director Siam Quality Steel Co., Ltd.
Since 2008	Director Siam Ethanol Export Co., Ltd.
Since 2005	Deputy Managing Director Siamgas and Petrochemicals PCL.
Since 2004	Deputy Managing Director Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2015)

Common share 233,001 shares (0.02% of total shares)

Mr.Somchai Korprasobsuk Age 54 year

Position : Director / Assistant Managing Director

Educational Credential

/ Bachelor degree in Business Administration faculty of The
University of the Thai Chamber of Commerce

Other Academic

/ Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)

Relationship in Management family

- None -

Working experience

Since 2011	Director Siam Lucky Marine Co., Ltd.
Since 2005	Assistant Managing Director Siamgas and Petrochemicals PCL.
Since 2005	Director Lucky Carrier Co., Ltd.
Since 2004	Assistant Managing Director Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2015)

- None -

Mr.Viroj Klangboonklong Age 72 year

Position : Independent director / Chairman of Audit Committee

Educational Credential

- / Bachelor degree in Engineering faculty of Chulalongkorn University
- / Master degree in Business Administration of Thammasat University
- / Mechanical Engineering of Asian Institute of Technology (AIT)

Other Academic

- / Certificate of Thai Institute of Director (IOD) Directors Accreditation Program (DAP)

Relationship in Management family

- None -

Working experience

Since 2008	Independent director and Chairman of Audit Committee I Uniquegas and Petrochemicals PCL.
Since 2006	Independent director and Chairman of Audit Committee I Siamgas and Petrochemicals PCL.
2003 - 2006	Independent director and Member of Audit Committee I Ratchaburi Electricity Generating Holding PCL.
2002 - 2005	Director General I Department of Energy, Ministry of Energy
2001 - 2002	Senior Chief Engineer Department of Public works, Ministry of Interior
1997 - 2001	Chief Engineer Department of Public works, Ministry of Interior
1992 - 1997	Director of Division control Department of Public works, Ministry of Interior

Share holder ratio (As of 31 December 2015)

Common share 975,000 shares (0.10% of total shares)

Mr.Harn Chiocharn Age 71 year

Position : Independent director / Member of Audit Committee

Educational Credential

- / Bachelor degree in Law faculty at Thammasat University
- / Degree in government with private class 6, National Defence College

Other Academic

- / Certificate of Thai Institute of Director (IOD) Directors Accreditation Program (DAP)

Relationship in Management family

- None -

Working experience

Since 2008	Independent director and Member of Audit Committee I Uniquegas and Petrochemicals PCL.
Since 2006	Independent director and Member of Audit Committee I Siamgas and Petrochemicals PCL.
Since 2006	Independent director and Member of Audit Committee I Thai Industry and engineering service PCL.
2006 - 2007	Managing Director I Bangkok First Investment & Trust PCL.
Feb - May 2006	Advisor I Bangkok First Investment & Trust PCL.
July - Oct 2005	Deputy Managing Director I Asset Management Corporation
May - July 2005	(Acting) Managing Director I Asset Management Corporation
2003 - 2005	Assistant Managing Director I Asset Management Corporation
2000 - 2003	Director of Corporate security and Legal document I Asset Management Corporation

Share holder ratio (As of 31 December 2015)

Common share 30,000 shares (0.003% of total shares)

Mrs.Sudjit Divari Age 69 year

Position : Independent director / Member of Audit Committee

Educational Credential

- / Bachelor degree in Accounting, Faculty of Commerce and Accounting at Chulalongkorn University
- / Master degree in Business Administration, Faculty of Commerce and Accounting at Thammasat University
- / MBA State University of California at Fresno, U.S.A.

Other Academic

- / Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)
Directors Certificate Program (DCP)
Audit Committee Program (ACP)

Relationship in Management family

- None -

Working experience

- | | |
|-----------------|--|
| Since 2008 | Independent director and Member of Audit Committee I
Uniquegas and Petrochemicals PCL. |
| Since 2008 | Independent director and Chairman of Audit Committee I
Credit Foncier Lynn Phillip Mortgage Co., Ltd. |
| Since 2006 | Independent director and Member of Audit Committee I
Siamgas and Petrochemicals PCL. |
| 2004 - 2007 | Director and Chairman of Audit Committee
Sunwood Industry PCL. |
| 1999 - 2011 | Executive Director I
United Factoring (1993) Co., Ltd. |
| 1999 - 2011 | Director and Chairman of Audit Committee I
Wave Entertainment PCL. |
| 2004 - Sep.2014 | Director and Member of Audit Committee I
Rasa Property Development PCL. |
| Sep.-Nov. 2014 | Director and Member of Audit Committee I
Singha Estate PCL. |

Share holder ratio (As of 31 December 2015)

Common share 700,000 shares (0.07% of total shares)

Mrs.Jintana Kingkaew Age 57 year

Position : Secretary of the Board / Deputy Managing Director

Educational Credential

- / Bachelor degree in Accountancy in Auditing Major at The University of the Thai Chamber of Commerce
- / Master degree in Business Administration at Kasetsart University
- / Master degree in Finance at Kasetsart University

Other Academic

- None -

Relationship in Management family

- None -

Working experience

- | | |
|------------|--|
| Since 2004 | Deputy Managing Director I
Uniquegas and Petrochemical PCL. |
| Since 2003 | Deputy Managing Director I
Siamgas and Petrochemical PCL. |

Share holder ratio (As of 31 December 2015)

Common share 458,000 shares (0.05% of total shares)

Mr.Anuwat Poosantipong Age 53 year

Position : Deputy Managing Director

Educational Credential

- / Bachelor degree in Engineering at Chulalongkorn University
- / Master degree of Business Administration at NIDA

Other Academic

- None -

Relationship in Management family

- None -

Working experience

- | | |
|------------|--|
| Since 2004 | Deputy Managing Director I
Uniquegas and Petrochemical PCL. |
| Since 2004 | Deputy Managing Director I
Siamgas and Petrochemical PCL. |

Share holder ratio (As of 31 December 2015)

- None -

The position of executive and authority control

Name	Direct Subsidiaries										Indirect Subsidiaries			Joint Venture					
	SGP	UGP	LCR	SQS	SEEC	SGHK	SSW	SUPERGAS	SLM	SINGGAS	SGM	SGT	MYGAZ	SINOSIAM	SOGEL	SNTL	SG GAS	CITYGAS NORTH	FAREAST
1. Gen.Chaisit Shinawatra	x																		
2. Mr.Worawit Weeraborwornpong	/,/,	x		/		/	/			/	/	/	/	/	/	/	/		/
3. Mrs.Patchara Weeraborwornpong	/,/,	/																	
4. Mr.Supachai Weeraborwornpong	/,/,/,/,	/,/,/		/	/	/	/			/	/	/	/	/	/	/	/		/
5. Mr.Suthipong Vasuvanichphan	/,/,/,/,	/,/,/	/	/	/		/		/										
6. Mr.Viroj KlangboonKlong	xx	xx																	
7. Mr. Harn Chaewcharn	xx	xx																	
8. Mrs.Sudjit Divari	xx	xx																	
9. Mr.Anuwat Poosantipong	/,/,	/,/,																	
10. Mrs.Jintana Kingkaew	/,/,	/,/,												/	/	/			
11. Mr.Somchai Korpasobsuk	/,/,/,	/,/,/,	/,/,/,		/,/,/,				/,/,/,					/	/	/			

Remark : X = president of director

XX = audit committee

/ = director

// = executive director

/,/,/ = executive

The Company has prepared budget
in the amount of baht

500 million

to invest in LPG terminal. This terminal
will be used as an additional LPG
distribution center and help increase
LPG reserve capacity another

3,000 tons

from current reserve capacity of

20,000 tons



Policy and Overview of Business Operations



1. Policy and Overview of Business Operations

1.1 Overview of Vision, Objective, Target or Strategic Operation of SGP and Group of Companies

SGP targets to be one of the leading energy operators in East Asia. For business in Thailand, the Company has investment plans to expand LPG business by increasing number of LPG filling stations and LPG filling plants as well as to expand marine transportation business by purchasing more LPG vessel tankers. With regard to overseas business, SGP has purchased LPG terminal with filling plants to operate LPG business in Vietnam, China, Singapore, Malaysia and etc. SGP also looks for investment opportunity for LPG business in East Asia as well.

Moreover, SGP also seeks opportunity to expand business in other energy related business, for instance, expansion in LNG or NGV business, including petrochemicals and other energy fields. For the past period, SGP has invested in Ethanol and coal.

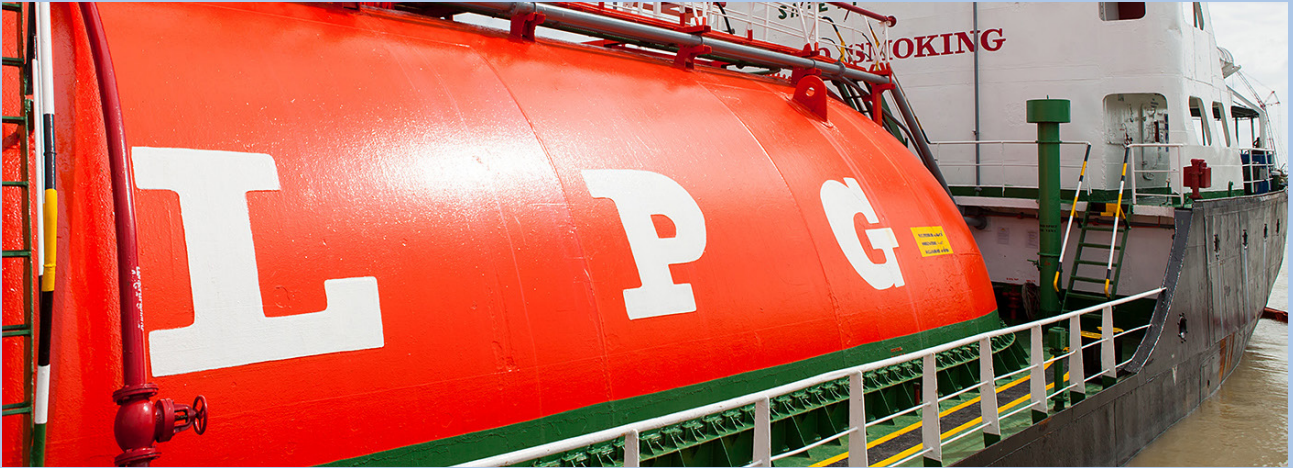
Vision

SGP Group determines to be the regional leader in energy business.

Mission

SGP has advantages and ready to support business expansion, for instance, the growth of the market and future LPG floating price. Regarding to creation of competitive edge, SGP has developed potentials of upstream business and built effective products and service distribution networks with nationwide coverage and expanded business to the neighboring countries. SGP emphasized on important parts of such developments as follows:

- Plan to increase facilities, warehouses, gas filling plants and service stations including gas tankers and gas trucks.
- Develop human resources continually to develop potential and increase capability for operations with efficiency and safety.
- Emphasize on product safety, service rendering including internal operations.



- Focus on well livelihood of the public by providing excellent products and services people, particularly on safety, convenience and at reasonable and fair prices.
- Pay attention to environment preservation, ethical business operations pursuant to governance principles with responsibilities to society, community as well as shareholders and all related parties

Business Operations

SGP and its subsidiaries' core businesses are energy and related businesses.

1. Trading of LPG, ammonia, and other petrochemicals - operated under SGP and Unique Gas and Petrochemicals PCL.
- 2) Transportation of petroleum, LPG, ammonia, and other petrochemicals - operated under the 3 subsidiaries as follows: Lucky Carrier Co., Ltd., Siam Lucky Marine Co., Ltd. and Unique Gas and Petrochemicals PCL.
- 3) LPG Cylinder and Auto-gas tank manufacturing - operated by Siam Quality Steel Co., Ltd., a subsidiary of SGP.
- 4) Ethanol Manufacturing and Trading - operated by Siam Ethanol Export Company Co., Ltd., a subsidiary of SGP.

Oversea operations include 4 businesses as follows:

- 1) LPG trading in China – operated by a wholly owned subsidiary, Sino Siam Gas and Petrochemicals Co., Ltd. and Siam Ocean Gas and Energy Co., Ltd.
- 2) LPG trading in Vietnam - operated by a wholly owned subsidiary, Super Gas Co., Ltd. and Citygas Co., Ltd.. And a joint venture company, Citygas North Co., Ltd.
- 3) LPG trading in Singapore - operated by a wholly owned subsidiary, SingGas (LPG) Pte. Ltd., Siam Gas Trading Pte. Ltd. and SiamGas Myanmar Consortium Pte. Ltd.
- 4) Petrochemicals trading in Malaysia - operated by a wholly owned subsidiary, SGGAS Sdn. Bhd., Mygaz Sdn. Bhd. and FarEast Petroleum Sdn.Bhd.

SGP's Core Business

The core business of SGP is LPG distribution under "SIAMGAS" trademark through its 22 LPG filling plants including those 7 locations owned and operated by the company (COCO, company owned – company operated filling plants), 15 locations where the property rented to agents (CODO, company owned – dealer operated filling plants), and also through 148 agent filling plants for cooking segment. SGP also distributes LPG to auto-gas

users through 43 company owned – company operated auto-gas stations (COCO), and other 533 dealer owned – dealer operated auto-gas stations (DODO).

At present, SGP has altogether 19 subsidiaries in the group including 13 wholly owned companies as follows:

1. Unique Gas and Petrochemicals PCL. ("UGP"),
2. Lucky Carrier Co., Ltd. ("LCR"),
3. Siam Quality Steel Co., Ltd. ("SQS"),
4. Siam Ethanol Export Co., Ltd. ("SEEC"),
5. Siam Suksawat Co., Ltd. ("SSW"),
6. Siam Lucky Marine Co., Ltd. ("SLM"),
7. Siamgas HK Co., Ltd. ("SGHK"),
8. Super Gas Co., Ltd. ("SUPERGAS"),
9. SingGas (LPG) Pte. Ltd. ("SINGGAS"),
10. Siam Gas Trading Pte. Ltd. ("SGT"),
11. MYGAZ Sdn. Bhd. ("MYGAZ"),

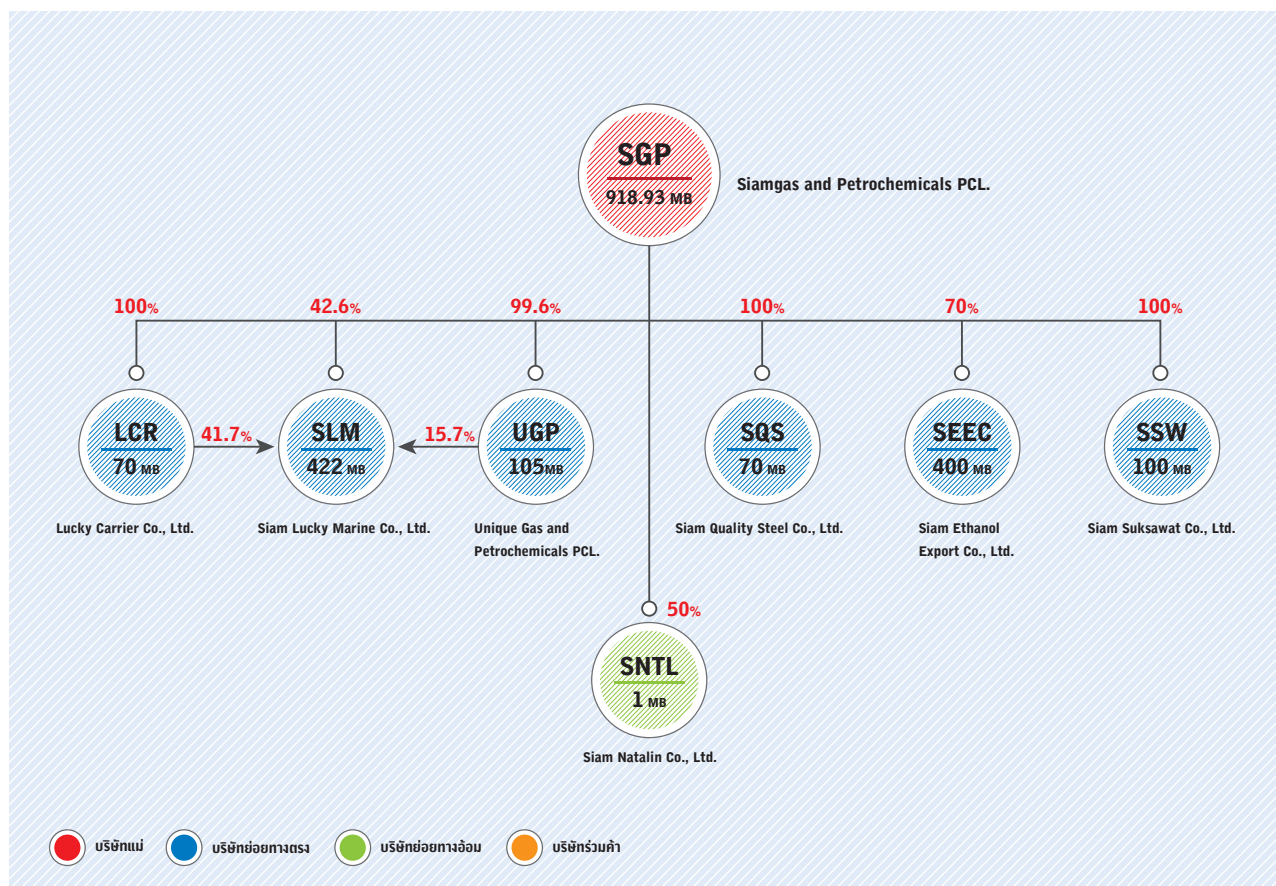
12. Citygas Co., Ltd. ("CITYGAS") and
13. Siamgas Myanmar Consortium Pte. Ltd.

Also, there are 2 companies owned through SGP's subsidiaries including

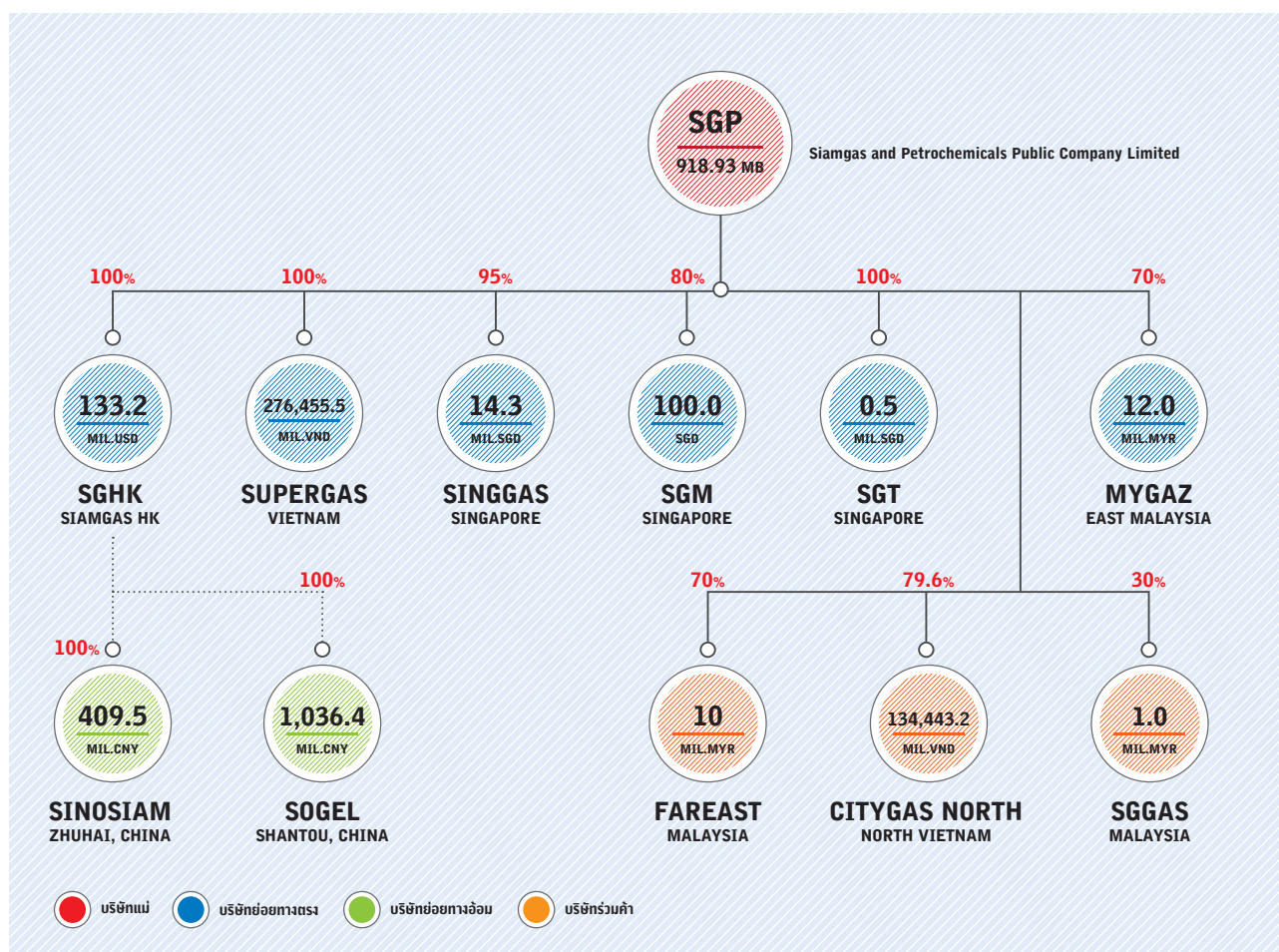
14. Sino Siam Gas and Petrochemicals Co., Ltd. ("SINOSIAM")
 15. Siam Ocean Gas and Energy Ltd. ("SOGEL"),
- and 4 joint ventures which are
16. SGGAS Sdn. Bhd. ("SGGAS")
 17. Citygas North Co., Ltd. ("CITYGAS NORTH")
 18. FAR EAST PETROLEUM SDN. BHD. ("FAR EAST")
- and
19. Siam Natalin Co., Ltd. ("SNTL").

1.2 SGP's and its subsidiaries' Business Structure

1. Thailand business structure



2. Oversea business structure



Business Operations of SGP's Subsidiaries

UNIQUEGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED. (“UGP”)

UGP, established on January 12, 1982, has its current registered capital of 200 million baht and paid-up capital of 105 million baht. SGP is its current major shareholder holding 99.51 % of the paid-up capital. The business of UGP is filling and distributing LPG, ammonia, and other petrochemicals such as butane, propane, and propellant under “Unique Gas” trademark, and UGP operates its business as a trader under section 7 of Fuel Trade Act, B.E. 2543.

At present, UGP has 2 LPG terminals, 13 company owned – company operated filling plants, 82 dealer owned –

dealer operated filling plants, and 149 dealer owned – dealer operated auto-gas stations. Most of UGP customers are LPG filling plants, LPG retailers, LPG auto-gas stations, and industrial users. UGP also has a license for oil transportation under section 12 of Fuel Trade Act, B.E. 2543 with a 1,288-ton vessel tanker in its fleet.

LUCKY CARRIER COMPANY LIMITED (“LCR”)

LCR was established on August 13, 1991 with its current registered and paid-up capital of 70 million baht. SGP is the major shareholder holding 99.99% of the paid-up capital. The business of LCR is transportation of LPG and oil by road tankers under section 12 of Fuel Trade Act, B.E. 2543. LCR provides LPG transportation services nationwide to its customers who are mainly SGP and UGP. Moreover, LCR also provides oil transportation service



for customer outside SGP group such as PTT Public Company Limited. The fleet of LCR is comprised of 28 oil road tankers with combined capacity of 948,000 liters, 280 LPG road tankers with combined capacity of 3,143 tons, 24 ammonia road tankers with combined capacity of 292 tons and 2 road tankers for other chemical products with combined capacity of 68,000 liters. On June 29, 2012, CGT's business was transferred to LCR to be under the same group.

SIAM QUALITY STEEL COMPANY LIMITED ("SQS")

SQS was established on June 27, 2008 with registered and paid-up capital of 70 million baht with SGP as its major shareholder holding 99.99% of the paid-up capital. The business of SQS are manufacturing and distributing LPG containers including LPG cylinders for cooking usage and LPG canisters for automobiles. Most of SQS business is manufacturing LPG cylinders for SGP and UGP.

SIAM ETHANOL AND EXPORT COMPANY LIMITED ("SEEC")

SEEC was established on June 23, 2004 with its current registered and paid-up capital of 400 million baht. SGP is its major shareholder holding 70% interest in equity. The business of SEEC are producing and distributing ethanol from agricultural feed stocks such as molasses and cassava. The plant of SEEC is located at 88 Moo 8, Tambol Nonglalok, Umphur Ban-Kai, Rayong province. SEEC plant is capable of producing 100,000 liters of 95% or food grade ethanol per day for export.

SEEC had its machines test-run in November 2008 and started commissioning to produce 95% ethanol in March 2009. Until 2010, SEEC had a major machinery development for its plant for the production of 99.5% or fuel grade ethanol used in transportation sector which is expected to start commissioning in the 2nd quarter 2011.

SEEC has ceased operation in year 2013 due to high raw material price which caused by low agricultural productivity such as sugarcane and cassava. SEEC ceased operation and is in the process of selling off its business.

SIAM LUCKY MARINE COMPANY LIMITED (“SLM”)

SLM is a business merger of 5 marine transportation companies including Lucky Marine Company Limited, Unique Marine Company Limited, Unique Gas Trading Company Limited, Unique Gas International Company Limited, and Unique Gas Carrier Company Limited which was completed on June 1, 2011 with the paid up capital of 242.02 million baht in which LCR and UGP hold shares of 72.7% and 27.2% respectively. In order to comply with criteria of the Board of Investment (BOI) on tax privilege, on July 19, 2012, SLM has issued 10.0 million new shares at par value of 10 baht. After such capital increase, the current registered capital and paid-up capital are 342.02 million baht. SGP, LCR and UGP, the subsidiaries, hold 29.2%, 51.5% and 19.3% of shares respectively.

SLM operates marine transportation of petroleum and LPG in Thailand and oversea, and has a license for oil transportation under section 12 of Fuel Trade Act, B.E. 2543. Most of LPG customers include SGP and UGP, and most of petroleum customers are PTT Public Company Limited and Thai Oil Public Company Limited. Currently, SLM has 16 LPG tanker vessels with the combined loading capacity of 73,486 tons, and 4 ammonia tanker vessels with the combined loading capacity of 3,342 tons.

SIAM SUKSAWAT COMPANY LIMITED (“SSW”)

SSW was established on August 28, 2012 with its current registered and paid-up capital of 100 million baht. SGP is its major shareholder holding 99.99% of shares with objective to render container terminal service which is now under construction process.

SIAMGAS HK LIMITED (“SGHK”)

SGHK was established on August 20, 2009 with its current registered and paid-up capital of 4,087.68 million baht. SGP holds 100% equity interest in SGHK. SGHK operates

as a holding and petroleum trading company. SGHK was set up for business investment in China by firstly purchasing 100% share interest in Chevron Ocean Gas & Energy Limited (COGEL) from Chevron China Limited. In this acquisition, transfer transaction was completed on June 30, 2011. Secondly SGHK invested in another project by purchasing 100% equity interest in BP Zhuhai LPG Limited (BPZH) from Shine Top International Investment Limited (SHINE TOP) holding 49% shares and from BP Global Investment Limited (BP GLOBAL) holding 51% shares, and the share transfer transaction was completed on December 24, 2010.



SUPER GAS COMPANY LIMITED (“SUPERGAS”)

SUPERGAS is a subsidiary which SGP holds 100% shares. SUPERGAS is a registered company operating LPG business in Vietnam. SGP purchased 100% share SUPERGAS from SHANGHAI CROWN LIMITED on March 2, 2010.

On October 19, 2015 SUPERGAS and CITYGAS, subsidiaries of SGP, have merged and operated under SUPERGAS. The purpose of merger aims to strengthen business operation in Vietnam. In this regards, asset, liabilities and obligation of CITYGAS has been transferred to SUPERGAS which comply with commercial law governing mergers of company in Vietnam.

SINGGAS (LPG) PRIVATE LIMITED (“SINGGAS”)

SINGGAS, formerly known as Shell Gas (LPG) Singapore Private Limited is a subsidiary registered in Singapore to operate LPG distribution business. On July 30, 2010, SGP purchased 100% shares of Shell Gas (LPG) Singapore Private Limited from SHELL GAS (LPG) HOLDINGS B.V., then 5% of registered capital was sold to outsider on December 29, 2010.

SIAM GAS TRADING PTE. LTD. (“SGT”)

SGTRADING is a subsidiary which SGP holds 100% shares and registered in Singapore with the capital of 500,000 Singapore Dollar. SGTRADING operates LPG trading business.

SINO SIAMGAS & PETROCHEMICALS COMPANY LIMITED (“SINOSIAM”)

SINOSIAM is a subsidiary which SGP indirectly holds 100% shares. SINOSIAM is a fully integrated petroleum distribution business in China. The facilities of SINOSIAM include depot, jetty for importing, exporting, and throughput, facilities for distribution by vessel tankers and road tankers, and an LPG cylinder filling plant. SGP purchased 100% equity interest of BP Zhuhai Limited on December 24, 2010, and now operates the business under SINOSIAM.

SIAM OCEAN GAS & ENERGY LIMITED (“SOGEL”)

SOGEL is a subsidiary which SGP indirectly holds 100% shares and is registered in China. SOGEL is a fully integrated petroleum distribution business in China. The facilities of SOGEL include depot, jetty for importing, exporting, and throughput, facilities for distribution by vessel tankers and road tankers, and SGP purchased 100% equity interest of SOGEL on June 30, 2011.

SIAM NATHALIN COMPANY LIMITED (“SNTL”)

SNTL is a joint venture company registered in Thailand with registered capital of 1 million baht to operate a petroleum transportation business by very large carrier (vessel). SGP with Nathalin Company Limited set up SNTL

by holding 50% or 0.50 million baht of registered and paid-up capital in quarter 3 of 2010. However, SNTL has not started to run the business yet.

SG GAS SDN. BHD. (“SGGAS”)

SGGAS is a holding company registered in Malaysia with total registered capital of 100,000 Malaysian Ringgit which SGP holds 29.99% shares interest. SGGAS operates petroleum distribution business. In addition, on August 9, 2013, the meeting of the Board of Directors has approved for an increase of investment in SGGAS from the previous registered capital of 100,000 Malaysian ringgit to 1,000,000 Malaysian ringgit.



MYGAZ SDN. BHD. (“MYGAZ”)

MYGAZ is a subsidiary which SGP directly holds 70.0% shares and is registered in Malaysia to operate petroleum distribution business with registered capital equals to 12.0 million Malaysian ringgit. MYGAS has purchased assets and liquefied petroleum gas business of Shell Timur SDN. BHD. (“STSB”) in East Malaysia at 10.0 million ringgit. Deposit has been placed on October 3, 2012 and asset and liquefied petroleum have already been transferred on May 29, 2013.

CITYGAS COMPANY LIMITED (“CITYGAS”)

CITYGAS is a subsidiary which SGP directly holds 100% shares and is registered in Vietnam to operate liquefied petroleum gas distribution business with registered



capital of 292.0 million baht. SGP has purchased ordinary shares of Shell Gas (LPG) Vietnam Limited at ratio of 100% of registered capital of Shell Gas (LPG) Holding B.V. at 0.1 million USD and all transactions have completed on January 18, 2013. Later, "Shell Gas (LPG) Vietnam Limited" has been renamed to "CITYGAS Company Limited".

On October 19, 2015 SUPERGAS and CITYGAS, subsidiaries of SGP, have merged and operated under SUPERGAS. The purpose of merger aims to strengthen business operation in Vietnam. In this regards, asset, liabilities and obligation of CITYGAS has been transferred to SUPERGAS which comply with commercial law governing mergers of company in Vietnam.

CITYGAS NORTH COMPANY LIMITED ("CITYGAS NORTH")








CITYGAS NORTH is a joint venture which SGP holds 79.6% shares and is registered in Vietnam to operate liquefied petroleum gas distribution business with registered

capital of 150.0 million baht. SGP purchased all of issued share capital of Shell Gas Haiphong Limited from Shell Gas (LPG) Holding B.V. at 0.3 million USD and all transactions have completed on January 18, 2013. Later, "Shell Gas Haiphong Limited" has been renamed to "CITYGAS NORTH Company Limited".






FAR EAST PETROLEUM SDN. BHD. ("FAR EAST")

The meeting of the Board of Directors on November 7, 2014 has approved the establishment of Far East Petroleum Sdn. Bhd, a company which SGP holds 100% of its total issued shares with registered capital of MYR 400,000, to operate petroleum distribution business. In addition, on February 24, 2015, the meeting of the Board of Directors has approved an increase of investment in Far East to MYR 10,000,000 with SGP holding 70% of issued shares. However, Far East has completed register for capital increase and changed status to be a joint venture company on August 24, 2015.

Overview of SGP's subsidiaries

Company	Type of Business	
	Paid-up Capital (million baht) 105.00	Shareholding Portion (%) 99.95 Filling and distributing LPG, ammonia and other petrochemicals under the license as an LPG Trader under Section 6 (Fuel Trader under Section 7)
	Paid-up Capital (million baht) 70.00	Shareholding Portion (%) 99.99 Land transportation of LPG and petroleum under the license as LPG and Petroleum Transportation Service Provider
	Paid-up Capital (million baht) 70.00	Shareholding Portion (%) 99.99 Manufacturing and distributing LPG cylinders and auto-gas tanks
	Paid-up Capital (million baht) 400.00	Shareholding Portion (%) 70.00 Manufacturing and distributing ethanol
	Paid-up Capital (million baht) 422.02	Shareholding Portion (%) 42.60 57.4¹ LPG Ammonia and oil transportation by vessel tankers under the fuel transportation license
	Paid-up Capital (million baht) 100.00	Shareholding Portion (%) 99.99 Direct subsidiary – container terminal service rendering business in Thailand
	Paid-up Capital (million baht) 4,087.68	Shareholding Portion (%) 100.00 Holding company and petroleum distribution – Hong Kong

Company		Type of Business
	Paid-up Capital (million baht) 133.45	Shareholding Portion (%) 100.00 LPG and petroleum distribution – Vietnam
	Paid-up Capital (million baht) 336.00	Shareholding Portion (%) 95.00² LPG and petroleum distribution – Singapore
	Paid-up Capital (million baht) 1,100.47	Shareholding Portion (%) 100.00³ Full scale of LPG and petroleum distribution including bulk-breaking terminal and jetties for import and re-export by vessel tankers, and facilities for domestic sales in cylinders through filling plant, and in bulk by road tankers – Zhuhai City, South China
	Paid-up Capital (million baht) 5,017.32	Shareholding Portion (%) 100.00³ Full scale of LPG and petroleum distribution including bulk-breaking terminal and jetties for import and re-export by vessel tankers, and in bulk by road tankers – Shantou City, South China
	Paid-up Capital (million baht) 0.50	Shareholding Portion (%) 50.00 Joint Venture – transportation by Very Large Crude Oil Carrier (VLCC)
	Paid-up Capital (million baht) 12.76	Shareholding Portion (%) 100.00 LPG trading in Singapore
	Paid-up Capital (million baht) 0.3	Shareholding Portion (%) 29.99 Holding company - Petroleum distribution in Malaysia

Company		Type of Business	
	Paid-up Capital (million baht) 120.0	Shareholding Portion (%) 70.0	Direct subsidiary – Petroleum distribution in Malaysia
	Paid-up Capital (million baht) 292.0	Shareholding Portion (%) 100.0	Direct subsidiary – Petroleum distribution in Vietnam
	Paid-up Capital (million baht) 150.0	Shareholding Portion (%) 79.64	Joint venture – Petroleum distribution in Vietnam.
	Paid-up Capital (million baht) 59.2	Shareholding Portion (%) 70.0	Joint venture – Petroleum distribution in Malaysia.
	Paid-up Capital (million baht) 0.0021	Shareholding Portion (%) 80.0	Holding Company distribution in Singapore.

หมายเหตุ

1. SGP holds indirectly shares via SGHK
2. SGP holds indirectly shares via LCR and UGP.
3. As of December 29, 2010, SGP sold 5% of its ordinary shares to third party, which made SGP's investment ratio in Singas (LPG) Pte. Ltd. decreased from 100% to 95%.
4. As of October 19, 2015, SUPERGAS and CITYGAS have merged and operate under SUPERGAS. Both companies are SGP subsidiaries with 100% share holding.

1.3 Relationship with the business of the major shareholders

The company and its subsidiaries structure are not related, depended, or competed with the other businesses of the major shareholders.

Increase additional 5 gas stations and
manufacture more gas cylinders.
The Company has prepared budget
in the amount of baht

300 million

to boost the domestic sales volume by
adding another

5 gas stations

and manufacture cylinder for household
use in order to have more cylinder
circulation in the market.



Business Operations



History and Key Development

Siamgas and Petrochemicals Public Company Limited, formerly known as VSPP Development Company Limited, was established on January 17, 2001 with initial registered capital of 500,000 baht, and the objective to trade and distribute liquefied petroleum gas (LPG) under the trademark of “SIAMGAS”. SGP was appointed an agent for Siam Gas Industry Company Limited (SGI) which was a fuel trader under section 7 of the Fuel Trade Act, B.E. 2543. At that time, the Weeraborwornpong Group was the major shareholder of SGP and also SGI. However, the Weeraborwornpong Group has sold all SGI shares to outsiders later on June 30, 2006. SGP started its business from LPG auto-gas station, and then expanded to LPG filling plant business.

SGP has continuously restructured its business by expanding its operations to trading of LPG and other petrochemical products, as well as other related businesses for example transportation of petroleum by both road tankers and vessel tankers. With regard to its expansion, on December 27, 2004, SGP acquired the business of Unique Gas and Petrochemicals Public Company Limited (UGP), who operated LPG, ammonia, and other petrochemicals business. On March 31, 2005, SGP invested in Lucky Carrier Company Limited (LCR)

who was the Oil and LPG transportation service provider. Then, on September 1, 2005, SGP purchased all major assets for LPG business operations from SGI such as lands, property lease rights, buildings, equipments, tools, LPG cylinders, LPG terminals, trademark, and patents.

Since 2005, SGP has changed the name to Siamgas and Petrochemicals Public Company Limited, and obtained the license as a Fuel Trader under section 7 trading LPG, ammonia, and other petrochemicals under the trademark of “SIAMGAS” and “UNIQUE GAS”, and transporting LPG and other products. SGP has altogether 8 subsidiaries which are the directly held subsidiaries – Unique Gas and Petrochemicals Public Company Limited and Lucky Carrier Company Limited and other 6 companies of which shares are held through the subsidiaries including Lucky Marine Company Limited, Chemicals Gas Transport Company Limited, Unique Marine Company Limited, Unique Gas Trading Company Limited, Unique Gas International Company Limited, and Unique Gas Carrier Company Limited.

Since 2008, SGP has been listed in the Stock Exchange of Thailand, starting to trade its shares under the symbol of “SGP” on June 3, 2008, and have major development as follows:

YEAR 2008

- SGP established Siam Quality Steel Company Limited (SQS) with the registered capital of 70 million baht on June 27, 2008 with the purpose to purchase all assets for the operations of LPG cylinder manufacturing and distribution of Universal Metal Drum Company Limited from Sukhumvit Asset Management Company Limited in an amount of 123.30 million baht.
- SGP acquired 28 million shares of Siam Ethanol Export Company Limited (SEEC) (par value 10 baht) in the total amount of 280 million baht from Vivon Corporation Company Limited, and Mr. Kritpong Patcharapinyopong who are not related to SGP. Therefore, SGP has become the major shareholder holding 70% equity stakes in SEEC since October 7, 2008.
- SGP purchased a piece of land for new terminal construction from Thai Krieng Group Public Company Limited on December 30, 2008. The purchased estate comprises 89-3-40 rais land, and buildings located at 33 Moo 4, Suksawad Road, Bangchak, Phrapradaeng, Samutprakarn.

YEAR 2009

- SGP established Siam Gas HK Limited ("SGHK"), a direct subsidiary, in which SGP holds 100% share interest, was incorporated in Hong Kong Special Administrative Region of the People's Republic of China on August 20, 2009. Its primary objectives are a holding company and trading of petroleum product.

YEAR 2010

- SGP purchased 100% equity interest in Super Gas Company Limited (SPGV) from Shanghai Crown Company Limited at 11.5 million USD and SGP directly holds 100% of registered and paid-up capital on March 2, 2010.
- SGP purchased 100% share capital of Shell Gas (LPG) Singapore Private Limited (SGLS) from Shell Gas (LPG) Holdings B.V. at 15.0 million SGD and SGP directly holds 100% of registered and paid-up capital on July 15, 2010. Shell Gas (LPG) Singapore Private Limited (SGLS) has been renamed to SingGas (LPG) Private Limited (SINGGAS). On December 28, 2010, SGP sold its 5% equity stake to Thousand Stars Corporate Limited.
- SGP established UNITED GAS & PETROCHEMICALS SDN. BHD. ("UNITED") as its subsidiary in which SGP holds 100% share interest. UNITED was registered in Malaysia in quarter 3 of 2010 in order to operate and distribute petroleum products in Malaysia. On August 9, 2013, the meeting of the Board of Directors has resolution to dissolve UNITED because this subsidiary has not yet operated any business and for purposes of managerial benefits and appropriateness. Dissolution of UNITED shall not have any impact to operations of the Company.
- SGP and Siam Nathalin Company Limited jointly formed a joint venture of which 50% share capital held by SGP in quarter 3 of 2010.

YEAR 2011

- SGP purchased 100% of equity interest in BP Zhuhai LPG Limited (BPZH) a wholly owned by SHINE TOP INTERNATIONAL INVESTMENT LIMITED ("SHINE TOP") (49%) and BP Global Investments Limited (BP GLOBAL) (51%) at 101.0 USD through Siamgas HK Company Limited on September 29, 2010, and the transaction was completed on December 24, 2010. The Company is now renamed to Sino Siam Gas and Petrochemicals Company Limited (SINOSIAM) SINOSIAM was registered in China in order to operate the integrated LPG business comprising of storage terminal, jetties for import and export, terminal throughput services, as well as bulk breaking for redistribution via vessel tankers, road tankers, and cylinder filling plant.

- SGP purchased 100% equity interest in Chevron Ocean Gas & Energy Limited (COGEL) from Chevron China Limited through Siamgas HK Company Limited, a wholly owned subsidiary of SGP, at 51.0 USD and placed a deposit of September 29, 2009. However, the business handover was completed on June 30, 2011. The Company is now renamed to Siam Ocean Gas and Energy Limited (SOGEL). SOGEL was registered in China in order to operate the integrated LPG business comprising of storage terminal, jetties for import and export, terminal throughput services, as well as bulk breaking for redistribution via vessel tankers and road tankers
- SGP established Siam Gas Trading Private Limited (SGT) of which 100% share capital owned by SGP. SGT was registered in Singapore on May 27, 2012 with the purpose to do import and export LPG business in foreign countries. Business operation has been commenced since January 2013.
- SGP had completed merging its 5 marine transportation subsidiaries including Lucky Marine Company Limited, Unique Gas Trading Company Limited, Unique Gas International Company Limited, and Unique Gas Carrier Company Limited into Siam Lucky Marine Company Limited which SGP holds shares directly through its subsidiaries 99.99% of paid up registered capital since June 1, 2011.

YEAR 2012

- SGP issued subordinated, unsecured bonds with bond holder representative totally 4,500.0 million baht on February 6-8, 2012 with objective to reduce loan interest burden and to release all of collateral SGP placed with the financial institutions.
- SGP established Siam Suksawat Co., Ltd. as its subsidiary on August 28, 2012 of which 99.99% of its registered and paid-up capital held by SGP with purpose to render container terminal services.

YEAR 2013

- SGP reduced its registered capital by repurchasing 31,068,500 shares. Schedule for share repurchase project was from August 3, 2009 to February 2, 2010 and schedule to dispose such repurchased shares was from February 3, 2010 to February 2, 2013. Pursuant to the ministerial regulation of the Ministry of Commerce Re: "Rules and procedures governing a company repurchasing its own shares, disposing of such repurchased shares, and writing off such repurchased shares B.E. 2544", it is specified that upon completion of disposition period of 3 years, if the company cannot dispose all of such repurchased shares or does not dispose them, the company must reduce its paid-up capital by writing off such repurchased share which have not been disposed. Therefore, SGP has a resolution to reduce its registered capital of 31,068,500 shares on February 22, 2013 from totally 950,000,000 ordinary shares to be 918,931,500 shares. Such capital reduction has been registered with the Ministry of Commerce already on March 6, 2013.
- SGP purchased 79.64% of ordinary shares of Shell Gas Hai Phong Limited ("SGH") at 0.3 million USD from Shell Gas (LPG) Holding B.V. Deposit has been placed on October 3, 2012 and business handover was completed on January 18, 2013. This company is renamed to "Citygas North Company Limited" with objective to expand liquefied petroleum gas business in Vietnam.
- SGP purchased 100% of ordinary shares of Shell Gas (LPG) Vietnam Ltd. ("SGV") from Shell Gas (LPG) Holding B.B. at 0.1 million USD. Deposit has been placed on October 3, 2012 and business handover was completed on January 18, 2013. This company is renamed to "Citygas Company Limited" with objective to expand liquefied petroleum gas business in Vietnam.
- SGP purchased assets and liquefied petroleum gas business of Shell Timur SDN. BHD. ("STSB") in East Malaysia at 10.0 million Malaysian ringgit through Mygas SDN. BHD. ("MYGAZ"). MYGAZ is a subsidiary which SGP directly holds 70% of registered and paid-up capital and is registered in Malaysia to operate liquefied petroleum gas business in Malaysia. Deposit has been placed on October 3, 2012. Handover of all assets and liquefied petroleum gas business have been completed on May 29, 2013.

YEAR 2014

- SGP issued subordinated, unsecured bonds with bondholder representative totally 1,300 million baht on January 27-29, 2014 with objective to use for business operation and refinancing.

YEAR 2015

- SGP issued subordinated, unsecured bonds with bondholder representative totally 2,000 million baht on January 26-29, 2015 with objective to use for business operation and refinancing.
- SGP's subsidiary in Vietnam SUPERGAS and CITYGAS had completed merging on October 19, 2015 and operate under SUPERGAS with objective to strengthen business operation in Vietnam. In this regards asset, liabilities and obligation of CITYGAS has been transferred to SUPERGAS which comply with commercial law governing mergers of company limited in Vietnam.
- SGP had established SIAMGAS MYANMAR CONSORTIUM PTE. LTD. ("SGM") as subordinate of SGP with total registered capital of 100 Singapore Dollar or approximately 2,566 Thai Baht (Exchange rate at 25.66 Baht per 1 Singapore Dollar) holding 80% of shares by SGP. SGM had registered at Singapore on November 30, 2015 with objective to be holding company.
- SGP had established FAR EAST PETROLEUM SDN. BHD. ("FAR EAST") as subsidiary of SGP with total registered capital of 400,000 Malaysian Ringgit and holding 100% of shares on November 7, 2015. In addition, on February 24, 2015, Far East had increased its capital from 400,000 Malaysian Ringgit to 10,000,000 Malaysian Ringgit with objective to operate petroleum distribution business and storage in Malaysia. Nevertheless, for the capital increase mentioned above, FAR EAST has a joint investor, NAS GAS SDN. BHD. ("NAS GAS"), which is not a related company. NAS GAS invests in FAR EAST in the proportion of 30% of paid up capital. Thus, the Company increases share capital in FAR EAST in the amount of MYR 7,000,000 or equal to baht 59,220,000 (Exchange rate is MYR 1 = baht 8.46) which is equivalent to 70% of paid up capital and NAS GAS increases share capital in the amount of MYR 3,000,000 or equal to baht 25,380,000 which is equivalent to 30% of paid up capital. The joint investment is considered as joint venture (under joint venture contract).



Revenue Structure

Revenue structure of SGP and subsidiaries in 2013 – 2015 by business

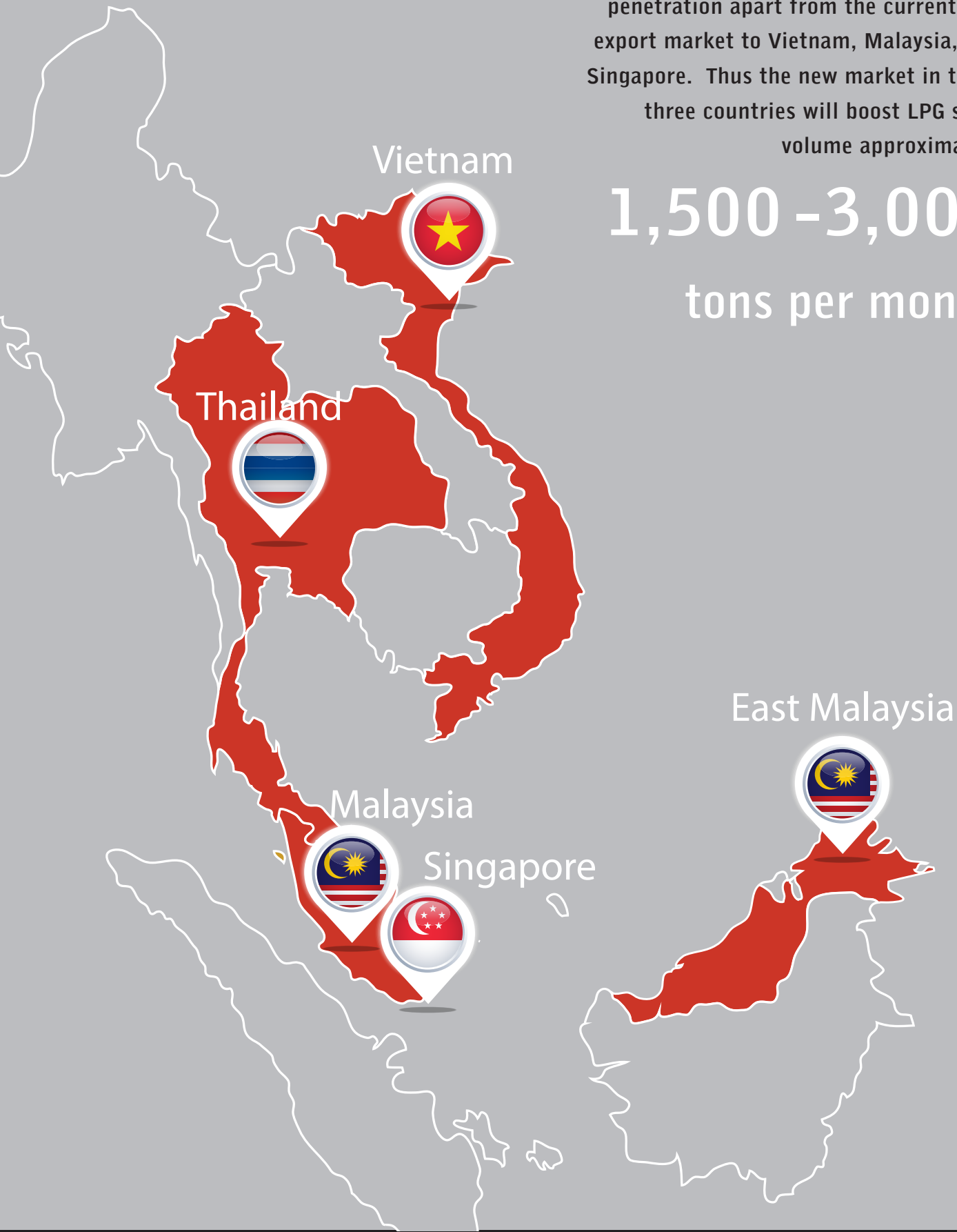
		2013		2014		2015	
Operating Company		Value (Mil. Baht)	%	Value (Mil. Baht)	%	Value (Mil. Baht)	%
Revenue from Sales							
Liquefied petroleum products	SGP and UGP	21,291.80	32.39	22,164.19	35.66	20,992.59	36.98
Ammonia products	UGP	1,358.84	2.07	1,236.77	1.99	1,193.68	2.05
Other petrochemical products	UGP	826.30	1.26	871.02	1.40	734.26	1.26
LPG cylinders	SQS ¹	5.20	0.01	2.28	0.00	0.27	0.00
Ethanol products	SEEC ²	4.3	0.00	-	0.00	0.00	0.00
Liquefied petroleum gas (Abroad)	SGP SUPERGAS SINGGAS SINOSIAM SOGEL SGT CITYGAS CITYGAS NORTH and MYGAZ	40,821.60	62.09	36,903.04	59.37	34,660.82	59.41
Income from Sales		64,308.12	97.81	61,177.30	98.4	57,581.63	98.70
Transportation fees	LCR SLM	623.66	0.95	421.26	0.68	344.28	0.59
Income from service rendered	SGP/Subsidiariesy	89.56	0.14	160.26	0.26	156.10	0.27
Dividend income	SGP	0.00	0.00	0.00	0.00	5.02	0.01
Other incomers	SGP/Subsidiaries	725.04	1.10	398.23	0.64	252.05	0.43
Total	SGP/Subsidiaries	65,746.38*	100.00	62,157.04	100.0	58,339.07	100.00

Remark:

*/ Exclude profit from business acquisition. The Company's profit from business acquisition was 531.23 million baht in 2013.

The company is negotiating with customers to sell LPG in Myanmar, Cambodia and Laos and expected to be finalized later this year. This is to emphasize on Asean Economics Community (AEC) with full market penetration apart from the current LPG export market to Vietnam, Malaysia, and Singapore. Thus the new market in these three countries will boost LPG sales volume approximately

1,500 – 3,000
tons per month



Risk Factors



Risks from Businesses Operations

1. Risks from the government's policy (1) LPG price deregulation policy

Currently LPG price in Thailand is semi-controlled. The government regulates LPG price by fixing wholesale price with subsidy from oil fund, and setting maximum retail price only for cooking use. However the retail prices for automotive and industrial uses are not capped, but driven by the market. Therefore, LPG is lifted from all wholesale supply points at the same price, or we can say that the LPG wholesale price is the same for any lifting from refineries, gas separation plants, and 5 PTT's depots in Lampang, Nakornsawan, Konkaen, Suratthanee, and Hadyai. In this regard, the government uses PTT as its regulating arm due to the fact that PTT is the biggest LPG producer in Thailand. The Department of Internal Trade, Ministry of Commerce considers LPG as necessity goods for Thai people, so LPG becomes a controlled commodity. Any LPG traders who would like to adjust their selling price, must submit the request for consent and approval from The Internal Trade Department.

Since late 2011, the government announced to restructure energy prices including the price of Natural Gas for Vehicle (NGV) as well as that of LPG. Since July 2011, industrial use was the 1st sector of which price has been gradually lifted. Followed by automotive use, its price has also gradually been lifted since January 2012. The raised portion of the prices is collected by LPG Traders including SGP and UGP and returned to the government oil fund.

As at the end of December 2012, the amount of raised portion of LPG prices were at 11.22 baht per kilogram and 3.04 baht per kilogram for the industrial and automotive uses consecutively. Currently, the price of industrial use is moving in line with the LPG world price.

In the year 2013, the government plan to lift LPG cooking price gradually by increasing the price baht 0.50 per month from September 2013 until the price reach baht 24.82 per kg.

In the year 2014, the government has increased LPG price as follow:

On June 1, 2014, the government announced to hold the LPG price lifting for cooking gas. This causes the price to stall in June instead of increasing by another baht 0.50 per kg. The cooking price is hold at baht 22.63 per kg.

On October 1, 2014, the government announced to lift the LPG price for automotive sector by baht 0.62 per kg from baht 21.38 per kg. to baht 22.00 per kg. by increasing the fee contribute to oil fund from baht 3.0374 per kg. to baht 3.6168 per kg. The lifting is aim to adjust the price to reflect real market price, reduce the cross category sale, reduce the oil fund burden, and reduce the oil fund contribution from gasoline user.

On October 21, 2014, the government announced to lift the LPG price for automotive sector by another baht 0.63 per kg. This causes the automotive LPG price increase from baht 22 per kg. to baht 22.63 per kg. The lifting is aim to reduce the cross category sale.

On November 18, 2014, the government announced to reduce the subsidy for LPG cooking gas and automotive gas by baht 0.4673 per kg. to reflect the real market price. This causes the LPG price increase by baht 0.50 per kg. , and lift the price from baht 22.63 per kg. to baht 23.13 per kg.

On December 3, 2014, the government has announced to lift the price of cooking and automotive LPG by another baht 1.03 per kg. This causes the LPG cooking and automotive to increase from baht 23.13 kg. to baht 24.16 per kg. to reflect the real market price.

On April 4, 2015, Energy Regulatory Commission approved new LPG price structure from April 2015. Due to the CP Saudi Aramco price (CP) in April is at USD 464 per ton, declined from previous month at USD 20 per ton while the exchange rate slightly depreciated. This resulted in the ex-refinery price which is a precursor price of LPG, using weight average cost at refinery and procurement

to calculate, drop by baht 0.37 per kg. This brought the ex-refinery price down from baht 16.58 per kg. to baht 16.21 per kg. , and lead the retail LPG price to decline by baht 0.20 per kg. from baht 24.16 per kg. to baht. 23.96 per kg. In this regards, the government will collect baht 0.19 per kg. for energy stabilization fund as a reserve in the fluctuation time. (source: www.eppo.co.th)

On August 4, 2015, Energy Regularatory Commission announced to reduce the retail LPG price for all sector by another baht 1.00 per kg. This causes retail LPG price decrease from baht 23.95 per kg. to baht 22.96 per kg.

On Septembert 8, 2015, Energy Regularatory Commission announced to reduce the retail LPG price for all sector by another baht 0.67 per kg. This causes retail LPG price decrease from baht 22.96 per kg. to baht 22.29 per kg.

In the future, LPG prices for all sectors including cooking sector in Thailand are likely to be deregulated and oil fund will no longer be used for the price subsidy.

When the government deregulates LPG price or fully liberalizes LPG market in Thailand, the selling prices of LPG in Thailand will move along with the LPG world price, and reflect the real cost.

The possible consequence of LPG market liberalization may be risk of traders. Some traders may experience loss, reduced earning. On the other hand, some of them may have higher profit depending on the trend of the world price.

If LPG price rises and becomes much higher than any other fuels, some LPG users may consider to switch their energy source to others with lower cost. Thus, this may result in declining demand of LPG as well as less earning of LPG traders including us.

(2) LPG Free Trade Policy for domestic use

According to the World Trade Organization (WTO) agreement related to the Free Trade, this may encourage

large-scale foreign corporations with strong financial capability and technologies to enter the local market and result in higher competition.

However, those foreign investors or local ones may face some problems in doing LPG business as they are not familiar with market and have no experience in LPG business. Moreover, relations and networks would also be critical factors and their entrance barrier.

(3) Consumer and Environmental Protection Policy

SGP and UGP are regularly required to get permits in constructing and commissioning their facilities, e.g. terminals, LPG filling plants, and LPG autogas stations from the government. This regulation is stipulated in order to ensure that all of LPG facilities meet safety standard required by the government. In this regard, all operations of SGP and UGP have been strictly complying with the government regulations. Therefore, all of our terminals, LPG filling plants, and LPG autogas stations are well maintained in good condition and meet the standards of the government at all time.

In the future, environmental issues and consumer rights will become more and more essential. Therefore, the government may legislate additional regulations in enhancing safer condition of using LPG for consumers and encourage environmental protection. This may impact our operating profits in the future. However, SGP and UGP, as major LPG operators, have been considered these issues as high priority, and the companies have continuously been developing their product quality and their operational practices to meet safety standard. The companies' LPG cylinders, storage tanks, terminal facilities, LPG filling plants, and LPG autogas stations are safe and for consumers and environment as all these meet the standards and regulations stipulated by the government at all time.

(4) The government policy in encouraging NGV consumption

Due to the continuous rising oil price, more people have



switched to use LPG for their vehicles resulting in shortage of overall LPG local supply for the country, and the import of LPG is needed to fill up the gap. Therefore, the government encourages more Thai people to use NGV for vehicles with the reason being that NGV can be produced locally, NGV needs no import from other countries, and NGV helps reduce air pollution. Currently, the government has begun the program by starting to convert vehicles in the fleets of the government and state owned agencies, garbage trucks of the Bangkok Metropolitan Administration and mass transit vehicles to NGV, as well as launching a campaign to induce conversion in taxis. Also, the government targets to capture other potential segment of vehicles and to increase number of NGV service stations at the same time in order to meet the increase demand in the future.

However, the companies has thoroughly considered the impact of such policy, and found that NGV has still lots of disadvantage and limitations comparing with LPG for example higher cost of imported NGV conversion kits, more complication in installing NGV system for vehicle, longer refueling time, and the total number of current NGV stations is 476 which is still far behind that of LPG which is 1,855 nationwide.

2. Risk from increasing number of LPG traders

Considering domestic LPG consumption (excluding petrochemicals feedstock) in Thailand during 2002-2013, it increased from 2,096 tons in 2002 to 4,784 tons in 2013 or the average growth rate was 7.63%. However, if we consider the market growth during the past 5 years or since 2008, the average growth rate was even higher at 9.25%. This growth trend may induce new players or higher

LPG Sales Volume during 2002-2015

Year	Sales Volume (million kilogram)	Growth rate (%)
2002	2,096	4.12
2003	2,147	2.40
2004	2,179	1.51
2005	2,357	8.15
2006	2,691	14.18
2007	3,058	13.65
2008	3,557	16.31
2009	3,483	-2.08
2010	3,885	11.54
2011	4,294	10.53
2012	4,721	9.96
2013	4,784	1.33
2014	4,739	-0.01
2015	4,419	-6.75

Source of data: Energy Policy and Planning Office

When comparing domestic sales volume of LPG in year 2015 with volume in year 2014, it has been decreased by 6.75% or from 4,739 million kilograms to 4,419 million kilograms.

In quarter 4, 2010, there were 4 new LPG traders under section 7 of Fuel Trade Act, B.E. 2543 entering the market. Most of them have converted themselves from owners of LPG auto-gas stations to LPG traders by complying with regulations and requirements, and meeting specific qualification prescribed by the Ministry of Commerce, for minimum registered capital of 50 million baht, and having a minimum working capital of 100 million baht, having storage tanks to keep with minimum reserved balance inventory of 0.5 % of total annual sales, and minimum annual trade (by means of import, procurement, refining, production, or acquisition) of 50,000 tons. However, the new LPG traders need to use capital to invest in creating their brand awareness, competing with the existing traders, as well as meeting the new required reserve balance of 1.0 % of annual sales by law effective from September 1, 2011. In this regard, the new LPG traders need double capital in obtaining the additional inventory.

However, if the new LPG traders want to play in the cooking segment, they also need to invest in their new 1 million LPG cylinders at minimum for circulation in the market which requires a large amount of investment not less than a billion baht. These requirements are considered as barrier to entry of Thailand LPG market.

3. Risk from Safety of LPG cylinders

LPG is flammable, so LPG explosion is dangerous and can cause damage to properties and injuries to people. SGP and UGP, as LPG traders and owner of filling plants are liable to any damage of incidents, so this probably has an impact on the corporate image.

However, the processes of LPG cylinder manufacturing are required to meet or comply with the Thai Industrial Standard (TIS) which are stipulated by the Thai Industrial Standard Institute (TISI), Ministry of Industry. Moreover, the Department of Energy Business, Ministry of Energy requires LPG traders to have their cylinders undergone hydrostatic pressure test every 5 years. And every 10 years, each cylinder has to undergo both cylinder

hydrostatic pressure test and cylinder expansion test. If any cylinders do not pass the test, they will be no longer usable and need to be scrapped. Therefore, SGP considers the risk from LPG cylinders safety is minor.

Not only following strictly the laws and regulations, SGP and UGP also provide a cylinder inspection unit in order to sort out damaged and unusable cylinders from the circulation. SGP also hires the independent third party who is an expert in cylinder inspection together with officers from the Department of Energy Business to inspect SGP's and UGP's cylinders in order to ensure that

all cylinders circulating in the market are in safe condition. For the past 5 years, SGP and UGP have never experienced any problems or incidents caused by the cylinders, so SGP is quite confident that the risk from safety of cylinders is little.

4. Risk from Accidents in LPG Terminals, LPG Filling Plants, and LPG Auto-gas Stations

SGP and UGP have their own LPG terminals, LPG filling plants, and LPG auto-gas stations which are considered as assets of SGP and UGP as follows:

Table of Assets of SGP and UGP – LPG Terminals, LPG Filling Plants, and LPG Auto-gas Stations

(Unit : Sites)

	SGP	UGP	Total
LPG Terminal	5	2	7
LPG Filling Plant	24	13	37
LPG Auto-gas Station	43	-	43

Remarks : As of December 31, 2015, SGP had 22 filling plants which were company owned - company operated type (COCO) and rented out the other 15 sites to third party or agents to operate or company owned - distributor operated type (CODO).

In case there is any accident in the LPG terminals, LPG filling plants, or LPG auto-gas stations of SGP and/or UGP, it may cause a negative impact on the corporate image.

However, SGP and UGP strictly design and set standards on construction specifications by following the requirement or regulations of the government. Also each single construction project must be approved by the Department of Energy Business, Ministry of Energy. Moreover, SGP and UGP have insured the property including LPG terminals, LPG filling plants, and LPG auto-gas stations to reduce risk from their operations. The insurance also has coverage for third party.

Therefore, SGP and UGP will be able to minimize their liability from the accident. The total insurance coverage is 1,418.55 million baht.

For other filling plants that SGP rents out to the agents, SGP and UGP have written specific clauses in the contract that any damages or losses to the property, third party, and environment caused by operations of the agents, all liabilities are responsible by the agents.

5. Risks from Transportation of LPG

SGP and UGP have their own fleets of road tanker and vessel tankers to transport petroleum, LPG, ammonia, as other petrochemicals products which are operated under SGP's 2 subsidiaries, i.e. LCR and SLM. In addition, UGP of which its core businesses are to operate LPG, ammonia and other petrochemical products distribution business also has its own fleets of LPG road tankers. Therefore, SGP and UGP have risk exposure from unexpected accidents that may affect SGP's corporate image or the group's business operations.

However, all of the 2 subsidiaries above who operate the fleets are registered as Fuel Transportation Providers with licenses granted by the Department of Energy Business. All of the vehicles including petroleum road tankers, LPG road tankers, ammonia road tankers, petroleum vessel tankers, LPG vessel tankers, and ammonia vessel tankers are legally licensed and regularly inspected by the Department of Land Transport, and the Marine Department. All truck drivers and vessel crew members must be regularly trained by in-house trainers, and obtain their licenses from the Department of Energy Business. This practice will improve their competency and operational skills in such a way to ensure safe operations and their strictly compliance with the laws and regulations. Moreover, the subsidiary transportation companies have insured all of their 21 vessel tankers (Total book value of 21 vessels as at December 31, 2015 was 1,651.01 million baht). The Company has purchased insurance coverage for all vessels and also for all of their 316 road tankers for petroleum, LPG and ammonia which also have liability coverage for third party. In this regard, SGP would be able to minimize loss from accidents or unexpected incidents from these vehicles.

6. Risk from being unable to renew land leasing contract for Satupradit Terminal

All LPG terminals of SGP and UGP are situated on their own estates, except for the piece of land under leasing contract where Satupradit Terminal is situated. If the land lord of Satupradit Terminal does not renew the contract, SGP's operation will be interrupted and its business will be impacted as Satupradit Terminal is the strategic facility and the only terminal of SGP which is located in Bangkok Metropolitan. This is considered as a competitive edge of SGP being the center in distributing LPG to high consumption market in Bangkok, and peripheral areas. Moreover, Satupradit Terminal is not too far from refineries and gas separation plant in Sriracha and Rayong, and the express-way access is close, so carrying LPG from the supply sources and land distribution LPG

to customers are convenient. The leasing contract is on is a 3-year term recently expiring on December 31, 2010. However, the contract was renewed and extended to 3 more years and it will expire on December 31, 2016.

Therefore SGP's mitigation to reduce this risk and to meet the future growing business was the acquisition of a 89-3-40 rai piece of land in Phrapradaeng district, Samutprakarn province in 2008 for constructing new jetty and LPG terminal. SGP has passed the environmental impact assessment (EIA) for construction since November 2010, and approved to construct LPG tank in December 2015. The Company started construction of 1,700 tons LPG storage in December. It is estimated construction period shall take approximately 6 months.

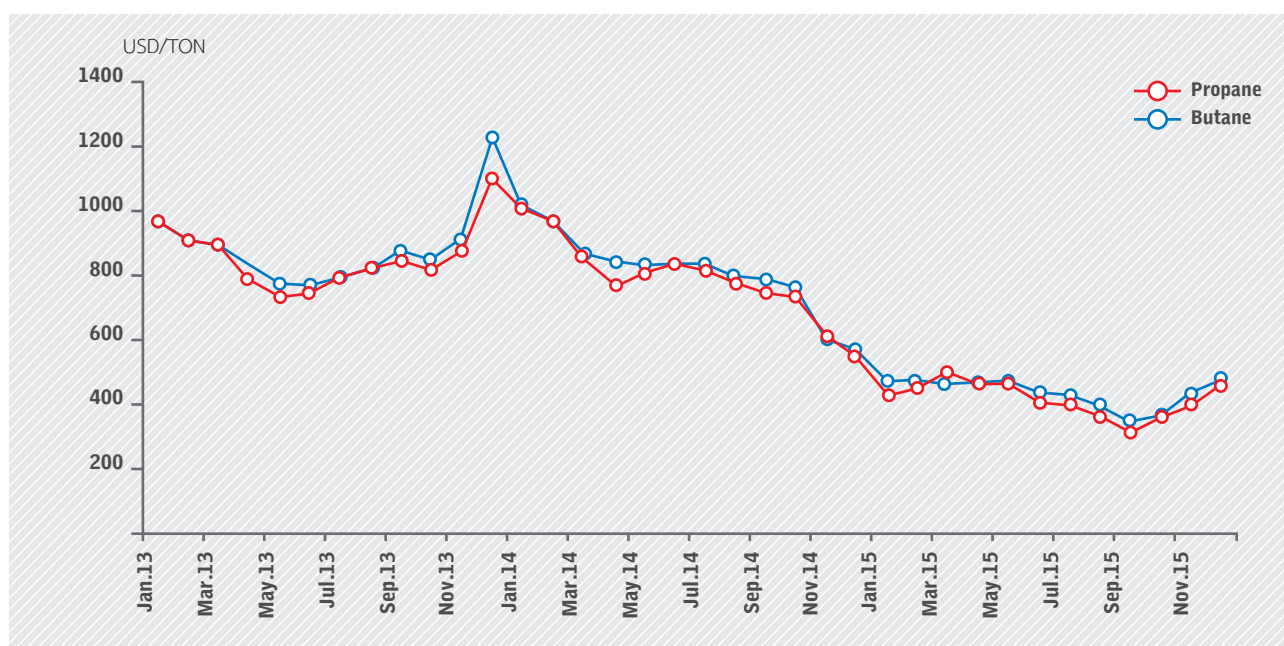
7. Risk from the volatility of the world price of LPG

The supply cost and the selling price of LPG that SGP and its subsidiaries trade in overseas markets are moving along with the LPG world price. Recently, the LPG world price was moving in high volatility fashion resulted by the factors beyond control of SGP, and unavoidably affected SGP. The major factors that had impact on the volatility of the LPG world price were as follows:

- Global and regional economic situations
- Demand, supply, and reserved volume of LPG in global market
- Movement of crude oil price
- Political stability of major petroleum producers and exporters, especially those in the middle east
- Climate changes
- Competition of substituted energy

The management of SGP had a mitigation policy to manage the risk of LPG supply cost and selling price by entering the purchase and sales agreement with its business partner by fixing price, volume and period as appropriated and to be in line with its business plans. Inventory has been managed to make them adequately for supply in the following month without stocking them in order to reduce risks from changing of LPG prices in the world markets which have been changed every month.

Information on changes of LPG prices by based on world markets from 2013-2015



8. Risk from investment in overseas businesses

The company has an investment plan in overseas energy businesses with main objective to expand its business as well as its long term growth. At present, the company has continuously been invested in business overseas, especially in the countries where SGP has never had businesses. Therefore, there may be risks in such investment involved with the following factors:

- Economic situation of the target countries, including that of their trading partners
- Changes in Government Administration of the countries resulting in policy favoring foreign investment, laws, tax regulations, and others related to investment
- Volatility of foreign currency exchange rates
- Know-how of investment & business operations in certain countries
- Investment in green-field projects may need tremendous capital of investment and takes longer time in development as well as longer pay-back period.

In order to mitigate such risk, the company has a policy in performing research and analysis in laws, regulations, government's policy, taxes, and other factors said above in order to derive the assessment of possible impact on

the business to be invested, and apply the assessment results in business feasibility and investment project justification. Regarding the post investment period, the company has set up the system in continuous monitoring the project performance as well as its ongoing risks factor. Moreover, the company has been developing its capability and personnel competencies in order to meet its expansion and future investment in foreign countries.

2. Financial Risks

2.1 Financial risk factors

SGP and its subsidiaries are exposing to various financial risks such as effect of changes in foreign currency exchange and changes in interest rates. The overall risk management plan of the company related to its finance is to emphasize in the volatility of foreign exchange and to explore effective measures in mitigating risks. The company also selectively considers financial derivatives as tools in reducing risks as appropriate.

The company risk management is performed by the central financial management (Group's financial management) in line with the policy approved by the Board of Directors. The group's financial management team has duties to raise issues, assess, and mitigate risks with close coordination with other functions.



2.2 Risk from foreign currency exchange

The risks from foreign currency exchange are caused by the movement of foreign currency exchange rates which have impact on the company's and its subsidiaries' financial results this year and the followings. The company and its subsidiaries did not enter into the foreign currency hedging contracts as the impact of changes in foreign currency exchange did not have significant effect on the company's asset and liability in foreign currency. The exchange risk can be separated into two major parts which are

1. The Company sell LPG to customer outside the group through SGT which is a company wholly owned subsidiary. The Company does not expose to currency exchange risk because both purchase and sell transaction are in US dollars currency.
2. The Company sell LPG to subsidiaries in the group through SGT. (not include Thailand since the Company in Thailand procure LPG from Thai gas separation plant) SGT sells LPG to other subsidiaries in US dollar currency while the subsidiaries in foreign countries sell LPG in local currency. Thus, when the subsidiaries pay for LPG price to SGT, they have to exchange local currency to US dollar. This lead to currency exchange risk. Nonetheless, the finance department monitors and manages the currency exchange in the group to maximize the highest benefit to the group.

2.3 Risk from fluctuations in interest rates

Financial cost had classified into 3 main parts which are debenture, short-term loan and long-term loan. Short-term loan had fixed rate of interest; therefore, it does not affect if interest rate changes. Long-term loan has both fixed and floating interest rate. The proportion of long-term loan with floating interest rate of company's group is 3.1 percent of loan in foreign currencies. In addition the group has partially entered into an interest rate swap contract to reduce risk from interest rate fluctuation and mitigate interest rate risk.

2.4 Risk from Unable to comply with a financial institution

The loan agreement between company and financial institution had conditions such as maintain of financial ratio which company must follow or might have to receive consent from lender prior to enter into some transaction including incremental loan, capital reduction, change of capital structure, adjust or change plan to use capital, expand business, providing guarantees, mergers or acquisitions of other companies etc.

Currently the only loan agreement which the company has to comply as mention above is loan for purchasing vessels under SLM. SLM must comply with the requirement



such as maintain of financial ratio, company must receive consent from lender before enter into transaction and etc. Currently, SLM can comply with all requirement from financial institution and according to agreement of financial institution, SLM can maintain financial ratio under the agreement.

2.5 Risk from debt with financial institution

At the end of December 31, 2015, the company had debt with financial institution totally 5552.2 Million Baht which divided into 2 parts. First, a secured debt was 667 Million Thai Baht which equal to 2.29 percent of total asset. Second, the remaining was short-term loan. A secured debt was less than total assets; therefore, if necessity, the company will have sufficient cash flow for repay to bondholders by selling company's assets.

3. Risk from Business Management

3.1 Risk from having a group of shareholders holding more than 75% shares

As at August 28, 2015, the Weeraborwornpong Group was the major shareholder holding 61.25% of the total paid-up capital. This made the Weeraborwornpong Group have collectively control and influence on SGP decisions which required the consents from the shareholders' meeting, except for the regulations or the articles of association require the three fourths votes of from the shareholders' meeting. Therefore, the other shareholders have the risk of being unable to collect sufficient votes to check and balance the matters proposed for the shareholders' consideration by the major shareholders.

However, SGP has appointed 4 nonexecutive members on the board of directors, and 3 of them are independent directors and members of audit committee, and the other one is a non-executive director out of all of total 9 company's directors in order to have check-and-balance



power over the management, to consider the agenda proposed to the shareholders' meeting, and to scrutinize performance of the directors or the management members who represent the major shareholders.

3.2 Risk of impact from the subsidiaries' operational performance

The group or consolidated performance of SGP does not only rely on SGP's performance itself, but also the subsidiaries' performance. If any of the subsidiaries are facing problems in their operations, the overall performance will be affected especially in the consolidated financial result.

The group has solid measures and guidelines in policy-making of SGP as well as its subsidiaries in order to control and audit operations of the subsidiaries by appointing SGP's representatives to be members of the board of directors. These representatives will work in the interest of SGP and help protect SGP's benefits. Under SGP's measures, the 3 independent directors and members of the audit committee of UGP are the same of those of SGP's in order to ensure that all the group members are working in the common direction toward to efficiency maximization in cost and operational management.

Company Information



Siamgas and Petrochemicals Public Company Limited

Major Businesses

Energy Providing Businesses :

- 1) Trading and distribution of LPG, Ammonia, and other petrochemical products
- 2) Transporting LPG and other petroleum products
- 3) Manufacturing and distributing LPG cylinders
- 4) Manufacturing and distribution ethanol

Head Quarter Address

553 The Palldium Bldg 30th Fl., Ratchaprarop Road, Makkasan,
Ratchathewi, Bangkok 10400 Thailand

Registered Number : 0107548000650

Telephone : +662 120 9999

Fax : +662 250 6008

Web Site : www.siamgas.com

Registered Capital : 918,931,500 baht

Common Shares : 918,931,500 shares

Par Value : 1.00 baht/share

Paid-up Capital : 918,931,500 baht

Registrar

Thailand Securities Depository Company Limited

4th, 6th-7th Floor SET Building,

62 Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone : +662 229 2800

Fax : +662 359 1259

Trustee

- None -

Auditor

PricewaterhouseCoopers ABAS Limited

15th Floor Bangkok City Tower

179/74-80 South Sathorn Road, Bangkok 10120

Telephone : +662 344 1000

Financial Advisor

Advisory Plus Company Limited

10th Floor Thanapoom Tower

1550 New Petchburi Road, Makkasan, Rachathewi, Bangkok 10400

Telephone : +662 652 7859-64

Fax : +662 652 7867

Capital Structure

1. SGP's Securities

As of December 31, 2015, SGP had registered and paid-up capital of 918,931,500 baht consisting of 918,931,500 common shares at 1 baht per share.

2. SGP's Equity Structure

A) As of August 25, 2015, the major shareholders are as follows:

No.	Shareholder's Name		Shares	%
1.	Weeraborwornpong Family			
	Mr.Worawit	Weeraborwornpong	441,881,599	48.09
	Mr.Supachai	Weeraborwornpong	50,871,000	5.54
	Mrs.Patchara	Weeraborwornpong	50,000,000	5.44
	Ms.Patcharawadee	Weeraborwornpong	20,000,000	2.18
	Total shares held by Weeraborwornpong family		562,752,599	61.25
2.	UOB KAYHIAN PRIVATE LIMITED		72,378,400	7.88
3.	Thai NVDR Co.,Ltd.		15,734,000	1.71
4.	Mr. Komol	Jungrungruengkit	15,551,200	1.69
5.	STATE STREET BANK AND TRUST COMPANY		11,637,700	1.27
6.	Mr. Mongkol	Prakitchaiwattana	7,400,000	0.81
7.	Mr. Kieat	Srijormkwan	7,141,600	0.78
8.	Mr. Sataporn	Ngarmruengpong	6,690,100	0.73
9.	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE		5,950,600	0.65
10.	HSBC (SINGAPORE)NOMINEES PTE LTD		5,841,900	0.64
	Total		704,387,999	77.41

Source: The Stock Exchange of Thailand

3. Issue of other securities

A) Debenture bond

Siam Gas and Petrochemicals Public Co., Ltd.
offered debentures with details as follows:

1st Time:

Total value of debenture bonds is 1,500 million baht. They are rated at BBB+ (affirmed by TRIS Rating)

Type of debenture bond:

Unsubordinated, unsecured debenture bonds with bond holding representatives.

Offered date :

February 6-8, 2012 4-years bond
1st - 2nd year interest rate 5.00% p/a
3rd year interest rate 5.50% p/a
4th year interest rate 5.90% p/a
Maturity date Feb 9, 2016

2nd Time:

Total value of debenture bonds is 1,300.0 million baht. They are rated at BBB (affirmed by TRIS Rating)

Type of debenture bond :

Unsubordinated, unsecured debenture bonds with bond holding representatives.

Offered date :

January 27-29, 2014 3 years bond
1st-3rd year interest rate 5.20% p/a
Maturity date Jan 30, 2017

3rd Time: :

Total value of debenture bonds is 2,000.0 million baht. They are rated at BBB (affirmed by TRIS Rating)

Type of debenture bond :

Unsubordinated, unsecured debenture bonds with bond holding representatives.

Offered date :

January 26-27, 2015 for institution investors and/or investors who are holder debenture bond 1st time of year 2012 set No.2 of Siam Gas and Petrochemicals Public Co., Ltd. that maturity date on year 2015 (Debenture bond No. SGP152A)
January 28-29, 2015 for institution investors and/or investors whether holder debentures bond No. SGP152A or not.
3 years bond 1st-3rd year interest rate 4.70% p/a Maturity date Jan 30, 2018

B. Bill of Exchange

As of December 31, 2015, Siam Gas and Petrochemicals Public Co., Ltd. has outstanding Bill of Exchange with issue term not over 270 days amount baht 1,379 million.

Dividend Policy

The Company has the policy of paying dividend to shareholders at no less than 40% of net profit according to the Company's separate financial statement after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than the above rate, depending on

operating results, financial position, liquidity and the necessity of working capital use for business expansion and other factors relating to the business operation and management as the Board of Directors and/or the shareholders deem appropriated.



พัชราวดี
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สยามแก๊ส

Management

1. Board of directors

Management structure of the company as of December 31, 2015 consists of Board of Director, Executive Board and audit committee. The Board of Director and executives of the company are qualified according to the regulations stipulated by SET and SEC.

On December 31, 2015 Board of Directors composed of 9 members are follow :

Name		Position
1. Gen.Chaisit	Shinawatra	Chairman
2. Mr.Worawit	Weeraborwornpong	Vice-Chairman
3. Mrs.Patchara	Weeraborwornpong	Director
4. Mr.Supachai	Weeraborwornpong	Director and Managing Director
5. Mr.Suttipong	Vasuvanichphan	Director
6. Mr.Somchai	Korprasobsuk	Director
7. Mr.Viroj	Klangboonkrong	Independent director and Chairman of audit committee
8. Mr.Harn	Chiocharn	Independent director and Audit committee
9. Mrs.Sudjit	Divari	Independent director and Audit committee

Mrs. Jintana Kingkaew is the Company Secretary.

The Company's authorized signatories

The Company's authorized signatories are any two of Mr.Worawit Weeraborwornpong, Mrs.Patchara Weeraborwornpong, Mr.Supachai Weeraborwornpong, Mr.Suthipong Vasuvanichphan, Mr.Somchai Korprasobsuk sign jointly with the Company's seal affixed.

Detail of Board attendance in the year 2015

Name		2015	
		No. of meeting	No. of attending
1. Gen.Chaisit	Shinawatra	4	3
2. Mr.Worawit	Weeraborwornpong	4	4
3. Mrs.Patchara	Weeraborwornpong	4	4
4. Mr.Supachai	Weeraborwornpong	4	3
5. Mr.Suttipong	Vasuvanichphan	4	4
6. Mr.Somchai	Korprasobsuk	4	3
7. Mr.Viroj	Klangboonkrong	4	4
8. Mr.Harn	Chiocharn	4	4
9. Mrs.Sudjit	Divari	4	4

2. Audit Committee

The Audit Committee has been delegated by the Board of Directors to responsible for auditing the quality and reliability of accounting system, internal audit, and financial reporting process.

Audit committee for the company composed of 3 persons which are :

Name		Position
1. Mr.Viroj	Klangboonklong	Chairman of audit committee
2. Mr.Harn	Chiocharn	Member of audit committee
3. Mrs.Sudjit	Divari *	Member of audit committee

By having Mr.Chantira Srimoungpan is the secretary to audit committee.

* / Mrs. Sudjit Divari is the audit committee who has adequate knowledge and experiences to audit financial statement of the Company

3. Executive Board

The Executive Board consists of four persons as following :

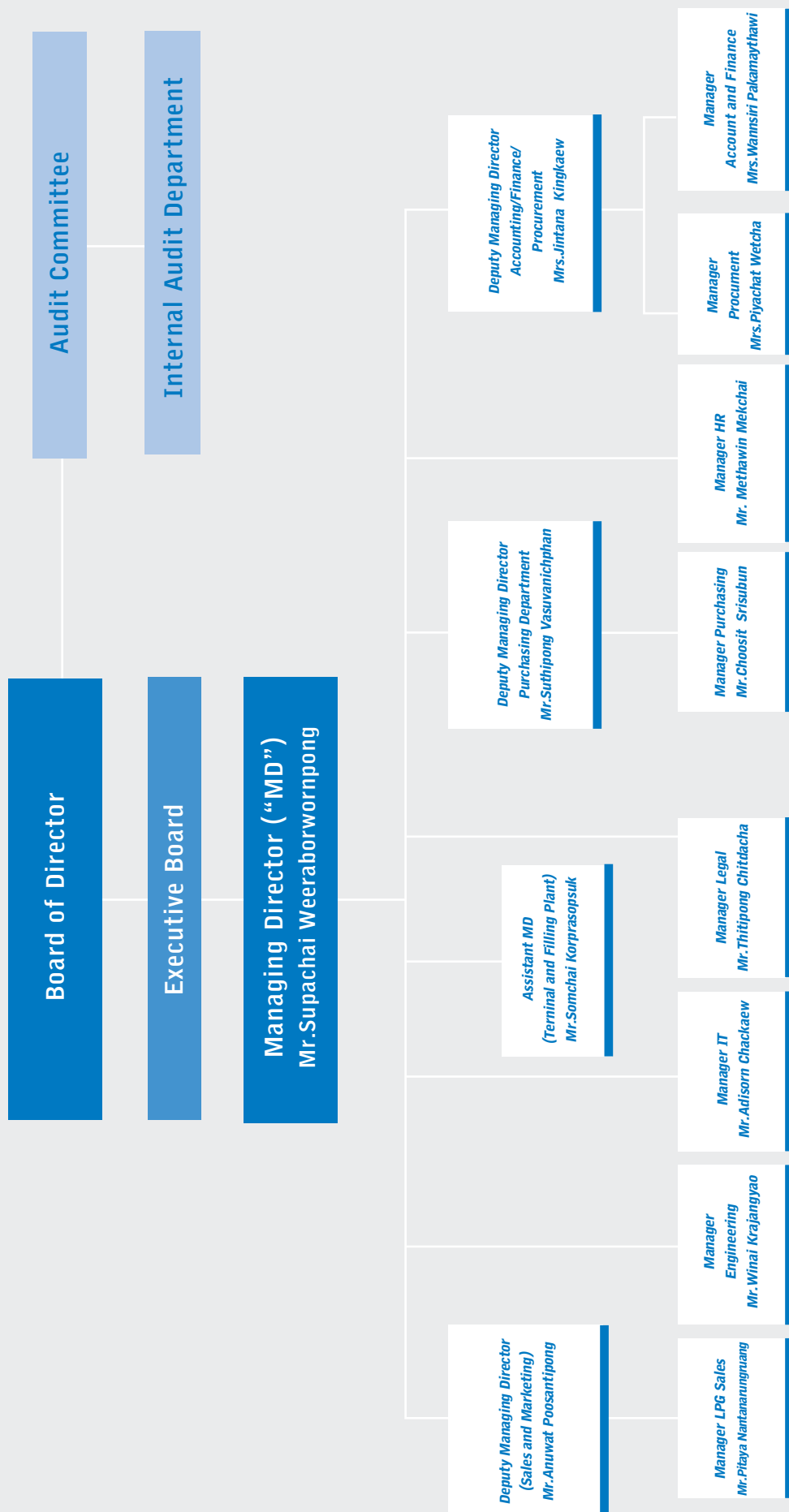
Name		Position
1. Mr.Worawit	Weeraborwornpong	Chairman of the Executive Board
2. Mr.Supachai	Weeraborwornpong	Member of Executive Board
3. Mrs.Patchara	Weeraborwornpong	Member of Executive Board
4. Mr.Suttipong	Vasuvanichphan	Member of Executive Board

4. Management

As of December 31, 2015 management of the company has 5 persons as following :

Name		Position
1. Mr.Supachai	Weeraborwornpong	Managing Director
2. Mr.Suttipong	Vasuvanichphan	Deputy Managing Director - Purchasing
3. Mr.Anuwat	Phoosantipong	Deputy Managing Director - Sale and Marketing
4. Mrs.Jintana	Kingkaew	Deputy Managing Director - Accounting and Financial/Procurement
5. Mr.Somchai	Korprasobsuk	Assistant Managing Director - Terminal / Filling Plant

SGP's management structure as of December 31, 2015



5. Company Secretary

The Board of Directors has resolution to appoint Mrs. Jintana Kingkaew as the Company Secretary on August 8, 2008.

6. Director and Management Remuneration

(a) Financial Remuneration

• Director

The resolution of the shareholders in the year 2015 as of April 20, 2015 annual general meeting has approved the remuneration for Board of Directors and Audit Committee as follow:

	Meeting allowance (baht/person/time)	Annual remuneration
Chairman	10,000	3,216,230
Chairman of Audit Committee	10,000	804,058
Audit Committee	10,000	804,058
Director	10,000	-

The Company does not have any remuneration for other sub-committee such as Executive Board

Meeting allowance (baht)	2015	
	Director	Audit Committee
1. Gen.Chaisit Shinawatra ^{1/}	30,000	
2. Mr.Worawit Weeraborwornpong	40,000	
3. Mrs.Patchara Weeraborwornpong	40,000	
4. Mr.Supachai Weeraborwornpong	30,000	
5. Mr.Suttipong Vasuvanichphan	40,000	
6. Mr.Somchai Korprasobsuk	30,000	
7. Mr.Viroj Klangboonkrong ^{2/}		200,000
8. Mr.Harn Chiocharn ^{2/}		200,000
9. Mrs.Sudjit Divari ^{2/}		200,000
Total	210,000	600,000

Note : ^{1/} Company remunerate annual allowance to Gen. Chaisit Shinawatra amount baht 3,216,230 in year 2015

^{2/} Company remunerate annual allowance to audit committee amount baht 804,058 per person in year 2015

• Executives

Remuneration (baht)	2015
Total persons	7
- Salary	40,198,092
- Bonus	6,480,185
- Provident fund	1,285,736
- Other	118,500
Total	48,082,513

(2) Other compensation

- None-

7. Staff

Number of employees

As of December 31, 2015 SGP and UGP have number of employees (not including executives) total 1,394 employees

SGP's staff as at 31 December 2015

Field	31 December 2015
Staff at Head Quarter	165
Staff at depot and filling plant	629
Total	794

UGP's staff as at 31 December 2015

Field	31 December 2015
Staff at Head Quarter	119
Staff at depot and filling plant	481
Total	600

Employees to other subsidiaries

As of December 31, 2015, total staff of a group of subsidiaries is 1,224 persons.

Employee remuneration (excluding executive)

In year 2015 the company paid compensation to employees 2,618 person total amount of 713.3 million baht as compensation in salary, fund, allowances, bonus and others.

Provident fund

The company has established the provident fund from April 2006 with objectives to build morale and encouraging to the employees and to motivate them to work with the Company for a long term.

Human resource development policy

The company realized the important of employees because the appropriate knowledgeable for employee and working position are the main mechanism in successful of organization therefore, the company provide the employees to have knowledge, skill and experience to use in work performance efficiently.



Corporate Governance

1. Policy on Corporate Governance

The Board of directors recognizes the roles and responsibilities under the authority delegated by the shareholders to manage the Company efficiently and transparently. This is to build the confidence to all stakeholders. The company conducts business under the principles of good corporate governance as follow.

Section 1 The right of shareholders

Company recognizes and focuses on basic right of shareholders as an investor in securities and owner such as right to buy and sell, transfer the securities, the right of receiving returning profit from the company, the right to receiving the adequate information of company, right in the shareholder's meeting in giving opinion and also making decision in something important such as providing dividend, the appointment or removal directors, appointment of auditors, the transaction which is important and affect the direction of business, the amendment of article of association, regulation of company etc.

In addition to the above fundamental rights, to company has operation in various to enhance and facilitate to using the right of shareholders as following:

1. The company will provide for the annual general meeting each year, it will be held within four months after the ended-financial statement. In each meeting, the company will provide the meeting invitation with the information attached in the meeting book as in occasion for shareholders to receive advance notice before the meeting seven days and announcement in the report printed on pre-meeting for three consecutive days before the meeting date, each agenda meeting is opinion of the Board of Directors.
2. In case the shareholders cannot attend the meeting by themselves, the company open an opportunity to the shareholders to give authorize to independent

directors or any person as an proxy to attend the meeting on their behalf by using proxy form sent to each shareholder together with a meeting notice.

3. Before the meeting date, the company invites the shareholders to give opinion and ask questions in advance of meeting day
4. In the meeting, company opens an opportunity to shareholders to questioning and giving opinion to the meeting in any topic with equalization. In the shareholders' meeting, there are directors and executives who related to attend the meeting to answer in the meeting, including there are recording questioning and important opinion in the meeting report for shareholders to check it out.
5. After the meeting finished, the company shall prepare the meeting report by displaying the data correctly so that shareholders can review.

Section 2 The equality treatment of shareholders

Company's policy is to create equality happen to shareholders in all segments. In each conducting shareholders' meeting, the company will provide the opportunity for shareholders equally to all. Before the meeting started, Chairman will provide important information to shareholders i.e. the introduction the directors, executives, and related to the attending. The chairman of the meeting announced for opening the meeting by inform the total number /proportion of shareholders and who received the authorized from the shareholders, who attend the meeting. The chairman informs the practical way in voting and counting the vote to the shareholder before voting time. Shareholders are able to vote evenly.

The meeting is conducted in accordance with company regulations, as respectively agenda. There are proposed details in each agenda. There are showing data into consideration explicitly and will not promote the agenda

of meeting without report to shareholders prior notice. The only important agenda that shareholders need to take education information before making decision. In the event that shareholders cannot attend the meeting in person, the company open the opportunity to shareholders can appoint independent directors or any person to be proxy in their attending by any proxy form that the company sent along with meeting letter.

Section 3 The role of stakeholders

The company has focused on the right of all interested groups. Whether they are internal stakeholder such as employees, executives of the company or external stakeholder such as competitor, customer etc. The company recognized that supporting and commenting from all stakeholders will be advantage for the operation and development of the business,

Therefore, the company will practice as law and regulation determined related the right of such stakeholders with well care, besides, the company encourage to corporate between companies and group of stakeholders to secure for the company under the following guideline.

Shareholder: the company is committed to better represent the shareholders in business to create maximum satisfaction for shareholders by taking into account of the growth of value of company in long-term and actions reveal information in a transparent and credible.

Employee: the company recognized the importance of employees. This is a valuable resource of company. It aims to support the capacity development of human resources for maximum benefit. The company also encourage employees to participate in well creating corporate culture and team building and the atmosphere felling safe at work.

Competitors: the company will comply to competitor in a frame of fairly rule by keeping standard of practical to the competitors.

Clients: the company committed to meet and serve goods for satisfaction and confidence to customers. The company will comply with requirement of laws and regulations related to the right of stakeholders to be taken care well.

Section 4 Disclosure and transparency

Board of Directors recognized the important of sharing information, including financial data, general information in an accurate and complete and transparent, equitable , and time manner accordance with the rules of SEC and SET(Thailand) and other key information affecting the company's stock price , which all influence process in a decision making of investors and stakeholders of the company. The company has disclosed the information technology of company to shareholders and investors and public via media and publishing information of the stock exchange of Thailand and the company's website is www.siamgas.com

In the part of investors related to the company have not set up investor relation department to communicate with institution of investors, shareholders and also analyst and government related.

Board of Directors is responsible for consolidated financial statement of the company and its subsidiaries and financial information appearing in the annual report. Such financial statement prepared in accordance with general accepted accounting standard in Thailand by selection of appropriate accounting policies and compliance on a regular basis as well as disclosure adequate in the financial statement which in this audit committee will review the quality of reporting of financial and internal control systems, including, adequate disclosure of important information in the notes of financial statement.

Section 5 Responsibilities of the Board of Directors

1. Board Structure

Directors of company composed of persons who have knowledge, ability, with important role in determined the policy and overall picture of the organization and play an

important role in monitoring and supervision, evaluation of operation to be as planned independently.

Structure of Board of Directors consists of 4 non-executive, of which three are independent directors, resulted in the ability to balance the power in any decision making. Moreover, 3 members of the audit committee, who are all independent, shall responsible for the business performance review.

Currently, Board of Directors composed of nine directors, 4 are non-executive and feature 3 members of independent directors and 5 are executive board. The article of company requires that the annual general meeting, one-third of the directors, or if the number of directors is not a multiple of three, then the number nearest to one-third must retired from office. The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire. A director who vacates office under this section may be re-elected.

In addition, the Board of Directors has appointed various sub-committee such as audit committee and executive board to do the specific duty and propose the topic to the Board of Directors to considered or acknowledged. The sub-committee have right and duty as set forth in authority. The company has divided roles for responsible between Board and executives as clearly by the Board of Directors acted in policy formulation and monitoring of the executive level's operation while the executive function in the management areas in accordance with the policy. Therefore, the Chairman of Board of directors and managing director is not the same person by both position have been selected by the Board to ensure that individuals are the best appropriate.

The company has secretary of the Board which will provide advice on regulation that Board of Directors must know and follow to in charge of activities of the Board, including with co-ordination to compliance with the resolution of committee.

2. Role, Duties, and Responsibility of the Board of Directors

The Board of Directors follow the code of conduct guidance from Stock Exchange of Thailand. The Board of Directors understand the role, duties, and responsibility and will comply with the law, objective, article of association and shareholders' resolution. The Board of Directors will work for the company benefit and will monitor the management to manage under the policy and plan within the approving budget for the best benefit of the company and shareholders.

3. Conflict of interest policy

The Board of Directors has set up conflict of interest policy to avoid the Company, subsidiaries, or related persons to approve any transaction which they have conflict of interest. The board of directors will follow the rule and regulation under the Securities and Exchange act or acquisition and disposal notification and disclosure of information regarding connected transaction notification. The audit committee will inform the Board of Directors on connected transaction and conflict of interest in which the Board of Directors will consider the appropriateness and practice under the rule of stock exchange of Thailand. The connected transaction will be disclosed in the annual report and annual statement (Form 56-1)

4. Internal control system

The company gives priority to internal control system both in executive level and practical operation level. Therefore, the company set up the duties, authority in operation to the employees and executives in written notice. This includes the controlling usage of company asset to be beneficial. The operational duties were separated in monitoring and evaluation of control from each other. The company has appointed internal audit department to monitor the internal control system. The internal audit set schedule to audit the operation of depot and filling plant at least once a year. This is to ensure the effectiveness of internal control

5. The Board of Director meeting

The company has a policy to call a Board of Director meeting at least once every three months. The company may call an extra meeting if necessary. The company will send the invitation letter with complete relating information to the directors at least seven days prior to the meeting. This is to give appropriate time for the directors to consider the information prior to the meeting. The minutes are properly prepared and the approval minutes are kept for the directors to review when needed.

6. The compensation to directors and management

The Company has set up an appropriate compensation for directors and management. The compensation rate is in an appropriate level to keep the directors and management to work with the company. The factors used to consider the compensation rate are experience, duties, scope of work and responsibilities. The payment of compensation will follow the policy set forth by the board of directors.

7. The training for directors and management

The Board of Directors encourages all training related to corporate governance issue. This includes applying for Thai Institution of Director's training course for directors, audit committee, management, and company secretary.

8. Following the corporate governance in other issue

Business Ethic

The company has set up guideline on business ethic for board of directors, management, and employees to follow. The guideline will assist the management and employees to work honestly and equality to all stakeholders and public. The company announced the guideline to employees and encouraged employees to follow strictly.

Conflict of interest

The Board of Directors has set up conflict of interest policy on the basis that all decision making should be for the highest benefit of the Company and should avoid the action which may cause the conflict of interest. The company requires all related person to report the relationship or

its related transaction and the related person is not allowed to join the meeting to approve the said transaction. The audit committee will inform the Board of Directors on connected transaction and conflict of interest in which the Board of Directors will consider the appropriateness and practice under the rule of stock exchange of Thailand. The connected transaction will be disclosed in the annual report and annual statement (Form 56-1)

Board of Directors Reporting

Audit committee will review financial report. The accounting department and auditors attended the meeting together and present financial report to the Board of Director every quarter. Board of Directors is responsible for consolidated financial statement of the company and its subsidiaries, including financial information (report of committee responsible for financial reporting) that appear in annual report. Such financial statement prepared in accordance with accounting standard and audited by certified auditors. The disclosure of important information, and financial information and non-financial operation based on the facts and fully consistent.

2. Sub-Committee

Management structure of the company consists of Board of Director, Executive Board and audit committee. The Board of Director and executives of the company are qualified according to the regulations stipulated by SET and SEC.

Authority of Board of Directors

Board of Directors has the authority to manage the Company in accordance with law, objective, article of association, and resolution of shareholders as follow.

- 1) Provide the Annual General shareholders' meeting within four months from the end of accounting period
- 2) Provide the Board of Directors' meeting at least once every three months.
- 3) Provide balance sheet and financial statement of the company at end of accounting period which the auditors have been audited and proposed to the shareholder's meeting to consider.

- 4) Consider and approve other important transactions related to the company or any transaction which is beneficial to the company.
- 5) Entitle to appoint Executive Board to conduct business to act on behalf of the Board of Directors or entitle to delegate the authority in proper manner and within agreed timeframe. Moreover, the Board may cancel, withdraw, make change or amend such authority.

The Board of Directors may delegate the authority to Executive board to conduct the business according to the authority and responsibilities of the Executive Board. However, such delegation shall not include any delegation of authority which will enable the Executive Board to approve any transaction in which the Executive Board or person with conflict of beneficial with the company or subsidiaries, except it is the approval to be policy or regulation that approved by the Board.

- 6) Determine the policy and strategic direction, financial management, risk management of the business. The company has provided control system to ensure that the management process in accordance with policies set forth as efficiency and effectiveness unless authority to perform the following action, only when received approved by the shareholders before proceeding, including the law requires the resolution of the meeting, increasing capital or reducing its capital, merger or liquidation of the company in all or some important parts to the other persons or take receiving liquidation of other company or private companies to become the part of company, amendment of memorandum or article of associate etc.

In addition, the Board of Directors has scope of duties for overseeing the company's compliance, as law on Securities and Exchange Commission(SEC), term of the exchange, including making each transaction and the purchase and sale of significant assets under the rules of The Stock Exchange of Thailand or law relating to corporation business.

- 7) To consider the structure of administrative to appoint the managing director, Executive Board and other directors as its considered.
- 8) Tracking performance according to plan and budget as continuously.
- 9) Directors shall not operate the same conditions and to compete with company's business or join as a part of partnership or unlimited liability partnership or a director of private company or other company that operate same condition and to complete with the company's business. Whether they will do to benefit for themselves or to benefit for others, unless inform the shareholder's meeting prior to the appointed.
- 10) Any other matter required by law.

Audit Committee

Audit committee for the company composed of 3 persons which are :

1. Mr.Viroj Klangboonklong
Chairman of audit committee
2. Mr.Harn Chiocharn Member of audit committee
3. Mrs.Sudjit Divari* Member of audit committee

By having Mr.Chantira Srimoungpan is the secretary to audit committee.

*/ Mrs. Sudjit Divari is the audit committee who has adequate knowledge and experiences to audit financial statement of the Company as she has profound experiences for being the director and audit committee for the listed companies

Authority of the audit committee

The audit committee has been delegated by the Board of Directors to responsible for checking operation of the company and report to the Board of Directors to operate the standard that will maximum benefit to the company and its subsidiaries. The scope of responsibility are as following:

Audit committee has the duty to check and responsible as the determination and regulation of SEC and The Stock Exchange of Thailand and to report to the Board of

Directors to operate standard that will cause benefit to the company and its shareholders the scope of supervision are as following :

1. Ensure the company's financial reporting accuracy and adequacy.
2. Review the company's internal control and internal audit appropriate and effective and consider the independence of audit internal unit as well as to approve the appointment, transfer, termination of internal chief agencies or other organization responsible for internal audit.
3. To select and nominate independent auditors of the company and consider a remuneration of such person, including meeting with auditors without executive attended at least one time per year.
4. Ensure compliance with law requirements under Securities and Exchange Act, Stock Exchange of Thailand regulation and the law relating to its business.
5. Consider the related transaction or translations that may have a conflict of interest and ensure that it is comply with the law and regulation of the Stock Exchange. This is to ensure that the transaction is reasonable with best interest for the company.
6. Disclose audit committee report in company annual report, in which the report must be signed by the chairman of audit committee and must contain content at least as follow.
 - (a) An opinion on the accuracy and completeness of a reliable financial report of company.
 - (b) An opinion on the adequacy of its internal control system.
 - (c) An opinion on compliance with Securities and Exchange Commission (SEC) requirement or law-related company's business.
 - (d) Comment on the appropriateness of auditors.
 - (e) Comment about items that may have conflict of interest.
 - (f) The number of the audit committee meetings, and the attendance of such meeting by each committee member.
 - (g) Overall comment or observation of audit committee from practicing in the duties as charter.

(h) Other transactions, according to the audit committee's opinion that shareholders, general investors should know under the duties and responsibilities assigned by the Board of Directors.

7. Report audit committee's activities to Board of Directors at least once a year.
8. Any actions assigned by the Board of Directors appointed with approval from audit committee.

Executive Board

The Executive Board consists of four persons as following :

1. Mr.Worawit Weeraborwornpong
Chairman of the Executive Board
2. Mr.Supachai Weeraborwornpong
Member of Executive Board
3. Mrs.Patchara Weeraborwornpong
Member of Executive Board
4. Mr.Suttipong Vasuvanichphan
Member of Executive Board

Authority of the Executive Board

- 1) Conduct business in accordance with the objective, articles of association and resolution of the shareholder's meeting and the board of Directors' meeting.
- 2) Determine the corporate management structure to cover all the details of selection, training, hiring, and dismissal of employees, including the appropriate employees benefit with traditional practices and circumstances and consistent with existing law.
- 3) Prepare to recommend and set goals and guideline business policy and the company's strategy as well as authority and responsibilities of Managing Director to grant for an approval from the Board of Directors.
- 4) Determine the strategic business plan to approval budget for corporate business and annual expenditure budget as approved by the Board of Directors. Conduct the business strategic and plan of business by all operated of Executive Board with consistent to the policy and business way that approved by Board of Directors.

- 5) Consider and approve of authorized operation to normal business transaction such as purchasing goods, motor vehicles, supplies, equipment, and appliances etc. within the approved cost limit for each items not exceeding 100 Million baht.
- 6) Consider and approve expenditure in the financial department capital assets, capital expenditure of the company and its subsidiaries in the amount of 200 Million baht and accumulated up to 1,000 million baht per year. If it exceed the determined amount, the Executive Board shall purpose to the Board of Directors for considerate approval.
- 7) Has the power to approve the requested loan or any loan of the company and its subsidiaries, including the guarantor to its subsidiaries in the amount of 200 million baht and accumulated up to 1,000 million baht per year in the case of requested loan or exceed the guaranteed limits specified. The Management Directors present to Board of Directors for consideration and approval.
- 8) Consider and approve loans to subsidiaries by the total cumulative amount of borrowing up to 500 million baht per year.
- 9) Entitle to have business transaction with financial institution, open the bank account with financial institution and obtain guarantees from bank and financial institution, the company and its subsidiaries in the amount of 500 million baht and accumulated up to 1,500 million baht per year.
- 10) Perform the other duties as assigned in each time by Board of Directors.

The delegation of authority as referred above shall not include any delegation of authority which will enable the Executive Board or attorneys to approve any transaction in which a member of the Executive Board or person with conflict of interest may have or have conflict of interest (according to regulation of the company and by the SEC and/or The Stock Exchange of Thailand) in any manner with the Company or its subsidiaries.

Management

As of December 31, 2015 management of the company has 5 persons as following :

1. Mr.Supachai Weeraborwornpong
Managing Director
2. Mr.Suthipong Vasuvanichphan
Director Managing Director – Purchasing
3. Mr.Anuwat Poosantipong
Director Managing Director – Sale and Marketing
4. Mrs.Jintana Kingkaew
Director Managing Director – Accounting and Financial / Procurement / Human Resource
5. Mr.Somchai Korprasobsuk
Assistant Director Managing Director – Terminal / Filling Plant

Authority of Managing Director

Managing Director has authorized to operate business as assigned by the Board of Director or Executive Board under the rules and regulation of the company. However, the delegation of authority as referred shall not include any delegation of authority which will enable Managing Director or person with conflict of interest to approve any transaction in which such person may have or have conflict of interest in any manner with the Company or its subsidiaries. The Managing Director have the limit of duties as following:

- 1) Operate and administrate the business as the policy of business plan and strategic of business that Board of Directors already approved.
- 2) To provide authorized or assigned the other who managing director agree to doing the duty instead of managing director as necessary and appropriate to the discretion of executive board under the rules, laws and regulation of company.
- 3) Perform other duties as assigned by the Board of Director or executive board in each time.
- 4) Operate and merge of the company's business as usual and can approve the transaction as normal such as procurement of goods, vehicles, equipment, supplies, appliance. Expenditure approval of lease, to approve the write-off (to comply with policies and

procedure of company) and hire consultants and etc. The value for each items doesn't exceed 50 million baht.

- 5) Consider and approve capital expenditure of the company and its subsidiaries in the amount of 100 million baht and accumulated not more than 500 million baht per year. If there is exceed amount, it provide to executive board to consideration and approval.
- 6) The authority to approve loans to subsidiaries, each not exceeding 50 million baht or equivalent by the total cumulative amount of loans not exceeding 100 million baht per year or equivalent.

3. Nomination and Appointment of Director and Top Executives

The Company does not have the nomination committee to select person to hold position of director or top executive. However, it has nomination process for selection person to hold such position where the major shareholder and/or representative of major shareholder in each group, the qualified person in each relevant field and the independent director as well as the director and executive of the Company shall jointly nominate the qualified, capable and experienced person to support business operations of the Company and who has qualifications specified by the Public Limited Company Act B.E. 2535 for the initial stage. After that such person shall be proposed to the shareholders' meeting for consideration and selection pursuant to the Company's articles of associations as follows:

Audit Committee / Independent director

The company has policy to nominate audit committee and independent directors announced by Securities and Exchange Commission that KRB.12/2000 on the application and allow the offering to sell the new stock issued by the Board of Director's meeting authorized in establishment audit committee and assigned to audit committee in three year by each audit committee must be independent directors and have qualified as the independent directors as following :

- 1) Holding shares not more than one percent of total shares voting right of major company, subsidiaries, joint venture or entities that may conflict. The count of share holding of relevant independent committee.
- 2) Not participate as directors who manage, employee, consultant has a regular salary or authority corporate control of major company, subsidiaries, joint venture and subsidiaries same order or the entity that may have conflict.
- 3) A person who is not a blood relationship or by registration in law in type of father, mother, spouse, brother, sister or spouse of children of management or major shareholders who have authority to control or individual who will be offered to the management or control of company or subsidiaries.
- 4) No business relationship with company or subsidiaries or individual whom might be conflict in manner that may obstruct freedom to use their discretion and not as a major shareholder , the directors who is not as independent directors or executives of those with business relationship with major corporation, subsidiaries, or entities that may conflict.
- 5) Not being an auditor of a major company, subsidiaries, affiliate or individual that may have conflict and not being major shareholders, non-independent directors, executives or partnership manager of audit company which having auditors of company, subsidiaries, joint venture or entities that may be under the conflict.
- 6) Not being a professional in any service, including providing service as a legal consultant or financial consultant who received service charge more than 2 million baht a year from company, subsidiaries, joint venture, entities who might have conflict. In the case of professional service is legal entity including major shareholder who are not independent executive or partnership of that professional service.
- 7) Being independent from the major shareholders of the Company or other shareholders who are related to the Company's majority shareholders.
- 8) No other feature that could not be commented freely about the company's operation.

- 9) Not being a director who has been assigned by the Board of Directors to decide on the operation of the company, subsidiaries, joint venture, subsidiary, company in the same order or entities that may conflict and not directors of listed company which is a big company, subsidiaries, joint venture, subsidiaries in the same order.

Nomination Criteria and Qualifications of the Audit Committee

1. Must be appointed by the Board of Directors or the shareholders' meeting
2. Must be the independent director and is qualified to be the independent director, and
 - 2.1 Must not be the director who has been authorized by the Board of Directors to make decision on business operations of the Company, parent company, subsidiary, associate company, subsidiary in the same level, major shareholders or the controlling person of the Company and,
 - 2.2 Must not be the director of parent company or subsidiary in the same level of the listed company only.
3. Must perform similar duties as per specified in the announcement of the Stock Exchange of Thailand Re: Qualification and scope of work of the audit committee,
4. Must possess adequate knowledge to be able to perform duties as the audit committee, in addition, at least one member of the audit committee must have adequate knowledge and experiences to audit credibility of financial statement.

Board of Directors

- 1) Board of Directors consist of at least 5 directors and more than half of directors must be resident in the Kingdom.
- 2) At the shareholder's meeting shall appoint directors, using the following criteria:
 - (1) Each shareholder shall have one vote for each share held.
 - (2) Each shareholder will exercise all the votes applicable under (1) to elect one or more person

as directors, provided that a vote shall not be divisible.

- (3) The candidate shall be ranked in order descending from the highest number of vote received to the lowest and shall be appointed as directors in that order, until all of the director position are filled. Where there is an equality of vote cast for candidates in descending order causing the number of directors to be exceeded, the Chairman of the meeting shall have the deciding vote.
- 3) At every annual general meeting, one-third of the directors, or if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent year, the directors who has held office longest shall retire. A director who vacates office under this section maybe re-elected.
- 4) Any directors will resign from the position, they might submit the registration letter to the company and the resignation shall be effective from the date on which the Company received the resignation letter.
- 5) The shareholder's meeting may vote for any director to resign from the position prior to retirement as a resulted of the expiration of the directors' term of office with vote not less than three in fourth of number of shareholders attending at the meeting and entitled to vote and its share combined not less than half of the number of shareholders attending the meeting and being entitled to vote.

4. Supervision on Operations of the Subsidiary and the Associate Company

The Company specified that the nomination and exercise of right to vote for selection of person to be the director of the subsidiary and the associated company is required to be approved by the Company's Board of Directors. The person appointed as the director in the subsidiary and the associate company must perform duties for the best interest of such subsidiary or associate company. The Company also specified that such appointed person must

be firstly granted approval from the Company's Board of Directors before he/she could pass resolution or vote in significant matter in the same level which is required to have an approval from the Board of the Director if such operation is operated by the company. Moreover, the appointment of director to be the representative in such subsidiary or associate company must be pursuant to shareholding proportion of the Company.

Furthermore, in case of subsidiary, the Company specified that such appointed person must oversee to ensure that the subsidiary has complete and correct regulations with regards to connect transaction, acquisition and disposal of assets or undertaking of other significant transactions of such company. In addition, criteria relevant to disclosure of information and the above transaction must be applied in the same manner as those of the Company's criteria. Supervision on maintenance of information and accounting record of the subsidiary for purpose of inspection and for compilation of the consolidated financial statement on timely manner must also be specified.

5. Supervision on Usage of Inside Information

The Company supervises on usage of inside information by preparing a confidentiality agreement for the employee, contractor, supplier, service provider including guest who visits the Company's business to prevent disclosure of information or confidential news of the Company and its subsidiaries. In addition, penalty clause has been imposed to those who exploit inside information for personal gain or use such information which would damage reputation of the Company. Additional, they must not purchase, sell, transfer to receive transfer of the Company's securities by using confidential and/or inside information and/or to enter into any other legal act by using confidential and/or inside information of the Company which can cause damage to the Company's reputation, whether directly or indirectly.

The Company has imposed measures to prevent wrongfully use of inside information by the related person who included the director, executive and employees in the

function whose work related to inside information (including his/her spouse and child under legal age). The related person is prohibited to sell or purchase the Company's securities within 1 month prior to disclosure of quarterly and annual financial statement.

The Company provided information to the directors and the executives on their obligations to report their holding of the Company's securities including penalty clause pursuant to the Securities and Exchange Act B.E. 2535 and the requirements of the Stock Exchange of Thailand. In the event when the director or the executive purchases or sells the Company's securities, he/she is obligated to report his/her securities holding including securities holding by his/her spouse and child under legal age to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Clause 59 of the Securities and Exchange Act B.E. 2535 within 3 working days, for its acknowledgement and for further dissemination to the public.

Moreover, the Company imposed disciplinary penalty against people who exploit usage of or disclose inside information which would cause damage to the Company. Various penalties have been considered as appropriated, such as verbal warning, written warning, probation and termination of employment, by firing or discharging, as the case may be

Audit Fee

Total audit fee paid in 2015 to PricewaterhouseCoopers ABAS Ltd., the auditing company which the auditors of the Company and domestic subsidiaries work for, was 1.94 million baht. Person or business related to the auditor and the auditing company is not the same person or is the business related to the Company and its subsidiaries.

energy for the future

SinoGas



Social Responsibility

The Company has policy to operate business with social, environment and stakeholder responsibility.

1. Overall policy

Siam Gas and Petrochemicals Public Co., Ltd. determines to operate business under good corporate governance principles, with morality and responsibility for society, communities, environment, stakeholders and all parties related to the Company. The Company realizes that as we engage in business of supply and distribution of liquefied petroleum gas, petrochemical products and related businesses, it is required to obtain maximum trust and confidence on safety. The Company also has policy to strictly comply with related laws, regulations, standards and requirements.

The Company places utmost importance to social responsibility and it has been regulated in the Company's mission. In addition, some part of budget has been allocated for social activities and disbursement of such budget shall be considered by the high level executives.

Core vision and mission of the Company are as follows:

- To plan to increase facilities, warehouses, gas filling plants and service stations including gas tankers and gas trucks.
- To constantly develop human resources in order to develop their potentials and operating capability, so that their works can be successfully, efficiently and safely achieved.
- To put emphasis on product safety policy, service rendering including internal operations.
- To give emphasis to well-being of the people by providing excellent products and services, especially on safety, convenience and at reasonable and fair prices.
- To place importance to environmental conservation and ethically business operations pursuant to governance principle and with responsibility to society, community as well as all shareholders and relevant parties.

The Company is always aware that for business of liquefied petroleum gas, petrochemical products and related business, responsibility is the most crucial part, as it shall cause impact to all parties and sectors, from employees, executives, business partners, communities to societies, particularly on personal welfares, safety and environmental conservation. As a result, the management has specified policies and operating guidelines as follows



Fair Competition

The Company shall treat its business competitors pursuant to the relevant laws and business ethics principles, including fair rules on competitions by maintaining competitive code of conducts as follows:

- Do not take advantage of business competitors by misleading business information which might cause impact to reputation of the competitors.
- Refrain from making an agreement or discussion with the competitors' employees about marketing or business plans which can impact to business.

Fair Labor Practices

The Company recognizes importance of employees as the Company's most valuable assets. Thus, it intends to develop potentials of its human resources for maximum benefits of the Company and it also encourages its employees to jointly participate in creation of good corporate culture, team work and to enhance safety atmosphere and workplace. Moreover, The Company also equally listens to opinions and recommendations from the employees at all levels. In addition, the Company also provides welfare to the employees' family by granting scholarships to the employees' offspring who have good academic records from elementary level to university level. The object is to encourage the employees' offspring to pay attention to education, so they could become the capable people for their family and the country as a whole.

The Company encourages the employees to enhance their knowledge, capabilities, skill and experiences so that they can perform their works effectively. The Company arranges various employee training courses at all levels pursuant to annual training programs which shall be systematically arranged in accordance with regulations on employees' training practices of the Company. Besides, the Company also dispatches the employees to attend training programs outside of the Company to increase their knowledge in various aspects related to their works, for

instance training on newly accounting standards, computer network system and etc.

Consumer Responsibility and Environmental Conservation

The Company determines to be the management excellence in terms of safety, health and environment. No other mission shall be more important than to create health and safety atmosphere for employees, customers, business partners and communities and to prevent environmental impact which may incur. Such continued development and improvement shall be important and sustainable benchmark for our growth and it can also drive for continuity and harmony on integrating projects and processes on business operations together. Our strong determination to become management excellence on safety, health and environment are performed by adhering to the following policies:

1. To comply with the written regulations and spirit of law concerned, industrial standards as well as to provide full cooperation with the officials to develop and improve such regulations.
2. To keep workplace on par with standards on safety, occupational health and environment by adhering to the best operating practices as its guidelines.
3. To set up target on zero accident from work because we believe that loss of life, injury and incident can be prevented.
4. To constantly review operations and procedures, then develop suitable projects to support for improvement of our potentials on continued basis.



5. All of our employees must take part in safety, health and environment responsibility activities and they must behave themselves in harmony with and pursuant to intention of this policy, by specifying as key performance indicators that must be achieved as per targeted.
6. All employees must cooperate with and encourage business partners and contractors who deal business with us to be responsible for safety and do not cause impact to environment.
7. To develop and supply safety and environmental friendly products when they are properly used and to provide necessary information in order to achieve such expectation.

The above policies are regarded as the core of operating strategy as well as the framework for formulation of business plans and objects of all departments. These policies must be reviewed and monitored in order to put them into practices together with the formulation of consumer responsibility and environmental conservation policy. The Company has arranged activities to promote compliance with such policies as follows:

- To arrange trainings on general information of the products, particularly liquefied petroleum gas products, and safety usage, loading and product maintenance to the employees, customers and the third parties, such as communities, government agencies and etc.
- To arrange emergency drill plan at the operating workplaces, such as gas warehouses and gas filling plants where the government officials and community representatives may observe as necessary.
- To arrange 5 Sor. activities in the workplace.
- To provide knowledge by arranging safety exhibitions.

Contribution to Community and Society

The Company has arranged community and social development activities which included:

- Contribution to society by assisting flood victims, donation of supplies to the communities, donation of money to build religious places, schools, hospitals and participation in environmental conservation campaigns and more.



- Arrangement of activities to cultivate environmental conservation spirit, for instance a campaign to use used paper in the office and etc.

CSR After Process

The Company continually encourages and supports social and environmental activities, particularly on livelihood development of the communities in the remote areas to make them have better living. One of the activities is to provide budget for construction of pipe water system to the villagers in Sinchai Village, Padaeng Village, Sunti Vana Village and Pakia Village of Chai Prakarn District, Chiang Mai Province to make villagers in 4

villages have consumption and usage water. Such activity has followed the royal initiatives of Her Majesty Queen Sirikit which emphasized on mitigation of water shortage crisis.

The other activities are planting trees and collect garbage in the bird island area which is close to the company's terminal in Bangpakong district Chacheongsao province. The company join the activity with Marine and Coastal Resource Research and Development annually. This is to help preserve the environment and restore marine and coastal resource.

Practical guidelines to prevent involvement in corruption acts

The Company determines to conduct business under good corporate governance principles by declaring intention on prevention on involvement of corruption. In addition, the Company also has responsibility to society and environment as well as all stakeholders. The Company also specified anti-fraud and anti-corruption policy in the Company's code of business ethics under the topic of "Code of Business Ethic" and "Conflict of Interest Policy" which can be summarized as follows:

Code of business ethic

The Company takes into consideration integrity on conducting business and mutual benefits of the business partners and the creditors by:

- Do not ask for or accept, or give any unlawful benefits from or to the business partners or the third party
- Do not receive gift, inducement or accept an invitation to the party or reception particularly arranged privately or for group of people by the business partners
- To maintain business relationship with fairness and justice.

Conflict of interest policy

The Company and the subsidiaries specified policy that all employees shall not perform any act which may cause conflict of interest, especially accepting money or other award under any circumstances or accepting anything, which is

- Gift or rebate with high value
- Entertainment party
- Sponsored travel
- Other remunerations



Internal Control and Risk Management

1. Opinions of the Board of Directors on internal control system

The Board of Directors puts emphasis that the Company shall have proper and efficient internal control system, hence it has assigned authority, duty and responsibility to Audit Committee to review and ensure that the Company has adequate and appropriate internal control and internal audit system in place. Internal audit function which shall directly report to the Audit Committee shall inspect and review internal control system including performance of the Company on compliance with the laws on securities and exchange.

The Audit Committee also has duties to consider, select, appoint the auditor and fix remuneration as well as to consider on disclosure of correct and complete information in case of connected transaction or transaction which might have conflict of interest.

At the Board of Directors' meeting No. 1/2016 held on February 24, 2016 where all 3 members of the Audit Committee attended, the meeting has assessed the Company's internal control system by enquiring information from the management. In conclusion, from assessment of 5 components of internal control system, comprising of organization & environmental condition, risk management, control on performance of the management, information technology system & communication and monitoring system, the Board of Directors deemed that the Company's internal control system was adequately and appropriately. The Company has provided adequate personnel to effectively perform operations pursuant to the system and it also has monitoring system to oversee operations of the subsidiaries to prevent wrongly use or unauthorized use of properties of the Company and its subsidiaries by the director or the

executive. Furthermore, measures on transaction with person who might have conflict of interest or the connected person have been adequate specified. The Board of Directors also deemed that measures on internal control system of other topics also adequate.

2. Opinions of the Audit Committee

The Audit Committee has assessed adequacy and efficiency of internal control system by considering from result of auditing report proposed by the internal audit function and opinions of the auditor, as well as from jointly assessment with the Board of Directors during the meeting No. 1/2016 on February 24, 2016. The Audit Committee has the same opinion with the Board of Directors that the Company's internal control was appropriated.

3. Head of Internal Audit Office

At the Board of Directors' meeting No. 7/2012 held on June 14, 2012, the meeting has resolution to appoint Mrs. Chantira Srimoungpan as the head of internal audit office with effective from July 2, 2012. Mrs. Chantira has experiences on performing internal audit task and as a secretary of the Audit Committee of the listed company. She also attended various courses concerning internal audit operations, such as risk management pursuant to COSO ERM guidelines, company secretary program and internal audit function management and etc. Consequently, it is deemed appropriated to appoint her to perform such duties.

In addition, the Company has specified that for consideration on approval, appointment, transfer and dismissal of the Company's head of internal audit office must require to have consent or approval from the meeting of the Audit Committee.



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IMO NO: 8917845

BANGKOK

Connected Transactions

Summary of transactions between SGP, its subsidiaries and other people who might have conflicts during 2014 and 2015

SGP and its subsidiaries had connected transactions in accordance with its normal business practices and fair trade as follows

Connected Person/ Legal Entity	Relationship	Description	Value ('000 Baht)		Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
1. Great China Millennium (Thailand) Company Limited ("Great China")	<ul style="list-style-type: none"> SGP and Great China Millennium (Thailand) Company Limited have the same major shareholder who is Weerabornwong family. 	LPG Sales Revenue and Account Receivable Great China Millennium (Thailand) Company Limited purchased LPG from SGP to supply to its food court in the shopping building at the same price SGP sells to general customers	4,454	3,463	958	903	The Audit Committee considered that these were common sales transactions of SGP and the selling price was the same as that of general customers, so these transactions were considered appropriate and reasonable	Note# 33 (A) and #33 (C)
		Office Rental Deposit SGP and its subsidiaries including UGP, LCR and SLM rent the office space of the Palladium World project from Great China Millennium (Thailand) Company Limited for their business offices. The period of rental contract is from 1 September 2012 to 31 August 2015. According to the contract, SGP and its subsidiaries are required to place the deposit as guarantee for rental and services. This deposit charged by Great China was the common practice of general office buildings.	-	-	6,935	6,935	The Audit Committee considered that this rental deposit placement of SGP and its subsidiaries was general practice, and these transactions considered appropriate and reasonable	Note# 33 (A)

Connected Person/ Legal Entity	Relationship	Description	Value (‘000 Baht)		Outstanding (‘000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
	<ul style="list-style-type: none"> SGP and Great China Millennium (Thailand) Company Limited have the same directors who are Mr. Worawit Weeraborwornpong and Mrs. Patchara Weeraborwornpong 	<p>Rental Fee, Common Service Fee and Account Payable</p> <p>These transactions were space rental fee, services fee and account payable that SGP and its subsidiaries including UGP, LCR and SLM rent the office from Great China Millennium (Thailand) Company Limited with total space of 9,048.36 square meters or at the rate 419.29 Baht per square meter. The period of rental contract is from 1 September 2015 to 31 August 2018 (3 years rental period). This rental fee charged by Great China was lower than that of charged by other office buildings in the same area</p>	48,770	45,310	-	-	<p>The Audit Committee considered that office space rental of SGP and its subsidiaries was normal practice in running business, although the rental rate of Great China was lower than those of other office buildings nearby. Also, the available space of other office buildings nearby with buildings nearby with Phrom Maharaj Land Development Co., Ltd. expired on 31 August 2012. Moreover, the space of previous office was not sufficient and unable to expand to accommodate SGP and its subsidiaries' staff while the Palladium Office Build could serve the long-term future office expansion of SGP and its subsidiaries, so these transactions considered appropriate and reasonable.</p>	Note # 33 (D)

Connected Person/ Legal Entity	Relationship	Description	Value ('000 Baht)		Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
		Other Expenses and Other Account Payable Other expenses and other account payable were incurred as SGP and its subsidiaries were serviced by Great China Millennium (Thailand) Company Limited and the services charged by Great China were at the same rate charged to general customers or tenants	11,173	16,141	943	3,031	The Audit Committee's opinion was that the services provided by Great China were the general services and the rates were charged at the same rate as that of general customers and tenants, so such transactions were appropriate and reasonable.	Note # 33 (A) and 33 (D)
		Electricity, Water Supply and other Account Payable SGP and its subsidiaries paid for electricity and water supply for their offices to Great China Millennium (Thailand) Company Limited which was charged at the same rate charged to other tenants in the building.	1,341	1,350	89	129	The Audit Committee considered that the electricity and water supply expenses SGP and its subsidiaries paid to Great China were the same as that Great China charged to other tenants, so such transactions were appropriate and reasonable.	Note # 33 (A) and 33 (D)

Connected Person/ Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2015	2014		
2. Phrom Maharaj Land Development Co., Ltd. (PHROM) – real estate and hotel business	<ul style="list-style-type: none"> Weerabornwong family is the major shareholder of both SGP and PHROM who is holding 562.75 million shares or 61.25 % of SGP's share equity and 96.10 million shares or 87.36 of PHROM's share equity. 	Rental and Pooled Office Service Fee Advanced Payment SGP and its subsidiaries paid the advanced rental and office service fee to Great China Millennium (Thailand) Company Limited in accordance with the office rental contract.	-	-	121,466	170,236		The Audit Committee considered that the Advanced Payments for rental and office services made to Great China were in accordance with general office rental contract, so such transactions were appropriate and reasonable.	Note # 33 (A)
		Revenue from LPG sales and Trade Accounts receivable PHROM purchased LPG from SGP for its food court, and the hotel kitchens with the same price as that sold to general customers.	9,620	8,314	2,550	1,749		The Audit Committee considers that these transactions were carried out on normal basis of SGP's business and also the price was the same as that sold to general customers. Therefore, such transactions were considered appropriate and reasonable.	Note # 33 (A) and 33 (C)

Connected Person/ Legal Entity	Relationship	Description	Value (‘000 Baht)		Outstanding (‘000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
	<ul style="list-style-type: none"> SGP and PHROM have 4 directors in common. There are 2 directors of PHROM including Mr. Worawit Weerabornwong and Mrs. Patchara Weerabornwong who both are also the directors of SGP, and the other 2 directors of PHROM including Mr. Supachai Weerabornwong and Mr. Suthipong Vasuvanichpan who are directors, executive directors, and management of SGP 	<p>Office Space Leasing Deposit</p> <p>SGP and its subsidiaries, i.e. UGP, LCR, and UMR rent their office space from PHROM. In this regard, SGP and its subsidiaries needed to place deposit to PHROM at the rate of one-month rental fee instead of charging normal deposit rate of two-month rental fee. The office rental deposit was general practice of office building, but SGP and its subsidiaries paid at a lower rate.</p> <p>However, SGP and its subsidiaries had terminated the office rental with PHROM on 31 August 2012, but continue to rent storage for document, so the outstanding guarantee was used as rental fee for such storage rented areas.</p>			1,932	1,932	The Audit Committee considered that the office space rental deposit placed by SGP and its subsidiary was general practice of office building business. Moreover, SGP and its subsidiaries could place the deposit at a lower rate than normal case. Therefore, such transaction was considered appropriate and reasonable	Note # 33 (A)

Connected Person/ Legal Entity	Relationship	Description	Value (‘000 Baht)		Outstanding (‘000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
		<p>Pooled Office Service Fee and Account Payable</p> <p>These transactions were rental and office services that SGP and its subsidiaries including UGP, LCR and SLM rent office space and document storage of PHROM with total space of 877.43 square meters – rental fee at the rate of 229.66 – 350.00 baht per square meter for document storage, although the rental rate of PHROM was higher than those of other office buildings nearby. Also, the available space of other office buildings nearby was smaller and not suitable for using as offices of SGP and its subsidiaries. Considering better offerings of PHROM such as more parking space, cheaper parking fee for parking exceeding the limit, and the same air conditioning charge during for off-hour period as the for office-hour period, the PHROM on 31 August 2012, but continue to rent storage for document, so the outstanding guarantee was used as rental fee for such storage rented areas.</p>	3,056	3,056	236	236	<p>The Audit Committee considered that office space rental of SGP and its subsidiaries was normal practice in running business, although the rental rate of PHROM was higher than those of other office buildings nearby. Also, the available space of other office buildings nearby was smaller and not suitable for using as offices of SGP and its subsidiaries. Considering better offerings of PHROM such as more parking space, cheaper parking fee for parking exceeding the limit, and the same air conditioning charge during for off-hour period as the for office-hour period, the Audit Committee considered this transaction was appropriate and the rental fee was reasonable</p>	Note # 33 (A) and 33 (D)

Connected Person/ Legal Entity	Relationship	Description	Value (‘000 Baht)		Outstanding (‘000 Baht)		Justification	Reference : Notes of Financial Statement
			2015	2014	2015	2014		
		Other Expenses and Account Payable These expenses were incurred as SGP and its subsidiaries used various kinds of services of PHROM's hotel such as staff's lunch, customer reception and entertaining, and hotel room accommodation which were charged at the same rate as general guests.	1,512	3,167	308	166	The Audit Committee's opinion was that the services provided by PHROM to SGP and its subsidiary including staff's lunch, customer reception and entertaining, hotel room accommodation and other services were the general services of PHROM as a shopping center and hotel. And the services charge for SGP and its subsidiaries were the same as those for general guests, so such transactions were appropriate and reasonable.	Note # 33 (A) and 33 (D)

12.2 Policies or directions of the connected transaction in the future

The Company and its subsidiaries anticipate that the connected transactions will continue to be entered under a normal course of business without any special privilege being granted. Such transactions are LPG distribution to Great China for its shopping center and hotel, utility payment as well as catering and other service charges to Great China.

The pricing policy shall be transparency and in accordance with the fair market price with maximum benefit to the Company and be reviewed by the Audit Committee.

In the future, the Company might further engage in the transaction with the said similar manner with quarterly report to the Audit Committee.

The office rental transaction with Great China were undertaken to accommodate the necessity in office space of the Company and its subsidiaries. The Company may consider to renew such rental contract upon its expiration. However, the rental price of comparable office

space will be taken into account and proposed to the Audit Committee for further consideration.

For the office rental transaction with PHROM, the contract had been terminated on August 31, 2012, but continue to rent some areas for document storage.

The Company and its subsidiaries has no policy to borrow or grant any loans to persons with conflict of interest as the Company is able to raise fund through the securities issuance for its business. However, if the inter-company loan is required, the agreement will be arranged with clear and fair condition for utmost benefit of the Group.

For the connected transaction that may occur in the future, the Company has to strictly comply with the securities laws, rules stipulated by the Stock Exchange of Thailand, regulations related to the disclosure of the related parties transaction and sale and purchase of important parts of the business transactions well as the accounting principles set by Federation of Accounting.



Financial Status and Operational Result

Significant Financial Information

Auditor

Year	Auditor Name	Certified Public Accountant No.	Audit Company
2012	Mr.Chaisiri Ruangritchai	4526	PricewaterhouseCoopers ABAS Ltd.
2013	Mr.Chaisiri Ruangritchai	4526	PricewaterhouseCoopers ABAS Ltd.
2014	Mr.Chaisiri Ruangritchai	4526	PricewaterhouseCoopers ABAS Ltd.

Summary of Auditor Report, Year 2012-2014

Year 2012

The auditor conducted the audit in accordance with generally accepted auditing standards and expressed opinion on SGP's financial statements and the consolidated financial statements, and the financial status of SGP and its subsidiaries as at December 31, 2012 that the operating results and cash flow as at year end of each year were appropriately and correctly recorded in accordance with generally accepted accounting principles.

Year 2013

The auditor conducted the audit in accordance with generally accepted auditing standards and expressed opinion on SGP's financial statements and the consolidated financial statements, and the financial status of SGP and its subsidiaries as at December 31, 2013 that the operating results and cash flow as at year end of each year were appropriately and correctly recorded in accordance with generally accepted accounting principles.

Year 2014

The auditor conducted the audit in accordance with generally accepted auditing standards and expressed opinion on SGP's financial statements and the consolidated financial statements, and the financial status of SGP and its subsidiaries as at December 31, 2014 that the operating results and cash flow as at year end of each year were appropriately and correctly recorded in accordance with generally accepted accounting principles.

Year 2015

The auditor conducted the audit in accordance with generally accepted auditing standards and expressed opinion on SGP's financial statements and the consolidated financial statements, and the financial status of SGP and its subsidiaries as at December 31, 2015 that the operating results and cash flow as at year end of each year were appropriately and correctly recorded in accordance with generally accepted accounting principles.



Major Change in Accounting in 2012

- None-

Major Change in Accounting in 2013

Siamgas and Petrochemicals Public Co., Ltd. had adopted accounting standard of TAS 12 which became effective for accounting period of January 1, 2013. This adoption had impacted financial statement because at present, deferred tax asset and deferred tax liability must be recognized. In addition, income expense for the previous period which was calculated from tax rate pursuant to applicable taxation laws for the countries the group operates business and has incurred tax profit which must be paid to the tax office of each country has been changed where tax expense for the period must comprise of tax expense which is calculated pursuant to the above criteria and added with movement of deferred tax asset and deferred tax liability between period. So the group must use retroactively adjustment method which was pursuant to this accounting standard. Results from recording of such transaction had impacted to consolidated financial status as at December 31, 2011 (as at January 1, 2012) and as at December 31, 2012, including statement of comprehensive income for the end ended as at December 31, 2012 which presented by compared with comprehensive financial status as at December 31, 2013 and statement of comprehensive income for the year ended as at December 31, 2013, as per details in Note # 2.3 to the financial statement for the year ended December 31, 2013.

Major Change in Accounting in 2014

- None-

Major Change in Accounting in 2015

- None-

2 Summary Table on Financial Statement

Statement of Financial Positions

As at 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement					
	As at 31 Dec. 2013		As at 31 Dec. 2014		As at 31 Dec. 2015	
	Amount	%	Amount	%	Amount	%
Asset						
Current Assets						
Cash and cash equivalents	1,689,573	5.71	1,956,407	6.93	2,270,150	7.80
Short-term investments	-	-	252,387	0.89	307,516	1.06
Trade and other receivables	4,703,771	15.89	4,013,995	14.21	3,294,788	11.32
Inventories, net	5,250,055	17.73	3,535,405	12.52	4,375,300	15.04
Other current assets :	403,934	1.37	263,483	0.93	338,368	1.16
Total current assets	12,047,333	40.70	10,021,677	35.48	10,586,122	36.38
Non-current assets						
Investments in joint ventures	170,601	0.58	109,329	0.39	148,771	0.51
Long-term investment	200	-	-	-	-	-
Long-term investment to related business - net	35,746	0.12	110,204	0.39	43,796	0.15
Investment property- net	21,601	0.07	-	-	-	-
Property, plant and equipment – net	14,435,272	48.77	15,120,857	53.54	15,246,465	52.40
Goodwill	1,537,801	5.19	1,537,801	5.45	1,537,801	5.28
Other intangible assets	273,072	0.92	233,986	0.83	181,303	0.62
Deferred tax asset	235,254	0.79	303,600	1.07	360,479	1.24
Other non-current assets	845,207	2.86	805,832	2.85	993,711	3.42
Total non-current assets	17,554,754	59.30	18,221,609	64.52	18,512,326	63.62
Total assets	29,602,087	100.00	28,243,286	100.00	29,098,448	100.00

Statement of Financial Positions

As at 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement					
	As at 31 Dec. 2013		As at 31 Dec. 2014		As at 31 Dec. 2015	
	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdraft and short-term loan from financial institutes	7,337,962	24.79	6,346,724	22.47	4,885,506	16.79
Trade and other payables	3,123,712	10.55	3,750,633	13.28	4,010,234	13.78
Current portion of long-term loans	285,775	0.97	265,829	0.94	296,061	1.02
Current portion of finance lease liabilities	33,283	0.11	-	-	-	-
Current portion of bonds	1,499,675	5.07	1,499,783	5.31	1,499,837	5.15
Accrued income tax	179,499	0.61	82,554	0.29	107,014	0.37
Other current liabilities	123,430	0.42	38,985	0.14	64,152	0.22
Total current liabilities	12,583,336	42.52	11,984,508	42.43	10,862,804	37.33
Non-current liabilities						
Long-term loans from financial institutes	779,116	2.63	536,498	1.91	370,606	1.27
Long-term loans from related parties	3,000	0.01	3,000	0.01	3,000	0.01
Finance lease liabilities	813	-	-	-	-	-
Bonds	2,994,673	10.12	2,795,945	9.90	3,295,757	11.33
Cylinder deposits	3,805,016	12.85	4,021,668	14.24	4,228,584	14.53
Employee benefit obligations	117,407	0.40	127,404	0.45	134,312	0.46
Deferred tax	213,670	0.72	387,770	1.37	415,736	1.43
Other non-current liabilities	21,472	0.07	17,430	0.06	12,892	0.04
Total non-current liabilities	7,935,167	26.80	7,889,715	27.94	8,460,887	29.07
Total liabilities	20,518,503	69.32	19,874,223	70.37	19,323,691	66.40

Statement of Financial Position

As at 31 December 2013 - 2015

Unit: '000 Baht

	Consolidated Financial Statement					
	As at 31 Dec. 2013		As at 31 Dec. 2014		As at 31 Dec. 2015	
	Amount	%	Amount	%	Amount	%
Shareholders' equity						
Issued capital -950 million ordinary share @ 1 Baht	918,932	3.10	918,932	3.25	918,932	3.16
Paid-up capital- 950 ordinary share @ 1 Baht	918,932	3.10	918,932	3.25	918,932	3.16
Premium of share capital Retained earnings	1,874,482	6.33	1,874,482	6.64	1,874,482	6.44
Appropriated						
- Retained earning - Legal reserve	162,089	0.55	162,089	0.57	162,089	0.56
- Retained earning - Allocation for repurchasing	-	-	-	-	-	-
- Retained earning - Unappropriated	5,873,078	19.84	4,744,532	16.80	5,492,886	18.88
Other components of equity						
- Revaluation surplus on land	248,355	0.84	968,415	3.43	968,415	3.33
- Difference from purchase of assets from a business combination under common control	(609,037)	(2.06)	(609,037)	(2.16)	(609,037)	(2.09)
- Difference from taking Equity of Business under common control	22,583	0.08	22,583	0.08	22,583	0.08
- Currency translation difference	505,528	1.71	175,627	0.62	825,894	2.83
- Unrealised loss from estimation pursuant actuarial science principle	(20,461)	(0.07)	-	-	-	-
Total parent's shareholders' equity	8,975,549	30.32	8,257,623	29.23	9,656,244	33.19
Total parent's shareholders' equity - net	8,975,549	30.32	8,257,623	29.23	9,656,244	33.19
Non-controlling interest	108,036	0.36	111,440	0.40	118,513	0.41
Total shareholders' equity	9,083,585	30.68	8,369,063	29.63	9,774,757	33.60
Total liabilities and shareholders' equity	29,602,087	100.00	28,243,286	100.00	29,098,448	100.00

Statement of Income

As at 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement					
	As at 31 Dec. 2013		As at 31 Dec. 2014		As at 31 Dec. 2015	
	Amount	%	Amount	%	Amount	%
<u>Revenue from operation :</u>						
Revenue from sales	64,308,123	97.03	61,177,300	98.42	57,581,629	98.70
Revenue from transportation	623,659	0.94	421,259	0.68	344,278	0.59
Revenue from service	89,562	0.14	160,256	0.26	156,104	0.27
Gain on business acquisition	531,234	0.80	-	-	-	-
Dividend incomes	-	-	-	-	5,015	0.01
Other incomes	725,043	1.09	398,225	0.64	252,049	0.43
Total revenue	66,277,621	100.00	62,157,040	100.00	58,339,075	100.00
Expenses from operation :						
Cost of sales and services	(62,217,393)	(93.87)	(60,589,172)	(97.48)	(54,805,628)	(93.94)
Cost of transportation	(464,498)	(0.70)	(335,268)	(0.54)	(239,820)	(0.41)
Selling and administrative expense	(1,231,355)	(1.85)	(1,223,976)	(1.97)	(1,503,172)	(2.58)
Loss sharing from joint venture	(10,246)	(0.02)	(7,273)	(0.01)	(12,648)	(0.02)
Total expenses	(63,923,492)	(96.44)	(62,155,689)	(100.00)	(56,561,268)	(96.95)
Profit before finance costs and income tax	2,354,129	3.56	1,351	-	1,777,807	3.05
Finance cost	(494,063)	(0.75)	(440,682)	(0.71)	(410,469)	(0.70)
Income tax	(211,280)	(0.32)	(98,000)	(0.16)	(224,998)	(0.39)
Net profit	1,648,786	2.49	(537,331)	(0.87)	1,142,340	1.96
<u>Attribute of profit (loss)</u>						
Attributable to equity holder of the parent	1,602,263	2.42	(514,304)	(0.83)	1,115,925	1.91
Non-controlling interest	46,523	0.07	(23,027)	(0.04)	26,415	0.05
Total	1,648,786	2.49	(537,331)	(0.87)	1,142,340	1.96

Statement of Income

As at 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement					
	As at 31 Dec. 2013		As at 31 Dec. 2014		As at 31 Dec. 2015	
	Amount	%	Amount	%	Amount	%
Net profit (loss) for the year	1,648,786	2.49	(537,331)	(0.87)	1,142,340	1.96
Other comprehensive income (expenses):						
- Currency translation difference	427,972	0.65	(329,901)	(0.53)	633,527	1.09
- Actuarial loss on employee benefit obligation	(25,784)	(0.04)	-	-	-	-
- Revaluation surplus on land	-	-	942,251	1.52	-	-
- Income tax relating to components of other comprehensive income (expenses)	5,323	0.01	(188,450)	(0.30)	-	-
Total other comprehensive income (expenses)	407,511	0.61	423,900	0.69	633,527	1.09
Total comprehensive income (expenses) for the year	2,056,297	3.10	(113,431)	(0.18)	1,775,867	3.05
Total comprehensive income (expenses) attributable to:						
- Owners of the parent	2,009,774	3.03	(120,729)	(0.19)	1,766,192	3.03
- Non-controlling interests	46,523	0.07	7,298	0.01	9,675	0.02
Total	2,056,297	3.10	(113,431)	(0.18)	1,775,867	3.05

Statement of Cash Flow

For the years ended 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement		
	As at 31 Dec. 2013	As at 31 Dec. 2014	As at 31 Dec. 2015
<u>Cash flow from operating activities</u>			
Net profit before income tax	1,860,066	(439,331)	1,367,338
<u>Adjustment of net profit as cash from (used in) operating activities</u>			
Depreciation - property, plant and equipment	951,432	1,027,978	992,329
Amortisation - intangible assets and other assets	66,047	61,395	83,872
Gain (Loss) on sales/written off of fixed property - net	11,011	(37,657)	(33,383)
Gain on sales of investment property	-	(57,316)	-
Reversal of loss on land revaluation	-	(26,797)	-
Gain from revaluation of short-term investments	-	-	(5,129)
Loss sharing from joint venture	10,246	7,273	12,648
Allowance for doubtful debts (reversal)	13,854	(5,072)	(550)
Reversal of provision for diminution in value of inventories	6,409	73,445	(17,853)
Adjustment of net assets from business acquisition	-	(63,060)	-
Dividend received	-	-	(5,015)
Employee benefit obligations	8,589	11,749	12,677
Unrealised (gain) loss on exchange rate	52,054	(15,496)	(42,066)
Gain on business acquisition	(531,234)	-	-
Bad debt write-off	-	-	-
Amortization-expense-front end fee	7,165	5,438	5,036
Interest received	(15,218)	(31,604)	(26,452)
Interest expenses	432,798	440,682	410,469
Gain (Loss) from operating activities before changes in asset and operating liabilities	2,873,219	951,627	2,753,921

Statement of Cash Flow

For the years ended 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement		
	As at 31 Dec. 2013	As at 31 Dec. 2014	As at 31 Dec. 2015
<u>Cash Flow from Operating Activities (Cont'd)</u>			
(Increase) Decrease in trade and other receivables	(1,821,486)	628,586	756,725
(Increase) Decrease inventories	2,928,708	1,557,222	(764,553)
(Increase) Decrease in other current assets	(250,661)	151,773	(70,439)
(Increase) Decrease in other non-current assets	27,157	(58,227)	(53,488)
Increase (Decrease) of Operating liabilities			
Increase (Decrease) in trade and other payables	(1,114,513)	465,429	286,719
Increase (Decrease) in cylinder deposit	283,190	216,651	206,917
Increase (Decrease) in other current liabilities	(65,385)	(30,831)	26,011
Increase (Decrease) in other non-current liabilities	6,183	(4,455)	(4,369)
Employee benefit obligations paid	(2,193)	(1,752)	(5,770)
Cash flow from (used in) operating activities before interest and income tax	2,864,219	3,876,023	3,131,674
Interest paid	(423,408)	(444,040)	(407,802)
Income tax paid	(203,922)	(288,510)	(229,453)
Cash flow from (used in) operating activities	2,236,889	3,143,473	2,494,419

Statement of Cash Flow

For the years ended 31 December 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement		
	As at 31 Dec. 2013	As at 31 Dec. 2014	As at 31 Dec. 2015
<u>Cashflow from investment activities</u>			
Cash paid from long-term loan to related business	-	(252,387)	(50,000)
Proceeds from long-term loans to related parties	8,989	-	69,524
Payment for long-term loans to related parties	(38,221)	(4,500)	-
Purchase investment in subsidiaries	(57,188)	-	-
Purchase investment in joint venture	(7,803)	(8,336)	(62,950)
Cash paid for property, plant and equipment	(1,364,229)	(661,109)	(846,130)
Advance payments for equipment	(69,377)	(22,257)	(123,941)
Cash received from disposition of property, plant and equipment	36,634	136,097	300,793
Purchase intangible assets	(3,230)	(1,554)	(1,430)
Interest received	15,218	24,295	31,531
Dividend received	-	-	5,015
Net case from (used in) investment activities	(1,479,207)	(789,751)	(677,588)
<u>Cash flows from financing activities</u>			
Cash received (paid) from short-term loan from financial institution	(305,711)	(983,901)	(1,461,218)
Cash received from long-term loans from financial institution	351,120	22,294	129,998
Repayment of long-term loan from financial institution	(229,822)	(286,722)	(304,965)
Cash received from issue of bonds	-	1,296,531	1,995,690
Repayment for bond redemption, net	-	(1,500,000)	(1,500,000)
Capital increase in subsidiaries with non-controlling interest	30,440	-	-
Cash received (paid) for repayment of liabilities under finance lease agreement	(50,920)	(34,096)	-
Divident payment	(324,524)	(601,091)	(370,172)
Net cash from (used in) financing activities	(529,417)	(2,086,985)	(1,510,667)
Net cash increase (decrease) in cash and cash equivalents	228,265	266,737	306,165
Cash and cash equivalent – opening balance	1,461,276	1,689,573	1,956,407
Exchange gains (loss) on cash and cash equivalents	32	97	7,578
Cash and cash equivalents in closing balance	1,689,573	1,956,407	2,270,150

Financial Ratio 2013 – 2015

Unit: '000 Baht

	Consolidated Financial Statement		
	As of 31 Dec. 2013	As of 31 Dec. 2014	As of 31 Dec. 2015
Liquidity Ratio			
- Current ratio (times)	0.96	0.84	0.97
- Quick ratio (times)	0.54	0.54	0.57
- Cash flow liquidity ratio (times)	0.13	0.16	0.21
- Account receivable turnover (times)	19.73	16.78	19.00
- Average collection period (days)	18.50	21.75	19.21
- Inventory turnover (times)	9.29	13.79	13.86
- Average days sales (days)	39.29	26.46	26.34
- Account payable turnover (times)	17.03	17.76	14.32
- Average payment period (days)	21.43	20.55	25.49
- Cash cycle (days)	36.36	27.66	20.06
Profitability Ratio			
- Gross profit margin (%)	3.60	1.35	5.23
- Operating profit margin (%)	2.80	-	3.06
- Net profit margin (%)	2.49	(0.87)	1.96
- Return on equity (%)	18.15	(6.42)	11.69
Efficiency Ratio			
Return on assets (%)	5.57	(1.90)	3.93
Return on fixed assets (%)	18.47	3.65	14.55
Asset turnover (times)	4.59	4.11	3.83
Financial Policy Ratio (Financial Policy Ratio)			
Interest - Bearing debt to equity ratio (times)	1.44	1.39	1.07
Total debt ratio to equity (times)	2.26	2.37	1.98
Interest coverage ratio (times)	5.44	-	4.33
Solvency ratio (times)	0.94	0.72	0.53
Divident payout ration (%)	19.68	(111.87)	32.40
Per shares (portion of parent company)			
Book value per share	9.77	8.99	10.51
Earning per shares	1.74	(0.56)	1.21

Remark: : The above Interest – Bearing debt to equity ratio is the financial ratio that the SGP must maintain at ratio to be not more than 2 times pursuant to regulations on rights and obligation of bond issuer in Clause 7.3 (H)

Analysis and Discussion of the Management

The following discussion and analysis of operational results and financial positions for 2015 was prepared by compared with operational results and consolidated financial statements of 2014 and 2013, respectively based on recording results of asset and deferred tax liability and recording of tax expense the additional period with movement during period of deferred tax liability by means of retroactively adjustment which was pursuant to the Thai Accounting Standard of TAS 12: Income Taxes. SGP and its subsidiaries had started to implement and comply with such accounting standards for the accounting period of January 1, 2013.

1. Operational Results

Revenue

The revenue of the company and its subsidiaries was mainly derived from sales of LPG, ammonia, other petrochemicals, LPG tanks for automotive and other products. The average sales revenue for 3 years backdated from 2013-2015 was the largest portion or 97-99% of total revenue, followed by combined revenue from LPG logistics business & other petrochemicals including revenue from service provision which were approximately 1% of total revenue. Total revenue of the company and its subsidiaries decreased from 66,278 million baht in 2013 to 66,157 million baht in 2014 and 58,339 million baht in 2015 with mainly reason attributable to reduction of LPG prices in the world market (CP SAUDI ARAMCO) since February 2014 as they have been impacted from the world market condition because the production amount exceeded market requirements and reduction of energy prices pursuant to the world economic slowdown.

(1) Sales Revenue

Sales Revenue was divided into 4 categories:

- (1) Revenue from sales of LPG and anhydrous ammonia ("ammonia"),
- (2) Revenue from sales of other petrochemicals,
- (3) Revenue from sales of LPG tanks for automotive, and
- (4) Revenue from sales of other products

Table 14.1: Revenue from sales of SPG and its subsidiaries from 2013 – 2015

(Unit : Million Baht)

	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
Revenue from sales of LPG and ammonia	63,472	98.70	60,300	98.56	56,847	98.72
Revenue from sales of other petrochemicals	827	1.28	875	1.44	735	1.28
Revenue from sales of LPG tanks for automotive	5	0.01	2	-	-	-
Revenue from sales of other products	4	0.01	-	-	-	-
Total Revenues from Sales	64,308	100.00	61,177	100.00	57,582	100.00

Revenue from sales

Revenue from sales was considered as major portion of revenue of the company and its subsidiaries, as more than 98-99% of total revenue during 2013 – 2015 mainly came from sales of LPG and ammonia anhydrous (Ammonia). The company and its subsidiaries distributed LPG to each of LPG commission agents for filling LPG into cylinders for retailers and end-users and direct distribution to dealers, industrial manufacturing plants, LPG stations for automotive, and so on.

Revenue from sales for 2014 was 61,177 million Baht, decreasing by 3,131 million Baht or 4.86% comparing with the same period of 2013 which was at 64,308 million baht. The main reason was the reduction of sales volume of the group of approximately 8.7% from the previous year and drastic decrease of prices of LPG per unit from the previous year due to the decrease of LPG prices in the world market (CP SAUDI ARAMCO), which made revenue from sales of overseas LPG business significantly reduced.

Revenue from sales for 2015 was 57,582 million baht, decreasing 3,595 million baht or 5.88% comparing to the same period of 2014 which was 61,177 million baht. Main reason was due to unit prices of LPG per unit was lower than last year as a result of continued reduction of LPG prices in the world market (CP SAUDI ARAMCO) since 2014 which made selling price per unit of overseas LPG business reduced accordingly. Such prices made overall revenue from sales of the group reduced, even though amount of LPG sold by the group increased by 16.0% from the previous year.

Table14.2 : Structure of revenue from sales of LPG of the company and its subsidiaries – categorized by customer types and distribution channel during 2013 – 2015.

(Unit : Million Baht)

	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
Domestic use customers (for cooking)	11,355	18.28	12,393	20.98	12,355	22.20
Fuel use customers	7,119	11.46	6,973	11.81	6,229	11.19
Industrial use customers	2,817	4.54	2,794	4.73	2,408	4.33
Overseas customers	40,822	65.72	36,903	62.48	34,661	62.28
Total	62,113	100.00	59,063	100.00	55,653	100.00

Revenue from sales of LPG

During 2013, the group's business significantly expanded pursuant to the policy of the group by acquiring three additional overseas companies engaging in gas business which made revenue and expenses increased. In addition, such revenue and expenses of such two companies were included in the 2013 consolidated financial statement with details as follows:

1. In Q1 2013, the group had acquired 100% shares of City Gas Co., Ltd. (previously named Shell Gas (LPG) Vietnam Ltd.), which is registered in Vietnam, from Shell Gas (LPG) Holding B.V. The acquisition was completed on January 18, 2013.
2. In Q1 2013 the group had acquired 79.64% shares of City Gas North Co., Ltd. (previously named Shell Gas Hai Phong Ltd.), which is registered in Vietnam from Shell Gas (LPG) Holding B.V. The acquisition was completed on January 18, 2013. Operational results of City Gas North Co., Ltd. were recognized in "Profit (Loss) Sharing from Joint Venture".
3. In Q2 2013, the group had acquired gas business and some assets of Shell Timur Sdn. Bhd. in East Malaysia through its subsidiary namely MyGaz Sdn. Bhd. which is registered in Malaysia. The group owned 70% shares of MyGaz Sdn. Bhd. The acquisition was completed on May 29, 2013.

Revenue from sales of LPG in 2014 of the company and its subsidiaries was 59,063 million baht, decreasing by 3,050 million baht or 4.91% comparing with the amount in 2013 which was at 62,113 million baht with main reason attributable to the decreased of LPG sales to overseas customers amounting to 3,919 million baht or 9.60% due to the reduction of LPG prices in the world market (CP SAUDI ARAMCO) since 2014 resulted in reduction of overall revenues from sales of LPG when comparing with the same period of last year.

Revenue from sales of LPG in 2015 of the company and its subsidiaries was 55,653 million baht, decreasing by 3,410 million baht or 5.77% comparing with the same period of last year which was at 59,063 million baht, mainly due to the decreased revenue from sales of LPG to overseas customers by 6.08% as a result of the continued reduction of LPG prices in the world market.

Revenue from sales of anhydrous ammonia (ammonia)

In 2014, revenue from sales of ammonia of UGP, the subsidiary, was 1,237 million baht, decreasing 122 million baht or 8.98% comparing to the same period in 2013 (1,359 million baht), as a result from continued slowdown of Para rubber industry and Para rubber prices in the market, resulting to lessen demand of ammonia which was in line with the Para rubber industrial condition and overall economic situation.

In 2015, revenue from sales of ammonia of UGP, the subsidiary, was 1,194 million baht, decreasing by 43 million baht or 3.48% comparing to the same period in 2014 which was at 1,237 million baht, as a result from continued slowdown of Para rubber industry and prices of Para rubber in the market as well as decreased demand of ammonia, as raw material, which was in line with Para rubber industrial conditions and overall economic situations.

Revenue from sales of other petrochemicals

Revenue from sales of other petrochemicals such as propellant, diesel oil, coal, etc. was under the operations of the company and UGP, the subsidiary. Average sales revenue of other petrochemicals during 2013 - 2015 accounted for 1.2% of the total revenue from sales of the group. In 2014 revenue from sales of other petrochemicals was increased to 875 million baht, or increasing 48 million baht, or 5.80% comparing to the same period of 2013 which was at 827 million baht, as a result of slightly recovery of economic situation from the past year.

In 2015 revenue from sales of other petrochemicals was 735 million baht, or decreasing by 140 million baht, or 16% when comparing to the same period of 2014 which was at 875 million baht, as a result of the slowdown of overall economic situations.

(2) Revenue from transportation

The revenue from transportation business was generated under operations of LCR and SLM, the group's subsidiaries. LCR and SLM provide transportation services to the group and customers outside the group. The revenue from transportation shown in the consolidated financial statement was only the revenue from transportation services provided to customers outside the group only which was at 624 million baht in 2013, then 421 million baht in 2014 and was down to 344 million baht in 2015. Such transportation revenue was categorized by road transportation and marine transportation services as follows:

Table 14.3 : Revenue from Road Transportation and Marine Transportation services provided to customers outside the group during 2013- 2015

(Unit : Million Baht)

	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
<u>Customers outside of the group</u>						
Revenue from road transportation	373	59.77	355	84.32	309	89.83
Revenue from marine transportation	251	40.23	66	15.68	35	10.17
Total Revenue from Transportation	624	100.00	421	100.00	344	100.00

Revenue from road transportation

Revenue from road transportation as operated by LCR, the subsidiary, in 2014 was 355 million baht, a decrease by 18 million baht or 4.83% compared with 2013 which was 373 million baht, as transportation services have been primarily provided to the group, resulting in decrease of revenue from road transportation services provided to the customers outside the group.

In 2015, revenue from road transportation was 309 million baht, a decrease by 46 million baht, or 12.96% when comparing with the same period of 2014 which was at 355 million baht with main reason was due to overall LPG volume distributed domestically decreased when compared with those of 2014, so it made demand on transportation of the customers outside the group also reduced accordingly.

Revenue from marine transportation

The revenue from marine transportation was from SLM, the subsidiary, which comprised revenues from provision of transportation of LPG and petroleum products, both in Thailand and overseas. Total revenue from marine transportation services provided to customers outside the group was 251 million baht in 2013 and was 66 million baht in 2014 because SLM focused to provide more services to the group both within the country and overseas pursuant to expansion of the group's LPG distribution business overseas. Subsequently, revenue from marine transportation services provided to customers outside the group was decreased since 2013.

In 2015, revenue from marine transportation was 35 million baht, a decrease by 31 million baht, or 46.97% when comparing with the same period of 2014 which was at 66 million baht. Most of revenue from LPG transportation of SLM came from providing services to the group, both domestically and internationally.

(3) Service Revenue

Service Revenue comprised of revenue from cylinder repair, throughput service, LPG reserve storage service and others.

In 2014, service revenue of the group was 160 million baht, increasing by 71 million baht or 79.78% when compared with the same period of 2013, which was at 89 million baht due to the increased service revenues from throughput service and cylinder repair to the customers outside the group.

In 2015, service revenue of the group was 156 million baht, decreasing by 4 million baht or 2.50% when compared with the same period of 2014, which was at 160 million baht because revenue gained from throughput service, container terminal services and cylinder repair from the customers outside the group declined.

(4) Other Revenues

Other revenue comprised of gain on currency exchange, interest received, rental revenue, profit from sales of property, plant and equipment.

Other revenue of the group for 2014 was 398 million baht, decreasing by 327 million baht or 45.10% comparing with 2013 which was at 725 million baht. Main reason was due to the decrease of gain on currency exchange from overseas LPG business. Previously, overseas LPG business was under operations of the company and recorded as foreign currency and profit (loss) from foreign exchange was recorded in statement of income, however presently, overseas LPG business is under operations of Siam Gas Trading Pte. Ltd., the overseas subsidiary, and the trading transactions were recorded in foreign currency which shall not incur significant profit (loss) from foreign exchange in the statement of income.

Other revenue of the group for 2015 was 252 million baht, decreasing by 146 million baht or 36.68% comparing with the same period of last year which was at 398 million baht. Main reason was due to the decrease of gain on currency exchange of the group whereas main transaction came from overseas LPG business. In 2014 it showed gain of 32 million baht, while in 2015 it showed loss from currency exchange of 174 million baht in Selling and Administrative Expenses Part. Moreover, profit from sales of assets of the group also decreased by 59 million baht, when compared with the previous year.

(5) Gain from Business Acquisition

In 2013, the group realized gain from business acquisition amounted 531 million baht, composing of:

- In Q1 2013, the group gained totally 282 million baht profit from the acquisition of City Gas Co., Ltd. (previously named Shell Gas (LPG) Vietnam Ltd.) and City Gas North Co., Ltd. (previously named Shell Gas Hai Phong Ltd) which are registered in Vietnam.
- In Q2 2013, the group gained 249 million baht profit from the acquisition of gas business and some assets of Shell Timur Sdn. Bhd. in East Malaysia through MyGaz Sdn. Bhd., which is a subsidiary registered in Malaysia and 70% of its shares owned by the group.

For the year 2014 and 2015, the group did not have such transaction at all.

Expenses

Cost of sales, services and transportation

Cost of sales, services and transportation of SGP and its subsidiaries were divided into 2 major categories: cost of sales & services and cost of transportation. In 2014, total cost of sales, services and transportation of SGP and its subsidiaries were 60,924 million baht, a decrease by 1,758 million baht or 2.80% when compared with 2013 which was at 62,682 million baht. This was mainly due to the decreased revenue from overseas LPG business which was pursuant to the reduction of LPG prices in the world market (CP SAUDI ARAMCO), which made cost varied as per the decreased sales volume.

In 2015, total cost of sales, services and transportation of SPG and its subsidiaries was 55,046 million baht, a decrease by 5,878 million baht or 9.65% when comparing with the same period of 2014 which was at 60,924 million baht. This was mainly due to the decrease of revenue from overseas LPG business which was pursuant to reduction of LPG prices in the world market (CP SAUDI ARAMCO), which made cost varied as per the decreased sales volume.

(1) Cost of sales and services

Cost of sales and services according to the consolidated financial statement comprised of cost of LPG sales, cost of ammonia sales, cost of sales of other petrochemicals, cost of LPG tanks for automobile and cost of other products.

Cost of LPG and ammonia sales in 2014 of the company and its subsidiary was 59,903 million baht, decreased by 1,662 million baht, or 2.70% when comparing to the same period of 2013 which was at 61,565 million baht. Main reason was due to the reduction of sales volume of LPG and significantly drop of LPG prices in the world continually since early of 2014 until December 2014 which made cost of sales decrease pursuant to the reduction of sales volume.

In 2015, cost of LPG and ammonia of the company and its subsidiary was 54,248 million baht, decreased 5,655 million baht or 9.44%, when comparing to the same period of 2014 which was at 59,903 million baht. Main reason was cost of LPG per unit was lower than that of last year as a result of the continual decreased price of LPG in the world market since 2014, Consequently, cost of sales of overseas LPG business was lower than the previous year and such reduction was in the same direction of income of the group.

Cost of other petrochemical products in 2014 was 683 million baht, increasing by 40 million baht or 6.22% compared with the cost in 2013 which was at 643 million baht. The cost was varied according to sales volume of propellant of the group which increased pursuant to industrial condition. Cost of LPG tanks for automobile in 2014 was 3 million baht, decreased by 2 million baht when compared with the cost in 2013 as it varied according to reduced sales volume.

Cost of other petrochemical products in 2015 was 558 million baht, decreasing 125 million baht or 18.30% compared with the cost in 2014 which was at 683 million baht. The cost was varied according to sales volume of propellant of the group which increased pursuant to overall industrial and economic condition.

(2) Cost of transportation

Costs of transportation for providing services to the group and the customers outside the group comprised of fuel, personnel, vehicle & vessel maintenance and repair, depreciation, utilities and others. The costs of transportation could be divided into costs of road transportation and marine transportation.

In 2014, cost of transportation was 335 million baht, decreasing by 129 million baht or 27.80% when compared with 2013 which was at 464 million baht. Such cost was varied according to reduced revenue from transportation provided to customers outside the group because transportation services were mainly rendered to the group, as per mentioned in the revenue from transportation above. Ratio of cost of transportation per total revenue (excluding other revenues) in 2014 was 0.54%.

In 2015, cost of transportation was 240 million baht, decreasing by 95 million baht, or 28.36% when compared with 2014 which was at 335 million baht. Such cost was varied according to reduced revenue from transportation provided to customers outside the group because transportation services were mainly rendered to the group, as per mentioned in the revenue from transportation above. Ratio of cost of transportation per total revenue (excluding other revenues) was 0.54% and 0.41% in 2014 and 2015, respectively.



Cost of road transportation

In 2014, cost of road transportation was 244 million baht, decreasing by 7 million baht, or 2.79% when compared with 2013 which was at 251 million baht. Such cost was varied according to reduced revenue from road transportation rendered to the customers outside of the group, as per mentioned in revenue from road transportation above.

In 2015, cost of road transportation was 211 million baht, decreasing by 33 million baht, or 13.52% when compared with 2014 which was at 244 million baht. Such cost was varied according to reduced revenue from road transportation rendered to the customers outside of the group, as per mentioned in revenue from road transportation above.

Cost of marine transportation

Cost of marine transportation in 2014 was 91 million baht, decreasing by 122 million baht or 57.28% comparing with 2013 which was at 213 million baht because revenue from marine transportation services that SLM, a subsidiary, provided to customers outside the group had decreased as SLM changed its business strategy to principally focus on service provision of LPG transportation to the companies within the group instead as a result from continuously expansion of overseas LPG business.

Cost of marine transportation in 2015 was 29 million baht, decreasing by 62 million baht or 68.13% comparing with 2014 which was at 91 million baht because revenue from marine transportation services that SLM, a subsidiary, provided to customers outside the group had decreased as SLM changed its business strategy to principally focus on service provision of LPG transportation to the companies within the group instead, as per mentioned above.

Selling and administration expenses

Selling and administration expenses of SGP and its subsidiaries mainly comprised of expenses related to employees, director and executive's remuneration, depreciation, rental, amortization of leasehold right, intangible assets and other assets, utilities, and others.

In 2014, selling and administration expenses was 1,224 million baht, decreasing by 7 million baht or 0.57%, comparing to the same period of 2013 which was at 1,231 million baht due to the decreasing of selling expenses that varied according to decreased sale revenue of LPG of the group.

In 2015, selling and administration expenses was 1,503 million baht, increasing by 279 million baht or 22.79%, comparing to the same period of 2014 which was



at 1,224 million baht which was mainly due to the increased expenses relating to the employees pursuant to the policy of the group and loss from currency exchange.

Depreciation and Amortization

In 2014, depreciation and amortization of the group was 1,089 million baht, increased by 72 million baht from that of 2013 as the group realized increased depreciation from building, LPG storage terminals, LPG filling plants and service stations and LPG vessel tanks due to business expansion of the group.

In 2015, total depreciation and amortization of the group was 1,076 million baht, decreased by 13 million baht, or 1.19% when comparing with that of 2014 which was at 1,089 million baht because depreciation and amortization of some of the assets have been fully calculated pursuant to their useful life but they are still in service during the period, therefore realization of depreciation and amortization was lower than the same period of last year.



Financial Costs

In 2014, the group had financial costs of 441 million baht, decreased by 53 million baht or 10.73% when compared with that of 2013 which was at 494 million baht, primarily because the group repaid a large amount of short-term loan and long-term loan during the year and the decreased loan interest rate was lower than the previous year.

In 2015, the group had financial costs of 411 million baht, decreased by 30 million, or 6.80% baht when compared with that of 2013 which was at 441 million baht, primarily because the group repaid a large amount of short-term loan and long-term loan during the year and the decreased loan interest rate was lower than the previous year as a result from the financial management of the group.



Gross Profit, Operating Profit and Net Profit

Total gross profit of the group in 2014 was 834 million baht, or 1.35% when compared with that of 2013 which was at 2,339 million baht primary due to the reduction of revenue from sales of LPG overseas from overseas LPG business pursuant to the slowdown economic conditions since February 2014.

In 2015, the group's gross profit was 3,037 million baht, increasing by 2,203 million baht, or 264.15% when compared with the same period of 2014 which was at 834 million baht. In addition, gross profit margin of the group has increased by 5.23% when compared with the same period of 2014 which was 1.35% as a result of the decreased prices of LPG in the world market (CP SAUDI ARAMCO). Hence, it significantly impacted to cost of goods available for sales of overseas



LPG business. However, since the reduction rate of LPG prices in 2015 was much lower when compared with the previous year, so it made gross profit margin of the group considerably increase.

Operating Profit (before financial cost and corporate tax) of the group in 2013 was 2,354 million baht and in 2014 was 1 million baht, decreased by 2,353 million baht. Profit in 2015 was 1,778 million baht, or accounting for ratio of operating profit per total revenue (excluding other revenues) was 2.80%, 0.00% and 3.06% in 2013, 2014 and 2015, respectively.

Net Profit in 2013 was 1,649 million baht and net loss in 2014 was (537) million baht, decreasing by 2,186 million baht from 2013. Main reasons were due to gain from business acquisition of 531 million baht in 2013 as per explained in Item 5. Net profit in 2015 was 1,142 million baht, increasing by 1,679 million baht from 2014 mainly due to operating profit from overseas LPG business. Ratio of net profit (loss) to total revenue was 2.49%, (0.87%) and 1.96% in 2013, 2014 and 2015, respectively.

2. Financial Position

Total Assets

Total assets of the company and its subsidiaries had increased during the past 3 years, for instance total assets as at December 31, 2013 was 29,602 million baht, as at December 31, 2014 was 28,243 million baht and as at December 31, 2015 was 29,098 million baht. Most of total assets as of December 31, 2015 or equaled to 63.62% of the total assets were non-current assets because LPG trading and logistics businesses required high investment to be used in LPG storage terminals, LPG filling plants, LPG service stations, LPG and ammonia vessel tanks and transporting vehicles. The remaining or 36.38% of total assets were current assets which mostly were trade account receivable and inventories as per the following details:

Trade and other receivables – net

Details on trade and other receivables – net are as follows:

Table14.4: Details of trade and other receivable-net of the company and its subsidiaries

(Unit : Million Baht)

	As at Dec. 31, 2013		As at Dec. 31, 2014		As at Dec. 31, 2015	
	Amount	%	Amount	%	Amount	%
Trade Accounts Receivable – Net	3,917	83.27	3,437	85.63	2,616	79.39
Trade Accounts Receivable – Related Business	2	0.04	32	0.80	56	1.70
Prepaid Expenses	137	2.91	206	5.13	226	6.86
Advance Payment	91	1.94	73	1.82	192	5.83
Other Receivables	557	11.84	266	6.62	205	6.22
Total Trade and Other Receivables – Net	4,704	100.00	4,014	100.00	3,295	100.00

Table14.5: Trade accounts receivables classified by aging of the company and its subsidiaries

(Unit : Million Baht)

	As at Dec. 31, 2013		As at Dec. 31, 2014		As at Dec. 31, 2015	
	Amount	%	Amount	%	Amount	%
Current Overdue :	3,700	92.85	3,191	91.20	2,165	80.85
- less than 3 months	197	4.94	186	5.32	379	14.15
- 3 –12 months	21	0.53	50	1.43	36	1.34
- over 12 months	67	1.68	72	2.05	98	3.66
Total Trade Accounts Receivable	3,985	100.00	3,499	100.00	2,678	100.00
<u>Less</u> Allowance for doubtful account	(68)	(1.71)	(62)	(1.77)	(62)	(2.32)
Trade Accounts Receivable - Net	3,917	98.29	3,437	98.23	2,616	97.68

According to the table 14.5 above, 80.85% of the trade accounts receivables of the company and its subsidiaries as at December 31, 2015 was current, the remaining accounts receivables was divided into less than 3 months overdue of 14.15%, on average of 3-12 months overdue of 1.34% and over 12 months overdue of 3.66% of total accounts receivable. In this regard, the company and its subsidiaries set aside almost fully allowance for doubtful account for account receivables with over 12 months overdue. In addition, the company and its subsidiaries had a policy in reserving allowance for doubtful accounts at the end of each period for account receivable expected to be unable to collect based on historical collection records and customers' financial status. In the over 1-year overdue accounts, the full amount would be reserved as allowance for doubtful accounts.

As at December 31, 2013, trade and other receivables increased by 1,828 million baht, when compared with ending of 2012 where account receivable had increased by 1,246 million baht mainly due to increasing of LPG sale

volume from overseas LPG business and additional accounts receivable of MyGaz in Malaysia and City Gas in



Vietnam. Trade account receivables of MyGaz and City Gas have been included into the consolidated financial statement on May 29, 2013 and January 18, 2013 respectively (the completion date of business acquisition). As at December 31, 2013, prepaid expenses of the group increased 24 million baht and other account receivables increased 556 million baht, when compared with the same period of 2012 as a result of the acquisition of MyGaz and City Gas as mentioned above. Majority of increased amount

of other receivables of 470 million baht was from MyGaz, an overseas subsidiary, which was accrued other receivables from government sector incurred from compensation of LPG price for domestic use in Malaysia.

As at December 31, 2014, trade and other receivables decreased by 690 million baht, when compared with the same period of 2013 mainly due to the reduction of trade account receivable of 480 million baht as a result of decreased sales volume from 2013 caused by impact from reduction of LPG prices in the world market (CP SAUDI ARAMCO).

As at December 31, 2015, trade and other receivables decreased by 719 million baht, when compared with the same period of 2014 mainly due to the reduction of overseas trade account receivable of 821 million baht as a result of the reduction of LPG prices in the world market

(CP SAUDI ARAMCO) which were lower than the previous year. In addition, selling prices as at December 31, 2015 was lower than the prices as at December 31, 2014, hence, value of trade account receivables has reduced accordingly.

Average collection period of the company and its subsidiaries during 2013 until December 31, 2015 was not longer than 22 days.

Inventory

Most inventories of SGP and its subsidiaries as at 31 December 2015 were finished goods, such as LPG of 75.54%, petrochemical products of 0.85%, oil products 2.08%, goods in transit (most of them were LPG, ammonia, and petrochemicals) of 19.09%, other finished goods of 0.25% and work in process of 0.48%. The average inventory turnover was 26-40 days sales during 2013 until December 31, 2015.

Table14.6: Inventories – Net of the company and its subsidiaries

(Unit : Million Baht)

	Consolidated Financial Statement					
	Dec 31,2013	%	Dec 31,2014	%	Dec 31,2015	%
LPG	4,762	90.71	2,643	74.77	3,305	75.54
Petrochemical Products	28	0.53	49	1.39	37	0.85
Oil Products	41	0.78	54	1.53	91	2.08
Goods in Transit	219	4.17	641	18.13	835	19.09
Other Finished Goods	16	0.31	15	0.42	11	0.25
Remaining Raw Materials	62	1.18	47	1.33	39	0.89
Material, Spare Parts and Others	111	2.11	151	4.27	103	2.35
Work in Process	22	0.42	20	0.56	21	0.48
Total Inventories	5,261	100.21	3,620	102.40	4,442	101.53
Less Allowance for devaluation of inventories	(11)	(0.21)	(85)	(2.40)	(67)	(1.53)
Inventory - Net	5,250	100.00	3,535	100.00	4,375	100.00

Net inventory of SGP and its subsidiaries as at December 31, 2013 was 5,250 million baht, decreased from 2012 by 2,893 million baht which was part of cost management strategy to maintain inventory level suitable with seasonal and market demands.

Net inventory of SGP and its subsidiaries as at December 31, 2014 was 3,535 million baht, decreased from 2013 by 1,715 million baht which was part of cost management strategy to maintain inventory level suitable with seasonal and market demands.

Net inventory balance of SGP and its subsidiaries as at December 31, 2015 was 4,375 million baht, increased from 2014 by 840 million baht which mainly due to an increase of inventory in overseas business pursuant to cost management strategy to maintain inventory level suitable with seasonal and market demands.

Moreover, 97.56% of inventories of SGP and its subsidiaries as at December 31, 2015 included that of LPG, petrochemical products, and oil products which would not be obsoleted. Therefore, the group set aside allowance for devaluation of inventories in insignificant amount.

Other Current Assets

Other current assets comprised of value added tax receivable, corporate tax receivable, deposit and others as per following details:

Table14.7 : Details of other current assets of SGP and its subsidiaries

(Unit : Million Baht)

	Consolidated Financial Statement		
	As at Dec. 31, 2013	As at Dec. 31, 2014	As at Dec. 31, 2015
Value Added Tax Receivable	224	173	151
Corporate Tax Receivable	24	7	8
Deposit	76	6	15
Others	80	77	164
Total	404	263	338

As at December 31, 2013, other current assets of the group was 404 million baht, increased by 272 million baht from December 31, 2012, mainly came from value added tax receivable from public sector of SOGEL and SINO, subsidiaries in China.

As at December 31, 2014, other current assets of the group was 263 million baht, decreased by 141 million baht from December 31, 2013, mainly because value added tax receivable from public sector and deposits of SOGEL and SINO, subsidiaries in China, in 2014 were lower than the balance as at December 31, 2013.

As at December 31, 2015, other current assets of the group was 338 million baht, increased by 75 million baht when compared with December 31, 2014, mainly due to an increase of other receivables of 87 million baht which came from advance payment of import tax as at ending period of SOGEL, a subsidiary in China.

Investment in Joint Venture

On November 7, 2014, the Board of Directors' Meeting resolved on approval of the establishment of Far East Petroleum Sdn. Bhd. in Malaysia with registered capital of 0.4 million ringgit to engage in LPG trading business where the company held 100% of its share in such company. Later, on February 24, 2015, the Board of Directors' Meeting resolved on approval of capital increase to be 10 million ringgit and shareholding ratio has been changed where the company held 70% of total shares in such company. This transaction was then regarded as joint venture. During the period, the company has paid investments of 7 million ringgit, or 63 million baht and registration process on such capital increase has been completed on August 24, 2015.

Property, Plant and Equipment - Net

The major assets used for business operations of SGP and its subsidiaries are property, plant, terminals, LPG filling plants, LPG stations and storage equipments for LPG, LPG cylinders, LPG vessel tankers, vehicles, and others.

Table 14.8 : Details of property, plant and equipment - net of the company and its subsidiaries

(Unit : Million Baht)

Category / Description	As at Dec. 31, 2013	As at Dec. 31, 2014	As at Dec. 31, 2015
1. Land	2,136	2,159	2,165
2. Building, Utilities System and Land Improvement	3,591	3,405	3,512
3. Terminal, Filling and Service Stations, and Equipment	1,159	1,133	1,114
4. Tanker Vessels	2,099	1,921	2,319
5. LPG Cylinders	1,860	1,893	1,875
6. Machines and Plant Equipment	1,633	1,480	1,333
7. Fittings, Fixtures and Office Equipment	253	473	269
8. Vehicles	534	532	504
9. Construction Work-in-process	893	882	913
Total	14,158	13,878	14,004
<u>Plus</u> Increased value from land appraisal	310	1,248	1,248
<u>Less</u> Decreased value from land appraisal	(33)	(6)	(6)
Property, Plant and Equipment - Net	14,435	15,120	15,246

As at December 31, 2013, net property, plant and equipment of SGP and its subsidiaries totaled 14,435 million baht, an increase by 1,574 million baht from 2012 mainly due to the following reasons:

1. The increase in property and equipment of Citygas Company Limited, a subsidiary registered in Vietnam to operate LPG trading business, that the group completed the acquisition and business transfer on January 18, 2013, with net value of 201 million baht.
2. The increase in machinery and equipment from acquiring gas business and some assets of Shell Timur Sdn. Bhd. through MyGaz, a subsidiary registered in Malaysia to operate LPG trading business, on May 29, 2013, with net value of 482 million baht.
3. The increase in property, land and equipment of SGP and its subsidiaries which was purchased and transferred in (out) during 2013 with value 1,414 million baht with the following main items:

- 3.1 Purchased and transferred of additional land value 29 million baht
- 3.2 Transferred of building and LPG terminal and investment for LPG terminal expansion, and building under construction with value of 552 million baht .
- 3.3 SLM purchased a LPG vessel tanker with capacity 39,088 tons gross, 26 years old, value 345 million baht. During 2013, SLM had incremental cost related to old vessel tanker value approximately 144 million baht.
- 3.4 LCR purchased vehicles and equipment for transportation value 67 million baht.
- 3.5 SGP and its subsidiaries purchased new LPG cylinders of 277 million baht.
4. During 2013, SGP and its subsidiaries had disposed net assets of 48 million baht and depreciation of assets of 947 million Baht, including increasing value of property, land and equipment resulting from differentiation of financial budget at net value 472 million baht.

As at December 31, 2014, value of property, land and equipment-net of SGP and its subsidiaries was 15,120 million baht, increasing by 685 million baht from 2013, mainly due to the following reasons:

During 2014, the company and its subsidiaries disposed and transferred out net assets of 26 million baht and depreciation of asset during the period of 1,027 million baht, including decreasing value of property, land and equipment resulting from differentiation of financial budget of 13 million baht. In 2014, the company and its subsidiary realized additional land appraisal of 969 million baht in the consolidated financial statement and operating assets have been purchased during the period of 756 million baht (most of them are to increase LPG cylinders of 239 million baht) with net asset disposal of 26 million baht. Land has been reappraised by UK Valuations and Agency Co., Ltd., an independent valuation firm, during January 2, 2014-February 18, 2014. Criteria used for appraisal is market comparison approach.

As at December 31, 2015, value of property, land and equipment of SGP and its subsidiaries was 15,246 million baht, increasing by 126 million baht from 2014, due to disposal of net assets of 266 million baht and depreciation of assets during the year of 992 million baht, including increasing value of property, land and equipment resulting from differentiation of financial budget of 526 million baht and additional operating assets had been purchased and transferred in during the period of 858 million baht, where most of them were to increase LPG cylinders of 206 million baht and construction work in progress from the LPG tank vessel dockyard of 396 million baht.

Goodwill

Table14.9: Details of goodwill are as follows:

(Unit : Million Baht)

Category / Description	As at Dec. 31, 2013	As at Dec. 31, 2014	As at Dec. 31, 2015
UGP, the subsidiary	1,152	1,152	1,152
SEEC, the subsidiary	22	22	22
SingGas, the subsidiary	137	137	137
SuperGas, the subsidiary	227	227	227
Total Goodwill	1,538	1,538	1,538

Goodwill is the cost of investment which is higher than fair value of investment that the group has sharing in net assets of the subsidiaries as of the acquisition date. Goodwill from acquisition of the subsidiaries shall be presented as separate item in the consolidated financial statement.

Goodwill as at December 31, 2013 was 1,538 million baht, an increase by 188 million baht. Such increased amount was due to retroactively adjustment after the Group started to apply TAS 12: Income Taxes for the first time for the fiscal period beginning from January 1, 2012. Details are as per Note # 2.3 of financial statement for the year ended December 31, 2013.

Goodwill as at December 31, 2014 and as at December 31, 2015 was 1,538 million baht.

Other Intangible Assets – Net

For the year ended December 31, 2013, other intangible assets of SGP and subsidiaries were 273 million baht, increasing by 253 million baht mainly due to:

1. An increase of intangible assets under Customer Relationships amounting to 85 million baht of Citygas Company Limited, a subsidiary registered in Vietnam to operate business of distribution to liquefied petroleum products acquired by the group at ratio of 100% from Shell Gas (LPG) Holding B.V. and the business handover was completed on January 18, 2013.
2. An increase of intangible assets under Customer Relationships amounting to 195 million baht of MyGas SDN. BHD., a subsidiary registered in Malaysia to operate business of distribution to liquefied petroleum products of which its ratio of 70% held by SGP. The group acquired business and some part of gas business in Shell Timur SDN.BHD. in East Malaysia via MyGaz. Business handover of such business and assets was completed on May 29, 2013.

(The above intangible assets under Customer Relationship of Citygas and MyGaz were obtained from assessment of fair value of net assets obtained from business acquisition and such fair value was assessed by the independent expert.)

3. During 2013, SGP and subsidiaries had amortized other intangible assets totaled 31 million baht.

For the year ended December 31, 2014, other intangible assets – net of SGP and subsidiaries decreased to 39 million baht because SGP and its subsidiaries had amortized other intangible assets – net totaled 43 million baht.

For the year ended December 31, 2015, other intangible assets – net of SGP and subsidiaries decreased to 53 million baht because in 2015, SGP and its subsidiaries had amortized other intangible assets – net totaled 40 million baht and the reduction from difference from conversion of financial statement of 14 million baht.

Other Non-Current Assets

Table 14.10: Details of other non-current assets of the company and the subsidiaries as follows:

(Unit : Million Baht)

	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Accrued interest from loan provided to relat-ed business	2	4	7
Restricted bank deposit	26	27	18
Deposits	89	38	28
Advance payment for equipment	-	-	189
Corporate tax receivable	59	59	59
Deferred expenses	14	9	22
Advance lease payment	540	540	542
Leasehold right	108	92	88
Others	7	36	41
Total Other Non-current Assets	845	805	994

As at December 31, 2013, other non-current assets were reduced by 42 million baht from 2012 with mainly attributable to the decrease of corporate tax receivable of Baht 28 million and amortization of leasehold right of 16 million baht.

As at December 31, 2014, other non-current assets were reduced by Baht 39 million from 2013 with mainly reason was that during 2014, cylinders have been transferred from deposits for cylinder production account to fix assets account amounting to 51 million baht.

As at December 31, 2015, other non-current assets increased by 189 million baht from 2014 with mainly reason was that during 2015, advance payment for equipment for business operation increased by 189 million baht.

Liabilities

Short-term Loan from Financial Institutions - Net

As at December 31, 2013, short-term loans from commercial banks of SGP and its subsidiaries decreased to 7,338 million baht with interest rates in the range of 0.83-3.90 percent per annum because loan repayment has been paid during the period.

As at December 31, 2014, short-term loans from commercial banks of SGP and its subsidiaries decreased to 6,347 million baht with interest rates in the range of 3.20-3.35 percent per annum because loan repayment has been paid during the period.

As at December 31, 2015, short-term loans from commercial banks of SGP and its subsidiaries decreased to 4,886 million baht with interest rates in the range of 0.99 - 3.30 percent per annum because loan repayment has been paid during the period.

Trade and Other Accounts Payable

Main trade accounts payable in Thailand were the suppliers of petroleum and petrochemicals such as PTT Public Company Limited, Esso (Thailand) Public Company Limited, Thaioil Public Company Limited and IRPC Public Company Limited and most of them had credit term of approximately 19-30 days.

Main foreign trade accounts payable were the suppliers of petroleum and petrochemicals, such as SHELL, VITOL, ASTOMOS, ITOCHU and etc, and most of them had credit term of approximately 20-30 days.

Trade and other accounts payables of SGP and its subsidiaries as at December 31, 2013 decreased to 3,124 million baht, as at December 31, 2014, it increased to 3,751 million baht and as at December 31, 2015, it increased to 4,010 million baht.

As at December 31, 2015, trade and other account payables increased by 259 million baht from the previous year mainly because trade payable changed pursuant to balance of inventory in each year. During the past period, SGP and its subsidiaries had made payments to the suppliers in time, so average payment period of SGP and its subsidiaries during 2016 until as at December 31, 2015 was approximately 21-26 days which was within credit term ranges granted by trade account payables.

Moreover, the payable of contributions to the Oil Fund increased to 594 million baht as at December 31, 2013 and increased to 827 million baht as at December 31, 2014 due to the trend of increased of sales volume as well as the increased contribution rate to the Oil Fund. As at December 31, 2015, the company did not have any outstanding payment on contribution into the Oil Fund because in 2015, the government changed collection method of contribution, by changing to fixing LPG price and by combining part of contribution to Oil Fund into purchase price instead, so prices to be purchase by the group would be increased when compared with the amount of the previous year.

Current Portion of Long-term Loan and Long-term Loan from Financial Institutions – Net

Current portion of long-term loan and long-term loan from financial institutions by SGP and its subsidiaries increased to 1,065 million baht as at December 31, 2013, as at December 31, 2014, it decreased to 802 million baht and as at December 31, 2015, it decreased to 667 million baht. Such remaining loan belonged to SLM, the subsidiary, with main reasons as follows:

During 2013, SLM, a subsidiary, had additional loan from financial institution of 351 million baht to purchase LPG and ammonia vessel tankers for business expansion. For 2014 and 2015, loan decreased by 263 million baht and 135 million baht, respectively because SLM has gradually repaid such loan pursuant to conditions specified in relevant loan agreement.

Bonds - Net

Table 14.11: Details of bonds

(Unit : Million Baht)

	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Bond			
Bond (Thai baht currency)	4,500	4,300	4,800
Less Arranger fee	(6)	(4)	(4)
Total net bond	4,494	4,296	4,796

SGP had issued and public offering of senior unsecured bonds at fixed interest rate with every 3 months interest payment for repayment of long-term loan to the financial institutes and repayment of bonds which will be due. In addition, conditions specified in such bond offering was that SGP must comply with regulations on rights and obligations of bond issuers and bond holders, as well as to maintain some financial ratio, i.e. interest-bearing debts to equity ratio to be not more than 2 times. However, financial ratios of the group in each year as mentioned above were pursuant to the bond issuance conditions. As at December 31, 2015, total remaining bonds of the company are as per below table:

Bond Issued and Offered	Maturity	Value (Million Baht)	Interest Rate per Annum	TRIS Rating
February 2012	4 Years	1,500	5.00%-5.90%	BBB+ (Stable)
January 2014	3 Years	1,300	5.20%	BBB (Stable)
January 2015	3 Years	2,000	4.70%	BBB (Stable)
Total		4,800		

Payables for LPG Cylinder Deposit

Deposit for LPG cylinders of SGP and its subsidiaries: UGP, SuperGas, SingGas, Sino, CityGas and MyGaz is normally recorded as liabilities of the company and then repaid to customers. When customer returns cylinder to the companies with receipt, such transaction will reduce the liabilities. The cylinder deposit has been increasing every year as net deposit from outgoing and returning cylinders becomes higher each year. Moreover, SGP and its subsidiaries did not have policy in recognizing cylinder deposit as revenue which was pursuant to International Financial Reporting Standards (IFRS). Hence, payables for LPG gas cylinders deposits of SGP and its subsidiaries shall be increased every year. Payables for LPG cylinder deposit as at December 31, 2013 were 3,805 million baht. (The group has combined financial statements of CityGas and MyGaz as of the date acquisition transaction was completed, which included LPG cylinder deposit of 120 million baht and 380 million baht, respectively, or in total of approximately 500 million baht into the consolidated financial statement for the year ended December 31, 2013). The outstanding amount as of December 31, 2014 was 4,022 million baht and as of December 31, 2015 was 4,229 million baht.

Shareholders' Equity

Shareholders' equity as at December 31, 2013 was 9,083 million baht, an increase of 1,762 million baht from 2012 because net profit in 2013 of the parent was at 1,602 million baht, net profit of non-controlling interests was at 47 million baht, dividend payment of parent during 2013 was at 323 million baht. Moreover, as the company invested in oversea subsidiaries, i.e., in China, Hong Kong, Vietnam, Singapore, and Malaysia, so financial statement of such subsidiaries had to be converted, hence, the company gained from conversion of such financial statement of 428 million baht. In addition the group has additional investment in the subsidiary, MyGaz, so profit of non-controlling interest during 2013 was 30 million baht. Moreover, the group has adjusted loss from estimation pursuant to actuarial science incurred from adjustment or change of assumption of realization of statement of comprehensive income under topic of "Other components of shareholders' equity" with net income tax of 21 million baht.

Shareholders' equity as at December 31, 2014 was 8,369 million baht, a decrease of 714 million baht from 2013 because of net loss in 2014 of the parent was at 514 million baht, net loss of non-controlling interests was at 23 million baht, dividend payment of parent during 2014 was at 597 million baht. Moreover, as the company invested in oversea subsidiaries, i.e., in China, Hong Kong, Vietnam, Singapore, and Malaysia, so financial statement of such subsidiaries had to be converted, hence, the company gained from conversion of such financial statement of 330 million baht. In addition the

group has realized surplus from net appraisal of land from deferred tax amounting to 754 million baht in the comprehensive consolidated statement of income.

Shareholders' equity as at December 31, 2015 was 9,775 million baht, an increase of 1,406 million baht from 2014 because of net profit in 2015 of the parent was at 1,116 million baht, net profit of non-controlling interests was at 26 million baht, dividend payment of parent and non-controlling interest during 2015 was at 367 million baht and 4 million baht, respectively. Moreover, as the company invested in oversea subsidiaries, i.e., in China, Hong Kong, Vietnam, Singapore, and Malaysia, so financial statement of such subsidiaries had to be converted, hence, the parent gained from conversion of such financial statement of 650 million baht and the non-controlling interest lose from conversion of such financial statement of 16 million baht.

Analysis of Financial Ratio

Table 14.12: Details of Financial Ratio

(Unit : Million Baht)

	Consolidated Financial Statement		
	2013	2014	2015
Profitability Ratio			
Gross profit margin (%)	3.60	1.35	5.23
Net profit margin (%)	2.49	(0.87)	1.96
Return on equity (%)	18.15	(6.42)	11.69
Financial Policy Ratio			
Interest-bearing debt to equity ratio (times)	1.44	1.39	1.07
Total debt ratio to equity (times)	2.26	2.37	1.98

Gross Profit Margin of the group for the year ended December 31, 2013 equaled 3.60 percent, for the year ended December 31, 2014 equaled 1.35 percent, a decrease by 2.25 percent from 2013 and for the year ended December 31, 2015 equaled 5.23 percent, an increase by 3.38 percent from 2014, as a result of the slightly decrease of LPG prices in the world market (CP SAUDI ARAMCO) when compared with the previous year. Upon calculation of LPG prices adjustment of LPG, they decreased throughout the year at (93) US dollar per ton, when compared with 2014 which decreased by (603) US dollar per ton.

Net Profit Margin of the group for the year ended December 31, 2013 equaled 2.49 percent, for the year ended December 31, 2014 equaled (0.87) percent, a decrease by 3.36 percent from 2013 and for the year ended December 31, 2015 equaled 1.96 percent, an increase by 2.83 percent from 2014, due to a decrease of LPG Prices in the world market (CP SAUDI ARAMCO) as per mentioned above.

Return on Equity of the group for the year ended December 31, 2013 equaled 18.15 percent, for the year ended December 31, 2014 equaled (6.42) percent, a decrease by 24.57 percent from 2013 and for the year ended December 31, 2015 equaled 11.69 percent, an increase by 18.11 percent from 2014, due to an increase of net profit margin as per mentioned above.

Interest-Bearing Debt to Equity Ratio of the group for the year ended December 31, 2013 equaled 1.44 times, for the year ended December 31, 2014 equaled 1.39 times, a decrease by 0.05 time from 2013 due to repayment of short-term loan to the financial institute during the period and for the year ended December 31, 2015 equaled 1.07 times, a decrease by 0.32 time from 2014, with main reason due to repayment of short-term loan to the financial institutes during the year. The company must maintain this interest-bearing debt to equity ratio to not more than 2 times, pursuant to the Requirement of rights and obligations of bond holders, Clause 7.3 (b) and the group can maintain such financial ratio as per specified.

Total Debt Ratio to Equity of the group for the year ended December 31, 2013 equaled 2.26 times, for the year ended December 31, 2014 equaled 2.37 times, an increase by 0.11 time from 2013 and for the year ended December 31, 2015 equaled 1.98 times, a decrease by 0.39 time from 2014, with main reason due to repayment of short-term loan to the financial institutes during the year.

Event after the Date of Financial Statement

a) Dividend Payment

The Company

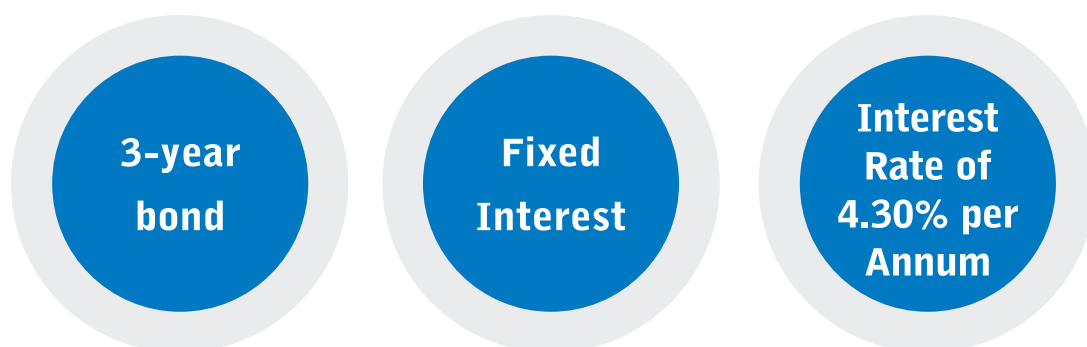
On February 24, 2016, the meeting of the Board of Directors has passed a resolution to propose for dividend payout for performance of 2015 at the rate of 0.50 baht per share at total amount of 459.47 million baht. This amount included interim dividend paid from performance of the first six month period of 2015 which have paid at 0.20 baht per share, at total amount of 183.79 million baht. Such interim dividend has been paid on September 3, 2015. The Board of Directors shall further propose to the shareholders' meeting for approval of such dividend later.

The Subsidiaries

On February 24, 2016, the meeting of the Board of Directors of Unique Gas and Petrochemicals Public Company Limited has passed a resolution to propose for dividend payout for performance of 2015 at the rate of 55 baht per share at total amount of 577.50 million baht. This amount included interim dividend paid from retained earning brought forward and performance of the first six month period of 2015 which have paid. Such interim dividend has been paid at 30 baht per share, at total amount of 315 million baht on September 1, 2015 and it is expected that the remaining dividend of 262.50 million will be paid in May 2016. The Board of Directors shall further propose to the shareholders' meeting for approval on payment of such dividend later.

b) Issuance of Bonds

During January 28, to February 2, 2016, SGP had issued and public offering of senior unsecured bonds with total value of 3,000 million baht at par value and offered prices at 1,000 baht per unit and every 3 months interest payment. TRIS has rated this bond at BBB (stable) and important details are as follows:



SGP could sell all of such bonds at 3,000 million baht and money from the sale of bonds was used for repayment of bonds amount 1,500 million baht which were due on February 2016. Conditions specified in such bond offering was that SGP must comply with regulations on rights and obligations of bond issuers and bond holders, as well as to maintain some of the certain financial ratios.

c) Loan from financial institute for purchase ocean liners

On February 15, 2016, one of the Company's subsidiaries has entered into a loan agreement with the financial institution from one country to purchase ocean liner and to use as expenses in dockyard as per following details:

- Loan of 95 million baht to purchase an ocean line and to use as expenses in dockyard with interest rate of 3.00 percent per annum. Principal repayment will be 1.66 million baht per month and loan must be fully paid within 5 years 2 months, from the first month of the loan drawdown.
- Loan of 220 million baht to purchase an ocean line and to use as expenses in dockyard with interest rate of 3.00 percent per annum. Principal repayment will be 6.11 million baht per month and loan must be fully paid within 3 years 2 months, from the first month of the loan drawdown.

Such subsidiary used such ocean liners as collateral. Additionally, the Company and 2 subsidiaries are the guarantors.

d) Capital Increase of the Subsidiary

On February 24, 2016, the meeting of the Board of Directors of the company has passed a resolution on capital increase of one of the subsidiaries amounted to 2.5 million shares at par value of 10 baht per share, or totally 25 million baht to receive the investment promotion privilege for business operation. The company will still maintain investment share at 100 percent in such subsidiary.

Auditor's Remuneration

Auditor's remuneration paid to PricewaterhouseCoopers ABAS Ltd., the auditing company which is the auditor of the company and its subsidiaries in Thailand, for 2013-2015 was 5.32 million baht, 5.69 million baht and 5.74 million baht, respectively. Person or business related to the auditor or the auditing company shall not be the person or the business related to the company and its subsidiaries.

Table 14.13: Details on auditor's remuneration for 2013-2015

(Unit : Million Baht)

	The Company			The Company and its Subsidiaries in Thailand		
	2013	2014	2015	2013	2014	2015
Auditing fee for annual financial statement	0.99	0.98	0.98	2.98	2.91	2.99
Reviewing fee for quarterly financial statement (Q1-Q3)	0.81	0.96	0.96	2.34	2.78	2.75
Total	1.80	1.94	1.94	5.32	5.69	5.74



Report of the Board of Directors'

Accountability to Financial Report

The consolidated financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries were prepared in accordance with the Securities Exchange Commission under the Securities and Exchange Act B.E. 2535 and under the accounting act B.E. 2543.

The Company's Board of Directors is responsible for financial report of Siamgas and Petrochemicals Public Company Limited and its subsidiaries in providing reasonable assurance that the financial standards present fairly financial position, financial performance and cash flows. The accounting data is sufficiently and accurately recorded to preserve the Company's assets and prevent fraud and irregularity. The financial report has been prepared accordingly to appropriate accounting policy and consistency practices, and in accordance with Thai Financial Reporting Standards. Significant information has been sufficiently disclosed in notes to financial statements, where the auditor expressed an opinion on the financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries in the auditor's report.



Mr. Worawit Weeraborwornpong
Executive Chairman of the Mangement



Mr. Supachai Weeraborwornpong
Managing Director

AUDITOR'S REPORT

To the Shareholders of Siamgas and Petrochemicals Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Chaisiri Ruangritchai
Certified Public Accountant (Thailand) No. 4526
PricewaterhouseCoopers ABAS Ltd.
Bangkok
24 February 2016

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

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

	Attributable to equity holders of the parent						Consolidated	
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total other components of equity	Non-controlling interests	Total equity	
			Baht	Baht				
Opening balance 1 January 2015	918,931,500	1,874,481,829	162,088,663	4,744,532,209	557,588,252	111,440,006	8,369,062,459	
Dividends paid (Note 26)	-	-	-	(367,570,700)	-	(2,600,904)	(370,171,604)	
Total comprehensive income for the year	-	-	-	1,115,924,598	650,267,188	9,674,787	1,775,866,573	
Closing balance 31 December 2015	918,931,500	1,874,481,829	162,088,663	5,492,886,107	1,207,855,440	118,513,889	9,774,757,428	
Opening balance 1 January 2014	918,931,500	1,874,481,829	162,088,663	5,852,616,476	167,429,539	108,036,300	9,083,584,307	
Dividends paid	-	-	-	(597,196,435)	-	(3,894,318)	(601,090,753)	
Reversal of revaluation surplus on disposal of land	-	-	-	3,416,000	(3,416,000)	-	-	
Total comprehensive income (expenses) for the year	-	-	-	(514,303,832)	393,574,713	7,298,024	(13,431,095)	
Closing balance 31 December 2014	918,931,500	1,874,481,829	162,088,663	4,744,532,209	557,588,252	111,440,006	8,369,062,459	

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

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

	Company					
	Issued and paid-up share capital	Premium on share capital	Retained earnings	Total other components of equity	Total equity	
	Baht	Baht	Baht	Baht	Baht	Baht
					(Note 32)	
Opening balance 1 January 2015	918,931,500	1,874,481,829	162,088,663	3,609,612,203	148,160,008	6,713,274,203
Dividends paid (Note 26)	-	-	(367,570,700)	-	-	(367,570,700)
Total comprehensive income for the year	-	-	978,193,978	-	-	978,193,978
Closing balance 31 December 2015	<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,220,235,481</u>	<u>148,160,008</u>	<u>7,323,897,481</u>
Opening balance 1 January 2014	918,931,500	1,874,481,829	162,088,663	3,259,945,935	(384,060,739)	5,831,387,188
Dividends paid	-	-	(597,196,435)	-	-	(597,196,435)
Reversal of revaluation surplus on disposal of land	-	-	3,416,000	(3,416,000)	-	-
Total comprehensive income for the year	-	-	943,446,703	535,636,747	1,479,083,450	
Closing balance 31 December 2014	<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>3,609,612,203</u>	<u>148,160,008</u>	<u>6,713,274,203</u>

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2015

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Statement of Cash Flows (continued)

For the year ended 31 December 2015

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

The notes to the consolidated and company financial statements from pages 128 to 185 are an integral part of these financial statements.

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2014

General information

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

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

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

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

Accounting policies

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

1 Basis of preparation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.3.1 Subsidiaries

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

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

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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.3.2 Transactions and non-controlling interests

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

2.3.3 Disposal of subsidiaries

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

2.3.4 Joint arrangements

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

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

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

2.4 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

c) Group companies

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

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

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

2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable

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

2.7 Inventories

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

2.8 Investments

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

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

(d) Investments in non-marketable equity securities are classified as general investments.

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

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

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

General investments are carried at cost less impairment loss.

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

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

2.9 Property, plant and equipment

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

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

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

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

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

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

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

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

2.10 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 seven years.

2.12 Impairment of assets

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

2.13 Leases - where a Group company is the lessee

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

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

Leases - where a Group Company is the lessor

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

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

2.14 Borrowings

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

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

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

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

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

2.15 Current and deferred income taxes

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

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

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

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

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

2.17 Provisions

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

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

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

2.18 Cylinder deposits

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

2.19 Share capital

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

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

2.20 Revenue recognition

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

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

2.21 Dividends

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

2.22 Segment reporting

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

2.23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals

owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.24 Financial instruments

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

3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Foreign exchange risk

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

3.1.2 Interest rate risk

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

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

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3.2 Accounting for derivative financial instruments and hedging activities

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

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

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

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

3.3 Fair value estimation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 Critical accounting estimates, assumptions and judgements

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

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

(a) Plant and equipment and intangible assets

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

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

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

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

(c) Retirement benefits

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

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

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

(d) Allowance for doubtful accounts

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

5 Capital risk management

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

6 Segment information

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

The operating segments are as follows:

Petroleum and

petrochemical products : Petroleum trading for household cooking, industry and transportation businesses, and petrochemical trading

Transportation services : Transportation services by land and ship

Other segment : Cylinder manufacturing

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

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

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

7 Cash and cash equivalents

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

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

8 Short-term investments

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

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

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

9 Trade and other receivables, net

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

The age analysis of trade receivables is as follows:

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

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

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

10 Inventories, net

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

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

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

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

11 Other current assets

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

12 Investments in subsidiaries and joint ventures, net

12.1 Investments in subsidiaries, net

The movement in investments in subsidiaries are as follows:

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

The principal subsidiaries are as follows:

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

The principal subsidiaries are as follows: (continued)

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

Details of investments in subsidiaries is as follows:

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

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

⁽¹⁾ On 19 October 2015, Super Gas Co., Ltd. ("SGV") and Citygas Co., Ltd. ("CGV"), the Company's subsidiaries in Vietnam, have been merged and continued their business operations under SGV. The objective of this merger is to strengthen the business operation in Vietnam. All CGV's assets, liabilities, rights and obligations are transferred to SGV by virtue of the Civil and Commercial Code in the section of Amalgamation of Limited Companies in Vietnam.

⁽²⁾ In August 2013, the Company's management had a resolution to approve the dissolution of United Gas & Petrochemicals Sdn. Bhd. (a subsidiary) in order to manage the business appropriately. The subsidiary has not started its operation and the dissolution does not have any impact on the Company's business operation. The Company proceeded cash from return of investment amounting to Baht 6 million in 2015. The proceed exceed net book value at the date of investment return amounting to Baht 1 million. Therefore, the Company recognised the amount as gain on investment return in the current financial statements. As at 31 December 2015, the subsidiary is in liquidation process.

⁽³⁾ In December 2015, the Company invested in Siam Gas Trading Pte. Ltd., a subsidiary, amounting to SGD 0.40 million or Baht 10 million. The Company paid the subscription for 100% ownership interest.

⁽⁴⁾ On 18 November 2015, the Company established a new subsidiary, Siamgas Myanmar Consortium Pte. Ltd., registered in Singapore. The Company holds 80% of its share capital, totalling SGD 80 or Baht 2,041 (100 shares at SGD 1 per share).

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

12.2 Investments in joint ventures

The movement in investments in joint ventures are as follows:

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

The joint ventures are as follows:

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

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

Details of investments in joint ventures is as follow:

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

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

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

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

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

13 Property, plant and equipment, net

	Consolidated																
	Buildings, infrastructure and land improvement		Terminals, gas filling and service stations and gas storage tanks		Gas vessels		Gas cylinders		Machine, factory tools and equipment		Furniture, fixtures and office equipment		Vehicles		Construction in progress		Total
	Land Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
As at 1 January 2014																	
Cost – Historical cost	2,136	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893								27,091
- Revaluation	277	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	277
	2,413	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893								27,368
Less Accumulated depreciation	-	(4,215)	(1,045)	(966)	(3,061)	(998)	(1,863)	(785)	-								(12,933)
Net book value	2,413	3,591	1,159	2,099	1,860	1,633	253	534	893								14,435

For the year ended

31 December 2014

Opening net book value	2,413	3,591	1,159	2,099	1,860	1,633	253	534	893	14,435
Revaluation surplus on land	969	-	-	-	-	-	-	-	-	969
Additions	37	2	7	4	239	2	21	9	435	756
Transfer	-	27	44	101	-	1	241	31	(445)	-
Disposals, net	(18)	-	-	-	(1)	(2)	(1)	(3)	(1)	(26)
Currency/translation differences	-	(1)	(2)	-	(9)	31	(5)	(1)	-	13
Depreciation charge	-	(214)	(75)	(283)	(196)	(185)	(36)	(38)	-	(1,027)
Closing net book value	3,401	3,405	1,133	1,921	1,893	1,480	473	532	882	15,120

As at 31 December 2014

Cost- Historical cost	2,159	7,769	2,250	3,086	5,160	2,659	2,327	1,351	882	27,643
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,401	7,769	2,250	3,086	5,160	2,659	2,327	1,351	882	28,885
<u>Less Accumulated depreciation</u>	-	(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

For the year ended

31 December 2015

	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
Opening net book value	3,401	3,405	1,133	1,921	1,893	1,480	473	532	882	15,120
Additions	6	18	20	11	206	2	20	15	560	858
Transfer	-	66	27	399	-	-	14	16	(522)	-
Disposals, net	-	(1)	(1)	(14)	(1)	-	(218)	(25)	(6)	(266)
Currency translation differences	-	194	1	310	(32)	45	9	-	(1)	526
Depreciation charge	-	(170)	(66)	(308)	(191)	(194)	(29)	(34)	-	(992)
Closing net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246

As at 31 December 2015

Cost - Historical cost	2,165	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	28,372
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
Less Accumulated depreciation	3,407	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	29,614
	-	(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

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

For the year ended 31 December 2014

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

Fair value of land

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

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

	Consolidated			
	1 January 2014 Million Baht	Increase valuation Million Baht	Disposal Million Baht	Addition Million Baht
				31 December 2014 Million Baht
Land- historical cost	2,136	-	(14)	37
- valuation surplus	277	969	(4)	-
Total	2,413	969	(18)	37
	Company			
	1 January 2014 Million Baht	Increase valuation Million Baht	Disposal Million Baht	Addition Million Baht
				31 December 2014 Million Baht
Land- historical cost	1,748	-	(12)	37
- valuation surplus	248	696	(4)	-
Total	1,996	696	(16)	37

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

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

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

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

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

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

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

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

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

Valuation processes of the Group

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

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

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

14 Goodwill

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

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

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

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

Impairment tests for goodwill

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

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

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

15 Intangible assets, net

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

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

16 Deferred income taxes, net

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

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

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

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

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

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

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

	Charged/credited to			As at 31 December 2014 Million Baht	Charged/credited to			Consolidated
	As at 1 January 2014 Million Baht	Profit and loss Million Baht	Comprehensive income Million Baht		Profit and loss Million Baht	Comprehensive income Million Baht		
Deferred tax assets								
Allowance for doubtful accounts	5	(1)	-	4	1	-		5
Allowance for diminution in value of inventories	-	7	-	7	5	-		12
Provision for impairment of fixed assets	94	(6)	-	88	1	-		89
Employee benefit obligation	18	7	-	25	1	-		26
Unrealised actuarial losses on employee benefits plan	5	(5)	-	-	-	-		-
Unrealised gain on sales of goods/assets within the group	51	(18)	-	33	17	-		50
Loss carried forwards	159	57	-	216	47	-		263
Difference from purchase of assets from a business combination under common control	52	-	-	52	-	-		52
Others	10	40	-	50	(48)	-		2
	394	81	-	475	24	-		499
Deferred tax assets, gross								
Deferred tax liabilities								
Differences on depreciation	(93)	(67)	-	(160)	31	-		(129)
Fair value adjustments from business acquisition	(216)	94	-	(122)	(22)	-		(144)
Valuation surplus on land	(62)	2	(189)	(249)	-	-		(249)
Currency translation difference	-	-	-	-	(23)	(9)		(32)
Others	(2)	(26)	-	(28)	27	-		(1)
	(373)	3	(189)	(559)	13	(9)		(555)
Deferred tax liabilities, gross								
Deferred tax assets (liabilities), net	21	84	(189)	(84)	37	(9)		(56)

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

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

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

17 Other non-current assets

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

18 Short-term loans from financial institutions, net

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

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

19 Trade and other payables

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

20 Long-term loans from financial institutions, net

As at 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Current portion of long-term loans, net				
Thai currency	101	194	-	-
US Dollar currency	196	73	-	-
<u>Less</u> Financing fee	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
	<u>296</u>	<u>266</u>	<u>-</u>	<u>-</u>
Long-term loans, net				
Thai currency	183	445	-	-
US Dollar currency	189	92	-	-
<u>Less</u> Financing fee	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
	<u>371</u>	<u>536</u>	<u>-</u>	<u>-</u>
Total long-term loans, net	<u>667</u>	<u>802</u>	<u>-</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		Company	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	802	1,065	-	-
Additions	130	22	-	-
Repayments	(304)	(286)	-	-
Loss from exchange rate	7	-	-	-
Currency translation differences	32	1	-	-
Closing balance	667	802	-	-

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

Balance of loan, net (Million Baht)		Interest rate per annum	Repayment	Security
2015	2014			
10	30	MLR-1.00	Principal repayment of Baht 1.70 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by September 2016.	Vessel and also guaranteed by another subsidiary (Note 13)
12	30	MLR-1.00	The repayments of principal and interest totalling Baht 1.54 million are made on a monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by April 2017.	Vessels and also guaranteed by another subsidiary and Siamgas and Petrochemicals Public Company Limited (Note 13)
68	90	MLR-1.00	The repayments of principal and interest totalling Baht 2.20 million are made on a monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by January 2018.	
25	3	MLR-1.00	Principal repayment of Baht 0.85 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by June 2018.	
43 (USD 1.17 million)	23 (USD 0.70 million)	LIBOR 3M+4.25%	Principal repayment of USD 0.28 million are made on quarterly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2017.	

86 (USD 2.38 million)	141 (USD 4.28 million)	LIBOR - 3M+4.25%	Principal repayment of USD 0.47 million (2014: Baht 15.67 million) are made on quarterly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2017.	Vessels and also guaranteed by another subsidiary and Siamgas and Petrochemicals Public Company Limited (Note 13)
179 (USD 4.95 million)	207 -	4.45%	Principal repayment of USD 0.12 million (2014: Baht 3.85 million) are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by June 2019.	
161	200	4.40%	Principal repayment of Baht 3.23 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2020	
7	46	4.40%	Principal repayment of Baht 3.32 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by February 2016	
76 (USD 2.10 million)	- -	LIBOR 1M+3.00%	Principal repayment of USD 0.08 million are made on monthly basis and the remaining balance is repayable in the last instalment. The loan is due for full repayment by September 2018.	
Total 667	802			

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

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

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

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

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

Maturity of long-term loans is as follows:

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

Credit facilities

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

21 Other current liabilities

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

22 Bonds, net

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

The movements of bonds can be analysed as follows:

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

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

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

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

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

Maturity of bonds is as follows:

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

23 Cylinder deposits

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

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

24 Employee benefit obligations

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

Movements in employee benefit obligations are as follows:

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

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

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

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

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

The principal actuarial assumptions used were as follows:

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

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

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

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

25 Share capital

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

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

26 Dividends paid

The Company

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

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

The Subsidiaries

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

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

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

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

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

27 Legal reserve

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

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

28 Other income

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

29 Expenses by nature

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

30 Income tax

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

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

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

31 Earnings (loss) per share

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

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

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

32 Other components of shareholders' equity

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

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

33 Related party transactions

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

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

The significant related party transactions are as follows:

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

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

ii) Loans from/to related parties

Long-term loans to related parties

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

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

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

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

- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 376.47 million (2014: Baht 376.47 million). The loan is due for repayment in 2024.
- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 36.00 million (2014: Baht 50.00 million). The loan is due for repayment in 2024.
- Interest rate of average MLR rate for three Thai commercial banks plus 0.50% per annum (2014: 0.50% per annum) is charged for a loan of Baht 371.54 million (2014: Baht 370.00 million). The loan is due when the subsidiary has sufficient working capital.
- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 35.92 million or USD 1.00 million (2014: Baht 32.81 million or USD 1.00 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.75% per annum) is charged for a loan of Baht 512.75 million or USD 14.27 million (2014: Baht 669.61 million or USD 20.41 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.25% - 5.75% per annum) is charged for a loan of Baht 39.29 million or USD 1.09 million (2014: Baht 35.89 million or USD 3.22 million). The loan is due for repayment in 2020.
- Interest rate of 6.15% per annum (2014: 5.75% per annum) is charged for loans of Baht 4.50 million (2014: Baht 4.50 million). The loan is due for repayment in 2020.
- No borrowing (2014: Interest rate of 5.50% per annum was charged for loans of Baht 69.81 million or USD 2.13 million).
- Interest rate of 2.21% per annum is charged for a loan of Baht 1,295.03 million or USD 36.05 million (2014: nil). The loan is due for repayment in 2020.

Long-term loans from related parties

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

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

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

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

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

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

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

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

iv) Purchases of goods and services and interest expenses

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

v) Directors' and key management remunerations

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

34 Commitments and contingent liabilities

a) Contingent liabilities

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

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

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

b) Letter of guarantee

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

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

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

c) Operating lease commitments

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

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

d) Capital commitments

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

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

e) Relation to contingent liabilities from cylinder deposits

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

35 Financial instruments

Forward foreign exchange contracts

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

Interest rate and cross currency swap contracts

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

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

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

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

Fair value

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

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

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

36 Events after the reporting date

a) Dividend payment

The Company

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

Subsidiary

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

b) Issuance of bond

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

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

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

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

c) Borrowings from financial institution for vessel acquisition

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

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

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

d) Increase of subsidiary's share capital

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



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