

**SIAMGAS AND PETROCHEMICALS PUBLIC  
COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

# **Independent Auditor's Report**

To the shareholders of Siamgas and Petrochemicals Public Company Limited

## **My opinion**

In my opinion, the consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then end; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## **Basis for opinion**

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

## **Key audit matters**

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

Key audit matter	How my audit addressed the key audit matter
<p><b>Goodwill impairment assessment</b></p> <p>Refer to Note 4 (a) Estimated impairment of goodwill and Note 14 Goodwill.</p> <p>The Group has recognised goodwill of Baht 1,538 million less a provision for impairment of Baht 22 million, as resulting in net book value of Baht 1,516 million, which represented 5% of total consolidated assets. The goodwill of Baht 1,516 million arose from the acquisition of a trading of petroleum business in Thailand and the remaining Baht 22 million arose from the acquisitions of manufacturing of ethanol business in Thailand. The Group recognised an impairment loss amounting to Baht 22 million in the 2017 consolidated financial statements.</p> <p>The management tests the impairment of goodwill annually at the level of a cash generating unit ("CGU") and assesses its recoverable amount by applying the value-in-use model which involves the significant management judgements in respect to the future operating results of business, projected cash flows and the discount rate to be applied to the projected cash flows. Key assumptions applied in assessing the value-in-use model are:</p> <ul style="list-style-type: none"> <li>• revenue growth rates, and expected changes to overhead costs in the business.</li> <li>• discount rates calculated from capital structure, market risk and beta from available information in its industry.</li> </ul> <p>I focused on the valuation of goodwill arising from the acquisition of a trading of petroleum business in Thailand due to the significant value and the fact that the determination of value-in-use depends on a number of assumptions (e.g. revenue growth rates, expected changes to overhead costs to the businesses, and the discount rates). Those assumptions involve significant judgement made by the management in assessing the possibility of future business plans.</p>	<p>I carried out the following procedures to assess the impairment test of goodwill which prepared by management.</p> <ul style="list-style-type: none"> <li>• Satisfied myself as to the appropriateness of management's identification of the CGUs and the continued satisfactory operation of the Group's control over the impairment test process.</li> <li>• Held discussions with the management to understand the basis for the assumptions applied and evaluated whether the goodwill impairment testing process and assumptions had been applied consistently across the Group.</li> <li>• Challenged management's significant assumptions used in goodwill impairment testing, especially in respect to the revenue growth rates and expected changes to overhead costs to the business. My procedures included comparing those assumptions to the underlying agreements, external sources and the approved business plan.</li> <li>• Assessed reasonableness of the business plan by comparing the plans of 2017 with actual results.</li> <li>• Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate used by the management was within the acceptable range.</li> <li>• Tested the sensitivity analysis over key assumptions in the projected cash flow prepared by the management such as revenue growth rate and discount rate in order to assess factors to be sensitive to assumptions and potential impact of a range possible outcomes.</li> </ul> <p>As a result of the procedures performed, none of the items noted above resulted in a change to the impairment charge recorded by the management and noted that the key assumptions used by management in assessing the possibility of future business plans are within the reasonable range.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Acquisition of investments in associates</b></p> <p>As disclosed in note 12 - Investments in subsidiaries, associates and joint ventures, the Group paid cash consideration for investment in associates amounting to Baht 1,677 million to acquire 30% of ordinary shares of three entities, which are MSN International Limited ("MSN"), Asiatech Energy Pte. Ltd. ("AEPL") and Myanmar Lighting (IPP) Co., Ltd. ("MLIPP") (collectively "the power plant in Myanmar"), which engages in electricity generation and energy related business services. Management identified the acquisition of MSN AEPL and MLIPP as investments in associates by applying the definition in TAS 28 (revised 2016) "Investments in Associates and Joint Venture" and the accounting standard requires the management to apply the concepts in TFRS 3 (revised 2016) "Business Combination" for the purpose of determining fair value of the net identifiable assets acquired and reviewing purchase price allocation ("PPA").</p> <p>The management engaged the external valuer to determine the fair value of the net identifiable assets acquired. The valuer determined that the fair value of the identifiable assets acquired is Baht 1,287 million, mainly comprised Baht 2,034 million relating to trade receivables and finance lease receivable, Baht 1,491 million relating to intangible asset (Right in power purchase agreement) and Baht 2,224 million relating to long-term loans. The valuations of total identifiable assets acquired were performed as a part of the purchase price allocation.</p> <p>The valuation of the intangible assets is being performed and as of the reporting date the value of the intangible assets has only been provisionally determined in accordance with TFRS 3.</p> <p>I focused on the identification of the fair values of finance lease receivable amount of Baht 1,067 million and the intangible assets amount of Baht 1,491 million which arise from the acquisition of MLIPP because the valuation methodology and assumptions used in the financial model involves significant judgments made by the management. Key assumptions used for the valuation of finance lease receivable and intangible assets include electricity tariffs, assumed capacity of the power plants, profit growth rates, expected changes to operating expenditures, future capital structure and market risk obtained from available public information.</p>	<p>I performed the following procedures in order to obtain evidence of the management's assessment of acquisition of investment in the power plant in Myanmar and determination of fair value of net identifiable assets acquired:</p> <ul style="list-style-type: none"> <li>Reviewed management's assessment that the acquisition of investment in the power plant in Myanmar should be accounted for as the investment in associates and determined that it was appropriately performed in accordance with the definition and requirement set out in TAS 28.</li> <li>Assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date. I also evaluated management's procedures for determining the fair values of the net identifiable assets acquired.</li> <li>Evaluated the competency, qualifications and past experience of management's experts.</li> <li>Tested the calculation of fair values of the finance lease receivable and intangible asset. In addition, I challenged management's judgement in relation to the following: <ul style="list-style-type: none"> <li>the key assumptions used in the cash flow forecasting, include revenue and profit, growth rates and expected changes to overhead costs and discounted rate to the business, by comparing them to past performance; and</li> <li>the discounted rate by assessing the model of cost of capital and other inputs in the model.</li> </ul> </li> </ul> <p>As a result of the procedure performed, none of the items noted above resulted in a change to identification of the fair values of finance lease receivable and intangible asset. In addition, I did not identify any significant exceptions were noted in the accounting for the purchase price allocation.</p>

## **Other information**

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Amornrat Pearmpoonvatanasuk**  
 Certified Public Accountant (Thailand) No. 4599  
 Bangkok  
 22 February 2018

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,590,205,366	1,879,332,545	301,442,589	260,283,175
Short-term investments	8	99,392,802	108,038,765	99,392,802	108,038,765
Trade and other receivables, net	9	4,061,754,624	3,089,255,021	1,152,811,246	431,878,531
Inventories, net	10	4,069,918,488	3,345,261,308	888,017,252	165,033,877
Other current assets	11	375,795,031	497,714,852	71,244,943	22,233,135
<b>Total current assets</b>		<b>11,197,066,311</b>	<b>8,919,602,491</b>	<b>2,512,908,832</b>	<b>987,467,483</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	12	-	-	9,593,796,979	8,641,914,406
Investments in associates	12	1,640,924,220	-	-	-
Investments in joint ventures	12	107,774,427	101,372,253	23,577,992	23,577,992
Long-term loans to related parties	33	20,757,300	36,592,920	1,203,266,043	1,821,451,432
Property, plant and equipment, net	13	15,645,859,987	15,731,578,545	5,058,408,188	5,073,115,582
Goodwill, net	14	1,516,110,663	1,537,801,207	-	-
Intangible assets, net	15	108,206,380	140,746,804	3,692,496	1,022,482
Deferred tax assets, net	16	151,017,029	421,867,415	-	-
Other non-current assets	17	1,070,255,918	1,667,285,440	548,506,783	378,462,740
<b>Total non-current assets</b>		<b>20,260,905,924</b>	<b>19,637,244,584</b>	<b>16,431,248,481</b>	<b>15,939,544,634</b>
<b>Total assets</b>		<b>31,457,972,235</b>	<b>28,556,847,075</b>	<b>18,944,157,313</b>	<b>16,927,012,117</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings					
from financial institutions, net	18	1,500,520,025	1,726,730,219	1,232,536,645	567,998,088
Trade and other payables	19	3,987,757,324	4,030,654,237	814,890,760	605,250,989
Current portion of long-term loans					
from financial institutions, net	20	583,453,062	485,634,153	145,992,919	145,790,770
Current portion of bonds, net	22	1,999,881,918	1,299,904,959	1,999,881,918	1,299,904,959
Accrued income tax		244,596,656	78,282,688	-	-
Other current liabilities	21	88,433,761	83,807,352	6,123,773	12,948,395
<b>Total current liabilities</b>		<b>8,404,642,746</b>	<b>7,705,013,608</b>	<b>4,199,426,015</b>	<b>2,631,893,201</b>
<b>Non-current liabilities</b>					
Long-term loans from financial					
institutions, net	20	1,452,829,779	886,146,494	704,928,558	375,169,916
Long-term loans from related parties	33	3,000,000	3,000,000	690,000,000	534,463,223
Bonds, net	22	4,994,679,838	4,993,956,054	4,994,679,838	4,993,956,054
Cylinder deposits	23	4,744,880,577	4,627,110,283	976,351,099	883,660,898
Employee benefit obligations	24	155,883,311	145,050,209	55,691,231	53,227,587
Deferred tax liabilities, net	16	377,069,051	377,567,972	91,129,021	87,806,559
Other non-current liabilities		16,548,183	19,147,079	3,468,598	2,324,619
<b>Total non-current liabilities</b>		<b>11,744,890,739</b>	<b>11,051,978,091</b>	<b>7,516,248,345</b>	<b>6,930,608,856</b>
<b>Total liabilities</b>		<b>20,149,533,485</b>	<b>18,756,991,699</b>	<b>11,715,674,360</b>	<b>9,562,502,057</b>

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.



**Siamgas and Petrochemicals Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital	25				
Authorised share capital					
918,931,500 ordinary shares					
with a par value of Baht 1 each		918,931,500	918,931,500	918,931,500	918,931,500
Issued and paid-up share capital					
918,931,500 ordinary shares,					
fully paid-up of Baht 1 each		918,931,500	918,931,500	918,931,500	918,931,500
Premium on share capital	25	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	27	162,088,663	162,088,663	162,088,663	162,088,663
Unappropriated		8,229,199,519	6,199,186,615	4,124,820,953	4,260,848,060
Other components of equity	32	(45,723,545)	521,802,484	148,160,008	148,160,008
<b>Equity attributable to owners</b>					
<b>of the parent</b>		11,138,977,966	9,676,491,091	7,228,482,953	7,364,510,060
Non-controlling interests		169,460,784	123,364,285	-	-
<b>Total equity</b>		11,308,438,750	9,799,855,376	7,228,482,953	7,364,510,060
<b>Total liabilities and equity</b>		31,457,972,235	28,556,847,075	18,944,157,313	16,927,012,117

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**

**Statement of Income**

**For the year ended 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Revenue</b>					
Revenue from sales		58,743,411,828	47,693,791,441	10,383,639,757	8,383,826,624
Revenue from transportation		395,072,691	441,400,582	-	-
Revenue from services		13,775,897	26,217,216	124,306,181	110,638,791
<b>Total revenue</b>		<b>59,152,260,416</b>	<b>48,161,409,239</b>	<b>10,507,945,938</b>	<b>8,494,465,415</b>
Cost of sales and services		(53,843,942,450)	(44,889,720,298)	(10,012,872,811)	(8,030,893,483)
Cost of transportation		(361,611,637)	(380,755,457)	-	-
<b>Total cost of sales, services and transportation</b>		<b>(54,205,554,087)</b>	<b>(45,270,475,755)</b>	<b>(10,012,872,811)</b>	<b>(8,030,893,483)</b>
<b>Gross profit</b>		<b>4,946,706,329</b>	<b>2,890,933,484</b>	<b>495,073,127</b>	<b>463,571,932</b>
Dividend income		2,850,000	6,695,000	681,684,762	602,666,500
Other income	28	474,310,935	209,886,056	272,531,859	159,350,723
<b>Profit before expenses</b>		<b>5,423,867,264</b>	<b>3,107,514,540</b>	<b>1,449,289,748</b>	<b>1,225,589,155</b>
Selling expenses		(188,545,803)	(177,865,367)	(44,827,176)	(43,713,398)
Administrative expenses		(1,236,144,591)	(1,253,671,731)	(384,081,586)	(413,934,055)
<b>Total expenses</b>		<b>(1,424,690,394)</b>	<b>(1,431,537,098)</b>	<b>(428,908,762)</b>	<b>(457,647,453)</b>
Share of profit (loss) of associates and joint ventures	12	(36,513,486)	7,823,919	-	-
<b>Profit before finance costs and income tax</b>		<b>3,962,663,384</b>	<b>1,683,801,361</b>	<b>1,020,380,986</b>	<b>767,941,702</b>
Finance costs	29	(461,139,631)	(411,396,012)	(371,994,906)	(337,242,012)
<b>Profit before income tax</b>		<b>3,501,523,753</b>	<b>1,272,405,349</b>	<b>648,386,080</b>	<b>430,699,690</b>
Income tax revenue (expenses)	30	(662,078,753)	(107,492,547)	(3,322,462)	22,834,505
<b>Profit for the year</b>		<b>2,839,445,000</b>	<b>1,164,912,802</b>	<b>645,063,618</b>	<b>453,534,195</b>
<b>Profit attributable to:</b>					
Owners of the parent		2,811,103,629	1,118,722,954	645,063,618	453,534,195
Non-controlling interests		28,341,371	46,189,848	-	-
<b>Profit for the year</b>		<b>2,839,445,000</b>	<b>1,164,912,802</b>	<b>645,063,618</b>	<b>453,534,195</b>
<b>Earnings per share for profit attributable to the owners of the parent</b>	31				
Basic earnings per share		3.06	1.22	0.70	0.49

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2017**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Profit for the year	2,839,445,000	1,164,912,802	645,063,618	453,534,195
Other comprehensive income (expense), net of tax				
Items that will be reclassified subsequently to profit or loss				
- Share of other comprehensive expense from joint ventures and associates for using the equity method	(21,383,810)	-	-	-
- Currency translation difference	(545,783,558)	(693,879,908)	-	-
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements of post-employment benefit obligations	-	1,367,177	-	744,980
<u>Less</u> Income tax relating to remeasurements of post-employment benefit obligations	-	(272,023)	-	(148,996)
Total other comprehensive income (expense), net of tax	(567,167,368)	(692,784,754)	-	595,984
<b>Total comprehensive income for the year</b>	<b>2,272,277,632</b>	<b>472,128,048</b>	<b>645,063,618</b>	<b>454,130,179</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	2,243,577,600	433,765,152	645,063,618	454,130,179
Non-controlling interests	28,700,032	38,362,896	-	-
	<b>2,272,277,632</b>	<b>472,128,048</b>	<b>645,063,618</b>	<b>454,130,179</b>

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

		Consolidated financial statements						
		Attributable to equity holders of the parent						
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total other components of equity	Non- controlling interests	Total equity
Note		Baht	Baht	Legal reserve Baht	Unappropriated Baht	Baht	Baht	Baht
						(Note 32)		
<b>Opening balance - 1 January 2017</b>		918,931,500	1,874,481,829	162,088,663	6,199,186,615	521,802,484	123,364,285	9,799,855,376
Dividends paid	26	-	-	-	(781,090,725)	-	(9,644,640)	(790,735,365)
Total comprehensive income (expense) for the year		-	-	-	2,811,103,629	(567,526,029)	28,700,032	2,272,277,632
Received from acquisition of non-controlling interests		-	-	-	-	-	427,507	427,507
Disposal of investment in a subsidiary by not losing control		-	-	-	-	-	26,613,600	26,613,600
<b>Closing balance - 31 December 2017</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>8,229,199,519</u>	<u>(45,723,545)</u>	<u>169,460,784</u>	<u>11,308,438,750</u>
<b>Opening balance - 1 January 2016</b>		918,931,500	1,874,481,829	162,088,663	5,492,886,107	1,207,855,440	118,513,889	9,774,757,428
Dividends paid		-	-	-	(413,517,600)	-	(33,512,500)	(447,030,100)
Total comprehensive income (expense) for the year		-	-	-	1,119,818,108	(686,052,956)	38,362,896	472,128,048
<b>Closing balance - 31 December 2016</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>6,199,186,615</u>	<u>521,802,484</u>	<u>123,364,285</u>	<u>9,799,855,376</u>

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

	Note	Separate financial statements				
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total other components of equity Baht (Note 32)
				Legal reserve Baht	Unappropriated Baht	
<b>Opening balance - 1 January 2017</b>		918,931,500	1,874,481,829	162,088,663	4,260,848,060	148,160,008
Dividends paid	26	-	-	-	(781,090,725)	-
Total comprehensive income for the year		-	-	-	645,063,618	-
<b>Closing balance - 31 December 2017</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,124,820,953</u>	<u>148,160,008</u>
<b>Opening balance - 1 January 2016</b>		918,931,500	1,874,481,829	162,088,663	4,220,235,481	148,160,008
Dividends paid		-	-	-	(413,517,600)	-
Total comprehensive income for the year		-	-	-	454,130,179	-
<b>Closing balance - 31 December 2016</b>		<u>918,931,500</u>	<u>1,874,481,829</u>	<u>162,088,663</u>	<u>4,260,848,060</u>	<u>148,160,008</u>

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		3,501,523,753	1,272,405,349	648,386,080	430,699,690
Adjustments to reconcile profit before income tax					
Depreciation expenses - buildings and equipment	13	1,176,364,735	1,118,428,290	114,742,120	86,451,496
Amortisation expenses - intangible assets and other assets		54,045,385	57,863,658	399,426	759,166
Loss (gain) on sales and write-offs of equipment, net		(5,111,512)	9,320,882	(444,836)	10,029,618
Gain on change in fair value of short-term investments		(2,854,037)	(522,915)	(2,854,037)	(522,915)
Loss from disposal of investment in a subsidiary		-	-	3,082,200	-
Share of loss (profit) of associates and joint ventures	12	36,513,486	(7,823,919)	-	-
Allowance for doubtful debts (reversal)		(2,188,365)	1,306,392	-	-
Provision for diminution in value of inventories (reversal)		158,342	(53,684,121)	-	-
Impairment charge on equipment	13	28,000,000	-	-	-
Impairment charge on goodwill	14	21,690,543	-	-	-
Dividends income		(2,850,000)	(6,695,000)	(681,684,762)	(602,666,500)
Employee benefit expenses	24	14,592,757	13,640,385	5,739,854	4,915,158
Unrealised loss (gain) on exchange rates, net		(2,047,541)	16,355,188	(6,894,503)	81,439,352
Interest income	28	(16,567,495)	(20,346,139)	(54,649,967)	(70,655,722)
Finance costs		461,139,631	411,396,012	371,994,906	337,242,012
		5,262,409,682	2,811,644,062	397,816,481	277,691,355
Changes in operating assets and liabilities					
- Trade and other receivables		(1,066,081,732)	131,814,262	(721,161,346)	109,278,921
- Inventories		(823,720,690)	1,008,751,334	(722,983,375)	8,438,739
- Other current assets		145,477,205	(156,093,593)	(31,405,963)	738,644
- Other non-current assets		(48,965,391)	474,492,106	(15,328,847)	15,580,898
- Trade and other payables		(133,382,876)	(53,130,225)	205,911,372	(2,594,084)
- Other current liabilities		2,477,336	17,777,174	(6,824,622)	(862,577)
- Cylinder deposits		117,770,293	398,526,114	92,690,201	76,210,095
- Other non-current liabilities		(3,001,042)	5,826,372	1,143,979	(209,450)
- Employee benefits paid		(4,852,690)	(1,535,162)	(3,276,210)	(688,422)
Cash generated from (used in) operations		3,448,130,095	4,638,072,444	(803,418,330)	483,584,119
- Finance costs paid		(444,730,105)	(400,534,067)	(357,634,518)	(330,733,479)
- Income tax paid		(271,092,902)	(268,955,563)	(17,634,044)	(41,812,804)
<b>Net cash received from (used in) operating activities</b>		<b>2,732,307,088</b>	<b>3,968,582,814</b>	<b>(1,178,686,892)</b>	<b>111,037,836</b>

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

**Siamgas and Petrochemicals Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Proceeds (payments) of short-term investments, net	8	11,500,000	200,000,000	11,500,000	200,000,000
Proceeds from long-term loans from related parties	33	11,986,360	5,809,639	1,001,378,251	858,936,184
Payments for long-term loans to related parties	33	-	-	(445,000,000)	(70,000,000)
Payment for acquisitions of investments in associates	12	(817,786,890)	-	-	-
Advance payments for purchase of investments in associates	17	(97,253,195)	(859,936,800)	-	-
Payment for purchase of investments in joint venture	12	(27,500,000)	-	-	-
Advance payment for purchase of investments in joint venture		(3,186,388)	-	-	-
Net cash received from acquisition of a subsidiary		-	47,763,803	-	-
Payments for investment in subsidiaries	12	-	-	(978,496,173)	(895,769,802)
Proceed from disposal of investment in a subsidiary	12	23,366,641	-	23,366,641	-
Purchases of property, plant and equipment		(1,523,725,546)	(2,068,546,411)	(112,471,575)	(178,688,587)
Advance payments for purchase of equipment		(154,227,394)	(340,012,282)	(128,941,950)	(323,974,926)
Proceeds from sales of property, plant and equipment		13,879,727	30,836,529	6,014,311	24,843,840
Purchases of intangible assets		(8,716,335)	(1,231,453)	(632,000)	-
Interest received		16,273,601	26,437,126	31,487,372	71,048,046
Dividends received		2,850,000	6,695,000	681,684,762	602,666,500
<b>Net cash received from (used in) investing activities</b>		<b>(2,552,539,419)</b>	<b>(2,952,184,849)</b>	<b>89,889,639</b>	<b>289,061,255</b>
<b>Cash flows from financing activities</b>					
Proceeds from (repayments for) short-term loans from financial institutions, net		(124,348,538)	(3,142,635,372)	664,538,557	(2,058,942,285)
Proceeds from long-term loans from financial institutions, net	20	1,329,919,064	1,076,478,063	537,875,520	536,515,200
Repayments for long-term loans from financial institutions	20	(578,164,469)	(387,344,958)	(142,441,790)	(34,741,900)
Proceeds from long-term loans from related parties	33	-	-	820,000,000	490,000,000
Repayments for long-term loans from related parties	33	-	-	(664,463,223)	(525,536,777)
Repayment for bond redemption	22	(1,300,000,000)	(1,500,000,000)	(1,300,000,000)	(1,500,000,000)
Proceeds from issue of bonds, net	22	1,995,690,000	2,993,560,000	1,995,690,000	2,993,560,000
Cash received from acquisition of non-controlling interests		427,500	-	-	-
Dividends paid	26	(790,735,365)	(447,030,100)	(781,090,725)	(413,517,600)
<b>Net cash received from (used in) financing activities</b>		<b>532,788,192</b>	<b>(1,406,972,367)</b>	<b>1,130,108,339</b>	<b>(512,663,362)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>712,555,861</b>	<b>(390,574,402)</b>	<b>41,311,086</b>	<b>(112,564,271)</b>
Cash and cash equivalents at the beginning of the year		1,879,332,545	2,270,150,454	260,283,175	372,372,585
Exchange gain (loss) on cash and cash equivalents		(1,683,040)	(243,507)	(151,672)	474,861
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>2,590,205,366</b>	<b>1,879,332,545</b>	<b>301,442,589</b>	<b>260,283,175</b>
<b>Non-cash transactions</b>					
Payables for purchase of property, plant and equipment (included in other payables)		72,133,184	76,025,185	11,002,710	13,113,215
Receivable from disposal of equipment (included in trade and other receivables)		-	-	7,986,087	-
Increase in construction in process as a result of advance payment for construction		1,000,000	-	1,000,000	-

The notes to the consolidated and separate financial statements from pages 15 to 72 are an integral part of these financial statements.

## **1 General information**

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

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

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

These consolidated and separate financial statements were authorised by the Board of Directors on 22 February 2018.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

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

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

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

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



**2 Accounting policies (continued)**

**2.2 Revised financial reporting standards and accounting standards and related interpretations (collectively “the accounting standards”)**

**2.2.1 The accounting standards are effective for accounting periods beginning on or after 1 January 2017**

The Group adopted the accounting standards, which are effective for accounting period beginning on or after 1 January 2017. There is no significant impact to the financial statements being present from the adoption of those standards by the Group.

**2.2.2 The accounting standards are effective for accounting periods beginning on or after 1 January 2018 and not early adopted by the Group**

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

- TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.
- TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:
  - A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
  - An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
  - Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
  - Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.
- TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

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

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements**

**2.3.1 Subsidiaries**

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

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

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

**2 Accounting policies (continued)**

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)**

**2.3.1 Subsidiaries (continued)**

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

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's subsidiaries is shown in Note 12.1.

**2.3.2 Transactions with non-controlling interests**

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

**2.3.3 Disposal of subsidiaries**

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

**2.3.4 Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

A list of the Group's associates is shown in Note 12.2.

**2.3.5 Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method presented in consolidated financial statements.

A list of the Group's joint ventures is shown in Note 12.3.

**2 Accounting policies (continued)**

**2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)**

**2.3.6 Accounting under equity method**

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in associates and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**2.3.7 Separate financial statement**

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The Group will test for impairment for investments in subsidiaries, associates and joint ventures is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

**2.4 Foreign currency translation**

**a) Functional and presentation currency**

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

**b) Transactions and balances**

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

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

**2 Accounting policies (continued)**

**2.4 Foreign currency translation (continued)**

**c) Group companies**

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

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

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

**2.5 Cash and cash equivalents**

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

**2.6 Trade accounts receivable**

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

**2.7 Inventories**

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

**2.8 Investments**

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

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.

## **2 Accounting policies (continued)**

### **2.8 Investments (continued)**

- (3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
- (4) Investments in non-marketable equity securities are classified as general investments.

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

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

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

General investments are carried at cost less impairment loss.

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

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

### **2.9 Property, plant and equipment**

Land is shown at fair value, based on valuations by external independent valuers every five years. All other plant and equipment are stated at cost less accumulated depreciation and provision for impairment (If any).

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

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

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

Land improvement	5 - 10 years
Leasehold improvement	contract period
Buildings and infrastructure	5 - 32 years
Terminals, gas filling and service stations and gas storage tanks	3 - 50 years
Gas vessels	2 - 32 years
Gas cylinders	10 - 20 years
Machine, factory tools and equipment	5 - 32 years
Furniture, fixtures and office equipment	5 - 20 years
Vehicles	5 - 30 years

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

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

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

## **2 Accounting policies (continued)**

### **2.10 Goodwill**

Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. Goodwill on acquisitions of investments in associates or joint ventures are included to investments in associates or joint ventures (note 2.3).

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

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

### **2.11 Intangible assets**

#### **2.11.1 Computer software**

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

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

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

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

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

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

#### **2.11.2 Contractual customer relationships**

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

### **2.12 Impairment of assets**

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

## **2 Accounting policies (continued)**

### **2.13 Leases - where the Group is the lessee**

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

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

#### **Leases - where the Group is the lessor**

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

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

### **2.14 Borrowings**

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

All other borrowing costs are recognised as expense in the period in which they are incurred.

## **2 Accounting policies (continued)**

### **2.15 Current and deferred income taxes**

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

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

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

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

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

### **2.16 Employee benefits**

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

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

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

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

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



**2 Accounting policies (continued)**

**2.17 Provisions**

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

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

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

**2.18 Cylinder deposits**

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

**2.19 Share capital**

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

**2.20 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognised in profit or loss when the Group recognised the revenue/costs which they are intended to compensate.

**2.21 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Transportation revenue is recognised in proportion to the lapsed time of the voyage, and Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue from rental is recognised on a straight-line basis over the lease term. Interest income is recognised on accrual Basis. Dividends are recognised when the right to receive payment is established.

**2.22 Dividends**

Dividend distribution to the Company's shareholders is recognised in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders and the interim dividends are approved by the Board of Directors.

**2.23 Segment reporting**

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

### **3 Financial risk management**

#### **3.1 Financial risk factors**

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

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

##### **3.1.1 Foreign exchange risk**

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

##### **3.1.2 Interest rate risk**

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

	Consolidated financial statements		Separate financial statements		Interest rate per annum	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 % p.a.	2016 % p.a.
Long-term loans from commercial banks						
- Fixed interest rates	814	630	-	-	2.57 - 3.00	3.60 - 4.45
- Floating interest rates	1,222	742	851	521	MLR - 1.00% BIBOR+2.15% THBFX 6M +2.22% LIBOR 1M +3.00% LIBOR 3M +3.42% LIBOR 3M +3.10%	MLR-1.00%, LIBOR 3M +4.25% LIBOR 1M +3.00% LIBOR 3M +3.42% LIBOR 3M +3.10%
Long-term loans from related parties	3	3	690	534	0.25 Fixed deposits + 0.5	1.75 Fixed deposits + 0.50
Bonds	6,995	6,294	6,995	6,294	3.95 - 4.70	4.30 - 5.20

The Group borrows at fixed and floating rates and uses interest rate swaps as cash flow hedges of future interest payments as disclosed in Note 35 because the Group assesses that the changes in interest rate will significantly affect to the Group's operation.

##### **3.1.3 Credit risk**

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

##### **3.1.4 Liquidity risk**

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

### **3 Financial risk management (continued)**

#### **3.2 Accounting for derivative financial instruments and hedging activities**

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

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

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

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

#### **3.3 Fair value estimation**

Financial assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

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

##### **3.3.1 Financial assets and liabilities that are recognised at fair value**

The following table presents the Group's financial assets that are measured at fair value at 31 December 2017 and 2016.

	<b>Consolidated and separate financial statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Financial assets at fair value through profit or loss as at 31 December 2017</b>				
Short-term investments	99	-	-	99
<b>Financial assets at fair value through profit or loss as at 31 December 2016</b>				
Short-term investments	108	-	-	108

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

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

**3 Financial risk management (continued)**

**3.3 Fair value estimation (continued)**

**3.3.2 Financial assets and liabilities that are not recognised at fair value**

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

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

**(a) Long-term loans from financial institutions and bond**

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

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans from financial institutions, net				
- Book value	814	630	-	-
- Fair value	806	626	-	-

The fair values of long-term loans from financial institutions which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 2.98% - 3.98% (2016 : 3.48% - 4.51%). The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from financial institutions which bear floating interest rates approximate the carrying amounts.

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht
Bonds, net				
- Book Value	6,995	6,294	6,995	6,294
- Fair Value	7,098	6,403	7,098	6,403

The fair values of bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the bond rates at the date of the financial statements. The rates are interval from 2.98% - 3.52% (2016: 3.48% - 3.78%). The fair values are within level 2 of the fair value hierarchy.

### **3 Financial risk management (continued)**

#### **3.3 Fair value estimation (continued)**

##### **3.3.2 Financial assets and liabilities that are not recognised at fair value (continued)**

###### **(b) The financial instruments**

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

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Interest rate and cross currency swap contracts - assets (liabilities)	31	(21)	3	8

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

### **4 Critical accounting estimates, assumptions and judgements**

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

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

#### **(a) Estimation of impairment of goodwill**

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

#### **(b) Estimate of the acquisition of investment in an associate**

The Group recognised the investment in an associate by determining fair value of the net identifiable assets acquired and reviewing purchase price allocation in accordance with the concepts in TFRS 3 (revised 2016) "Business Combination". The fair value of the net identifiable assets acquired mainly related to account receivable and finance lease receivables, intangible asset and long-term loan from financial institutions which are presented as part of investment cost as described in Note 12.2.

The fair value of these acquired identifiable assets is based on valuation techniques. The valuation models require significant judgement and assumptions made by the management. Key assumptions used for the valuation revenues and profit growth rates, expected changes to overhead costs and discounted rates. The management must also make assumptions in estimating the method used to calculate the cost of capital.

## 5 Capital risk management

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

## 6 Segment information

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

The operating segments 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 ship
Other segment	: Cylinder manufacturing

For the year ended 31 December 2017	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other business segment Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and service income	83,077	2,181	199	(26,305)	59,152
Cost of goods sold and services	(78,480)	(2,021)	(169)	26,464	(54,206)
Gross profit	4,597	160	30	159	4,946
Other income	628	11	28	(190)	477
Profit before operating expenses	5,225	171	58	(31)	5,423
Unallocated expenses					(2,547)
Share of loss from associates and joint ventures					(37)
Net profit for the year					2,839

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

**6 Segment information (continued)**

**Geographical information**

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

For the year ended 31 December	<b>Consolidated financial statements</b>	
	<b>Revenue from sales and services</b>	
	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Domestic	21,356	20,650
Overseas	37,796	27,511
Total	59,152	48,161

  

As at 31 December	<b>Consolidated financial statements</b>	
	<b>Non-current assets</b>	
	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>
Domestic	11,280	11,095
Overseas	4,366	4,637
Total	15,646	15,732

For the year ended 31 December 2017 and 2016, the Group did not have any major customer who generates revenue more than 10% of total revenue.

**7 Cash and cash equivalents**

As at 31 December	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Cash on hand	11	9	3	3
Deposits held at call with banks	2,579	1,870	298	257
Cash and cash equivalents	2,590	1,879	301	260

The average interest rate on deposits held at call with banks was ranged between 0.05% to 5.50% per annum (2016: 0.05% to 4.30% per annum).

**8 Short-term investments**

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

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

For the year ended 31 December	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Opening amount	108	308	108	308
Additions	500	1,750	500	1,750
Redemptions	(512)	(1,950)	(512)	(1,950)
Gain on change in fair value of short-term investments	3	-	3	-
Closing balance	99	108	99	108

**9 Trade and other receivables, net**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
Trade receivables	2,715	2,400	288	275
<u>Less</u> Allowance for doubtful accounts	(61)	(63)	(5)	(5)
Trade receivables, net	2,654	2,337	283	270
Trade receivables from related parties (Note 33)	59	49	207	19
Other receivables from related parties (Note 33)	-	-	98	89
Prepayments	151	182	35	45
Advance payments	119	173	1	1
Accrued income	22	3	-	-
Receivables on subsidies for liquefied petroleum gas from government	1,057	343	528	-
Other receivables	-	2	1	8
Trade and other receivables, net	<u>4,062</u>	<u>3,089</u>	<u>1,153</u>	<u>432</u>

The age analysis of trade receivables is as follows:

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
<b>Trade receivables</b>				
Current	2,131	1,753	232	231
Overdue				
- less than 3 months	328	319	42	33
- 3 months to 12 months	179	239	5	1
- more than 12 months	77	89	9	10
Total	2,715	2,400	288	275
<u>Less</u> Allowance for doubtful accounts	(61)	(63)	(5)	(5)
Trade receivables, net	<u>2,654</u>	<u>2,337</u>	<u>283</u>	<u>270</u>

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

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
<b>Trade receivables from related parties</b>				
Current	59	49	207	10
Overdue				
- less than 3 months	-	-	-	9
Trade receivables from related parties	<u>59</u>	<u>49</u>	<u>207</u>	<u>19</u>



**10 Inventories, net**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Raw material	26	25	-	-
Work in progress	16	16	-	-
Finished goods				
- Petroleum products	3,688	2,922	874	141
- Petrochemical products	28	23	-	-
- Oil products	93	119	-	-
- Others	11	16	-	1
- Goods in transit	117	137	-	23
Supplies and other	104	100	14	-
<b>Total</b>	<b>4,083</b>	<b>3,358</b>	<b>888</b>	<b>165</b>
<u>Less</u> Allowance for diminution in value of inventories	(13)	(13)	-	-
<b>Inventories, net</b>	<b>4,070</b>	<b>3,345</b>	<b>888</b>	<b>165</b>

The cost of inventories recognised as expense and included in 'cost of sales' amounting to Baht 49,052 million (2016: Baht 40,351 million) in the consolidated financial statements and amounting to Baht 9,409 million (2016: Baht 7,521 million) in the separate financial statements.

According to regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum products and crude oil at 1% and 1% of the total trading volume of petroleum products and crude oil in Thailand in each period, respectively (2016: 1% and 1%, respectively). As at 31 December 2017, the inventories included minimum mandatory reserve on petroleum products and crude oil amounting to Baht 184 million in the consolidated financial statements, and Baht 87 million in the separate financial statements (2016: Baht 172 million in the consolidated financial statements, and Baht 77 million in the separate financial statements), which were net of allowance for net realisable value.

**11 Other current assets**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
VAT refundable	247	182	62	-
Corporate income tax refundable	16	18	-	15
Deposits for tariff customs	60	182	-	-
Deposits at bank used as collateral	-	59	-	-
Others	53	57	9	7
<b>Other current assets</b>	<b>376</b>	<b>498</b>	<b>71</b>	<b>22</b>

**12 Investments in subsidiaries, associates and joint ventures, net**

**12.1 Investments in subsidiaries, net**

The movement in investments in subsidiaries are as follows:

For the year ended 31 December	Separate financial statements	
	2017 Million Baht	2016 Million Baht
Opening balance, net	8,642	7,683
Acquisitions	979	896
Disposal of investment	(24)	-
Loss from disposal of investment	(3)	-
Transfer from investment in joint venture	-	63
Closing balance, net	9,594	8,642

The principal subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2017	2016	
Direct Subsidiaries				
Unique Gas and Petrochemicals Public Company Limited	Thailand	99.59%	99.59%	Petroleum and petrochemical products distribution
Lucky Carrier Company Limited	Thailand	99.99%	99.99%	Transportation and distribution
Siam Quality Steel Company Limited	Thailand	99.99%	99.99%	Manufacturing and distribution of LPG cylinders
Siam Ethanol Export Company Limited	Thailand	70.00%	70.00%	Manufacturing of ethanol products (ceased its operation)
Siam Lucky Marine Company Limited	Thailand	45.86%	45.86%	Transportation services
Siam Suksawat Company Limited	Thailand	100.00%	100.00%	Transportation and discharge goods, petroleum product distribution
Siamgas Hongkong Co.,Ltd.	Hong Kong	100.00%	100.00%	Holding business
Super Gas Co.,Ltd.	Vietnam	100.00%	100.00%	Petroleum products distribution
SingGas (LPG) Pte. Ltd.	Singapore	95.00%	95.00%	Petroleum products distribution
Siam Gas Trading Pte. Ltd.	Singapore	100.00%	100.00%	Petroleum products distribution
MyGaz Sdn. Bhd.	Malaysia	70.00%	70.00%	Petroleum products distribution
Siamgas Myanmar Consortium Pte. Ltd. <sup>(4)</sup>	Singapore	80.00%	80.00%	Holding business
Siam Gas Power Pte. Ltd. <sup>(1)</sup>	Singapore	100.00%	100.00%	Holding business
Siamgas Global Investment Pte. Ltd. <sup>(2)</sup>	Singapore	100.00%	100.00%	Holding business
Far East Petroleum Sdn. Bhd. <sup>(3)</sup>	Malaysia	70.00%	100.00%	Petroleum products distribution, warehousing and storage service

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

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

The principal subsidiaries are as follows: (continued)

	Country of incorporation	% ownership interest		Type of business
		2017	2016	
Indirect Subsidiary				
Siam Lucky Marine Company Limited Held by - Unique Gas and Petrochemicals Public Company Limited - Lucky Carrier Co., Ltd.	Thailand	14.77% 39.37%	14.77% 39.37%	Transportation services
Sino Siam Gas and Petrochemical Co., Ltd.  Held by: - Siamgas Hongkong Co., Ltd.	The People's Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Siam Ocean Gas and Energy Co., Ltd.  Held by: - Siamgas Hongkong Co., Ltd.	The People's Republic of China	100.00%	100.00%	Petroleum and petrochemical products distribution
Siamgas-J&J International Ltd. <sup>(5)</sup>  Held by: - Siamgas Global Investment Pte. Ltd.	Bangladesh	80.00%	-	Petroleum and petrochemical products distribution
Siamgas Bangladesh Ltd. <sup>(6)</sup>  Held by: - Siamgas-J&J International Ltd.	Bangladesh	99.90%	-	Petroleum and petrochemical products distribution

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

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

The principal subsidiaries are as follows: (continued)

Details of investments in subsidiaries is as follows:

As at 31 December	Separate financial statements	
	Cost Method	
	2017 Million Baht	2016 Million Baht
Unique Gas and Petrochemicals Public Company Limited	2,105	2,105
Lucky Carrier Company Limited	70	70
Siam Quality Steel Company Limited	70	70
Siam Ethanol Export Company Limited	280	280
Siam Lucky Marine Company Limited	205	205
Siam Suksawat Company Limited	100	100
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
Siam Gas Power Pte. Ltd. <sup>(1)</sup>	1,787	843
Siamgas Myanmar Consortium Pte. Ltd. <sup>(4)</sup>	-	-
Siamgas Global Investment Pte. Ltd. <sup>(2)</sup>	37	2
Far East Petroleum Sdn. Bhd. <sup>(3)</sup>	62	89
Total investment in subsidiaries	9,715	8,763
<u>Less</u> Impairment charge	(121)	(121)
Investments in subsidiaries, net	9,594	8,642

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

**Subsidiaries**

- <sup>(1)</sup> During the year 2017, at the Board of Directors' meeting of the Company, the board passed a resolution to approve an increase in share capital of Siam Gas Power Pte. Ltd. ("SPW"), incorporated in Singapore, of 27.01 million shares at par value of USD 1 each or approximately to Baht 943.58 million. The number of shares increased from 24.01 million shares to 51.02 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 year.
- <sup>(2)</sup> On 11 May 2017, the Company's Board of Directors' meeting passed a resolution to approve an increase in the share capital of its subsidiary Siamgas Global Investment Pte. Ltd. ("SGI"), of 10.95 million shares. The subsidiary registered detail are as follows:
- On 7 July 2017, the subsidiary registered an increase of its share capital of 0.05 million shares at a par value of USD 1 each or approximately Baht 1.70 million. The number of shares increased from 0.05 million to 0.10 million with a par value of USD 1 each. The Company has already paid the capital increase to SGI. As a result, the Company's ownership remains unchanged at 100%.
  - On 12 September 2017, the subsidiary registered an increase of its share capital of 1.00 million shares at par value of USD 1 each or approximately Baht 33.22 million. The number of shares increased from 0.10 million to 1.10 million with a par value of USD 1 each. The Company has already paid the capital increase to SGI. As a result, the Company's ownership remains unchanged at 100%.

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

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

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

- (3) On 23 January 2017, the Company entered into the share sales agreement to dispose shares of Far East Petroleum Sdn. Bhd. to third parties in the portion of 30% or 3.00 million shares at a par value of MYR 1.00 each, totalling MYR 3.00 million. The Company made a loss from the disposal of investment in a subsidiary amounting to Baht 3.08 million. As a result, the Company's ownership interest decreased from 100.00% to 70.00% and Far East Petroleum Sdn. Bhd. still be a subsidiary of the Group. The Company received cash proceeds from the disposal of investment amounting to MYR 3.00 million (or equivalent to Baht 23.37 million) during the year.
- (4) On 18 October 2017, the Company's Board of Directors' meeting passed a resolution to approve the liquidation of its subsidiary Siamgas Myanmar Consortium Pte. Ltd. The subsidiary completed a liquidation process on 5 February 2018.

#### Indirect Subsidiaries

- (5) On 6 February 2017, Siamgas Global Investment Pte. Ltd., established Siamgas J&J International Ltd. (SJJ), incorporated in Bangladesh, with 48,625 shares at a par value of BDT 100.00 each. The business objective is petroleum and petrochemical product distribution in Bangladesh. The Company's ownership is 80% with paid-up capital of BDT 3.89 million or approximately Baht 1.71 million during the year.
- (6) On 16 July 2017, Siamgas J&J International Ltd., which is an indirect subsidiary was established Siamgas Bangladesh Ltd. ("SGB") incorporated in Bangladesh, with 1,000 shares at par value of BDT 100.00 each. The objectives of the business is petroleum and petrochemical product distribution in Bangladesh. The Company's ownership interest is 99.90% with paid-up the capital amounting to BDT 99,900 or approximately Baht 40,679 during the year.

### 12.2 Investments in associates

The movement in investments in associates are as follows:

For the year ended 31 December	Consolidated financial statements	Separate financial statements
	Equity method Million Baht	Cost method Million Baht
Opening balance	-	-
Acquisitions	1,677	-
Share of loss	(32)	-
Currency translation differences	(4)	-
Closing balance	1,641	-

Details of investments in associates are as follows:

	Country of incorporation	% ownership interest		Type of business
		2017	2016	
<b>Indirect associates</b>				
(held by: Siam Gas Power Pte. Ltd.)				
MSN International Limited <sup>(7)</sup>	Malaysia	30.00%	-	Energy related business services
Asiatech Energy Pte. Ltd. <sup>(7)</sup>	Singapore	30.00%	-	Energy related business services
Myanmar Lighting (IPP) Co., Ltd. <sup>(7)</sup>	Myanmar	30.00%	-	Electricity generating business
Southern Myanmar Development Co., Ltd. <sup>(6)</sup>	Myanmar	33.00%	-	Electricity generating business
Asiatech Infrastructure Co. Pte. Ltd. <sup>(8)</sup>	Singapore	33.00%	-	Energy related business services
TSM Co., Ltd. <sup>(8)</sup>	Malaysia	33.00%	-	Energy related business services

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

**12.2 Investments in associates (continued)**

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	Equity Method		Cost Method	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
MSN International Limited <sup>(7)</sup>	328	-	-	-
Asiatech Energy Pte. Ltd. <sup>(7)</sup>	1	-	-	-
Myanmar Lighting(IPP) Co., Ltd. <sup>(7)</sup>	1,312	-	-	-
Southern Myanmar Development Co., Ltd. <sup>(8)</sup>	-	-	-	-
Asiatech Infrastructure Co. Pte. Ltd. <sup>(8)</sup>	-	-	-	-
TSM Co., Ltd. <sup>(8)</sup>	-	-	-	-
Total	1,641	-	-	-

<sup>(7)</sup> On 18 July 2016, Siam Gas Power Pte. Ltd. ("SPW"), who is a subsidiary of the Company, entered into a share purchase agreement for investment in Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), which is the combined cycle power plant in Myanmar, with a total consideration of USD 48 million or equivalent to Baht 1,677 million. The source of fund is from the net working capital of the Group and borrowing from financial institution. SPW has purchased shares of two companies which are MSN International Limited ("MSN") and Asiatech Energy Pte. Ltd. ("AEPL") at the same proportion of 30% of registered and paid up capital in each company, for the purpose of holding shares in the combined cycle power plant directly. The payment of investment is divided into two tranches: the first tranche, SPW paid USD 24 million to acquire 30% of registered and paid up capital shares in MSN and AEPL, which was paid on 29 July 2016, and the second tranche, SPW paid the remaining amount USD 24 million to the seller on 23 February 2017 to acquire 30% of registered and paid up shares capital in MLIPP and become one of the investors of the combined cycle power plant. Under the condition of the share purchase agreement, if the direct holding of shares in MLIPP is not successfully, SPW has the rights to terminate the share purchase agreement and refund all payments. The transfer of shares was completed on 23 May 2017. As a result, MSN, AEPL and MLIPP became the new indirect associates of the Group in the year 2017.

On 1 November 2017, 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 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 (equivalent to Baht 318.96 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 million, equivalent to Baht 65.36 million, to acquire 6.1% of registered and paid up capital shares in MSN and AEPL which were paid in November 2017, and under the second tranche, SPW paid the remaining USD 7.76 million, equivalent to Baht 253.60 million in January 2018, to acquire 6.1% of registered and paid up capital shares in MLIPP. As a result, SPW's ownership interest will be the portion of 36.10% of registered and paid-up shares in January 2018. As at 31 December 2017, the Group recorded the payment as a deposit for investment in associates (note 17).

<sup>(8)</sup> **Investment in the power and transmission line in Myanmar**

On 9 November 2017, Siam Gas Power Pte. Ltd. ("SPW"), who is a subsidiary of the Company, established a power plant and electric transmission line in Myanmar. SPW has investment for three companies which are Southern Myanmar Development Co.Ltd. ("SMD"), TSM Co. Ltd. ("TSM") and Asiatech Infrastructure Co. Pte. Ltd. ("AIC") in the same proportion of 33.00% of registered and paid up capital in each company, with a total consideration of USD 0.03 million or equivalent to Baht 0.80 million. The funds come from the net working capital of the Group.

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

**12.2 Investments in associates (continued)**

Key financial information of the Group's in Myanmar Lighting (IPP) Co., Ltd. are as follows:

<b>For the period from 23 May 2017 (date of share transfer complete) to 31 December 2017</b>	<b>Financial information* Million Baht</b>	<b>Investment Group proportion Million Baht</b>
Total assets	8,706	2,612
Total liabilities	5,575	1,673
Revenue	621	186
Net profit	85	26

\*The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate (and not the Group's share of those amounts).

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates.

**Summarised financial information**

	<b>Myanmar Lighting (IPP) Co., Ltd. Million Baht</b>
<b>Net assets at the end of the year</b>	3,131
Proportion of the Group:	
Interest in associates	939
Goodwill	373
Carrying value	1,312

Details of total purchase consideration and estimated fair value of net assets acquired based on proportion of investment at 30.00% of each associates are as follows:

	<b>MSN International Limited Million Baht</b>	<b>Asiatech Energy Pte. Ltd. Million Baht</b>	<b>Myanmar Lighting (IPP) Co., Ltd. Million Baht</b>	<b>Total Million Baht</b>
Trade receivables	904	-	63	967
Other receivable from related parties	35	-	-	35
Finance lease receivable	-	-	1,067	1,067
Right in power purchase agreement *	-	-	1,491	1,491
Long-term loans to related parties	-	1,377	-	1,377
Other payables to related parties	-	(888)	-	(888)
Borrowings from financial institutions	-	(473)	-	(473)
Borrowings from related party	(555)	-	(1,196)	(1,751)
Deferred income tax liabilities	-	-	(373)	(373)
Liabilities less other assets	(3)	(16)	(146)	(165)
Total fair value of net assets acquired	381	-	906	1,287
Goodwill (Presented as a part of investments in associates)	17	-	373	390
Total purchase consideration	398	-	1,279	1,677

\* As at 31 December 2017, the Group is assessing the fair value of intangible asset from the acquisition of the investment, which is right in power purchase agreement. The assessment is expected to be completed within 12 months from the acquisition date. The Group will be amortised right in power purchase agreement by straight-line method over the estimated useful life of the power plant of MLIPP in 27 years.

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

**12.3 Investments in joint ventures**

The movement in investments in joint ventures are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Opening balance	101	149	24	87
Acquisitions	28	-	-	-
Transfer to investment in a subsidiary	-	(56)	-	(63)
Share of profit (loss)	(5)	8	-	-
Currency translation differences	(16)	-	-	-
Closing balance	108	101	24	24

The joint ventures are as follows:

	Country of incorporation	% ownership interest		Type of business
		2017	2016	
Direct Joint Ventures				
Citygas North Co., Ltd.	Vietnam	79.64%	79.64%	Petrochemical products distribution
SG Gas Sdn. Bhd.	Malaysia	29.99%	29.99%	Petrochemical products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00%	50.00%	Vessel transportation food and beverage
Indirect Joint Ventures				
(held by Siamgas Global Investment Pte. Ltd.)				
PT Siamindo Djojo Terminal	Indonesia	55.00%	-	Petrochemical product distribution

On 6 June 2017, Siamgas Global Investment Pte. Ltd., who is a subsidiary of the Company, entered into a Joint Venture Agreement with a third party to establish PT Siamindo Djojo Terminal, incorporated in Indonesia, with 0.06 million shares at a par value of IDR 1 million each. The business objective is petroleum product distribution in Indonesia. The Group's ownership is 55% with paid-up capital of IDR 11,000 million or approximately Baht 27.50 million during the year.

The shareholder agreements of PT Siamindo Djojo Terminal has determined the management structure including strategic financial decisions and operations, with voting rights from the shareholders or the representative of each party, so this is classified as investments in joint ventures.

Details of investments in joint ventures is as follow:

As at 31 December	Consolidated financial statements		Separate financial statements	
	Equity Method		Cost Method	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Direct Joint Ventures</b>				
Citygas Noth Co., Ltd.	81	100	20	20
SG Gas Sdn. Bhd.	-	-	3	3
Siam Nathalin Co., Ltd.	1	1	1	1
	82	101	24	24
<b>Indirect Joint Ventures</b>				
PT Siamindo Djojo Terminal	26	-	-	-
	26	-	-	-
Total investment in joint ventures	108	101	24	24



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

**12.3 Investments in joint ventures** (continued)

**Individually immaterial joint ventures**

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

**For the year ended 31 December**

	<b>2017</b> <b>Million</b> <b>Baht</b>	<b>2016</b> <b>Million</b> <b>Baht</b>
	<hr/>	<hr/>
<b>Aggregate carrying amount of individually immaterial joint ventures</b>	<hr/> 108	<hr/> 101
<b>Aggregate amounts of the Group's share of:</b>		
Profit from continuing activities	12	10
Other comprehensive income (expense)	<hr/> (16)	<hr/> -
Total comprehensive income (expense)	<hr/> (4)	<hr/> 10

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

Consolidated financial statements										
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>As at 1 January 2016</b>										
Cost - Historical cost	2,165	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	28,372
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,407	7,949	2,295	3,537	5,359	2,686	2,123	1,345	913	29,614
<u>Less</u> Accumulated depreciation	-	(4,437)	(1,181)	(1,218)	(3,484)	(1,353)	(1,854)	(841)	-	(14,368)
Net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246
<b>For the year ended 31 December 2016</b>										
Opening net book value	3,407	3,512	1,114	2,319	1,875	1,333	269	504	913	15,246
Additions	238	10	29	392	391	33	16	97	709	1,915
Transferred of assets from changing investment in joint venture to Investment in subsidiary	-	-	-	-	-	-	-	-	137	137
Transfer	-	506	401	476	2	-	14	33	(1,432)	-
Write-offs and disposals, net	-	(4)	-	-	(3)	-	-	-	(32)	(39)
Currency translation differences	-	(302)	(1)	5	(14)	(76)	(16)	-	(5)	(409)
Depreciation charge	-	(169)	(70)	(421)	(204)	(190)	(27)	(37)	-	(1,118)
Closing net book value	3,645	3,553	1,473	2,771	2,047	1,100	256	597	290	15,732
<b>As at 31 December 2016</b>										
Cost - Historical cost	2,403	8,398	2,723	4,326	5,757	2,679	2,146	1,465	290	30,187
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,645	8,398	2,723	4,326	5,757	2,679	2,146	1,465	290	31,429
<u>Less</u> Accumulated depreciation	-	(4,845)	(1,250)	(1,555)	(3,710)	(1,579)	(1,890)	(868)	-	(15,697)
Net book value	3,645	3,553	1,473	2,771	2,047	1,100	256	597	290	15,732

13 Property, plant and equipment, net (continued)

	Consolidated financial statements									
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>For the year ended 31 December 2017</b>										
Opening net book value	3,645	3,553	1,473	2,771	2,047	1,100	256	597	290	15,732
Additions	-	-	11	750	348	12	18	52	347	1,538
Transfer	-	9	32	187	6	-	7	7	(248)	-
Reclassify to other asset	(4)	(1)	(1)	-	-	-	-	-	-	(6)
Write-offs and disposals, net	-	-	-	(2)	(3)	-	(2)	(8)	(10)	(25)
Currency translation differences	-	(104)	(4)	(231)	(20)	(22)	(7)	-	-	(388)
Impairment charge	-	-	-	-	-	(28)	-	-	-	(28)
Depreciation charge	-	(174)	(59)	(542)	(189)	(142)	(25)	(46)	-	(1,177)
Closing net book value	3,641	3,283	1,452	2,933	2,189	920	247	602	379	15,646
<b>As at 31 December 2017</b>										
Cost - Historical cost	2,399	8,038	2,743	4,585	5,460	2,384	2,050	1,484	379	29,522
- Revaluation surplus	1,242	-	-	-	-	-	-	-	-	1,242
	3,641	8,038	2,743	4,585	5,460	2,384	2,050	1,484	379	30,764
<u>Less</u> Accumulated depreciation	-	(4,755)	(1,291)	(1,652)	(3,271)	(1,436)	(1,803)	(882)	-	(15,090)
<u>Less</u> Provision for impairment	-	-	-	-	-	(28)	-	-	-	(28)
Net book value	3,641	3,283	1,452	2,933	2,189	920	247	602	379	15,646

13 Property, plant and equipment, net (continued)

	Separate financial statements							
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>As at 1 January 2016</b>								
Cost - Historical cost	1,773	308	661	868	47	80	798	4,535
- Revaluation	940	-	-	-	-	-	-	940
	2,713	308	661	868	47	80	798	5,475
<u>Less</u> Accumulated depreciation	-	(60)	(165)	(386)	(19)	(40)	-	(670)
Net book value	2,713	248	496	482	28	40	798	4,805
<b>For the year ended 31 December 2016</b>								
Opening net book value	2,713	248	496	482	28	40	798	4,805
Additions	225	1	1	66	2	3	90	388
Transfer	-	495	296	-	2	-	(793)	-
Write-offs and disposals, net	-	(3)	-	-	-	-	(31)	(34)
Depreciation charge	-	(13)	(18)	(47)	(4)	(4)	-	(86)
Closing net book value	2,938	728	775	501	28	39	64	5,073
<b>As at 31 December 2016</b>								
Cost - Historical cost	1,998	801	958	934	51	83	64	4,889
- Revaluation	940	-	-	-	-	-	-	940
	2,938	801	958	934	51	83	64	5,829
<u>Less</u> Accumulated depreciation	-	(73)	(183)	(433)	(23)	(44)	-	(756)
Net book value	2,938	728	775	501	28	39	64	5,073

13 Property, plant and equipment, net (continued)

							Separate financial statements	
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling and service stations and gas storage tanks Million Baht	Gas cylinders Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
<b>For the year ended 31 December 2017</b>								
Opening net book value	2,938	728	775	501	28	39	64	5,073
Additions	-	-	5	73	2	16	17	113
Transfer	-	4	7	-	-	-	(11)	-
Write-offs and disposals, net	-	-	-	(1)	-	(2)	(10)	(13)
Depreciation charge	-	(28)	(26)	(51)	(5)	(5)	-	(115)
Closing net book value	2,938	704	761	522	25	48	60	5,058
<b>As at 31 December 2017</b>								
Cost - Historical cost	1,998	802	969	1,006	53	96	60	4,984
- Revaluation	940	-	-	-	-	-	-	940
	2,938	802	969	1,006	53	96	60	5,924
Less Accumulated depreciation	-	(98)	(208)	(484)	(28)	(48)	-	(866)
Net book value	2,938	704	761	522	25	48	60	5,058

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

**Fair value of land**

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

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

<b>Consolidated financial statements</b>			
<b>Fair value measurements at 31 December 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	3,641	-
<b>Separate financial statements</b>			
<b>Fair value measurements at 31 December 2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Recurring fair value measurements</b>			
Land	-	2,938	-

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

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

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

Process of land appraisal of the Group

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

**Assets pledged as collateral**

As at 31 December 2017, certain of gas vessels of a subsidiary with net book value of Baht 2,424.61 million (2016: Baht 1,657.81 million) have been pledged as collateral for loans from local commercial banks (Note 20).

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

In the year 2017, there is no borrowing costs (2016: Baht 4.07 million), arising from bonds issued to refinance the long-term loans for the construction of a new factory port and gas terminal at Suksawat, were capitalised during the year and are included in "Additions". A capitalisation rate of 0% (2016: 4.88%) was used, representing the average borrowing cost of bonds.

#### 14 Goodwill, net

The movement of goodwill can be analysed as follows:

For the year ended 31 December	Consolidated financial statements	
	2017 Million Baht	2016 Million Baht
Goodwill	1,538	1,538
<u>Less</u> Provision for impairment	(22)	-
Goodwill, net	1,516	1,538

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

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

	Consolidated financial statements			
	Thailand	Vietnam	Singapore	2017 Total
Goodwill allocation (Million Baht)	1,152	227	137	1,516

	Consolidated financial statements			
	Thailand	Vietnam	Singapore	2016 Total
Goodwill allocation (Million Baht)	1,174	227	137	1,538

#### Impairment tests for goodwill

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

	Thailand	Vietnam	Singapore
Growth rate	1.00%	2.60%	2.50%
Discount rate	9.16%	14.00%	9.46%

If the assumptions used in the calculation on impairment tests for goodwill change, the business growth rate decreased by 1.00% per annum or discount rate increased by 1.00% per annum, there is still no impairment of goodwill.

15 Intangible assets, net

Consolidated financial statements			
2017			
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
<b>As at 1 January</b>			
Cost	255	84	339
<u>Less</u> Accumulated amortisation	(122)	(76)	(198)
Net book amount	133	8	141
<b>For the year ended 31 December</b>			
Opening net book amount	133	8	141
Additions	-	9	9
Amortisation charge	(32)	(2)	(34)
Currency translation differences	(8)	-	(8)
Closing net book amount	93	15	108
<b>As at 31 December</b>			
Cost	244	52	296
<u>Less</u> Accumulated amortisation	(151)	(37)	(188)
Net book amount	93	15	108

  

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



15 Intangible assets, net (continued)

	Separate financial statements	
	2017	2016
	Computer software Million Baht	Computer software Million Baht
<b>As at 1 January</b>		
Cost	14	14
<u>Less</u> Accumulated amortisation	(13)	(12)
Net book amount	<u>1</u>	<u>2</u>
<b>For the year ended 31 December</b>		
Opening net book amount	1	2
Additions	3	-
Amortisation charge	(1)	(1)
Closing net book amount	<u>3</u>	<u>1</u>
<b>As at 31 December</b>		
Cost	17	14
<u>Less</u> Accumulated amortisation	(14)	(13)
Net book amount	<u>3</u>	<u>1</u>

16 Deferred income taxes, net

Deferred tax assets and deferred tax liabilities in statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Deferred tax assets	151	422	-	-
Deferred tax liabilities	(377)	(378)	(91)	(88)
Deferred tax assets (liabilities), net	<u>(226)</u>	<u>44</u>	<u>(91)</u>	<u>(88)</u>

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

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	34	63	24	25
Deferred tax asset to be recovered after more than 12 months	165	411	37	37
	<u>199</u>	<u>474</u>	<u>61</u>	<u>62</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after more than 12 months	(425)	(430)	(152)	(150)
	<u>(425)</u>	<u>(430)</u>	<u>(152)</u>	<u>(150)</u>
Deferred tax assets (liabilities), net	<u>(226)</u>	<u>44</u>	<u>(91)</u>	<u>(88)</u>

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
As at 1 January	44	(56)	(88)	(110)
(Charged)/credited to profit or loss (Note 30)	(259)	119	(4)	23
(Charged)/credited directly to other comprehensive income	(11)	(19)	1	(1)
As at 31 December	<u>(226)</u>	<u>44</u>	<u>(91)</u>	<u>(88)</u>

16 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2017 and 2016, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Consolidated financial statements					
	Charged/credited to			Charged/credited to		
	As at 1 January 2016 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht	As at 31 December 2016 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht
						As at 31 December 2017 Million Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	5	-	-	5	(1)	-
Allowance for diminution in value of inventories	12	(12)	-	-	-	-
Employee benefit obligation	26	2	-	28	3	-
Remeasurements of post-employment benefit obligations	-	-	(1)	(1)	-	1
Unrealised gain on sales of goods/assets within the Group	50	26	-	76	(26)	-
Tax loss carried forwards	263	102	-	365	(252)	-
Others	2	(1)	-	1	-	-
<b>Deferred tax assets, gross</b>	<b>358</b>	<b>117</b>	<b>(1)</b>	<b>474</b>	<b>(276)</b>	<b>1</b>
<b>Deferred tax liabilities</b>						
Differences on depreciation	(129)	(19)	-	(148)	(16)	-
Fair value adjustments from business acquisition	(55)	-	-	(55)	3	-
Valuation surplus on land	(197)	-	-	(197)	-	-
Effect of currency translation on tax base	(32)	20	(18)	(30)	33	(12)
Others	(1)	1	-	-	(3)	-
<b>Deferred tax liabilities, gross</b>	<b>(414)</b>	<b>2</b>	<b>(18)</b>	<b>(430)</b>	<b>17</b>	<b>(12)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(56)</b>	<b>119</b>	<b>(19)</b>	<b>44</b>	<b>(259)</b>	<b>(11)</b>

16 Deferred income taxes, net (continued)

The movement in deferred tax assets and liabilities during the year 2017 and 2016, is as follows:

	Charged/credited to			Charged/credited to		
	As at 1 January 2016 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht	As at 31 December 2016 Million Baht	Profit or loss Million Baht	Comprehensive income Million Baht
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	1	-	-	1	-	-
Provision for impairment from investment of subsidiaries	25	(1)	-	24	-	-
Employee benefit obligation	10	1	-	11	-	-
Remeasurements of post-employment benefit obligations	-	-	(1)	(1)	-	1
Loss carried forwards	-	25	-	25	(2)	-
Others	2	-	-	2	-	-
<b>Deferred tax assets, gross</b>	<b>38</b>	<b>25</b>	<b>(1)</b>	<b>62</b>	<b>(2)</b>	<b>1</b>
<b>Deferred tax liabilities</b>						
Differences on depreciation	(10)	(2)	-	(12)	(2)	-
Valuation surplus on land	(138)	-	-	(138)	-	-
<b>Deferred tax liabilities, gross</b>	<b>(148)</b>	<b>(2)</b>	<b>-</b>	<b>(150)</b>	<b>(2)</b>	<b>-</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(110)</b>	<b>23</b>	<b>(1)</b>	<b>(88)</b>	<b>(4)</b>	<b>1</b>

Deferred income tax assets are recognised for tax losses and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of Baht 69 million (2016: Baht 99 million) in respect of losses amounting to Baht 347 million (2016: Baht 497 million) that can be carried forward against future taxable income within 2017 to 2021.

**17 Other non-current assets**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Accrued interest income on loans to subsidiaries (Note 33)	-	-	188	158
Deposits at bank used as collateral	74	18	-	-
Deposits	17	28	7	8
Corporate income tax refundable	113	60	92	59
Advance payments for purchases of equipment	233	102	224	97
Deposits for investment in associates (Note 12.2)	97	860	-	-
Deferred charge	23	14	-	-
Prepaid rental	414	477	37	52
Leasehold	45	66	-	-
Others	54	42	1	4
Other non-current assets	1,070	1,667	549	378

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Short-term loans from financial institutions, net	1,501	1,727	1,233	568

As at 31 December 2017, the Group and the Company have short-term promissory notes and trust receipts from local commercial banks amounting to Baht 1,501 million and Baht 1,233 million, respectively, bear interest rates at the range of 1.25%-1.85% per annum and 1.25%-1.80% per annum, respectively (2016: amounting to Baht 1,727 million and Baht 568 million bear interest rates at the range of 1.20%-2.75% per annum and 1.95%-2.75% per annum, respectively).

**19 Trade and other payables**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Trade payables	3,068	2,707	568	420
Trade payables to related parties (Note 33)	-	-	46	36
Other payables	170	259	82	44
Other payables to related parties (Note 33)	5	5	13	21
Advance received from customers	319	419	-	-
Accrued interest	65	58	64	59
Accrued expenses	361	583	42	25
Trade and other payables	3,988	4,031	815	605

20 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Current portion of long-term loans, net</b>				
Thai Baht	327	187	-	-
US Dollar	259	302	148	148
<u>Less</u> Deferred financing fee	(3)	(3)	(2)	(2)
	583	486	146	146
<b>Long-term loans, net</b>				
Thai Baht	693	378	-	-
US Dollar	767	512	710	378
<u>Less</u> Deferred financing fee	(7)	(4)	(5)	(3)
	1,453	886	705	375
Total long-term loans, net	2,036	1,372	851	521

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Opening balance, net	1,372	667	521	-
Additions	1,337	1,084	543	542
Repayments	(578)	(389)	(142)	(36)
Financing fees on addition loans	(7)	(7)	(5)	(5)
Amortised deferred financing fees	4	2	3	1
Unrealised loss (gain) from exchange rate	(8)	12	(69)	19
Currency translation differences	(84)	3	-	-
Closing balance, net	2,036	1,372	851	521

As at 31 December 2017 and 2016, the Group and the Company have long-term loans from local commercial banks as follows:

**The Company**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2017	2016			
851 (26.10 Million US Dollar)	521 (14.60 Million US Dollar)	LIBOR 3M+3.42%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by July 2019.	A Subsidiary

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

As at 31 December 2017 and 2016, The Group and the Company have long-term loans from local commercial banks as follows: (continued)

**Subsidiaries**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2017	2016			
84	122	BIBOR +2.15%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by February 2020.	Vessel (Note 13) and also guaranteed by the Company
69 (2.12 Million US Dollar)	127 (3.54 Million US Dollar)	MLR-1.50%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by June 2019.	
24 (0.72 Million US Dollar)	60 (1.68 Million US Dollar)	LIBOR 1M+3.00%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by September 2018.	
2	45	MLR-1.00%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by January 2018.	Vessels (Note 13) and also guaranteed by the Company and another subsidiary
5	15	MLR-1.00%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by June 2018.	
-	7 (0.18 Million US Dollar)	LIBOR 3M+4.25%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by February 2017.	
-	17 (0.48 Million US Dollar)	LIBOR 3M+4.25%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by February 2017.	
75 (2.30 Million US Dollar)	77 (2.17 Million US Dollar)	LIBOR 3M+3.10%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by October 2019.	

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

As at 31 December 2017 and 2016, The Group and the Company have long-term loans from local commercial banks as follows: (continued)

**Subsidiary (continued)**

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2017	2016			
99	-	2.57%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by January 2020.	Vessels (Note 13) and also guaranteed by the Company and another two subsidiaries
448	-	2.73%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by July 2022.	
112	-	THBFIX 6M +2.22%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by December 2022.	
60	79	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by February 2021.	
79	139	3.00%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by April 2019.	
128	163	2.57%	Principal and interest repayments are made on monthly basis The loan is due for full repayment by September 2021.	

2,036      1,372

During the year 2017, the Group entered into the interest rate and cross currency swap contracts with the financial institutions, the Group disclosed the interest rate and cross currency swap contracts with the financial institutions as at 31 December 2017 in note 35.

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



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

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Long-term loans, net				
- at fixed rates	814	630	-	-
- at floating rates	1,222	742	851	521
Total long-term loans, net	2,036	1,372	851	521

As at 31 December 2017, the weighted average effective interest rate of the long-term loans of the Group and the Company were approximately 4.67% and 4.64% per annum respectively. (2016: 4.81% and 4.24% per annum respectively).

Maturity of long-term loans is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Within 1 year	583	486	146	146
Later than 1 year but not later than 5 years	1,453	886	705	375
Total long-term loans, net	2,036	1,372	851	521

**Credit facilities**

As at 31 December 2017, the Group has available unused credit facilities with commercial banks for letter of credit, trust receipt, cheque discounted, letter of guarantee, and forward contract, of Baht 25,253 million (2016: Baht 24,375 million).

**21 Other current liabilities**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Tax payables	29	26	3	9
Withholding tax payable	5	5	-	-
Others	54	53	3	4
Other current liabilities	88	84	6	13

**22 Bonds, net**

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Current portion of long-term bonds, net</b>				
Thai Baht	2,000	1,300	2,000	1,300
<b>Long-term bonds, net</b>				
Thai Baht	5,000	5,000	5,000	5,000
<u>Less</u> Deferred financing fees	(5)	(6)	(5)	(6)
	4,995	4,994	4,995	4,994
<b>Total bonds, net</b>	<b>6,995</b>	<b>6,294</b>	<b>6,995</b>	<b>6,294</b>

The movements of bonds can be analysed as follows:

**For the year ended 31 December 2017**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Million baht</b>	<b>Million Baht</b>
Opening balance, net	6,294	6,294
Repayment	(1,300)	(1,300)
Issue of bond	2,000	2,000
Financing fee on issue of bond	(4)	(4)
Amortised financing fees	5	5
<b>Closing balance, net</b>	<b>6,995</b>	<b>6,995</b>

During the period from 23 – 25 January 2017, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. The total value of debenture bond is Baht 2,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

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

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

The Company has successfully issued the bond of Baht 2,000 million to refinance the bond of Baht 1,300 million that was due in January 2017. Under the rights and responsibility of the issuer and the holders of bond, the Company has to comply with the conditions, including certain financial covenants.

Maturity of bonds is as follows:

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Within 1 year	2,000	1,300	2,000	1,300
Later than 1 year but not later than 5 years	4,995	4,994	4,995	4,994
<b>Total bonds, net</b>	<b>6,995</b>	<b>6,294</b>	<b>6,995</b>	<b>6,294</b>

**23 Cylinder deposits**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Cylinder deposits	4,745	4,627	976	884

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

**24 Employee benefit obligations**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Present value of obligations	156	145	56	53
Liability in the statement of financial position	156	145	56	53

Movements in employee benefit obligations are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Opening balance	145	134	53	50
Current service costs	11	9	4	3
Interest costs	5	4	2	2
Remeasurements of post-employment benefit obligations	-	(1)	-	(1)
Benefit paid	(5)	(1)	(3)	(1)
Closing balance	156	145	56	53

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current service costs	11	9	4	3
Interest costs	5	4	2	2
Total	16	13	6	5

**24 Employee benefit obligations (continued)**

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Cost of sales and services	7	7	3	2
Administrative expenses	9	6	3	3
Total	16	13	6	5

The principal actuarial assumptions used were as follows:

	2017	2016
Discount rate	3.1%	3.1%
Salary increase rate	4.5 - 7%	4.5 - 7%
Turnover rate	0.0 - 35%	0.0 - 35%

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1%	1%	Decrease by 6.97%	Decrease by 7.54%	Increase by 7.93%	Increase by 8.57%
Salary increase rate	1%	1%	Increase by 9.20%	Increase by 8.81%	Decrease by 8.22%	Decrease by 7.90%
Turnover rate	20%	20%	Decrease by 7.68%	Decrease by 8.18%	Increase by 9.31%	Increase by 9.94%

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

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

As at 31 December 2017, the weighted average duration of the defined benefit obligation of the Group is 19 years (2016: 20 years).

**25 Share capital**

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2016	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2016	919	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2017	919	919	1,875	2,794

As at 31 December 2017, total authorised number of shares was 919 million shares with a par value of Baht 1 per share (2016: 919 million shares with a par value of Baht 1 per share). All 919 million shares were issued and fully paid-up with the share premium of Baht 1,875 million.

## **26 Dividends paid**

### **The Company**

On 21 April 2017, at the Annual General Shareholders' meeting of the Company, the shareholders passed a resolution to approve the payment of dividend for the year 2016 amounting to Baht 0.50 per share, totalling Baht 459.47 million, inclusive of interim dividends for the first nine months 30 September 2016 amounting to Baht 0.15 per share, totalling Baht 137.84 million. The interim dividends had already been paid on 8 September 2016. The remaining dividends of Baht 0.35 per share, totalling Baht 321.63 million, had already been paid to the shareholders on 18 May 2017.

On 10 August 2017, at the Board of Directors' meeting of the Company, the board passed a resolution to approve the payment of interim dividends from retained earnings and operating results for the six-month period ended 30 June 2017 at Baht 0.50 per share, for 918.32 million shares, totalling Baht 459.47 million. The interim dividends had already been paid to the shareholders on 7 September 2017.

### **The Subsidiaries**

On 19 April 2017, at the Annual General Shareholders' meeting of Unique Gas and Petrochemicals Public Company Limited, the shareholders passed a resolution to approve dividend payment for the year 2016 from opening retained earnings and the operating results for the year ended 31 December 2016 in an amount of Baht 55.00 per share, for 10.50 million shares, totalling Baht 577.50 million, inclusive of interim dividends amounting to Baht 25.00 per share, totalling Baht 262.50 million. The interim dividends had already been paid on 5 September 2016. The remaining dividends of Baht 30.00 per share of Baht 315.00 million, had already been paid to the shareholders on 16 May 2017.

On 29 May 2017, at the Board of Directors' meeting of MyGaz Sdn. Bhd., the board passed a resolution to approve the payment of interim dividends from retained earnings at MYR 0.25 per share or Baht 1.96 per share, for 12.00 million shares, totalling MYR 3.00 million or Baht 23.48 million. The Company recognised the dividend income in the separate statement of income amounting to MYR 2.10 million or Baht 16.44 million. The remaining dividends of MYR 0.90 million or Baht 7.04 million were dividend of non-controlling interests. The interim dividends had been paid in 22 June 2017.

On 10 August 2017, at the Board of Directors' meeting of Unique Gas and Petrochemicals Public Company Limited, the board passed a resolution to approve the payment of interim dividends from retained earnings and operating results for the six-month period ended 30 June 2017 at Baht 30.00 per share, for 10.50 million shares, totalling Baht 315.00 million. The dividends had already been paid to the shareholders on 5 September 2017.

On 24 August 2017, at the Board of Directors' meeting of Lucky Carrier 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 2017 at Baht 5.00 per share, for 7.00 million shares, totalling Baht 35.00 million. The interim dividends had already been paid to the shareholders on 1 September 2017.

## **27 Legal reserve**

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

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

**28 Other income**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Rental income	23	24	21	24
Interest income	17	20	55	71
Gain on disposals of property, plant and equipment	9	3	1	1
Gain on exchange rates	140	-	110	-
Others	285	163	86	63
Other income	474	210	273	159

**29 Expenses by nature**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Depreciation and amortisation expenses	1,230	1,176	115	87
Staff costs	1,399	1,185	292	282
Directors' and key management's remuneration	57	55	29	31
Impairment charges on goodwill	22	-	-	-
Impairment charges on equipment	28	-	-	-
Loss on exchange rates	-	60	-	35

**30 Income tax**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Current tax	403	226	-	-
Deferred tax (Note 16)	259	(119)	4	(23)
<b>Total tax expense</b>	<b>662</b>	<b>107</b>	<b>4</b>	<b>(23)</b>

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Profit before tax	3,502	1,272	648	431
Tax calculated at a tax rate of 10% - 25% (2016: 10% - 25%)	715	255	130	86
Tax effect of:				
Income not subject to tax	(136)	(135)	(136)	(120)
Expenses not deductible for tax purpose	68	18	8	10
Utilisation of previously unrecognised tax losses	(4)	(72)	-	-
Tax losses for which no deferred income tax asset was recognised	22	108	2	-
Others	(3)	(67)	-	1
Tax charge	662	107	4	(23)

**31 Earnings per share**

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

<b>For the year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net profit attributable to owner of the parent (million Baht)	2,811	1,119	645	454
Weighted average number of ordinary shares in issue during the year (million shares)	919	919	919	919
Basic earnings per share (Baht per share)	3.06	1.22	0.70	0.49

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

32 Other components of equity

	Consolidated financial statements					
	Revaluation surplus on land Million Baht	Difference 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 joint ventures and associates for using the equity method Million Baht	Currency translation differences Million Baht	Total other component of equity Million Baht
Opening balance - 1 January 2017	969	(609)	22	-	140	522
Total comprehensive expense for the year	-	-	-	(21)	(547)	(568)
Closing balance - 31 December 2017	969	(609)	22	(21)	(407)	(46)
Opening balance - 1 January 2016	969	(609)	22	-	826	1,208
Total comprehensive expense for the year	-	-	-	-	(686)	(686)
Closing balance - 31 December 2016	969	(609)	22	-	140	522

	Separate financial statements		
	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 - 1 January 2017	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2017	757	(609)	148
Opening balance - 1 January 2016	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2016	757	(609)	148



### **33 Related party transactions**

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

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

As at 31 December 2017, the major shareholders of the Company are shareholders in Weeraborwornpong family, which own 61.30% of the Company's share capital.

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

The significant related party transactions are as follows:

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

<b>As at 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	205	18
Joint ventures	56	46	-	-
Other related parties - the same shareholders and directors	3	3	2	1
<b>Total</b>	<b>59</b>	<b>49</b>	<b>207</b>	<b>19</b>
<b>Other receivables</b>				
Subsidiaries	-	-	98	89
<b>Cylinder deposits</b>				
Subsidiaries	-	-	2	2
<b>Deposits for building</b>				
Other related parties - the same shareholders and directors	7	7	3	3
<b>Prepayment for building</b>				
Other related parties - the same shareholders and directors	30	76	12	31
<b>Trade accounts payable</b>				
Subsidiaries	-	-	46	36
<b>Other payables</b>				
Subsidiaries	-	-	11	19
Other related parties - the same shareholders and directors	5	5	2	2
<b>Total</b>	<b>5</b>	<b>5</b>	<b>13</b>	<b>21</b>

**33 Related party transactions (continued)**

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

**ii) Long-term loans to related parties**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	1,182	1,784
Joint ventures	21	37	21	37
<b>Total</b>	<b>21</b>	<b>37</b>	<b>1,203</b>	<b>1,821</b>
<b>Accrued interest income</b>				
Current portion				
Joint ventures	-	-	1	8
Non current portion (Note 17)				
Subsidiaries	-	-	188	158
<b>Total</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>166</b>

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Opening balance	37	44	1,821	2,672
Additions	-	-	445	70
Proceeds	(12)	(6)	(1,001)	(859)
Unrealised loss on exchange rates	(4)	(1)	(62)	(62)
Closing balance	<b>21</b>	<b>37</b>	<b>1,203</b>	<b>1,821</b>

**33 Related party transactions (continued)**

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

**ii) Long-term loans to related parties (continued)**

As at 31 December 2017, the details of long-term loans to subsidiaries and joint ventures are as follows:

<b>Balance of long-term loans to related parties (Million Baht)</b>		<b>Interest rate per annum</b>	<b>Repayment of principal and interest</b>
<b>2017</b>	<b>2016</b>		
751	446	4.95%	The loan is due for full repayment in 2024.
-	24	4.95%	The loan is due for full repayment in 2024.
5	5	4.95%	The loan is due for full repayment in 2020.
357	356	Average MLR of three Thai commercial banks plus 0.50%	The loan dues when the subsidiary has sufficient working capital.
74 (2.29 Million US Dollar)	363 (10.19 Million US Dollar)	4.95%	The loan is due for full repayment in 2020.
16 (0.50 Million US Dollar)	32 (0.90 Million US Dollar)	4.95%	The loan is due for full repayment in 2020.
-	26 (0.72 Million US Dollar)	5.45%	The loan is due for full repayment in 2020.
-	569 (15.95 Million US Dollar)	4.95%	The loan is due for full repayment in 2020.
<b>1,203</b>	<b>1,821</b>		

**iii) Long-term loans from related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
<b>As at 31 December</b>				
<b>Long-term loans</b>				
Subsidiaries	-	-	690	534
Other related parties - the same shareholders and directors	3	3	-	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>690</b>	<b>534</b>
<b>Accrued interest expenses</b>				
Subsidiaries	-	-	-	1

**33 Related party transactions (continued)**

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

**iii) Long-term loans from related parties (continued)**

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Opening balance	3	3	534	570
Additions	-	-	820	490
Repayments	-	-	(664)	(526)
Closing balance	3	3	690	534

As at 31 December 2017, the details of long-term loans from 2 subsidiaries are as follows:

- Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum (2016: plus 0.50% per annum) is charged for a loan of Baht 670 million (2016: Baht 470 million). The loan is due for payment in 2020.
- Interest rate of 0.25% per annum (2016: 1.75% per annum) is charged for a loan of Baht 20 million (2016: Baht 64 million). The loan is due for payment in 2024.

As at 31 December 2017, the Group has loan from directors of Baht 3 million with no interest. The loan is due when the subsidiary has sufficient working capital.

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Sales of gas</b>				
Subsidiaries	-	-	1,733	24
Joint ventures	408	339	-	-
Other related parties - the same shareholders and directors	14	12	7	6
<b>Total</b>	<b>422</b>	<b>351</b>	<b>1,740</b>	<b>30</b>
<b>Wharfing service income</b>				
Subsidiaries	-	-	41	40
<b>Interest income</b>				
Subsidiaries	-	-	52	68
Joint ventures	1	2	2	2
<b>Total</b>	<b>1</b>	<b>2</b>	<b>54</b>	<b>70</b>
<b>Other income</b>				
Subsidiaries	-	-	77	69
<b>Dividend income</b>				
Subsidiaries	-	-	679	596

**33 Related party transactions (continued)**

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

**v) Purchases of goods and services and interest expenses**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Purchase of goods</b>				
Subsidiaries	-	-	186	3
<b>Purchase of equipment</b>				
Subsidiaries	-	-	62	56
<b>Transportation expenses</b>				
Subsidiaries	-	-	291	232
<b>Wharfing expenses</b>				
Subsidiaries	-	-	32	19
<b>Rental expenses</b>				
Subsidiaries	-	-	3	3
Other related parties - the same shareholders and directors	30	30	12	12
<b>Total</b>	<u>30</u>	<u>30</u>	<u>15</u>	<u>15</u>
<b>Interest expenses</b>				
Subsidiaries	-	-	9	10
<b>Other expenses</b>				
Subsidiaries	-	-	9	7
Other related parties - the same shareholders and directors	33	40	15	19
<b>Total</b>	<u>33</u>	<u>40</u>	<u>24</u>	<u>26</u>

**vi) Directors' and key management remunerations**

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Short-term employee benefits	55	54	28	31
Post-employment benefits	2	1	1	-
<b>Total</b>	<u>57</u>	<u>55</u>	<u>29</u>	<u>31</u>

**34 Commitments and contingent liabilities**

**a) Contingent liabilities**

**The first assessment of value added tax**

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

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

On 26 March 2015, the subsidiary filed a petition to the Central Tax Court to withdraw the judgment. On 25 May 2016, the Central Tax Court judged for the Revenue Department to return value added tax and a penalty and surcharge totalling Baht 5,539,038 with interest rate at 7.5% per annum since 12 March 2015 until the full settlement to the subsidiary. The Revenue Department also has to correct the assessment on value added tax and the assessment of the Administrative Appeal Committee in relation to service income arising from time charter party contracts. The Revenue Department filed the appeal to the Central Tax Court on 19 August 2016. However, the subsidiary filed the defending to the Central Tax Court on 2 December 2016. The Central Tax Court accepted the defending from the subsidiary and processed the appeal and the defending of both parties to the Supreme Court. The final judgement will be made by the Supreme Court. As at 31 December 2017, the case is currently being reviewed by the Supreme Court.

**The second assessment of value added tax**

On 5 June 2017, the Revenue Department issued an additional notice of value added tax underpayment, including penalty and surcharge for the period from May to December 2012 totaling Baht 11.62 million to the subsidiary. The assessment was issued because the subsidiary did not pay value added tax on transportation service income arising from time charter party contracts. The Revenue Department deemed that this service is classified as property rental, not transportation which is exempt for value added tax.

On 26 June 2017, the subsidiary filed a partial tax payment of Baht 3.88 million, with VAT underpayment, including penalty and surcharge totalling Baht 7.74 million, and was approved to withhold unpaid taxes until the Administrative Appeal Committee issues a judgement.

On 5 July 2017, the subsidiary appealed against the assessment to the Administrative Appeal Committee of the Revenue Department. The case is currently being reviewed by the Administrative Appeal Committee.

As a result of the judgement by the Central Tax Court of the first assessment of value added tax, the Group's management considers that if the case is appealed to the Supreme Court, the outcome will be favourable to the Group. Therefore, the Group didn't recognise the expense and contingent liability relating to the value added tax, penalty and surcharge on service income arising from the time charter party contracts from 2010 to date in the financial statements.

**Corporate income tax assessment**

On 3 November 2017, the subsidiary received a notification letter from the Revenue Department for the additional assessment of the corporate income tax for the tax fiscal year 2012 and 2014. The additional corporate income tax including penalty and surcharge were totaling Baht 58.47 million and Baht 33.81 million, respectively.

On 30 November 2017, the subsidiary filed a partial tax payment of Baht 34.61 million, with corporate tax underpayment, including penalty and surcharge totalling Baht 57.63 million, and was approved to withhold unpaid taxes until the Administrative Appeal Committee issues a judgement.

On 1 December 2017, the subsidiary appealed against the assessment to the Administrative Appeal Committee of the Revenue Department. The case is currently being reviewed by the Administrative Appeal Committee.

**34 Commitments and contingent liabilities (continued)**

**b) Letter of guarantee**

As at 31 December 2017 and 2016, the Group and the Company have bank guarantees issued on its behalf as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Letter of guarantee	1,231	2,310	323	921
Letter of credit	3,707	2,313	460	-

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

**c) Operating lease commitments**

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Within 1 year	82	59	19	17
During 2 - 5 years	132	130	64	61
Later than 5 years	282	284	87	102
Total	496	473	170	180

**d) Capital commitments**

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Property, plant and equipment	923	1,031	458	597

**e) Contingent liabilities from cylinder deposits**

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

## **35 Financial instruments**

### **Interest rate and cross currency swap contracts**

The interest rate and cross currency swap contracts are entered to manage the exposure on fluctuation in interest rates and foreign currency exchange rate on specific transaction. The Group and the Company have the interest rate and cross currency swap contracts with financial institutions as at 31 December 2017 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 10.50 million (which equivalent to Baht 342.36 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 112.00 million and total amount of long-term loans of US Dollar 2.12 million (which equivalent to Baht 69.13 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 exchange rates in advance. A subsidiary of the Company entered into such contract for total amount of long-term loans of Baht 901.32 million which equivalent to US Dollar 26.18 million.

## **36 Events after the reporting date**

### **a) Dividend payment**

#### **The Company**

On 22 February 2018, at the Board of Directors' meeting of the Company, the board passed a resolution to propose the payment of dividends from retained earnings and operating results for the year 2017 amounting to Baht 1.50 per share, totalling Baht 1,378.40 million, inclusive of interim dividends for the first six-month of 2017. The Company had already paid interim dividend from retained earnings and operating results for the six-month period of the year 2017 amounting to Baht 0.50 per share, totalling Baht 459.47 million on 7 September 2017. The board will propose the shareholders at the shareholders' meeting to get an approval for dividend payment.

#### **Subsidiary**

On 22 February 2018, at the Board of Directors' meeting of Unique Gas and Petrochemicals Public Company Limited, the board passed a resolution to propose dividend payment for the year 2017 in an amount of Baht 65 per share, totalling Baht 682.50 million, inclusive of interim dividends from retained earnings and operating results for the six-month period of the year 2017, 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 dividend of Baht 367.50 million will be paid in May 2018.

### **b) Issue of bond**

On 22 February 2018, at the Board of Directors' meeting of the Company, the board passed a resolution to propose 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 bonds are rated at A (Stable) by TRIS. The details of the bond are as follows:

<b>Type of bond</b>	<b>Fixed Interest rate</b>
5-year bond	3.03% per annum



**36 Events after the reporting date (continued)**

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

On 12 January 2018, Siam Gas Power Pte. Ltd. ("SPW") registered an increase of its share capital of 1.00 million shares at a par value of USD 1 each or approximately Baht 32.68 million. On 5 February 2018, SPW registered an increase of its share capital of 8.26 million shares at a par value of USD 1 each or approximately Baht 269.94 million. The number of shares increased from 51.02 million to 60.28 million 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 remains unchanged at 100%.

**d) The assessments of corporate income tax and value added tax**

On 20 January 2018, a subsidiary has received a notification letter from the Revenue Department for the additional assessment of the corporate income tax for the tax fiscal year 2013 and value added tax underpayment for the period from February to April 2013. The additional tax including penalty and surcharge were totaling Baht 55.31 million.

On 15 February 2018, the subsidiary filed a partial tax payment of Baht 20.45 million, with tax underpayment, including penalty and surcharge totaling Baht 34.86 million, and processed to withhold unpaid taxes until the appeal to the Administrative Appeal Committee issues a judgement.

On 19 February 2018, the subsidiary appealed against the assessment to the Administrative Appeal Committee of the Revenue Department. The case is currently being reviewed by the Administrative Appeal Committee.

**e) Increase in share capital of Siamgas Global Investment Pte. Ltd.**

In January 2018, Siamgas Global Investment Pte. Ltd. ("SGI"), who is a subsidiary of the Company, entered into a joint venture agreement for trading of petroleum products in Bangladesh. SGI's ownership interest will be 90% of registered and paid up capital. The source of fund is from the net working capital of the Group. As a result, 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 16.00 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%.