

**SIAMGAS AND PETROCHEMICALS PUBLIC
COMPANY LIMITED**

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2013

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 2013, 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 2013, 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
20 February 2014

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2013

		Consolidated			Company		
		31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht
Notes							
Assets							
Current assets							
Cash and cash equivalents	7	1,689,573,399	1,461,276,267	1,529,606,273	232,687,422	203,215,334	190,164,920
Trade and other receivables	8	4,703,770,559	2,876,347,220	2,177,767,046	2,976,199,019	1,788,129,858	2,270,094,426
Inventories, net	9	5,250,055,079	8,143,194,853	4,839,566,198	121,001,940	6,793,853,208	3,148,146,323
Other current assets	10	403,934,178	132,286,059	292,660,959	39,025,154	13,449,139	150,365,156
Total current assets		12,047,333,215	12,613,104,399	8,839,600,476	3,368,913,535	8,798,647,539	5,758,770,825
Non-current assets							
Investments in subsidiaries	12	-	-	-	7,736,659,904	7,629,342,502	7,435,972,471
Investments in joint ventures	12	170,601,097	804,399	500,000	23,577,992	804,399	500,000
Other long-term investment		200,000	200,000	200,000	-	-	-
Long-term loans to related parties, net	35	35,745,428	-	-	1,652,412,895	1,607,865,465	1,241,964,747
Investment property, net	13	21,601,471	25,742,153	28,300,285	-	-	-
Property, plant and equipment, net	14	14,435,271,766	12,860,754,037	12,255,347,036	3,947,086,044	3,441,959,164	3,139,974,867
Goodwill	15	1,537,801,207	1,537,801,207	1,537,801,207	-	-	-
Intangible assets	16	273,071,878	19,523,652	20,594,220	5,619,457	8,137,747	10,634,889
Leasehold rights, net	17	592,997,791	584,503,362	631,744,817	4,458,307	5,599,858	6,741,410
Deferred tax assets	18	235,254,383	149,944,381	154,972,202	70,654,577	2,947,628	349,220
Other non-current assets	19	252,208,770	302,633,187	186,517,391	376,611,147	319,595,831	132,424,953
Total non-current assets		17,554,753,791	15,481,906,378	14,815,977,158	13,817,080,323	13,016,252,594	11,968,562,557
Total assets		29,602,087,006	28,095,010,777	23,655,577,634	17,185,993,858	21,814,900,133	17,727,333,382

Director _____ Director _____

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2013

		Consolidated			Company		
		31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht
Notes							
Liabilities and shareholders' equity							
Current liabilities							
Short-term borrowings							
from financial institutions	20	7,337,962,271	7,585,072,727	5,891,563,246	4,051,522,630	7,585,068,794	5,861,563,246
Trade and other payables	21	3,123,711,577	4,181,482,292	2,545,908,391	1,267,296,840	2,709,985,716	1,392,900,116
Current portion of long-term loans	22	285,774,449	202,782,918	1,490,769,439	-	-	1,299,356,250
Current portion of finance lease liabilities	22	33,283,247	50,557,158	16,672,580	-	-	-
Current portion of bonds	24	1,499,674,875	-	-	1,499,674,875	-	-
Accrued income tax		179,499,046	173,274,265	152,035,250	-	82,603,332	-
Other current liabilities	23	123,430,260	95,229,026	78,217,223	74,891,793	59,020,914	14,727,183
Total current liabilities		12,583,335,725	12,288,398,386	10,175,166,129	6,893,386,138	10,436,678,756	8,568,546,795
Non-current liabilities							
Long-term loans from financial institutions, net	22	779,116,398	740,074,694	3,497,640,232	-	-	2,729,512,026
Long-term loans from related parties	35	3,000,000	3,000,000	-	786,000,000	251,000,000	764,200,000
Finance lease liabilities, net	22	813,218	34,459,306	18,263,526	-	-	-
Bonds, net	24	2,994,672,928	4,487,917,885	-	2,994,672,928	4,487,917,885	-
Cylinder deposits	25	3,805,016,274	3,021,469,984	2,698,747,730	627,180,581	553,109,521	420,358,301
Employee benefit obligations	26	117,407,284	85,226,605	79,078,198	42,282,023	30,821,878	28,874,976
Deferred tax liabilities	18	213,669,438	97,977,019	109,507,733	-	-	-
Other non-current liabilities		21,471,434	15,149,170	21,296,020	11,085,000	7,726,198	7,032,628
Total non-current liabilities		7,935,166,974	8,485,274,663	6,424,533,439	4,461,220,532	5,330,575,482	3,949,977,931
Total liabilities		20,518,502,699	20,773,673,049	16,599,699,568	11,354,606,670	15,767,254,238	12,518,524,726

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Financial Position
As at 31 December 2013

		Consolidated			Company	
		Restated	Restated		Restated	
		31 December	1 January	31 December	31 December	1 January
		2013	2012	2013	2012	2012
Notes	Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and						
shareholders' equity (continued)						
Shareholders' equity						
Share capital	27					
Authorised share capital						
918,931,500 ordinary						
shares with a par value						
of Baht 1 per share		<u>918,931,500</u>	<u>950,000,000</u>	<u>918,931,500</u>	<u>950,000,000</u>	<u>950,000,000</u>
Issued and paid-up						
share capital						
918,931,500 ordinary						
shares, fully paid-up						
of Baht 1 each		918,931,500	950,000,000	918,931,500	950,000,000	950,000,000
Premium on share capital	27	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings						
Appropriated						
- Legal reserve	29	162,088,663	162,088,663	162,088,663	162,088,663	162,088,663
- Reserve for						
treasury stock	30	-	272,143,445	-	272,143,445	272,143,445
Unappropriated		5,873,078,149	4,563,091,901	3,267,136,350	3,445,136,142	2,606,298,903
Other components of equity		146,967,866	(260,542,856)	(391,251,154)	(384,060,739)	(384,060,739)
Less Treasury stock	27, 30	<u>-</u>	<u>(272,143,445)</u>	<u>-</u>	<u>(272,143,445)</u>	<u>(272,143,445)</u>
Total parent's						
shareholders' equity		<u>8,975,548,007</u>	<u>7,289,119,537</u>	<u>5,831,387,188</u>	<u>6,047,645,895</u>	<u>5,208,808,656</u>
Non-controlling interests		<u>108,036,300</u>	<u>32,218,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>9,083,584,307</u>	<u>7,321,337,728</u>	<u>5,831,387,188</u>	<u>6,047,645,895</u>	<u>5,208,808,656</u>
Total liabilities and						
shareholders' equity		<u>29,602,087,006</u>	<u>28,095,010,777</u>	<u>17,185,993,858</u>	<u>21,814,900,133</u>	<u>17,727,333,382</u>

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Income
For the year ended 31 December 2013

		Consolidated		Company	
		Restated		Restated	
		2013	2012	2013	2012
Notes		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		64,308,123,372	46,628,219,634	23,343,755,089	31,554,917,673
Revenue from transportation		623,659,055	616,159,579	-	-
Revenue from services		89,562,150	93,089,005	133,057,034	123,502,303
Total revenue		65,021,344,577	47,337,468,218	23,476,812,123	31,678,419,976
Cost of sales and services		(62,217,393,247)	(44,815,304,478)	(23,612,052,554)	(30,968,212,485)
Cost of transportation		(464,497,511)	(448,370,885)	-	-
Total cost of sales, services and transportation		(62,681,890,758)	(45,263,675,363)	(23,612,052,554)	(30,968,212,485)
Gross profit (loss)		2,339,453,819	2,073,792,855	(135,240,431)	710,207,491
Dividend income	28	-	-	461,651,603	964,091,647
Gain on business acquisition	11	531,233,779	-	-	-
Other income	31	725,043,281	414,408,007	511,389,342	442,312,410
Total other income		1,256,277,060	414,408,007	973,040,945	1,406,404,057
Profit before expenses		3,595,730,879	2,488,200,862	837,800,514	2,116,611,548
Selling expenses		(168,849,893)	(151,842,615)	(51,119,580)	(52,358,243)
Administrative expenses		(1,062,505,290)	(774,624,232)	(382,460,265)	(328,743,317)
Loss sharing from joint venture	12	(10,246,131)	-	-	-
Total expenses		(1,241,601,314)	(926,466,847)	(433,579,845)	(381,101,560)
Profit before finance costs and income tax		2,354,129,565	1,561,734,015	404,220,669	1,735,509,988
Finance costs	32	(494,063,211)	(434,278,923)	(357,585,646)	(392,467,854)
Profit before income tax		1,860,066,354	1,127,455,092	46,635,023	1,343,042,134
Income tax	33	(211,280,114)	(324,143,730)	65,909,345	(90,688,345)
Net profit for the year		1,648,786,240	803,311,362	112,544,368	1,252,353,789
Attributable to:					
Equity holders of the parent		1,602,263,090	823,555,599	112,544,368	1,252,353,789
Non-controlling interests		46,523,150	(20,244,237)	-	-
Net profit for the year		1,648,786,240	803,311,362	112,544,368	1,252,353,789
Earnings per share for profit attributable to the equity holders of the parent					
34					
Basic earnings per share (Baht)		1.74	0.90	0.12	1.36

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2013

	Consolidated		Company	
	2013	Restated	2013	Restated
	Baht	2012	Baht	2012
		Baht		Baht
Net profit for the year	1,648,786,240	803,311,362	112,544,368	1,252,353,789
Other comprehensive income:				
- Currency translation difference	427,972,395	(125,061,765)	-	-
- Unrealised actuarial losses on employee benefit plans	(25,784,734)	-	(8,988,019)	-
- Income tax relating to components of other comprehensive income	5,323,061	-	1,797,604	-
Total comprehensive income for the year	2,056,296,962	678,249,597	105,353,953	1,252,353,789
Total comprehensive income attributable to:				
Owners of the parent	2,009,773,812	698,493,834	105,353,953	1,252,353,789
Non-controlling interests	46,523,150	(20,244,237)	-	-
	2,056,296,962	678,249,597	105,353,953	1,252,353,789

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2013

	Consolidated													
	Attributable to equity holders of the parent													
						Other components of equity								
	Issued and paid-up share capital Baht	Premium on share capital Baht	Legal reserve Baht	Retained earnings Reserve for treasury stock Baht	Unappropriated Restated Baht	Revaluation surplus on land Baht	Difference from purchase of assets from a business combination under common control Baht	Difference from taking equity of a business combination under common control Baht	Currency translation difference Baht	Unrealised actuarial losses on employee benefit plans Baht	Total other components of equity Baht	Treasury stock Baht	Non-controlling interests Baht	Total equity Baht
Opening balance 1 January 2013														
As previously reported	950,000,000	1,874,481,829	162,088,663	272,143,445	4,312,480,396	310,443,917	(660,734,022)	22,582,995	77,556,127	-	(250,150,983)	(272,143,445)	32,218,191	7,081,118,096
Impact from the adoption of new accounting standard														
- income taxes (Note 2.3)	-	-	-	-	250,611,505	(62,088,783)	51,696,910	-	-	-	(10,391,873)	-	-	240,219,632
As currently reported	950,000,000	1,874,481,829	162,088,663	272,143,445	4,563,091,901	248,355,134	(609,037,112)	22,582,995	77,556,127	-	(260,542,856)	(272,143,445)	32,218,191	7,321,337,728
Decrease in share and reduction of treasury stock	(31,068,500)	-	-	-	(241,074,945)	-	-	-	-	-	-	272,143,445	-	-
Reversal of reserve for treasury stock	-	-	-	(272,143,445)	272,143,445	-	-	-	-	-	-	-	-	-
Dividends paid (Note 28)	-	-	-	-	(323,345,342)	-	-	-	-	-	-	-	(1,178,200)	(324,523,542)
Capital contributions from holder of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	30,473,159	30,473,159
Total comprehensive income for the year	-	-	-	-	1,602,263,090	-	-	-	427,972,395	(20,461,673)	407,510,722	-	46,523,150	2,056,296,962
Closing balance														
- 31 December 2013	<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>-</u>	<u>5,873,078,149</u>	<u>248,355,134</u>	<u>(609,037,112)</u>	<u>22,582,995</u>	<u>505,528,522</u>	<u>(20,461,673)</u>	<u>146,967,866</u>	<u>-</u>	<u>108,036,300</u>	<u>9,083,584,307</u>
Opening balance 1 January 2012														
As previously reported	950,000,000	1,874,481,829	162,088,663	272,143,445	3,912,845,451	310,443,917	(660,734,022)	22,582,995	202,617,892	-	(125,089,218)	(272,143,445)	47,834,601	6,822,161,326
Impact from the adoption of new accounting standard														
- income taxes (Note 2.3)	-	-	-	-	244,108,613	(62,088,783)	51,696,910	-	-	-	(10,391,873)	-	-	233,716,740
As currently reported	950,000,000	1,874,481,829	162,088,663	272,143,445	4,156,954,064	248,355,134	(609,037,112)	22,582,995	202,617,892	-	(135,481,091)	(272,143,445)	47,834,601	7,055,878,066
Dividends paid (Note 28)	-	-	-	-	(417,417,762)	-	-	-	-	-	-	-	(1,410,513)	(418,828,275)
Capital contributions from holder of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	6,038,340	6,038,340
Total comprehensive income for the year	-	-	-	-	823,555,599	-	-	-	(125,061,765)	-	(125,061,765)	-	(20,244,237)	678,249,597
Closing balance														
- 31 December 2012	<u>950,000,000</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>272,143,445</u>	<u>4,563,091,901</u>	<u>248,355,134</u>	<u>(609,037,112)</u>	<u>22,582,995</u>	<u>77,556,127</u>	<u>-</u>	<u>(260,542,856)</u>	<u>(272,143,445)</u>	<u>32,218,191</u>	<u>7,321,337,728</u>

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2013

	Company										
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings			Revaluation surplus on land Baht	Other components of equity				Total equity Baht
			Legal reserve Baht	Reserve for treasury stock Baht	Unappropriated Baht		Difference from purchase of assets from a business combination under common control Baht	Unrealised actuarial losses on employee benefit plans Baht	Total other components of equity Baht	Treasury stock Baht	
Opening balance 1 January 2013											
As previously reported	950,000,000	1,874,481,829	162,088,663	272,143,445	3,437,641,331	281,220,466	(660,734,022)	-	(379,513,556)	(272,143,445)	6,044,698,267
Impact from the adoption of new accounting standard											
- income taxes (Note 2.3)	-	-	-	-	7,494,811	(56,244,093)	51,696,910	-	(4,547,183)	-	2,947,628
As currently reported	950,000,000	1,874,481,829	162,088,663	272,143,445	3,445,136,142	224,976,373	(609,037,112)	-	(384,060,739)	(272,143,445)	6,047,645,895
Decrease in share and reduction of treasury stock	(31,068,500)	-	-	-	(241,074,945)	-	-	-	-	272,143,445	-
Reversal of reserve for treasury stock	-	-	-	(272,143,445)	272,143,445	-	-	-	-	-	-
Dividends paid (Note 28)	-	-	-	-	(321,612,660)	-	-	-	-	-	(321,612,660)
Total comprehensive income for the year	-	-	-	-	112,544,368	-	-	(7,190,415)	(7,190,415)	-	105,353,953
Closing balance - 31 December 2013	918,931,500	1,874,481,829	162,088,663	-	3,267,136,350	224,976,373	(609,037,112)	(7,190,415)	(391,251,154)	-	5,831,387,188
Opening balance 1 January 2012											
As previously reported	950,000,000	1,874,481,829	162,088,663	272,143,445	2,601,403,930	281,220,466	(660,734,022)	-	(379,513,556)	(272,143,445)	5,208,460,866
Impact from the adoption of new accounting standard											
- income taxes (Note 2.3)	-	-	-	-	4,894,973	(56,244,093)	51,696,910	-	(4,547,183)	-	347,790
As currently reported	950,000,000	1,874,481,829	162,088,663	272,143,445	2,606,298,903	224,976,373	(609,037,112)	-	(384,060,739)	(272,143,445)	5,208,808,656
Dividends paid (Note 28)	-	-	-	-	(413,516,550)	-	-	-	-	-	(413,516,550)
Total comprehensive income for the year	-	-	-	-	1,252,353,789	-	-	-	-	-	1,252,353,789
Closing balance - 31 December 2012	950,000,000	1,874,481,829	162,088,663	272,143,445	3,445,136,142	224,976,373	(609,037,112)	-	(384,060,739)	(272,143,445)	6,047,645,895

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from operating activities					
Net profit before income tax		1,860,066,354	1,127,455,092	46,635,023	1,343,042,134
Adjustments for:					
Depreciation expenses - property, plant and equipment	13, 14	951,431,685	776,645,859	85,075,760	71,124,487
Amortisation expenses - intangible assets, leasehold rights and other assets		66,046,756	52,715,261	3,659,841	3,658,694
Interest expenses		432,798,147	366,582,814	337,976,888	334,595,544
Allowance for doubtful debts (reversal)		13,853,935	1,587,826	1,841,310	-
Reversal of provision for diminution in value of inventories		6,409,267	(12,235,332)	-	-
Impairment charge on investment in subsidiary	12	-	-	45,000,000	22,000,000
Written off of property, plant and equipment		15,021,575	1,918,847	3,462,506	1,198,895
Unrealised (gain) loss on exchange rate		52,054,122	(9,344,836)	2,935,925	15,333,245
Gain on sales/written off of property, plant and equipment, net		(4,010,903)	(8,258,995)	(1,519,577)	(14,439,070)
Gain from business acquisition	11	(531,233,777)	-	-	-
Loss sharing from joint venture		10,246,131	-	-	-
Employee benefit obligations	26	8,588,524	8,485,670	2,472,125	2,366,782
Bad debt write-off		-	16,110	-	-
Amortisation of front end fee expense		7,165,473	20,541,678	6,429,918	20,174,609
Interest received	31	(15,217,892)	(11,848,989)	(68,450,609)	(85,757,142)
Dividends received	28	-	-	(461,651,603)	(964,091,647)
		2,873,219,397	2,314,261,005	3,867,507	749,206,531
Changes in operating working capital					
- trade and other receivables		(1,821,486,296)	(700,184,110)	(1,189,910,470)	433,640,511
- inventories		2,928,708,368	(3,285,864,833)	6,672,851,267	(3,640,498,843)
- other current assets		(250,661,008)	162,461,423	(1,568,036)	84,826,802
- other non-current assets		27,156,529	(154,271,041)	296,558	(135,085,934)
- trade and other payables		(1,114,513,195)	1,629,925,731	(1,470,523,825)	1,329,706,727
- cylinder deposits		283,190,296	322,722,254	74,071,061	132,751,220
- other current liabilities		(65,385,938)	(23,567,980)	1,890,682	4,554,054
- other non-current liabilities		6,183,569	(6,146,852)	3,358,802	695,000
- employee benefit obligations paid		(2,192,580)	(2,337,263)	-	(419,880)
Cash flows receipts from/(payments for) operating activities before interest and income tax paid		2,864,219,142	256,998,334	4,094,333,546	(1,040,623,812)
- Interest paid		(423,408,160)	(326,003,033)	(322,440,980)	(294,855,868)
- Income tax paid		(203,922,069)	(311,494,130)	(84,159,044)	(10,684,850)
Net cash receipts from (payments for) operating activities		2,236,888,913	(380,498,829)	3,687,733,522	(1,346,164,530)

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2013

		Consolidated		Company	
		2013	2012	2013	2012
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from long-term loans to related parties	35	-	-	138,988,721	46,400,000
Payment for long-term loans to related parties	35	(29,231,594)	-	(127,904,120)	(437,000,000)
Acquisitions of subsidiaries		(57,187,993)	-	(142,931,543)	(215,370,031)
Acquisition of joint venture		(7,803,168)	(304,399)	(11,738,857)	(304,399)
Purchases of property, plant and equipment		(1,433,605,675)	(1,506,911,707)	(604,532,661)	(405,905,642)
Proceeds from disposals of property, plant and equipment		36,634,053	45,057,687	3,409,357	154,043,182
Purchases of intangible assets		(3,230,528)	(2,490,638)	-	(20,000)
Interest received		15,217,892	11,848,989	3,522,846	8,250,150
Dividends received	28	-	-	461,651,603	964,091,647
Net cash receipts from (payments for) investing activities		(1,479,207,013)	(1,452,800,068)	(279,534,654)	114,184,907
Cash flows from financing activities					
Proceeds from (repayments for) short-term loans from financial institutions, net		(305,710,805)	1,712,944,557	(3,592,146,513)	1,732,895,025
Proceeds from long-term loans from related parties	35	-	3,000,000	1,090,000,000	425,000,000
Repayments of long-term loans from related parties	35	-	-	(555,000,000)	(938,200,000)
Proceeds from long-term loans from financial institutions	22	351,120,000	299,250,000	-	-
Repayments of long-term loans from financial institutions	22	(229,822,321)	(4,359,600,848)	-	(4,043,300,000)
Proceeds from issue of bonds, net	24	-	4,482,175,000	-	4,482,175,000
Capital contributions from holder of non-controlling interest		30,439,500	6,038,340	-	-
Proceeds from (repayments for) liabilities under finance lease agreement		(50,919,993)	50,080,358	-	-
Dividends payments	28	(324,523,542)	(418,828,275)	(321,612,660)	(413,516,550)
Net cash receipts from financing activities		(529,417,161)	1,775,059,132	(3,378,759,173)	1,245,053,475
Net (decrease) increase in cash and cash equivalents					
		228,264,739	(58,239,765)	29,439,695	13,073,852
Cash and cash equivalents - opening balance		1,461,276,267	1,519,560,673	203,215,334	190,164,921
Exchange gains (loss) on cash and cash equivalents		32,393	(44,641)	32,393	(23,439)
Cash and cash equivalents - closing balance	7	<u>1,689,573,399</u>	<u>1,461,276,267</u>	<u>232,687,422</u>	<u>203,215,334</u>

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2013

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Non-cash items				
Advance payments for investment in subsidiaries (included in other assets)	-	-	-	8,856,000
Payable for purchase of investments in subsidiaries (included in other payable)	-	-	529,859	-
Payable for purchase of investments in joint venture (included in other payable)	11,034,736	-	11,034,736	-
Payables for purchase of property, plant and equipment (included in other accounts payable)	43,738,745	62,148,488	36,957,065	20,686,711
Advance payments for property, plant and equipment (included in other assets)	69,377,178	47,095,037	61,365,858	36,117,769

The notes to the consolidated and company financial statements from pages 13 to 75 are an integral part of these financial statements.

1 General information

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

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

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

These consolidated and company financial statements were authorised by the Board of Directors on 20 February 2014.

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations

- 1) New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Company are:

TAS 12	Income taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes is provided in Note 2.15 and the significant impacts to the Company are described in Note 2.3.

TAS 21(Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that Thai Baht is the Company's functional currency. As the consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.5

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.22. The impact to the Company in applying TFRS 8 is only on a disclosure.

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

- a) Revised accounting standards effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of financial statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related party disclosures
TAS 28 (Revised 2012)	Investments in associates
TAS 31 (Revised 2012)	Interest in joint ventures
TAS 34 (Revised 2012)	Interim financial reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based payment
TFRS 3 (Revised 2012)	Business combinations
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (Revised 2012)	Operating segments

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations (continued)

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (continued)
- a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (continued)

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations (continued)

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (continued)
- a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (continued)

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of government-related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effective for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loss of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effective for the period begins on or after 1 Jan 2011. This standard has no impact to the Group

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations (continued)

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (continued)
- a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (continued)

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2013) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

- b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations committee (SIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations (continued)

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group (continued):
- b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations committee (SIC) effective for the periods beginning on or after 1 January 2014 (continued)

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The management is currently assessing the impact of applying this interpretation. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

2 Accounting policies (continued)

2.2 New/revised accounting standards, new/revised financial reporting, and related interpretations (continued)

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group (continued):
 - b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations committee (SIC) effective for the periods beginning on or after 1 January 2014 (continued)

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 “Leases”. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 “Intangible Assets”. This interpretation has no impact to the Group.

- c) New accounting standard which is effective for the periods beginning on or after 1 January 2016

IFRS 4 Insurance Contracts

IFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. IFRS 4 is not relevant to the Group’s operations.

Siamgas and Petrochemicals Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (continued)

2.3 Impact on the adoption of new accounting policy

The Group adopted accounting standard “Income Taxes” for the first time and adjusted retrospectively. The impact on the consolidated and company financial statements are as below;

Current and deferred income taxes

The impacts on the statements of financial position as at 31 December 2012

Consolidated Financial Statements	As previously reported Million Baht	Adjustments from the adoption of new accounting policy Million Baht	As currently reported in the financial statements Million Baht
Goodwill	1,350	188	1,538
Deferred tax assets	-	150	150
Deferred tax liabilities	-	98	98
Retained earnings as at 1 January 2012	3,913	244	4,157
Retained earnings as at 31 December 2012	4,312	251	4,563
Other components of shareholders' equity as at 1 January 2012	(125)	(10)	(135)
Other components of shareholders' equity as at 31 December 2012	(250)	(10)	(260)
Company Financial Statements			
Deferred tax assets	-	3	3
Retained earnings as at 1 January 2012	2,601	5	2,606
Retained earnings as at 31 December 2012	3,438	7	3,445
Other components of shareholders' equity as at 1 January 2012	(380)	(4)	(384)
Other components of shareholders' equity as at 31 December 2012	(380)	(4)	(384)

The impacts on the statements of income for the year ended 31 December 2012

Consolidated Financial Statements	As previously reported Million Baht	Adjustments from the adoption of new accounting policy Million Baht	As currently reported in the financial statements Million Baht
Income taxes	331	(7)	324
Net income for the year	796	7	803
Basic earnings per share (Baht per share)	0.89	0.01	0.90
Company Financial Statements			
Income taxes	93	(2)	91
Net income for the year	1,250	2	1,252
Basic earnings per share (Baht per share)	1.36	-	1.36

2 Accounting policies (continued)

2.3 Impact on the adoption of new accounting policy (continued)

Current and deferred income taxes (continued)

Impacts on the statements of comprehensive income for the year ended 31 December 2012

	As previously reported Million Baht	Adjustments from the adoption of new accounting policy Million Baht	As currently reported in the financial statements Million Baht
Consolidated Financial Statements			
Net income for the year	796	7	803
Comprehensive income for the year	671	7	678
Company Financial Statements			
Net income for the year	1,250	2	1,252
Comprehensive income for the year	1,250	2	1,252

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

2.4.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting 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 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.

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.

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 Group's share of the identifiable net assets acquired is recorded as goodwill. If this 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.

A list of the Group's subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 11 and Note 12.

2 Accounting policies (continued)

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

2.4.2 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.

When the Group ceases to have control or significant influence, 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.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2.4.3 Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises that portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

In the Company's separate financial statements, interest in jointly controlled entities is accounted for using the cost method.

A list of the Group's principal joint ventures is set out in Note 12.

2 Accounting policies (continued)

2.5 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.

2.6 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.

2.7 Trade accounts receivables

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 Accounting policies (continued)

2.8 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.

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on investment properties (Buildings) is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives over periods of 20 - 30 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2 Accounting policies (continued)

2.10 Property, plant and equipment

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

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

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

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

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

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

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

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

2 Accounting policies (continued)

2.11 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.

2.12 Intangible assets

2.12.1 Computer software

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

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

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

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

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

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

2 Accounting policies (continued)

2.12 Intangible assets (continued)

2.12.2 Leasehold rights

Leasehold rights acquired by prepayment are stated at cost and amortised on a straight-line basis over the leasehold period.

2.12.3 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.

2.13 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.

2.14 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.

2 Accounting policies (continued)

2.14 Leases - where a Group company is the lessee (continued)

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.

2.15 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 Accounting policies (continued)

2.16 Employee benefits

Group companies operate various employee benefit schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension 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. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of employee 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 plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated 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 employee benefit liability.

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

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly administered employee benefit insurance plans on a mandatory, contractual or voluntary basis. 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.

2.17 Provisions

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

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

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

2 Accounting policies (continued)

2.18 Cylinder deposits

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

2.19 Share capital

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

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

2.20 Revenue recognition

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

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

2.21 Dividends

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

2.22 Segment reporting

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

2 Accounting policies (continued)

2.23 Related party transactions

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

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

2.24 Financial instruments

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

3 Financial risk management

3.1 Financial risk factors

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

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.

3.1.1 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an effect on the Group in the current reporting period and in future years. The Group has not entered into the hedging contracts because the Group assesses that the changes in exchange rates will not significantly affect assets and liabilities dominated in foreign currencies.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Interest rate risk

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

	Consolidated		Company		Interest rate per annum	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht	2013 % p.a.	2012 % p.a.
Short-term loans from commercial banks	7,338	7,585	4,052	7,585	0.80-3.90	0.80-3.85
Long-term loans from commercial banks	1,067	945	-	-	MLR-1, MLR-1.5	MLR-1, MLR-1.5
Long-term loans from related parties	3	3	786	251	Fixed deposits + 0.25	Fixed deposits + 0.25
Bond	4,500	4,500	4,500	4,500	4.75-5.90	4.75-5.90

In order to manage the interest rate risk on long-term loans or bonds, the Group has maintained the fixed-interest borrowings. At the year end, interest rate of bonds at 4.75% - 5.90% the fixed rate. The Group sometimes borrows at floating rates but does not use 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 Financial risk management (continued)

3.2 Fair value

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, finance lease liabilities, 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, and cylinder deposits are uncertain, the Group cannot estimate a reliable repayment period, therefore the fair value cannot be reliably estimated. Bonds which have fixed interest rates, the Group disclosed their fair values below.

The book value and fair value of bonds are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans, net				
- Book Value	4,500	4,500	4,500	4,500
- Fair Value	4,527	4,569	4,527	4,569

The fair values of bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the bond rates which the management expects would be available to the Group and the Company at the date of the financial statements. The carrying amounts of long-term loans with the floating interest rate and finance lease liabilities approximate their fair values.

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.

4.1 Critical accounting estimates and assumptions

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.

4 Critical accounting estimates, assumptions and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(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 2.13. 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 15). 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 26.

(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.

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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 20, 22, and 24).

6 Segment information

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

The significant business 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 and ethanol production

	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 2013					
Sales and service income	86,872	2,246	260	(24,357)	65,021
Cost of goods sold and services	(84,945)	(1,847)	(212)	24,322	(62,682)
Operating profit	1,927	399	48	(35)	2,339
Other income	1,305	27	16	(623)	725
Net income before operating expense	3,232	426	64	(658)	3,064
Gain on business combination					531
Share of profit (loss) from investment					(10)
Unallocated income/(expenses)					(1,983)
Net profit for the year for the parent					1,602
For the year ended 31 December 2012					
Sales and service income	49,402	1,737	449	(4,251)	47,337
Cost of goods sold and services	(47,633)	(1,360)	(429)	4,159	(45,263)
Operating profit	1,769	377	20	(92)	2,074
Other income	636	55	6	(283)	414
Net income before operating expense	2,405	432	26	(375)	2,488
Unallocated income/(expenses)					(1,665)
Net profit for the year for the parent					823

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7 Cash and cash equivalents

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Cash on hand	10	9	3	3
Deposits held at call with banks	1,679	1,452	230	200
Cash and bank balances	1,689	1,461	233	203

The average interest rate on deposits held at call with banks was ranged between 0.01% - 3.25% per annum (2012: 0.01% - 3.25% per annum).

8 Trade and other receivables

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivables	3,985	2,724	426	1,526
<u>Less</u> Allowance for doubtful accounts	(68)	(53)	(5)	(3)
Trade receivables - net	3,917	2,671	421	1,523
Trade receivables from related parties (Note 35)	2	1	2,488	197
Other Receivables	472	-	-	-
Prepayments	137	113	60	67
Advance payment	91	90	7	1
Accrued revenue	14	1	-	-
Other receivables from related parties (Note 35)	71	-	-	-
Trade and other receivables	4,704	2,876	2,976	1,788

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8 Trade and other receivables, net (continued)

An aging analysis of the trade receivable is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivable				
Current	3,700	2,483	297	1,447
Overdue				
- below 3 months	197	174	105	74
- 3 months to 12 months	21	16	20	2
- more than 12 months	67	51	4	3
Total	3,985	2,724	426	1,526
<u>Less</u> Allowance for doubtful accounts	(68)	(53)	(5)	(3)
Trade receivable, net	3,917	2,671	421	1,523

9 Inventories, net

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Petroleum products	4,762	7,290	94	6,584
Petrochemical products	28	60	-	-
Oil products	41	32	-	-
Finished goods	16	13	1	1
Raw material	62	65	-	-
Supplies and others	111	75	-	-
Goods in transit	219	594	26	209
Work in process	22	19	-	-
Total	5,261	8,148	121	6,794
<u>Less</u> Allowance for diminution in value of inventories	(11)	(5)	-	-
Inventories, net	5,250	8,143	121	6,794

The cost of inventories recognised as expense and included in 'cost of sales' amounted to Baht 56,674 million (2012: Baht 44,467 million) in the consolidated financial statements and amounted to Baht 23,071 million (2012: Baht 29,273 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 6% of the total trading volume of petroleum products and crude oil in Thailand in each period, respectively. As at 31 December 2013, the inventories included minimum mandatory reserve on petroleum products and crude oil amounting to Baht 195.25 million in the consolidated financial statements, and Baht 90.19 million in the company financial statements (31 December 2012: Baht 191.46 million in the consolidated financial statements, and Baht 89.91 million in the company financial statements), which were net of allowance for net realisable value.

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10 Other current assets

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
VAT refundable	224	56	-	-
Corporate income tax refundable	24	-	24	-
Accrued interest income on loans to subsidiaries (Note 35)	-	-	1	1
Deposits	76	22	1	1
Others	80	54	13	11
Total	404	132	39	13

11 Business acquisition

i) Business acquisition of Citygas Company Limited

As at 18 January 2013, the Group acquired 100% share capital of Citygas Company Limited (formerly named “Shell Gas LPG Vietnam Ltd.”) which is incorporated in Vietnam and operates in petroleum products distribution business. The consideration of the acquisition was USD 0.1 million or Baht 4 million. The Group paid deposits of USD 0.02 million or Baht 0.62 million, on the signing date of the capital interest transfer agreement on 3 October 2012. The remaining initial consideration was paid at the completion date on 18 January 2013.

Details of net assets acquired are as follows:

	Million Baht
Plant and equipment, net	201
Intangible assets	85
Liabilities less other assets	(161)
Fair value of net assets	125
Gain on business acquisition	(121)
Total purchase consideration	4
<u>Less</u> Cash and cash equivalents of subsidiary	(21)
Net cash receipt from the acquisition	17

The Group has completed the assessment of fair value of net assets acquired. The fair values of plant and equipment and intangible assets were assessed by an independent valuer. Net identifiable assets at the acquisition date based on the fair value of net assets were Baht 125 million. The fair value of net assets acquired was higher than total purchase consideration by Baht 121 million. Therefore, the Group has recognised the excess as gain on business acquisition in the consolidated statement of income for the year ended 31 December 2013.

11 Business acquisition (continued)

ii) Business acquisition of Citygas North Company Limited

As at 18 January 2013, the Group acquired 79.64% share capital of Citygas North Company Limited (formerly named “Shell Gas Hai Phong Limited”) which is incorporated in Vietnam and operates in petroleum products distribution business. The consideration of the acquisition was USD 0.67 million or Baht 20 million. The Group has paid deposits of USD 0.06 million or Baht 1.87 million on the signing date of the capital interest transfer agreement on 3 October 2012, and paid the consideration of USD 0.24 million or Baht 7.17 million at the completion of business acquisition on 18 January 2013. The remaining consideration of USD 0.37 million or Baht 11.43 million will be paid at a later date. The Group has recognised liabilities for such amount as account payable-others in the consolidated financial statements. The actual final payment is depended on the result of the consideration on certain conditions which are specified in the sales contract.

Details of net assets acquired based on proportion of investment at 79.64% are as follows:

	<u>Million Baht</u>
Plant and equipment, net	190
Intangible assets	113
Liabilities less other assets	<u>(122)</u>
Estimated fair value of net assets	181
Gain on business acquisition	<u>(161)</u>
Total purchase consideration	<u><u>20</u></u>

The Group has completed the assessment of fair value of net assets acquired. The fair value of plant and equipment and intangible assets was assessed by an independent valuer. Net identifiable assets at the acquisition date based on the fair value of net assets were Baht 181 million. The fair value of net assets acquired was higher than total purchase consideration by Baht 161 million. Therefore, the Group has recognised the excess as gain on business acquisition in the consolidated statement of income for the year ended 31 December 2013.

iii) Acquisition of business and certain assets of the gas division of Shell Timur Sdn.Bhd. through MyGaz Sdn.Bhd.

On 29 May 2013, the Group acquired the business and certain assets of the gas division of Shell Timur Sdn.Bhd. in East Malaysia through MyGaz Sdn.Bhd., a subsidiary which holds 70 percent by the Company and operates in the distribution of liquid petroleum products. The value of an acquisition and the net assets acquired is approximately Malaysia ringgit 7.57 million or Baht 75.7 million. The Group paid a deposit of Malaysia ringgit 2 million, or Baht 20 million at the date of entering the contract (Agreement for the sale and purchase of the LPG Business and assets of Shell Timur Sdn.Bhd.) on 3 October 2012, and paid Malaysia ringgit 8 million or Baht 80 million at the date of completion of the acquisition on 29 May 2013. However, the seller has to return the difference between the value of the net assets of Malaysia ringgit 7.57 million and the total payments of Malaysia ringgit 10 million paid by the Group. Net difference of approximately Malaysia ringgit 2.43 million or Baht 24.3 million was fully returned to the Group on 11 October 2013.

11 Business acquisition (continued)

iii) Business acquisition of Shell Timur Sdn.Bhd. through MyGaz Sdn.Bhd. (continued)

Details of net assets acquired are as follows:

	<u>Million Baht</u>
Plant and equipment, net	482
Intangible assets	195
Liabilities less other assets	<u>(353)</u>
Fair value of net assets	324
Gain on business acquisition	<u>(249)</u>
Total purchase consideration	<u>75</u>

The Group has completed the assessment of fair value of net assets acquired. The fair value of plant and equipment and intangible assets was assessed by an independent valuer. Net identifiable assets at the acquisition date based on the fair value of net assets were Baht 324 million. The fair value of net assets acquired was higher than total purchase consideration by Baht 249 million. Therefore, the Group has recognised the excess as gain on business acquisition in the consolidated statement of income for the year ended 31 December 2013.

As a result of business acquisition in Citygas Company Limited and the gas division of Shell Timur Sdn. Bhd., the consolidated financial statements included total revenue of Baht 2,621 million and total net profit of Baht 213 million of these subsidiaries since the date of business acquisition until the period ended 31 December 2013. Revenue and net profit of Citygas Company Limited from 1 January 2013 until the date of business acquisition is not material to the Group. Furthermore, revenue and net profit of the gas division of Shell Timur Sdn. Bhd., are not specified due to no separate booking of such financial information for this division prior to the acquisition.

12 Investments in subsidiaries and joint ventures

12.1 Investments in subsidiaries

The movement in investments in subsidiaries are as follows:

	<u>Consolidated</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Opening balance - net	-	-	7,629	7,436
Acquisitions	-	-	153	215
Impairment charge	-	-	(45)	(22)
Closing balance - net	<u>-</u>	<u>-</u>	<u>7,737</u>	<u>7,629</u>

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12 Investments in subsidiaries and joint ventures (continued)

12.1 Investments in subsidiaries (continued)

The principal subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2013	2012	
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%	29.24%	Transportation services
Siam Suksawat Company Limited	Thailand	100.00%	100.00%	Manufacturing and distribution of LPG cylinders
Siamgas Hongkong Company Limited	Hongkong	100.00%	100.00%	Holding business
Super Gas Company Limited	Vietnam	100.00%	100.00%	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00%	95.00%	Petroleum products distribution
United Gas & Petrochemicals Sdn. Bhd.	Malaysia	100.00%	100.00%	Petroleum products distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00%	100.00%	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00%	70.00%	Petroleum products distribution
Citygas Company Limited	Vietnam	100.00%	-	Petroleum products distribution
Indirect Subsidiaries (holding by Unique Gas and Petrochemicals Public Company Limited)				
Chemical Gas Transportation Company Limited	Thailand	-	99.99%	Liquidated
Siam Lucky Marine Company Limited	Thailand	15.65%	19.30%	Transportation services

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

12.1 Investments in subsidiaries (continued)

The principal subsidiaries are as follows: (continued)

	<u>Country of incorporation</u>	<u>% ownership interest</u>		<u>Type of business</u>
		<u>2013</u>	<u>2012</u>	
Indirect Subsidiary (holding by Lucky Carrier Company Limited)				
Siam Lucky Marine Company Limited	Thailand	41.70%	51.46%	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

Detail of investments in subsidiaries is as follows:

	Company			
	Paid-up Capital		Cost Method	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Siamgas Hongkong Co., Ltd.	4,088	4,088	4,088	4,088
Unique Gas and Petrochemicals Public Company Limited	105	105	2,105	2,105
SingGas (LPG) Pte. Ltd.	336	336	427	427
Super Gas Co., Ltd.	133	133	384	384
Siam Ethanol Export Company Limited	400	400	280	280
Lucky Carrier Company Limited	70	70	70	70
Siam Quality Steel Company Limited	70	70	70	70
United Gas & Petrochemicals Sdn. Bhd.	10	10	10	10
Siam Suksawat Co., Ltd.	100	100	100	100
Siam Lucky Marine Company Limited	422	342	180	100
Citygas Company Limited	292	-	4	-
MyGaz Sdn. Bhd.	121	21	84	15
Siam Gas Trading Pte. Ltd.	2	2	2	2
Total investment in subsidiaries			7,804	7,651
<u>Less</u> : Impairment charge			(67)	(22)
Investment in subsidiaries, net			<u>7,737</u>	<u>7,629</u>

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

12.1 Investments in subsidiaries (continued)

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

On 31 December 2013, the Company recognised impairment charge on investment in subsidiary, amounting to Baht 45 million (2012: Baht 22 million) because the ethanol business operation is not run as plan. The impairment testing was determined based on the fair value net selling cost. The fair value is determined by Group's management.

On 29 May 2013, MyGaz Sdn. Bhd. increased its share capital by Malaysia ringgit 10 million or Baht 99 million, and the Company invested at the same proportion of shareholding in the additional share capital by Baht 69 million. The remaining additional capital of Baht 30 million was contributed by non-controlling interest.

On 20 March 2013, the Company acquired all new 8 million common shares issued by Siam Lucky Marine Company Limited, an indirect subsidiary at Baht 10 per share, totalling Baht 80 million. The shareholders' structure of Siam Lucky Marine Company Limited after increase of share capital is as follows:

Held by	% ownership interest	
	New shareholder structure	Former shareholder structure
Siam Gas and Petrochemicals Public Company Limited	42.65	29.24
Unique Gas and Petrochemicals Public Company Limited	15.65	19.30
Lucky Carrier Company Limited	41.70	51.46
	100.00	100.00

On 18 January 2013, the Group acquired 100% of shares in Citygas Company Limited, subsidiary (formerly Shell Gas LPG Vitenam Ltd.) and acquired 79.64% of share in CityGas North Limited, joint venture (formerly Shell Gas Hai Phong Limited). These companies registered in Vietnam (Note 11).

On 29 June 2012, Chemical Gas Transportation Company Limited (CGTC) transferred its entire business to Lucky Carrier Company Limited, a subsidiary of the Group, and then registered the dissolution of CGTC with the Department of Business Development, Ministry of Commerce. Chemical Gas Transportation Company Limited has transferred the assets, liabilities and rights and obligations at the net book value as of the transferred date to Lucky Carrier Company Limited. On 27 March 2013, Chemical Gas Transportation Company Limited completed the process of liquidation with the Department of Business Development, Ministry of Commerce. The CGTC's liquidator has returned the remaining equity of Baht 25.59 million to its shareholders on 20 June 2013. This business transfer within the Group does not impact to the consolidated and company financial statements being presented.

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

12.2 Investments in joint ventures

The joint ventures are as follows:

	<u>Country of incorporation</u>	<u>% ownership interest</u>		<u>Type of business</u>
		<u>2013</u>	<u>2012</u>	
Direct Joint Ventures				
SG Gas Sdn. Bhd.	Malaysia	29.99%	29.99%	Petrochemical products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00%	50.00%	Transportation for medium range size up very large crude oil carrier (VLCC)
Citygas North Company Limited	Vietnam	79.64%	-	Petrochemical products distribution

Detail of investment in joint ventures is as follow:

	Paid-up Capital (the Group's portion)		Consolidated Equity Method		Company Cost Method	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Citygas Noth Co., Ltd.	150	-	167.1	-	20.1	-
SG Gas Sdn. Bhd.	3.0	0.3	3.0	0.3	3.0	0.3
Siam Nathalin Co., Ltd.	0.5	0.5	0.5	0.5	0.5	0.5
	153.5	0.8	170.6	0.8	23.6	0.8

On 26 December 2013, the Company made payment for investment in the joint venture, SG Gas Sdn. Bhd., registered in Malaysia, in the same portion of ownership interest at 29.99%, totalling MRG 269,910 or Baht 2.7 million (269,910 shares at MRG 1 per share) (2012: totalling MRG 29,990 or Baht 304 thousand (29,990 shares at MRG 1 per share)).

Key financial information as proportion of the Group's interest in Citygas North Co., Ltd. as at and for the year ended 31 December is as follows:

	2013 Million Baht
Total assets	419
Total liabilities	209
Total revenue	393
Net loss	10

As at 31 December 2013, SG Gas Sdn. Bhd and Siam Nathalin Co., Ltd. have not commenced their operations.

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13 Investment property

	Consolidated		
	Land Million Baht	Buildings Million Baht	Total Million Baht
As at 1 January 2012			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(66)	(66)
Net book amount	11	17	28
For the year ended 31 December 2012			
Opening net book amount	11	17	28
Depreciation	-	(3)	(3)
Closing net book amount	<u>11</u>	<u>14</u>	<u>25</u>
As at 31 December 2012			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(69)	(69)
Net book amount	<u>11</u>	<u>14</u>	<u>25</u>
For the year ended 31 December 2013			
Opening net book amount	11	14	25
Depreciation	-	(3)	(3)
Closing net book amount	<u>11</u>	<u>11</u>	<u>22</u>
As at 31 December 2013			
Cost	11	83	94
<u>Less</u> Accumulated depreciation	-	(72)	(72)
Net book amount	11	11	22

As at 31 December 2012, fair values of land and building were Baht 22 million and Baht 53 million, respectively, totalling Baht 75 million. As at 31 December 2013, the fair values of land and building were not significant difference from their fair values as at 31 December 2012.

The Group's investment properties at fair value were appraised based on the recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions, locations and categories of the investment properties valued.

Amounts recognised in the statement of income that are related to investment property are as follows:

	Consolidated	
	2013 Million Baht	2012 Million Baht
Rental income	0.05	0.05
Direct operation expense arise from investment property, that generated rental income	3	3

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14 Property, plant and equipment, net

	Consolidated									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas Vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
As at 1 January 2012										
Cost - Historical cost	2,107	7,318	1,621	2,134	3,114	2,176	1,993	1,172	598	22,233
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,384	7,318	1,621	2,134	3,114	2,176	1,993	1,172	598	22,510
<u>Less</u> Accumulated depreciation	-	(3,684)	(857)	(609)	(2,155)	(447)	(1,748)	(755)	-	(10,255)
Net book value	2,384	3,634	764	1,525	959	1,729	245	417	598	12,255
For the year ended 31 December 2012										
Opening net book value	2,384	3,634	764	1,525	959	1,729	245	417	598	12,255
Additions	-	-	8	65	303	34	30	87	840	1,367
Transfer in / out	-	29	271	535	-	16	1	14	(707)	159
Disposals, net	-	-	(1)	(19)	(3)	-	(8)	(2)	(2)	(35)
Currency translation differences	-	(83)	1	-	-	(25)	(4)	-	-	(111)
Depreciation charge	-	(174)	(77)	(201)	(100)	(157)	(27)	(38)	-	(774)
Closing net book value	2,384	3,406	966	1,905	1,159	1,597	237	478	729	12,861
As at 31 December 2012										
Cost - Historical cost	2,107	7,214	1,920	2,645	3,415	2,195	1,929	1,234	729	23,388
- Revaluation	277	-	-	-	-	-	-	-	-	277
	2,384	7,214	1,920	2,645	3,415	2,195	1,929	1,234	729	23,665
<u>Less</u> Accumulated depreciation	-	(3,808)	(954)	(740)	(2,256)	(598)	(1,692)	(756)	-	(10,804)
Net book value	2,384	3,406	966	1,905	1,159	1,597	237	478	729	12,861

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14 Property, plant and equipment, net (continued)

	Consolidated									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas Vessels Million Baht	Gas Cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
For the year ended 31 December 2013										
Opening net book value	2,384	3,406	966	1,905	1,159	1,597	237	478	729	12,861
Business acquisition	-	-	1	-	572	109	-	1	-	683
Additions	29	3	6	-	277	5	28	58	1,008	1,414
Transfer in / out	-	27	266	489	-	(6)	2	61	(839)	-
Disposals, net	-	-	(1)	(5)	(6)	-	(3)	(28)	(5)	(48)
Currency translation differences	-	332	5	-	21	96	18	-	-	472
Depreciation charge	-	(177)	(84)	(290)	(163)	(168)	(29)	(36)	-	(947)
Closing net book value	2,413	3,591	1,159	2,099	1,860	1,633	253	534	893	14,435
As at 31 December 2013										
Cost - Historical cost	2,136	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893	27,091
- Revaluation surplus	277	-	-	-	-	-	-	-	-	277
	2,413	7,806	2,204	3,065	4,921	2,631	2,116	1,319	893	27,368
<u>Less</u> 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

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14 Property, plant and equipment, net (continued)

	Company							Total Million Baht
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipments Million Baht	Vehicles Million Baht	Construction in progress Million Baht	
As at 1 January 2012								
Cost - Historical cost	1,721	157	295	490	19	41	509	3,232
- Revaluation	248	-	-	-	-	-	-	248
	1,969	157	295	490	19	41	509	3,480
<u>Less</u> Accumulated depreciation	-	(34)	(93)	(178)	(10)	(25)	-	(340)
Net book value	1,969	123	202	312	9	16	509	3,140
For the year ended 31 December 2012								
Opening net book value	1,969	123	202	312	9	16	509	3,140
Additions	-	-	5	125	3	8	156	297
Transfer in / out	-	20	117	-	-	-	31	168
Disposals, net	-	-	-	-	-	-	(92)	(92)
Depreciation charge	-	(5)	(17)	(44)	(2)	(3)	-	(71)
Closing net book value	1,969	138	307	393	10	21	604	3,442
As at 31 December 2012								
Cost - Historical cost	1,721	177	417	615	22	49	604	3,605
- Revaluation	248	-	-	-	-	-	-	248
	1,969	177	417	615	22	49	604	3,853
<u>Less</u> Accumulated depreciation	-	(39)	(110)	(222)	(12)	(28)	-	(411)
Net book value	1,969	138	307	393	10	21	604	3,442
For the year ended 31 December 2013								
Opening net book value	1,969	138	307	393	10	21	604	3,442
Additions	27	3	2	109	5	45	404	595
Transfer in / out	-	22	203	-	1	-	(226)	-
Disposals, net	-	-	-	-	(2)	-	(3)	(5)
Depreciation charge	-	(6)	(20)	(53)	(2)	(4)	-	(85)
Closing net book value	1,996	157	492	449	12	62	779	3,947
As at 31 December 2013								
Cost - Historical cost	1,748	202	622	724	26	94	779	4,195
- Revaluation	248	-	-	-	-	-	-	248
	1,996	202	622	724	26	94	779	4,443
<u>Less</u> Accumulated depreciation	-	(45)	(130)	(275)	(14)	(32)	-	(496)
Net book value	1,996	157	492	449	12	62	779	3,947

14 Property, plant and equipment - net (continued)

As at 31 December 2013, certain of gas vessels of a subsidiary with net book value of Baht 1,654 million (2012: Baht 1,397 million) have been pledged as collateral for loans from local commercial banks (Note 22).

The Group's external independent appraiser had appraised land using the market value method.

Borrowing costs of Baht 5.6 million (2012: Baht 2.82 million), arising from bonds issued to refinance the long-term loans for the construction of a new factory port and gas terminal at Suksawat, were capitalised during the year and are included in "Additions". A capitalisation rate of 4.88 (2012: 4.88%) was used, representing the average borrowing cost of bonds.

Leased assets included above, where the Group is a lessee under finance lease, are trucks. The cost of leased assets is Baht 119.43 million, accumulated depreciation of Baht 9.76 million, at net book value of Baht 109.67 million (2012: the cost of leased assets is Baht 125.97 million, accumulated depreciation of Baht 5.42 million, at net book value of Baht 120.55 million).

15 Goodwill

	2013	2012
	Million Baht	Million Baht
Opening balance	1,538	1,350
Adjustment for the first adoption of income taxes (Note 2.3)	-	188
Closing balance	1,538	1,538

The recoverable amount of a CGU 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.

The key assumptions used for value-in-use calculations are as follows:

	Average rate (%)
Gross margin	1.39 - 16.8 %
Growth rate	1.93 - 6.04 %
Discount rate	6.32 - 21.89 %

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16 Intangible assets

	Consolidated			2012
	Customer relationship	Computer software	Total	
	Million Baht	Million Baht	Million Baht	Computer software
				Million Baht
As at 1 January				
Cost	-	79	79	76
<u>Less</u> Accumulated amortisation	-	(59)	(59)	(55)
Net book amount	-	20	20	21
For the year ended 31 December				
Opening net book amount	-	20	20	21
Additions	-	1	1	3
Acquired from business acquisitions	283	-	283	-
Amortisation charge	(26)	(5)	(31)	(4)
Closing net book amount	257	16	273	20
As at 31 December				
Cost	283	80	363	79
<u>Less</u> Accumulated amortisation	(26)	(64)	(90)	(59)
Net book amount	257	16	273	20

	Company	
	2013	2012
	Computer software	Computer software
	Million Baht	Million Baht
As at 1 January		
Cost	13	13
<u>Less</u> Accumulated amortisation	(5)	(2)
Net book amount	8	11
For the year ended 31 December		
Opening net book amount	8	11
Amortisation charge	(2)	(3)
Closing net book amount	6	8
As at 31 December		
Cost	13	13
<u>Less</u> Accumulated amortisation	(7)	(5)
Net book amount	6	8

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17 Leasehold rights - net

	Consolidated		Company	
	Land and leasehold rights		Land and leasehold rights	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
As at 1 January				
Cost	747	758	12	12
<u>Less</u> Accumulated amortisation	(162)	(127)	(6)	(5)
Net book value	<u>585</u>	<u>631</u>	<u>6</u>	<u>7</u>
For the year ended 31 December				
Opening net book value	585	631	6	7
Exchange differences	43	(11)	-	-
Amortisation charge	(35)	(35)	(1)	(1)
Closing net book value	<u>593</u>	<u>585</u>	<u>5</u>	<u>6</u>
As at 31 December				
Cost	790	747	12	12
<u>Less</u> Accumulated amortisation	(197)	(162)	(7)	(6)
Net book value	<u>593</u>	<u>585</u>	<u>5</u>	<u>6</u>

18 Deferred income taxes

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

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	66	1	-	-
Deferred tax asset to be recovered after more than 12 months	169	149	71	3
	<u>235</u>	<u>150</u>	<u>71</u>	<u>3</u>
Deferred tax liabilities:				
Deferred tax liability to be settled after more than 12 months	213	98	-	-
	<u>213</u>	<u>98</u>	<u>-</u>	<u>-</u>
Deferred tax asset, net	<u>22</u>	<u>52</u>	<u>71</u>	<u>3</u>

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

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
At 1 January	52	45	3	1
Charged/(credited) to profit or loss	(35)	7	66	2
Tax charged/(credited) directly to equity	5	-	2	-
At 31 December	<u>22</u>	<u>52</u>	<u>71</u>	<u>3</u>

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18 Deferred income taxes (continued)

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

	As at 1 January 2012 Million Baht	Charged/ (credited) to profit and loss Million Baht	As at 31 December 2013 Million Baht	Charged/credited to		Consolidated As at 31 December 2013 Million Baht
				Profit and loss Million Baht	Comprehensive income Million Baht	
Deferred tax assets						
Allowance for doubtful accounts	4	-	4	1	-	5
Allowance for diminution in value of inventories	4	(4)	-	-	-	-
Provision for impairment of value added tax	29	(8)	22	(22)	-	-
Provision for impairment of fixed assets and leasehold rights	93	(7)	87	7	-	94
Employee benefit obligation	16	1	17	1	-	18
Unrealised actuarial losses on employee benefits plan	-	-	-	-	5	5
Unrealised gain on sales of goods/assets within the group	18	7	24	27	-	51
Loss carried forwards	42	19	61	97	-	158
Difference from purchase of assets from a business combination under common control	52	-	52	-	-	52
Others	1	1	1	9	-	10
Deferred tax assets, gross	259	9	268	120	5	393
Deferred tax liabilities						
Depreciation	34	22	56	21	-	77
Finance lease liabilities, net	3	4	7	9	-	16
Fair value adjustments from business acquisition	115	(24)	91	125	-	216
Valuation surplus on land	62	-	62	-	-	62
Deferred tax liabilities, gross	214	2	216	155	-	371
Deferred taxes, net	45	7	52	(35)	5	22

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18 Deferred income taxes (continued)

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

	Company				
			Charged/credited to		
	As at	Charged/	As at	Profit and loss	As at
	1 January 2012	(credited) to	31 December	Comprehensive	31 December
	Million Baht	profit and loss	2013	income	2013
		Million Baht	Million Baht	Million Baht	Million Baht
Deferred tax assets					
Allowance for doubtful accounts	1	-	1	-	1
Provision for impairment of investment in subsidiary	-	4	4	9	13
Employee benefit obligations	6	-	6	1	7
Unrealised actuarial loss for employee benefits	-	-	-	2	2
Loss carried forwards	-	-	-	53	53
Difference from taking equity of a business combination under common control	52	-	52	-	52
Others	-	-	-	5	5
Deferred tax assets - gross	59	4	63	2	133
Deferred tax liabilities					
Depreciation	3	1	4	2	6
Valuation surplus on land	56	-	56	-	56
Deferred tax liabilities - gross	59	1	60	-	62
Deferred taxes, net	-	3	3	2	71

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19 Other non-current assets

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Accrued interest income on loans to subsidiaries (Note 35)	2	-	194	129
Deposits at bank used as collateral	26	26	-	-
Deposits	89	69	74	51
Deferred charges	14	20	-	-
Refundable corporate income tax	59	87	59	87
Prepaid rental	44	92	44	52
Others	18	9	5	-
Total	252	303	376	319

20 Short-term loans from financial institutions

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term loans from financial institutions	7,338	7,585	4,052	7,585
Total	7,338	7,585	4,052	7,585

As at 31 December 2013, the Company has short-term promissory notes, trust receipts and discount note receivables from local commercial banks in USD 67 million and Baht 1,849 million, bear interest rates at the range of 0.83% - 3.90% per annum.

As at 31 December 2012, the Company has short-term promissory notes, trust receipts and discount note receivables from local commercial banks in USD 180.24 million and Baht 1,654 million, bear interest rates at the range of 0.80% - 3.90% per annum. The short-term loan of Baht 382 million has been pledged as collateral by certain accounts receivable. The terms of the notes require the Company to comply with the conditions as specified in the facility agreements, including maintaining certain financial ratios. As at 31 December 2012, certain financial ratios of the Company were not in accordance with the credit facility agreement. The Company successfully obtained waivers from the lender of the requirement to comply with the conditions of maintaining certain financial ratios as specified in the credit facility agreement, with effective from the date of financial statements.

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21 Trade and other payables

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Trade payables	1,860	3,325	512	2,259
Trade payables to related parties (Note 35)	-	-	347	75
Other payables	134	128	59	51
Other payables to related parties (Note 35)	2	2	94	173
Accrued expenses	534	383	33	45
Energy fund Payable	594	343	222	107
Total	3,124	4,181	1,267	2,710

22 Long-term loans from financial institutions, net

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Current portion of long-term loans, net				
Thai currency	286	203	-	-
<u>Less</u> Financing fee	-	-	-	-
	286	203	-	-
Long-term loans, net				
Thai currency	781	742	-	-
<u>Less</u> Financing fee	(2)	(2)	-	-
	779	740	-	-
Total long-term loans, net	1,065	943	-	-

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

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
For the year ended 31 December				
Opening balance	943	4,989	-	4,029
Addition	351	299	-	-
Repayments	(229)	(4,360)	-	(4,043)
Financing fees	-	15	-	14
Closing balance	1,065	943	-	-

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

As at 31 December 2013 and 2012, the long-term loans represented long-term loans from local commercial banks as follows:

The subsidiaries

As at 31 December 2013, Siam Lucky Marine Company Limited has long-term loans from local commercial banks as follows;

Long-term loan of Baht 50.61 million (2012: Baht 71.01 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd instalments are Baht 1.70 million per instalment, the 84th and final instalments are Baht 1.40 million. The first instalment commenced in October 2010 and the loan shall be due for full repayment by September 2016. The loan is secured by the subsidiary's vessel (Note 14) and also guaranteed by Lucky Carrier Company Limited.

Long-term loan of Baht 45.71 million (2012: Baht 60.75 million) carries interest at the rate of MLR-1.00% per annum. Principal is repayable on a monthly basis; of which the 1st - 83rd installments are Baht 1.54 million per installment and the last installment is the remaining unpaid amount. The loan is due for full repayment by April 2017. The loan is secured by the subsidiary's vessels (Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 109.89 million (2012: Baht 128.65 million) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totaling Baht 2.20 million are made on a monthly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 45.65 million (2012: Baht 55.79 million) carries interest at the rate of MLR-1.00% per annum. The repayments of principal and interest totaling Baht 0.85 million are made on a monthly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 203.77 million (2012: Baht 266.47 million) carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totaling Baht 15.67 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 32 million (2012: Baht 66.00 million) carries interest at the rate of MLR-1.50% per annum. The repayments of principal and interest totaling Baht 8.50 million are made on a quarterly basis. The remaining balance is repayable in the last installment. The loan is secured by the subsidiary's vessels (Note 14). In addition, the loan is also guaranteed by Lucky Carrier Company Limited and Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 253.80 million (2012: Baht 296.15 million) carries interest at the rate of MLR-1.50% per annum. Principal is repayable in 78th instalments of Baht 3.85 million per instalment and the last instalment is the remaining unpaid amount. The first instalment commenced in January 2013. The loan is secured by the subsidiary's vessels. In addition, the loan is also guaranteed by Siamgas and Petrochemicals Public Company Limited.

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

The subsidiaries (continued)

Long-term loan of Baht 239.07 million carries interest at the rate of BIBOR+2.15% per annum. Principal is repayable in 84th installments of Baht 3.23 million per installment and the last installment is the remaining unpaid amount. The first installment commenced in September 2013. The loan is secured by the subsidiary's vessels. In addition, the loan is also guaranteed by Siamgas and Petrochemicals Public Company Limited.

Long-term loan of Baht 86.67 million carries interest at the rate of BIBOR per annum. Principal is repayable in 36th installments of Baht 3.33 million per installment and the last installment is the remaining unpaid amount. The first installment commenced in September 2013. The loan is secured by the subsidiary's vessels. In addition, the loan is also guaranteed by Siamgas and Petrochemicals Public Company Limited.

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:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans, net				
- at floating rates	1,065	943	-	-
Total long-term loans, net	1,065	943	-	-

As at 31 December 2013, the weighted average effective interest rate of the long-term loans of the Group was approximately 6.00% per annum (2012: 6.01% per annum).

Maturity of long-term loans is as follows:

	Consolidated	
	2013	2012
	Million Baht	Million Baht
Within 1 year	286	203
Later than 1 year but not later than 5 years	711	684
Later than 5 years	68	56
Total long-term loans, net	1,065	943

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

Finance lease liabilities

A subsidiary has finance lease agreements for trucks and hire purchase agreements for trucks with financial institutions. As at 31 December, the outstanding of finance lease liabilities were as follows:

	Consolidated	
	2013	2012
	Million Baht	Million Baht
Finance lease liabilities	34	89
<u>Less</u> Deferred interest	-	(4)
Total finance lease liabilities - net	<u>34</u>	<u>85</u>

Maturity of finance lease is as follows:

	Consolidated	
	2013	2012
	Million Baht	Million Baht
Current portion of finance lease liabilities - net	33	51
Long term portion of finance lease liabilities - net	1	34
	<u>34</u>	<u>85</u>

Credit facilities

As at 31 December 2013, 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 20,159 million (2012: Baht 19,384 million).

23 Other current liabilities

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Payable to the Revenue Department	-	-	12	12
Accrued interest expenses	54	45	60	45
Deferred revenue	-	7	-	-
Others	69	43	3	2
Total	<u>123</u>	<u>95</u>	<u>75</u>	<u>59</u>

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24 Bonds

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Long term bonds				
Thai Baht	4,500	4,500	4,500	4,500
<u>Less</u> Financing fees	(6)	(12)	(6)	(12)
Total bonds, net	4,494	4,488	4,494	4,488

The movements of bonds can be analysed as follows;

For the year ended 31 December 2013	Consolidated Million baht	Company Million Baht
Opening balance, net	4,488	4,488
Financing fees	6	6
Closing balance, net	4,494	4,494

At the Board of Directors' meeting of the Company No. 4/2554 on 15 August 2011 and the extraordinary shareholders' meeting No. 1/2554 on 7 October 2011, a resolution was passed to approve the issuance and offering of bonds and/or bill of exchange with the limit of Baht 10,000 million. In the combination with the first approval in the issuance and offering of debenture bonds and/or bill of exchange of Baht 3,000 million from the extraordinary shareholders' meeting No. 1/2552 on 24 April 2009, the total facility in issuance and offering of debenture bonds and/or bill of exchange with the amount not exceeding Baht 13,000 million.

During 6 - 8 February 2012, the Company issued unsubordinated and unsecured debenture bonds. Total value of debenture bonds is Baht 4,500 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 bonds are as follows;

Type of bond	year	Interest rate
2 - years bond	1 st	4.75% per annual
	2 nd	5.00% per annual
3 - years bond	1 st - 2 nd	5.00% per annual
	3 rd	5.50% per annual
4 - years bond	1 st - 2 nd	5.00% per annual
	3 rd	5.50% per annual
	4 th	5.90% per annual

The Company has successfully issued the bonds amounting to Baht 4,500 million and already used the proceeds from the bond issuance to repay long-term loans of Baht 4,040.45 million and a short-term loan of Baht 500 million in February 2012. Under the rights and responsibility of the issuer and the holders of bonds, the Company has to comply with the conditions, including certain financial covenants. As at 31 December 2013, the Group's financial ratios were in compliance with the financial covenants of the bonds.

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24 Bonds (Continued)

Maturity of bonds is as follows;

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	1,500	-	1,500	-
Later than 1 year but not later than 5 years	2,994	4,488	2,994	4,488
Total long-term loans, net	4,494	4,488	4,494	4,488

25 Cylinder deposits

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	3,021	2,699	553	420
Cylinder deposits/transfer in	289	322	109	133
Refund deposits	(9)	-	-	-
Written off	(39)	-	(35)	-
Currency difference	(3)	-	-	-
Acquired from business acquisition	546	-	-	-
Closing balance	3,805	3,021	627	553

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 36). The Company believes that significant refund of deposits will occur when gas business operations significantly decline.

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26 Employee benefit obligations

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Statement of financial position				
Employee benefits	117	85	42	31
Statement of income				
Employee benefits	9	8	2	3

The amounts recognised in the statement of financial position are as follows:

Present value of obligations	117	85	42	31
Liability in the statement of financial position	117	85	42	31

Movements in employee benefit obligations are as follows:

	Consolidated		Company	
For the year ended 31 December	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	85	79	31	29
Current service costs	6	6	2	2
Interest costs	2	2	-	1
Revaluation	26	-	9	-
Benefit paid	(2)	(2)	-	(1)
Closing balance	117	85	42	31

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

	Consolidated		Company	
For the year ended 31 December	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	6	6	2	2
Interest costs	2	2	-	1
Total	8	8	2	3

The principal actuarial assumptions used were as follows:

	2013	2012
Discount rate	34.2%	3.9%
Inflation rate	3.0%	3.0%
Salary increase rate	5% - 7%	5% - 7%
Pre-retirement mortality rate	0.08% - 1.03%	0.11% - 1.48%

27 Share capital

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Treasury stock Million Baht	Total Million Baht
As at 1 January 2012	950	950	1,875	(272)	2,553
Issue of ordinary shares	-	-	-	-	-
As at 31 December 2012	950	950	1,875	(272)	2,553
Reduction of ordinary shares	(31)	(31)	-	272	241
As at 31 December 2013	919	919	1,875	-	2,794

As at 31 December 2013, total authorised number of shares was shares 919 million with a par value of Baht 1 per share (31 December 2012: shares 950 million with a par value of Baht 1 per share). All shares 919 million were issued and fully paid-up with the share premium of Baht 1,875 million.

At the Board of Directors' meeting of the Company No.1/2013 held on 22 February 2013, the Board of Directors approved the disposal of treasury stock of Baht 272 million by way of share capital reduction, since the Company did not sell the treasury stocks in the Stock Exchange of Thailand during 3 February 2010 and 2 February 2013. The Company registered the capital reduction by 31,068,500 ordinary shares, from 950,000,000 shares to be 918,931,500 shares with the Department of Business Development, Ministry of Commerce on 8 March 2013.

The Company transferred the difference of Baht 241 million between the capital reduction at par (Baht 31 million) and the treasury stocks (Baht 272 million), to retained earnings. In addition, the Company reversed the reserve of retained earnings for treasury stock of Baht 272 million back to retained earnings after the disposal of treasury stocks and the reduction of capital.

28 Dividends paid

The Company

At the Board of Directors' meeting of the Company held on 9 August 2013, the Board of Directors approved the appropriation of interim dividends for the operating results for the six-month period ended 30 June 2013 at Baht 0.10 per share, totalling of Baht 91.88 million. The interim dividends were paid in full amount on 5 September 2013.

At the Board of Directors' meeting of the Company held on 23 April 2013, it passed a resolution to propose the payment of annual dividend for 2012 at Baht 0.40 per share, totalling Baht 367.57 million. The Company already paid interim dividends for the operating results for the first half year of 2012 at Baht 0.15 per share, totalling of Baht 137.84 million on 10 September 2012. The remaining dividends of Baht 0.25 per share, totalling of Baht 229.73 million were paid to the shareholders on 9 May 2013.

At the Board of Directors' meeting of the Company held on 10 August 2012, the Board of Directors approved the appropriation of interim dividends for the operating results for the six-month period ended 30 June 2012 at Baht 0.15 per share, totalling of Baht 137.84 million. The interim dividends were paid in full amount on 10 September 2012.

At the Annual General Shareholders' meeting of the Company held on 25 April 2012, the shareholders passed a resolution the dividend payment for the year 2011 at Baht 0.45 per share, totalling of Baht 413.52 million. The Company already paid interim dividends for the operating results for the first half year of 2011 at Baht 0.15 per share, totalling of Baht 137.84 million on 15 September 2011. The remaining dividends of Baht 0.30 per share, totalling of Baht 275.68 million were paid to the shareholders on 8 May 2012.

28 Dividends paid (continued)

The Subsidiaries

At the Annual General Shareholders' meeting of Lucky Carrier Company Limited held on 11 September 2013, the shareholders passed the resolution for the dividend payment for the six-month period ended 30 June 2013 for share 7 million, at Baht 3 per share, totalling Baht 21.0 million. These dividends were paid to the shareholders on 16 September 2013.

At the Board of Directors' meeting of the Unique Gas and Petrochemical Public Company Limited held on 24 June 2013, it passed a resolution to propose the payment of interim dividend for the three-month period ended 30 March 2013 for share 10.5 million, at Baht 30 per share, totalling Baht 315.0 million. This interim dividend was paid to the shareholders on 25 June 2013.

At the Annual General Shareholders' meeting of the Company held on 22 April 2013, the shareholders passed a resolution for the dividend payment for the year 2012 for 10.5 million shares at Baht 65 per share, totalling of Baht 683 million. The dividend include interim dividend for the six-month period ended 30 June 2012 for 10.5 million shares at Baht 55 per share, totalling Baht 578 million, which was paid in September 2013. The remaining dividend at Baht 10 per share, totalling Baht 105 million was paid on 7 May 2013.

At the Board of Directors' meeting of the Unique Gas and Petrochemical Public Company Limited held on 10 August 2012, it passed a resolution to propose the payment of interim dividend for the six-month period ended 30 June 2012 at Baht 55 per share, totalling Baht 577.5 million. This interim dividend was paid to the shareholders on 10 September 2012.

At the Board of Directors' meeting of Chemical Gas Transportation Company Limited held on 24 May 2012, it passed a resolution for the interim dividend payment at Baht 12 per share, totalling of Baht 60 million. This interim dividend was paid to the shareholders on 15 June 2012.

At the Annual General Shareholders' meeting of Unique Gas and Petrochemical Public Company Limited held on 23 April 2012, the shareholders passed a resolution for the dividend payment for the year 2011 at Baht 65 per share, totalling of Baht 682.5 million. The subsidiary paid dividend payments according to the shareholders' resolution through interim dividends payment at Baht 30 per share, totalling Baht 315 million on 15 September 2011; and dividends payment at Baht 35 per share, totalling Baht 367.5 million on 4 May 2012.

At the Board of Directors' meeting of SingGas (LPG) Pte. Ltd. held on 24 February 2012, the Board of Directors approved the appropriation of dividends for the operating results for the year ended 31 December 2011 at SGD 1 million or Baht 24.4 million. The Company received the dividends and recognised as income with the amount of Baht 23 million in the statement of income. The remaining dividends of Baht 1.4 million were paid to non-controlling interests.

29 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.

30 Treasury stock reserve

As at 31 December 2012, the Company had set aside the treasury stock reserve of Baht 272.14 million.

At the Board of Directors' meeting No. 5/2009 held on 17 July 2009, the Board of Directors passed a resolution to approved treasury stock not more than 90 million shares of the Company's ordinary shares or not exceed 10% of the total issued and paid-up share capital with the maximum amount not exceed Baht 720 million and the Company's retained earnings. The buy back period started from 3 August 2009 to 2 February 2010. The objective of the treasury stock is to manage the financial liquidity.

At the Board of Directors' meeting of the Company No.1/2013 held on 22 February 2013, the Board of Directors approved the disposal of treasury stock of 31 million shares, amounting to Baht 272 million by way of share capital reduction, since the Company did not sell the treasury stocks in the Thai Stock Exchange during 3 February 2010 and 2 February 2013.

31 Other income

For the year ended 31 December	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Rental income	84	44	20	17
Interest income	15	12	68	86
Profit on disposal of property, plant and equipment	7	6	2	13
Gain on exchange rate	473	314	354	310
Others	146	38	67	16
Total other income	725	414	511	442

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32 Expenses by nature

For the year ended 31 December	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Depreciation and amortisation expenses	1,017	829	89	75
Staff expenses	1,074	948	234	206
Directors' and key management's remuneration (Note 35)	54	51	31	29
Impairment charge on investment in subsidiaries	-	-	45	22

33 Income tax

For the year ended 31 December	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Current tax	176	331	-	93
Deferred tax	35	(7)	(65)	(2)
Total tax expense (income)	211	324	(65)	91

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:

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Profit before tax	1,860	1,127	47	1,343
Tax calculated at a tax rate of 10% - 25% (2012 : 10% - 25%)	364	513	9	309
Tax effect of:				
Income not subject to tax	(164)	(208)	(99)	(222)
Expenses not deductible for tax purpose	33	1	25	4
Utilisation of previously unrecognised tax losses	(48)	(19)	-	-
Tax losses for which no deferred income tax asset was recognised	26	37	-	-
Tax charge	211	324	(65)	91

According to the Royal Decree No. 530 B.E. 2011 issued under the Revenue Code regarding the corporate income tax rate deduction effective on 15 December 2011, the corporate income tax has been reduced from 25% to 23% of net profit before tax effective for one accounting periods beginning on or after 1 January 2012 and 20% of net profit before tax effective for two consecutive accounting periods beginning on or after 1 January 2013. The Company applies the rate of 20% to calculate corporate income tax for the year ended 31 December 2013.

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33 Income tax (continued)

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2013			2012		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Fair value gains:						
Actuarial loss on retirement benefit obligations	(26)	5	(21)	-	-	-
Other comprehensive income	(26)	5	(21)	-	-	-
Current tax		-			-	
Deferred tax		5			-	
		<u>5</u>			<u>-</u>	
	Company					
	2013			2012		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Fair value gains:						
Actuarial loss on retirement benefit obligations	(9)	2	(7)	-	-	-
Other comprehensive income	(9)	2	(7)	-	-	-
Current tax		-			-	
Deferred tax		2			-	
		<u>2</u>			<u>-</u>	

34 Earnings per share

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

For the year ended 31 December	Consolidated		Company	
	2013	2012	2013	2012
Net profit for the period attributable to the parent company (Million Baht)	1,602	824	113	1,252
Weighted average number of ordinary shares after deduction of treasury stock (Million Shares)	919	919	919	919
Basic earnings per share (Baht/Share)	1.74	0.90	0.12	1.36

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

35 Related party transactions

As at 31 December 2013, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 48.67% of the Company's share capital.

Details of subsidiaries and joint ventures present in Note 12.

The following material transactions were carried out with related parties:

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

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Trade accounts receivable				
Subsidiaries	-	-	2,487	197
Other related parties - the same shareholders and directors	2	1	1	-
Total	2	1	2,488	197
Other receivables				
Joint venture	71	-	-	-
Accrued interest income				
Subsidiaries	-	-	193	130
Joint venture	2	-	2	-
	2	-	195	130

35 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

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

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Cylinder deposits				
Subsidiaries	-	-	2	2
Deposits for building				
Other related parties - the same shareholders and directors	9	11	3	4
Prepayment for building				
Subsidiaries	-	-	1,261	-
Joint venture	5	-	5	-
Other related parties - the same shareholders and directors	67	107	26	42
	72	107	1,292	42
Trade accounts payable				
Subsidiaries	-	-	347	75
Other payable				
Subsidiaries	-	-	93	172
Other related parties - the same shareholders and directors	2	2	1	1
Total	2	2	94	173
Accrued interest				
Subsidiaries	-	-	7	2

35 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

ii) Loans from/to related parties

Long-term loans to subsidiaries

For the year ended 31 December	Company	
	2013	2012
	Million Baht	Million Baht
Opening balance	1,608	1,242
Additions	128	437
Proceeds	(139)	(46)
Difference from translations	55	(25)
Closing balance, net	1,652	1,608

As at 31 December 2013, the Company has long-term loans to subsidiaries with interest rates as follows:

- Interest rate of 5.25% per annum (2012: 5.25% per annum) is charged for loans of Baht 362.47 million (2012: Baht 397.47 million). These loans are due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum (2012: 5.25% per annum) is charged for a loan of Baht 95 million (2012: Baht 100 million). The loan is due by 2015.
- Interest rate of average MLR rate for three Thai commercial banks plus 0.50% per annum (2012: the same interest rate as 2013) is charged for a loan of Baht 367.98 million (2012: Baht 363.30 million). The loan is due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum (2012: 5.25% per annum) is charged for loans of Baht 32.67 million (2012: Baht 30.48 million). The loans are due when the subsidiary has sufficient working capital.
- Interest rate of THB FIX plus 3.10% per annum (2012: the same interest rate as 2012) is charged for loan of Baht 699.56 million (2012: Baht 652.60 million). The loan is due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum is charged for loans of Baht 59 million (2012: Baht 64 million). The loans are due when the subsidiary has sufficient working capital.
- Interest rate of 5.25% per annum is charged for loans of Baht 35.75 million.

35 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

ii) Loans from/to related parties (continued)

Long-term loans from subsidiaries

For the year ended 31 December	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Opening balance	3	-	251	764
Additions	-	3	1,090	425
Repayments	-	-	(555)	(938)
Closing balance	3	3	786	251

As at 31 December 2013, the Company has loans from subsidiaries with interest rate as follow:

- Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.5% per annum (2012: 0.5% per annum) is charged for a loan of Baht 718 million (2012: Baht 183 million). The loans are repayable within 2015.
- Interest rate of average fixed deposit interest rate of three Thai commercial banks plus 0.25% per annum is charged for a loan of Baht 68 million (2012: nil). The loans are repayable when the borrower is able to obtain a loan from a financial institution.

As at 31 December 2013, the Group has loan from directors of Baht 3 million. There is no interest charge between them. The loan is repayable when the subsidiary has sufficient working capital.

iii) Sales of goods and services, interest income and other income

For the year ended 31 December	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Sales of gas				
Subsidiaries	-	-	9,366	1,678
Other related parties - the same shareholders and directors	9	7	3	2
Total	9	7	9,369	1,680
Wharfing service income				
Subsidiaries	-	-	50	48
Other income				
Subsidiaries	-	-	59	30
Dividend income				
Subsidiaries	-	-	462	964

35 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

iii) Sales of goods and services, interest income and other income (continued)

For the year ended 31 December	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Interest income				
Subsidiaries	-	-	65	85
Joint venture	-	-	2	-
Total	<u>-</u>	<u>-</u>	<u>67</u>	<u>85</u>
Sales of asset and equipment				
Subsidiaries	-	-	-	105

iv) Purchases of goods and services and interest expenses

For the year ended 31 December	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Purchase of goods				
Subsidiaries	-	-	1,262	2
Purchase of assets and equipment				
Subsidiaries	-	-	125	109
Transportation expenses				
Subsidiaries	-	-	336	656
Wharfing expenses				
Subsidiaries	-	-	89	187
Rental expenses				
Subsidiaries				
Other related parties - the same	-	-	2	2
shareholders and directors	26	21	10	7
Total	<u>26</u>	<u>21</u>	<u>12</u>	<u>9</u>
Interest expenses				
Subsidiaries	-	-	12	17
Other expenses				
Subsidiaries	-	-	7	71
Other related parties - the same				
shareholders and directors	30	21	13	9
Total	<u>30</u>	<u>21</u>	<u>20</u>	<u>80</u>

35 Related party transactions (continued)

The following material transactions were carried out with related parties (continued):

iv) Purchases of goods and services and interest expenses (continued)

For the year ended 31 December	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Directors' and key management remunerations				
Short-term employee benefits	53	50	30	28
Post-employment benefits	1	1	1	1
Total	54	51	31	29

36 Commitments and contingent liabilities

a) Letter of guarantee

As at 31 December 2013 and 2012, the Company has bank guarantees issued on its behalf as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Letter of guarantee	2,136	2,131	889	1,184
Letter of credit	891	1,693	323	1,366

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 subsidiary and personal guarantees by the Company's directors.

36 Commitments and contingent liabilities (continued)

b) Commitments - operating leases

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

	Consolidated		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	31	36	20	17
During 2 - 5 years	74	64	57	40
Later than 5 years	77	41	71	32
Total	182	141	148	89

c) 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:

	Consolidated		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Million Baht	Million Baht	Million Baht	Million Baht
Property, plant and equipment	54	137	54	137

- d) During 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 25 in relation to contingent liabilities from cylinder deposits.

e) Settlement of contingent liabilities

In March 2013, a subsidiary paid a deposit of RMB 25 million (approximate Baht 128 million) to the Customs Department of the People's Republic of China as the collateral for the tax examination on gas export from un-bonded warehouse to overseas in 2012. Subsequently, in November 2013, the subsidiary received the written verdict from the Customs Department charging the penalty of RMB 12.7 million (approximate Baht 69 million), which was recognised as administrative expenses for the year ended 31 December 2013. The subsidiary received the remaining deposit amounting to RMB 12.3 million (approximate Baht 66 million) with interests, from the Customs Department in January 2014.

37 Post statement of financial position event

a) Dividend payment

On 20 February 2014, at the Board of Directors' meeting of the Company, it passed a resolution to propose the payment of dividend for the year 2013 amounting to Baht 0.60 per share, totalling Baht 551.36 million, inclusive of interim dividends for the first six months of 2013. The Company had already paid interim dividend for the operating result for the six-months period of the year 2013 amounting to Baht 0.10 per share, totalling Baht 91.88 million on 5 September 2013. The Board of Directors will propose the shareholders at their meeting to get an approval for dividend payment.

b) Issuance of bond

During the period from 27 to 29 January 2014, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. Total value of debenture bond is Baht 1,300 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	5.20% per annual

The Company has successfully issued the bond of Baht 1,300 million and already used the proceeds from the bond to repay another bond of Baht 1,500 million due in February 2014. 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.