

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2018

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Siamgas and Petrochemicals Public Company Limited

I have reviewed the interim consolidated financial information of Siamgas and Petrochemicals Public Company Limited and its subsidiaries, and the interim separate financial information of Siamgas and Petrochemicals Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2018, the related consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods then ended, the related consolidated and separate statements of changes in equity, and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Amornrat Pearmpoonvatanasuk
Certified Public Accountant (Thailand) No. 4599
Bangkok
6 November 2018

Siamgas and Petrochemicals Public Company Limited

Statement of Financial Position

As at 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 September 2018 Baht'000	Audited 31 December 2017 Baht'000	Unaudited 30 September 2018 Baht'000	Audited 31 December 2017 Baht'000
Assets					
Current assets					
Cash and cash equivalents		2,561,571	2,590,205	173,236	301,443
Short-term investments	6	141,690	99,393	99,690	99,393
Trade and other receivables, net	7	6,382,118	4,061,755	1,338,149	1,152,811
Inventories, net	8	6,935,041	4,069,918	1,034,676	888,017
Other current assets	9	523,048	375,795	119,340	71,245
Total current assets		16,543,468	11,197,066	2,765,091	2,512,909
Non-current assets					
Investments in subsidiaries, net	10	-	-	10,282,660	9,593,797
Investments in associates	10	2,037,627	1,640,924	-	-
Investments in joint ventures	10	108,783	107,774	23,578	23,578
Long-term loans to related parties	23	117,055	20,757	1,128,636	1,203,266
Property, plant and equipment, net	11	15,853,832	15,645,860	5,166,713	5,058,408
Investment property, net	12	685,136	-	669,673	-
Goodwill, net		1,516,111	1,516,111	-	-
Intangible assets, net	11	81,098	108,206	3,109	3,692
Deferred tax assets, net		148,364	151,017	-	-
Other non-current assets	13	953,383	1,070,257	622,588	548,507
Total non-current assets		21,501,389	20,260,906	17,896,957	16,431,248
Total assets		38,044,857	31,457,972	20,662,048	18,944,157

Director _____ Director _____

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Financial Position

As at 30 September 2018

		Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions, net	14	5,119,117	1,500,520	1,650,000	1,232,537
Trade and other payables	15	6,676,052	3,987,757	1,205,044	814,891
Current portion of long-term loans					
from financial institutions, net	16	1,367,701	583,453	925,253	145,993
Current portion of bonds, net	17	2,999,260	1,999,882	2,999,260	1,999,882
Accrued income tax		99,090	244,597	-	-
Other current liabilities		100,686	88,434	47,739	6,123
Total current liabilities		16,361,906	8,404,643	6,827,296	4,199,426
Non-current liabilities					
Long-term loans from financial					
institutions, net	16	1,081,644	1,452,830	318,150	704,929
Bonds, net	17	3,988,373	4,994,680	3,988,373	4,994,680
Long-term loans from related parties	23	3,000	3,000	747,809	690,000
Cylinder deposits		4,991,429	4,744,881	1,058,402	976,351
Employee benefit obligations		162,612	155,883	60,164	55,691
Deferred tax liabilities, net		387,100	377,069	97,934	91,129
Other non-current liabilities		54,477	16,547	2,378	3,468
Total non-current liabilities		10,668,635	11,744,890	6,273,210	7,516,248
Total liabilities		27,030,541	20,149,533	13,100,506	11,715,674

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Financial Position

As at 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 September 2018 Baht'000	Audited 31 December 2017 Baht'000	Unaudited 30 September 2018 Baht'000	Audited 31 December 2017 Baht'000
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
1,837,863,000 ordinary shares with a par value of Baht 0.50 each (As at 31 December 2017 : 918,931,500 ordinary shares with a par value of Baht 1 each)					
19		918,932	918,932	918,932	918,932
Issued and paid-up share capital					
1,837,863,000 ordinary shares, fully paid-up of Baht 0.50 each (As at 31 December 2017 : 918,931,500 ordinary shares, fully paid-up of Baht 1 each)					
19		918,932	918,932	918,932	918,932
Premium on share capital					
		1,874,482	1,874,482	1,874,482	1,874,482
Retained earnings					
Appropriated					
- Legal reserve					
		162,089	162,089	162,089	162,089
- Other reserves					
		24,473	-	-	-
Unappropriated					
		8,431,523	8,229,199	4,458,249	4,124,820
Other components of equity					
22		(561,724)	(45,724)	147,790	148,160
Total parent's equity					
		10,849,775	11,138,978	7,561,542	7,228,483
Non-controlling interests					
		164,541	169,461	-	-
Total equity					
		11,014,316	11,308,439	7,561,542	7,228,483
Total liabilities and equity					
		38,044,857	31,457,972	20,662,048	18,944,157

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Income

For the three-month period ended 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018	Unaudited 2017	Unaudited 2018	Unaudited 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Revenue					
Revenue from sales		19,135,721	13,976,792	2,992,078	2,520,652
Revenue from transportation		56,480	87,347	-	-
Revenue from services		730	2,776	38,308	32,136
Total revenue		19,192,931	14,066,915	3,030,386	2,552,788
Cost of sales and services		(17,921,562)	(12,690,683)	(2,785,301)	(2,386,742)
Cost of transportation		(43,916)	(69,170)	-	-
Total cost of sales, services and transportation		(17,965,478)	(12,759,853)	(2,785,301)	(2,386,742)
Gross profit		1,227,453	1,307,062	245,085	166,046
Dividends income		900	1,900	387,883	350,600
Other income		52,424	84,721	38,167	62,502
Profit before expenses		1,280,777	1,393,683	671,135	579,148
Selling expenses		(40,322)	(45,298)	(11,428)	(11,452)
Administrative expenses		(300,528)	(266,675)	(72,889)	(92,046)
Total expenses		(340,850)	(311,973)	(84,317)	(103,498)
Share of loss of associates and joint ventures		(3,485)	(70,321)	-	-
Profit before finance costs and income tax		936,442	1,011,389	586,818	475,650
Finance costs		(127,874)	(119,053)	(94,359)	(93,719)
Profit before income tax		808,568	892,336	492,459	381,931
Income tax expenses	18	(64,277)	(36,141)	(24,056)	(9,536)
Net profit for the period		744,291	856,195	468,403	372,395
Profit attributable to:					
Owners of the parent		738,338	845,131	468,403	372,395
Non-controlling interests		5,953	11,064	-	-
Net profit for the period		744,291	856,195	468,403	372,395
Earnings per share for profit attributable to the owners of the parent	20				
Basic earnings per share (Baht)		0.40	0.46	0.25	0.20

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Comprehensive Income

For the three-month period ended 30 September 2018

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Net profit for the period	744,291	856,195	468,403	372,395
Other comprehensive income (expense), net of taxes:				
Items that will be reclassified subsequently to profit or loss				
- Share of other comprehensive expense from associates and joint ventures accounted for using the equity method	(18,943)	(951)	-	-
- Currency translation difference	(360,589)	(89,427)	-	-
Total other comprehensive expense	(379,532)	(90,378)	-	-
Total comprehensive income for the period, net of tax	364,759	765,817	468,403	372,395
Total comprehensive income (expense) attributable to:				
Owners of the parent	370,618	755,056	468,403	372,395
Non-controlling interests	(5,859)	10,761	-	-
Total comprehensive income for the period	364,759	765,817	468,403	372,395

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Siamgas and Petrochemicals Public Company Limited

Statement of Income

For the nine-month period ended 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018 Baht'000	Unaudited 2017 Baht'000	Unaudited 2018 Baht'000	Unaudited 2017 Baht'000
Revenue					
Revenue from sales		50,582,651	41,454,650	8,125,685	7,386,681
Revenue from transportation		182,416	315,304	-	-
Revenue from services		3,751	10,294	117,468	90,778
Total revenue		50,768,818	41,780,248	8,243,153	7,477,459
Cost of sales and services		(47,874,444)	(38,243,693)	(7,815,223)	(7,156,015)
Cost of transportation		(143,482)	(295,404)	-	-
Total cost of sales, services and transportation		(48,017,926)	(38,539,097)	(7,815,223)	(7,156,015)
Gross profit		2,750,892	3,241,151	427,930	321,444
Dividends income		2,700	1,900	1,733,359	680,735
Other income		404,843	330,394	173,565	196,656
Profit before expenses		3,158,435	3,573,445	2,334,854	1,198,835
Selling expenses		(129,483)	(144,630)	(34,424)	(36,302)
Administrative expenses		(891,396)	(834,864)	(310,772)	(274,992)
Total expenses		(1,020,879)	(979,494)	(345,196)	(311,294)
Share of profit (loss) of associates and joint ventures	10	103,174	(46,132)	-	-
Profit before finance costs and income tax		2,240,730	2,547,819	1,989,658	887,541
Finance costs		(344,587)	(334,491)	(271,402)	(277,373)
Profit before income tax		1,896,143	2,213,328	1,718,256	610,168
Income tax revenue (expenses)	18	(270,798)	(278,236)	(6,805)	6,669
Net profit for the period		1,625,345	1,935,092	1,711,451	616,837
Profit attributable to:					
Owners of the parent		1,604,819	1,922,247	1,711,451	616,837
Non-controlling interests		20,526	12,845	-	-
Net profit for the period		1,625,345	1,935,092	1,711,451	616,837
Earnings per share for profit attributable to the owners of the parent	20				
Basic earnings per share (Baht)		0.87	1.05	0.93	0.34

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Siamgas and Petrochemicals Public Company Limited

Statement of Comprehensive Income

For the nine-month period ended 30 September 2018

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Net profit for the period	1,625,345	1,935,092	1,711,451	616,837
Other comprehensive income (expense), net of taxes:				
Items that will not be reclassified subsequently to profit or loss				
- Reversal of revaluation surplus on land	(463)	-	(463)	-
<u>Less</u> Income tax related to revaluation surplus on land	93	-	93	-
Items that will be reclassified subsequently to profit or loss				
- Share of other comprehensive expense from associates and joint ventures for accounted using the equity method	(26,358)	(9,103)	-	-
- Currency translation difference	(492,743)	(481,060)	-	-
Total other comprehensive expense	(519,471)	(490,163)	(370)	-
Total comprehensive income for the period, net of tax	1,105,874	1,444,929	1,711,081	616,837
Total comprehensive income attributable to:				
Owners of the parent	1,092,551	1,435,904	1,711,081	616,837
Non-controlling interests	13,323	9,025	-	-
Total comprehensive income for the period	1,105,874	1,444,929	1,711,081	616,837

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited
Statement of Changes in Equity
For the nine-month period ended 30 September 2018

Consolidated financial information (Unaudited)								
Attributable to owners of the parent								
	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of equity	Non- controlling interests	Total equity
Notes	Baht'000	Baht'000	Legal reserve Baht'000	Other reserves Baht'000	Unappropriated Baht'000	Baht'000	Baht'000	Baht'000
						(Note 22)		
Opening balance as at 1 January 2018	918,932	1,874,482	162,089	-	8,229,199	(45,724)	169,461	11,308,439
Dividends paid	21	-	-	-	(1,378,392)	-	(3,034)	(1,381,426)
Total comprehensive income (expense) for the period		-	-	-	1,605,189	(512,268)	13,323	1,106,244
Other reserves		-	-	24,473	(24,473)	-	-	-
Capital contributions by non-controlling interests of subsidiaries		-	-	-	-	-	1,525	1,525
Acquisition of investment in a subsidiary from non-controlling interests	10	-	-	-	-	(3,732)	(16,734)	(20,466)
Closing balance as at 30 September 2018	918,932	1,874,482	162,089	24,473	8,431,523	(561,724)	164,541	11,014,316
Opening balance as at 1 January 2017	918,932	1,874,482	162,089	-	6,199,187	521,802	123,364	9,799,856
Dividends paid		-	-	-	(781,091)	-	(9,645)	(790,736)
Total comprehensive income (expense) for the period		-	-	-	1,922,247	(486,343)	9,025	1,444,929
Disposal of investment in a subsidiary by not losing control		-	-	-	-	-	26,614	26,614
Closing balance as at 30 September 2017	918,932	1,874,482	162,089	-	7,340,343	35,459	149,358	10,480,663

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Changes in Equity

For the nine-month period ended 30 September 2018

Separate financial information (Unaudited)							
	Note	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Retained earnings		Other components of equity Baht'000 (Note 22)	Total equity Baht'000
				Legal reserve Baht'000	Unappropriated Baht'000		
Opening balance as at 1 January 2018		918,932	1,874,482	162,089	4,124,820	148,160	7,228,483
Dividends paid	21	-	-	-	(1,378,392)	-	(1,378,392)
Total comprehensive income (expense) for the period		-	-	-	1,711,821	(370)	1,711,451
Closing balance as at 30 September 2018		<u>918,932</u>	<u>1,874,482</u>	<u>162,089</u>	<u>4,458,249</u>	<u>147,790</u>	<u>7,561,542</u>
Opening balance as at 1 January 2017		918,932	1,874,482	162,089	4,260,848	148,160	7,364,511
Dividends paid		-	-	-	(781,091)	-	(781,091)
Total comprehensive income for the period		-	-	-	616,837	-	616,837
Closing balance as at 30 September 2017		<u>918,932</u>	<u>1,874,482</u>	<u>162,089</u>	<u>4,096,594</u>	<u>148,160</u>	<u>7,200,257</u>

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited

Statement of Cash Flows

For the nine-month period ended 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018 Baht'000	Unaudited 2017 Baht'000	Unaudited 2018 Baht'000	Unaudited 2017 Baht'000
Cash flows from operating activities					
Profit before income tax		1,896,143	2,213,328	1,718,256	610,168
Adjustments to reconcile profit before income tax					
Depreciation expenses - buildings and equipment	11	811,284	915,201	87,811	86,053
Amortisation expenses - intangible assets and investment property		40,549	40,461	960	203
Gain on disposal and write-offs of equipment, net		(37,165)	(2,014)	(33,009)	(581)
Gain on change in fair value of short-term investments	6	(297)	(2,828)	(297)	(2,828)
Loss from disposal of investment in a subsidiary		-	-	-	3,082
Share of loss (profit) of associates and joint ventures	10	(103,174)	46,132	-	-
Reversal of allowance for doubtful debts		(287)	(353)	-	-
Provision for diminution in value of inventories		3,062	22,222	-	-
Impairment charged on equipment		21,000	-	-	-
Dividends income from short-term investments		(2,700)	(1,900)	(2,700)	(1,900)
Dividends income from subsidiaries		-	-	(1,730,659)	(678,835)
Employee benefit expenses		12,841	10,687	4,866	4,305
Unrealised loss on exchange rates, net		47,794	15,669	4,882	9,289
Amortisation of deferred financing fees		-	7,097	-	6,464
Interest income		(11,268)	(11,479)	(27,709)	(42,172)
Finance costs		344,587	334,491	271,402	277,373
		3,022,369	3,586,714	293,803	270,621
Changes in operating assets and liabilities					
- Trade and other receivables		(2,397,958)	(363,397)	(183,534)	(402,261)
- Inventories		(2,936,049)	(2,605,944)	(146,659)	(620,749)
- Other current assets		(128,321)	23,606	(25,940)	(41,455)
- Other non-current assets		(51,832)	49,618	(40,806)	18,425
- Trade and other payables		2,625,783	568,784	393,456	445,895
- Other current liabilities		11,266	34,345	41,616	36,770
- Cylinder deposits		246,549	278,708	82,051	65,543
- Other non-current liabilities		37,396	(2,396)	(1,090)	1,147
- Employee benefits paid		(6,112)	(4,853)	(394)	(3,277)
Cash generated from (used in) operations		423,091	1,565,185	412,503	(229,341)
- Finance costs paid		(346,413)	(327,801)	(273,468)	(271,349)
- Income tax paid		(433,424)	(243,987)	(22,155)	(12,187)
Net cash received from (used in) operating activities		(356,746)	993,397	116,880	(512,877)

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited
Statement of Cash Flows
For the nine-month period ended 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2018	Unaudited 2017	Unaudited 2018	Unaudited 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Proceeds from (payments for)					
short-term investments, net	6	(42,000)	1,500	-	1,500
Proceeds from long-term loans to related parties	23	-	11,986	69,875	767,475
Payments for long-term loans to related parties		(64,813)	-	-	(305,000)
Advance payment for acquisition					
of investment in joint venture		-	(3,253)	-	-
Advance payment for acquisition					
of investment in a subsidiary	13	-	-	(135,000)	-
Advance payments for acquisitions					
of investments in associates	13	(77,776)	-	-	-
Payments for acquisition of investment in joint venture		(10,147)	(27,500)	-	-
Payments for acquisitions of investment in associates		(241,074)	(816,984)	-	-
Payments for investments in subsidiaries	10	-	-	(688,863)	(879,171)
Proceeds from disposal of investment in a subsidiary		-	23,367	-	23,367
Purchases of property, plant and equipment		(1,284,820)	(1,124,683)	(120,822)	(81,882)
Advance payments for purchase of equipment		(101,157)	(133,662)	(84,131)	(109,191)
Purchases of investment property	12	(555,469)	-	(555,469)	-
Proceeds from disposals of property,					
plant and equipment		88,076	12,850	56,998	5,599
Purchases of intangible assets		(23)	(8,709)	-	(632)
Interest received		10,562	11,446	4,457	26,707
Dividends received from short-term investments		2,700	1,900	2,700	1,900
Dividends received from subsidiaries		-	-	1,730,659	678,835
Net cash received from (used in) investing activities		(2,275,941)	(2,051,742)	280,404	129,507
Cash flows from financing activities					
Proceeds from short-term borrowings					
from financial institutions, net		3,621,849	1,023,448	418,466	103,580
Proceeds from long-term loans					
from financial institutions, net	16	913,063	1,218,199	550,000	537,876
Repayments for long-term loans					
from financial institutions	16	(519,475)	(419,317)	(160,648)	(104,226)
Proceeds from long-term loans from related parties	23	-	-	796,128	500,000
Repayments for long-term loans from related parties	23	-	-	(740,000)	(648,776)
Repayments for bond redemption	17	(2,000,000)	(1,300,000)	(2,000,000)	(1,300,000)
Proceeds from issue of bonds, net	17	1,988,983	1,995,690	1,988,983	1,995,690
Proceeds from subsidiaries of non-controlling interests		1,525	-	-	-
Payment for investment in a subsidiary					
from non-controlling interests		(20,466)	-	-	-
Dividends paid		(1,381,426)	(790,736)	(1,378,392)	(781,091)
Net cash received from (used in) financing activities		2,604,053	1,727,284	(525,463)	303,053
Net increase (decrease) in cash and cash equivalents		(28,634)	668,939	(128,179)	(80,317)
Cash and cash equivalents at the beginning of the period		2,590,205	1,879,333	301,443	260,283
Exchange gain (loss) on cash and cash equivalents		-	(531)	(28)	(175)
Cash and cash equivalents at the end of the period		2,561,571	2,547,741	173,236	179,791

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

Siamgas and Petrochemicals Public Company Limited**Statement of Cash Flows****For the nine-month period ended 30 September 2018**

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents are made up as follows:				
- Cash on hand and deposits at financial institutions - maturities within three months	<u>2,561,571</u>	<u>2,547,741</u>	<u>173,236</u>	<u>179,791</u>
Non-cash items				
Payables for purchase of property, plant and equipment (included in other payables)	69,727	93,119	17,562	16,224
Advance payment for purchase of property, plant and equipment (included in other non-current assets)	208,449	-	208,449	-
Receivable from disposal of equipment (included in trade and other receivables)	1,447	-	1,145	7,938

The condensed notes to the interim financial information from pages 14 to 45 are an integral part of this interim financial information.

1 General information

Siamgas and Petrochemicals Public Company Limited (“the Company”) is a public limited company that is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

553 30th Floor, The Palladium Building, Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The Group has main business in trading petroleum and petrochemical and transportation services by land and vessel.

This interim consolidated and separate financial information was authorised by the Board of Directors on 6 November 2018.

This interim consolidated and separate financial information has been reviewed, but not audited.

2 Accounting policies

2.1 Basis of preparation of the interim financial information

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 (revised 2017) “Interim Financial Reporting”. The primary financial information which is statement of financial position, the related statement of income, comprehensive income, changes in equity and cash flows, is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 (revised 2017), “Presentation of Financial Statements”. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2017.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2.2 New financial reporting standard, revised financial reporting standards, revised accounting standards and related interpretations

2.2.1 Revised financial reporting standards and revised accounting standards are effective for annual periods beginning on or after 1 January 2018.

Commencing from 1 January 2018, the Group adopted the revised financial reporting standards and the revised accounting standards which are effective for the periods beginning on and after 1 January 2018. There is no significant impact to the interim financial information being present from the adoption of those standards.

2 Accounting policies (continued)

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

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted this standard.

TFRS 15 Revenue from contracts with customers

TFRS 15 provide the requirements for the recognition of revenue. This standard will replace the following standards and interpretations:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new financial reporting standard is based on the principle that

- revenue is recognised when control of a goods or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group will have a choice to apply this standard retrospectively in accordance with TAS 8 (revised 2017) "Accounting Policies, Changes in Accounting Estimates and Errors", subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group will first apply this standard for annual reporting periods beginning on 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail.

2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 and relevant to the Group. The Group has not yet adopted those standards.

The Group of financial instruments reporting standards consist of the following standards:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity Securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

2 Accounting policies (continued)

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

2.2.3 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 and relevant to the Group. The Group has not yet adopted those standards. (continued)

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation of financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
- Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2 Accounting policies (continued)

2.3 Additional accounting policies

2.3.1 Other reserves

Other reserves of the Group comprise of the reserves of subsidiaries in the People's Republic of China. These reserves are in accordance with the regulation of a government unit in the People's Republic of China with the objective of safety.

2.3.2 Investment property

Property that is held to earn rentals or for capital appreciation or both, and that is not occupied by the 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 ceased 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 (if any).

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 - 30 years
Equipment	5 - 20 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 as expenses in profit or loss.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

4 Segment information

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

The operating segments of the Group 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 vessel;
 Other segment : Cylinder manufacturing

For the nine-month period ended 30 September 2018	Consolidated financial information				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
Revenues from sales and services	71,842	1,723	202	(22,998)	50,769
Cost of goods sold and services	(69,417)	(1,367)	(178)	22,944	(48,018)
Gross profit	2,425	356	24	(54)	2,751
Other income	308	57	7	35	407
Profit before operating expenses	2,733	413	31	(19)	3,158
Unallocated expenses					(1,636)
Share of profit of associates and joint ventures					103
Net profit for the period					1,625

For the nine-month period ended 30 September 2017	Consolidated financial information				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
Revenues from sales and services	58,439	1,618	143	(18,420)	41,780
Cost of goods sold and services	(55,648)	(1,533)	(121)	18,763	(38,539)
Gross profit	2,791	85	22	343	3,241
Other income	456	16	17	(157)	332
Profit before operating expenses	3,247	101	39	186	3,573
Unallocated expenses					(1,592)
Share of loss of associates and joint ventures					(46)
Net profit for the period					1,935

4 Segment information (continued)

Geographical information

In presenting geographical information, revenues are based on the geographical location of control in operation management and non-current assets are based on the geographical location of the assets.

	Consolidated financial information	
	Revenues from sales and services	
For the nine-month period ended 30 September	2018	2017
	Million Baht	Million Baht
Domestic	16,055	15,940
Overseas	34,714	25,840
Total	50,769	41,780

	Consolidated financial information	
	Non-current assets	
As at	30 September	31 December
	2018	2017
	Million Baht	Million Baht
Domestic	11,789	11,280
Overseas	4,065	4,366
Total	15,854	15,646

For the nine-month period ended 30 September 2018 and 2017, the Group did not have any major customer who generates revenue more than 10% of total revenue.

5 Fair value

As at 30 September 2018, financial assets that are measured at fair value in the interim consolidated and separate financial information are as follows:

	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Consolidated financial information				
Financial assets at fair value through profit or loss				
Short-term investments	142	-	-	142
Separate financial information				
Financial assets at fair value through profit or loss				
Short-term investments	100	-	-	100

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

During the period, there were no transfers between levels 1 and 2 of the fair value hierarchy. In addition, there were no any changes in valuation techniques during the period.

6 Short-term investments

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

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

For the nine-month period ended 30 September 2018	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening amount	99	99
Additions	592	550
Redemptions	(550)	(550)
Gain on change in fair value of short-term investments	1	1
Closing amount	<u>142</u>	<u>100</u>

7 Trade and other receivables, net

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Trade receivables	4,765	2,715	287	288
<u>Less</u> Allowance for doubtful accounts	(61)	(61)	(5)	(5)
Trade receivables, net	4,704	2,654	282	283
Trade receivables from related parties (Note 23)	20	59	217	207
Other receivables from related parties (Note 23)	-	-	94	98
Prepayments	215	151	57	35
Advance payments	75	119	1	1
Accrued income	2	22	1	-
Receivables on subsidies for liquefied petroleum gas from government	1,363	1,057	686	528
Other receivables	3	-	-	1
Total trade and other receivables, net	<u>6,382</u>	<u>4,062</u>	<u>1,338</u>	<u>1,153</u>

The age analysis of trade receivables is as follows:

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Trade receivables				
Current	4,057	2,131	232	232
Overdue				
- less than 3 months	277	328	33	42
- 3 months to 12 months	357	179	14	5
- more than 12 months	74	77	8	9
Total	4,765	2,715	287	288
<u>Less</u> Allowance for doubtful accounts	(61)	(61)	(5)	(5)
Total trade receivables, net	<u>4,704</u>	<u>2,654</u>	<u>282</u>	<u>283</u>

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

7 Trade and other receivables, net (continued)

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

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Trade receivables from related parties				
Current	20	59	216	207
Overdue	-	-	1	-
Total trade receivables from related parties	20	59	217	207

8 Inventories, net

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Raw material	30	26	-	-
Work in progress	19	16	-	-
Finished goods				
- Petroleum products	4,708	3,688	1,008	874
- Petrochemical products	30	28	-	-
- Oil products	143	93	-	-
- Others	13	11	-	-
- Goods in transit	1,907	117	-	-
Supplies and other	101	104	27	14
Total	6,951	4,083	1,035	888
<u>Less</u> Allowance for diminution in value of inventories	(16)	(13)	-	-
Total inventories, net	6,935	4,070	1,035	888

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum products and oil products at 1% and 1% of the total trading volume of petroleum products and oil products in Thailand in each period, respectively. As at 30 September 2018, the inventories included minimum mandatory reserve on petroleum products and oil products amounting to Baht 183 million in the consolidated financial information, and Baht 79 million in the separate financial information (31 December 2017: Baht 184 million and Baht 87 million, respectively), which were net of allowance for net realisable value.

9 Other current assets

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
VAT refundable	355	247	116	62
Corporate income tax refundable	5	16	-	-
Deposits for tariff customs	105	60	-	-
Others	58	53	3	9
Total other current assets	523	376	119	71

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

10 Investments in subsidiaries, associates and joint ventures, net

10.1 Investments in subsidiaries, net

The movement in investments in subsidiaries is as follows:

For the nine-month period ended 30 September 2018	Separate financial information Million Baht
Opening balance, net	9,594
Acquisitions	689
Closing balance, net	10,283

Details of investments in subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		30 September 2018	31 December 2017	
Direct subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59	99.59	Petroleum and petrochemical product distribution
Lucky Carrier Company Limited	Thailand	99.99	99.99	Transportation and distribution
Siam Quality Steel Co., Ltd.	Thailand	99.99	99.99	Manufacturing and distribution of LPG cylinders
Siam Ethanol Exports Co., Ltd.	Thailand	70.00	70.00	Manufacturing of ethanol products (ceased its operation)
Siam Lucky Marine Co., Ltd.	Thailand	45.86	45.86	Transportation services
Siam Suksawat Co., Ltd.	Thailand	100.00	100.00	Transportation and discharge goods, petroleum product distribution
Siam LNG Ltd. ⁽⁴⁾	Thailand	99.99	-	Petroleum product distribution
Siamgas Hongkong Co., Ltd.	Hongkong	100.00	100.00	Holding business
Super Gas Co., Ltd.	Vietnam	100.00	100.00	Petroleum product distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00	95.00	Petroleum product distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00	100.00	Petroleum product distribution
MyGaz Sdn. Bhd.	Malaysia	70.00	70.00	Petroleum product distribution
Siamgas Myanmar Consortium Pte. Ltd. ⁽¹⁾	Singapore	-	80.00	Holding business
Siam Gas Power Pte. Ltd. ⁽²⁾	Singapore	100.00	100.00	Holding business
Siamgas Global Investment Pte. Ltd. ⁽³⁾	Singapore	100.00	100.00	Holding business
Far East Petroleum Sdn. Bhd. ⁽⁶⁾	Malaysia	95.00	70.00	Petroleum product distribution, warehousing and storage service

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.1 Investments in subsidiaries, net (continued)

Details of investments in subsidiaries are as follows: (continued)

	Country of incorporation	% ownership interest		Type of business
		30 September 2018	31 December 2017	
Indirect subsidiaries				
Siam Lucky Marine Co., Ltd.	Thailand			Transportation services
Held by:				
- Unique Gas and Petrochemicals Public Company Limited		14.77	14.77	
- Lucky Carrier Company Limited		39.37	39.37	
Sino Siam Gas and Petrochemical Co., Ltd.	The People's Republic of China			Petroleum and petrochemical products distribution
Held by:				
- Siamgas Hongkong Co., Ltd.		100.00	100.00	
Siam Ocean Gas and Energy Co., Ltd.	The People's Republic of China			Petroleum and petrochemical products distribution
Held by:				
- Siamgas Hongkong Co., Ltd.		100.00	100.00	
Siamgas-J&J International Ltd.	Bangladesh			Petroleum and petrochemical products distribution
Held by:				
- Siamgas Global Investment Pte. Ltd.		80.00	80.00	
Siamgas Bangladesh Ltd.	Bangladesh			Petroleum and petrochemical products distribution
Held by:				
- Siamgas-J&J International Ltd.		99.90	99.90	
Pacific Gas Bangladesh Ltd. ⁽⁵⁾	Bangladesh			Petroleum and petrochemical products distribution
Held by:				
- Siamgas Global Investment Pte. Ltd.		90.00	-	

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.1 Investments in subsidiaries, net (continued)

Details of investments in subsidiaries are as follows: (continued)

As at	Separate financial information	
	Cost Method	
	30 September 2018	31 December 2017
	Million Baht	Million Baht
Unique Gas and Petrochemicals Public Company Limited	2,105	2,105
Lucky Carrier Company Limited	70	70
Siam Quality Steel Co., Ltd.	70	70
Siam Ethanol Exports Co., Ltd.	280	280
Siam Lucky Marine Co., Ltd.	205	205
Siam Suksawat Co., Ltd.	100	100
Siam LNG Co., Ltd. ⁽⁴⁾	250	-
Siamgas Hongkong Co., Ltd.	4,088	4,088
Super Gas Co., Ltd.	388	388
SingGas (LPG) Pte. Ltd.	427	427
Siam Gas Trading Pte. Ltd.	12	12
MyGaz Sdn. Bhd.	84	84
Siamgas Myanmar Consortium Pte. Ltd. ⁽¹⁾	-	-
Siam Gas Power Pte. Ltd. ⁽²⁾	2,181	1,787
Siamgas Global Investment Pte. Ltd. ⁽³⁾	61	37
Far East Petroleum Sdn. Bhd. ⁽⁶⁾	83	62
Total investment in subsidiaries	10,404	9,715
<u>Less</u> Impairment charge	(121)	(121)
Investments in subsidiaries, net	<u>10,283</u>	<u>9,594</u>

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

- (1) On 18 October 2017, the Company's Board of Directors' meeting passed a resolution to approve the liquidation of Siamgas Myanmar Consortium Pte. Ltd. Such subsidiary completed a liquidation process on 5 February 2018.
- (2) During the nine-month period ended 30 September 2018, Siam Gas Power Pte. Ltd. ("SPW"), incorporated in Singapore, registered an increase of its share capital of 12.26 million shares at par value of USD 1 each or approximately Baht 393.80 million. The number of shares increased from 51.02 million shares to 63.28 million shares with a par value of USD 1 each. The Company has already paid the capital increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%. The registration was completed during the period.
- (3) During the nine-month period ended 30 September 2018, Siamgas Global Investment Pte. Ltd. ("SGI") entered into a joint venture agreement for trading of petroleum products in Bangladesh. SGI's ownership interest is 90% of registered and paid up capital. The source of fund is from the net working capital of the Group. On 22 February 2018, the Board of Directors' meeting of the Company passed a resolution to approve an increase in the share capital of SGI of 16 million shares at a par value of USD 1 each or approximately Baht 522.89 million. The number of shares increased from 1.10 million shares to 17.10 million shares with a par value of USD 1 each. The Company's ownership remains unchanged at 100%. As at 30 September 2018, SGI partially registered an increase of its share capital of 0.78 million shares or Baht 24.60 million. The remaining are still in the process.
- (4) On 3 May 2018, the Company established Siam LNG Co., Ltd., in Thailand with 10 million shares at par value of Baht 100, totalling Baht 1,000 million. The Company owns 99.99% of total shares. The Company partially paid for 10 million shares at Baht 25 per share, amounting to Baht 250 million. The business objective of the subsidiary is petroleum product distribution.
- (5) On 16 May 2018, Siamgas Global Investment Pte. Ltd., the subsidiary of the Company, established Pacific Gas Bangladesh Ltd. ("PGB"), in Bangladesh, with 400,000 shares at a par value of BDT 10,000 each. The business objective is petroleum product distribution in Bangladesh. The Group's ownership interest is 90.00% with paid-up capital of BDT 36 million or approximately Baht 13.73 million during the period.

Siamgas and Petrochemicals Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2018

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.1 Investments in subsidiaries, net (continued)

Changes of investments in subsidiaries during the period are as follows: (continued)

⁽⁶⁾ On 6 August 2018, the Company entered into the share purchase agreement with a third party to acquire an 25% shareholding interest in or 2.5 million shares of Far East Petroleum Sdn. Bhd. at a par value of MYR 1.00 each, totalling MYR 2.50 million or Baht 20.47 million. The payment was made in August 2018. As a result, the Company's ownership interest increased from 70.00% to 95.00%.

10.2 Investments in associates

The movement in investments in associates are as follows:

For the nine-month period ended 30 September 2018

	Consolidated financial information
	Equity Method Million Baht
Opening balance	1,641
Acquisitions	306
Share of profit	111
Currency translation differences	(21)
Closing balance	2,037

Details of investments in associates are as follows:

	Country of incorporation	% ownership interest		Type of business	
		30 September 2018	31 December 2017		
Indirect associates					
(held by: Siam Gas Power Pte. Ltd.)					
MSN International Limited ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Malaysia	36.10	30.00	Energy related business services	
Asiatech Energy Pte. Ltd. ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Singapore	36.10	30.00	Energy related business services	
Myanmar Lighting (IPP) Co., Ltd. ⁽⁷⁾⁽⁸⁾⁽⁹⁾	Myanmar	36.10	30.00	Electricity generating business	
Southern Myanmar Development Co., Ltd.	Myanmar	33.00	33.00	Electricity generating business	
Asiatech Infrastructure Co. Pte. Ltd.	Singapore	33.00	33.00	Energy related business services	
TSM Co., Ltd.	Malaysia	33.00	33.00	Energy related business services	
As at					
		Consolidated financial information		Separate financial information	
		Equity Method		Cost Method	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		Million Baht	Million Baht	Million Baht	Million Baht
MSN International Limited ⁽⁷⁾⁽⁸⁾⁽⁹⁾		443	328	-	-
Asiatech Energy Pte. Ltd. ⁽⁷⁾⁽⁸⁾⁽⁹⁾		2	1	-	-
Myanmar Lighting (IPP) Co., Ltd. ⁽⁷⁾⁽⁸⁾⁽⁹⁾		1,590	1,312	-	-
Southern Myanmar Development Co., Ltd.		-	-	-	-
Asiatech Infrastructure Co. Pte. Ltd.		-	-	-	-
TSM Co., Ltd.		2	-	-	-
Total		2,037	1,641	-	-

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.2 Investments in associates (continued)

Changes of investments in associates during the period are as follows:

- (7) The Group's details of total purchase consideration and estimated fair value of net assets acquired based on proportion of investment at 30.00% of each associate which the Group acquired in May 2017 are as follows:

	MSN International Limited Million Baht	Asiatech Energy Pte. Ltd. Million Baht	Myanmar Lighting (IPP) Co., Ltd. Million Baht	Total Million Baht
Trade receivables	904	-	63	967
Other receivable from related party	35	-	-	35
Finance lease receivable	-	-	1,067	1,067
Right in power purchase agreement	-	-	1,330	1,330
Long-term loans to related party	-	1,377	-	1,377
Other payables to related party	-	(888)	-	(888)
Borrowings from financial institutions	-	(473)	-	(473)
Borrowings from related parties	(555)	-	(1,196)	(1,751)
Deferred income tax liabilities	-	-	(297)	(297)
Liabilities less other assets	(3)	(16)	(146)	(165)
Total fair value of net assets acquired	381	-	821	1,202
Goodwill (Presented as a part of investments in associates)	17	-	458	475
Total purchase consideration	398	-	1,279	1,677

During the nine-month period ended 30 September 2018, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of three associates to comply with the measurement period for a business combination stated in TFRS 3 (Revised 2017) "Business combinations". The determination of fair value does not materially impact to the consolidated financial statements for the year ended 31 December 2017. The Group amortises the right in power purchase agreement by straight-line method over the remaining period of the power purchase agreement of MLIPP which is 27 years.

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.2 Investments in associates (continued)

Changes of investments in associates during the period are as follows: (continued)

- (8) In November 2017, SPW entered into a share purchase agreement for acquisition of additional investment in a combined cycle power plant in Myanmar. SPW has additionally purchased shares of three companies which are Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), MSN International Limited ("MSN") and Asiatech Energy Pte. Ltd. ("AEPL") in the same proportion of 6.1% of registered and paid up capital in each company, in order to increase the shares in the combined cycle power plant, with a total consideration of USD 9.76 million or equivalent to Baht 305.89 million. The funds come from the net working capital of the Group. SPW paid for shares capital to seller of USD 2 million or equivalent to Baht 65.36 million in November 2017 and paid for the remaining balance of USD 7.76 million or equivalent to Baht 240.53 million to seller in January 2018. As a result, SPW's ownership interest will be the portion of 36.10% of registered and paid-up shares and the transfer of shares was completed on 1 February 2018.

The details of investment and estimated fair value of net assets acquired based on proportion of investment at 6.10% of each associate are described below:

	MSN International Limited Million Baht	Asiatech Energy Pte. Ltd. Million Baht	Myanmar Lighting (IPP) Co., Ltd. Million Baht	Total Million Baht
Trade receivables	162	-	8	170
Finance lease receivable	-	-	225	225
Right in power purchase agreement	-	-	247	247
Long-term loans to related party	-	247	-	247
Other payables to related parties	-	(172)	(45)	(217)
Borrowings from financial institutions	-	(79)	-	(79)
Borrowings from related parties	(102)	-	(214)	(316)
Deferred income tax liabilities	-	-	(57)	(57)
Liabilities less other assets	-	4	4	8
Total fair value of net assets acquired	60	-	168	228
Goodwill (Presented as a part of investments in associates)	13	-	65	78
Total purchase consideration	73	-	233	306

During the nine-month period ended 30 September 2018, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of three associates to comply with the measurement period for a business combination stated in TFRS 3 (Revised 2017) "Business combinations". The Group amortises the right in power purchase agreement by straight-line method over the remaining period of the power purchase agreement of MLIPP which is 26 years.

- (9) On 15 August 2018, SPW entered into a share purchase agreement for investment in a combined cycle power plant in Myanmar. SPW has additionally purchased shares of three companies which are Myanmar Lighting ("IPP") Co., Ltd. ("MLIPP"), MSN International Limited (MSN) and Asiatech Energy Pte. Ltd. ("AEPL") in the same proportion of 5.00% of registered and paid up capital in each company, in order to increase the shares in the combined cycle power plant, with a total consideration of USD 8.00 million (equivalent to Baht 259.25 million). The funds come from the net working capital of the Group. The payment of investment was divided into two tranches. Under the first tranche, SPW paid USD 2.40 million, equivalent to Baht 77.78 million, to acquire 5.00% of registered and paid up capital shares in MSN and AEPL which were paid in August 2018, and under the second tranche, SPW will pay the remaining USD 5.60 million, equivalent to Baht 181.47 million in November 2018, to acquire 5.00% of registered and paid up capital shares in MLIPP. As a result, SPW's ownership interest will be the portion of 41.10% of registered and paid-up shares. As at 30 September 2018, the Group recorded the payment as a prepayment for investment in associates (note 13).

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.3 Investments in joint ventures

The movements in investments in joint ventures are as follows:

For the nine-month period ended 30 September 2018

	Consolidated financial information	Separate financial information
	Equity Method Million Baht	Cost Method Million Baht
Opening balance	108	24
Acquisition	15	-
Share of loss	(8)	-
Currency translation differences	(6)	-
Closing balance	109	24

Details of investments in joint ventures are as follows:

	Country of incorporation	% ownership interest		Type of business
		30 September 2018	31 December 2017	
Direct joint ventures				
Citygas North Co., Ltd.	Vietnam	79.64	79.64	Petroleum products distribution
SG Gas Sdn. Bhd.	Malaysia	29.99	29.99	Petrochemical products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00	50.00	Vessel transportation, food and beverage distribution
Indirect joint ventures (held by Siamgas Global Investment Pte. Ltd.)				
PT Siamindo Djojo Terminal	Indonesia	55.00	55.00	Petroleum product distribution
KMA Siam Limited ⁽¹⁰⁾	Myanmar	65.00	-	Petroleum product distribution

	Consolidated financial information		Separate financial information	
	Equity Method		Cost Method	
As at	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Million Baht	Million Baht	Million Baht	Million Baht
Direct joint ventures				
Citygas Noth Co., Ltd.	73	81	20	20
SG Gas Sdn. Bhd.	-	-	3	3
Siam Nathalin Co., Ltd.	1	1	1	1
	74	82	24	24
Indirect joint ventures				
PT Siamindo Djojo Terminal	26	26	-	-
KMA Siam Limited ⁽¹⁰⁾	9	-	-	-
	35	26	-	-
Total investments in joint ventures	109	108	24	24

10 Investments in subsidiaries, associates and joint ventures, net (continued)

10.3 Investments in joint ventures (continued)

Changes of investments in joint ventures during the period are as follows:

⁽¹⁰⁾ In March 2018, Siamgas Global Investment Pte. Ltd., which is a subsidiary of the Company, established KMA Siam Limited, a joint venture, incorporated in Myanmar with 1.51 million shares at a par value of USD 10 each. The subsidiary entered into a Joint Venture Agreement with a third party. The business objective is petroleum products distribution in Myanmar. The Group's ownership is 65.00% of total share capital. The joint venture agreement of KMA Siam Limited has determined the management structure including strategic financial decisions and operations, with voting rights from all shareholders or the representative of each party, so this is classified as investments in joint ventures of the Group. As at 30 September 2018, SGI paid-up capital of USD 0.46 million or approximately Baht 15.01 million during the period and the remaining are still in the registration process.

11 Property, plant, equipment and intangible assets, net

Property, plant and equipment consists of land, land improvement, building, vehicles, machinery, warehouse and storage tank, gas station and filling station, equipment for gas and filling stations, vessels, cylinders, office equipment and construction in progress (Note 16). Intangible assets consist of computer software and customer relationships. The movements are as follows:

For the nine-month period ended 30 September 2018	Consolidated financial information		Separate financial information	
	Property, plant and equipment Million Baht	Intangible assets Million Baht	Property, plant and equipment Million Baht	Intangible assets Million Baht
Opening net book amount	15,646	108	5,058	4
Additions	1,491	-	336	-
Disposals, net	(52)	-	(24)	-
Transfer out to investment property	(115)	-	(115)	-
Depreciation and amortisation charges	(811)	(26)	(88)	(1)
Impairment charge	(21)	-	-	-
Currency translation differences	(284)	(1)	-	-
Closing net book amount	<u>15,854</u>	<u>81</u>	<u>5,167</u>	<u>3</u>

12 Investment property, net

For the nine-month period ended 30 September 2018	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening net book amount	-	-
Additions	555	555
Transfers from property, plant and equipment	115	115
Transfers from other assets	16	-
Depreciation for the period	(1)	-
Closing net book amount	<u>685</u>	<u>670</u>

Investment property of the Group is a land amounting to Baht 555 million which held for a currently undetermined future use. Investment property with net book amount of Baht 130 million is for rent.

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For the interim period ended 30 September 2018

13 Other non-current assets

As at	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Million Baht	Million Baht	Million Baht	Million Baht
Accrued interest income on loans to related parties (Note 23)	-	-	211	188
Deposits at bank used as collateral	27	74	-	-
Deposits	25	17	7	7
Corporate income tax refundable	135	113	114	92
Advance payments for purchases of equipment	91	233	73	224
Prepayment for investments in a subsidiary*	-	-	135	-
Prepayment for investments in associates (Note 10.2)	78	97	-	-
Deferred charge	22	23	-	-
Prepaid rental	512	414	83	37
Leasehold	30	45	-	-
Others	33	54	-	1
Total other non-current assets	953	1,070	623	549

*The Company paid an advance payment for an acquisition of investment in Siam LNG Co., Ltd. amounting to Baht 135 million. The registration was completed in October 2018.

14 Short-term borrowings from financial institutions, net

As at	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term borrowings from financial institutions, net	5,119	1,501	1,650	1,233

As at 30 September 2018, the Group has short-term promissory notes and trust receipts from commercial banks with unsecured represented in US Dollar amounting to USD 107.05 million, which is equivalent to Baht 3,469 million, and Thai Baht amounting to Baht 1,650 million for the Group and Thai Baht amounting 1,650 million for the Company, which bear interest rates at the range of 1.26%-2.55% per annum and 1.26%-1.85% per annum, respectively. (31 December 2017: represented in USD amounting to USD 20.01 million, which is equivalent to Baht 656 million and Thai Baht amounting to Baht 845 million for the Group and represented in USD amounting to USD 11.81 million, which is equivalent to Baht 388 million and Thai Baht amounting to Baht 845 million for the Company, which bear interest rates at the range of 1.25%-1.85% per annum and 1.25%-1.80% per annum, respectively).

15 Trade and other payables

As at	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Million Baht	Million Baht	Million Baht	Million Baht
Trade payables	5,509	3,068	999	568
Trade payables to related parties (Note 23)	2	-	54	46
Other payables	136	170	46	82
Other payables to related parties (Note 23)	2	5	11	13
Advance received from customers	580	319	-	-
Accrued interest expenses	55	65	55	64
Accrued expenses	392	361	40	42
Total trade and other payables	6,676	3,988	1,205	815

16 Long-term loans from financial institutions, net

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Current portion of long-term loans, net				
Thai Baht	552	327	184	-
US Dollar	818	259	742	148
<u>Less</u> Deferred financing fees	(2)	(3)	(1)	(2)
	<u>1,368</u>	<u>583</u>	<u>925</u>	<u>146</u>
Long-term loans, net				
Thai Baht	1,083	693	320	-
US Dollar	3	767	-	710
<u>Less</u> Deferred financing fees	(4)	(7)	(2)	(5)
	<u>1,082</u>	<u>1,453</u>	<u>318</u>	<u>705</u>
Total long-term loans, net	<u>2,450</u>	<u>2,036</u>	<u>1,243</u>	<u>851</u>

The movements of long-term loans from financial institutions can be analysed as follows:

For the nine-month period ended 30 September 2018	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening net book balance	2,036	851
Addition	913	550
Repayments	(519)	(161)
Amortised deferred financing fees	4	3
Unrealised loss from exchange rate	17	-
Currency translation differences	(1)	-
Closing net book balance	<u>2,450</u>	<u>1,243</u>

The Company

Under the terms and conditions as specified in the loan agreement, the Company has to comply with the conditions, including certain debt covenants as specified in the agreement.

Subsidiary

Long-term loans of Baht 1,207 million is for a subsidiary. Certain of gas vessels of the subsidiary with net book value of Baht 2,165 million have been pledged as collateral for the loans. In addition, the loans are also guaranteed by the Company and another two subsidiaries. Under the terms and conditions as specified in the loan agreements, the subsidiary is not permitted to use assets pledged as collateral for other obligations without prior formal approval from the banks. The subsidiary has to comply with the terms and conditions, including certain debt covenants as specified in the agreement.

Credit facilities

As at 30 September 2018, the Group has available credit facilities with several financial institutions for letter of credit, trust receipt, cheque discounted, letter of guarantee, forward contract and loan of Baht 23,686 million (31 December 2017: Baht 25,253 million).

17 Bonds, net

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Current portion of long-term bonds, net				
Thai Baht	3,000	2,000	3,000	2,000
<u>Less</u> Deferred financing fees	-	-	-	-
	<u>3,000</u>	<u>2,000</u>	<u>3,000</u>	<u>2,000</u>
Long-term bonds, net				
Thai Baht	4,000	5,000	4,000	5,000
<u>Less</u> Deferred financing fees	(12)	(5)	(12)	(5)
	<u>3,988</u>	<u>4,995</u>	<u>3,988</u>	<u>4,995</u>
Total bonds, net	<u>6,988</u>	<u>6,995</u>	<u>6,988</u>	<u>6,995</u>

The movements of bonds can be analysed as follows:

For the nine-month period ended 30 September 2018

	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening amount, net	6,995	6,995
Repayment of bonds	(2,000)	(2,000)
Issue of bonds	2,000	2,000
Financing fees on issue of bonds	(11)	(11)
Amortised deferred financing fees	4	4
Closing amount, net	<u>6,988</u>	<u>6,988</u>

During the period from 26 - 27 February 2018, the Company had proposed to issue and offer unsubordinated and secured debenture bond. Total value of debenture bond is Baht 2,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

The bond is rated at A+ (Stable) by TRIS. The detail of the bond is as follows:

Type of bond	Fixed interest rate
5-year bond	3.03% per annum

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.

18 Income tax

	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
For the three-month period ended 30 September				
Current tax	73	75	-	-
Deferred tax	(9)	(39)	24	9
Total income tax	64	36	24	9
	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
For the nine-month period ended 30 September				
Current tax	264	211	-	-
Deferred tax	7	67	7	(7)
Total income tax	271	278	7	(7)

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average tax rate used is 10% to 25% per annum for the Group (2017: 10% to 25% per annum) and 20% per annum for the Company (2017: 20% per annum).

19 Share capital

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2018	919	919	1,875	2,794
Shares split	919	-	-	-
As at 30 September 2018	1,838	919	1,875	2,794
	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2017	919	919	1,875	2,794
Increase/Decrease	-	-	-	-
As at 30 September 2017	919	919	1,875	2,794

At the Annual General Meeting of Shareholders for the year 2018 on 27 April 2018, the shareholders approved a registered its change in par value with Ministry of Commerce from that of Baht 1 to that of Baht 0.50 per share by splitting 1 ordinary share at a par value of Baht 1 into 2 ordinary shares at a par value of Baht 0.50 per share and approved a change in the Company's Memorandum of Association to record this change in the par value of the Company's shares on 11 May 2018.

20 Earnings per share

Basic earnings per share is calculated by dividing the net profit (loss) attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the period.

	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
For the three-month period ended 30 September				
Net profit for the period attributable to owner of the parent (million Baht)	738	845	468	372
Weighted average number of ordinary shares in issue during the period (million shares)	1,838	1,838	1,838	1,838
Basic earnings per share (Baht per share)	0.40	0.46	0.25	0.20
	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
For the nine-month period ended 30 September				
Net profit for the period attributable to owner of the parent (million Baht)	1,605	1,922	1,711	617
Weighted average number of ordinary shares in issue during the period (million shares)	1,838	1,838	1,838	1,838
Basic earnings per share (Baht per share)	0.87	1.05	0.93	0.34

There are no potential dilutive ordinary shares in issue during the three-month and nine-month period ended 30 September 2018 and 2017. Weighted average number of ordinary shares for the period ended 30 September 2017 was revised from potential dilutive ordinary shares in issue as there was revised in the beginning of 2017.

21 Dividends paid

The Company

On 27 April 2018, at the Annual General Shareholders' meeting of the Company, the shareholders passed a resolution to approve the payment of dividends for the year 2017 amounting to Baht 1.50 per share, totalling Baht 1,378.40 million, inclusive of interim dividends from retained earnings and operating result for the six-month period ended 30 June 2017 amounting to Baht 0.50 per share, totalling Baht 459.47 million. The interim dividends had already been paid on 7 September 2017. The remaining dividends of Baht 1.00 per share, totalling Baht 918.93 million, had already been paid on 9 May 2018.

On 7 August 2018, at the Board of Directors' meeting of the Company, the board passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2018 at Baht 0.25 per share, for 1,837.86 million shares, totalling Baht 459.47 million. The dividends had been paid on 5 September 2018.

21 Dividends paid (continued)

Subsidiaries

In January 2018, at the Board of Directors' meeting of Siam Gas Trading Pte. Ltd., the board passed a resolution to approve the payment of interim dividends from retained earnings at USD 60 per share or Baht 31.89 per share, for 0.50 million shares, totalling USD 30.00 million or Baht 956.69 million. The Company recognised the dividend income in the separate statement of income. The interim dividends had been paid on 12 January 2018.

On 24 April 2018, at the Annual General Shareholders' meeting of Lucky Carrier Company Limited, the shareholders passed a resolution to approve the payment of dividends for the year 2017 in an amount of Baht 8.00 per share, for 7.00 million shares, totalling Baht 56.00 million, inclusive of interim dividends amounting to Baht 5.00 per share, totalling Baht 35.00 million. The interim dividends had already been paid on 1 September 2017. The remaining dividends of Baht 3.00 per share, totalling Baht 21.00 million, had already been paid on 2 May 2018.

On 25 April 2018, at the Annual General Shareholders' meeting of the Unique Gas and Petrochemical Public Company Limited, the shareholders passed a resolution to approve the payment of dividends for the year 2017 from operating results for the year 2017 in an amount of Baht 65.00 per share, for 10.50 million shares, totalling Baht 682.50 million, inclusive of interim dividends amounting to Baht 30.00 per share, totalling Baht 315.00 million. The interim dividends had already been paid on 5 September 2017. The remaining dividends of Baht 35.00 per share, totalling Baht 367.50 million, had already been paid on 7 May 2018.

On 7 August 2018, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, the board passed a resolution to approve the payment of interim dividends from operating results for the six-month period ended 30 June 2018 at Baht 35.00 per share, for 10.50 million shares, totalling Baht 367.50 million. The dividends had already been paid on 3 September 2018.

On 14 August 2018, at the Board of Directors' meeting of Lucky Carrier Company Limited, the board passed a resolution to approve the payment of interim dividends from net profit for the six-month period ended 30 June 2018 at Baht 3.00 per share, for 7.00 million shares, totalling Baht 21.00 million. The dividends had already been paid on 3 September 2018.

22 Other components of equity

	Consolidated financial information						
	Other comprehensive income (expense)						
	Revaluation surplus on land Million Baht	Difference arising from business acquisition under common control Million Baht	Difference from taking equity of a business combination under common control Million Baht	Share of other comprehensive expense from associates and joint ventures for using the equity method Million Baht	Currency translation differences Million Baht	Discount from changes in shareholding interests in subsidiaries	Total other component of equity Million Baht
Opening balance as at 1 January 2018	969	(609)	22	(21)	(407)	-	(46)
Acquisition of investment in a subsidiary from non-controlling interests	-	-	-	-	-	(4)	(4)
Total comprehensive expense for the period	-	-	-	(26)	(486)	-	(512)
Closing balance as at 30 September 2018	969	(609)	22	(47)	(893)	(4)	(562)
Opening balance as at 1 January 2017	969	(609)	22	-	140	-	522
Total comprehensive expense for the period	-	-	-	(9)	(477)	-	(486)
Closing balance as at 30 September 2017	969	(609)	22	(9)	(337)	-	36

	Separate financial information		
	Revaluation surplus on land Million Baht	Difference arising from business acquisition under common control Million Baht	Total other component of equity Million Baht
Opening balance as at 1 January 2018	757	(609)	148
Total comprehensive income (expense) for the period	-	-	-
Closing balance as at 30 September 2018	757	(609)	148
Opening balance as at 1 January 2017	757	(609)	148
Total comprehensive income (expense) for the period	-	-	-
Closing balance as at 30 September 2017	757	(609)	148

23 Related party transactions

As at 30 September 2018, the major shareholders of the Company are members of the Weeraborwornpong family, who own 61.30% of the Company's share capital.

Details of subsidiaries, associates and joint ventures are presented in Note 10.

The following material transactions were carried out with subsidiaries and related parties:

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

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Trade receivables				
Subsidiaries	-	-	215	205
Joint ventures	17	56	-	-
Other related parties - the same shareholders and directors	3	3	2	2
Total	<u>20</u>	<u>59</u>	<u>217</u>	<u>207</u>
Other receivables				
Subsidiaries	<u>-</u>	<u>-</u>	<u>94</u>	<u>98</u>
Cylinder deposits				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Deposits for building rental				
Other related parties - the same shareholders and directors	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>
Prepayments for building rental				
Other related parties - the same shareholders and directors	<u>191</u>	<u>30</u>	<u>77</u>	<u>12</u>
Trade payables				
Subsidiaries	-	-	54	46
Joint ventures	2	-	-	-
Total	<u>2</u>	<u>-</u>	<u>54</u>	<u>46</u>
Other payables				
Subsidiaries	-	-	10	11
Other related parties - the same shareholders and directors	2	5	1	2
Total	<u>2</u>	<u>5</u>	<u>11</u>	<u>13</u>

23 Related party transactions (continued)

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

b) Loans to/from related parties

Long-term loans to related parties

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Long-term loans				
Subsidiaries	-	-	1,108	1,182
Joint ventures	117	21	21	21
Total	117	21	1,129	1,203
Accrued interest income				
Current portion	-	-	1	1
Non-current portion	-	-	211	188
Total	-	-	212	189

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

For the nine-month period ended 30 September 2018	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening balance	21	1,203
Additions	96	-
Proceeds	-	(70)
Unrealised loss on exchange rates	-	(4)
Closing balance	117	1,129

Long-term loans from related parties

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Long-term loans				
Subsidiaries	-	-	748	690
Directors and key management	3	3	-	-
Total	3	3	748	690

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

For the nine-month period ended 30 September 2018	Consolidated financial information Million Baht	Separate financial information Million Baht
Opening balance	3	690
Additions	-	796
Repayment	-	(740)
Unrealised loss on exchange rates	-	2
Closing balance	3	748

23 Related party transactions (continued)

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

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

For the three-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Sales of gas				
Subsidiaries	-	-	824	389
Joint ventures	5	95	-	-
Other related parties - the same shareholders and directors	4	4	2	2
Total	9	99	826	391
Wharfing service income				
Subsidiaries	-	-	10	10
Interest income				
Subsidiaries	-	-	8	12
Joint ventures	1	-	1	-
Total	1	-	9	12
Other income				
Subsidiaries	-	-	28	20
Dividends income				
Subsidiaries	-	-	387	349
For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Sales of gas				
Subsidiaries	-	-	1,772	894
Joint ventures	118	280	-	-
Other related parties - the same shareholders and directors	11	10	6	5
Total	129	290	1,778	899
Wharfing service income				
Subsidiaries	-	-	31	31
Interest income				
Subsidiaries	-	-	26	41
Joint ventures	1	1	1	1
Total	1	1	27	42
Other income				
Subsidiaries	-	-	86	56
Dividend income				
Subsidiaries	-	-	1,731	679

23 Related party transactions (continued)

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

d) Purchases of goods and services

For the three-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Purchase of goods				
Subsidiaries	-	-	53	53
Purchases of equipment				
Subsidiaries	-	-	26	17
Transportation expenses				
Subsidiaries	-	-	73	70
Wharfing expenses				
Subsidiaries	-	-	8	8
Rental expenses				
Subsidiaries	-	-	-	1
Other related parties - the same shareholders and directors	9	8	3	3
Total	9	8	3	4
Interest expenses				
Subsidiaries	-	-	2	2
Other expenses				
Subsidiaries	-	-	7	3
Other related parties - the same shareholders and directors	7	6	3	3
Total	7	6	10	6

23 Related party transactions (continued)

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

d) Purchases of goods and services (continued)

For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Purchase of goods				
Subsidiaries	-	-	157	133
Purchases of equipment				
Subsidiaries	-	-	69	48
Transportation expenses				
Subsidiaries	-	-	225	221
Wharfing expenses				
Subsidiaries	-	-	26	25
Rental expenses				
Subsidiaries	-	-	2	2
Other related parties - the same shareholders and directors	24	23	9	9
Total	24	23	11	11
Interest expenses				
Subsidiaries	-	-	9	7
Other expenses				
Subsidiaries	-	-	11	6
Other related parties - the same shareholders and directors	22	23	10	11
Total	22	23	21	17

23 Related party transactions (continued)

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

e) Directors' and key management remunerations

For the three-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	14	13	7	6
Post-employment benefits	-	-	1	-
Total	14	13	8	6

For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term employee benefits	49	41	25	21
Post-employment benefits	1	1	1	-
Total	50	42	26	21

24 Commitments and contingent liabilities

As at 30 September 2018, the Group has the significant outstanding commitments and contingent liabilities as follows:

a) Contingent liabilities

The assessments of value added tax

A subsidiary received the notice of assessment letter for value added tax underpayment, including a penalty and surcharge from the Revenue Department. The assessment was issued because the subsidiary did not pay value added tax on transportation service income arising from time charter party contracts. The Revenue Department deemed that this service is classified as property rental, not transportation which is exempt for value added tax. The notification letters of value added tax underpayment are as follows:

- In June 2011, the notice of assessment letter of value added tax underpayment, including a penalty and surcharge, was for the period from October to December 2010 totalling Baht 8.85 million. The subsidiary appealed against the assessment to the Administrative Appeal Committee of the Revenue Department in the same year. The Administrative Appeal Committee issued a judgement agreeing with the Revenue Department's assessment in November 2014. The subsidiary paid the value added tax assessment including the penalty and surcharge in accordance with the Administrative Appeal Committee's assessment and filed a petition to the Central Tax Court to withdraw the judgment in March 2015.

In May 2016, the Central Tax Court judged for the Revenue Department to return the value added tax together with the penalty and surcharge totalling Baht 5.54 million with an interest rate of 7.5% per annum. The Revenue Department filed the appeal and the subsidiary filed the defence to the Central Tax Court in the same year. The Central Tax Court processed the appeal and the defence of both parties to the Supreme Court. The final judgement is made by the Supreme Court. The subsidiary received favourable results from the Supreme Court in August 2018. The Supreme Court judged for the Revenue Department to withdraw the assessment and the judgment including returning the value added tax together with the penalty and surcharge according to the judgement from the Central Tax Court to the subsidiary.

24 Commitments and contingent liabilities (continued)

As at 30 September 2018, the Group has the significant outstanding commitments and contingent liabilities as follows: (continued)

a) Contingent liabilities (continued)

The assessments of value added tax (continued)

- In June 2017, the notice of assessment letter of value added tax underpayment, including penalty and surcharge, was for the period from May to December 2012 totalling Baht 11.62 million. The subsidiary filed a partial tax payment of Baht 3.94 million and recorded this as expense in the same year. The remaining of Baht 7.68 million was the penalty and surcharge.
- In January 2018, the notice of assessment letter of value added tax underpayment, including penalty and surcharge, was for the period from February to April 2013 totalling Baht 4.03 million. The subsidiary filed a partial tax payment of Baht 1.28 million and recorded this as expense in the period. The remaining of Baht 2.75 million was the penalty and surcharge.

The assessments of corporate income tax

The subsidiary received notification letters for corporate income tax underpayment, including penalty and surcharge from the Revenue Department. The assessment was issued because transportation service income arising from the subsidiary's time charter party contracts had been granted promotional privileges by the Office of the Board of Investment under promotion certificates. So this is transportation service income according to the notification of the Director-General of the Revenue Department (No.72) - Rules, procedures and conditions for exemption from income tax on a company or juristic partnership for international marine shipping. The Revenue Department classified this service as property rental, which is not granted promotional privileges under the certificates. The notification letters of corporate income tax underpayment are as follows:

- In November 2017, notifications of corporate income tax underpayment, including penalty and surcharge, were for the year 2012 and 2014 totalling Baht 58.47 million and Baht 33.81 million, respectively. The subsidiary filed a partial tax payment of Baht 34.61 million and recorded this as expenses in the same year. The remaining of Baht 57.67 million was the penalty and surcharge.
- In January 2018, a notification of corporate income tax underpayment, including penalty and surcharge, was for the year 2013 totalling Baht 51.28 million. The subsidiary filed a partial tax payment of Baht 19.17 million and recorded this as expense in the period. The remaining of Baht 32.11 million was the penalty and surcharge.

The subsidiary was permitted to defer the tax payment until the Administrative Appeal Committee issued a judgement and appealed against the assessments to the Administrative Appeal Committee of the Revenue Department for the assessments of value added tax and corporate income tax. As at 30 September 2018, the cases are currently being reviewed by the Administrative Appeal Committee.

As a result of the judgement by the Supreme Court of the assessment of value added tax from October to December 2010, the Group's management considers that the outcome from the Administrative Appeal Committee will match with the judgement from the Supreme Court. Therefore, the Group didn't recognize the expense and contingent liability relating to the value added tax and corporate income tax including, penalty and surcharge on transportation service income arising from the time charter party contracts from 2010 to date in the financial information.

24 Commitments and contingent liabilities (continued)

As at 30 September 2018, the Group has the significant outstanding commitments and contingent liabilities as follows: (continued)

b) Letter of guarantee

The Group and the Company have bank guarantees issued on its behalf as follows:

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Letters of guarantee	1,225	1,231	310	323
Letters of credit	1,868	3,707	-	460

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

c) Operating lease commitments

The Group and the Company have lease commitments under non - cancellable from land, building and equipment lease agreements as follows:

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Within 1 year	107	82	19	19
During 2 - 5 years	213	132	58	64
Later than 5 years	546	282	78	87
Total	866	496	155	170

d) Capital commitments

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

As at	Consolidated financial information		Separate financial information	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Property, plant and equipment	1,032	923	595	458

25 Financial instruments

Interest rate and cross currency swap contracts

The interest rate and cross currency swap contracts are entered to manage the exposure on fluctuation in interest rates and foreign currency exchange rate on specific transaction. The Group and the Company have the interest rate and cross currency swap contracts with financial institutions as at 30 September 2018 as follows:

Interest rate swap contracts

Interest rate swap contracts are entered into to manage exposure to fluctuations in interest rates. The Company entered into interest rate swap contracts by converting floating rates to fixed rates for the total amount of long-term loans of US Dollar 7.20 million (which equivalent to Baht 234.55 million). A subsidiary of the Company entered into interest rate swap contracts by converting floating rates to fixed rate for the total amount of long-term loans of Baht 94.96 million and total amount of long-term loans of US Dollar 0.94 million (which equivalent to Baht 34.21 million).

Cross currency swaps contracts

Cross currency swaps contract are entered into to manage exposure to fluctuations in currency exchange rates and interest rates by foreign exchange rates and interest rates in advance. A subsidiary of the Company entered into such contract for total amount of long-term loans of Baht 1,035.84 million (which equivalent to US Dollar 30.43 million).

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

As at	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Million Baht	Million Baht	Million Baht	Million Baht
Interest rate and cross currency swap contracts - assets	36	31	2	3

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

26 Events after the reporting date

a) Increase capital of a subsidiary

On 7 August 2018, at the Board of Directors' meeting of the Company, it passed a resolution to approve the increase of share capital of a subsidiary to entitle to the privileges of the Board of Investment. The capital increase is of Baht 103 million with 10.30 million shares at par value of Baht 10 each. The Group still maintains 100% ownership interest in the subsidiary. The registration was completed in October 2018.

b) Vessel acquisitions

In October 2018, a subsidiary entered into a vessel acquisition contract with a supplier amounting to USD 4.50 million or equivalent to Baht 145.83 million. The subsidiary paid deposit amounting to USD 0.45 million or equivalent to Baht 14.59 million. The vessel will be delivered to the subsidiary in October 2018.