



SIAMGAS



continued
GROWTH

Annual Report 2019



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STATEMENT OF FINANCIAL
POSITION







Siamgas power Pte. Ltd. invests in Myanmar Lighting (IPP) Co., Ltd. and Southern Myanmar Development Co., Ltd. which operates a 230 MW combined cycle power plant and a 10 MW diesel power plant in Myanmar respectively. The power plant are already operated. Such investment brings consistent income to the Company.

HOLD SHARES

41.1%

MYANMAR LIGHTING (IPP) CO., LTD. (MLIPP)

Combine Cycle Power Plant,
Production Capacity of 230 Megawatts



Production Capacity
of **230**
MW

Vision



To be
a **Leading Energy**
Provider in Asia

Mission

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

- To come up with plans aimed at increasing facilities, storage terminals, filling plants, service stations, transporting vessels and transporting trucks
- To continuously develop human resource for higher operation capability, effectiveness and security
- To place importance on policies regarding product security, service and practices within organization
- To focus on well living standard of people by providing premium product and service, especially security and convenience aspects in budget and fair price
- To emphasize environment preservation, ethical business conduct, responsibility towards society, shareholders and other related parties



We are ready to develop our potential in all aspects.



We have two large LPG storages in China



We adhere to the principles of good corporate governance and conduct business with transparency



Tank Farm
Koh Sichang District, Chonburi Province

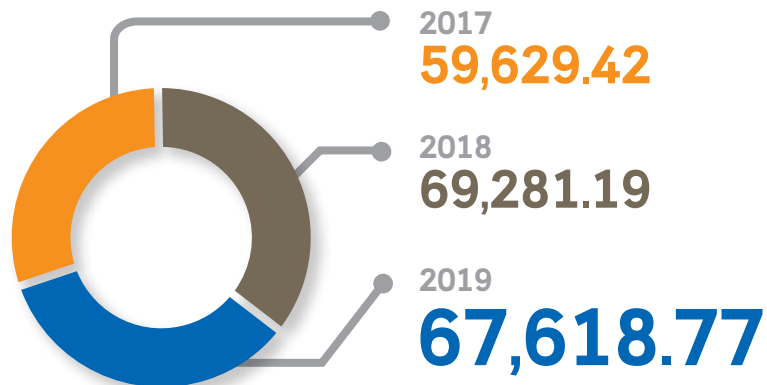


FINANCIAL CONCLUSION

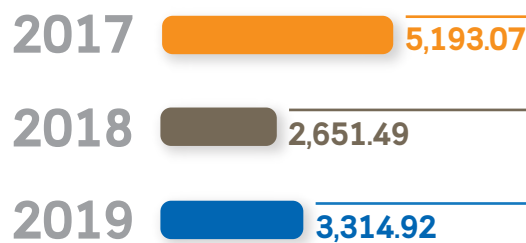
		2017	2018	2019
FINANCIAL DATA				
Asset	Million Baht	31,457.97	35,804.44	41,439.17
Liabilities	Million Baht	20,149.53	25,675.63	29,550.67
Equity	Million Baht	11,138.98	9,986.67	11,080.37
Paid-up Capital	Million Baht	918.93	918.93	918.93
Revenue from sales	Million Baht	58,743.41	68,263.97	66,834.45
Total revenue	Million Baht	59,629.42	69,281.19	67,618.77
Gross profit	Million Baht	4,946.71	2,260.43	3,250.72
EBITDA	Million Baht	5,193.07	2,651.49	3,314.92
Net Profit (owners of the parent)	Million Baht	2,811.10	871.18	1,359.92
FINANCIAL RATIO				
Net profit margin	percent	4.71	1.26	2.01
Return on equity (R.O.E)	percent	26.64	8.13	12.35
Return on asset (R.O.A)	percent	9.37	2.59	3.52
Debt to equity ratio	Times	1.78	2.53	2.49
Interest bearing debt ratio	Times	0.95	1.63	1.44
Liquidity ratio	Times	1.33	1.05	0.94
Book value	Baht	6.06	5.43	6.03
Earnings Per Share	Baht	1.53	0.47	0.74
STOCK DATA		29/12/2017	28/12/2018	30/12/2019
Shareprice as of	Baht	24.30	8.50	9.70
Market capitalization	Million Baht	22,330.04	15,621.84	17,827.27
Par Value	Baht	1.00	0.50	0.50

Total revenue

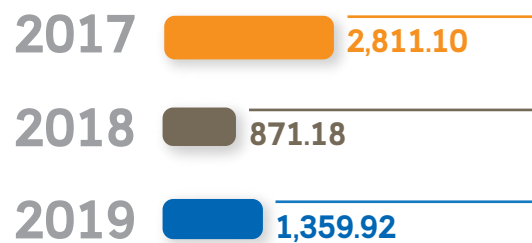
Million Baht

**EBITDA**

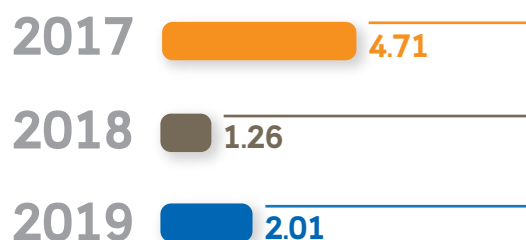
Million Baht

**Net profit**

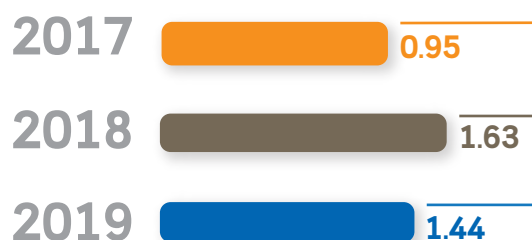
Million Baht

**Net profit margin**

Percent

**Interest bearing debt**

Times



MESSAGE FROM CHAIRMAN



In the year 2019, it is another year that the company has a key investment when the Company decides to invest in the shares of Thai Public Port Company Limited (“TPP”) which operate oil tank farm and deep sea port in Si Chang district Chonburi province with a deep sea berth comprising 4 berths and a tank farm comprising of 14 tanks with storage capacity of 345.716 million liters. The investment will benefit the Company both in term of revenue and profit from consistent income as the investment in combined cycle power plant and diesel power plant that the Company has previously invested. This is another leading step toward the Company’s goal as a leading energy operator.

For the LPG business in the year 2019, the Company can generate sales volume of 3.83 million tons, an increase of 11.8% from previous year with sale volume of 3.43 million tons with 74.36% of sales volume come from overseas sales. The 11.8% increase in sale volume is due to increase in oversea sale volume from 2.43 million tons in 2018 to 2.85 million tons in 2019, an increase of 0.43 million tons or equal to 17.8% This proof a successful oversea expansion since the Company expands overseas since year 2000.

In the year 2019, it is another year which CP Saudi Aramco price, which is a standard LPG trading price fluctuate. This result from trade war between America and China which causing concern on reducing trade volume between the



two countries. The consequence of the disputation affects the world economy and demand for energy. Although, the CP Saudi Aramco price decreases USD 150 per ton during the 2nd quarter and 3rd quarter, the CP Saudi Aramco price increases USD 92.50 in the 4th quarter after both countries reach an agreement with a positive outcome. Although the average LPG price in 2019 at USD 438.13 per ton is lower than USD 540.63 per ton in the previous year, the Company revenue decreases by only 2.4% compare to the same period last year. This is due to the Company capable of increasing sale volume by 11.8% compare to the previous year.

The Company has total revenue in 2019 amount 67,441.80 million baht, decreasing from 69,103.54 million baht. Net profit attributable to the owners of the parent is 1,359.92 million baht increasing from 871.18 million baht or increase 56.1%. The Board of Directors consider and view that the business operation is improving and propose to the shareholders' meeting to consider on dividend payout at 0.25 baht per share for the second-half-year operations of 2019. When including the interim dividend for the first-half-year of 2019 at the rate of 0.10 baht per share, the total dividend paid for the year 2019 is 0.35 baht per share.

For prediction of 2020, the Company aim to increase profit from both domestic and overseas market. For domestic market, the Company will realize profit from investment in oil tank farm and deep sea port which the Company invests in year 2019 with the target for growth in LPG sale volume at 5%. For the overseas market, the Company will focus on LPG wholesale market by increasing sale

For prediction of 2020, the Company aim to increase profit from both domestic and overseas market. For domestic market, the Company will realize profit from investment in oil tank farm and deep sea port which the Company invests in year 2019 with the target for growth in LPG sale volume at 5%. For the overseas market,

from current customers and explore new customers accordingly. The Company also aims to increase LPG sales volume in all countries that the Company has depot and filling plants.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, investors, partners, customers, employees, and other relevant parties including the financial institutions in Thailand and overseas for their continual and valuable supports which greatly contribute to the successful businesses of the Company today. Please rest assured that we shall operate business prudently, carefully and under code of ethics and corporate governance for sustainable development to maximize profits for all related parties with aims to become the prosperous organization that grows together with Thailand and Asia, pursuant to our vision statement.



Mr. Worawit Weeraborwornpong
Chairman



**Committed to continuous develop
with aim to be a leading energy operator
in Asia with international standard**

AUDIT COMMITTEE REPORT

The Audit Committee of Siamgas and Petrochemicals Public Company Limited comprises of 3 (three) independent directors who possess completed qualifications set forth by the Office of the Securities and Exchange Commission (SEC), namely:

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

The Audit Committee independently worked and expressed their opinions in accordance with the scope, roles and responsibilities assigned by the Board of Directors and according to the Audit Committee charter that is in alignment with the Stock Exchange of Thailand's rules.

During 2019, the Audit Committee held 16 meetings and all members attended the meetings together with the officers from the Internal Audit Office, the Management and the External Auditors to review the audit's plans and scope, including to acknowledge results of the audit works. In addition, the Audit Committee also held 1 meeting without the presence of the Management to discuss and listen to independent opinion of the External Auditors. Major activities of the Audit Committee were concluded as follows:

1. Financial Statements :

- Reviewed the interim financial information and 2019 annual financial statements of the Company and its subsidiaries with the External Auditor and the Management by questioning, discussing and advising on certain issues and matters relating to the Company and its subsidiaries' financial reports. The External Auditor confirmed that he/she performed the works independently and obtained a kind cooperation with the Management. Deputy Managing Director & Chief Financial Officer confirmed that the Company's accounting systems were effective and data had been correctly and

completely recorded pursuant to the International Financial Reporting Standards.

2. Internal Control and Risk Management :

- The Audit Committee reviewed the adequacy of the internal control systems of the Company and its subsidiaries by considering the reports from internal auditors and external auditors that assessed effectiveness and adequacy of the internal control systems, risk management including compliance with policies and approved authority of its management practices.

3. Monitoring of the Internal Audit Systems :

- Reviewed the independence of the Internal Audit Office, its scope of responsibilities and annual audit plan as well as considered the audit report and monitored the implementation of solutions as mentioned in the audit report. Gave advice to improve the audit performance and considered the appropriateness of the budget, workforce, training and personnel development as well as approved on appointment, transfer and dismissal of Chief Audit Executive.

4. Corporate Governance

- The Audit Committee reviewed the Company's corporate governance to ensure its alignment with good corporate governance practices so that all business undertakings are transparent and fair as well as create confidence among stakeholders.

5. Legal and Regulatory Compliance :

- Attended the meeting with the Management and the officers from the Internal Audit Office to review the Company's operations in order to ensure that the Company operated its business in compliance with related laws and regulations.
- Monitored progress of litigation involving the Company.
- Acknowledged reports from the External Auditor that there is no issues to be presented to the Audit Committee according to Section 89/25 of the Securities and Exchange Act.

6. Related Party Transactions and Transactions with Potential Conflict of Interest :

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

7. Nomination and Remuneration of External Auditors for 2020:

- The Audit Committee proposed to the Company's Board of Directors to recommend at the Annual General Meeting of Shareholders for the appointment of
 - Mr.Chaisiri Ruangritchai, Certified Public Accountant (Thailand) No. 4526 and/or
 - Ms.Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599 and/or
 - Mr.Pongthavee Ratanakoses, Certified Public Accountant (Thailand) No. 7795 and/or
 - Mr.Boonrueng Lerdwiseswit, Certified Public Accountant (Thailand) No. 6552, auditors of PricewaterhouseCoopers ABAS Co., Ltd.(PwC) as the Company and its subsidiaries' auditor for fiscal year 2020, and determination of the remuneration. The Audit Committee is of the view that the External Auditors of the Company have independence, possess professional skills, suitable experiences and qualifications set forth by the Office of SEC.

8. Self - Assessment :

- The Audit Committee conducted collective self - assessment by completed the questionnaire prepared by audit committee members in respect to the efficiency of the Audit Committee's performance. The self-assessment showed that The Audit Committee performed mainly of their duties in accordance with the entire scope of responsibilities.

9. Others:

- Reviewed anti-corruption policy. The Audit Committee considered and approved policy and practice for anti – corruption. Reviewed self-evaluation form regarding anti-corruption measurement as the prerequisite before entering into approving process of the Private Sector Collective Action Coalition Against Corruption (CAC). Consequently, the Company was certified as a member of the CAC on March 9, 2017 and the Company was recertified as a member of Private Sector Collective Action Coalition Against Corruption (CAC) on November 4, 2019.
- Reviewed the information disclosed to the SET and the Office of SEC, as disclosed in the Company's annual report for year 2019 (Form 56-2) and in the annual information disclosure form as at December 31, 2019 (Form 56-1).
- Reported the Audit Committee's activities to the Board of Directors periodically.

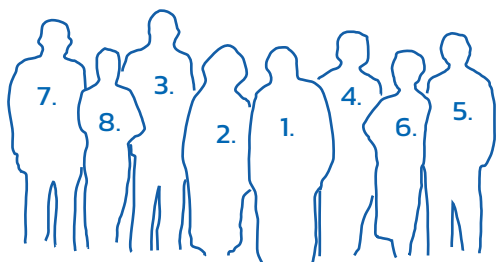
In conclusion, The Audit Committee have fully performed their duties as specified in the Audit Committee's Charter as approved by the Board of Directors. The Audit Committee is of the opinion that the Company's report on financial information is correct in compliance with the financial reporting standards, with effective and appropriate internal control system, risk management and internal audit. In addition, the Company's operations have been complied with applicable laws and regulations relating to the Company's businesses.

On behalf of the Audit Committee,



Mr. Viroj Klangboonkrong
Chairman of the Audit Committee
February 18, 2020

BOARD OF DIRECTORS



1. Mr. Worawit Weeraborwornpong
Chairman

2. Mrs. Patchara Weeraborwornpong
Director

3. Mr. Supachai Weeraborwornpong
Director

4. Mr. Viroj Klangboonkrong
Independent Director
and Chairman of Audit Committee

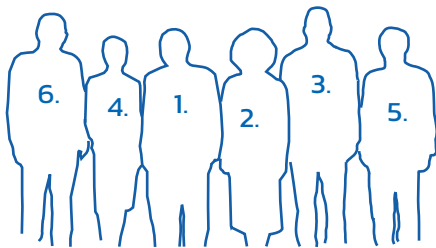
5. Mr. Harn Chiocharn
Independent Director
and Member of Audit Committee

6. Mrs. Sudjit Divari
Independent Director
and Member of Audit Committee

7. Mr. Somchai Ko - prasobsuk
Director

8. Mrs. Jintana Kingkaew
Secretary of the Board of
Directors

MANAGEMENT TEAM



1. Mr. Worawit Weeraborwornpong
Executive Director Chairman

3. Mr. Supachai Weeraborwornpong
Managing Director

5. Mr. Anuwat Poosantipong
Deputy Managing Director

2. Mrs. Patchara Weeraborwornpong
Executive Director

4. Mrs. Jintana Kingkaew
Deputy Managing Director

6. Mr. Somchai Ko - prasobsuk
Assistant Managing Director

BOARD OF DIRECTORS, EXECUTIVES, AND CONTROL AUTHORITIES

Siamgas and Petrochemicals Public Company Limited

Mr. Worawit Weeraborwornpong

Age 74 years

Position : Chairman

Educational Credential : An honorary doctorate of Rajamangala University of technology Thanyaburi
Bachelor's degree of Bangkok Thonburi University

Other Academic

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

Relationship in Management Family

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

Working experience

Since 2019 Thai Public Port CO., LTD.
Since 2018 Director SIAM LNG COMPANY LTD.
Since 2018 Director PACIFIC GAS BANGLADESH LTD.
Since 2017 Director ASIATECH INFRASTRUCTURE CO., LTD.
Since 2017 Director SIAMGAS J&J INTERNATIONAL LTD.
Since 2017 Director SIAMGAS BANGLADESH LTD.
Since 2017 Director MSN INTERNATIONAL LIMITED
Since 2017 Director ASIATECH ENERGY PTE. LTD.
Since 2017 Director MYANMAR LIGHTING IPP (COMPANY) LTD.
Since 2016 Director SIAMGAS J&J INTERNATIONAL LTD.
Since 2016 Director SIAMGAS BANGLADESH LTD.
Since 2016 Director SIAMGAS GLOBAL INVESTMENT PTE. LTD
Since 2016 Director SIAMGAS POWER PTE.LTD.
Since 2015 Director SIAMGAS MYANMAR CONSORTIUM PTE. LTD.
Since 2014 Director FAREAST PETROLEUM SON. BHD
Since 2013 Director MYGAZ SND. BHD.
Since 2013 Director CITYGAS NORTH CO., LTD.
Since 2013 Director CITYGAS CO., LTD.
Since 2012 Director Siam Suksawat Co., Ltd.
Since 2010 Director SIAM OCEAN GAS AND ENERGY LIMITED
Since 2010 Director
SINO SIAMGAS AND PETROCHEMICALS CO., LTD.
Since 2010 Director SIAMGAS HK Company Limited
Since 2010 Director SINGGAS (LPG) PTE Limited
Since 2010 Director SUPERGAS Company Limited
Since 2008 Director Siam Quality Steel Co., Ltd.
Since 2005 Vice Chairman Siamgas and Petrochemicals PCL.
Since 2004 Chairman Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2019)

Common share 883,763,198 shares (48.09% of total shares)

Mr. Supachai Weeraborwornpong

Age 46 years

Position : Director / Managing Director

Educational Credential : M.B.A. Sasin Graduate Institute of Chulalongkorn University
B.S. Civil Engineering Michigan State University, U.S.A.

Other Academic

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

Relationship in Management Family

Son of Mr. Worawit Weeraborwornpong
and Mrs. Patchara Weeraborwornpong

Working experience

Since 2019 RUAMUR PTE. LTD.
Since 2019 Thai Public Port CO., LTD.
Since 2018 SIAM LNG COMPANY LTD.
Since 2018 PACIFIC GAS BANGLADESH LTD.
Since 2017 TSM COMPANY LIMITED
Since 2017 ASIATECH INFRASTRUCTURE CO., LTD
Since 2017 SOUTHERN MYANMAR DEVELOPMENT CO., LTD.
Since 2017 MSN INTERNATIONAL LIMITED
Since 2017 ASIATECH ENERGY PTE. LTD.
Since 2017 MYANMAR LIGHTING IPP (COMPANY) LTD.
Since 2017 PT SIAMINDO DJOJO TERMINAL
Since 2016 SIAMGAS J&J INTERNATIONAL LTD.
Since 2016 SIAMGAS BANGLADESH LTD.
Since 2016 Director SIAMGAS GLOBAL INVESTMENT PTE.LTD.
Since 2016 Director SIAMGAS POWER PTE.LTD
Since 2015 Director SIAMGAS MYANMAR CONSORTIUM PTE. LTD.
Since 2014 Director FAREAST PETROLEUM SON.BHD
Since 2013 Director MYGAZ SND. BHD.
Since 2013 Director CITYGAS NORTH CO., LTD.
Since 2013 Director CITYGAS CO., LTD.
Since 2012 Director Siam Suksawat Co., Ltd.
Since 2010 Director SIAM OCEAN GAS AND ENERGY LIMITED
Since 2010 Director SINO SIAMGAS AND PETROCHEMICALS CO., LTD.
Since 2010 Director SIAMGAS HK Company Limited
Since 2010 Director SINGGAS (LPG) PTE Limited
Since 2010 Director SUPERGAS Company Limited
Since 2008 Director Siam Quality Steel Co., Ltd.
Since 2005 Managing Director
Siamgas and Petrochemicals PCL.
Since 2004 Managing Director
Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2019)

Common share 102,742,000 shares (5.59% of total shares)



Mrs. Patchara Weeraborwornpong

Age 70 years

Position : Director / Executive Director

Educational Credential : High school

Other Academic

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

Relationship in Management Family

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

Working experience

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

Share holder ratio (As of 31 December 2019)

Common share 100,000,000 shares (5.44% of total shares)

Mr. Somchai Ko – prasobsuk

Age 57 years

Position : Director / Assistant Managing Director

Educational Credential : Bachelor degree in Business
Administration faculty of
The University of the Thai Chamber
of Commerce

Other Academic

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

Relationship in Management Family

- None -

Working experience

Since 2019	Thai Public Port CO., LTD.
Since 2018	SIAM LNG COMPANY LTD.
Since 2017	PT SIAMINDO DOJO TERMINAL
Since 2016	SIAMGAS GLOBAL INVESTMENT PTE. LTD.
Since 2011	Director Siam Lucky Marine Co., Ltd.
Since 2005	Assistant Managing Director Siamgas and Petrochemicals PCL.
Since 2005	Director Lucky Carrier Co., Ltd.
Since 2004	Assistant Managing Director Uniquegas and Petrochemicals PCL.

Share holder ratio (As of 31 December 2019)

- None -

Mr. Viroj Klangboonkrong

Age 75 years

Position : Independent Director
Chairman of Audit Committee

Educational Credential : Bachelor degree in Engineering
faculty of Chulalongkorn University
Master degree in
Business Administration of
Thammasat University
Mechanical Engineering of
Asian Institute of Technology (AIT)

Other Academic

Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)
Directors Certificate Program (DCP)
Audit Committee Program (ACP)
Finance for Non-Finance Director (FND)

Relationship in Management Family

- None -

Working experience

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

Share holder ratio (As of 31 December 2019)

Common share 1,890,000 shares (0.10% of total shares)

Mr. Harn Chiocharn

Age 74 years

Position : Independent Director
Member of Audit Committee

Educational Credential : Bachelor degree in Law faculty at
Thammasat University
Degree in government with private
class 6, National Defence College

Other Academic

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

Relationship in Management Family

- None -

Working experience

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

Share holder ratio (As of 31 December 2019)

Common share 40,000 shares (0.002% of total shares)

Mrs. Sudjit Divari

Age 72 years

Position : Independent director
Member of Audit Committee

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

Other Academic

Certificate of Thai Institute of Director (IOD)
Directors Accreditation Program (DAP)
Directors Certificate Program (DCP)
Audit Committee Program (ACP)
IT Governance of Cyber resilience Program (ITG)

Relationship in Management Family

- None -

Working experience

Since 2019 (Acting) Chairman of the Board Director
and Chairman of Audit Committee
SBEY Credit Foncier Co., Ltd.

Since 2008 Independent director and Member of
Audit Committee
Uniquigas and Petrochemicals PCL.

Since 2008 Independent director
and Chairman of Audit Committee
Credit Foncier Lynn Phillip Mortgage Co., Ltd.

Since 2006 Independent director
and Member of Audit Committee
Siamgas and Petrochemicals PCL.

Sep. - Nov. 2014 Director and Member of Audit Committee
Singha Estate PCL.

2004 - Sep.2014 Director and Member of Audit Committee
Rasa Property Development PCL.

1999 - 2011 Director and Chairman of Audit Committee
Wave Entertainment PCL.

1999 - 2011 Executive Director
United Factoring (1993) Co., Ltd.

2004 - 2007 Director and Chairman of Audit Committee
Sunwood industry PCL.

Share holder ratio (As of 31 December 2019)

- None -

Mrs. Jintana Kingkaew

Age 60 years

Position : Secretary of the Board
Deputy Managing Director

Educational Credential : Bachelor degree in Accountancy in
Auditing Major at The University of
the Thai Chamber of Commerce
Master degree in Business
Administration at Kasetsart
University
Master degree in Finance at
Kasetsart University
Certificate of Capital Market
Academy (CMA)

Other Academic

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

Relationship in Management Family

- None -

Working experience

Since 2004 Deputy Managing Director
Uniquigas and Petrochemical PCL.

Since 2003 Deputy Managing Director
Siamgas and Petrochemical PCL.

Share holder ratio (As of 31 December 2019)

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



Mr. Anuwat Poosantipong

Age 56 years

Position : Deputy Managing Director

Educational Credential : Bachelor degree in Engineering at
Chulalongkorn University
Master degree of Business
Administration at NIDA

Other Academic

- None -

Relationship in Management Family

- None -

Working experience

Since 2004 Deputy Managing Director
Uniquegas and Petrochemical PCL.

Since 2004 Deputy Managing Director
Siamgas and Petrochemical PCL.

Share holder ratio (As of 31 December 2019)

- None -



LPG GAS Depot
Bang Pakong District,
Chachoengsao Province



POLICY AND OVERVIEW OF BUSINESS OPERATIONS

1. Policy and Overview of Business Operations

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

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

Moreover, SGP also seeks opportunity to expand business in other energy related business, for instance, expansion in LNG or NGV business, including petrochemicals and other energy fields. For the past period, SGP has invested in Combined Cycle Power Plant and Diesel Power Plant in Myanmar.

Vision

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

Mission

SGP has advantages and readiness to support business expansion, for instance, the growth of the market and gas floating price in the market. Regarding to creating of business competitive edge, SGP has developed potentials of upstream business and built effective products and services distribution networks with nationwide coverage and expanded business to the neighboring countries. For such development, SGP puts emphasis on the followings:

- Plan to increase facilities, warehouses, gas filling plants and service stations including gas tankers and gas trucks.
- Develop human resources continually to develop potential and increase capability for achievement operations results with efficiency and safety.
- Place importance on policy concerning product safety, service rendering including operations within the organization.
- Focus on well livelihood of the public by providing excellent products and services people, particularly on safety, convenience and at reasonable and fair prices.
- Perform business in ethical manner pursuant to governance principles and against all types and kinds of corruption, place importance on environment preservation as well as having responsibilities to society, community as well as shareholders and all related parties



1.2 Business Operations

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

- 1) Trading of LPG, ammonia, and other petrochemicals operated under SGP and Unique Gas and Petrochemicals PCL.
- 2) Transportation of petroleum, LPG, ammonia, and other petrochemicals operated under the 2 subsidiaries as follows: Lucky Carrier Co., Ltd., and Siam Lucky Marine Co., Ltd.
- 3) LPG Cylinder and Auto-gas tank manufacturing operated by Siam Quality Steel Co., Ltd., a subsidiary of SGP.
- 4) Ethanol Manufacturing and Trading operated by Siam Ethanol Export Company Co., Ltd., a subsidiary of SGP
- 5) Oil retail business operated by Siam Suksawat Co., Ltd., a subsidiary of SGP.
- 6) Container terminal service business operated by SGP.
- 7) Joint venture business operated by a joint venture company, Siam Nathalin Co., Ltd., by engaging in food and beverage distribution business.
- 8) Trading of Natural Gas and Liquefied natural gas operated by Siam LNG Co., Ltd., a subsidiary of SGP.
- 9) Liquid Tank Farm and Deep Sea Port Operated by indirect associate Thai Public Port Co., Ltd. and holding shares through Siam LNG Co., Ltd.

Overseas operations include 9 businesses as follows:

- 1) LPG trading in China operated by a wholly owned subsidiary, Sino Siam Gas and Petrochemicals Co., Ltd. ("ZSS") and Siam Ocean Gas and Energy Co., Ltd. ("SOG")
- 2) LPG trading in Vietnam operated by a wholly owned subsidiary, Super Gas Co., Ltd. ("SGV") And a joint venture company, Citygas North Co., Ltd. ("CGN")



- 3) LPG trading in Singapore operated by a wholly owned subsidiary, SingGas (LPG) Pte. Ltd. ("SIN"), SiamGas Trading Pte. Ltd. ("SGT") and indirect subsidiary through SINGGAS (LPG) PTE. LTD. which is TROPICAL GAS PTE. LTD. ("TPC")
- 4) Petrochemicals trading in Malaysia operated by a wholly owned subsidiary, Mygaz Sdn. Bhd. ("MGM"), and Far East Petroleum Sdn. Bhd. ("FEP") and direct joint venture SGGAS SDN.BHD. ("SGG")
- 5) LPG Trading in Bangladesh operated by indirect subsidiary, SIAMGAS J&J INTERNATIONAL LTD. ("SJJ") and SIAMGAS BANGLADESH LTD. ("SGB") and PACIFIC GAS BANGLADESH LTD. ("PGB")
- 6) LPG Trading in Indonesia operated by Indirect joint venture, PT SIAMINDO DJOJO TERMINAL ("SID")
- 7) Combine Cycle Power Plant operated by Indirect Associate which are MYANMAR LIGHTING (IPP) CO., LTD. ("MLP"), MSN INTERNATIONAL LIMITED ("MSN") and ASIATECH ENERGY PTE. LTD. ("AEP")
- 8) Holding company business (Business where main revenues derive from being the holding company) operated by SGP's subsidiaries, i.e. SIAM GAS HK LTD. ("SHK"), SIAMGAS POWER PTE. LTD. ("SPW") and SIAMGAS GLOBAL INVESTMENT PTE. LTD. ("SGI")
- 9) Power Plant and transmission line operated by Indirect associate which are Southern Myanmar Development Co., Ltd. ("SMD"), Asiatech Infrastructure Co., PTE. LTD. ("AIC"), and TSM CO., LTD. ("TSM")

SGP's Core Business

The core business of SGP is LPG distribution under “SIAMGAS” trademark through its 25 LPG filling plants including those 14 locations owned and operated by the company (COCO, company owned – company operated filling plants), 11 locations where the property rented to agents (CODO, company owned – dealer operated filling plants), and also through 63 agent filling plants for cooking segment. SGP also distributes LPG to auto-gas users through 41 company owned – company operated auto-gas stations (COCO), and other 271 dealer owned – dealer operated autogas stations (DODO).

At present, SGP has altogether 34 subsidiaries in the group including directly owned companies as follows:

15 direct subsidiaries which are

1. Unique Gas and Petrochemicals PCL. (“UGP”),
2. Lucky Carrier Co., Ltd. (“LCR”),
3. SiamQuality Steel Co., Ltd. (“SQS”),
4. Siam Ethanol Export Co.,Ltd. (“SEE”),
5. Siam Suksawat Co., Ltd.(“SSW”),
6. Siam Lucky Marine Co., Ltd.(“SLM”),
7. Siamgas HK Co., Ltd. (“SHK”),
8. Super Gas Co., Ltd.(“SGV”),
9. SingGas (LPG) Pte. Ltd. (“SIN”),
10. Siam Gas Trading Pte. Ltd. (“SGT”),
11. MYGAZ Sdn. Bhd. (“MGM”),
12. 13. Siamgas Power Pte. Ltd. (“SPW”)
13. Siamgas Global Investment Pte. Ltd. (“SGI”)
14. Far East Petroleum Sdn. Bhd.(“FEP”)
15. Siam LNG Co., Ltd. (“SLNG”)

Also, there are 6 companies owned through SGP's subsidiaries including

16. Sino Siam Gas and Petrochemicals Co., Ltd. (“ZSS”)
17. Siam Ocean Gas and Energy Ltd.(“SOG”).
18. SIAMGAS J&J INTERNATIONAL LTD. (“SJJ”)
19. SIAMGAS BANGLADESH Ltd. (“SGB”)
20. PACIFIC GAS BANGLADESH Ltd. (“PGB”)
21. TROPICAL GAS Pte. Ltd. (“TPC”)

The Company has 3 joint venture companies which are

22. SGGAS Sdn. Bhd. (“SGG”)
23. Citygas North Co., Ltd. (“CGN”)
24. Siam Natalin Co., Ltd. (“SNL”)

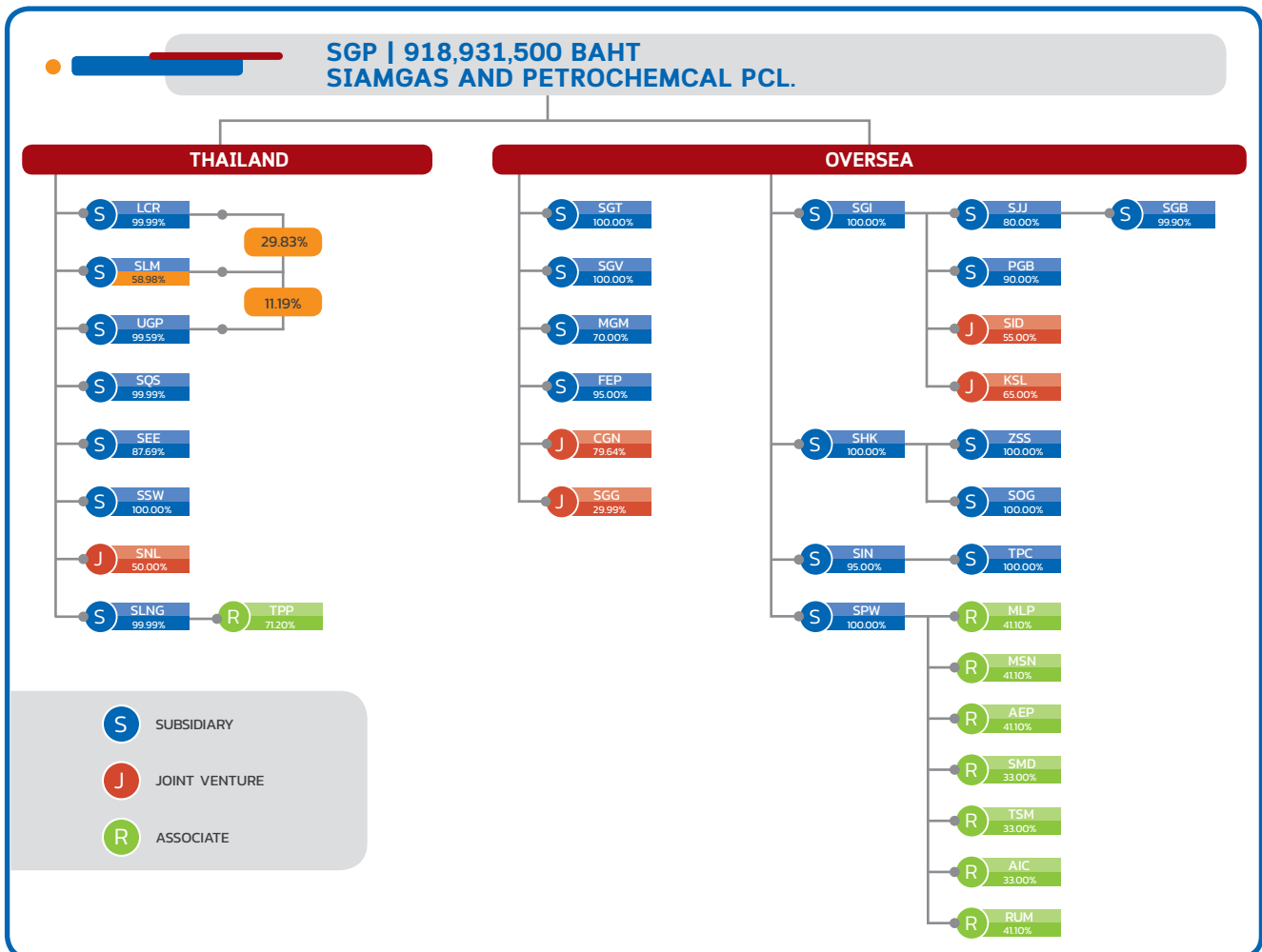
1 Indirect joint venture is

25. PT SIAMINDO DJOJO TERMINAL (“SID”)

9 Indirect Associates which are

26. MYANMAR LIGHTING (IPP) Co., Ltd. (“MLP”)
27. MSN INTERNATIONAL LIMITED (“MSN”)
28. ASIATECH ENERGY Pte. Ltd. (“AEP”)
29. SOUTHERN MYANMAR DEVELOPMENT Co., Ltd.(“SMD”)
30. ASIATECH INFRASTRUCTURE CO., Pte. Ltd. (“AIC”)
31. TSM Co., Ltd. (“TSM”)
32. KMA SIAM LIMITED (“KSL”)
33. THAI PUBLIC PORT Co., Ltd. (“TPP”)
34. RUAMUR PTE. LTD. (“RUM”)

1.3 SGP's and its subsidiaries' Business Structure



Business Operations Of SGP'S Subsidiaries

UNIQUE GAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED. ("UGP")

UGP, established on January 12, 1982, has its current registered capital of 200 million baht and paid-up capital of 105 million baht. SGP is its current major shareholder holding 99.59 % of the paid-up capital.

The business of UGP is filling and distributing LPG, ammonia, and other petrochemicals such as butane, propane, and propellant under "Unique Gas" trademark, and UGP operates its business as a trader under section 7 of Fuel Trade Act, B.E. 2543.

At present, UGP has 2 LPG terminals, 19 company owned – company operated filling plants, 79 dealer owned – dealer operated filling plants, and 42 dealer owned – dealer operated auto-gas stations. Most of UGP customers are LPG filling plants, LPG retailers, LPG auto-gas stations, and industrial users. UGP also has a license for oil transportation under section 12 of Fuel Trade Act, B.E. 2543.

LUCKY CARRIER COMPANY LIMITED (“LCR”)

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

Moreover, LCR also provides oil transportation service for customer outside SGP group such as PTT Public Company Limited. The fleet of LCR is comprised of 26 oil road tankers with combined capacity of 949,000 liters, 312 LPG road tankers with combined capacity of 3,511 tons, 29 Ammonia road tankers with combined capacity of 282 tons and 3 road tankers for other chemical products with combined capacity of 102,000 liters.

SIAM QUALITY STEEL COMPANY LIMITED (“SQS”)

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

SIAM ETHANOL AND EXPORT COMPANY LIMITED (“SEE”)

SEE was established on June 23, 2004 with its current registered and paid-up capital of 975 million baht. SGP is its major shareholder holding 87.69% interest in equity. The business of SEE are producing and distributing ethanol from agricultural feed stocks such

as molasses and cassava. The plant of SEE is located at 88 Moo 8, Tumbol Nonglalo, Umphur Ban-Kai, Rayong province. SEE plant is capable of producing 100,000 liters of 95% or food grade ethanol per day for export.

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

SEE ceased its business operation since 2013 due to excessive cost of feedstock used for production as a result of low volume of raw materials, i.e. sugarcane and cassava produced and available in the market. In addition, when comparing with the selling price, it would not worth to keep on running the plant, so the operation has been ceased and it is currently under the business disposition.

SIAM LUCKY MARINE COMPANY LIMITED (“SLM”)

SLM was established on June 1, 2011 with the paid up capital of 590.02 million baht in which SGP, LCR and UGP hold shares of 59.0%, 29.8% and 11.2% respectively.

SLM operates marine transportation of petroleum and LPG in Thailand and overseas, and has a license for oil transportation under section 12 of Fuel Trade Act, B.E. 2543. Most of LPG customers include SGP and UGP. Currently, SLM has 24 LPG tanker vessels with the combined loading capacity of 273,573 tons, and 2 ammonia tanker vessels with the combined loading capacity of 1,795 tons.

SIAM SUKSAWAT COMPANY LIMITED (“SSW”)

SSW was established on August 28, 2012 with its current registered and paid-up capital of 100 million baht. SGP is its major shareholder holding 99.99% of shares with objective to render business of distribution of gasoline for automobile. SSW realized revenue from distribution of gasoline under the brand “Bangchak” since April 2016.

SIAMGAS HK LIMITED (“SHK”)

SHK was established on August 20, 2009 with its current registered and paid-up capital of 4,087.68 million baht. SGP holds 100% equity interest in SHK. SHK operates as a holding and petroleum trading company. SHK was set up for business investment in China by firstly purchasing 100% share interest in Chevron Ocean Gas & Energy Limited (COGEL) from Chevron China Limited.

In this acquisition, transfer transaction was completed on June 30, 2011. Secondly SHK invested in another project by purchasing 100% equity interest in BP Zhuhai LPG Limited (BPZH) from Shine Top International Investment Limited (SHINE TOP) holding 49% shares and from BP Global Investment Limited (BP GLOBAL) holding 51% shares, and the share transfer transaction was completed on December 24, 2010.

SUPERGAS COMPANY LIMITED (“SGV”)

SGV is a subsidiary which SGP holds 100% shares and paid-up capital of 33.00 million baht. SGV is a registered company operating LPG business in Vietnam. SGP purchased 100% share SGV from SHANGHAI CROWN LIMITED on March 2, 2010.

On October 19, 2015 SUPERGAS CO., LTD. (“SGV”) and CITYGAS CO., LTD. (“CGV”) are subsidiaries of SGP. They have consolidation and operation on behalf of SGV.

The purpose of merger aims to strengthen of business operation in Vietnam; however, net of asset, liabilities and obligation of CGV has been transfer to SGV comply by commercial law governing mergers of company limited in Vietnam. After merger, registered capital of SGV is at 425.50 million baht.

SINGGAS (LPG) PRIVATE LIMITED (“SIN”)

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

On September 2, 2019, SIN purchased TROPICAL GAS PTE., LTD. (TPC) shares which operate petroleum distribution business in Singapore. The purchased price is SGD 1.44 million or equivalent to Baht 32 million.

SIAM GAS TRADING PTE. LTD. (“SGT”)

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

SINO SIAMGAS AND PETROCHEMICALS COMPANY LIMITED (“ZSS”)

ZSS is a subsidiary which SGP indirectly holds 100% shares and paid-up capital of 2,086.86 million baht. ZSS is a fully integrated petroleum distribution business in China. The facilities of ZSS include depot, jetty for importing, exporting, and throughput, facilities for distribution by vessel tankers and road tankers, and an LPG cylinder filling plant. SGP purchased 100% equity interest of BP Zhuhai Limited on December 24, 2010, and now operates the business under ZSS.

SIAM OCEAN GAS & ENERGY LTD. ("SOG")

SOG is a subsidiary which SGP indirectly holds 100% shares and paid-up capital of 4,938.45 million baht. ZSS and is registered in China. SOG is a fully integrated petroleum distribution business in China. The facilities of SOG include depot, jetty for importing, exporting, and throughput, facilities for distribution by vessel tankers and road tankers, and SGP purchased 100% equity interest of SOG on June 30, 2011

SIAM NATHALIN COMPANY LIMITED ("SNL")

SNL is a joint venture company registered in Thailand with registered capital of 1 million baht to operate a petroleum transportation business by very large carrier (vessel). SGP with Nathalin Company Limited set up SNL by holding 50% or 0.50 million baht of registered and paid-up capital in quarter 3 of 2010. However, presently the marine transportation business has not yet been operated.

Furthermore, during 2016, business objectives of SNL have been added to include distribution of all kinds of food and beverage. Presently, SNL has revenues from selling food and beverages under "Café Amazon" brand.



SG GAS SDN. BHD. ("SGG")

SGG is a holding company registered in Malaysia with total registered capital of 100,000 Malaysian Ringgit which SGP holds 29.99% shares interest. SGG operates petroleum distribution business. In addition, on August 9, 2013, the meeting of the Board of Directors has approved for an increase of investment in SGG from the previous registered capital of 100,000 Malaysian ringgits to 1,000,000 Malaysian ringgits. or approximately baht 9.99 million.

MYGAZ SDN. BHD. ("MGM")

MYGAZ is a subsidiary which SGP directly holds 70.0% shares and is registered in Malaysia to operate petroleum distribution business with registered capital equals to 12.0 million Malaysian ringgit or approximately baht 120.66 million. MYGAS has purchased assets and liquefied petroleum gas business of Shell Timur SDN. BHD. ("STSB") in East Malaysia at 10.0 million ringgit. Deposit has been placed on October 3, 2012 and asset and liquefied petroleum have already been transferred on May 29, 2013.

CITYGAS NORTH COMPANY LIMITED ("CGN")

CITYGAS NORTH is a joint venture which SGP holds 79.6% shares and is registered in Vietnam to operate liquefied petroleum gas distribution business with registered capital of 188.22 million baht. SGP purchased all of issued share capital of Shell Gas Haiphong Limited from Shell Gas (LPG) Holding B.V. at 0.3 million USD and all transactions have completed

on January 18, 2013. Later, "Shell Gas Haiphong Limited" has been renamed to "CITYGAS NORTH COMPANY LIMITED".



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

FEP is a subsidiary which the Company holds share in the proportion of 95%. FEP registered in Malaysia with paid up capital of Ringgit 10.0 million or equivalent to Baht 88.71 million. FEP operates LPG trading business.

SIAMGAS POWER PTE. LTD. ("SPW")

SPW registered as a juristic person in Singapore on July 5, 2016 with 71,980,000 shares at par value of 1 Singapore dollar. SGP holds 100% of registered capital and paid-up share with objective to be a holding company in electrical energy business.

SPW acquired 30% of investments in 230 MW combined cycle power plant from Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), in Myanmar. Total investments were 48 million US dollar (or approximately 1,688.16 million baht, by referring to average exchange rate of the





Bank of Thailand as of July 15, 2016 where 1 US dollar equaled to 35.17 baht). Sales and Purchase Agreement has been executed on July 18, 2016. Currently, SPW holds 41.1% share in MLP.

On November 9, 2017, Siam Gas Power Pte. Ltd. ("SPW") a subsidiary of the Company has set up joint ventures to operate power plant and transmission line in Myanmar. SPW invested in 3 companies which are Southern Myanmar Development Co., Ltd. ("SMD"), TSM Co., Ltd. ("TSM") and Asiatech Infrastructure Company Pte Ltd. ("AIC") in the same proportion of 33% 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

MYANMAR LIGHTING (IPP) CO., LTD. ("MLP")

MLP is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 41.1% of registered capital of MLP. Currently, MLP registered in Myanmar with 93,800 shares at par value of Kyat 100,000 per share or approximately baht 235.44 million. MLP operates combine cycle power plant with capacity of 230 MW in Myanmar

MSN INTERNATIONAL LIMITED ("MSN")

MSN is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 41.1% of registered capital of MSN. Currently, MSN registered in Malaysia with 1,000 shares at par value of USD 1.00 or approximately baht 0.03 million. MSN is a service company on energy business.





ASIATECH ENERGY PTE. LTD. ("AEP")

AEP is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 41.1% of registered capital of AEP. Currently, AEP registered in Singapore with 100 shares at par value of SGD 1.00 or approximately baht 0.003 million. AEP is service company for energy business.

SIAMGAS GLOBAL INVESTMENT PTE. LTD. ("SGI")

SGI is a 100% subsidiary in Singapore with registered and paid up capital of SGD 2.13 million at SGD 1.00 per share or equivalent to Baht 69.53 million with objective to be a holding company.

SIAMGAS J&J INTERNATIONAL LTD. ("SJJ")

SJJ is an indirect subsidiary which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 80% of the registered capital of SJJ. Currently SJJ registered in Bangladesh with 48,625 shares at par value of 100 BDT or equivalent to 4.86 million BDT. SJJ was set up for selling petroleum and petrochemical product in Bangladesh.

SIAMGAS BANGLADESH LTD. ("SGB")

SGB is an indirect subsidiary which the Company holds shares indirectly through SJJ (80% subsidiary) in the proportion of 99.90% of the registered capital of SGB. Currently SGB registered in Bangladesh with 1,000 shares at par value of 100 BDT. SGB was set up for selling petroleum and petrochemical product in Bangladesh.

PT SIAMINDO DJOJO TERMINAL. ("SID")

SID is an indirect joint venture which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 55% of the registered capital of SID. Currently SID registered in Indonesia with 20,000 shares at par value of 1 million IDR. SID was set up for selling petroleum product in Indonesia.

SOUTHERN MYANMAR DEVELOPMENT CO., LTD. ("SMD")

SMD is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 33% of registered capital of SMD. Currently, SMD registered in Myanmar with 1,010,000 shares at par value of Kyat 10,000 per share or approximately baht 206.39 million. SMD operates power plant and transmission line in Myanmar.

ASIATECH INFRASTRUCTURE CO., PTE. LTD. ("AIC")

AIC is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 33% of registered capital of AIC. Currently, AIC registered in Singapore with 100 shares at par value of SGD 1.00 or approximately baht 0.0024 million. AIC is service company for energy business.

TSM CO., LTD. ("TSM")

TSM is an indirect associate which the Company holds shares indirectly through SPW in the proportion of 33% of registered capital of TSM. Currently, TSM registered in Malaysia with 1,000 shares at par value of USD 1.00 or approximately baht 0.033 million. TSM is a service company on energy business.

PACIFIC GAS BANGLADESH LTD ("PGB")

PGB was established in Bangladesh with registered share capital amount 4,000 shares at a par value of BDT 10,000 or approximately baht 15.25 million. PGB is an indirect subsidiary which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 90% of registered share capital of PGB. The business objective is petroleum product distribution in Bangladesh.



KMA SIAM LIMITED ("KSL")

KSL is a joint venture which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 65% of the registered capital of KSL. Currently KSL registered in Myanmar with registered capital of 23,042.61 million kyat or equivalent to 491.44 million baht. KSL was set up for selling petroleum product in Myanmar.

SIAM LNG COMPANY LIMITED. ("SNG")

On May 3, 2018, the Company has established Siam LNG Company Limited ("SNG"), in Thailand, with 10 million shares at par value of baht 100, totaling baht 1,000 million and paid-up capital of baht 385.00 million. The Company owned 100% of total shares. The business objective is petroleum product, natural gas, and LNG distribution.

TROPICAL GAS PTE LTD. ("TPC")

TPC is an indirect subsidiary which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 100% of the registered capital of TPC. Currently TPC registered in Singapore with registered capital of 20,000 SGD or equivalent to 440,936 baht. TPC operate petroleum product distribution in Singapore.

THAI PUBLIC PORT CO., LTDS. ("TPP")

TPP is an indirect subsidiary which the Company holds shares indirectly through SNG (100% subsidiary) in the proportion of 71.2% of the registered capital of TPP. Currently TPP registered in Thailand with registered capital of 840.0 million baht. TPP operates liquid tank farm and deep sea port in Thailand.

RUAMUR PTE. LTD. ("RUM")

Ruamur is an indirect subsidiary which the Company holds shares indirectly through SPW (100% subsidiary) in the proportion of 41.1% of the registered capital of RUM. Currently, RUM registered in Singapore with 1,000 shares at par value of SGD 1.00 per share. RUM is technical service provider for power business.






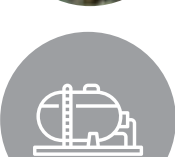
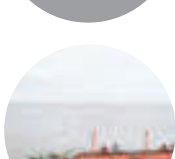



LPG Transportation
Bang Pakong Terminal
Chachoengsao Province

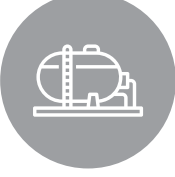


OVERVIEW OF SGP'S SUBSIDIARIES

Company		Paid-up Capital	Share holding portion	Type of Business
		(Million Baht)	%	
UGP		105.00	99.59	Filling and distributing LPG, ammonia and other petrochemicals under the license as an LPG Trader under Section 6 (Fuel Trader under Section 7)
LCR		70.00	99.99	Land transportation of LPG and petroleum under the license as LPG and Petroleum Transportation Service Provider
SQS		70.00	99.99	Manufacturing and distributing LPG cylinders and auto-gas tanks
SEE		975.00	87.69	Manufacturing and distributing ethanol (business close down)
SLM		590.02	58.98 41.02 ¹	LPG Ammonia and oil transportation by vessel tankers under the fuel transportation license
SSW		100.00	100.00	Direct subsidiary - Petroleum distribution (retail distribution of gasoline for automobile under “Bangchak” brand).
SHK		4,087.68	100.00	Holding company and petroleum distribution – Hong Kong

Company		Paid-up Capital	Share holding portion	Type of Business
		(Million Baht)	%	
SGV		425.50	100.00	LPG and petroleum distribution - Vietnam
SIN		336.01	95.00	LPG and petroleum distribution - Singapore
ZSS		2,086.86	100.00 ²	Full scale of LPG and petroleum distribution including bulk-breaking terminal and jetties for import and re-export by vessel tankers, and facilities for domestic sales in cylinders through filling plant, and in bulk by road tankers - Zhuhai City, South China
SOG		4,938.45	100.00 ²	Full scale of LPG and petroleum distribution including bulk-breaking terminal and jetties for import and re-export by vessel tankers, and in bulk by road tankers Shantou City, South China
SNL		1.00	50.00	Joint Venture - Food and beverage distribution business under "Café Amazon" brand.
SGT		12.83	100.00	LPG trading in Singapore
SGG		9.99	29.99	Direct Joint Venture - Petroleum distribution in Malaysia

Company		Paid-up Capital	Share holding portion	Type of Business
		(Million Baht)	%	
MGM		120.66	70.00	Direct subsidiary - Petroleum distribution in Malaysia
CGN		188.22	79.64	Joint venture - Petroleum distribution in Vietnam.
FEP		88.71	95.00	Direct Subsidiary - Petroleum distribution in Malaysia.
SPW		2,472.44	100.00	Holding Company in Singapore
MLP		235.44	41.10 ⁵	Indirect Associate - Combine Cycle Power plant in Myanmar
MSN		0.03	41.10 ⁵	Indirect Associate - Service Company on energy business
AEP		0.0027	41.10 ⁵	Indirect Associate - Service Company on energy business

Company		Paid-up Capital	Share holding portion	Type of Business
		(Million Baht)	%	
SGI		69.53	100.00	Holding Company in Singapore
SJJ		2.14	80.00 ³	Indirect Subsidiary - Selling petroleum and petrochemical product in Bangladesh
SGB		0.04	99.90 ⁴	Indirect Subsidiary Selling petroleum and petrochemical product in Bangladesh
SID		50.00	55.00 ³	Indirect Joint Venture - Selling petroleum product in Indonesia
SMD		206.39	33.00 ⁵	Indirect Associate - Diesel power plant and power line in Myanmar
AIC		0.002	33.00 ⁵	Indirect Associate - Service Company on energy business
TSM		0.033	33.00 ⁵	Indirect Associate - Service Company on energy business

Company		Paid-up Capital	Share holding portion	Type of Business
		(Million Baht)	%	
PGB		15.25	90.00 ³	Indirect Subsidiary Selling petroleum and petrochemical product in Bangladesh
KSL		491.44	65.00 ³	Indirect Joint Venture - Selling petroleum product in Indonesia
SLNG		385.00	99.99	Direct Subsidiary - Petroleum product, natural gas, and LNG distribution.
TPP		840.00	71.20 ⁶	Indirect associate - Liquid tank farm and deep sea port.
TPC		0.44	100.00 ⁷	Indirect subsidiary - Petroleum distribution
RUM		0.02	41.10 ⁵	Indirect subsidiary - Technical Provider to power bussiness

Note

¹ The Company holds share indirectly through LCR and UGP.

² The Company holds share indirectly thorough SGHK

³ The Company holds share indirectly thorough SGI

⁴ The Company holds share indirectly thorough SJJ

⁵ The Company holds share indirectly thorough SPW

⁶ The Company holds share indirectly thorough SLNG

⁷ The Company holds share indirectly thorough SIN

Relationship with the business of the major shareholders

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



Oil Tank Farm
Koh Sichang District, Chonburi Province



BUSINESS OPERATION

History and Key Development



Siamgas and Petrochemicals Public Company Limited, formerly known as VSPP Development Company Limited, was established on January 17, 2001 with initial registered capital of 500,000 baht, and the objective to trade and distribute liquefied petroleum gas (LPG) under the trademark of “SIAMGAS”. SGP was appointed an agent for Siam Gas Industry Company Limited (IGS) which was a fuel trader under section 7 of the Fuel Trade Act, B.E. 2543. At that time, the Weeraborwornpong Group was the major shareholder of SGP and also IGS. However, the Weeraborwornpong Group has sold all IGS shares to outsiders later on June 30, 2006. SGP started its business from LPG auto-gas station, and then expanded to LPG filling plant business. SGP has continuously restructured its business by expanding its operations to trading of LPG and other petrochemical products, as well as other related businesses for example transportation of petroleum by both road tankers and vessel tankers. With regard to its expansion, on December 27, 2004, SGP acquired the business of Unique Gas and Petrochemicals Public Company Limited (UGP), who operated LPG, ammonia, and other petrochemicals business.

On March 31, 2005, SGP invested in Lucky Carrier Company Limited (LCR) who was the Oil and LPG transportation service provider. Then, on September 1, 2005, SGP purchased all major assets for LPG business operations from IGS such as lands, property lease rights, buildings, equipments, tools, LPG cylinders, LPG terminals, trademark, and patents.



Year 2008

Since 2005, SGP has changed the name to Siamgas and Petrochemicals Public Company Limited, and obtained the license as a Fuel Trader under section 7 trading LPG, ammonia, and other petrochemicals under the trademark of “SIAMGAS” and “UNIQUE GAS”, and transporting LPG and other products. SGP has altogether 8 subsidiaries which are the directly held subsidiaries - Unique Gas and Petrochemicals Public Company Limited and Lucky Carrier Company Limited and other 6 companies of which shares are held through the subsidiaries including Lucky Marine Company Limited, Chemicals Gas Transport Company Limited, Unique Marine Company Limited, Unique Gas Trading Company Limited, Unique Gas International Company Limited, and Unique Gas Carrier Company Limited. Since 2008, SGP has been listed in the Stock Exchange of Thailand, starting to trade its shares under the symbol of “SGP” on June 3, 2008, and have major development as follows:

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

Year 2009

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

Year 2010

- SGP purchased 100% equity interest in Super Gas Company Limited (SGV) from Shanghai Crown Company Limited at 11.5 million USD and SGP directly holds 100% of registered and paid-up capital on March 2, 2010.
- SGP purchased 100% share capital of Shell Gas (LPG) Singapore Private Limited (SGLS) from Shell Gas (LPG) Holdings B.V. at 15.0 million SGD and SGP directly holds 100% of registered and paid-up capital on July 15, 2010. Shell Gas (LPG) Singapore Private Limited (SGLS) has been renamed to SingGas (LPG) Private Limited (SIN). On December 28, 2010, SGP sold its 5% equity stake to Thousand Stars Corporate Limited.

Year 2011

- SGP established UNITED GAS & PETROCHEMICALS SDN. BHD. (“UNITED”) as its subsidiary in which SGP holds 100% share interest. UNITED was registered in Malaysia in quarter 3 of 2010 in order to operate and distribute petroleum products in Malaysia. On August 9, 2013, the meeting of the Board of Directors has resolution to dissolve UNITED because this subsidiary has not yet operated any business and for purposes of managerial benefits and appropriateness. Dissolution of UNITED shall not have any impact to operations of the Company.
- SGP and Siam Nathalin Company Limited jointly formed a joint venture of which 50% share capital held by SGP in quarter 3 of 2010.
- SGP purchased 100% of equity interest in BP Zhuhai LPG Limited (BPZH) a wholly owned by SHINE TOP INTERNATIONAL INVESTMENT LIMITED (“SHINE TOP”) (49%) and BP Global Investments Limited (BP GLOBAL) (51%) at 101.0 USD through Siamgas HK Company Limited on September 29, 2010, and the transaction was completed on December 24, 2010. The Company is now renamed to Sino Siam Gas and Petrochemicals Company Limited (“ZSS”) ZSS was registered in China in order to operate the integrated LPG business comprising of storage terminal, jetties for import and export, terminal throughput services, as well as bulk breaking for redistribution via vessel tankers, road tankers, and cylinder filling plant.
- SGP purchased 100% equity interest in Chevron Ocean Gas & Energy Limited (COGEL) from Chevron China Limited through Siamgas HK Company Limited (SHK). a wholly owned subsidiary of SGP, at 51.0 USD and placed a deposit of September 29, 2009, However, the business handover was completed on June 30, 2011. The Company is now renamed to Siam Ocean Gas and Energy Limited (“SOG”). SOG was registered in China in order to operate the integrated LPG business comprising of storage terminal, jetties for import and export, terminal throughput services, as well as bulk breaking for redistribution via vessel tankers and road tankers
- SGP established Siam Gas Trading Private Limited (SGT) of which 100% share capital owned by SGP. SGT was registered in Singapore on May 27, 2012 with the purpose to do import and export LPG business in foreign countries. Business operation has been commenced since January 2013.
- SGP had completed merging its 5 marine transportation subsidiaries including Lucky Marine Company Limited, Unique Gas Trading Company Limited, Unique Gas International Company Limited, and Unique Gas Carrier Company Limited into Siam Lucky Marine Company Limited which SGP holds shares directly through its subsidiaries 99.99% of paid up registered capital since June 1, 2011.

Year 2012

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

Year 2013

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

Year 2014

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

Year 2015

- SGP issued subordinated, unsecured bonds with bondholder representative totally 2,000 million baht on January 26 - 29, 2015 with objective for business operation and expansion including for refinancing.
- Merging of two of SGP's subsidiaries, SUPERGAS CO., LTD. ("SGV") and CITYGAS CO., LTD. ("CGV"), in Vietnam had completed on October 19, 2015, and SGV has operated business on SGP's behalf with objective to strengthen of business operation in Vietnam. However, all of assets, liabilities and obligations of CGV have been transferred to SGV in order to comply with the civil and commercial Code law governing mergers of company limited in Vietnam.
- SGP had established SIAMGAS MYANMAR CONSORTIUM PTE. LTD. ("SMC") as subsidiary of SGP with total registered capital of 100 Singapore dollar or approximately 2,566 baht (Exchange rate at 25.66 baht per 1 Singapore dollar). SGP holds 80% of registered capital and paid-up shares. SMC had registered as a juristic person in Singapore on November 30, 2015 with objective to be a holding company.
- SGP had established FAR EAST PETROLEUM SDN. BHD. ("FEP") as subsidiary of SGP with total registered capital of 400,000 Malaysian Ringgit and holding 100% of shares on November 7, 2015. On February 24, 2015, SGP increased registered capital and paid-up shares of FEP from 400,000 Malaysian Ringgit to 10,000,000 Malaysian Ringgit with objective to operate petroleum distribution business and warehouse in Malaysia. Such capital increase made NAS GAS SDN. BHD. ("NAS GAS"), a non-related company with SGP, became a joint investor in the proportion of 30% of paid up capital, or in the amount of MYR 3,000,000 or equivalent to 25,380,000 baht. Thus, the Company's proportion of registered capital and paid-up shares in FEP is 70% or in the amount of MYR 7,000,000 or equal to 59,220,000 baht (Exchange rate is MYR 1 = 8.46 baht). This joint investment is considered as a joint venture (under joint venture contract)

Year 2016

- SGP issued subordinated, unsecured bonds with bondholder representative totally 3,000 million baht on January 28-29, 2016 with objective for business operation and expansion including repayment of existing subordinated bonds.
- SIAMGAS POWER PTE. LTD. ("SPW"), as subsidiary that SGP holds 100% of registered capital and paid-up shares with total investments of 24 million US dollar, or equivalent to approximately 844.08 million baht (exchange rate is 1 US dollar = 35.17 baht). SPW has registered as a juristic person in Singapore on July 5, 2016 with objective to be a holding company in electrical energy business.
- On 18 July 2016, Siam Gas Power Pte. Ltd. ('SPW'), which is a subsidiary of the Company, entered into a share purchase agreement for investment in the combined cycle power plant in Myanmar, with a total consideration of USD 48 million or

**Year
2017**

approximately Baht 1,688.16 million. 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.

- SGP established SIAMGAS GLOBAL INVESTMENT PTE. LTD. ("SGI"), a subsidiary, that SGP holds 100% of registered capital and paid-up shares with total investment of 1 Singapore dollar, or equivalent to approximately 26.34 baht (exchange rate is 1 Singapore dollar = 26.34 baht). SGB has registered as a juristic person in Singapore on August 25, 2016 with objective to be a holding company.
- During the period from 23 - 25 January 2017, the Company had proposed to issue and offer unsubordinated and unsecured debenture bond. Total value of debenture bond is Baht 2,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.
- 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.
- 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.
- On 22 February 2017, at the Board of Directors' meeting of the Company, the board passed a resolution to approve an increase in share capital of Siam Gas Power Pte. Ltd, incorporated in Singapore with 24.00 million shares at par value of USD 1 each or approximately Baht 859.94 million. The number of shares increased from 24.01 million shares to 48.01 million shares (with a par value of USD 1 each). As a result, the Company's ownership interest remains unchanged at 100%. The registration was completed on 2 March 2017.
- On 23 May 2017, the transfer of shares in MLP was completed. This has led MSN, AEP and MLP to become indirect associates of the Group in the second quarter of 2017.
- On 6 June 2017, Siamgas Global Investment Pte. Ltd., 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.
- On 23 June 2017, SIAMGAS GLOBAL INVESTMENT PTE. LTD., a subsidiary of the Company, entered into a Joint Venture Agreement with a third party to establish

**Year
2018**

- KMA Siam Ltd. The business objective is petroleum product distribution in Myanmar. The group paid an advance payments for investment of USD 0.10 million or approximately Baht 3.24 million in August 2017.
- On 7 July 2017, SIAMGAS GLOBAL INVESTMENT PTE. LTD., 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 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.
 - 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%.
 - 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 305.89 million). As a result, SPW's ownership interest will be the portion of 36.10% of registered and paid-up shares and the transferring was completed on 1 February 2018.
 - On 9 November 2017, SPW 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% 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.
 - SGP issued unsubordinated, unsecured, and partially guaranteed bonds with bondholders' representative totally 2,000 million baht on February 26 - 27, 2018 to institutional and/or high net worth investors with objective for using as working capital which is not related to the investment in asset of the Company.
 - On January 12, 2018, SPW, incorporated in Singapore, registered an increased of its capital of 1 million shares with a par value of USD 1 each or approximately baht 31.72 million. The number of shares increased from 51.02 million shares to 52.02 million shares with a par value of USD 1 each. The Company has already paid the

increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%.

- On February 5, 2018, SPW, incorporated in Singapore, registered an increased of its capital of 8.26 million shares with a par value of USD 1 each or approximately baht 262.02 million. The number of shares increased from 52.02 million shares to 60.28 million shares with a par value of USD 1 each. The Company has already paid the increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%.
- On May 3, 2018, the Company has established Siam LNG Company Limited ("SNG"), in Thailand, with 10 million shares at par value of baht 100, totaling baht 1,000 million. The Company owned 100% of total shares. The business objective is petroleum product, natural gas, and LNG distribution.
- On May 16, 2018, SGI, which is a 100% subsidiary, has established Pacific Gas Bangladesh Ltd. ("PGB") in Bangladesh with registered share capital amount 400,000 shares at a par value of BDT 10,000 each. PGB is an indirect subsidiary which the Company holds shares indirectly through SGI (100% subsidiary) in the proportion of 90% of registered share capital of PGB. The business objective is petroleum product distribution in Bangladesh.
- SGI has increased share capital in the amount of 0.68 million shares with par value of USD 1 each, approximately baht 21.27 million. The number of shares (with par value of USD 1 each) increased from 1.10 million shares to 1.78 million shares. As a result, the Company's ownership interest at 100% remains unchanged as at May 17, 2018.
- SGI has increased share capital in the amount of 0.10 million shares with par value of USD 1 each, approximately baht 3.34 million. The number of shares (with par value of USD 1 each) increased from 1.10 million shares to 1.88 million shares. As a result, the Company's ownership interest at 100% remains unchanged as at August 20, 2018.
- On August 6, 2018, the Company entered into the share purchase agreement with a third party to acquire an 25% shareholding interest or 2.5 million shares of Far East Petroleum Sdn. Bhd. At a par value of MYR 1 each totaling MYR 2.5 million or baht 20.47 million. The payment was made in August 2018. As a result, the Company's ownership interest increased from 70% to 95%.
- On August 20, 2018, SPW, incorporated in Singapore, registered an increased of its capital of 3.00 million shares with a par value of USD 1 each or approximately baht 100.06 million. The number of shares increased from 60.28 million shares to 63.28 million shares with a par value of USD 1 each. The Company has already paid the increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%.
- In August 2018, SPW entered into a share purchase agreement for acquisition of additional investment in a combined cycle power plant in Myanmar. SPW has additionally purchased shares of three companies which are Myanmar Lighting (IPP)

**Year
2019**

Co., Ltd. (“MLIPP”), MSN International Limited (“MSN”) and Asiatech Energy Pte. Ltd. (“AEPL”) in the same proportion of 5% of registered and paid up capital in each company. in order to increase the shares in the combined cycle power plant, with a total consideration of USD 8 million or equivalent to Baht 262.07 million. The funds come from the net working capital of the Group. SPW paid for shares capital to sellers of USD 2.4 million or equivalent to Baht 62.18 million in August 2018 and paid for the remaining balance of USD 5.60 million or equivalent to Baht 199.89 million to sellers in November 2018. As a result, SPW’s ownership interest was increased to 41.10% of registered and paid-up shares and the transfer of shares was completed on 12 December 2018

- On October 5, 2018, SLM has increased its share capital I the amount of 103 million Baht with 10.30 million shares at per value of 10 Baht each. The group still maintains 100% ownership interest in the subsidiary. The registration was completed in October 2018.
- On October 24, 2018, SGI has increased its share capital amount 150,000 USD with 0.15 million shares at per value of 1 USD or equivalent to 4.95 million Baht. The number of shares increased from 1.88 million shares to 2.03 million shares. The Company’s ownership interest at 100% remains unchanged
- On November 26, 2018, SPW has increased its shares capital amount 185.22 million Baht with 5.60 million shares at per value of 1 USD per shares. The number of shares increased from 63.28 million shares to 68.88 million shares. The Company’s ownership interest at 100% remain unchanged
- SGP issued unsubordinated, unsecured, and partially guaranteed bonds with bondholders’ representative totally 2,000 million baht on December 4 - 6, 2018 to institutional and/or high net worth investors with objective for using as working capital which is not related to the investment in asset of the Company.
- On January 10, 2019, SPW, incorporated in Singapore, registered an increased of its capital of 1.00 million shares with a par value of USD 1 each or approximately baht 32.78 million. The number of shares increased from 68.88 million shares to 69.88 million shares with a par value of USD 1 each. The Company has already paid the increase to SPW. As a result, the Company’s ownership interest remains unchanged at 100%.
- On January 10, 2019, SGI has increased its share capital in the amount of 0.10 million shares with par value of USD 1 each, approximately baht 3.30 million. The number of shares (with par value of USD 1 each) increased from 2.03 million shares to 2.13 million shares. As a result, the Company’s ownership interest at 100% remains unchanged.
- SGP issued unsubordinated, unsecured, bondholders’ representative totally 3,000 million baht on January 25 - 29, 2019 to institutional and individual investors with objective for using as working capital.

- On February 26, 2019, SPW, registered an increased of its capital of 4.00 million shares with a par value of baht 10 which equal to baht 40.0 million. The objective is for obtaining BOI privilege. As a result, the Company's ownership interest in SLM remains unchanged at 100%.
- On April 24, 2019, SPW, incorporated in Singapore, registered an increased of its capital of 1.60 million shares with a par value of USD 1 each or approximately baht 50.91 million. The number of shares increased from 69.88 million shares to 71.48 million shares with a par value of USD 1 each. The Company has already paid the increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%.
- On July 16, 2019, SPW, incorporated in Singapore, registered an increased of its capital of 0.50 million shares with a par value of USD 1 each or approximately baht 15.32 million. The number of shares increased from 71.48 million shares to 71.98 million shares with a par value of USD 1 each. The Company has already paid the increase to SPW. As a result, the Company's ownership interest remains unchanged at 100%.
- On September 3, 2019, SEEC, registered an increased of its capital of 57.50 million shares with a par value of baht 10 which equal to baht 575.0 million. The Company has already paid the increase to SEE. As a result, the Company's ownership interest increased from 70% to 87.69%.
- On September 2, 2019, SINGGAS, a 100% subsidiary of the Company, has purchased 100% shares in Tropical Gas Pte. Ltd. ("TPC") which operates petroleum distribution business in Singapore. The investment is at SGD 1.44 million or equivalent to Baht 32 million.
- On September 24, 2019, Siam LNG Co., Ltd. ("SLNG") which is a subsidiary of the Company, has purchased shares of Thai Public Port Co. Ltd. ("TPP") in the proportion of 40.51% from existing shareholder which is equivalent to Baht 1,361 million. TPP operates liquid tank farm and deep sea port in Koh Sri-Chang district Chonburi province.
- During the third quarter ending September 30, 2019, Southern Myanmar Development ("SMD") which is a indirect associate of the Company, registered an increased of its capital of 1.00 million shares which equal to kyat 10,000 million or approximately baht 204.0 million. The Company's ownership interest remains unchanged at 33%.
- On October 16, 2019, SLNG, a subsidiary of the Company entered into share purchase of Thai Public Port Company Limited (TPP) in the proportion of 30% from existing shareholder which is equivalent to Baht 1,000 million
- On December 6, 2019, Siam Gas Power Pte. Ltd. A subsidiary of the Company jointly established Ruamur Pte. Ltd. Which incorporate in Singapore with a registered share capital of 1,000 shares par value 1 Singapore Dollar. The business objective is to provide technical service regarding the energy business. The Group's ownership interest is 41.10% with the paid-up capital of 305.09 USD or approximately Baht 9,288

REVENUE STRUCTURE

Revenue structure of SGP and subsidiaries in 2017 – 2019 by business

		2017		2018		2019	
Operating Company		Value (Mil.Baht)	%	Value (Mil.Baht)	%	Value (Mil.Baht)	%
Revenue from sales							
LPG products	SGP & UGP	18,268.16	30.64	18,528.41	26.81	18,490.80	27.42
Ammonia products	UGP	1,039.99	1.74	1,071.27	1.55	990.89	1.47
Other petrochemical products	UGP	715.61	1.20	710.71	1.03	683.58	1.01
LPG cylinders	SQS	9.14	0.02	0.00	0.00	9.50	0.01
Ethanol products	SEE	0.00	0.00	0.00	0.00	0.00	0.00
Gasoline products	SSW	307.47	0.52	623.94	0.90	931.20	1.38
LPG product in oversea	SGP UGP SGV SIN ZSS SOG SGT CITYGAS CGN and MGM	38,403.04	64.40	47,329.03	68.49	45,728.48	67.80
Total revenue from sales		58,743.40	98.51	68,263.36	98.78	66,834.44	99.09
Transportation	LCR SLM	395.07	0.66	249.38	0.36	228.14	0.34
Service income	SGP/Subsidiaries	13.78	0.02	9.44	0.01	13.97	0.02
Dividend income	SGP	2.85	0.00	3.60	0.01	3.37	0.01
Other incomes	SGP/Subsidiaries	474.31	0.80	577.46	0.84	361.88	0.54
Total revenue	SGP/Subsidiaries	59,629.41	100.00	69,103.24	100.00	67,441.79	100.00

RISK FACTORS



Risks from Businesses Operations

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

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

Since late 2011, the government announced to restructure energy prices including the price of Natural Gas for Vehicle (NGV) as well as that of LPG. Since July 2011, industrial use was the 1st sector of which price has been gradually lifted. Followed by automotive use, its price has also gradually been lifted since January 2012.

The raised portion of the prices is collected by LPG Traders including SGP and UGP and returned to the government oil fund. As at the end of December 2012, the amount of raised portion of LPG prices were at 11.22 baht per kg. and 3.04 baht per kg. for the industrial and automotive uses consecutively. Currently, the price of industrial use is moving in line with the LPG world price. In the year 2013, the government plan to lift LPG cooking price gradually by increasing the price baht 0.50 per month from September 2013 until the price reach baht 24.82 per kg.

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

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

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

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

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

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

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

price of LPG, using weight average cost at refinery and procurement to calculate, drop by baht 0.37 per kg. This brought the ex-refinery price down from baht 16.58 per kg. to baht 16.21 per kg., and lead the retail LPG price to decline by baht 0.20 per kg. from baht 24.16 per kg. to baht. 23.96 per kg.

In this regards, the government will collect baht 0.19 per kg. for energy stabilization fund as a reserve in the fluctuation time. (source: www.eppo.co.th)

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

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

On February 2, 2016, Energy Regulatory Commission announced to reduce the retail LPG price for all sector by another baht 2.00 per kg. This causes retail LPG price decrease from baht 22.29 per kg. to baht 20.29 per kg.

On February 6, 2017, Energy Regulatory Commission announced to increase the retail LPG price for all sector by baht 0.67 per kg. This causes retail LPG price increase from baht 20.29 per kg. to baht 20.96 per kg.

On May 1, 2017, Energy Regulatory Commission announced to reduce the retail LPG price for all sector by baht 0.47 per kg. This causes retail LPG price decrease from baht 20.96 per kg. to baht 20.49 per kg.

On September 5, 2017, Energy Regulatory Commission announced to increase the retail LPG price for all sector by baht 0.66 per kg. This causes retail LPG price increase from baht 20.49 per kg. to baht 21.15 per kg.

Later, Energy Regulatory Commission (“ERC”) announced LPG price restructure in order to make the price announcement reflect the trading price during the month similar to oil market. As well as reflecting the rapid market trading in the spot market and in accordance with the liberalization of LPG business. In order to achieve full competition, ERC agreed to change rules for LPG import price reference from CP price announce monthly to Platt Spot Cargo (FOB Arab Gulf) which announce weekly. (that is, the import price = LPG Cargo + import expenses (X)) The price is announced on a weekly basis every Monday through the EPPO website (www.eppo.go.th) for public acknowledgment Starting from November 2017.

In the future, LPG prices for all sectors including cooking sector in Thailand are likely to be deregulated and oil fund will no longer be used for the price subsidy. When the government deregulates LPG price or fully liberalizes LPG market in Thailand, the selling prices of LPG in Thailand will move along with the LPG world price, and reflect the real cost.

The possible consequence of LPG market liberalization may be risk of traders. Some traders may experience loss, reduced earning. On the other hand, some of them may have higher profit depending on the trend of the world price. If LPG price rises and becomes much higher than any other fuels, some LPG users may consider to switch their energy source to others with lower cost. Thus, this may result in declining demand of LPG as well as less earning of LPG traders including us.

(2) LPG Free Trade Policy for domestic use

According to the World Trade Organization (WTO) agreement related to the Free Trade, this may encourage large-scale foreign corporations with strong



financial capability and technologies to enter the local market and result in higher competition. However, those foreign investors or local ones may face some problems in doing LPG business as they are not familiar with market and have no experience in LPG business.

Moreover, relations and networks would also be critical factors and their entrance barrier.

(3) Consumer and Environmental Protection Policy

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

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

meet the standards and regulations stipulated by the government at all time.

2. Risk from increasing number of LPG traders

Considering domestic LPG consumption (excluding petrochemicals feedstock) in Thailand during 2002 - 2013, it increased from 2,179 tons in 2002 to 4,784 tons in 2013 or the average growth rate was 7.63%. However, if we consider the market growth during the past 5 years or since 2008, the average growth rate was even higher at 9.25%. This growth trend may induce new players or higher competition in domestic LPG market.

LPG Sales Volume during 2004 – 2019

	Sale volume	Growth rate
Year	(million kg.)	(%)
2004	2,179	1.51
2005	2,357	8.15
2006	2,691	14.18
2007	3,058	13.65
2008	3,557	16.31
2009	3,483	-2.08
2010	3,885	11.54
2011	4,294	10.53
2012	4,721	9.96
2013	4,784	1.33
2014	4,739	-0.01
2015	4,419	-6.75
2016	4,187	-5.25
2017	4,120	-1.60
2018	4,022	-2.38
2019	3,808	-5.30

Source of data : Energy Policy and Planning Office

For domestic LPG sales volume in 2019 compared to 2018, sales volume decreased by 5.30% from 4,022 million kilograms to 3,808 million kilograms.

In year 2010 - 2016, there were 10 new LPG traders under section 7 of Fuel Trade Act, B.E. 2543 entering the market. Most of them have converted themselves from owners of LPG auto-gas stations to LPG traders by complying with regulations and requirements, and meeting specific qualification prescribed by the Ministry of Commerce, for minimum registered capital of 50 million baht, and having a minimum working capital of 100 million baht, having storage tanks to keep with minimum reserved balance inventory of 0.5% of total annual sales, and minimum annual trade (by means of import, procurement, refining, production, or acquisition) of 50,000 tons. However, the new LPG traders need to use capital to invest in creating their brand awareness, competing with the existing traders, as well as meeting the new required reserve balance of 1.0% of annual sales by law effective from September 1, 2011. In this regard, the new LPG traders need double capital in obtaining the additional inventory.

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

3. Risk from Safety of LPG cylinders

LPG is flammable, so LPG explosion is dangerous and can cause damage to properties and injuries to people.

SGP and UGP, as LPG traders and owner of filling plants are liable to any damage of incidents, so this probably has an impact on the corporate image. However, the processes of LPG cylinder manufacturing are required to meet or comply with the Thai Industrial Standard (TIS) which are stipulated by the Thai Industrial Standard Institute (TISI), Ministry of Industry. Moreover, the Department of Energy Business, Ministry of Energy requires LPG traders to have their cylinders undergone hydrostatic pressure test every 5 years. And every 10 years, each cylinder has to undergo both cylinder hydrostatic pressure test and cylinder expansion test. If any cylinders do not pass the test, they will be no longer usable and need to be scrapped. Therefore, SGP considers the risk from LPG cylinders safety is minor. Not only following strictly the laws and regulations, SGP and UGP also provide a cylinder inspection unit in order to sort out damaged and unusable cylinders from the circulation. SGP also hires the independent third party who is an expert in cylinder inspection together with officers from the Department of Energy Business to inspect SGP's and UGP's cylinders in order to ensure that all cylinders circulating in the market are in safe condition. For the past 5 years, SGP and UGP have never experienced any problems or incidents caused by the cylinders, so SGP is quite confident that the risk from safety of cylinders is little.

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

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

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

(Unit : Sites)

	SGP	UGP	TOTAL
LPG Terminal	7	2	9
LPG Filling Plant	25 ¹	19 ²	44
LPG Autogas station	41	-	41

Note : ¹ As at December 31, 2019, SGP operates 14 LPG filling plants by itself (COCO - company own – Company operate) and another 11 filling plants are operate by dealers (CODO - Company own - Dealer operate).

² As at December 31, 2019, UGP operates 16 LPG filling plants by itself (COCO - company own – Company operate) and another 3 filling plants are operate by dealers (CODO - Company own - Dealer operate).

In case there is any accident in the LPG terminals, LPG filling plants, or LPG auto-gas stations of SGP and/or UGP, it may cause a negative impact on the corporate image. However, SGP and UGP strictly design and set standards on construction specifications by following the requirement or regulations of the government. Also each single construction project must be approved by the Department of Energy Business, Ministry of Energy. Moreover, SGP and UGP have insured the property including LPG terminals, LPG filling plants, and LPG auto-gas stations to reduce risk from their operations. The insurance also has coverage for third party. For other filling plants that SGP rents out to the agents, SGP and UGP have written specific clauses in the contract that any damages or losses to the property, third party, and environment caused by operations of the agents, all liabilities are responsible by the agents.

5. Risks from Transportation of LPG

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

However, all of the 2 subsidiaries above who operate the fleets are registered as Fuel Transportation Providers with licenses granted by the Department of Energy Business.

All of the vehicles including petroleum road tankers, LPG road tankers, ammonia road tankers, petroleum vessel tankers, LPG vessel tankers, and ammonia vessel tankers are legally licensed and regularly inspected by the Department of Land Transport, and the Marine Department. All truck drivers and vessel crew members must be regularly trained by in-house trainers, and obtain their licenses from the Department of Energy Business. This practice will improve their competency and operational skills in such a way to ensure safe operations and their strictly compliance with the laws and regulations. Moreover, the subsidiary transportation companies have insured all of their 27 vessel tankers (Total book value of 27 vessels as at December 31, 2019 was 3,061.69 million baht). Total sum insured in case of damage were 2,728.75 million baht. The Company has purchased insurance coverage for all vessels and also for all of their 371 road tankers for petroleum, LPG and ammonia which also have liability coverage for third party. In this regard, SGP would be able to minimize loss from accidents or unexpected incidents from these vehicles.

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

All LPG terminals of SGP and UGP are situated on their own estates, except for the piece of land under leasing contract where Satupradit Terminal is situated. If the land lord of Satupradit Terminal does not renew the contract, SGP's operation will be interrupted and its business will be impacted as Satupradit Terminal is the strategic facility and the only terminal of SGP which is located in Bangkok Metropolitan. This is considered as a competitive edge of

SGP being the center in distributing LPG to high consumption market in Bangkok, and peripheral areas.

Moreover, Satupradit Terminal is not too far from refineries and gas separation plant in Sriracha and Rayong, and the express-way access is close, so carrying LPG from the supply sources and land distribution LPG to customers are convenient. The leasing contract is on a 3-year term recently expiring on December 31, 2016. However, the contract was renewed and extended to 3 more years and it will expire on December 31, 2019.

Therefore SGP's mitigation to reduce this risk and to meet the future growing business was the acquisition of a 89-3-40 rai piece of land in Phrapradaeng district, Samutprakarn province in 2008 for constructing new jetty and LPG terminal. SGP has passed the environmental impact assessment (EIA) for construction since November 2010, and approved to construct LPG tank in 2015. At present, the company uses a 1,870 tons LPG storage as an LPG reserve warehouse.

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

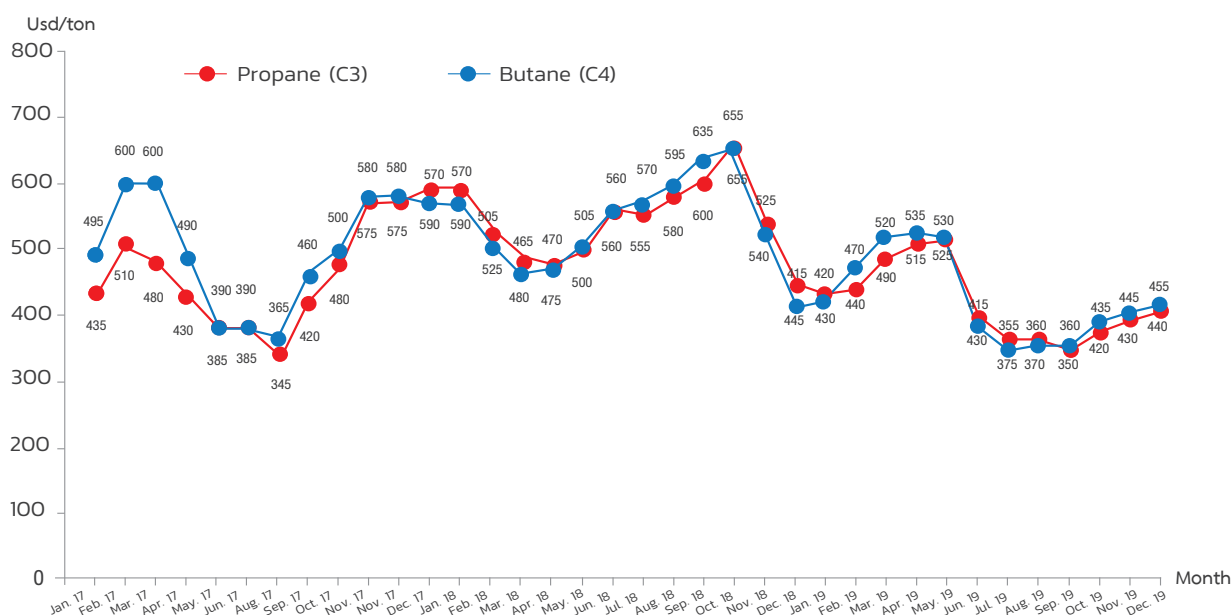
The supply cost and the selling price of LPG that SGP and its subsidiaries trade in overseas markets are moving along

with the LPG world price. Recently, the LPG world price was moving in high volatility fashion resulted by the factors beyond control of SGP, and unavoidably affected SGP. The major factors that had impact on the volatility of the LPG world price were as follows:

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

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

Information on changes of LPG prices by based on world markets from 2017 – 2019



8. Risk from investment in overseas businesses

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

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

In order to mitigate such risk, the company has a policy in performing research and analysis in laws, regulations, government's policy, taxes, and other factors said above in order to derive the assessment of possible impact on the business to be invested, and apply the assessment results in business feasibility and investment project justification. Regarding the post investment period, the company has set up the system in continuous

monitoring the project performance as well as its ongoing risks factor.

Moreover, the company has been developing its capability and personnel competencies in order to meet its expansion and future investment in foreign countries.

Financial Risks

1. Financial risk factors

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

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

2. Risk from foreign currency exchange

The risks from foreign currency exchange are caused by the movement of foreign currency exchange rates which have impact on the company's and its subsidiaries'



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

1. The Company sell LPG to customer outside the group through SGT which is a company wholly owned subsidiary. The Company does not expose to currency exchange risk because both purchase and sell transaction are in US dollars currency.
2. The Company sell LPG to subsidiaries in the group through SGT. SGT sells LPG to other subsidiaries in US dollar currency while the subsidiaries in foreign countries sell LPG in local currency. In 2019, SGT's revenues from sales of LPG to companies within the group were approximately 20.54 percent of total revenue of the group of companies. Thus, when the subsidiaries pay for LPG price to SGT, they have to exchange local currency to US dollar. This lead to currency exchange risk. Nonetheless, the finance department monitors and manages the currency exchange in the group to maximize the highest benefit to the group.

3. Risk from fluctuations in interest rates

Financial cost had classified into 3 main parts which are debenture, short-term loan and long-term loan. Short term loan had fixed rate of interest; therefore, it does not affect if interest rate changes. Long-term loan has both fixed and floating interest rate. The proportion of long-term loan with floating interest rate of company's group is 6.83 percent of loan in foreign currencies. In addition the group has partially entered into an interest rate swap contract to reduce risk from interest rate fluctuation and mitigate interest rate risk.



4. Risk from Unable to comply with a financial institution

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

Currently the only loan agreement which the company has to comply as mention above is loan for purchasing vessels under SLM. SLM must comply with the requirement such as maintain of financial ratio, company must receive consent from lender before enter into transaction and etc. Currently, SLM can comply with all requirement from financial institution and according to agreement of financial institution, SLM can maintain financial ratio under the agreement.



5. Risk from debt with financial institution

At the end of December 31, 2019, the company had debt with financial institution totally 6,974 Million Baht which divided into 2 parts. First, a secured debt was 1,219 Million Thai Baht which equal to 2.94 percent of total asset. Second, the remaining was short-term loan. A secured debt was less than total assets; therefore, if necessity, the company will have sufficient cash flow for repay to bondholders by selling company's assets.

Risk from Business Management

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

As at December 31, 2019, the Weeraborwornpong Group was the major shareholder holding 61.29% of the total paid-up capital. This made the Weeraborwornpong Group have collectively control and influence on SGP decisions which required the consents from the shareholders' meeting, except for the regulations or the articles of association require the three fourths votes of from the shareholders' meeting. Therefore, the other shareholders have the risk of being unable to collect sufficient votes to check and balance the matters proposed for the shareholders' consideration by the major shareholders. However, SGP has appointed 3 nonexecutive members on the board of directors, and 3 of them are independent directors and members of

audit committee, and the other one is a non-executive director out of all of total 7 company's directors in order to have check and balance power over the management, to consider the agenda proposed to the shareholders' meeting, and to scrutinize performance of the directors or the management members who represent the major shareholders.

2. Risk of impact from the subsidiaries' operational performance

The group or consolidated performance of SGP does not only rely on SGP's performance itself, but also the subsidiaries' performance. If any of the subsidiaries are facing problems in their operations, the overall performance will be affected especially in the consolidated financial result. The group has solid measures and guidelines in policymaking of SGP as well as its subsidiaries in order to control and audit operations of the subsidiaries by appointing SGP's representatives to be members of the board of directors. These representatives will work in the interest of SGP and help protect SGP's benefits. Under SGP's measures, the 3 independent directors and members of the audit committee of UGP are the same of those of SGP's in order to ensure that all the group members are working in the common direction toward to efficiency maximization in cost and operational management.



Oil Jetty Terminal
Koh Sichang District, Chonburi Province



COMPANY INFORMATION



Siamgas and Petrochemicals Public Company Limited.

Major Businesses	<p>Energy Providing Businesses :</p> <ol style="list-style-type: none"> 1) Trading and distribution of LPG, Ammonia, and other petrochemical products 2) Transporting LPG and other petroleum products 3) Manufacturing and distributing LPG cylinders 4) Manufacturing and distribution ethanol 5) Retail distribution of gasoline 6) Liquid tank farm and deep sea port 7) Container terminal service 8) Joint venture 9) Trading and distribution of LNG
Head Quarter Address	<p>553 The Palladium Bldg 30th Fl., Ratchaprarop Road, Makkasan, Ratchathewi, Bangkok 10400 Thailand</p> <p>Registered Number : 0107548000650</p> <p>Telephone : +66 2120 9999</p> <p>Fax : +66 2250 6008</p> <p>Web Site : www.siamgas.com</p> <p>Registered Capital : 918,931,500 baht (As of 31 December 2019)</p> <p>Common Shares : 1,837,863,000 shares</p> <p>Par Value : 0.50 baht/share</p> <p>Paid-up Capital : 918,931,500 baht (As of 31 December 2019)</p>
Registrar	<p>Thailand Securities Depository Company Limited</p> <p>SET Building 93 Ratchadaphisek Road, Klongtoey, Bangkok 10400</p> <p>Telephone : +66 2009 9000</p> <p>Fax : +66 2009 9991</p>
Trustee	<p>- None -</p>
Auditor	<p>PricewaterhouseCoopers ABAS Limited</p> <p>15th Floor Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120</p> <p>Telephone : +66 2344 1000</p>
Financial Advisor	<p>Advisory Plus Company Limited</p> <p>10th Floor Thanapoom Tower 1550 New Petchburi Road, Makkasan, Rachathewi, Bangkok 10400</p> <p>Telephone : +66 2652 7859-64</p> <p>Fax : +66 2652 7867</p>
Frequently use Financial Institution	<p>Krungthai Bank Pcl.</p> <p>35 Sukumvit rd. N. Klongton Vadhana Bangkok 10110</p> <p>UOB bank Pcl.</p> <p>191 South Sathorn rd. Bangkok 10120</p>

CAPITAL STRUCTURE

1. SGP's Securities

As of December 31, 2019, SGP had registered and paid-up capital of 918,931,500 baht consisting of 1,837,863,000 common shares at 0.50 baht per share.

2. SGP's Equity Structure

As of August 22, 2019, the major shareholders are as follows:

No	Shareholders' Name	Share	%
1.	Weeraborwornpong Family		
	Mr. Worawit Weeraborwornpong	723,763,198	39.38
	Mr. Supachai Weeraborwornpong	102,742,000	5.59
	Mrs. Patchara Weeraborwornpong	100,000,000	5.44
	Miss Patcharawadee Weeraborwornpong	85,000,000	4.62
	Total shares held by Weeraborwornpong Family	1,011,505,198	55.03
2.	UOB KAYHIAN PRIVATE LIMITED	200,548,300	10.91
3.	MITSUUROKO GROUP HOLDING CO., LTD.	160,000,000	8.71
4.	Thai NVDR Co., Ltd.	53,522,927	2.91
5.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	14,100,600	0.77
6.	Miss Warangkana Kamolthip	14,063,000	0.77
7.	Mr. Suchart Sethiwan	13,200,000	0.72
8.	Mr. Sukajin Juengsakul	12,597,700	0.69
9.	PRUDENTIAL LIFE ASSUARANCE (THAILAND) PUBLIC CO., LTD.	9,935,700	0.54
	TOTAL	1,489,473,425	81.05

Source: The Stock Exchange of Thailand

3. Issue of other securities

A) Debenture bond

1st Time : Total value of debenture bonds is 2,000.0 million baht. They are rated at BBB+ (affirmed by TRIS Rating)

Type of debenture bond : Unsubordinated, unsecured debenture bonds with bond holding representatives.

Offered date : January 23 - 25, 2017 for institution investors and/or investors

3 years bond	1 st - 3 rd interest rate	3.95% p/a	Maturity date	Jan. 26, 2020
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2nd Time : Total value of debenture bonds is 2,000.0 million baht. They are rated at A (affirmed by TRIS Rating)

Type of debenture bond : Unsubordinated, unsecured and partially guaranteed bounds (85%) with bondholders' representative.

Offered date : : February 26 - 27, 2018 for institution investors and/or High network

5 years bond	1 st - 5 th interest rate	3.03% p/a	Maturity date	Feb.28, 2023
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3rd Time : Total value of debenture bonds is 2,000.0 million baht. They are rated at A (affirmed by TRIS Rating)

Type of debenture bond : Unsubordinated, unsecured and partially guaranteed bounds (70%) with bondholders' representative.

Offered date : : December 4 - 6, 2018 for institution investors and/or High network

5 years bond	1 st - 5 th interest rate	3.85% p/a	Maturity date	Dec.7, 2023
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4nd Time : Total value of debenture bonds is 3,000.0 million baht. They are rated at BBB+ (affirmed by TRIS Rating)

Type of debenture bond : Unsubordinated, unsecured debenture bonds with bond holding representatives.

Offered date : : January 25 - 29, 2019 for institution investors and/or investors

3 years bond	1 st - 3 rd interest rate	4.10% p/a	Maturity date	Jan. 30, 2022
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B) Bill of Exchange

As of December 31, 2019, Siam Gas and Petrochemicals Public Co., Ltd. has no outstanding Bill of Exchange

DIVIDEND POLICY

The Company has policy of paying dividend to shareholders at no less than 40% of net profit according to the Company's separate financial statement after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than the above rate, depending on operating results, financial position, liquidity and the necessity of working capital use for business expansion and other factors relating to the business operation and management as the Board of Directors and/ or the shareholders deem appropriated.



MANAGEMENT

1. Board of directors

Management structure of the company as of December 31, 2019 consists of Board of Director, Executive Board and Risk Management Committee and audit committee.

The Board of Directors and the management of the Company are qualified persons with full qualifications according to Section 68 of the Public Company Limited Act BE 2535 and according to the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 :Application for Approval and Granting of Approval for Offering of Newly Issued Shares, dated 30 September 2016 in all respects. As of December 31, 2019, the Board of Directors consists of 7 persons as follow:

Name		Position
1.	Mr. Worawit Weeraborwornpong	Chairman
2.	Mrs. Patchara Weeraborwornpong	Director
3.	Mr. Supachai Weeraborwornpong	Director
4.	Mr. Somchai Ko - prasobsuk	Director
5.	Mr. Viroj Klangboonkrong	Independent director and Chairman of audit committee
6.	Mr. Harn Chiocharn	Independent director and Audit committee
7.	Mrs. Sudjit Divari	Independent director and Audit committee

Mrs. Jintana Kingkaew is a Company Secretary.

The Company's authorized signatories

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

Detail of Board attendance in the year 2018 and 2019

Name	2018		2019	
	No. of meeting	No. of attending	No. of meeting	No. of attending
1. Mr. Worawit Weeraborwornpong	5	5	5	5
2. Mrs. Patchara Weeraborwornpong	5	5	5	5
3. Mr. Supachai Weeraborwornpong	5	5	5	4
4. Miss. Patcharawadee Weeraborwornpong*	5	4	5	2
5. Mr.Somchai Ko - prasobsuk	5	3	5	5
6. Mr.Viroj Klangboonkrong	5	5	5	5
7. Mr.Harn Chiocharn	5	4	5	5
8. Mrs.Sudjit Divari	5	5	5	5

Note : * Miss Patcharawadee has resigned as a company's director in June 2019

2. Audit Committee

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

The Board of Director meeting no. 1/2018 held on February 22, 2018 has approved a renewal for the team of audit committee. As of December 31, 2019 The Audit Committee composed of 3 members as follow:

Name	Position
1. Mr. Viroj Klangboonkrong	Chairman of audit committee
2. Mr. Harn Chiocharn	Audit committee
3. Mrs. Sudjit Divari */	Audit committee

Mrs. Chantira Srimoungpan is the secretary to the audit committee

Note : */ Audit Committee who has adequate knowledge and experiences to audit financial statement of the Company

3. Executive Board

As of December 31, 2019 The Executive Board consists of 3 persons as following :

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

Note : Miss Patcharawadee has resigned as a company's director in June 2019

4. Risk Management Committee

As of December 31, 2019 Risk Management Committee members compose of 12 members as follow:

Name	Position
1. Mr. Supachai Weeraborwornpong	Chairman
2. Mrs. Jintana Kingkaew	Vice Chairman
3. Mr. Anuwat Poosantipong	member
4. Mr. Somchai Ko - prasobsuk	member
5. Mr. Winai Krajangyao	member
6. Mrs. Wansiri Pakamathawee	member
7. Mrs. Piyachai Wetcha	member
8. Mr. Choosit Srisubun	member
9. Mr. Thitipong Chitdacha	member
10. Mr. Adisorn Chackaew	member
11. Mrs. Supattra Srisubun	member
12. Mr. Nitiphanth Phummaphanth	member

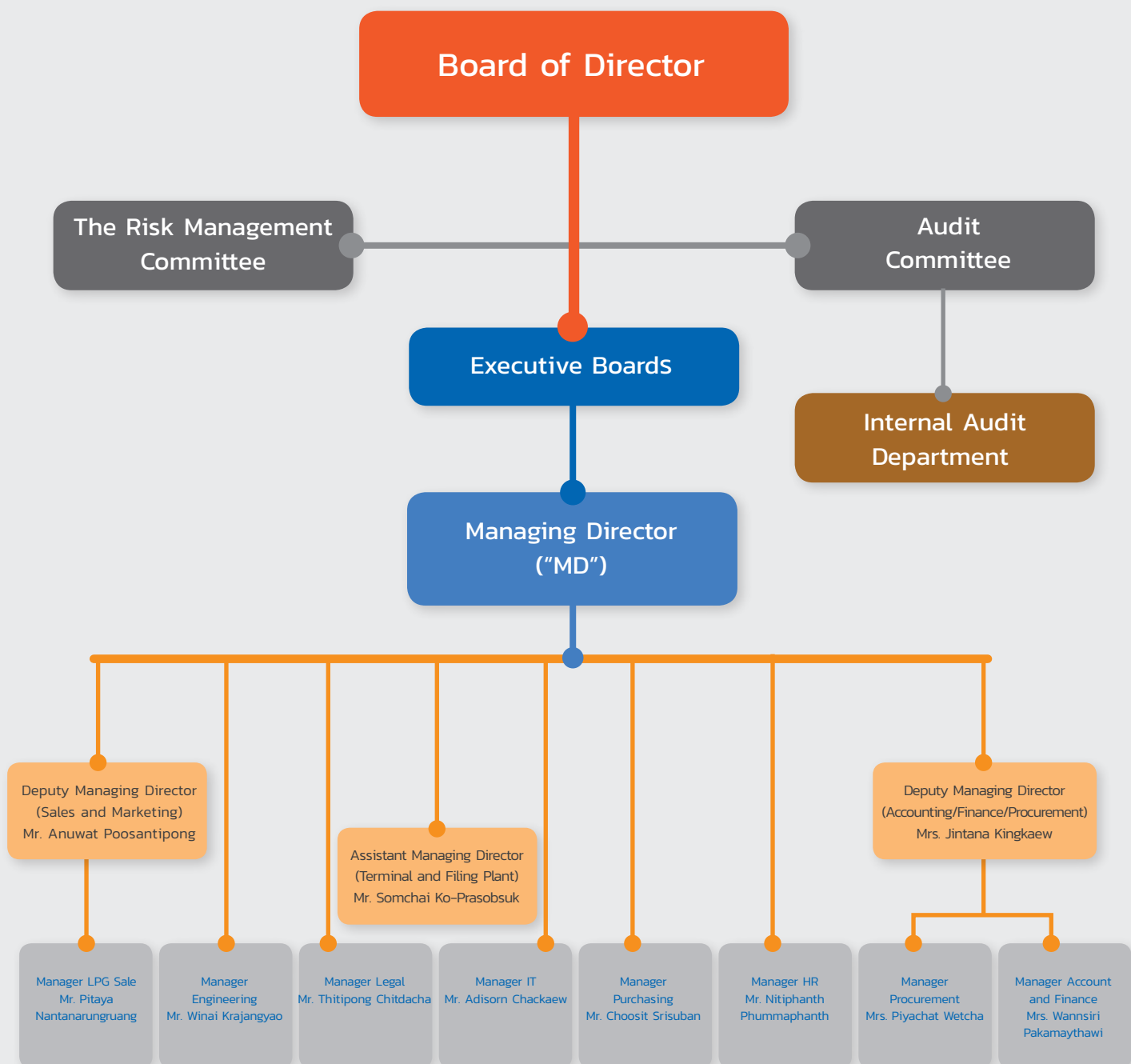
Mr. Watcharapong Jittapirom is a Risk Management Committee secretary.

5 Management

As of December 31, 2019 management of the company has 4 persons as following :

Name	Position
1. Mr. Supachai Weeraborwornpong	Managing Director
2. Mr. Anuwat Poosantipong	Deputy Managing Director - Sale and Marketing
3. Mrs. Jintana Kingkaew	Deputy Managing Director - Accounting and Financial/Procurement
4. Mr. Somchai Ko - prasobsuk	Assistant Managing Director - Terminal / Filling Plant

Note : Miss Patcharawadee has resigned as a company's director in June 2019



6. Company Secretary

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

7. Director and Management Remuneration

(A) Financial Remuneration

• Director

The resolution of the shareholders in the year 2019 as of April 25, 2019 annual general meeting has approved the remuneration for Board of Directors and Audit Committee as follow:

	Meeting allowance (baht/person/time)	Annual remuneration
1. Chairman	10,000	-
2. Chairman of Audit Committee	10,000	804,058
3. Audit Committee	10,000	804,058
4. Director	10,000	-

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

	2018		2019	
Meeting allowance (baht)	Director	Audit Committee	Director	Audit Committee
1. Mr. Worawit Weeraborwornpong	50,000		50,000	
2. Mrs. Patchara Weeraborwornpong	50,000		50,000	
3. Mr. Supachai Weeraborwornpong	50,000		40,000	
4. Miss Patcharawadee Weeraborwornpong ¹	40,000		20,000	
5. Mr. Somchai Kor - prasobsuk	30,000		50,000	
6. Mr. Viroj Klangboonkrong ²		200,000		210,000
7. Mr. Harn Chiochan ²		200,000		200,000
8. Mrs. Sudjit Divari ²		210,000		210,000
Total	220,000	610,000	210,000	620,000

Note : ¹ Miss Patcharawadee has resigned as a company's director in June 2019

² The Company remunerate additional annual allowance to audit committee in the amount of 804,058 baht. in year 2019

• Executives

	2018	2019
Remuneration (baht)		
Total person	7	7
- Salary	44,830,110	45,093,324
- Bonus	10,796,836	11,136,665
- Provident fund	1,283,272	1,329,484
- Other	108,000	103,500
Total	57,018,218	57,662,973

(B) Other compensation

- None -

8. Staff

Number of employees

As of December 31, 2019 SGP and UGP have number of employees (not including executives) total 2,437 employees

Type of Business	No. of Employees (person)
1. LPG - Domestic	1,063
2. Marine Transportation	403
3. Land Transportation	403
4. Cylinder production and distribution	165
5. Fuel sale and distribution	11
6. Ethanol production	3
7. Tank farm	40
8. LPG Overseas	349

Employees to other subsidiaries

As of December 31, 2019, total staff of a group of subsidiaries is 2,437 persons. The total compensation in the form of salary is Baht 1,115.47 million

Provident fund

The company has established the provident fund from April 2006 with objectives to build morale and encouraging to the employees and to motivate them to work with the Company for a long term. The Company started contribute to employee's provident fund from April 2006. Currently, SCB asset management is a fund manager.

Human resource development policy

The company realized the important of employees because the appropriate knowledgeable for employee and working position are the main mechanism in successful of organization. Therefore, the Company provides the employees to have knowledge, skill and experience to use in work efficiently. The Company set up several internal staff trainings for different staff levels to train staff regularly



CORPORATE GOVERNANCE

SGP conducts business with fairness, honesty, and transparency, adhering to the Principles of Good Corporate Governance under the guidelines of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) through SGP's management structure, which consisted of the shareholders' meeting, the Board of Directors, the Sub-committees, the Managing Director and the Management who have vision and responsibility to their duties. There is control mechanism and balance of power to ensure that the management of SGP is transparent and accountability, with respect to equality rights of the shareholders, responsibilities to all stakeholders with complete information disclosure. The Board of Director has specified the policies concerning with the corporate governance and performance of duties of all directors by adherence to best practices of the directors of the listed company (Fiduciary duty) by observing the following four main practices with objectives to strengthen confidence of the investors and all group of stakeholders:

1. Performing duties with responsibility and all due circumspection and caution (Duty of Care);
2. Performing duties with faithfulness and honesty (Duty of Loyalty);
3. Performing duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience); and
4. Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure).

The Board of Directors always puts emphasis on corporate governance policies and anti-corruption policies by declaring its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to express its commitment to operate business with honesty, transparency and accountability which can be accepted by all SGP's stakeholders. The CAC Board of Directors approved the Company to be a member by granting a certificate on March 9, 2017. Later on September 13, 2019, SGP has submitted the self-assessment form to request for renewal of certificate on membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and the certificate has been renewed

during the meeting of CAC's Board of Directors on November 4, 2019.

In order to strengthen the corporate governance, SGP has prepared the Corporate Governance Policy and Code of Conduct in writing to be observed by the directors, the executives and the employees at all levels and they have been announced and communicated to all executives and employees who have to sign for acknowledgement and compliance as their practices. Such policy and code placed importance on development of organization by covering 5 aspects, such as rights of the shareholders, equality treatment of shareholders, consideration on stakeholders' roles, information disclosure & transparency and responsibilities of the directors.

1. Policy on Corporate Governance

The Board of Directors recognizes its roles and responsibilities under the authority delegated by the shareholders to manage the Company efficiently and transparently to enhance confidence of all stakeholders. The Company conducts business under the principles of good corporate governance. Therefore, the corporate governance policies have been established and used as standard practices of the Company which cover the importance principles as follows:

- Treat all shareholders and stakeholders equally and fairly.
- Perform duties with honesty, morality, and prudence to achieve the Company's goals and to maximize the shareholders' benefit as well as to prevent conflicts of interest.
- The Board together with the management shall play important role in formulation of vision, strategy, policy and material work plans as well as establishment of management structure which conforms to and fairly relevance to the Board, the management and the shareholders including planning for suitable management guidelines and business operations.
- The Board of Directors, management, and all employees shall perform duty with determination, dedication and responsibilities for the best interests of the Company and also abide by the corporate governance policy and business ethics of the Company.

- Perform duty with transparently under the internal audit and internal control system. Information must be adequately, on timely and verifiable disclosed to the shareholders and all relevant parties, so that they can be equally well-informed.
- Control and manage risks to be in suitable level with business operations of the Company.
- Operate business with integrity under the legal framework, business ethics and with environment conservation.

The Board also specified that the corporate governance policy must be constantly reviewed to make it consistent to the change in business environment, conditions and regulations of the Stock Exchange of Thailand. In addition, the Board has considered and reviewed on implementation of Corporate Governance Code (CG Code) of the Office of the Securities and Exchange Committee with the Company's business context. Any practice which cannot or has not yet been implemented will be recorded with reason explained as per a part of the director's resolution, so that they can be used as reference and practice guidelines of the directors, the executives and the employees. The Company also announced the application of anti-corruption policy which has been certified to be the member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2017 and also received the resolution on renewal of membership of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) since the end of 2019.

Good corporate governance policy comprises of 5 sections as follows:

Section 1 The right of shareholders

The Company recognizes and focuses on fundamental right of shareholders as the investors in securities and the owners of the company on exercise the shareholders' fundamental right, such as right to be treated equally, right to buy and sell, transfer the securities, right to receive profit sharing from the Company, right to receive adequate information of the Company via the Stock Exchange of Thailand's website, SGP's website or other channels, right to attend in and vote at the shareholders' meeting where voting right of the shareholder shall be pursuant to the

number of share he/she held, right in giving opinion and also making decision in important matter such as providing dividend, the appointment or removal of directors, the appointment of auditors, the approval of transaction which is important and affect the direction of business, the amendment of Article of Association, Memorandum of Association of the Company etc.

In addition to the above fundamental rights, the Company has arranged the following undertakings to enhance and facilitate the shareholders on exercising their rights as follows:

1. The Company will arrange the annual general meeting of shareholders every year which will be within four months after the end of the fiscal year. In each meeting, the Company will provide the meeting invitation together with meeting agenda and adequate details of such agenda, including opinion of the Board to the shareholders 7 (seven) days before the meeting date and it shall be published in the newspaper for 3 (three) consecutive days before the meeting date.
2. In case the shareholders cannot attend the meeting by themselves, the Company open an opportunity to the shareholders to give authorize to independent directors or any person as an proxy to attend the meeting on their behalf by using proxy form sent to each shareholder together with a meeting invitation.
3. Before the meeting date, the Company invites the shareholders to give opinion and ask questions in advance of meeting day.
4. On the meeting day, the Company shall equally facilitate all shareholders and institutional investors, oversee safety for shareholders, specify document inspection point and registration point adequately and appropriately. The shareholder can register for attending the shareholders at least 2 hours in advance of the meeting time and thereafter until the meeting has been completed.
5. In the meeting, the Company opens an equal opportunity to shareholders to questioning and giving opinion to the meeting in any topic. In the shareholders' meeting, the directors and executives whose business concerned with the meeting agenda shall attend the meeting to answer in the meeting. Important questions

and opinion shall be recorded in the minute of meeting which will be available to be inspected by the shareholders. The Company's Board and management place importance on participation in the general meeting of shareholders. In addition, the Company shall provide the legal advisor to oversee and ensure that the shareholders' meeting has been arranged transparently, correctly and pursuant to the law.

6. The shareholders' meeting shall be conducted in accordance with sequence of the meeting agenda specified in the meeting invitation sent to the shareholders in advance. Objectives and reasons of each agenda together with the opinion of the Audit Committee have been specified therein. Before commencement of the meeting, the chairman of the meeting shall assign the Company Secretary to explain method on discussion and voting including method on counting the shareholders' votes in each agenda pursuant to the regulation, for the shareholders' acknowledgement.
7. The Chairman who is regarded as the representative of the whole Board shall attend the shareholders' meeting every time. The top management shall also attend the shareholders' meeting to answer the questions relevant to the Company's business operations to the shareholders. The Sub-committees shall attend the meeting to answer any relevant questions. During the meeting, the Company shall open the opportunity to the shareholder to express opinion and make any inquiry thoroughly before voting and summarizing any meeting resolution of each agenda.
8. The Company shall grant the right to the shareholders to register for participation in the meeting after the meeting has commenced and such shareholders shall also have the right to vote in the agenda which is under consideration and of which resolution has not yet been made.
9. After the meeting, the Company shall prepare the minute of meeting then submit to the Stock Exchange of Thailand and the Office of the Securities and Exchange Committee within the specified period and information recorded must be correctly, completely and clearly which can be inspected by the shareholders.

Section 2 The equitable treatment of shareholders.

The Company has a policy to treat all shareholders with equality and fairness, regardless of gender, age, nationality, race, religion, social status as follows:

1. The Company will provide equal opportunity to all shareholders. Before commencement of the meeting, the chairman of the meeting will provide important information to the shareholders i.e. introduction of the directors, executives, and related person who attending the meeting. The chairman shall inform the voting and counting method to the shareholders before voting time. All shareholders can equally exercise their vote right.
2. The meeting shall be conducted in accordance with the sequence of meeting agenda. The Company does not have a policy to add the meeting agenda without informing the shareholders in advance, so that the shareholders can have time to study information in each agenda before making any decision.
3. The Company shall facilitate the shareholder who wishes to exercise the right to vote but cannot attend the meeting in person by allowing such shareholder to proxy any independent director or any person to attend on his/her behalf, by using one of proxy forms attached with the meeting invitation. The Company has attach the document and evidence that the meeting participant must present before attending the meeting, proxy method, registration and voting method together with the meeting invitation. In addition, the Company also provides information of the independent directors who do not have any interest in the agenda on selection of the directors as the proxy in the meeting invitation.
4. Voting cards have been provided in all agenda. Voting card shall be provided by each agenda, so that the shareholder can vote as he/she deems appropriated. During the meeting, voting card shall be collected pursuant to agenda. The Company shall provide the staff to facilitate on collecting the voting card in the meeting and combining scores of the shareholders who attending the meeting in person with the scores of the shareholders who voted in advance in the proxy form in order to announce the result of the vote and resolution of the meeting.
5. The shareholders shall have equal voting right by regarding that each share shall be equal to one vote.

Section 3 The role of stakeholders

The Company has focused on the right of all interested groups, whether they are internal stakeholders such as employees, executives of the Company or external stakeholders such as shareholders, government, competitor, customer, and etc. The Company recognized that supporting and feedback from all stakeholders will be beneficial to operation and development of the business. Therefore, the Company will comply with the relevant laws and regulations to make sure that fundamental rights of all stakeholders have been preserved and protected. Besides, the Company also encourages cooperation between the Company and the group of stakeholders to support and strengthen stability of the Company, pursuant to the guidelines on treatment of main stakeholders of the Company as follows:

Shareholder : The Company is committed to better represent the shareholders in conducting business transparently to create maximum satisfaction for shareholders by taking into account the growth of value of the Company and returns in long-term as well as disclosure of completely, adequately and reliably information.

Employee : The Company recognized the importance of employees by regarding that they are valuable resource of the Company and one of the factors that can lead to success. Hence, the Company emphasizes on the support of capacity development of human resources for maximum benefit of the Company. The Company also encourages the employee participation in creating sound corporate culture, teamwork and enhancement of safety and working atmosphere. The Company also assures quality of life of the employees throughout the working period and also encourages the employees at all levels to develop their knowledge and capability to increase potential on work operations continually.

All employees will be equally and fairly treated and their compensation and welfare shall be suitable and fairly. Establishment of the provident fund, the right to disburse for medical treatment expenses, benefits and welfares have been disclosed in the employees' handbook.

Government : The Company strictly operates business under the provisions of the laws and regulations of the supervisory agency and supports projects of the government sectors by coordinating and ready to provide corporation in providing complete and correct information as per requested by the government sectors with objectives for the best benefits of overall societies and to maintain good relationship with the government sectors.

Competitor : The Company shall treat the competitions pursuant to the free competition framework and will take into consideration fair competition by maintaining the competitive norms/practices.

Customer : The Company is committed to respond to provide good services to the customers to create satisfaction and confidence to the customers by delivering quality products and services, providing adequate and correct information as well as maintaining good relationship with the customers and will not exploit the customers' information.

The Company shall comply with the relevant regulations, laws and rules in order to preserve the rights of these stakeholders. In addition, the Company also provides safe channel where the employees and other person can access to notify the clues on misconduct or file a complaint (whistle blowing channel). The informant or whistle bower can be confident that they shall be protected and there shall be system and personnel to inspect and follow up the matter raised appropriately as

per specified in the operating procedures on request/provision of recommendation and whistle blowing.

Section 4 Disclosure and transparency

The Board of Directors recognized the importance on disclosure of correct, complete and transparent information, which include information of the financial report and non-financial general information pursuant to the criteria of SEC and SET (Thailand) and other key information which can affect the Company's stock price and can influence decision-making process of investors and stakeholders of the Company. The Company has disclosed its information technology to shareholders, and investors and the public via media and channel of the Stock Exchange of Thailand and the Company's website, www.siamgas.com.

Disclosure on financial information, particularly in the financial statements, have been reviewed/audited by the Company's auditor to ensure that their substance matter are correctly as per the general certified accounting principles and such information must have an approval from the Audit Committee and the Board of Directors before they shall be disclosed to the shareholders. Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and financial information appearing in the annual report. Such financial statements have been prepared in accordance with the general accepted accounting standard and Thai Financial Reporting Standards by selecting the appropriated accounting policies and comply with such policies on a regular basis as well as adequately disclosure of information in the financial statements. In this regards, the Audit Committee will review quality of the financial reports and internal control systems, including, the adequate disclosure of important information in notes to the financial statement.

In the work relevant to the investor relations, the Company has established the investor relations department to communicate important information to the shareholders, the investors, the analysts, both within and outside the country, and other relevant agencies, so that they can conveniently and equally access to the Company's information. As main duties of the Investor Relations

Department are relevant to communication and public relations with other agencies as well as disclosure of information pertaining to the Company's performance, therefore the Company has prepared the Investor Relations Code of Conduct to be used as operating guidelines and to assist operations of the Investors Relations Department which must align with ethics and principles of good corporate governance, with details as follows:

1. To perform Investor Relations duties with the best knowledge and ability, responsibility and professionally by adherence to righteousness and equal treatment without discrimination or favor to any particular persons;
2. To strictly comply with the applicable laws, notifications, rules, regulations and practical guidelines of the relevant supervisory authorities, e.g. the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the Company's Articles of Association and policies.
3. To carefully disclose information, which is significant and necessary for investment decision-making, in an accurate, adequate, timely and fair manner, to avoid misunderstanding or misinterpretation. Do not disclose information which is regarded as trade secret or confidential information, which may make the Group be in disadvantageous position or loss its competitiveness;
4. To open opportunities to all related parties to access and inquire relevant information
5. To maintain confidential information and do not disclose nor use the Company's inside information, which is not publicly available, for personal gain and/or for other benefits wrongfully.
6. To promptly and timely respond to any question or query of shareholders, investors, analysts and all stakeholders.
7. Do not organize meetings or clarify any information to investors and analysts within 15 days prior to the announcement of the Company's quarterly financial statements.
8. Do not trade the Company's securities during the Blackout Period pursuant to the Company's policy on protection of inside information.

The Company places importance on disclosure of correct, complete, transparent and thoroughly information. Activities of the Investor Relations Department in 2019 could be summarized as follows:

Activity	Number/Year
Company Visit	8
Opportunity Day	4
Conference Call/Telephone Call	1
International & Domestic Road Show	1

Section 5 Responsibilities of the Board of Directors

5.1 Board Structure

The Board has policy which specified that the Board's component must be diversified because it believes that the board diversity is an important element to strengthen balance on idea, quality of work and decision-making efficiency which will be beneficial to the Company's business operations. Hence, the Board's component shall consist of personnel who are knowledgeable, capable, experienced and possess skills in various fields which are in line with strategy of the Company's business operations. In addition, they must have business ethics, good attitude towards the organization, leadership, wide-vision, sufficient time to perform duty, and without having any gender, race and religion restriction. Moreover, the Company has specified 10 board skill matrixes that the Board should have knowledge, as follows:

1. energy business;
2. engineering;
3. marketing and competition strategy;
4. accounting, finance and banking;
5. international marketing;
6. legal;
7. economics
8. internal control and risk management
9. corporate governance
10. business administration.

The Company's Board of Directors must be composed of members who have knowledge, ability, and expertise in

various fields and acceptable leadership skills. The Board shall take part in determining objectives, targets, vision, mission, policy and guidelines on business operations and supervision of the Company's performance to ensure compliance with the laws, objectives, regulations and resolution of the shareholders' meeting as well as be well aware of corporate governance principles, conflict of interest and business ethics so that they can closely monitor and supervise the Company's operations. Hence, the Board has appointed the committees to closely follow-up and oversees operations of the Company.

The composition of the Board of Directors shall consist of directors in the number that is suitable for the size and business strategy of the Company. At least one-third (1/3) of the members shall be independent directors and the member of the Audit Committee shall comprise of 3 persons and all of them must be the independent directors who fully possess qualifications as per stipulated by the Office of the Securities and Exchange Committee and the Stock of Thailand. At least 1 of the Audit Committee shall have knowledge and experience to review the credibility of the financial statement.

Currently, Board of Directors composed of 7 directors, 3 of them are non-executive and independent directors and 4 are executive directors.

The Company's article of association requires that at the annual general meeting, one-thirds of the directors, or if the number of directors is not a multiple of three, then the number nearest to one-third must retired from office. The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire. A director who vacates office under this section may be re-elected.

In addition, the Board of Directors has appointed the sub-committees, such as the Audit Committee, the Executive Board and the Risk Management Committee to perform specific duties and propose to the Board of Directors for consideration or acknowledgement. The sub-committees have right and duty as set forth in the relevant charters and/or power and duties of each sub-committee.

The Company has clearly divided roles and responsibilities between the Board and the executives whereas the Board of Directors has responsibility on policy formulation and supervises the management at the policy's level with objective to add value to the shareholders in the long term while the executives shall manage the work in accordance with the specified policy. Therefore, the Chairman of Board of Directors and Managing Director is not the same person and both positions have been selected by the Board to ensure that the most suitable individuals will be appointed.

The Company has the Company Secretary who will provide advice on regulations that Board of Directors must know and oversee activities of the Board, including coordinating to ensure compliance with the Board's resolutions.

5.2 Role, Duties, and Responsibility of the Board of Directors

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

5.3 Conflict of interest policy

The Board of Directors has specified the measure to prevent the conflict of interest policy which may occur from transaction between the Company, or the subsidiaries, and the person who might have conflict of interest. Any person with interest shall not be able to approve such transaction. The Board will supervise the Company's operations to make sure that it strictly follows the rules and regulations under the Securities and Exchange Act and regulations, announcement, order concerning information disclosure, or acquisition and disposal of material assets of the Company, as well as the accounting standards and Thai Financial Reporting Standards specified by the Federation of Accounting Professions. In addition, the Company has assigned the Audit Committee or the auditor or the independent expert, as the case may be, to audit and provide opinion on

appropriateness of prices and reasonableness of transactions. The connected transaction will be disclosed in the annual report (Form 56-2) and annual registration statement (Form 56-1).

The Board regarded that conflict of interest is an important policy, so the operating guidelines on conflict of interest have been established to be strictly observed by the directors, executives and employees at all levels.

5.4 Internal control system

The Board of Directors realizes the importance of good internal control system as it can ensure that the Company's operations can be managed and controlled pursuant to the rules and corresponding to the long-term objectives and targets of the Company. In this regards, the management shall have duty to arrange structure of internal control system which will cover various aspects, such as Control Environment, Risk Management, Control Activities, Information & Communication and Monitoring and they shall be actually implemented so that the Company's operations can be achieved as per target.

The Company has appointed internal audit office to monitor the internal control system. The internal audit office will set schedule to audit the operations of depot, filling plant and gas service stations including other relevant systems, both within the country and abroad at least once a year to make sure that the operations shall be transparently and prudently. The Internal Audit Office will directly report to the Audit Committee.

5.5 The Board of Directors' meeting

The Company has a policy to call a Board of Directors meeting at least once every three months, pursuant to the meeting schedule specified in advance throughout the year. The Company may call an extra meeting if necessary. In addition, the Company encourages and urges each director to attend the meeting at least 75 percent of total meetings held during the fiscal year, except there is a necessary or appropriate reason which prevents such director to attend the meeting. The Company will send the invitation notice with complete relevant information to the directors at least 5 working days prior to the meeting. This is to give appropriate time for the directors to consider the information prior to the meeting. The minutes are

properly prepared and the approval minutes are kept for the directors to review when needed. For the Audit Committee, which is the sub-committee, it is specified that this sub-committee shall arrange a meeting at least once a month to consider and review financial report, internal control system, internal audit and risk management, as well as other matters assigned in the Audit Committee Charter.

5.6 The compensation to directors and management

The Company has set up an appropriate compensation for directors and management. The compensation rate is in an adequate and appropriate level to retain the directors and management to work with the Company. The factors used to consider the compensation rate are experience, duties, scope of work and responsibilities. The payment

of compensation shall be pursuant to the principle and policy set forth by the Board of Directors, by taking into consideration their duties, responsibilities, performance and the Company's operating results.

5.7 The training for directors and management

The Board of Directors has a policy to encourage and facilitate on provision of trainings and knowledge to the persons relevant to the Company's corporate governance system which shall include the directors, the Audit Committee, the management and the company secretary in order to enhance their knowledge continually and adequately. This includes training courses arranged by the Thai Institute of Directors Association and/or other relevant courses.

List of training courses arranged by Thai Institute of Directors (IOD) Association attended by the Board of Directors

Name of Directors	Program				
	Director Accreditation Program (DAP) IOD	Director Certification Program (DCP) IOD	Audit Committee Program (ACP)	Finance for Non-Finance Directors (FND)	IT Governance & Cyber Resilience Program (ITG)
1. Mr. Worawit Weeraborwornpong	Class 50/2006				
2. Mrs. Patchara Weeraborwornpong	Class 50/2006				
3. Mr. Supachai Weeraborwornpong	Class 49/2006				
4. Miss Patcharawadee Weeraborwornpong	Class 140/2017				
5. Mr. Viroj Klangboonkrong	Class 6/2003	Class 66/2005	Class 3/2004	Class 17/2005	
6. Mr. Harn Chiocharn	Class 37/2005				
7. Mrs. Sudjit Divari	Class 34/2005	Class 31/2003	Class 5/2005		Class 12/2019
8. Mr. Somchai Ko-prasobsuk	Class 122/2015				

5.8 Compliance with the corporate governance principles in other matters Business Ethic

The Company has set up practical guideline on business ethic for the Board of Directors, the management, and the employees, so that they can adhere for performing duties with integrity, honestly and fairly towards the Company, including on treatment of all stakeholders,

public and society, as a whole. The Company also specified monitoring system on compliance with such guidelines constantly as well as publicly announced and specified that all executives and employees must sign for acknowledgement and strictly compliance. In case of violation or non-compliance with such guideline, the appropriated penalty clause shall be imposed.

Conflict of interest

The Board of Directors has set up conflict of interest policy on the basis that all decision making should be for the highest benefit of the Company and the action which may cause the conflict of interest must be avoided. The Company specified that any person who is regarded as the related or connected person of the transaction to be considered must report the Company about such relationship or connection and such person is not allowed to join the meeting to consider or approve the said transaction.

The audit committee will propose the connected transaction and the transaction which may have conflict of interest which have already been thoroughly considered pursuant to the criteria specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to the Board of Directors and they will also be disclosed in the annual report (Form 56-2) and annual registration statement (Form 56-1)

In addition, the Company has specified operating guidelines on conflict of interest to be observed by the directors, the management and the employees at all levels as follows:

1. All directors, executives and employees at all levels shall have duty and responsibility to prevent conflict of interest and they shall make themselves understand, adhere and correctly comply with.
2. To refrain from performing any act which may cause or may be aware that it can cause conflict of interest. While performing duties, they shall adhere to the Company's interest under uprightness and are subject to the law and business ethics.
3. To oversee and manage transaction relevant to conflict of interest which may occur between oneself and the Company as well as to properly use of the Company's assets with mainly for the Company's benefits.
4. To perform duties for the best interest of the Company; do not exploit for personal gain or do not perform any act, whether directly or indirectly, with aim for personal gain or for other benefits than the Company's benefit.
5. Do not allow personal benefit or benefit of person who has relationship with one own to have conflict with the Company's benefit.
6. Do not rely on or allow others to use one own position, directly or indirectly, to exploit the Company's benefit for personal gain or for other benefits.
7. To maintain the Company's secret and shall not use confidential information for personal gain or for other benefits.
8. To disclose any interest that you have in any organization or in any transaction which might have a conflict of interest with the Company and shall not involve in any decision making relevant to the activity that you have any interest.
9. Do not get involve in the procurement process, whether directly or indirectly, which may have conflict of interest
10. Do not appoint or assign person who might have conflict of interest to be the committee, working group or the person to consider or involve in providing information or opinion or have authority to give order in such matter.
11. Giving and receiving gift shall be as per operating guidelines on gift receiving and accepting specified by the Company. Receiving or accepting gift which is not as per the guidance specified by the Company shall be regarded as a transaction with conflict of interest.
12. To report in good faith about the operations which might have conflict of interest or it is suspicious that it might against the principles or preliminary request for advice from the superior. It is regarded that the superior has duty to oversee, control and give advice on compliance with the operating guidelines and policies specified by the Company.
13. In case there is any doubt concerning practices pursuant to the practical guidelines on prevention of conflict of interest, preliminary the employee may use its own discretion by asking oneself before consideration as follows:
 - 13.1 Such transaction conforms to the Company's policy and objective or not?
 - 13.2 Such transaction is against the law or business ethics or not?
 - 13.3 Such transaction has been accepted or can be disclosed to the public or not or what the employee in the Company think about this transaction?
 - 13.4 What will be impacted from decision on performing this transaction, such as image, reputation or interest of the Company?
14. The following transactions are regarded as the conflict of interest:

- 14.1 Use the Company's confidential information for personal gain or intentionally cause damage to the Company;
- 14.2 Having interest in the partnership or the company engaging in business with the Group or in execution of the agreement with the Company;
- 14.3 To request for or accept benefits from the contractor, the entrepreneur, the supplier or the service provider, the person or organization which have business related to the Company.
- 14.4 To perform the work or to be the director of other organization which is the competitor or has any business which has conflict of interest with the Company;
- 14.5 To accept or give things to motivate for any action which might against the Company's benefit.

Report of the Board of Directors

The Audit Committee will review the financial report by attending the meeting with the management, the internal audit office, the accounting department and the auditors and presenting financial report to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statement of the Company and its subsidiaries, including financial information (responsibility of the Board of Directors for the financial reporting) that appear in the annual report. Such financial statement shall be prepared in accordance with the financial reporting standard. Important information, financial information and non-financial information have been fully and adequately disclosed based on the facts.

2. Anti-Corruption Policy

The Company's directors, executives and employees are prohibited to request, offer and accept any and all forms of corruption, directly and indirectly and this policy also applies to all relevant departments. The Company has established anti-corruption procedures and compliance of this anti-corruption policy has been constantly reviewed to make it consistent to the changes in business, law, policy, rules, notification, regulations and to preserve reputation of the Company. All directors, executives and employees shall strictly comply with this policy as follows:

1. The Company's directors, executives and employees determine to build corporate culture which adheres to zero tolerance policy for corruption when dealing

business with the public sector and private sector or any individual person.

2. The directors and the management are well aware of importance on dissemination of knowledge and understandings concerning anti-corruption policy and practices, including matters of law of Thailand to the persons who shall deal business with the Company and the Company's stakeholders.
3. The directors, executives and employees at all levels must strictly comply with the anti-corruption policy and code of conduct and must not get involved in any and all forms of corruption - directly or indirectly.
4. The Company has specified a policy when conducting any activity which might be exposed to corruption to be observed by all directors, executives and employees as follows:
 - 4.1 Political assistance. The Company has a policy not to provide any political assistance as it has a political neutrality policy and does not give preference to any political party or group. It will not support any political activities of any particular political party and it will not support or provide assistance to any candidate for public office - directly or indirectly.
 - 4.2 Charitable donation and fundraising with purposes for social, economic and cultural development; for building up good reputation of the Company and for strengthening business relations. The Company has a policy to oversee and supervise the charitable donation and fundraising activities to ensure that they are conducted with transparency and full compliance with applicable laws and regulations, and they must not be used as a means of bribery and corruption. For these purposes, clear, precise and effective operating guidelines have been established and all evidencing document must be able to be verified.
 - 4.3 Giving or receiving gift and business entertainment to the person or public and private sectors must be correctly and transparently conducted pursuant to the operating practices. They shall not be conducted with purposes for the return of benefits or others which may be considered as corruption. Request for approval and criteria for consideration shall be as per the specified Gift and Business Entertainment Procedures.

- 4.4 The Company must not pay or receive any facilitation payment or bribery for conducting current or potential business via the person acting on behalf of the Company, the advisor, the broker, the counterparty, the business partner or the middleman who are under the Company's control.
- 4.5 The Company has stipulated regulations on payment, gifts or assets by specifying applicable limits and approval authority and also specified that clear evidencing document for such payment must be presented to ensure that disbursement of money, giving of gift or assets shall not be made with purpose of corruption. Information and details must be inspected to ensure compliance with the specified operating practices.
- 4.6 Sales and marketing. The Company has sales and marketing inspection process in place to ascertain that such activities have been correctly and transparently conducted and there will not be any room for corruption.
- 4.7 Procurement and employment: The Company has inspection process for procurement and employment to make sure that such activities have been conducted with transparency, integrity and compliance with applicable laws including the Company's procurement and employment regulations.
- 4.8 Human resources management: Processes for personnel recruitment, promotion, training, performance evaluation must be able to reflect the Company's intention and practices on anti-corruption policy.
5. Implementation of anti-corruption policy
 - 5.1 Communicate anti-corruption policy and practices to the directors, executives and employees as well as to the person who will act on the Company's behalf, the advisor, the broker, the counterparty, the business partner including the subsidiaries, the associated companies and other companies that the Company has controlling power for their implementation via the specified channels.
 - 5.2 There must be transparent and correct financial reporting preparation procedures in place. In addition, corruption risk assessment procedures must be specified and included as a part of the enterprise risk factors and appropriated and effective internal control system must be established to prevent unappropriated operations.
 - 5.3 Secure and accessible channel must be provided for the employees and other persons for requesting for recommendation on compliance with the anti-corruption policy and practices and to send information on misconduct or compliant by ensuring that the informant must be appropriated protected.
 - 5.4 The Company's employees shall not neglect or ignore when witnessing any act which could be regarded as corruption related to the Company. He or she should inform a clue or file a complaint via the channel specified by the Company and provide cooperation in finding the fact. When in doubt or require any recommendation, employees should consult with the designated party/entity via the channel provided by the Company.
 - 5.5 The Company shall provide equitable treatment and protection and shall not demote, impose penalty or negative result to the employee who rejects to inform a clue or file a complaint on corruption relevant to the Company. There must be a protection measure for the informant, the complainant or the person who cooperates on reporting the corruption act as per specified.
 - 5.6 Any person who fails to comply with the Company's anti-corruption policy or practices shall be imposed with disciplinary penalty pursuant to the regulations specified by the Company, which shall include termination of employment, if the Company deems necessary, and shall also be penalized pursuant to the relevant laws.

3. Sub-Committee

Management structure of the Company consists of 3 sub-committees, i.e. the Board of Directors, the Executive Board, and the Audit Committee. The Board of Directors and executives of the Company are qualified pursuant to Section 68 of the Public Company Act B.E. 2535, the law on Security and Exchange and notification of the SEC. In addition, the Company has appointed the Risk Management Committee where the Managing Director is the Chairman and Top management of the Accounting and Finance is the vice-chairman of the Risk Management Committee. Scope of duty and responsibility of each sub-committee is as follows:

3.1 Scope of Authority of Board of Directors

The Board of Directors has the authority to manage the Company in accordance with law, objective, article of association, and resolution of shareholders. Important power, duties and responsibilities can be summarized as follow.

1. Arrange the Annual General shareholders' meeting within four months from the end of accounting period.
2. Arrange the Board of Directors' meeting at least once every three months.
3. Provide balance sheet and financial statement of the company at end of accounting period which the auditors have been audited and proposed to the shareholder's meeting to consider.
4. Consider and approve other important transactions related to the Company or any transaction which is beneficial to the Company.
5. Authority to appoint the Executive Board to conduct one or more businesses on behalf of the Board of Directors or may authorize any person to perform duty as per the Board deemed fit within the appropriated time frame. Moreover, the Board may cancel, withdraw, make change or amend such authority whenever it is deemed appropriated.

The Board may delegate the authority to Executive Board to conduct the business according to the authority and responsibilities of the Executive Board. However, such delegation shall not include any delegation of authority which will enable the Executive Board to approve any transaction in which the Executive Board or person with will have conflict of interest with the Company or subsidiaries, except it is the approval of the policy or criteria which has already been approved by the Board.

6. Determine the policy and strategic direction, financial management, risk management of the business. Provide control system to ensure that the management shall be followed by pursuant to the specified policy effectively and efficiently. Except the following authority which required to be approved by the shareholders before proceeding: the matter which specified by the law that it must receive the shareholders' resolution, capital increase or decrease of the Company, merger or liquidation of the Company, disposition or transfer of material parts or total parts of the Company to other

persons, acquisition or receipt of transfer of business of other company or the private company to be the Company's business, amendment of memorandum or article of associate etc.

In addition, the Board also oversees to ensure that the Company shall comply with the law on securities and exchange, regulation of the Stock Exchange of Thailand, such as entering into the connected transactions and the purchase and sale of significant assets under the rules of The Stock Exchange of Thailand or law relating to the Company's business.

7. To consider the management structure, the appointment of the Executive Board, the Managing Director and other directors as appropriated.
8. Follow-up operating results to ensure that they are according to plan and budget on continued basis.
9. Directors shall not perform any business which is similar to or compete with company's business or join as a part of partnership or unlimited liability partnership or a director of private company or other company that operates similar and complete with the Company's business, whether it is for benefit for themselves or others, unless they inform the shareholder's meeting prior to the appointment.
10. Specify anti-corruption policy and practices; supervise, oversee and drive such policy and practices for actual implementation. The Administration Department shall be assigned to implement such policy and ensure that the management and the employees place importance on anti-corruption and adherence to it.
11. Any other matters required by law.

3.2 Authority of the audit committee

Audit Committee consists of the independent directors who are qualified as per notification specified by the Securities and Exchange Commission and criteria of the Stock Exchange of Thailand. The Audit Committee shall have duty to support the Board of Directors on supervision and review the preparation of the financial report, internal control, internal audit and compliance with the laws, regulations and code of conducts to promote the good corporate governance.

In order to make the Audit Committee able to perform duties as per assigned, the Board of Directors has specified

that the Audit Committee shall have authority, duties and responsibilities as follows:

1. Operating power

The Board of Directors assigned the Audit Committee to have the operating power as follows:

- 1.1 The Audit Committee shall have authority to invite the director, executive, or employee of the Company, the parent, the subsidiary, the associate or the relevant person to attend meetings, clarify any inquiry and provide any relevant information.
- 1.2 The Audit Committee shall have authority to inspect and investigate the relevant person and the relevant matter within the scope of authority, duties and responsibilities.
- 1.3 The Audit Committee shall have authority to employ or invite the specific specialist, such as the legal advisor or the accountants to help on inspection or investigation at the Company's expenses as per the Audit Committee deems appropriated.

2. Duties and responsibilities

- 2.1 To review the Company's relevant financial statement and financial reporting to ensure that they are accurate and adequately disclosed by coordinating with the auditor or the management responsible for preparation of the financial report. The Audit Committee may recommend the auditor to review or audit any transaction that it deems necessary or materially during the Company's auditing operations.
- 2.2 To review and ensure that the Company and the subsidiaries have appropriate and effective internal control system and internal audit system; to consider independence of the Internal Audit Office; to be the direct superior of the Internal Audit Office; to provide consent on appointment, transfer, dismissal of Head of Internal Audit Office or any function in charge of internal audit; to oversee and ensure that the internal auditor can perform duty independently with ethics and compliance with the international standards; to consider and approve the budget, internal audit plan and workforce of the Internal Audit Office; to review intervention from the management or other causes which may impact the independence of the internal auditor; to review the internal audit report, to consider important

issued detected and operations from the Administration.

- 2.3 To review and ensure that the Company is in compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, and the laws relevant to the Company's businesses
- 2.4 To consider, select, and nominate the independent person(s) to be the Company's external auditor(s), to propose their remuneration, to terminate the Company's external auditor(s), and to attend a meeting with the external auditor(s) without the Management at least once a year, and jointly consider with the external auditor(s) about the problem or restrictions incurred from auditing of the financial statements.
- 2.5 To consider the connected transaction or translation that may have a conflict of interest to ensure that it is compliance with the law and regulation of the Stock Exchange of Thailand. This is to ensure that such transaction is reasonable and for the best interest of the Company.
- 2.6 To prepare and disclose the Audit Committee's report in the Company's annual report, in which the report must be signed by the Chairman of the Audit Committee and must at least contain the following information:
 - 2.6.1 An opinion on accuracy, completeness, and creditability of the Company's financial report;
 - 2.6.2 An opinion on adequacy of the Company's internal control system;
 - 2.6.3 An opinion on compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's businesses;
 - 2.6.4 An opinion on suitability of the auditor;
 - 2.6.5 An opinion on the transactions that may have a conflict of interest;
 - 2.6.6 The number of the Audit Committee's meetings, and the meeting attendance by each member;
 - 2.6.7 An opinion or overview observation that the Audit Committee has obtained from performing duties pursuant to the Audit Committee Charter;

- 2.6.8 Other transactions that the Audit Committee deemed that it should be made known to the shareholders and general investors, under scope of duties and responsibilities assigned by the Board of Directors
- 2.7 To arrange the meeting at least 4 time a year, to report mission of the Audit Committee to the Board of Directors; to appoint the appropriate person as the secretary of the Audit Committee who will have duty to assist the Audit Committee's operations concerning the meeting appointment, preparation of the meeting agenda, submission of the meeting document and record the minute of meeting.
- 2.8 When the Audit Committee has been notified by the auditor on suspicious behaviour of the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor.
- 2.9 When the Audit Committee has reported the Board of Directors about the matter which may materially affect the Company's financial positions and operating results and has jointly consulted with the Board or the management and considered that rectification shall be performed within the period of time jointly specified together, however if the Board or the management fails to rectify or make good of such act without any reasonable cause, either one of the Audit Committee or the Audit Committee may report such findings to the Office of the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET).
- 2.10 To consider and review the anti-corruption policy and guidance; to supervise and oversee on compliance with the anti-corruption policy and guidance to make sure that the Company has operated business with transparency and does not against such policy.
- 2.11 In case the complaint has been received from the employee on inappropriate financial statements or

other issues, the Audit Committee shall arrange for independent investigation process and shall follow-up and report as appropriated.

- 2.12 To perform any other duties as assigned by the Board of Directors with the approval from the Audit Committee.

3.3 Authority of the Executive Board

1. Conduct business in accordance with the objective, articles of association and resolution of the shareholder's meeting and the board of Directors' meeting.
2. Determine the corporate management structure to cover all the details of selection, training, hiring, and dismissal of employees, including the appropriate employees benefit with traditional practices and circumstances and consistent with existing law.
3. Prepare to recommend and set goals and guideline business policy and the Company's strategy as well as authority and responsibilities of Managing Director to grant for an approval from the Board of Directors.
4. Determine the strategic business plan to approval budget for corporate business and annual expenditure budget as approved by the Board of Directors. Conduct the business strategic and plan of business by all operated of Executive Board with consistent to the policy and business way that approved by Board of Directors.
5. Consider and approve of authorized operation to normal business transaction such as purchasing goods, motor vehicles, supplies, equipment, and appliances etc. within the approved cost limit for each item not exceeding 100 Million baht.
6. Consider and approve expenditure in the financial department capital assets, capital expenditure of the Company and its subsidiaries in the amount of 200 Million baht and accumulated up to 1,000 million baht per year. If it exceeds the determined amount, the Executive Board shall purpose to the Board of Directors for considerate approval.
7. Has the power to approve the requested loan or any loan of the Company and its subsidiaries, including the guarantor to its subsidiaries in the amount of 200 million baht and accumulated up to 1,000 million baht per year in the case of requested loan or exceed

the guaranteed limits specified. The Management Directors present to Board of Directors for consideration and approval.

8. Consider and approve loans to subsidiaries by the total cumulative amount of borrowing up to 500 million baht per year.
9. Entitle to have business transaction with financial institution, open the bank account with financial institution and obtain guarantees from bank and financial institution, the Company and its subsidiaries in the amount of 500 million baht and accumulated up to 1,500 million baht per year.
10. Promote and support anti-corruption policy and practices, review appropriateness of such anti-corruption policy and practices to make them conform to the changes in business, policy, rules, notifications, regulations and legal requirements.
11. Perform the other duties as assigned in each time by Board of Directors.
12. The delegation of authority as referred above shall not include any delegation of authority which will enable the Executive Board or attorneys to approve any transaction in which a member of the Executive Board or person with conflict of interest may have or have conflict of interest (according to regulation of the Company and by the SEC and/or The Stock Exchange of Thailand) in any manner with the Company or its subsidiaries.

34 Scope of duties and responsibility of the Risk Management Committee

1. Consider and approve a draft enterprise risk management policy and framework before proposing to the Board of Directors for consideration and approval. Assign the management to comply with the prescribed policy and guidelines and specify that the management must report the operating results to the Risk Management Committee.
2. Consider and give opinion on determination of risk appetite and risk tolerance which must be consistent with the organizational strategy.
3. Review and improve the Company's risk management system to make it effectively and efficiently on continued basis and specify that risk management must be constantly evaluated and monitored to make it in line with the specified policy and guidelines.

4. Conduct systematically and continually assessment and analysis of material risks in various aspects which must be in line with the current situations to ensure that such risk assessment covers all procedures of business operations pursuant to the criteria related to corporate governance principles. Give recommendation on preventive measures in case risk level is not as per specified or reduce it to be under risk appetite level.
5. Review risk management report, increase monitoring work for risks which are materially to organization and arrange to ensure that the organization has appropriated risk management in place.
6. Consider anti-corruption risks of the organization, review the appropriateness of anti-corruption operating guidelines to make them conform to the changes in business, policy, rules, notifications, regulations and requirements.
7. Other tasks as per assigned by the Board of Directors.

35 Scope of duties and responsibility of the Chairman of the Board of Directors

1. To supervise, monitor and oversee to ensure the duties performed by the Board of Director are effective and achieved the main objective and targets of the organization;
2. To oversee and ensure that all directors take part in promotion of corporate culture with ethics and corporate governance.
3. To determine the meeting agenda for the Board of Directors' meetings jointly with the Managing Director and to have measure to ensure that important matters have been included in the meeting agenda
4. To allocate adequate time for the management to propose the matter and enough time for the directors to discuss the material issues carefully and thoroughly; to encourage the directors on usage of careful discretion on providing independently opinions.
5. To foster a positive working relationship between executive directors and non-executive directors and the Board of Directors and the Management*

3.6 Authority of the Managing Director

The Managing Director has authorized to operate business as assigned by the Board of Director or Executive Board under the rules and regulation of the Company. However,

the delegation of authority as referred shall not include any delegation of authority which will enable Managing Director or person with conflict of interest to approve any transaction in which such person may have or have conflict of interest in any manner with the Company or its subsidiaries. The Managing Director has the limit of duties as following:

1. Operate and administrate the business as the policy of business plan and strategic of business that Board of Directors already approved.
2. To provide authorized or assigned the other who managing director agree to doing the duty instead of managing director as necessary and appropriate the discretion of executive board under the rules, laws and regulation of company.
3. Perform other duties as assigned by the Board of Director or executive board in each time.
4. Undertake and manage routine operations of the Company and have power to approve the normal business transactions, such as procurement of goods, vehicles, equipment, supplies, tools and appliance, expenditure, sale, hire-purchase, write-off a bad debt (pursuant to policies and procedure of Company) and employment of consultants and etc. The value for each transaction shall not exceed 50 million baht.
5. Consider and approve capital expenditure of the Company and its subsidiaries in the amount of 100 million baht and accumulated not more than 500million baht per year. If there is exceed amount, it provide to executive board to consideration and approval.
6. The authority to approve loans to subsidiaries, each not exceeding 50 million baht or equivalent but the total cumulative amount of loans not exceeding 100 million baht per year or equivalent.

4. Nomination and Appointment of Director and Top Executives

The Company does not have the nomination committee to select person to hold position of director or top executive. However, it has nomination process for selection person to hold such position where the major shareholder and/or representative of major shareholder in each group, the qualified person in each relevant field and the independent director as well as the director and executive of the Company shall jointly nominate the

qualified, capable and experienced person to support business operations of the Company and who has qualifications specified by the Public Limited Company Act B.E. 2535 for the initial stage. After that such person shall be proposed to the shareholders' meeting for consideration and selection pursuant to the Company's articles of associations as follows:

1. Audit Committee / Independent director

The Company has policy to nominate the Audit Committee/ and independent directors pursuant to Notification of the Capital Market Supervisory Board, No. Tor. Jor. 39/2559 Re: Application for approval and granting of approval for offering of newly issued shares. The Board of Director's meeting shall approve the establishment of the Audit Committee and term of office of the Audit Committee shall be three year. The Audit Committee must be the independent director and fully qualified as per prescribed criteria as follows:

Qualifications of the Audit Committee

Criteria on nomination of the Audit Committee shall be as follows:

1. Holding no more than 1% of total voting shares of the parent company, subsidiary, affiliate, major shareholder (s), or controlling parties of the company. This includes the shareholding of persons related to the independent directors.
2. Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties*. Exception: It has been at least two years after the person has held the position.
3. Not related by blood with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the Company or subsidiary.
4. Not currently having or never had any relations with the Company* in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company*. Exception: It has been at least two years after the person has held the position.
5. Not currently being or never been the Company's auditor*. Also, the person should not currently be or

never be a significant shareholder, controlling person, or partners of current auditor's auditing firm*. Exception: It has been at least two years after the person has held the position.

6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company with a fee more than 2 million baht per year*. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
7. Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and subsidiary.
9. Not under any conditions that may impede the person from having independent views towards the company's operations.

Nomination Criteria and Qualifications of the Audit Committee

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

4. Must possess adequate knowledge to be able to perform duties as the audit committee, in addition, at least one member of the audit committee must have adequate knowledge and experiences to audit credibility of financial statement.

2. Composition and the appointment of the Board of Directors

1. Board of Directors consists of at least 5 directors and more than half of directors must be resident in the Kingdom.
2. At the shareholder's meeting shall appoint directors, using the following criteria:
 - 2.1 Each shareholder shall have one vote for each share held.
 - 2.2 Each shareholder will exercise all the votes applicable under (1) to elect one or more person as directors, provided that a vote shall not be divisible.
 - 2.3 The candidate shall be ranked in order descending from the highest number of vote received to the lowest and shall be appointed as directors in that order, until all of the director position are filled. Where there is an equality of vote cast for candidates in descending order causing the number of directors to be exceeded, the Chairman of the meeting shall have the deciding vote.
3. At every annual general meeting, one-third of the directors, or if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent year, the directors who held office longest shall retire. A director who vacates office under this section maybe re-elected.
4. When any directors resign from the position, they shall submit the registration letter to the Company and the resignation shall be effective from the date on which the Company received the resignation letter.
5. The shareholder's meeting may vote for any director to resign from the position prior to the expiration of the directors' term of office with vote not less than three-fourth of number of shareholders attending at the meeting and entitled to vote and its share combined not less than half of the number of shareholders attending the meeting and being entitled to vote.

3. Self-assessment of the Board

The Board and the Sub-committees shall perform self-assessment at least once every year, so that the Board shall jointly consider the operating results and problems in order to solve the problems or improve performance by using the self-evaluation of the Board form prepared by the Stock Exchange of Thailand (SET) as guideline for the whole Board and individual committee. Such assessment form consists of the questions relevant to operations of the Board as follows:

- Self-assessment of the Board (group assessment) (brief version) consists of 4 topics as follows:
 1. Structure and qualifications of the Board;
 2. The Board's meeting and duty performed in the meeting by the Board;
 3. Roles, duty and responsibilities of the Board;
 4. Other matters, such as relationship between the Board and the Management, self-development of the directors and development of the management, and etc.
- Self-assessment of the Board and the sub-committees (individual assessment) consists of 3 topics as follows:
 1. Structure and qualifications of the Board;
 2. The Board's meeting;
 3. Roles, duties and responsibilities of the Board.
- Group-assessment of the sub-committee shall be applied for self-assessment form of the Audit Committee, which is the sub-committee and the 3 following topics should be assessed:
 1. Structure and qualifications of the sub-committee
 2. Meeting of the sub-committee
 3. Roles, duties and responsibilities of the sub-committee

In addition, the Audit Committee is required to review additional duties performed every year by using the self-assessment revision form of the Audit Committee as a tool to help them review their duties performed during the past year. Such revision form consists of 2 parts as follows:

Part 1: Overall duties performed of the Audit Committee

Part 2: Specific duties performed of the Audit Committee

Criteria on assessment result of the Board and the Sub-committee are as follows:

More than 85%	=	Excellent
More than 75%	=	Very good
More than 65%	=	Good
More than 50%	=	Moderate
Below 50%	=	Need improvement

Self-assessment on operational results of the Board of Directors	Average Scores	Criteria
1. The Board of Directors (Group Assessment)	90.15	Excellent
2. The Board of Directors (Individual Assessment)	96.10	Excellent
3. The Sub-committee (Group Assessment)	91.25	Excellent

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

The Company as the parent company has duty to oversee business operations of the subsidiaries and the associates, to formulate the corporate governance policy and standards, to determine direction, business operation formats, strategic plan, budget, target, operations within the Group, as well as monitor on operations continually format and also has authority to make decision on the matter significant to business operations. In addition, the Company has specified that the nomination and exercise of right to vote for selection of person to be the director of the subsidiary and the associated company is required to be approved by the Company's Board of Directors. The person appointed as the director in the subsidiary and the associate company must perform duties for the best interest of such subsidiary or associate company and must be in line with the parent company. The Company specified scope of authority and duty of the director and the management who is the Company's representative and such appointed person must be firstly granted approval from the Company's Board of Directors before he/she could pass resolution or vote in significant matter in the same level which is required to have an approval from the Board of the Director if such operation is operated

by the Company. Moreover, the appointment of the representative to be the director, the management or the controlling person in such subsidiary or associate company must be pursuant to shareholding proportion of the Company.

Furthermore, in case of subsidiary, the Company specified that such appointed person must oversee to ensure that the subsidiary disclose financial positions and operating results, as well as has complete and correct regulations with regards to connect transaction, acquisition and disposal of assets or undertaking of other significant transactions of such company with the connect person. In addition, criteria relevant to disclosure of information and the above transaction must be applied in the same manner as those of the Company's criteria. Supervision on maintenance of information and accounting record of the subsidiary for purpose of inspection and for compilation of the consolidated financial statement on timely manner must also be specified. The Company has specified appropriated and adequate conciseness of the internal control system of the subsidiary and such internal control system must have been reviewed by the Internal Audit Office pursuant to the annual audit plan. The Company also specified that it must disclose financial position and operating results including criterial for approval of material transactions, such as capital increase or decrease. The dissolution of the subsidiary is also required to have approval from the Company's Board of Directors.

6. Supervision on Usage of Inside Information

The Company supervises on disclosure and usage of inside information by specifying the operating guidelines in writing in the corporate governance policy and business ethics of the Company to prevent misuse of the information. The importance on maintenance and prevention of usage of inside information has been emphasized and the director, the management and the employees shall strictly adhere to. The director, the management and the employees are prohibited to use inside information to gain benefits on trading of the Company's securities and it shall not be disclosed to the third party or the irrelevant person before it is disclosed via the Stock Exchange of

Thailand. In addition, such persons are also prohibited to trade the Company's securities within 1 month before the quarterly and annual financial statements have been disclosed to prevent/protect the confidential information of the Company and its subsidiaries. Penalty clause has been imposed to those who exploit inside information for personal gain or use such information which would damage reputation of the Company. Additionally, such persons must not purchase, sell, transfer or receive transfer of the Company's securities by using confidential and/or inside information and/or to enter into any other legal act by using confidential and/or inside information of the Company which can cause damage to the Company's reputation, whether directly or indirectly.

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

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

7. Audit Fee

1. Total audit fee paid in 2019 to PricewaterhouseCoopers ABAS Ltd., the auditing company which the auditors of the Company and domestic subsidiaries work for, was 6.63 million baht. Person or business related to the auditor and the auditing company including the following persons shall not be the same person or has the business related to the Company and its subsidiaries:

- (a) Spouse and child who is dependent or under custody of the auditor;
- (b) Business which has controlling power of the auditing company, business which is under control of the auditing company and business under the same control, irrespective of directly or indirectly, of the auditing company;
- (c) Business under material influence of the auditing company;
- (d) Partner or equivalent of the auditing company;
- (e) Spouse and child who is dependent or under custody of the person under (d);
- (f) Business that the auditor, the person under (a), (d) or (e) has controlling power or has material influence, whether directly or indirectly;

For benefit on consideration on control and material influence nature which can be regarded as the person or business related to the auditor and the auditing company as mentioned above, the definition of the accounting standards Re: Disclosure of information related to the connected person or business, can be applied.

2. Non-auditing fee amounting to 0.30 million baht which is the service fees for auditing pursuant to the method jointly specified under the condition of the Revenue Department and the promotion certificate of the Company and the subsidiaries.

8. Implementation of Corporate Governance Code 2017

The Company places importance on implementation of the Corporate Governance Code 2017 (CG Code 2017) prepared by the Office of the Securities and Exchange Commission (Office of the SEC). The Company has prepared and announced its enforceability since March 2017. The Company has reviewed compliance with corporate governance principles with objectives to make the Company formulate and comply with the Corporate Governance Policy with process to review the implementation and adaptation of the Corporate Government Principle for the Listed Companies 2017 with its business context at least once a year. For determination of success on business operations, apart from financial performance, the Company has also considered about ethics and social and environmental impacts. In this

regards, the Company's Board of Directors has vital role in creating corporate culture with ethics and being a role model as the leader for corporate governance operations. The Company has applied the CG Code 2017 by studying details of the CG Code 2017 and comparing with the existing policy and operating guidelines of the Company then summarized the matters required to be additionally performed and proposed to the Board of Directors for consideration and further action. The Board of Directors has reviewed the implementation of CG Code 2017 pursuant to the business context as follows:

1. The Company increased roles and duties of the Board of Directors on formulation of the main objectives and targets of the Company and roles on formulation of strategy and policy on operation as well as the allocation of important resources in order to achieve the objectives and targets as well as allocate material resources with aim to achieve the objectives and targets including monitor, assess results and supervise the report on operating results. Roles and duties of the Board on monitoring and supervision on adequacy of financial liquidity and ability to pay debt have also been added.
2. To increase the operating guidelines on the directors' report regarding their interests during the meeting of the Board of Directors. The director who has significant interest in the matter to be considered is required to report such interest before consideration of such agenda and it shall be recorded in the minutes of the Board's meeting.

9. Compliance with the Corporate Governance in other matters

The Company has complied with other principles on corporate governance, for instance, review and improve the charters of the Board of Directors and the Sub-committees to make them conform to the Corporate Governance Principles. Furthermore, the Board also specified that there must be Board Skill Matric, which places importance on guidelines on development of knowledge and capability of the directors in the important aspects or aspects which is still lack (Board Development), so that the directors shall have suitable qualifications and conform to directions of the Company's business operations.



SOCIAL RESPONSIBILITY



Overall policy

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

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

Core vision and mission of the Company are as follows:

- To plan to increase facilities, warehouses, gas filling plants and service stations including gas tankers and gas trucks.
- To constantly develop human resources in order to develop their potentials and operating capability, so that their works can be successfully, efficiently and safely achieved.
- To put emphasis on product safety policy, service rendering including internal operations.

- To give emphasis to well-being of the people by providing excellent products and services, especially on safety, convenience and at reasonable and fair prices.
- To place importance to environmental conservation and ethically business operations pursuant to governance principle and with responsibility to society, community as well as all shareholders and relevant parties.

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

Fair Competition

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

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



Anti-corruption

The Company established anti-corruption policy to be applied for both inside and outside of the organization. The Company cooperates with various organizations to counter all kinds of corruption and bribery, as well as enhances the employees to be well aware of anticorruption policy by not asking for, giving any unlawful trading benefits to the business partners or the third party.

Fair Labor Practices

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

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

their knowledge in various aspects related to their works, for instance training on newly accounting standards, computer network system and etc.

Consumer Responsibility and Environmental Conservation

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

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



behave themselves in harmony with and pursuant to intention of this policy, by specifying as key performance indicators that must be achieved as per targeted.

6. All employees must cooperate with and encourage business partners and contractors who deal business with us to be responsible for safety and do not cause impact to environment.
7. To develop and supply safety and environmental friendly products when they are properly used and to provide necessary information in order to achieve such expectation.

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

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

Contribution to Community and Society

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

- Contribution to society by assisting flood victims, donation of supplies to the communities, donation of money to build religious places, schools, hospitals and participation in environmental conservation campaigns and more.
- Arrangement of activities to cultivate environmental conservation spirit, for instance a campaign to use used paper in the office and etc.

CSR (After Process)

The Company continually encourages and supports social and environmental activities, particularly on livelihood development of the communities in the remote areas to make them have better living. One of the activities is to provide budget for construction of pipe water system to the villagers in Sinchai Village, Padaeng Village, Sunti Vana Village and Pakia Village of Chai Prakarn District, Chiang Mai Province to make villagers in 4 villages have consumption and usage water. Such activity has followed the royal initiatives of Her Majesty Queen Sirikit which emphasized on mitigation of water shortage crisis.

Participation in tree planting activities in Chaiprakarn District, Chiangmai Province

In addition, the Company has activities with nearby community by participation and building good relationship which include creating awareness of the community on safety measure of the Company's LPG depot.

The Company has organized the 4th Children's Day event at Suksawat LPG depot with Mayor of Lad Luang Mr. Arunkan Maiket presided over the ceremony. There are 471 children and parents participated in the event with game and rewards for participants.



Practical guidelines to prevent involvement in corruption acts

The Company determines to conduct business under good corporate governance principles by declaring intention on prevention on involvement of corruption. The Company also specified anti-fraud and anti-corruption policy in the Company's code of business ethics handbook and post at the board in the Company's offices, depots, and LPG station. The policies are as follows:

The Company's directors, executives and employees are prohibited to request, offer and accept any and all forms of corruption, directly and indirectly and this policy also applies to all relevant departments. The Company has established anti-corruption procedures and compliance of this anti-corruption policy has been constantly reviewed to make it consistent to the changes in business, law, policy, rules, notification, regulations and to preserve reputation of the Company. All directors, executives and employees shall strictly comply with this policy as follows:

1. The Company's directors, executives and employees determine to build corporate culture which adheres to zero tolerance policy for corruption when dealing business with the public sector and private sector or any individual person.
2. The directors and the management are well aware of importance on dissemination of knowledge and understandings concerning anti-corruption policy and practices, including matters of law of Thailand to the persons who shall deal business with the Company and the Company's stakeholders.
3. The directors, executives and employees at all levels must strictly comply with the anti-corruption policy and code of conduct and must not get involved in any and all forms of corruption – directly or indirectly.
4. The Company has specified a policy when conducting any activity which might be exposed to corruption to be observed by all directors, executives and employees as follows:
 - 4.1 Political assistance. The Company has a policy not to provide any political assistance as it has a political neutrality policy and does not give preference to any political party or group. It will not support any political activities of any particular political party and it will not support or provide assistance to any candidate for public office - directly or indirectly.
 - 4.2 Charitable donation and fundraising with purposes for social, economic and cultural development; for building up good reputation of the Company and for strengthening business relations. The Company has a policy to oversee and supervise the charitable donation and fundraising activities to ensure that they are conducted with transparency and full compliance with applicable laws and regulations, and they must not be used as a means of bribery and corruption. For these purposes, clear, precise and effective operating guidelines have been established and all evidencing document must be able to be verified.
 - 4.3 Giving or receiving gift and business entertainment to the person or public and private sectors must

be correctly and transparently conducted pursuant to the operating practices. They shall not be conducted with purposes for the return of benefits or others which may be considered as corruption. Request for approval and criteria for consideration shall be as per the specified Gift and Business Entertainment Procedures.

- 4.4 The Company must not pay or receive any facilitation payment or bribery for conducting current or potential business via the person ting on behalf of the Company, the advisor, the broker, the counterparty, the business partner or the middleman who are under the Company's control.
- 4.5 The Company has stipulated regulations on payment, gifts or assets by specifying applicable limits and approval authority and also specified that clear evidencing document for such payment must be presented to ensure that disbursement of money, giving of gift or assets shall not be made with purpose of corruption. Information and details must be inspected to ensure compliance with the specified operating practices.
- 4.6 Sales and marketing. The Company has sales and marketing inspection process in place to ascertain that such activities have been correctly and transparently conducted and there will not be any room for corruption.
- 4.7 Procurement and employment : The Company has inspection process for procurement and employment to make sure that such activities have been conducted with transparency, integrity and compliance with applicable laws including the Company's procurement and employment regulations.
- 4.8 Human resources management: Processes for personnel recruitment, promotion, training, performance evaluation must be able to reflect the Company's intention and practices on anticorruption policy.
5. Implementation of anti-corruption policy
 - 5.1 Communicate anti-corruption policy and practices to the directors, executives and employees as well as to the person who will act on the Company's behalf, the advisor, the broker, the

counterparty, the business partner including the subsidiaries, the associated companies and other companies that the Company has controlling power for their implementation via the specified channels.

- 5.2 There must be transparent and correct financial reporting preparation procedures in place. In addition, corruption risk assessment procedures must be specified and included as a part of the enterprise risk factors and appropriated and effective internal control system must be established to prevent unappropriated operations.
- 5.3 Secure and accessible channel must be provided for the employees and other persons for requesting for recommendation on compliance with the anti-corruption policy and practices and to send information on misconduct or compliant by ensuring that the informant must be appropriated protected.
- 5.4 The Company's employees shall not neglect or ignore when witnessing any act which could be regarded as corruption related to the Company. He or she should inform a clue or file a complaint via the channel specified by the Company and provide cooperation in finding the fact. When in doubt or require any recommendation, employees should consult with the designated party/entity via the channel provided by the Company.
- 5.5 The Company shall provide equitable treatment and protection and shall not demote, impose penalty or negative result to the employee who rejects to inform a clue or file a complaint on corruption relevant to the Company. There must be a protection measure for the informant, the complainant or the person who cooperates on reporting the corruption act as per specified.
- 5.6 Any person who fails to comply with the Company's anti-corruption policy or practices shall be imposed with disciplinary penalty pursuant to the regulations specified by the Company, which shall include termination of employment, if the Company deems necessary, and shall also be penalized pursuant to the relevant laws.



INTERNAL CONTROL AND RISK MANAGEMENT

Opinions of the Board of Directors on internal control system

The Board of Directors emphasized that the Company must have proper and efficient internal control system, hence it has assigned authority, duty and responsibility to the Audit Committee to review and ensure that the Company has adequate and appropriate internal control system and internal audit system in place with objectives to oversee the efficient and transparent operations pursuant to targets, objectives, relevant laws and regulations as well as prepare the correct, credible financial reports with adequate information disclosure. Internal audit function which shall directly report to the Audit Committee shall inspect and review internal control system including performance of the Company on compliance with the laws on securities and exchange, including the relevant regulations.

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

At the Board of Directors' meeting No. 1/2020 held on February 18, 2020 where all 3 members of the Audit Committee attended, the Board has assessed the Company's internal control system by using the assessment form on adequacy of the internal control system developed by the Office of the Securities and Exchange Commission (SEC) pursuant to the concept of COSO (The Committee of Sponsoring Organization of Treadway Commission). The assessment has been made by considering 5 components, such as control environment, risk assessment, control activities, information & communication and monitoring activities and each component has been expanded to include 17 sub-principles. After applying this assessment form as guideline for self-assessment on adequacy of the Company's internal control system, the Board of Directors deemed that the Company's internal control system was appropriately. The Company has provided adequate personnel to effectively perform operations pursuant to the system and it also has monitoring system to oversee operations of the subsidiaries to prevent wrongly use or unauthorized use of properties of the Company and its subsidiaries by the director or the executive. Furthermore, measures on transaction with person who might have conflict of interest or the connected person have been adequate

specified. The Board of Directors also deemed that measures on internal control system of other topics also adequate.

Opinions of the Board of Directors on risk management system

The Company has set up risk management committee to consider and approve a draft enterprise risk management policy and framework which has been prepared based on concept of COSO ERM (Enterprise Risk Management), both from internal and external factors, consider and give opinion on determination of risk appetite and risk tolerance which must be consistent with the organizational strategy, review and improve the Company's risk management system to make it effectively and efficiently on continued basis. In addition, it is specified that risk management must be constantly evaluated and monitored to make it in line with the specified policy and guidelines, material risks must be assessed and analyzed in various aspects which must be in line with the current situations to ensure that such risk assessment covers all procedures of business operations pursuant to the criteria related to corporate governance principles. The risk management shall also review risk management report, increase monitoring work for risks which are materially to organization and arrange to ensure that the organization has appropriated risk management in place, as well as consider anti-corruption risks of the organization, and review the appropriateness of anti-corruption operating guidelines to make them conform to the changes in business, policy, rules, notifications, regulations and legal requirements. Furthermore, the Audit Committee has appointed the risk management working group where top management of each department or the department manager shall be members of the working group. Duties and responsibilities of the working group are to assess and analyze material risks as well as risk management measures to keep risks under risk appetite level.

On December 25, 2019, the meeting of the Risk Management Committee has assessed and prepared the risk management measures of the Company's internal work systems and implemented risk management measures derived from risk assessment of each aspect for improvement of the internal control systems to make them concisely and appropriately.

Opinions of the Audit Committee

The Audit Committee has assessed adequacy and efficiency of internal control system by considering from result of auditing report proposed by the internal audit function and

opinions of the auditor from PricewaterhouseCoopers ABAS Ltd., the auditor of the financial reports of the Group for 2018, which stated that there was no significant issue regarding internal control of Accounting and Finance. The Audit Committee also jointly conducted assessment with the Board of Directors during the meeting No. 1/2020 on February 18, 2020, by using the assessment form on adequacy of the internal control system developed by the Office of the Securities and Exchange Commission (SEC) as guideline for self-assessment on adequacy of the Company's internal control system. The Audit Committee has the same opinion with the Board of Directors that the Company's internal control was appropriated.

Information Disclosure of the Head of Internal Audit Office

At the Board of Directors' meeting No. 7/2012 held on June 14, 2012, the meeting has resolution to appoint Mrs. Chantira Srimoungpan as the head of internal audit office as well as to establish the charter of the internal audit office to specify scope of duties and responsibilities of the head of internal audit office with effective from July 2, 2012.

The Audit Committee has considered qualifications of Mrs. Chantira Srimoungpan and deemed that her qualifications were adequately and appropriately to perform such duties due to her independence, knowledge on accounting and finance, internal audit, risk management and internal control which are necessary and beneficial to the Company's internal audit operations. She can also support operations of the Audit Committee as a secretary of the Audit Committee as she has experiences on performing duties as the head of internal audit office and the secretary of the Audit Committee for more than 20 years. Moreover, the Audit Committee also supervises to ensure that the person holding position of head of internal audit office shall have educational background, experiences and trainings suitably and adequately for performing such duties. In addition, the Company has specified that consideration on approval, appointment, transfer and dismissal of the Company's head of internal audit office must require to have consent or approval from the meeting of the Audit Committee.

Qualifications of the Head of Internal Audit Office

Details of the Head of Internal Audit Office

1. Name	Mrs. Chantira Srimoungpan
Current position	Head of Internal Audit Office and Secretary of the Audit Committee

2. Educational background
Bachelor of Accounting
Faculty of Commerce and Accountancy, Thammasat University

3. Working experiences and relevant training courses

3.1 Working experiences

2012-Present Head of Internal Audit Office and Secretary of the Audit Committee
Siamgas and Petrochemicals Public Co., Ltd.

1999-2012 Director of Internal Audit Department and Secretary of the Audit Committee
Wave Entertainment Public Co., Ltd.

3.2 Trainings courses attended

3.2.1 Training courses arranged by the Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class of 271/2019
- IT Governance & Cyber Resilience Program (ITG), Class of 12/2019
- Advanced Audit Committee (AAP), Class of 28/2018
- Board Nomination and Compensation Program (BNCP), Class of 4/2018
- How to Develop a Risk Management Plan (HRP), Class of 15/2017
- Director Accreditation Program (DAP), Class of 137/2017
- Anti-Corruption : The Practical Guide (ACPG), Class of 20/2015
- Company Secretary Program (CSP), Class of 11/2005

3.2.2 Training courses arranged by The Institute of Internal Auditors of Thailand, the Federation of Accounting Professions under the Royal Patronage, the Stock Exchange of Thailand and others for more than 20 courses concerning the internal control, risk management and internal audit, such as:

- Preparation of working papers for anti-corruption measures in the organization, Class of 2/2019
- Good Corporate Governance and Audit Committee
- Risk Management pursuant to COSO ERM
- Internal Control Unit Management
- Fraud Audit
- Leadership Skill for Auditors
- Audit Project Management
- Risk Based Audit
- Audit Manager Tools and Techniques

CONNECTED TRANSACTIONS

Summary of transactions between SGP, its subsidiaries and other people who might have conflicts during 2018 and 2019

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

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2019	2018		
1 .Great China Millennium (Thailand) Company Limited (“Great China”)	• SGP and Great China Millennium (Thailand) Company Limited have the same major shareholder who is Weerabornwong family. Weerabornwong family holds 1,011.51 million shares or 55.03 per cent of paid-up capital of SGP and holds directly and indirectly 9.7 million shares or 94.66 per cent of paid-up capital of Great China Millennium (Thailand) Company Limited SGP and Great China Millennium (Thailand) Company Limited have the same directors who are Mr. Worawit Weerabornwong and Mrs. Patchara Weerabornwong	LPG Sales Revenue and Account Receivable Great China Millennium (Thailand) Company Limited purchased LPG from SGP to supply to its food court in the shopping building at the same price SGP sells to general customers	6,113	6,345	1,113	1,441		The Audit Committee considered that these were common sales transactions of SGP and the selling price was the same as that of general customers, so these transactions were considered appropriate and reasonable	Note# 36 (A) and #36 (C)
Property and Hotel Business									

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2019	2018		
		Office Rental Deposit SGP and its subsidiaries including UGP, LCR and SLM rent the office space of the Palladium World project from Great China Millennium (Thailand) Company Limited for their business offices. According to the contract, SGP and its subsidiaries are required to place the deposit as guarantee for rental and services. This deposit charged by Great China was the common practice of general office buildings.	-	-	6,935	6,935	6,935	The Audit Committee considered that this rental deposit placement of SGP and its subsidiaries was general practice, and these transactions considered appropriate and reasonable	Note# 36 (A)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018	2019		
		Rental Fee, Common Service Fee and Account Payable These transactions were space rental fee, services fee and account payable that SGP and its subsidiaries including UGP, LCR and SLM rent the office from Great China Millennium (Thailand) Company Limited with total space of 9,048.36 square meters with rental rate and service fee at 350 Baht and 250 Baht per square meter respectively. The period of rental contract is from 1 September 2018 to 31 August 2021 (3 years rental period). This rental fee charged by Great China was lower than that of charged by other office buildings in the same area	65,420	52,173	-	-	-	The Audit Committee considered that office space rental of SGP and its subsidiaries was normal practice in running business, although the rental rate of Great China was lower than those of other office buildings nearby. while the Palladium Office Build could serve the long-term future office expansion of SGP and its subsidiaries, so these transactions considered appropriate and reasonable.	Note # 36 (D)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)			Justification	Reference : Notes of Financial Statement
			2019	2018	2017	2019	2018	2017		
		Other Expenses and Other Account Payable Other expenses and other account payable were incurred as SGP and its subsidiaries were serviced by Great China Millennium (Thailand) Company Limited and the services charged by Great China were at the same rate charged to general customers or tenants	14,419	10,861		3,605	2,912		The Audit Committee's opinion was that the services provided by Great China were the general services and the rates were charged at the same rate as that of general customers and tenants, so such transactions were appropriate and reasonable.	Note # 36 (A) and 36 (D)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018	2019		
		<p>Electricity, Water Supply and other Account Payable</p> <p>SGP and its subsidiaries paid for electricity and water supply for their offices to Great China Millennium (Thailand) Company Limited which was charged at the same rate charged to other tenants in the building.</p>	1,465	1,288	73	80		The Audit Committee considered that the electricity and water supply expenses SGP and its subsidiaries paid to Great China were the same as that Great China charged to other tenants, so such transactions were appropriate and reasonable.	Note# 36 (A) and 36 (D)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)		Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018		
		Rental and Pooled Office Service Fee Advanced Payment	-	-	109,033	174,452	The Audit Committee considered that the Advanced Payments for rental and office services made to Great China were in accordance with general office rental contract, so such transactions were appropriate and reasonable.	Note # 36 (A)
		SGP and its subsidiaries paid the advanced rental and office service fee to Great China Millennium (Thailand) Company Limited in accordance with the office rental contract.						

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)		Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018		
2. Phrom Maharaj Land Development Co., Ltd. (PHROM) – real estate and hotel business	Weerabonwornpong family is the major shareholder of both SGP and PHROM who is holding 1,011.51 million shares or 55.03 % of SGP's share equity and 136.39 million shares or 90.75% of PHROM's share equity. SGP and PHROM have 4 directors in common which are Mr. Worawit Weerabonwornpong Mrs. Patchara Weerabonwornpong Mr. Supachai Weerabonwornpong and Miss Patcharawadee Weerabonwornpong	Revenue from LPG sales and Trade Accounts receivable PHROM purchased LPG from SGP for its food court, and the hotel kitchens with the same price as that sold to general customers.	10,129	8,965	3,645	1,816	The Audit Committee considers that these transactions were carried out on normal basis of SGP's business and also the price was the same as that sold to general customers. Therefore, such transactions were considered appropriate and reasonable.	Note # 36(A) and 36 (C)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)		Outstanding ('000 Baht)		Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018		
		<p>Office Space Leasing Deposit</p> <p>SGP and its subsidiaries, i.e. UGP, LCR, and SLM rent their office space from PHROM. In this regard, SGP and its subsidiaries needed to place deposit to PHROM at the rate of one-month rental fee instead of charging normal deposit rate of two-month rental fee. The office rental deposit was general practice of office building, but SGP and its subsidiaries paid at a lower rate. However, SGP and its subsidiaries had terminated the office rental with PHROM on 31 August 2012, but continue to rent storage for document, so the outstanding guarantee was used as rental fee for such storage rented areas.</p>	-	-	309	309	The Audit Committee considered that the office space rental deposit placed by SGP and its subsidiary was general practice of office building business. Moreover, SGP and its subsidiaries could place the deposit at a lower rate than normal case. Therefore, such transaction was considered appropriate and reasonable	Note # 36 (A)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding (‘000 Baht)	Justification	Reference : Notes of Financial Statement
			2019	2018	2019	2018		
		Pool office Service Fee and Account Payable These transactions were rental and office services that SGP and its subsidiaries including UGP, LCR and SLM rent office space and document storage of PHROM with total space of 877.43 square meters – rental fee at the rate of 229.66 – 350.00 baht per square meter for document storage.	3,056	3,056	166	166	The Audit Committee considered that office space rental of SGP and its subsidiaries was normal practice in running business, the Audit Committee considered this transaction was appropriate and the rental fee was reasonable	Note # 36 (A) and 36 (D)

Connected Person/Legal Entity	Relationship	Description	Value ('000 Baht)			Outstanding ('000 Baht)	Justification	Reference : Notes of Financial Statement
			2019	2018	2019			
		Other Expense and Account Payable These expenses were incurred as SGP and its subsidiaries used various kinds of services of PHROM's hotel such as customer reception and entertaining, and hotel room accommodation which were charged at the same rate as general guests.	1,456	1,981	296	373	The Audit Committee's opinion was that the services provided by PHROM to SGP and its subsidiary including staff's lunch, customer reception and entertaining, hotel room accommodation and other services were the general services of PHROM as a shopping center and hotel. And the services charge for SGP and its subsidiaries were the same as those for general guests, so such transactions were appropriate and reasonable.	Note # 36 (A) and 36 (D)

Policies or directions of the connected transaction in the future

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

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

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

The office rental transaction with Great China were undertaken to accommodate the necessity in office space of the Company and its subsidiaries. The Company may consider to renew such rental contract upon its expiration. However, the rental price of comparable office space will be taken into account and proposed to the Audit Committee for further consideration.

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

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

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



FINANCIAL POSITIONS AND OPERATING RESULTS

Significant Financial Information

Financial Statements

Auditor

Year	Auditor Name	Certified Public Accountant No.	Audit Company
2017	Ms. Amornrat Pearmpoonvatanasuk	4599	PricewaterhouseCoopers ABAS Ltd.
2018	Ms. Amornrat Pearmpoonvatanasuk	4599	PricewaterhouseCoopers ABAS Ltd.
2019	Mr. Chaisiri Ruangritchai	4526	PricewaterhouseCoopers ABAS Ltd.

Summary of Auditor Report, Year 2017–2019

• Year 2017

The auditor conducted the audit in accordance with generally accepted auditing standards and opined that the above consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at December 31, 2017, as well as the consolidated and separate operating results including its consolidated and separate statement of cash flows, for the year then ended, in accordance with Thai Financial Reporting Standards.

• Year 2018

The auditor conducted the audit in accordance with generally accepted auditing standards and opined that the above consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at December 31, 2018, as well as its consolidated and separate financial performance and its consolidated and separate statement of cash flows, for the year then ended, in accordance with Thai Financial Reporting Standards.

• Year 2019

The auditor conducted the audit in accordance with generally accepted auditing standards and opined that the above consolidated financial statements of Siamgas and Petrochemicals Public Company Limited (the Company) and its subsidiaries and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at December 31, 2019, as well as its consolidated and separate financial performance and its consolidated and separate statement of cash flows, for the year then ended, in accordance with Thai Financial Reporting Standards.

Major Change in Accounting

Major Change in Accounting in 2017

Investments in associate

The Group paid investments in associates of Baht 1,677 million for ordinary shares at ratio of 30% of three companies, namely MSN International Limited (“MSN”), Asiatech Energy Pte. Ltd. (“AEP”), and Myanmar Lighting (IPP) Co., Ltd. (“MLP”) (collectively referred to as “Power Plants in Myanmar”) for business operations on power generation and services related to energy business. The management of the Group assessed that payment for investments in such companies were regarded as

investment in associate, as per definition in the accounting standards no. 28 (revised 2016) Re: Investment in Associates and Joint Venture. In addition, such accounting standards specified that the management shall determine fair value of net assets which can be specified that they were acquired from investments payment and consider on allocation of investments pursuant to the Thai Financial Reporting Standards No. 3 (Revised 2016) on Business Combinations.

The management appointed an independent valuer to appraise fair value of assets of the Power Plants in Myanmar. Fair value of net assets which can be specified that were acquired was Baht 1,287 million, and most of them are trade account receivables and finance lease receivables of Baht 2,034 million, intangible assets (right in long-term power purchase agreements) of Baht 1,491 million, long-term loans of Baht 2,224 million. Determination of such fair value was part of allocation of investments. At as December 31, 2017, the management was still under assessment of fair value of intangible assets as per requirements of the Thai Financial Reporting Standards No. 3. Hence, fair value of intangible assets specified in the financial report was the estimation of fair value. The Group has to complete the assessment within 12 months after the date of investments.

Major Change in Accounting in 2018

Impairment assessment of investment in a subsidiary and its assets

The Company has recognized additional provision for impairment loss on an investment in Siam Ethanol Export Co., Ltd. (the subsidiary) of Baht 129 million against its investment at net book value of Baht 159 million in the separate statement of income for the year ended 31 December 2018 (refer to Notes to Financial Statement No. 12). In addition, the Group has recognized additional provision for impairment loss on the subsidiaries' equipment of Baht 93 million against its net book value of Baht 234 million in the consolidated statements of income for the year then ended. This is because the operating results of ethanol business did not meet its original plan and the subsidiary has ceased operations (refer to Notes to Financial Statement No. 13).

The management has recognized the provision for impairment loss on the investment in Siam Ethanol Export Co., Ltd. (the subsidiary) and provision for impairment loss

on the subsidiaries' equipment by applying the fair value less costs to disposal in year 2018. The management appointed an independent valuer to appraise fair value of the subsidiaries' assets. Major of the subsidiaries' assets are property, plant and equipment. The calculation of fair value less costs to disposal involves significant judgement and assumptions of the management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed to third parties. The management provided such information to the independent valuer in appraising fair values of assets.

Result of impairment test by the management, it is noted that recording of the provision for impairment loss in investment in Siam Ethanol Export Co., Ltd., and the subsidiary's equipment, totaling Baht 250 million and Baht 121 million, respectively is sufficient.

Major Change in Accounting in 2019

Impairment assessment of investment in a subsidiary

The Company has recognized additional provision for impairment loss on an investment in Siam Ethanol Export Co., Ltd. ("SEE"), the subsidiary, of 199 million baht in the separate statement of income for the year ended 31 December 2019 because the operating results of ethanol business did not meet its original plan and this subsidiary has ceased operation (refer to Notes to Financial Statement No. 14.1).

The management recognized the provision for impairment loss on the investment in SEE by applying the fair value less costs to disposal. The management appointed an independent valuer to appraise the fair value of SEE's assets. In 2019, the major assets of SEE are land.

The land was appraised by the market approach in which the valuer considers the market price comparison with similar land and uses their discretion to determine the fair value of the land.

Result of impairment test by the management, it is noted that recording of the provision for impairment loss in investment in Siam Ethanol Export Co., Ltd., as at December 31, 2019, totaling 499 million baht is sufficient.

Investment in a subsidiary

During 2019, the Group invested in the indirect subsidiary via Siam LNG Company Limited ("SLNG"), the Company's

subsidiary. SLNG entered into share purchase agreement to invest in Thai Public Port Company Limited (“TPP”) which engages in oil depots and port services, totaling 104,668,735 shares which accounted for 99.68% of the registered and paid-up capital. The share purchasing consists of 2 parts as follows:

- The first part: Shares have been transferred on September 24, 2019, October 16, 2019 and November 26, 2019 which accounted for 71.20% of the registered and paid-up capital at a price of 2,384 million baht. SLNG paid 399 million baht and requested the Company to issue promissory notes in advance (Other payable, as per disclosed in Note 22) amounting 1,985 million baht on behalf of SLNG (Guaranteed by deposits at bank, as per disclosed in Note 9). The Aval issued by the commercial bank dues on

January 21, 2020 and October 15, 2020. As at December 31, 2019, TPP is considered as an indirect subsidiary of the Group with the investment proportion of 71.20% of the registered and paid-up shares.

- The second part is the share purchase accounted for 28.48% of the registered and paid-up shares at the price of 932 million baht. SLNG paid prepayment of 124 million baht (Note 20) in August 2019. SLNG will pay the remaining amount of 808 million baht and be received transferred shares in January 2020.

When the Group completed received the transferred shares as mentioned above, the Group will own 99.68% of the registered and paid-up shares of TPP.

Summary Table on Financial Statement

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Financial Position
As at 31 December

(Unit : ‘000 Baht)

	Consolidated Financial Statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	2,590,205	8.23	2,848,742	7.96	2,500,026	6.03
Deposits at financial institution used as collaterals	-	-	-	-	1,185,029	2.86
Short-term investments	99,393	0.32	132,959	0.37	100,753	0.24
Trade and other receivables, net	4,061,755	12.91	5,444,878	15.21	5,290,548	12.77
Inventories, net	4,069,918	12.94	4,817,783	13.46	4,854,580	11.72
Other current assets	375,795	1.19	466,000	1.30	202,512	0.49
Total current assets	11,197,066	35.59	13,710,362	38.30	14,133,488	34.11
Non-current assets						
Investments in associates	1,640,924	5.22	2,375,577	6.63	1,800,594	4.35
Investments in joint ventures	107,775	0.34	107,513	0.30	71,530	0.17
Long-term loans to related parties	20,757	0.07	133,433	0.37	963,221	2.32
Property, plant and equipment, net	15,645,860	49.74	16,666,294	46.55	20,259,847	48.89
Investment property, net	-	-	127,815	0.36	167,705	0.40
Goodwill, net	1,516,111	4.82	1,516,111	4.23	2,723,956	6.57
Other intangible assets, net	108,206	0.34	72,690	0.20	73,464	0.18
Deferred tax assets, net	151,017	0.48	242,374	0.68	107,002	0.26
Other non-current assets	1,070,256	3.40	852,271	2.38	1,138,407	2.75
Total non-current assets	20,260,906	64.41	22,094,078	61.70	27,305,726	65.89
Total assets	31,457,972	100.00	35,804,440	100.00	41,439,174	100.00

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Financial Position (Cont'd)
As at 31 December

(Unit : '000 Baht)

	Consolidated Financial Statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
Current liabilities						
Short-term borrowings from financial institutions, net	1,500,520	4.77	4,988,585	13.93	4,838,846	11.68
Trade and other payables	3,987,757	12.68	3,514,764	9.82	7,094,759	17.12
Current portion of long-term loans from financial institutions, net	583,453	1.85	1,349,030	3.77	875,260	2.11
Current portion of bonds, net	1,999,882	6.36	2,999,800	8.38	1,999,898	4.83
Accrued income tax	244,597	0.78	110,351	0.31	142,349	0.34
Other current liabilities	88,434	0.28	140,145	0.39	77,466	0.19
Total current liabilities	8,404,643	26.72	13,102,675	36.60	15,028,578	36.27
Non-current liabilities						
Long-term loans from financial institutions, net	1,452,830	4.62	963,399	2.69	1,259,937	3.04
Long-term loans from related parties	3,000	0.01	3,000	0.01	3,000	0.01
Bonds, net	4,994,680	15.88	5,983,201	16.71	6,977,455	16.84
Cylinder deposits	4,744,880	15.08	5,054,053	14.12	5,218,712	12.59
Employee benefit obligations	155,883	0.50	166,127	0.46	274,157	0.66
Deferred tax liabilities, net	377,069	1.20	340,972	0.95	687,872	1.66
Other non-current liabilities	16,548	0.05	62,202	0.17	100,957	0.24
Total non-current liabilities	11,744,890	37.34	12,572,954	35.11	14,522,090	35.04
Total liabilities	20,149,533	64.06	25,675,629	71.71	29,550,668	71.31

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Financial Position (Cont'd)
As at 31 December

(Unit : '000 Baht)

	Consolidated Financial Statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Equity						
Share capital						
Authorised share capital						
1,837,863,000 ordinary shares						
with par value of 0.50 baht each						
(As at December 31, 2017						
918,931,500 ordinary shares						
with par value of 1 baht each)						
Issued and paid-up share capital	918,932	2.92	918,932	2.57	918,932	2.22
1,837,863,000 ordinary shares						
with par value of 0.50 baht each						
(As at December 31, 2017						
918,931,500 ordinary shares						
with par value of 1 baht each)	918,932	2.92	918,932	2.57	918,932	2.22
Premium on share capital	1,874,482	5.96	1,874,482	5.23	1,874,482	4.52
Retained earnings						
Appropriated						
- Legal reserve	162,089	0.51	162,089	0.45	162,089	0.39
Other reserves	-	-	-	-	-	-
Unappropriated	8,229,199	26.16	7,722,361	21.57	8,510,351	20.54
Other components of equity	(45,724)	(0.15)	(691,188)	(1.93)	(385,479)	(0.93)
Equity attributable to owners of the parent	11,138,978	35.40	9,986,676	27.89	11,080,375	26.74
Non-controlling interests	169,461	0.54	142,135	0.40	808,131	1.95
Total equity	11,308,439	35.94	10,128,811	28.29	11,888,506	28.69
Total liabilities and equity	31,457,972	100.00	35,804,440	100.00	41,439,174	100.00

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries

Statement of Income

For the year ended 31 December

(Unit : '000 Baht)

Consolidated Financial Statements						
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Operating Revenue						
Revenue from sales	58,743,412	98.51	68,263,970	98.79	66,834,447	99.10
Revenue from transportation	395,073	0.66	249,074	0.36	228,138	0.34
Revenue from services	13,776	0.02	9,438	0.01	13,970	0.02
Other revenues						
Dividend income	2,850	0.01	3,599	0.01	3,367	0.00
Other income	474,311	0.80	577,455	0.83	361,878	0.54
Total revenue	59,629,422	100.00	69,103,536	100.00	67,441,800	100.00
Operating expenses						
Cost of sales and services	(53,843,942)	(90.30)	(66,061,607)	(95.60)	(63,656,266)	(94.39)
Transportation cost	(361,612)	(0.61)	(200,442)	(0.29)	(169,573)	(0.25)
Administrative and selling expenses	(1,424,691)	(2.39)	(1,505,191)	(2.18)	(1,484,627)	(2.20)
Total expenses	(55,630,245)	(93.30)	(67,767,241)	(98.07)	(65,310,466)	(96.84)
Share of profit (loss) of associates and joint ventures	(36,513)	(0.06)	177,649	0.26	176,973	0.26
Profit before finance costs and income tax	3,962,664	6.64	1,513,945	2.19	2,308,307	3.42
Finance cost	(461,140)	(0.77)	(492,864)	(0.71)	(578,918)	(0.86)
Income tax revenue (expense)	(662,079)	(1.11)	(151,359)	(0.22)	(307,356)	(0.45)
Profit for the year	2,839,445	4.76	869,722	1.26	1,422,033	2.11
Profit (loss) attributable to:						
Owners of the parent	2,811,104	4.71	871,184	1.26	1,359,917	2.02
Non-controlling interests	28,341	0.05	(1,462)	(0.00)	62,116	0.09
Net profit for the year	2,839,445	4.76	869,722	1.26	1,422,033	2.11

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Comprehensive Income
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated Financial Statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Net profit for the year	2,839,445	4.76	869,722	1.26	1,422,033	2.11
Other comprehensive income (expense), net of tax						
Items that will not be reclassified subsequently to profit or loss						
- Remeasurements of post-employment benefit obligation	-	-	-	-	(25,710)	(0.04)
Less Income tax related to remeasurements of post-employment benefit obligations	-	-	-	-	5,142	0.01
Items that will not be reclassified subsequently to profit or loss						
Reversal of revaluation surplus on land	-	-	(463)	(0.00)	1,458,640	2.16
Less Income tax related to revaluation surplus on land			93	0.00	(291,728)	(0.43)
- Share of other comprehensive expense from associates and joint ventures for accounted using equity method	(21,384)	(0.04)	(34,005)	(0.05)	(27,141)	(0.04)
- Currency translation difference	(545,783)	(0.91)	(614,978)	(0.89)	(702,965)	(1.04)
Total other comprehensive income (expense), net of tax	(567,167)	(0.95)	(649,353)	(0.94)	416,238	0.62
Total comprehensive income for the year	2,272,278	3.81	220,369	0.32	1,838,271	2.73
Total comprehensive income (expense) attributable to:						
Owners of the parent	2,243,578	3.76	229,451	0.33	1,769,815	2.63
Non-controlling interests	28,700	0.05	(9,082)	(0.01)	68,456	0.01
TOTAL	2,272,278	3.81	220,369	0.32	1,838,271	2.73

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Cash Flows
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated Financial Statements		
	2017	2018	2019
Cash flows from operating activities			
Profit before income tax	3,501,524	1,021,081	1,729,389
Adjustments to reconcile profit before income tax			
Depreciation expenses – buildings and equipment	1,176,365	1,083,738	956,345
Amortisation expenses – intangible assets and investment property	54,045	53,812	50,272
Loss (gain) on disposals and write-offs of property and equipment, net	(5,112)	(33,535)	33,881
Loss (gain) on change in fair value of short-term investments	(2,854)	34	(1,394)
Share of (profit) loss of associates	31,988	(191,966)	(196,561)
Share of (profit) loss of joint ventures	4,525	14,317	19,588
Allowance for doubtful debts (reversal)	(2,188)	166	250
Provision for diminution in value of inventories (reversal)	158	278,665	(278,401)
Impairment charged on equipment	28,000	93,000	-
Impairment charged on goodwill	21,691	-	-
Dividends income (from short-term investments)	(2,850)	(3,599)	(3,367)
Employee benefit expenses	14,593	17,117	74,610
Unrealised loss (gain) on exchange rates, net	(2,048)	43,549	97,616
Interest income	(16,567)	(16,822)	(26,161)
Finance costs	461,140	492,864	578,918
Operating profit before changes in operating assets and liabilities	5,262,410	2,852,421	3,034,985
Changes in operating assets and liabilities			
- Trade and other receivables	(1,066,082)	(1,569,478)	17,599
- Inventories	(823,721)	(1,175,915)	88,951
- Other current assets	145,477	(79,824)	277,398
- Other non-current assets	(48,965)	(55,091)	7,679
- Trade and other payables	(133,383)	(560,224)	1,297,148
- Other current liabilities	2,477	47,366	(71,499)
- Cylinder deposits	117,770	309,173	164,658
- Other non-current liabilities	(3,001)	43,725	35,546
- Employee benefits paid	(4,852)	(6,874)	(20,909)
Cash generated from (used in) operations	3,448,130	(194,721)	4,831,556
- Interest paid	(444,730)	(486,675)	(569,697)
- Income tax paid	(271,093)	(445,392)	(284,883)
Net cash received from (used in) operating activities	2,732,307	(1,126,788)	3,976,976

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Statement of Cash Flows (Cont'd)
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated Financial Statements		
	2017	2018	2019
Cash flows from investing activities			
Proceeds from (payment for) short-term investments, net	11,500	(33,600)	33,600
Proceeds from long-term loans to related parties	11,986	-	14,983
Payment for long-term loans to related parties	-	(112,790)	(82,983)
Payment for investments in associates	(817,787)	(503,053)	-
Advance payment for acquisition of investments in associates	(97,253)	-	-
Advance payment for acquisition of investments in subsidiaries	-	-	(124,000)
Payment for acquisition of investments in joint venture	(27,500)	(21,091)	-
Advance payment for acquisition of investments in joint venture	(3,186)	-	-
Proceeds from disposal of investment in a subsidiary	23,367	-	-
Deposits at financial institution used as collaterals	-	-	(1,185,029)
Purchase of property, plant and equipment	(1,523,726)	(2,309,434)	(2,004,997)
Advance payments for purchase of building and equipment	(154,228)	(61,080)	(212,881)
Proceeds from disposal of property and equipment	13,880	89,487	277,172
Purchase of intangible assets	(8,716)	(163)	(3,938)
Cash paid for acquisition of subsidiary, net	-	-	(429,873)
Interest received	16,273	16,029	29,792
Dividend received from short-term investments	2,850	3,599	3,367
Dividends received from joint ventures	-	-	880
Net cash received from (used in) investing activities	(2,552,540)	(2,932,096)	(3,683,907)
Cash flows from financing activities			
Proceeds from (payments for) short-term loans from financial institutions, net	(124,349)	3,490,962	160,750
Proceeds from long-term loans from financial institutions, net	1,329,919	1,015,981	1,391,918
Repayments for long-term loans from financial institutions	(578,165)	(771,637)	(1,624,850)
Repayment for bond redemption	(1,300,000)	(2,000,000)	(3,000,000)
Proceeds from issue of bonds, net	1,995,690	3,982,813	2,984,560
Proceeds from subsidiaries of non-controlling interests	428	1,525	-
Payment for investment in a subsidiary from non-controlling interests	-	(20,466)	-
Dividends paid	(790,735)	(1,381,426)	(554,393)
Net cash received from (used in) financing activities	532,789	4,317,752	(642,015)
Net increase (decrease) in cash and cash equivalents	712,555	258,868	(348,946)
Cash and cash equivalents at the beginning of the year	1,879,333	2,590,205	2,848,742
Exchange loss on cash and cash equivalents	(1,683)	(331)	229
Cash and cash equivalents at the end of the year	2,590,205	2,848,742	2,500,025

Siamgas and Petrochemicals Public Co., Ltd. and Its Subsidiaries
Financial Ratio

	Consolidated Financial Statements		
	2017	2018	2019
Liquidity Ratio			
- Current ratio (times)	1.33	1.05	0.94
- Quick ratio (times)	0.80	0.64	0.52
- Cash flow liquidity ratio (times)	0.31	(0.10)	0.28
- Account receivable turnover (times)	23.20	19.65	14.04
- Average collection period (days)	15.73	18.58	25.64
- Inventory turnover (times)	14.52	14.87	13.10
- Average days sales (days)	25.13	24.55	27.48
- Account payable turnover (times)	18.77	24.07	18.67
- Average payment period (days)	19.45	15.16	19.28
- Cash cycle (days)	21.42	27.97	33.84
Profitability Ratio			
- Gross profit margin (%)	8.36	3.30	4.85
- Operating profit margin (%)	6.70	2.21	3.44
- Other profit margin (%) (1)	0.80	0.84	0.54
- Cash to profitability ratio (%) (2)	68.95	(74.43)	172.29
- Net profit margin (%)	4.76	1.26	2.11
- Return on equity (%)	26.90	8.11	12.92
Efficiency Ratio			
- Return on assets (%)	8.82	2.59	3.68
- Return on fixed assets (%)	25.74	12.31	12.75
- Asset turnover (times)	1.85	2.06	1.75
Financial Policy Ratio			
- Total debt ratio to equity (times)	1.78	2.53	2.49
- Interest - Bearing debt to equity ratio (times) (3)	0.95	1.63	1.44
- Interest coverage ratio (times) (4)	6.14	(2.32)	6.98
- Debt service coverage ratio (times) (5)	0.61	(0.17)	0.54
- Dividend payout ratio (%)	27.85	158.84	38.99
Per shares (portion of parent company)			
- Book value per share	6.06	5.43	6.03
- Net earning (loss) per shares	1.53	0.47	0.74

- Remark: ⁽¹⁾ Other profit margin is calculated from non-operating profit (revenue from dividends and other revenues)/total revenue.
⁽²⁾ Cash to profitability ratio is calculated from cash flows from operating activities / Profit from operation (EBIT)
⁽³⁾ The above Interest - Bearing debt to equity ratio is the financial ratio that the Company must maintain at ratio to be not more than 2 times pursuant to regulations on rights and obligation of bond issuer in Clause 7.3 (H).
⁽⁴⁾ Interest coverage ratio (net cash from operating activities) is calculated from sums of cash flows from operating activities / interest paid from operating activities, interest paid from investing activities and interest paid from financing activities
⁽⁵⁾ Debt service coverage ratio on cash basis is calculated from cash flows from operating activities / (loan repayment, expenses from purchase of land, building and equipment, expenses from purchase on intangible assets and dividend paid)



Pressurized Vessel



MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of the consolidated operational results and the consolidated financial positions for the year 2019 have been prepared by compared with those of 2018 and 2017, respectively.

1 Operational Results

Revenue

Revenue of the Company and its subsidiaries was mainly derived from sales (comprising of sales of LPG and ammonia, sales of other petrochemicals and sales of LPG tanks for automotive and other products). The average sales revenue for 3 years backdated from 2017-2019 was 99% of total revenue. Total revenue of the Company and its subsidiaries increased from 59,629 million baht in 2017 then increased to 69,104 million baht in 2018 and decreased to 67,442 million baht in 2019. The reason for

the increase of total revenue in 2018 was due to the increase of overseas LPG businesses attributable to the increased sales volume and the increase of LPG prices in the world market (CP SAUDI ARAMCO) which were higher than the previous year. Total revenue in 2019 was decrease was because average LPG prices in the world market (CP SAUDI ARAMCO) were lower than the previous year. Overall LPG prices in 2019 and 2018 were averagely at 438 USD per metric ton and 541 USD per metric ton, respectively.

(1) Revenue from Sales

Revenue from sales was divided into 4 categories:

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

Table 1.1: Revenue from sales of SPG and its subsidiaries from 2017 – 2019

(Unit : Million Baht)

	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Revenue from sales of LPG and ammonia	57,711	98.24	66,929	98.05	65,210	97.57
Revenue from sales of other petrochemicals	716	1.22	711	1.04	684	1.02
Revenue from sales of other products						
Revenue from sales of LPG tanks for automotive	9	0.02	-	-	9	0.01
Revenue from other sales	307	0.52	624	0.91	931	1.40
Total Revenues from Sales	58,743	100.00	68,264	100.00	66,834	100.00

Revenue from sales

Revenue from sales was considered as major portion of revenue of the Company and its subsidiaries, as more than 99% of total revenue during 2017 - 2019 mainly came from sales of LPG and ammonia. The Company and its subsidiaries distributed LPG to each of LPG commission agents for filling LPG into cylinders for retailers and end-users and direct distribution to dealers, industrial plants, LPG stations for automotive, and so on.

Revenue from sales of 2018 was 68,264 million Baht, increasing by 9,521 million baht or 16.21% comparing with the same period of 2017 which was at 58,743 million baht.

The main reason for such growth was due to the increased revenue from sales of both domestic and overseas LPG businesses as sales volume has increased and LPG prices in the world market (CP SAUDI ARAMCO) were higher when compared with the previous year.

Revenue from sales of 2019 was 66,834 million baht, decreasing by 1,430 million baht or 2.09% comparing with the same period of 2018 which was at 68,264 million baht. The main reason was because average LPG prices in the world market (CP SAUDI ARAMCO) decreased when compared with the previous year.

Table 1.2: Structure of revenue from sales of LPG of the Company and its subsidiaries – categorized by customer types and distribution channel during 2017 – 2019.

(Unit : Million Baht)

	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Household use customers	11,509	20.31	11,464	17.41	11,420	17.78
Fuel use customers	4,307	7.60	4,355	6.61	4,327	6.74
Industrial use customers	2,452	4.33	2,709	4.11	2,744	4.27
Overseas customers	38,403	67.76	47,330	71.87	45,728	71.21
Total	56,671	100.00	65,858	100.00	64,219	100.00

Revenue from sales of LPG

In 2018, revenue from sales of LPG of the Group was 65,858 million baht, increasing by 9,187 million baht or 16.21% comparing with the year 2017 which was at 56,671 million baht. In overall, the increased revenue was from overseas LPG businesses thanks to the rise of sales volume and LPG prices in the world market (CP SAUDI ARAMCO) which were higher than the previous year. Overall LPG prices in the world market in 2018 and 2017 were averagely at 541 USD per metric ton and 485 USD per metric ton, respectively.

In 2019, revenue from sales of LPG of the Group was 64,219 million baht, decreasing by 1,639 million baht or 2.49% comparing with the same period of year 2018 which was at 65,858 million baht. Main reason for such decreased revenue was because average LPG prices in the world market (CP SAUDI ARAMCO) were lower than the previous year. Overall LPG prices in 2019 and 2018 were averagely at 438 USD per metric ton and 541 USD per metric ton, respectively.

Revenue from sales of ammonia

In 2018, revenue from sales of ammonia of UGP, the subsidiary, was 1,071 million baht, increasing by 31 million baht or 2.98% comparing to the same period of 2017 which was at 1,040 million baht, due to the increased prices of Para rubber in the market as well as increased demand of ammonia, as raw material.

In 2019, revenue from sales of ammonia of UGP, the subsidiary, was 991 million baht, decreasing by 80 million baht or 7.47% comparing with the year 2017 which was at 1,071 million baht, as a result from continued slowdown of Para rubber industry and prices of Para rubber in the market as well as the decreased demand of ammonia, as raw material which was in line with the industrial conditions overall economic situations.

Revenue from sales of other petrochemicals

Revenue from sales of other petrochemicals such as propellant, diesel oil, coal, etc. was under the operations of the Company and UGP, the subsidiary, which accounting for 1% of total revenue from sales of the Group.

In 2018, revenue from sales of other petrochemicals was 711 million baht, decreasing by 5 million baht, or 0.70% when comparing to the year 2017 which was at 716 million baht, as a result of the continued slowdown of overall economic situations.

In 2019, revenue from sales of other petrochemicals was 684 million baht, decreasing by 27 million baht, or 3.80% when comparing to the year 2018 which was at 711 million baht, as a result of the continued slowdown of overall economic situations.

Revenue from sales of other products

Revenue from sales of other products in 2018 was 624 million baht, increasing by 308 million baht, or 97.47% when compared with 2017, which was at 316 million baht. Main revenue derived from gasoline distribution business of SSW, the subsidiary, as the number of gasoline stations had been more expanded when compared with the previous year.

In 2019, revenue from sales of other products was 931 million baht, increasing by 307 million baht, or 49.20% when compared with 2018, which was at 624 million baht. Main revenue derived from gasoline distribution business of SSW, the subsidiary, as the number of gasoline stations had been more expanded when compared with the previous year.

(2) Revenue from transportation

The revenue from transportation business was generated under operations of LCR (road transportation) and SLM (marine transportation), the Group's subsidiaries. LCR and SLM provide transportation services to the Group and customers outside the Group. Revenue from transportation shown in the consolidated financial statement was revenue from transportation services provided to customers outside the Group only. Revenue from transportation services to outside customers in 2017 was 395 million baht, then decreased to 249 million baht in 2018 and decreased to 228 million baht in 2019.

Table 13: Revenue from road transportation and marine transportation services provided to customers outside the Group during 2017 – 2019

	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Customers outside of the Group						
Revenue from road transportation	123	31.14	91	36.55	93	40.79
Revenue from marine transportation	272	68.86	158	63.45	135	59.21
Total Revenue from Transportation	395	100.00	249	100.00	228	100.00

Revenue from road transportation

In 2018, revenue from road transportation was 91 million baht, a decrease by 32 million baht, or 26.02% when comparing with the year 2017 which was at 123 million baht because it emphasized on providing transportation services to the Group.

In 2019, revenue from road transportation was 93 million baht, an increase by 2 million baht, or 2.20% when comparing with the year 2018 which was at 91 million baht because more transportation services have been provided to the customers who were the third parties.

Revenue from marine transportation

Revenue from marine transportation of SLM, the subsidiary, comprised revenues from transportation of LPG and

revenues from transportation of petroleum products, both in Thailand and overseas. In 2018, revenue from marine transportation was 158 million baht, a decrease by 114 million baht, or 41.91% when comparing with the year 2017 which was at 272 million baht, mainly because SLM, the subsidiary, focused on providing LPG transportation services for the Group, both within the country and overseas.

In 2019, revenue from marine transportation was 135 million baht, a decrease by 23 million baht, or 14.56% when comparing with the year 2018 which was at 158 million baht, mainly because SLM, the subsidiary, focused on providing LPG transportation services for the Group, both within the country and overseas.

(3) Service Revenue

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

In 2018, service revenue of the Group was 9 million baht, decreasing by 5 million baht or 35.71% when compared with the year 2017 which was at 14 million baht because the Group's revenue gained from throughput service, container terminal services and cylinder repair from the customers outside the Group declined which was in line with the slowdown economic conditions of the customers outside the Group.

In 2019, service revenue of the Group was 14 million baht, increasing by 5 million baht or 55.56% when compared with the year 2018 which was at 9 million baht because the Group has additional revenue from throughput service, container terminal services and from cylinder repair to the customers outside the Group.

(4) Other Revenues

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

Other revenues of the Group in 2018 was 578 million baht, an increase by 104 million baht or 21.94% comparing with the year 2017 which was at 474 million baht. Main reason was due to the increased gain from adjustment of inventories prices of the Group by 123 million baht.

Other revenues of the Group in 2019 was 363 million baht, a decrease by 215 million baht or 37.20% comparing with the year 2018 which was at 578 million baht. Main reason was due to the decreased gain from currency exchange amounting to 56 million baht and gain from disposition of the Group's properties amounting to 37 million baht.

Expenses

Cost of sales, services and transportation

Cost of sales, services and transportation of SGP and its subsidiaries were divided into 2 major categories: cost of sales & services and cost of transportation.

Cost of sales and services

Cost of sales and services according to the consolidated financial statements comprised of cost of LPG sales, cost

of ammonia sales, cost of sales of other petrochemicals, cost of sales of LPG tanks for automobile and cost of sales of other products.

Cost of LPG and ammonia sales of the Company and its subsidiaries in 2018 was 64,920 million baht, increased by 11,932 million baht or 22.52%, when comparing to the year 2017 which was at 52,988 million baht. Main reason was due to increased sales volume of LPG overseas businesses and the increased price of LPG in the world market (CP SAUDI ARAMCO) when compared with the previous year. Consequently, the cost of sales and services has been varied pursuant to the increased sales volume of the Group, as per mentioned in Revenue from Sales above.

In 2019, cost of LPG and ammonia sales of the Company and its subsidiary was 62,246 million baht, decreased by 2,674 million baht or 4.12%, when comparing to the year 2018 which was at 64,920 million baht. Main reason was due to decreased prices of LPG in the world market (CP SAUDI ARAMCO) when compared with the previous year. Consequently, cost of sales and services has been varied pursuant to the decreased LPG prices, as per mentioned in Revenue from Sales above.

Cost of sales of other petrochemical products of the Company and its subsidiaries in 2018 was 529 million baht, decreasing by 16 million baht or 2.94%, when compared with the year 2017 which was at 545 million baht. Such cost was varied pursuant to the decreased sales volume of propellant of the Group which was in line with the overall industrial and economic conditions.

In 2019, cost of sales of other petrochemical products was 499 million baht, decreasing by 30 million baht or 5.67%, when compared with the year 2018 which was at 529 million baht. Such cost was varied pursuant to the decreased sales volume of propellant of the Group which was in line with the overall industrial and economic conditions.

Cost of sales of other products of the Company and its subsidiaries in 2018 was 613 million baht, an increase by 310 million baht, or 102.31%, when comparing with 2017 which was at 303 million baht, primarily due to expansion of number of gasoline distribution branches of SSW, the subsidiary. Consequently, cost has been varied pursuant

to the increased sales volume as per mentioned in Revenue from Sales of Other Products.

In 2019, cost of sales of other products was 903 million baht, an increase by 290 million baht, or 47.31%, when comparing with 2018 which was at 613 million baht, primarily due to gasoline distribution business of SSW, the subsidiary, which varied pursuant to the increased sales volume as per mentioned in Revenue from Sales of Other Products.

(2) Cost of transportation

Costs of transportation comprised of fuel, personnel, vehicle & vessel maintenance and repair, depreciation, utilities fees and others. Cost of transportation in the consolidated financial statements was for cost of transportation provided to customers outside the Group only.

Cost of transportation in 2017, 2018 and 2019 was 362 million baht, 200 million baht and 170 million baht, respectively. Such decrease mainly due to a decrease of marine transportation cost which has been adjusted in line with the revenue. Cost of transportation was divided into cost of road transportation and cost of marine transportation, with details as follows:

Cost of road transportation

In 2018, cost of road transportation was 70 million baht, decreasing by 23 million baht, or 24.73% when compared with 2017 which was at 93 million baht. Such cost was varied according to reduced revenue from road transportation rendered to the customers outside of the Group, as per mentioned in the Revenue from road transportation above.

In 2019, cost of road transportation was 71 million baht, increasing by 1 million baht, or 1.43% when compared with 2018 which was at 70 million baht.

Cost of marine transportation

Cost of marine transportation in 2018 was 130 million baht, decreasing by 139 million baht or 51.67% comparing with 2017 which was at 269 million baht. This cost has been adjusted in line with the revenue from marine transportation services of SLM, the subsidiary, which emphasized on provision of services to the Group, both

within and outside of the country, as per mentioned in Revenue from Marine Transportation above.

Cost of marine transportation in 2019 was 99 million baht, decreasing by 31 million baht or 23.85% comparing with 2018 which was at 130 million baht. This cost has been adjusted in line with the revenue from marine transportation services of SLM, the subsidiary, which emphasized on provision of services to the Group, both within and outside of the country, as per mentioned in Revenue from Marine Transportation above.

Selling and administrative expenses

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

In 2018, selling and administrative expenses was 1,505 million baht, an increase by 80 million baht or 5.61%, comparing to the year 2017 which was at 1,425 million baht. Such increase was mainly due to the impairment charged on equipment of one subsidiary which ceased operation in the past amounting to 65 million baht.

In 2019, selling and administrative expenses was 1,485 million baht, a decrease by 20 million baht or 1.33%, comparing to the year 2018 which was at 1,505 million baht.

Finance Costs

In 2018, the Group had finance costs of 493 million baht, increased by 32 million baht or 6.94% when compared from that of 2017 which was at 461 million baht, primarily due to the additional short-term loan and long-term loan from financial institutions to be used as working capital for business operations of the Group.

In 2019, the Group had finance costs of 579 million baht, increased by 86 million baht or 17.44% when compared with the year 2018 which was at 493 million baht, primarily due to the additional short-term loan and long-term loan from financial institutions to be used as fund for purchasing of assets and for investment in business expansion of the Group.

Gross profit, operating profit and net profit

Gross profit of the Group in 2018 was 2,260 million baht, decreasing by 2,687 million baht, or 54.31% when compared with the year 2017 which was at 4,947 million baht. In addition, gross profit margin of the Group also decreased to 3.30% when compared with the year 2017 which was 8.36% as a result of the higher cost of goods available for sales when compared with the last year.

In 2019, the Group's gross profit was 3,251 million baht, increasing by 991 million baht, or 43.85% when compared with the year 2018 which was at 2,260 million baht. In addition, gross profit margin of the Group also increased to 4.85% when compared with the year 2018 which was 3.30% as a result of the decreased prices of LPG in the world market (CP SAUDI ARAMCO) when compared with the previous year, consequently, it made overall cost of goods available for sale decreased when compared with the previous year.

Operating profit (profit before finance cost and corporate tax) of the Group in 2017 was 3,963 million baht and in 2018 was 1,514 million baht, decreasing by 2,449 million baht. Operating profit in 2019 was 2,308 million baht, increasing by 794 million baht when compared with the year 2018, or accounting for ratio of operating profit per revenue from sales, services and transportation of 6.70%, 2.21% and 3.44% in 2017, 2018 and 2019, respectively.

Net profit of the Group in 2018 was 870 million baht, decreasing by 1,969 million baht from 2017 which was at 2,839 million baht. Main reason was due to the decreased profit of the Group's overseas businesses as a result from the increased cost of goods available for sales when compared with the year 2017.

Net profit in 2019 was 1,422 million baht, increasing by 552 million baht from 2018 which was at 870 million baht. Main reason was due to the increased profit of the Group's overseas businesses as a result from the overall cost of goods available for sales has decreased when compared with the year 2018, as per mentioned above. Ratio of net profit to total revenue (excluding dividend income) of the Company and its subsidiaries was 4.76%, 1.26% and 2.11% in 2017, 2018 and 2019, respectively.

2. Financial Position

Total Assets

Total assets of the Company and its subsidiaries had tendency to increase during the past 3 years, for instance total assets as at December 31, 2017 was 31,458 million baht, as at December 31, 2018 was 35,804 million baht and as at December 31, 2019 was 41,439 million baht. Most of total assets as of December 31, 2019 or equivalent to 65.89% of total assets were non-current assets because LPG trading and logistics businesses required high investment to be used in LPG storage terminals, LPG filling plants, LPG service stations, LPG and ammonia vessel tanks and transporting vehicles. The remaining or 34.11% of total assets were current assets of which mostly were trade account receivables and inventories as per the following details:

Trade account and other receivables - net

Details on trade account and other receivables - net are as follows:

Table 2.1: Details of trade account and other receivables – net of the Company and its subsidiaries

(Unit : Million Baht)

	Consolidated Financial Statements					
	As at Dec. 31, 2017		As at Dec. 31, 2018		As at Dec. 31, 2019	
	Amount	%	Amount	%	Amount	%
Trade accounts receivables – net	2,654	65.34	4,242	77.91	4,819	91.08
Trade receivables from related parties	59	1.45	20	0.37	32	0.61
Prepayments	151	3.72	230	4.22	202	3.82
Advance payments	119	2.93	164	3.01	99	1.87
Receivables on subsidies for liquefied Petroleum gas from government						
Other receivables	1,057	26.02	783	14.38	115	2.17
Trade accounts receivables – net	22	0.54	6	0.11	24	0.45
Total trade account and other receivables – net	4,062	100.00	5,445	100.00	5,291	100.00

Referring to Table 2.1, there were changes in trade account and other receivables as follows:

At ending of 2017, trade account and other receivables increased by 973 million baht when comparing with the same period of 2016. Main reason for such increase was because in 2017 the Company imported LPG from overseas as the government allowed free trade on LPG, so the Company has additional receivables on subsidies for LPG from the government amounted to 714 million baht, when compared with the previous year.

As at December 31, 2018, trade account and other receivables increased by 1,383 million baht, when compared with the same period of 2017 mainly due to sales volume at the ending period of overseas trade account receivables was higher than the previous year

coupled with the increase of LPG prices in the world market (CP SAUDI ARAMCO) which were higher than the previous year. Therefore, selling prices during the period was higher, when compared with the prices at ending of 2017; consequently value of outstanding receivables has increased accordingly.

As at December 31, 2019, trade account and other receivables decreased by 154 million baht, when compared with the same period of 2018 mainly due to the reduction of the receivables on subsidies for liquefied petroleum gas from the government of the Company and the subsidiaries amounting to 668 million baht from receipt of payment during the year and the increase of net trade account receivables of 577 million baht from the overseas subsidiaries which had higher trade volume during the end of the year higher than the previous year.

Table 2.2: Other receivables – net of the Company and its subsidiaries, classified by aging:

(Unit : Million Baht)

	Consolidated Financial Statements					
	As at Dec. 31, 2017		As at Dec. 31, 2018		As at Dec. 31, 2019	
	Amount	%	Amount	%	Amount	%
Current	2,131	78.49	3,550	82.50	3,878	74.61
Overdue :						
- less than 3 months	328	12.08	315	7.32	596	11.47
- 3 –12 months	179	6.59	364	8.46	216	4.15
- over 12 months	77	2.84	74	1.72	508	9.77
Total Trade Accounts Receivables	2,715	100.00	4,303	100.00	5,198	100.00
Less Allowance for doubtful account	(61)	(2.25)	(61)	(1.42)	(379)	(7.29)
Other Receivables - Net	2,654	97.75	4,242	98.58	4,819	92.71

Referring to Table 2.2 above, it was found that 74.61% of trade accounts receivables of the Company and its subsidiaries as at December 31, 2019 was current. The remaining receivables were divided into: less than 3 months overdue of 11.47%, 3-12 months overdue of 4.15% and over 12 months overdue of 9.77% of total other receivables. In this regard, the Company and its subsidiaries set aside almost fully allowance for doubtful account for account receivables with over 12 months overdue. In addition, the Company and its subsidiaries had a policy in reserving allowance for doubtful accounts at the end of each period for account receivable expected to be unable to collect based on historical collection records and customers' financial status. In the over 1-year overdue accounts, the full amount would be reserved as allowance for doubtful accounts. Average collection period of the company and its subsidiaries during 2017 - 2019 was between 16-26 days.

For the year ended as at December 31, 2019, receivables of the Company and its subsidiaries with over 12 months overdue and allowance for doubtful account were higher than the previous year, for instance they increased by 434 million baht and 318 million baht, respectively. Main increase of receivables derived from acquisition of shares in TPP, the subsidiary, amounting to 318 million baht (as per explained in the Significant Changes) and allowance for doubtful account has been set aside at full amount. As at December 31, 2019, this matter was under legal proceeding.

Inventory

Most inventories or accounting for 74.21% of SGP and its subsidiaries as at 31 December 2019 was finished goods – petroleum products (LPG), SGP's main business. Average inventory turnover was 24-28 days during 2017 to ending of 2019.

Table 2.3: Inventories – net of the Company and its subsidiaries

(Unit : Million Baht)

	Consolidated Financial Statements					
	Dec. 31, 2017	%	Dec. 31, 2018	%	Dec. 31, 2019	%
Raw materials inventory	26	0.64	33	0.68	31	0.64
Work in progress	16	0.39	20	0.42	15	0.31
Finished goods						
- Petroleum products (LPG)	3,688	90.61	4,736	98.30	3,603	74.21
- Petrochemical products	28	0.69	40	0.83	40	0.82
- Oil products	93	2.29	131	2.72	44	0.91
- Other finished goods	11	0.27	12	0.25	11	0.23
- Goods in transit	117	2.87	46	0.95	1,054	21.71
Supplies and others	104	2.56	92	1.91	70	1.44
Total Inventories	4,083	100.32	5,110	106.06	4,868	100.27
Less Allowance for diminution in value of inventories	(13)	(0.32)	(292)	(6.06)	(13)	(0.27)
Inventory – Net	4,070	100.00	4,818	100.00	4,855	100.00

Net inventory of SGP and its subsidiaries as at December 31, 2017 was 4,070 million baht, increased from 2016 by 725 million baht. Main reason was because since beginning from February 2017, SGP has imported LPG from overseas as the government began to allow for free trade of LPG and due to implementation of cost management strategy to maintain inventory level suitable with seasonal and market demands. In addition, LPG prices in the world market were much higher than the previous year.

Net inventory of SGP and its subsidiaries for the year ended December 31, 2018 was 4,818 million baht, increased from 2017 by 748 million baht which mainly due to increase of inventory in overseas business pursuant to cost management strategy to maintain inventory level suitable

with seasonal and market demands. In addition, LPG prices were also higher than the previous year.

Net inventory of SGP and its subsidiaries for the year ended December 31, 2019 was 4,855 million baht, increased from 2018 by 37 million baht which mainly due to increase of inventory in overseas business pursuant to cost management strategy to maintain inventory level suitable with seasonal and market demands.

Other current assets

Other current assets comprised of value added tax refundable, corporate income tax refundable, deposits for products, deposits at bank used as collateral and etc. as per following details:

Table 2.4: Details of other current assets of SGP and its subsidiaries

(Unit : Million Baht)

	Consolidated Financial Statements		
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
Value added tax refundable	247	279	139
Corporate income tax refundable	16	3	7
Deposits for tariff customs	60	138	-
Others	53	46	57
Total	376	466	203

As at December 31, 2017, other current assets of the Group was 376 million baht, decreased by 122 million baht when compared with December 31, 2016, mainly came from the reduction of deposits for tariff customs by 122 million baht of SOGEL, a subsidiary in China, and the reduction of deposits at bank used as collateral by 59 million baht of Super Gas, a subsidiary in Vietnam, and the increased value added tax refundable of the Company amounted to 60 million baht.

For the period ended December 31, 2018, other current assets of the Group was 466 million baht, increased by

90 million baht when compared with as at ending of 2017, mainly came from the increased deposits for tariff customs amounted to 78 million baht of SOGEL, a subsidiary in China.

As at December 31, 2019, other current assets of the Group was 203 million baht, decreased by 263 million baht when compared with as at ending of 2018, mainly due to the reduction of value added tax refundable of the Company amounted to 140 million baht and the reduction of deposits for tariff customs of SOG, a subsidiary in China, amounted to 138 million baht.

Investments in Associates

Table 2.5: Details on investments in associates pursuant to equity method:

Description	% Ownership Interest			Equity Method (Million Baht)		
	2017	2018	2019	2017	2018	2019
Group of MLIPP's power plant business	30.00	41.10	41.10	1,641	2,372	1,746
Group of SMD's power plant business	33.00	33.00	33.00	-	4	55
Ruamur Pte.Ltd.	-	-	41.10	-	-	-
Total				1,641	2,376	1,801

1) Group of MLIPP's power plant business

In 2016, Siam Gas Power Pte. Ltd. ("SPW"), the Company's subsidiary, has entered into a share purchase agreement for investment in 230 MW combined cycle power plant business in Myanmar by purchasing shares of three companies, namely, MSN International Limited ("MSN"), Asiatech Energy Pte. Ltd. ("AEPL") and Myanmar Lighting (IPP) Co., Ltd. ("MLIPP"), at the same proportion of 30% of registered and paid up capital in each company with a total consideration of USD 48 million or equivalent to 1,677 million baht.

Later in 2017 and 2018, SPW has entered into a share purchase agreement for additional investment in Group of MLIPP's power plant business by additionally purchasing shares of three companies as mentioned above in the proportion of 6.1% and 5.00% of registered and paid up capital, with a total consideration of USD 9.76 million or equivalent to 305.89 million baht and USD 8 million or equivalent to 262.07 million baht, respectively. As a result, SPW's ownership interest in three companies above as at December 31, 2019 has increased to 41.10% of registered and paid-up capital of such companies.

In addition on November 18, 2019, the meeting of the Board of Directors of MSN International Limited ("MSN") passed a resolution for liquidation of MSN, the associated company, to restructure management of Group of MLIPP's power plant business. MSN is now under the liquidation process.

2) Group of SMD's power plant business

In 2017, Siam Gas Power Pte. Ltd. ("SPW"), the Company's subsidiary, established a joint company to operate power plant and electric transmission line business in Myanmar. SPW has investments in three companies, namely, 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 0.80 million baht. Source of funds came from cash flow of the Group. During 2019, SMD, the associated company, registered the capital increase of 1 million shares or amounting to Myanmar Kyat 10,000.00 million, or equivalent to 204 million baht by converting loans from the shareholders to be the capital amounting to 179.46 million baht and remaining unpaid for shares of 24.54 million; representing the Group's portion of 67.32 million baht by dividing into debt to equity conversion in the amount of 59.82 million baht and unpaid amount of 7.50 million baht. The Group still retains the same proportion of investments at 33.00%.

In addition on November 18, 2019, the meeting of the Board of Directors of TSM Co., Ltd. ("TSM") passed a resolution for liquidation of TSM, the associated company, to restructure management of Group of SMD's power plant business. TSM is now under the liquidation process.

3) Ruamur Pte. Ltd.

On December 6, 2019, Siam Gas Power Pte. Ltd. ("SPW"), a subsidiary of the Company, jointly established Ruamur Pte., Ltd., which incorporated in Singapore with a registered share capital of 1,000 shares, at par value of 1 Singapore Dollar. The business objective is to provide technical services regarding the energy business. The Group's ownership interest is 41.10% with the paid-up capital of 305.09 USD or approximately 9,288 baht.

Property, Plant and Equipment – Net

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

Table 2.6: Details of property, plant and equipment – net of SGP and its subsidiaries are as follows:

(Unit : Million Baht)

Category / Description	Consolidated Financial Statements		
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
1 Property	2,399	3,219	4,885
2 Plant, infrastructure and land improvement	3,283	3,138	3,582
3 Terminal, gas filling and service stations and equipment	1,452	1,455	1,489
4 LPG tanker vessels	2,933	3,105	2,970
5 LPG cylinders	2,189	2,306	2,361
6 Machines and plant equipment	948	892	867
7 Furniture, fixtures and office equipment	247	267	303
8 Vehicles	602	602	602
9 Construction in progress	379	615	721
Total	14,432	15,599	17,780
Plus Increased value from land valuation	1,242	1,188	2,605
Less Provision for impairment	(28)	(121)	(125)
Property, Plant and Equipment - Net	15,646	16,666	20,260

As at December 31, 2017, value of property, land and equipment of SGP and its subsidiaries decreased by 86 million baht from 2017, primarily because the Group has purchased additional operating assets and transferred during period of 1,538 million baht, (most of them are to increase LPG cylinders of 354 million baht, purchase LPG tanker vessel of 937 million baht and vehicles of 59 million baht and assets during construction of 99 million baht). In addition, the decrease was the combined results of assets disposition during the period of 25 million baht, depreciation of assets during the period of 1,177 million baht, currency translation differences of financial statements of 388 million baht and provision for impairment of equipment of SEEC, the subsidiary, of 28 million baht.

As at December 31, 2018, value of property, land and equipment of SGP and its subsidiaries increased by 1,020 million baht from 2017, mainly because the Group has purchased additional operating assets and transferred

during period of 2,506 million baht, (most of them are the increase of property of 890 million baht, plant and equipment of 53 million baht; terminal, gas filling and service stations and equipment of 118 million baht; LPG cylinders of 337 million baht; purchase of LPG tanker vessel of 686 million baht; machines and plant equipment and office equipment of 125 million baht, vehicle of 51 million baht and construction in progress of 246 million baht). In addition, there were decreases from disposition of assets during the period of 56 million baht and from transfer of assets to investment properties of 113 million baht; depreciation of assets during the period of 1,084 million baht, provision for impairment of equipment of SEEC, a subsidiary company, of 93 million baht and reduction of currency translation differences of financial statements of 140 million baht.

For the year ended December 31, 2019, value of property, land and equipment of SGP and its subsidiaries increased by 3,594 million baht from 2018, mainly because the

Group has purchased additional operating assets during the period of 2,032 million baht, (most of them were the increase of property of 658 million baht; LPG cylinders of 279 million baht; purchase of LPG tanker vessel of 498 million baht; and construction in progress of 409 million baht). In addition, there were an increase from acquisition of indirect subsidiary (invested by SLNG, the subsidiary) amounting to 1,879 million baht and the decreases from

disposition of assets during the period of 312 million baht; depreciation of assets during the period of 956 million baht, and reduction of currency translation differences of financial statements of 467 million baht. In addition during 2019, the Group performed the revaluation of land required pursuant to Group's accounting policy. Hence, there was capital increase from land appraisal of 1,417 million baht.

Goodwill

Table 2.7: Details of goodwill are as follows:

(Unit : Million Baht)			
Consolidated Financial Statements			
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
UGP, the subsidiary	1,152	1,152	1,152
TPP, the subsidiary	-	-	1,208
SIN, the subsidiary	137	137	137
SGV, the subsidiary	227	227	227
Goodwill	1,516	1,516	2,724

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

Goodwill as at ending of 2017-2018 was 1,516 million baht and as at ending of December 31, 2019 was 2,724 million baht, increased by 1,208 million Baht from 2018 because during 2019, Siam LNG Company Limited ("SLNG"), a subsidiary of the Company, entered into share purchase

agreements to invest in Thai Public Port Company Limited, the subsidiary, ("TPP"), at proportion of 71.20%. The Group is now under valuation of fair value of other non-intangible assets. The difference between the consideration paid and the net assets acquired above is shown as goodwill (provisional amount). The Group will revise goodwill (provisional amount) later and will complete the valuation within 12 months from the business acquisition date (As per explained in the Note to Financial Statements, Item 14.1 (6). Re: Investments in Subsidiaries and in topic of Significant Change in Accounting).

Other Non – Current Assets

Table 2.8: Details of other non-current assets of the Company and the subsidiaries are as follows:

(Unit : Million Baht)

	Consolidated Financial Statements		
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
Deposits at bank used as collateral	74	37	47
Deposits	17	19	13
Corporate income tax refundable	113	140	154
Advance payments for purchase of equipment	233	86	287
Advance payment for investments in subsidiaries	-	-	124
Deposits for investments in associates	97	-	-
Deferred charges	23	50	30
Prepaid rental	414	494	437
Others	99	26	46
Total Other Non-current Assets	1,070	852	1,138

As at ending of year on December 31, 2017, other non-current assets decreased by 597 million baht from 2016 due to the following reasons:

- The increase of advance payments for entering into a share purchase agreement for investment in the combined cycle power plant in Myanmar amounting to 97.25 million baht. SPW has additionally purchased shares of three companies which are MLP, MSN and AEP in the proportion of 6.1% of registered and paid up capital with a total consideration of USD 9.76 million.
- The decrease of deposits for investments in associates of 860 million baht. During the period, the Company has registered to be the shareholder at the proportion of 30% of registered and paid up capital of the 3 companies and recognised as investments in associates.

As at ending of year on December 31, 2018, other non-current assets decreased by 218 million baht from 2017 primarily due to the following reasons:

- The decrease of advance payments for purchase of equipment of 147 million baht because during the period, advance payments for purchase of equipment account had been transferred to property, plant and equipment account.
- The decrease of deposits for investments in associate of 97 million baht because during the period, the transfer of ownership in shares has been completed, therefore deposits for investments in associate has been transferred to investments in associate account.

As at ending of year on December 31, 2019, other non-current assets increased by 286 million baht from 2018 primarily due to the following reasons:

- Increase because the Company had paid advance payments for purchase of equipment as a result from payment of deposit for manufacturing of cylinders, net of 201 million baht.
- Increase because during the period, SLNG, the subsidiary, has paid advance payment for investments in subsidiary, TPP, amounted to 124 million baht (as per explained in the Note to Financial Statements, Item 14.1 (6). Re: Investments in Subsidiaries).

Liabilities

Short-term Loan from Financial Institutions - net

As at December 31, 2017, short-term loans from commercial banks of SGP and its subsidiaries decreased to 1,501 million baht with interest rates in the range of 1.25 – 1.85% per annum because loan repayment has been paid during the period.

As at December 31, 2018, short-term loans from commercial banks of SGP and its subsidiaries increased to 4,989 million baht with interest rates in the range of 1.90 – 2.77% per annum, primarily due to the increase of short-term loans in category of Trust Receipt and Promissory Note of SGP and its subsidiaries of 3,088 million baht and 400 million baht, respectively.

As at December 31, 2019, short-term loans from commercial banks of SGP and its subsidiaries decreased to 4,839 million baht with interest rates in the range of 1.65 – 6.88% per annum, primarily due to the decrease of short-term loans in category of Trust Receipt of the overseas subsidiary of 1,078 million baht and the increase of Promissory Note of SGP and its subsidiaries within the country of 910 million baht.

Trade Accounts and Other Payables

Main trade accounts payables in Thailand were major suppliers of petroleum and petrochemicals and most of them had credit term of approximately 19-30 days.

Main trade accounts payable in foreign countries were major suppliers of petroleum and petrochemicals and most of them had credit term of approximately 20-30 days.

As at December 31, 2017, trade accounts payables increased to 3,988 million baht, as at December 31, 2018, they decreased to 3,515 million baht and as at December 31, 2019, they increased to 7,095 million baht.

As at December 31, 2019, trade accounts and other payables increased to 7,095 million baht from the previous year, which was 3,580 million baht, mainly due to:

- Other payables incurred from SLNG, the subsidiary, invested in TPT, the subsidiary, amounted to 1,985 million baht.
- Increase from trade account payables for goods in transit of overseas subsidiary, amounted to 1,823 million baht. During the past period, SGP and its subsidiaries had made payments to the trade account payables on time, so average payment period of SGP and its subsidiaries during 2017 to the period ended on December 31, 2019 was approximately 15-20 days which was within credit term ranges granted by trade account payables.

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

Table 2.9: Details of current portion of long-term loan and long-term loan from financial institutions:

(Unit : Million Baht)

	Consolidated Financial Statements		
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
Within 1 year	583	1,349	875
Later than 1 year but not later than 5 years	1,453	963	1,260
Total long-term loan - net	2,036	2,312	2,135

For the year ended as at December 31, 2017, long-term loan increased by 664 million baht when comparing to previous year due to:

The Company: During the year 2017, the Company has made a drawdown from a domestic financial institution in the amount of USD 15.60 million or equivalent to 543

million baht. Such loan was part of investments in the combined cycle power plant in Myanmar and paid to the seller for the 2nd tranche of share payment. The investment was made through SPW, a subsidiary of the Company, and money of 142 million baht under the loan agreement had been paid during the year.

The Subsidiary: During the year, SLM, the subsidiary, has entered into a loan agreement with the financial institution in the amount of 794 million baht for purchasing of a tanker vessel and dry-docking expense. SLM has repaid money of 436 million baht under the loan agreement during the year.

For the period ended December 31, 2018, long-term loan increased by 276 million baht when comparing to previous year mainly due to:

The Company: During 2018, the Company has entered into a loan agreement with one domestic financial institution in the amount of 550 million baht to purchase land for business expansion and money of 248 million baht has been repaid during the year.

The Subsidiary: During the year, SLM, the subsidiary, has entered into a loan agreement with the financial institution in the amount of 467 million baht for purchasing of a tanker vessel and dry-docking expense. SLM has repaid money of 524 million baht under the loan agreement during the year.

For the period ended December 31, 2019, long-term loan decreased by 177 million baht when comparing to previous year mainly due to:

The Company: During 2019, the Company has entered into a loan agreement with one domestic financial institution in the amount of 864 million baht for business expansion and the Company has repaid money of 1,157 million baht under the loan agreement during the year.

The Subsidiary: During 2019, SLM, the subsidiary, has entered into a loan agreement with the financial institution in the amount of 529 million baht for purchasing of a tanker vessel and dry-docking expense. SLM has repaid money of 468 million baht under the loan agreement during the year.

Bonds – Net

Table 2.10: Details of bonds are as follows:

(Unit : Million Baht)

Consolidated Financial Statements			
	As at Dec. 31, 2017	As at Dec. 31, 2018	As at Dec. 31, 2019
Bonds			
Bonds (Thai baht currency)	7,000	9,000	9,000
Less Deferred financing fee	(5)	(17)	(23)
Total Bonds - Net	6,995	8,983	8,977

During 2019, SGP issued and offered unsubordinated and secured debenture bonds totaled 3,000 million baht, at par value equal to offering price of 1,000 baht per unit and with interest repayment every 3 months to repay long-term loan to the financial institution and to refinance

the bonds. In addition, under the rights and responsibilities of the issuer and the holders of bonds, SGP has to comply with the conditions including certain financial covenants, as well as to maintain some financial ratio, i.e. interest-bearing debts to equity ratio to be not more than 2 times.

However, financial ratios of the Group in each year as mentioned above were pursuant to the bond issuance conditions (as per table on financial ratio above). As at December 31, 2019, total remaining bonds were as per below table:

Bond Issued and Offered	Maturity	Value (Million Baht)	Interest Rate per Annum	TRIS Rating
January 2017	3 Years	2,000	3.95%	BBB (Stable)
February 2018	5 Years	2,000	3.03%	A (Stable)
December 2018	5 Years	2,000	3.85%	A (Stable)
January 2019	3 Years	3,000	4.10%	BBB+ (Stable)
Total		9,000		

Payables for LPG Cylinder Deposit

Deposits for LPG cylinders of SGP and its subsidiaries are recorded as liabilities of the Company and they will repay to customers then record reduction in such liabilities when the customer returns cylinders to the Company with deposit receipt. The LPG cylinder deposits have been increasing every year pursuant to increased amount of new LPG cylinders less reduction of deposits when the customers return LPG cylinders together with deposit receipts. Moreover, SGP and its subsidiaries did not have policy in recognizing cylinder deposit as revenue which was pursuant to International Financial Reporting Standards (IFRS). Hence, payables for LPG gas cylinders deposits of SGP and its subsidiaries shall be increased every year. However, SGP and the executives expected that refund rate of deposits of cylinders were very few, by referring to backdated information of 5 years. Payables for LPG cylinder deposits as at December 31, 2017 were 4,745 million baht, as at December 31, 2018 were 5,054 million baht, and as at December 31, 2019 were 5,219 million baht, respectively.

Shareholders' Equity

Shareholders' equity as at December 31, 2017 was 11,308 million baht, an increase of 1,508 million baht from 2016 because net profit during 2017 of the parent was at 2,811 million baht, net profit of non-controlling interests was at 28 million baht, dividend payment of the parent and non-controlling interest during 2017 was at 781 million baht and 10 million baht, respectively. Moreover, as the Company invested in overseas subsidiaries, i.e. in China,

Hong Kong, Vietnam, Singapore, Malaysia, Bangladesh and Myanmar, so financial statements of such subsidiaries had to be converted, hence, the parent lost from currency translation differences of such financial statement of 567 million baht. Such increase was also due to the increase of investment proportion of one subsidiary of 27 million baht.

Shareholders' equity as at December 31, 2018 was 10,129 million baht, a decrease of 1,179 million baht from 2017 mainly due to during the period for the year ended December 31, 2018, net profit included the part of the parent was 871 million baht, net loss of non-controlling interests was 1 million baht, dividend payment of the parent and non-controlling interest during 2018 was 1,378 million baht and 3 million baht, respectively. Moreover, as the Company invested in overseas subsidiaries, i.e. in China, Hong Kong, Vietnam, Singapore, Malaysia, Bangladesh and Myanmar, so financial statements of such subsidiaries had to be converted, hence, the parent lost from currency translation differences of such financial statement of 642 million baht and the non-controlling interests lost from currency translation differences of 8 million baht. Such decrease was also due to conversion of investment proportion of one subsidiary belonging to the parent of 4 million baht and non-controlling interests of 14 million baht.

Shareholders' equity as at December 31, 2019 was 11,899 million baht, an increase of 1,760 million baht from 2018

mainly due to during the year 2019, net profit included the part of the parent was 1,360 million baht, net profit of non-controlling interests was 62 million baht, dividend payment of the parent and non-controlling interest during 2019 was 551 million baht and 3 million baht, respectively. Moreover, as the Company invested in oversea subsidiaries, i.e. in China, Hong Kong, Vietnam, Singapore, Malaysia, Bangladesh and Myanmar, so financial statements of such subsidiaries had to be converted, hence, the Group lose from currency translation differences of such financial statement in subsidiaries of 703 million baht and loss from

currency translation difference of financial statement in the associated company and joint ventures of 27 million baht. There was increase from surplus from revaluation of land of the parent of 1,144 million baht and surplus from revaluation of land of the non-controlling interest of 23 million baht, including increase from acquisition of TPP, the subsidiary, of the non-controlling interest of 476 million baht. The parent has decreased from acceptance of transfer of non-controlling interest from impact from increase of investment ratio in SEE, the subsidiary, of 125 million baht.

Analysis of Financial Ratio

Table 2.11: Details of Financial Ratio are as follows:

	Consolidated Financial Statement		
	2017	2018	2019
Profitability Ratio			
Gross profit margin (%)	8.36	3.30	4.85
Net profit margin (%)	4.76	1.26	2.11
Return on equity (%)	26.90	8.11	12.92
Financial Policy Ratio			
Interest-bearing debt to equity ratio (times)	0.95	1.63	1.44
Total debt ratio to equity (times)	1.78	2.53	2.49
Interest coverage ratio (times)	6.14	(2.32)	6.98
Leverage ratio (times)	0.61	(0.17)	0.54

Gross Profit Margin of the Group for the year ended December 31, 2017 equaled 8.36%, for the year ended December 31, 2018, equaled 3.30%, a decrease by 5.06% from the year 2017 and for the year ended December 31, 2019, equaled 4.85%, an increase by 1.55% from the year 2018 as a result of the decrease of overall cost of goods available for sale when compared with the previous year.

Net Profit Margin of the Group for the year ended December 31, 2017 equaled 4.76%, for the year ended December 31, 2018 equaled 1.26%, a decrease by 3.50%

from the year 2017, and for the year ended December 31, 2019, equaled 2.11%, an increase by 0.85% from the year 2018, as per explained in the above topic.

Return on Equity of the Group for the year ended December 31, 2017, equaled to 26.90%, for the year ended December 31, 2018 equaled 8.11%, a decrease by 18.79% from the year 2017, and for the year ended December 31, 2019, equaled 12.92%, an increase by 4.81% from the year 2018, mainly due to the increase of net profit when compared with the previous year.

Interest-Bearing Debt to Equity Ratio of the Group for the year ended December 31, 2017 equaled 0.95 time, for the year ended December 31, 2018 equaled 1.63 time, an increase by 0.68 time from the year 2017, and for the year ended December 31, 2019, equaled 1.44%, a decrease by 0.19% from the year 2018. The Company must maintain this interest-bearing debt to equity ratio of the Group to not more than 2 times, pursuant to the requirements of rights and obligations of bond issuer, Clause 7.3 (h) and the Group can maintain such financial ratio as per specified.

Total Debt Ratio to Equity of the Group for the year ended December 31, 2017 equaled 1.78 times, for the year ended December 31, 2018 equaled 2.53 times, an increase by 0.75 time from the year 2017, and for the year ended December 31, 2019, equaled 2.49 times, a decrease by 0.04 time from the year 2018 as a result of the increase equity from net operating profit during the period.

Interest Coverage Ratio of the Group for the year ended December 31, 2017 equaled 6.14 times, for the year ended December 31, 2018 equaled (2.32) times, a decrease by 8.46 times from the year 2017, and for the year ended December 31, 2019, equaled 6.98 times, an increase by 9.30 times from the year 2018 as a result of the increase of cash flow from operating profit when compared with the previous year.

Leverage Ratio of the Group for the year ended December 31, 2017 equaled 0.61 time, for the year ended December 31, 2018 equaled (0.17) time, a decrease by 0.78 time from the year 2017, and for the year ended December 31, 2019, equaled 0.54 time, an increase by 0.54 time from the year 2018 as a result of the increase cash flow from operating activities. The Management of the Group manages to ensure that the Group will have sufficient cash flow to pay for the obligation and contingent liability in the future. In addition, the Management will consider prudently for the investment which will cause obligation and contingent liability in the future to maximize return to the shareholders.

Events after the reporting date

A) Dividend Payment

The Company

On February 18, 2020, the meeting of the Board of Directors of the Company passed a resolution to propose the payment of dividends from retained earnings brought forward and operating results for the year 2019 amounting to 0.35 baht per share, totaling 643.25 million baht, inclusive of interim dividends from retained earnings brought forward and operating results for the first six-month period of 2019 amounting to 0.10 baht per share, totaling 183.78 million baht. Such interim dividend has already been paid on September 5, 2019. The Board will further propose to the shareholders' meeting to get approval for payment of the remaining dividend amounting to 0.25 baht per share, totaling 459.47 million baht.

The Subsidiaries

On January 22, 2020, the meeting of the Board of Directors of Siam Gas Trading Pte. Ltd. passed a resolution to approve for interim dividend payment from retained earnings amounting to 10.00 USD per share for 0.50 million shares, totaling 5.00 million USD, or 151.38 million baht. Such interim dividends had already been paid on January 23, 2020.

On February 17, 2020, the meeting of the Board of Directors of Lucky Carrier Company Limited passed a resolution to propose for dividend payment from operating results for the year 2019 amounting to 7.00 baht per share, totaling 49.00 million baht, inclusive of interim dividends from operating results for the first six-month period of the year 2019, amounting to 2.00 baht per share, totaling 14.00 million baht. Such interim dividends had already been paid on September 2, 2019. The Board will further propose to the shareholders' meeting to get approval for dividend payment of the remaining amount of 35.00 million baht.

On February 18, 2020, the meeting of Board of Directors of Unique Gas and Petrochemicals Public Company Limited passed a resolution to propose for dividend payment from retained earnings brought forward and

operating results for the year 2019 amounting to 70.00 baht per share, totaling 735.00 million baht, inclusive of interim dividends from retained earnings brought forward and operating results for the first six-month period of the year 2019, amounting to 35.00 baht per share, totaling 367.50 million baht. Such interim dividends had already been paid on September 3, 2019. The Board will further propose to the shareholders' meeting to get approval for dividend payment of the remaining amount of 367.50 million baht.

B) Issuance of Bond

During January 20-23, 2020, SGP issued and offered unsubordinated and unsecured debenture bond. Total value of debenture bond is 4,000 million baht. The par value is equal to offering price at 1,000 baht per unit. Interest is repaid every 3 months.

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

4-year bond Fixed interest rate Interest rate at 3.85% per annum

Auditor's Remuneration

Remuneration paid to PricewaterhouseCoopers ABAS Ltd., the auditor of the Company and its subsidiaries in Thailand, for 2017 to 2019 was 6.03 million baht, 6.05 million baht and 6.23 million baht, respectively. Person or business related to the auditor or the auditing company shall not be the person or the business related to the Company and its subsidiaries.

Table 2.12: Details on auditor's remuneration during 2017 to 2019

(Unit : Million Baht)

	The Company			The Company and its Subsidiaries in Thailand		
	2017	2018	2019	2017	2018	2019
Auditing fee for annual financial statements	1.03	1.03	1.06	3.14	3.15	3.25
Reviewing fee for quarterly financial statements (Q1-Q3)	1.01	1.01	1.04	2.89	2.90	2.98
Total	2.04	2.04	2.10	6.03	6.05	6.23



REPORT OF THE BOARD OF DIRECTORS' ACCOUNTABILITY TO FINANCIAL REPORT

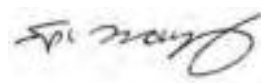
The consolidated financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries were prepared in accordance with the Securities Exchange Commission under the Securities and Exchange Act B.E. 2535 and under the accounting act B.E. 2543.

The Company's Board of Directors is responsible for financial report of Siamgas and Petrochemicals Public Company Limited and its subsidiaries in providing reasonable assurance that the financial standards present fairly financial position, financial performance and cash flows. The

accounting data is sufficiently and accurately recorded to preserve the Company's assets and prevent fraud and irregularity. The financial report has been prepared accordingly to appropriate accounting policy and consistency practices, and in accordance with Thai Financial Reporting Standards. Significant information has been sufficiently disclosed in notes to financial statements, where the auditor expressed an opinion on the financial statements of Siamgas and Petrochemicals Public Company Limited and its subsidiaries in the auditor's report.



Mr. Worawit Weeraborwornpong
Chairman



Mr. Supachai Weeraborwornpong
Managing Director



SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

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 2019, 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 2019;
- 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 ended; 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>Goodwill impairment assessment</p> <p>As disclosed in Note 17 Goodwill.</p> <p>The Group has a net book value of goodwill of Baht 2,724 million, which represents 7% of the total assets in the consolidated financial statements.</p> <p>The management tests the impairment of goodwill annually at the cash generating unit ("CGU") level and assesses its recoverable amount by applying the value-in-use model. This involves significant management judgements with respect to the future operating results of the business, projected cash flows and the discount rate applied to the discounted cash flows. Key assumptions applied in the value-in-use model are:</p> <ul style="list-style-type: none"> • revenue growth rates, cost of goods sold and expected changes to overhead costs in the business. • discount rates, using in discounted cash flows, calculated from the capital structure, market risk and beta from available information in its industry. <p>I focused on the valuation of goodwill arising from the acquisition of the trading of petroleum business in Thailand and Vietnam and the acquisition of an oil depots and port service business in Thailand due to the significant value and the fact that the determination of value-in-use depends on assumptions. Those assumptions involve significant judgement made by management in assessing the possibility of future business plans.</p> <p>.....</p>	<p>I carried out the following procedures to assess the impairment test of goodwill prepared by management.</p> <ul style="list-style-type: none"> • Assessed the appropriateness of management's identification of the CGUs and evaluated the Group's control over the impairment test process. • Held discussions with 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 and were appropriate for the business environment. • Challenged management's significant assumptions used in goodwill impairment testing, especially for the revenue growth rates, cost of goods sold 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. • Assessed the reasonableness of the business plan by comparing the 2019 plans with actual results to see whether there were any indicators of unreliable forecasts. • Engaged my firm's valuation experts to evaluate the discount rate applied in the projected cash flows to see whether the discount rates used by the management were within an acceptable range. • Tested the sensitivity analysis over key assumptions in the projected cash flow prepared by management which impact to recoverable amount lower than book value such as the revenue growth rate and discount rates. <p>As a result of the procedures performed, the key assumptions used by management are within the acceptable range.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Impairment assessment of investment in a subsidiary</p> <p>As disclosed in Note 14.1 Investments in subsidiaries.</p> <p>The Company recognised an additional Baht 199 million provision for impairment loss on an investment in Siam Ethanol Export Co., Ltd. (SEEC) in the separate statement of income for the year ended 31 December 2019. This is because the operating results of the ethanol business did not meet its original plan and the subsidiary ceased operations.</p> <p>Management recognised the provision for impairment loss on the investment in SEEC by applying the fair value less costs to disposal. Management appointed an independent valuer to appraise the fair value of SEEC's major assets. In 2019, the majority of SEEC's assets are land.</p> <p>The land was appraised by the market approach in which the valuer considers the market price comparison with similar land and uses their discretion to determine the fair value of the land.</p> <p>I focused on this matter because the calculations of fair value depend on significant judgement and assumptions.</p> <p>.....</p>	<p>I evaluated the impairment calculation of the investment prepared by management and assessed the currently assumptions used in the fair value calculation. I performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed the methodologies used by the independent valuer to assess the fair values. • Evaluated the competencies and capabilities of the independent valuer including the terms of engagement to determine whether there were any matters that might affect their objectivity or impose scope limitations upon their work. • Considered the appropriateness of the sources of data used for land price comparison. <p>As a result of the procedures performed, I noted that the key assumptions used in assessing the fair value are within the reasonable range and are appropriate.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Fair Value of property, plant and equipment from business combination</i></p> <p>As disclosed in Note 14.1 - Investments in subsidiaries.</p> <p>The Group paid a cash consideration of Baht 2,384 million to acquire a 71.20% shareholding interest in Thai Public Port Co., Ltd. (TPP) which operates oil depots and port services. Management identified the acquisition of this shareholding qualified as a business combination according to the definition in TFRS 3 “Business combination”.</p> <p>Management engaged an independent external valuer to appraise the fair value of net identifiable assets acquired. As at 31 December 2019, the valuer appraised the fair value of property, plant and equipment to be Baht 1,875 million by using these methods:</p> <ul style="list-style-type: none"> Land was appraised using the market approach which the valuer considers the market price in comparison with similar land and uses their discretion to determine the fair value of land. Buildings and most of equipment were appraised using the replacement cost approach. The appraisals applied their judgement in determining the estimated construction costs of assets. <p>The Group included property, plant and equipment at fair value in these consolidated financial statements. For the calculation of fair value of other assets, they are not finished. The Group recognised the provisional amount for goodwill in the financial statements.</p> <p>I focused on this matter because the calculation of fair value depends on significant judgement and assumptions.</p> <p>.....</p>	<p>I carried out the following procedures:</p> <ul style="list-style-type: none"> Assessed management's assessment that the acquisition of TPP is business acquisition under TFRS 3 “Business combination”. Assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date, and the method of valuation. I also evaluated management's procedures for determining the fair values of the net identifiable assets acquired. Evaluated the competency, qualifications, experience and independence of the valuer. Tested the existence of significant acquired assets by site visit. Considered the appropriateness of the sources of data used for market price comparison, including challenged the valuer on the key assumptions used in determining the estimated construction costs of the buildings and equipment. <p>As a result of the procedures performed, I determined that the acquisition of the shareholding interest was the business combination in accordance with the definition set out in TFRS 3. The assumptions used in identifying the fair values of property, plant and equipment arising from the business combination were reasonable and within the acceptable range.</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:

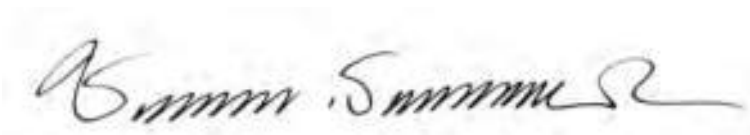
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.

A handwritten signature in black ink, appearing to read 'Chaisiri Ruangritchai', is displayed within a light gray rectangular box.

Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

18 February 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets					
Current assets					
Cash and cash equivalents	8	2,500,025,508	2,848,742,459	331,069,361	1,011,127,479
Deposits at a financial institution used as collateral	9	1,185,029,248	-	1,185,029,248	-
Short-term investments	10	100,752,916	132,959,041	100,752,916	99,359,041
Trade and other receivables, net	11	5,290,548,064	5,444,877,816	2,592,511,620	891,623,995
Inventories, net	12	4,854,579,659	4,817,782,926	177,056,269	906,152,816
Other current assets	13	202,512,231	466,000,153	28,564,362	127,721,040
Total current assets		14,133,447,626	13,710,362,395	4,414,983,776	3,035,984,371
Non-current assets					
Investments in subsidiaries, net	14	-	-	11,107,845,783	10,581,831,560
Investments in associates	14	1,800,593,653	2,375,576,517	-	-
Investments in joint ventures	14	71,530,241	107,513,300	23,577,992	23,577,992
Long-term loans to related parties	36	963,221,038	133,432,778	2,186,037,577	1,180,660,228
Property, plant and equipment, net	15	20,259,846,611	16,666,293,953	5,631,325,893	5,153,646,030
Investment property, net	16	167,704,980	127,814,734	1,133,103,883	669,546,460
Goodwill, net	17	2,723,955,994	1,516,110,663	-	-
Intangible assets, net	18	73,464,216	72,690,137	3,769,417	2,912,553
Deferred tax assets, net	19	107,002,536	242,374,349	-	-
Other non-current assets	20	1,138,406,659	852,270,673	507,556,513	527,375,389
Total non-current assets		27,305,725,928	22,094,077,104	20,593,217,058	18,139,550,212
Total assets		41,439,173,554	35,804,439,499	25,008,200,834	21,175,534,583

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions, net	21	4,838,846,134	4,988,584,958	1,480,000,000	600,000,000
Trade and other payables	22	7,094,758,695	3,514,763,435	2,617,320,303	1,004,142,322
Current portion of long-term loans					
from financial institutions, net	23	875,260,332	1,349,029,932	494,000,000	886,159,938
Current portion of bonds, net	25	1,999,897,662	2,999,800,218	1,999,897,662	2,999,800,218
Short-term loans from a related party	36	-	-	151,656,500	-
Accrued income tax		142,349,275	110,351,226	-	-
Other current liabilities	24	77,466,220	140,145,205	12,030,156	5,550,357
Total current liabilities		15,028,578,318	13,102,674,974	6,754,904,621	5,495,652,835
Non-current liabilities					
Long-term loans from financial institutions, net	23	1,259,937,307	963,399,362	421,600,000	274,000,000
Long-term loans from related parties	36	3,000,000	3,000,000	1,485,067,886	997,678,001
Bonds, net	25	6,977,455,192	5,983,201,331	6,977,455,192	5,983,201,331
Cylinder deposits	26	5,218,711,546	5,054,053,315	1,147,745,048	1,077,872,642
Employee benefit obligations	27	274,156,912	166,126,708	98,988,501	61,785,901
Deferred tax liabilities, net	19	687,872,012	340,971,631	170,895,294	26,177,492
Other non-current liabilities		100,957,112	62,201,685	2,413,698	2,385,598
Total non-current liabilities		14,522,090,081	12,572,954,032	10,304,165,619	8,423,100,965
Total liabilities		29,550,668,399	25,675,629,006	17,059,070,240	13,918,753,800

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	28				
Authorised share capital					
1,837,863,000 ordinary shares					
with a par value of Baht 0.50 each		918,931,500	918,931,500	918,931,500	918,931,500
Issued and paid-up share capital					
1,837,863,000 ordinary shares,					
fully paid-up of Baht 0.50 each		918,931,500	918,931,500	918,931,500	918,931,500
Premium on share capital	28	1,874,481,829	1,874,481,829	1,874,481,829	1,874,481,829
Retained earnings					
Appropriated					
- Legal reserve	30	162,088,663	162,088,663	162,088,663	162,088,663
Unappropriated		8,510,351,090	7,722,361,219	4,081,754,953	4,153,488,853
Other components of equity	35	(385,479,350)	(691,188,358)	911,873,649	147,789,938
Equity attributable to owners					
of the parent		11,080,373,732	9,986,674,853	7,949,130,594	7,256,780,783
Non-controlling interests		808,131,423	142,135,640	-	-
Total equity		11,888,505,155	10,128,810,493	7,949,130,594	7,256,780,783
Total liabilities and equity		41,439,173,554	35,804,439,499	25,008,200,834	21,175,534,583

STATEMENT OF INCOME

For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		66,834,446,909	68,263,969,971	10,268,368,408	11,063,204,372
Revenue from transportation		228,137,832	249,073,879	-	-
Revenue from services		13,970,240	9,438,316	126,117,836	156,438,603
Total revenue		67,076,554,981	68,522,482,166	10,394,486,244	11,219,642,975
Cost of sales and services		(63,656,266,201)	(66,061,606,945)	(10,124,314,470)	(10,846,233,262)
Cost of transportation		(169,572,569)	(200,441,779)	-	-
Total cost of sales, services and transportation		(63,825,838,770)	(66,262,048,724)	(10,124,314,470)	(10,846,233,262)
Gross profit		3,250,716,211	2,260,433,442	270,171,774	373,409,713
Dividend income		3,367,000	3,599,000	899,122,744	1,734,257,744
Other income	31	361,877,859	577,455,157	235,568,388	223,056,368
Profit before expenses		3,615,961,070	2,841,487,599	1,404,862,906	2,330,723,825
Selling expenses		(181,874,503)	(177,027,506)	(39,754,292)	(42,935,064)
Administrative expenses		(1,302,752,566)	(1,328,164,325)	(492,910,471)	(571,155,874)
Total expenses		(1,484,627,069)	(1,505,191,831)	(532,664,763)	(614,090,938)
Share of profit of associates and joint ventures	14	176,972,558	177,649,134	-	-
Profit before finance costs and income tax		2,308,306,559	1,513,944,902	872,198,143	1,716,632,887
Finance costs		(578,917,511)	(492,863,746)	(429,207,636)	(374,894,335)
Profit before income tax		1,729,389,048	1,021,081,156	442,990,507	1,341,738,552
Income tax revenue (expenses)	33	(307,355,936)	(151,359,439)	44,369,399	64,951,528
Profit for the year		1,422,033,112	869,721,717	487,359,906	1,406,690,080
Profit (loss) attributable to:					
Owners of the parent		1,359,916,983	871,183,880	487,359,906	1,406,690,080
Non-controlling interests		62,116,129	(1,462,163)	-	-
Profit for the year		1,422,033,112	869,721,717	487,359,906	1,406,690,080
Earnings per share for profit attributable to the owners of the parent	34				
Basic earnings per share		0.74	0.47	0.27	0.77

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Profit for the year	1,422,033,112	869,721,717	487,359,906	1,406,690,080
Other comprehensive income (expense), net of tax				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements of post-employment benefit obligations	(25,710,265)	-	(9,668,633)	-
<u>Less</u> Income tax related to remeasurements of post-employment benefit obligations	5,142,053	-	1,933,727	-
- Revaluation surplus on land	1,458,640,471	-	955,104,639	-
<u>Less</u> Income tax related to revaluation surplus on land	(291,728,094)	-	(191,020,928)	-
- Reversal of revaluation surplus on land	-	(462,587)	-	(462,587)
<u>Less</u> Income tax related to revaluation surplus on land	-	92,517	-	92,517
Items that will be reclassified subsequently to profit or loss				
- Share of other comprehensive expense from associates and joint ventures for accounted using the equity method	(27,141,205)	(34,004,770)	-	-
- Currency translation difference	(702,964,670)	(614,978,149)	-	-
Total other comprehensive income (expense), net of tax	416,238,290	(649,352,989)	756,348,805	(370,070)
Total comprehensive income for the year	1,838,271,402	220,368,728	1,243,708,711	1,406,320,010
Total comprehensive income (expense) attributable to:				
Owners of the parent	1,769,814,964	229,451,341	1,243,708,711	1,406,320,010
Non-controlling interests	68,456,438	(9,082,613)	-	-
	1,838,271,402	220,368,728	1,243,708,711	1,406,320,010

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

		Attributable to equity holders of the parent						Consolidated financial statements		
Notes	Issued and paid-up share capital	Baht	Premium on share capital	Baht	Retained earnings		Total other components of equity	Baht	Non-controlling interests	Total equity
					Legal reserve	Unappropriated				
					Baht	Baht			Baht	Baht
Opening balance as at 1 January 2019										
Dividends paid	918,931,500	-	1,874,481,829	162,088,663	7,722,361,219	(691,188,358)		142,135,640	10,128,810,493	
Total comprehensive income (expense) for the year	-	-	-	-	(551,358,900)	-		(3,034,256)	(554,393,156)	
Acquisition of a subsidiary	-	-	-	-	1,339,348,771	430,466,193		68,456,438	1,838,271,402	
Effect from increase in shareholding of subsidiary	-	-	-	-	-	-		475,816,416	475,816,416	
	-	-	-	-	-	(124,757,185)		124,757,185	-	
Closing balance as at 31 December 2019	918,931,500	-	1,874,481,829	162,088,663	8,510,351,090	(385,479,350)		808,131,423	11,888,505,155	
Opening balance as at 1 January 2018										
Dividends paid	918,931,500	-	1,874,481,829	162,088,663	8,229,199,519	(45,723,545)		169,460,784	11,308,438,750	
Total comprehensive income (expense) for the year	-	-	-	-	(1,378,392,250)	-		(3,034,256)	(1,381,426,506)	
Capital contributions by non-controlling interests of subsidiaries	-	-	-	-	871,553,950	(641,732,539)		(9,082,613)	220,738,798	
Acquisition of investment in a subsidiary from non-controlling interests	-	-	-	-	-	-		1,525,200	1,525,200	
	-	-	-	-	-	(3,732,274)		(16,733,475)	(20,465,749)	
Closing balance as at 31 December 2018	918,931,500	-	1,874,481,829	162,088,663	7,722,361,219	(691,188,358)		142,135,640	10,128,810,493	

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Notes	Separate financial statements					
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total other components of equity	Total equity
		Baht	Baht	Legal reserve	Unappropriated	Baht	Baht
				Baht	Baht	(Note 35)	
Opening balance as at 1 January 2019		918,931,500	1,874,481,829	162,088,663	4,153,488,853	147,789,938	7,256,780,783
Dividends paid	29	-	-	-	(551,358,900)	-	(551,358,900)
Total comprehensive income (expense) for the year		-	-	-	479,625,000	764,083,711	1,243,708,711
Closing balance as at 31 December 2019		918,931,500	1,874,481,829	162,088,663	4,081,754,953	911,873,649	7,949,130,594
Opening balance as at 1 January 2018		918,931,500	1,874,481,829	162,088,663	4,124,820,953	148,160,008	7,228,482,953
Dividends paid	29	-	-	-	(1,378,392,250)	-	(1,378,392,250)
Total comprehensive income (expense) for the year		-	-	-	1,407,060,150	(370,070)	1,406,690,080
Closing balance as at 31 December 2018		918,931,500	1,874,481,829	162,088,663	4,153,488,853	147,789,938	7,256,780,783

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit before income tax		1,729,389,048	1,021,081,156	442,990,507	1,341,738,552
Adjustments to reconcile profit before income tax					
Depreciation expenses - buildings and equipment	15	956,345,434	1,083,737,849	124,397,638	118,538,476
Amortisation expenses - intangible assets and investment property		50,272,014	53,812,126	1,616,498	1,283,452
Loss (gain) on disposals and write-offs of property and equipment, net		33,880,616	(33,534,923)	4,870,044	(32,890,928)
Loss (gain) on change in fair value of short-term investments		(1,393,874)	33,761	(1,393,874)	33,761
Share of profit of associates	14	(196,560,944)	(191,966,245)	-	-
Share of loss of joint ventures	14	19,588,386	14,317,111	-	-
Allowance for doubtful debts		249,795	165,931	-	-
Provision for diminution in value of inventories (reversal)		(278,400,823)	278,665,474	-	-
Impairment charged on equipment	15	-	93,000,000	-	-
Impairment charged on investment in a subsidiary		-	-	30,000,000	129,000,000
Dividends income from short-term investments		(3,367,000)	(3,599,000)	(3,367,000)	(3,599,000)
Dividends income from a joint venture		-	-	(880,000)	-
Dividends income from subsidiaries		-	-	(894,875,744)	(1,730,658,744)
Employee benefit expenses	27	74,610,334	17,117,036	29,106,449	6,488,380
Unrealised loss on exchange rates, net		97,615,642	43,549,279	30,256,718	6,903,581
Interest income	31	(26,161,291)	(16,821,989)	(61,394,065)	(37,321,798)
Finance costs		578,917,511	492,863,746	429,207,636	374,894,335
		3,034,984,848	2,852,421,312	130,534,807	174,410,067
Changes in operating assets and liabilities					
- Trade and other receivables		17,598,939	(1,569,478,569)	294,823,386	263,231,385
- Inventories		88,951,097	(1,175,915,228)	729,096,546	(18,135,565)
- Other current assets		277,398,003	(79,824,030)	119,311,814	(33,542,180)
- Other non-current assets		7,678,725	(55,090,802)	16,934,399	(65,102,102)
- Trade and other payables		1,297,148,210	(560,223,540)	(374,720,371)	199,727,720
- Other current liabilities		(71,498,927)	47,365,953	6,479,799	(573,416)
- Cylinder deposits		164,658,230	309,172,739	69,872,406	101,521,543
- Other non-current liabilities		35,545,526	43,724,810	28,100	(1,083,000)
- Employee benefits paid	27	(20,908,940)	(6,873,639)	(1,572,482)	(393,710)
Cash generated from (used in) operations		4,831,555,711	(194,720,994)	990,788,404	620,060,742
- Interest paid		(569,696,776)	(486,674,789)	(420,644,180)	(369,715,096)
- Income tax paid		(284,883,452)	(445,392,325)	(20,155,136)	(22,933,918)
Net cash received from (used in) operating activities		3,976,975,483	(1,126,788,108)	549,989,088	227,411,728

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from (payments for)					
short-term investments, net	10	33,600,000	(33,600,000)	-	-
Proceeds from long-term loans to related parties	36	14,982,950	-	652,960,678	172,875,469
Payments for long-term loans to related parties	36	(82,983,386)	(112,790,378)	(1,663,487,477)	(155,000,000)
Advance payments for acquisitions					
of investments in subsidiaries	20	(124,000,000)	-	-	(36,079,000)
Payments for acquisition of					
investments in joint venture		-	(21,090,578)	-	-
Payments for acquisitions of					
investments in associates		-	(503,053,014)	-	-
Payments for investments in subsidiaries	14	-	-	(724,892,100)	(1,117,034,582)
Deposits at a financial institution used as collateral	9	(1,185,029,248)	-	(1,185,029,248)	-
Purchases of property, plant and equipment		(2,004,996,819)	(2,309,433,855)	(118,567,199)	(149,086,312)
Advance payments for purchase of equipment		(212,880,591)	(61,079,754)	(211,464,875)	(57,208,400)
Purchases of investment property		-	-	-	(555,469,215)
Proceeds from disposals of property and equipment		277,171,837	89,487,225	5,182,249	57,750,607
Purchases of intangible assets		(3,937,503)	(163,374)	(1,970,000)	-
Cash paid for acquisition of subsidiaries, net	14	(429,872,739)	-	-	-
Interest received		29,791,610	16,029,341	435,165,359	7,026,338
Dividends received from short-term investments		3,367,000	3,599,000	3,367,000	3,599,000
Dividends received from a joint venture		880,000	-	880,000	-
Dividends received from subsidiaries		-	-	894,875,744	1,730,658,744
Net cash used in investing activities		(3,683,906,889)	(2,932,095,387)	(1,912,979,869)	(97,967,351)
Cash flows from financing activities					
Proceeds from (payments for) short-term loans					
from financial institutions, net		160,750,405	3,490,962,356	880,000,000	(631,534,242)
Proceeds from long-term loans from					
financial institutions, net	23	1,391,917,634	1,015,981,000	863,600,000	550,000,000
Repayments for long-term loans from					
financial institutions	23	(1,624,849,570)	(771,637,761)	(1,157,785,360)	(248,338,550)
Proceeds from short-term loans					
from related parties	36	-	-	150,158,500	-
Proceeds from long-term loans					
from related parties	36	-	-	1,233,602,154	1,046,014,520
Repayments for long-term loans					
from related parties	36	-	-	(720,000,000)	(740,000,000)
Repayment for bond redemption	25	(3,000,000,000)	(2,000,000,000)	(3,000,000,000)	(2,000,000,000)
Proceeds from issue of bonds, net	25	2,984,560,000	3,982,813,022	2,984,560,000	3,982,813,022
Proceeds from subsidiaries of					
non-controlling interests		-	1,525,200	-	-
Payment for investment in a subsidiary					
from non-controlling interests		-	(20,465,750)	-	-
Dividends paid		(554,393,156)	(1,381,426,506)	(551,358,900)	(1,378,392,250)
Net cash received from (used in) financing activities		(642,014,687)	4,317,751,561	682,776,394	580,562,500

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net increase (decrease) in cash and cash equivalents		(348,946,093)	258,868,066	(680,214,387)	710,006,877
Cash and cash equivalents at the beginning of the year		2,848,742,459	2,590,205,366	1,011,127,479	301,442,589
Exchange loss on cash and cash equivalents		229,142	(330,973)	156,269	(321,987)
Cash and cash equivalents at the end of the year	8	<u>2,500,025,508</u>	<u>2,848,742,459</u>	<u>331,069,361</u>	<u>1,011,127,479</u>
Non-cash transactions					
Payables for purchase of property, plant and equipment (included in other payables)		75,701,286	60,967,908	11,100,860	7,362,370
Increase in equipment as a result of advance payment for purchase of equipment (included in other non-current assets)		12,201,470	208,448,732	-	208,448,732
Increase in investment in an associate from issuing promissory notes (included in other payables)		1,985,029,248	-	-	-
Receivable from disposal of equipment (included in trade and other receivables)		1,219,750	372,200	1,219,750	677,955
Increase in investment in an associate from converting debt to equity	14	59,820,915	-	-	-
Share subscription payable of associate	14	7,499,085	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 General information

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

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

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

These consolidated and separate financial statements were authorised by the Board of Directors on 18 February 2020.

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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15, Revenue from contracts with customers (TFRS 15)

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, Revenue and TAS 11, Construction contracts.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 (initial application date) which do not have significant impact to the Group. The Group applied the modified retrospective approach and the comparative figures have not been restated.

b) Thai Accounting Standard no.40 (revised 2018), Investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in management intention alone is not sufficient to support a transfer.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

The Group is in process of evaluating the impact of new and amended financial reporting standards for the period end 31 December 2019 as follows;

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment, according to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures).

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- The Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- The Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- The judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation

a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost.

c) 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 ventures

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.

In the separate financial statements, investments in joint ventures are accounted for using cost.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control 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 reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- Fair value of the assets transferred,
- Liabilities incurred to the former owners of the acquiree
- Equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

Step-up acquisition

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.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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.

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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

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

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

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

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

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

2.9 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

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

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 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). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

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:

	Number of years
Land improvement	5 - 61 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 in profit or loss. When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

2.11 Investment property

Property that is held to earn rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

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

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

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

	<u>Number of years</u>
Buildings	20 - 30 years
Equipment	5 - 20 years

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

2.12 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.13 Intangible assets

2.13.1 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 5 to 10 years.

2.13.2 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 10 years.

2.14 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.15 Leases

Leases - where the Group is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

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 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.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.16 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.

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred income 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.

Current income tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Employee benefits

2.19.1 Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

2.19.2 Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.19.3 Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

2.20 Provisions

Provisions 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 measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 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.

2.22 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.

2.23 Other reserves

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

2.24 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.

2.25 Revenue recognition

Sales of goods

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

The Group sells its products and delivers goods to the agreed destination as specified in the contracts. The Group considers that the delivery of goods is not a separate performance obligation; therefore, the Group has only one performance obligation for this type of sales. The Group then recognises revenue from sales of goods at a point in time when a control of goods transferred to the customer at the agreed destination.

Revenue from services

The Group recognised revenue from services over the contract period. Such recognition is on a straight-line basis according to the proportion of the rendered services over the contract period.

Measurements

Revenue is recognised at the amount of consideration expected to be entitled to, after deducting value added tax, returns, rebates and discounts.

2.26 Dividends

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.27 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 Changes in accounting policy

The Group has adopted Thai Financial Reporting Standard no.15, Revenue from contracts with customers, for their annual reporting commencing 1 January 2019. The accounting policies in accordance with revenue recognition are disclosed in Notes 2.25.

However, the impact of adoption new accounting standard, Revenue from contracts with customers, is not significant to the Group's financial statements.

4 Financial risk management

4.1 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.

4.1.1 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 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.

4.1.2 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	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 % p.a.	2018 % p.a.
Long-term loans from commercial banks						
- Fixed interest rates	1,045	995	-	-	2.57-4.65 MLR-3.28	2.57-3.00 MLR-1.50
- Floating interest rates	1,090	1,317	916	1,160	BIBOR+2.15 THBFIX6M +2.22 THBFIX6M BIBOR3M +2.50 LIBOR1M +2.75	MLR-3.28 BIBOR+2.15 THBFIX6M +2.22 LIBOR3M +3.42
Long-term loans from related parties	3	3	1,485	998	1.67 or Fixed deposits +0.5	1.67 or Fixed deposits +0.5
Bonds	8,977	8,983	8,977	8,983	3.03-4.10	3.03-4.30

The Group borrows at fixed and floating rates and uses hedging contracts as disclosed in Note 38 because the Group assesses that the changes in interest rate will significantly affect to the Group's operation.

4.1.3 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.

4.1.4 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.

4.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts, 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 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 38.

4.3 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).

4.3.1 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 2019 and 2018.

	Consolidated and separate financial statements			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Financial assets at fair value through profit or loss as at 31 December 2019				
Short-term investments	100	-	-	100
Financial assets at fair value through profit or loss as at 31 December 2018				
Short-term investments	99	-	-	99

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 level 1 and level 2 during the year.

4.3.2 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 borrowings from financial institutions, trade and other payables, long-term loans, bonds, and cylinder deposits.

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

(a) Long-term loans from financial institutions and related parties and bonds

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

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans from financial institutions, net				
- Book value	1,045	995	-	-
- Fair value	1,078	1,030	-	-
Long-term loans from related parties				
- Book value	-	-	920	690
- Fair value	-	-	950	627

The fair values of long-term loans from financial institutions which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 3.02% to 3.96% (2018: 2.80% to 3.99%). 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 fair values of long-term loans from related parties which bear fixed interest rates are based on discounted cash flows using discount rates based upon market interest rates for borrowing in the same risk level at the date of the financial statements. The rates are interval from 3.02% to 3.96% (2018: 2.80% to 3.99%). The fair values are within level 2 of the fair value hierarchy. The fair values of long-term loans from related parties 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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Bonds, net				
- Book Value	8,977	8,983	8,977	8,983
- Fair Value	9,112	9,017	9,112	9,017

The fair values of bonds which bear fixed interest rate are based on discounted cash flows using discount rates based upon the bond rates at the date of the financial statements. The rates are interval from 3.02% to 3.96% (2018: 2.80% to 3.99%). The fair values are within level 2 of the fair value hierarchy.

(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:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Interest rate swap contracts				
- unfavourable	(3)	-	(2)	-
Cross currency swap contracts				
- favourable	66	25	-	2

The fair values of 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.

5 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.

5.1 Estimated 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 17). Determination of the assumptions is necessary for the goodwill impairment testing.

5.2 Estimated impairment of investment in subsidiary

The Group tests impairment of investment in subsidiaries whenever and its assets events or changes in circumstances indicate that these carrying amounts are greater than these estimated recoverable amounts. The calculation of fair value less costs to disposal involves significant judgements and assumptions of the management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed (Note 14.1).

5.3 Estimated fair value of property, plant and equipment from purchase of investment in subsidiary

The Group estimates the fair value of property, plant and equipment resulting from purchase of investment in subsidiaries by using the replacement cost method. The key assumptions used by management in estimating the fair value of building improvements, machinery and equipment consist of the market price of materials, labor and asset construction adjusted with remaining useful life. The fair value measurement is required to exercise unobservable inputs including knowledge and past experience of the appraiser (Note 14.1).

6 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 issuances (Note 23 and 25).

7 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 segments	: Cylinder manufacturing, holding business and oil depots and port services

For the year ended 31 December 2019	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other segments Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and services income	82,675	2,117	253	(17,968)	67,077
Cost of goods sold and services	(79,858)	(1,562)	(255)	17,849	(63,826)
Gross profit	2,817	555	(2)	(119)	3,251
Other income (Dividend income included)	460	(27)	(18)	(50)	365
Profit before operating expenses	3,277	528	(20)	(169)	3,616
Unallocated expenses					(2,371)
Share of profit of associates and joint ventures					177
Net profit for the year					1,422
Timing of revenue recognition					
At a point in time	82,675	-	221	(16,079)	66,817
Over time	-	2,117	32	(1,889)	260
Total revenue from sales and services	82,675	2,117	253	(17,968)	67,077

For the year ended 31 December 2018	Consolidated financial statements				
	Petroleum and petrochemical products Million Baht	Transportation services Million Baht	Other segments Million Baht	Elimination entries Million Baht	Total Million Baht
Sales and service income	98,911	2,276	264	(32,929)	68,522
Cost of goods sold and services	(97,379)	(1,844)	(237)	33,198	(66,262)
Gross profit	1,532	432	27	269	2,260
Other income	545	61	12	(37)	581
Profit before operating expenses	2,077	493	39	232	2,841
Unallocated expenses					(2,149)
Share of profit of associates and joint ventures					178
Net profit for the year					870

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	Consolidated financial statements	
	Revenue from sales and services	
	2019 Million Baht	2018 Million Baht
Domestic	22,004	21,739
Overseas	45,073	46,783
Total	67,077	68,522

As at 31 December	Consolidated financial statements	
	Non-current assets	
	2019 Million Baht	2018 Million Baht
Domestic	15,538	12,602
Overseas	3,971	4,192
Total	19,509	16,794

For the year ended 31 December 2019 and 2018, the Group did not have any major customer who generates revenue more than 10% of total revenue.

8 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Cash on hand	12	13	3	3
Deposits held at call with banks	2,488	2,836	328	1,008
Total cash and cash equivalents	2,500	2,849	331	1,011

The average interest rate on deposits held at call with banks was ranged between 0.05% to 4.50% per annum (2018: 0.05% to 3.00% per annum).

9 Deposits at a financial institutions used as collateral

As at 31 December 2019, the Company has deposits at a financial institutions used as collateral amounting to Baht 1,185 million which is used for collateral of promissory notes from commercial bank as described in Note 14.1 The due date of payment is on 21 January 2020.

10 Short-term investments

Short-term investments comprise deposits at financial institutions with maturities over three months but not later than one year and 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.

Deposits at financial institutions

As at 31 December 2019, the Group has no deposits at financial institutions issued by overseas financial institutions (2018: Baht 34 million with interest at 7% per annum).

Trading investments

The movement of trading investments is as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	99	99	99	99
Additions	-	550	-	550
Redemptions	-	(550)	-	(550)
Gains from change in fair value of trading investments	1	-	1	-
Closing balance	100	99	100	99

11 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Trade receivables	5,198	4,303	414	362
Less Allowance for doubtful accounts	(379)	(61)	(5)	(5)
Trade receivables, net	4,819	4,242	409	357
Trade receivables from related parties (Note 36)	32	20	13	76
Other receivables from related parties (Note 36)*	-	-	2,063	94
Prepayments	202	230	73	56
Advance payments	99	164	21	4
Receivables on subsidies for liquefied petroleum gas from government	115	783	2	303
Other receivables	24	6	12	2
Total trade and other receivables, net	5,291	5,445	2,593	892

* As at 31 December 2019, the Company has payment obligation from its subsidiary for the share purchase of Thai Public Port Company Limited amounting to Baht 1,985 million as described in Note 14.1.

The age analysis of trade receivables is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Trade receivables				
Current	3,878	3,550	356	243
Overdue				
- less than 3 months	596	315	17	90
- 3 months to 12 months	216	364	33	21
- more than 12 months	508	74	8	8
Total	5,198	4,303	414	362
<u>Less</u> Allowance for doubtful accounts	(379)	(61)	(5)	(5)
Total trade receivables, net	4,819	4,242	409	357

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Trade receivables from related parties				
Current	32	20	13	76

12 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Raw material	31	33	-	-
Work in progress	15	20	-	-
Finished goods	4,752	4,965	174	892
Supplies and others	70	92	3	14
Total	4,868	5,110	177	906
<u>Less</u> Allowance for diminution in value of inventories	(13)	(292)	-	-
Total inventories, net	4,855	4,818	177	906

The cost of inventories recognised as expense and included in cost of sales amounting to Baht 58,198 million (2018: Baht 60,564 million) in the consolidated financial statements and amounting to Baht 9,525 million (2018: Baht 10,200 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 (2018: 1% and 1%, respectively). As at 31 December 2019, the inventories included minimum mandatory reserved on petroleum products and crude oil amounting to Baht 168 million in the consolidated financial statements, and Baht 74 million in the separate financial statements (2018: Baht 184 million in the consolidated financial statements, and Baht 83 million in the separate financial statements), which were net of allowance for net realisable value.

13 Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
VAT refundable	139	279	20	125
Corporate income tax refundable	7	3	-	-
Deposits for tariff customs	-	138	-	-
Others	57	46	9	3
Total other current assets	203	466	29	128

14 Investments in subsidiaries, associates and joint ventures, net

14.1 Investments in subsidiaries, net

The movement in investments in subsidiaries is as follows:

For the year ended 31 December	Separate financial statements	
	2019 Million Baht	2018 Million Baht
Opening balance, net	10,582	9,594
Acquisitions	725	1,117
Impairment charged on investment	(199)	(129)
Closing balance, net	11,108	10,582

Details of investments in subsidiaries are as follows:

	Country of incorporation	% ownership interest		Type of business
		2019	2018	
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 Co., Ltd.	Thailand	99.99	99.99	Manufacturing and distribution of LPG cylinders
Siam Ethanol Exports Co., Ltd. ⁽⁴⁾	Thailand	87.69	70.00	Manufacturing of ethanol products (ceased its operation)
Siam Lucky Marine Co., Ltd. ⁽¹⁾	Thailand	58.98	56.00	Transportation services
Siam Suksawat Co., Ltd.	Thailand	100.00	100.00	Transportation and discharge goods, petroleum product distribution
Siam LNG Company Limited	Thailand	99.99	99.99	Petroleum products distribution
Siam Gas HK Limited	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
Siam Gas Power Pte. Ltd. ⁽²⁾	Singapore	100.00	100.00	Holding business
Siamgas Global Investment Pte. Ltd. ⁽³⁾	Singapore	100.00	100.00	Holding business
Far East Petroleum Sdn. Bhd.	Malaysia	95.00	95.00	Petroleum products distribution, warehousing and storage service

	Country of incorporation	% ownership interest		Type of business
		2019	2018	
Indirect Subsidiaries				
Siam Lucky Marine Co., Ltd. Held by: - Unique Gas and Petrochemicals Public Company Limited - Lucky Carrier Company Limited	Thailand	11.19 29.83	12.00 32.00	Transportation services
Sino Siam Gas and Petrochemical Co., Ltd. Held by: - Siam Gas HK Limited	The People's Republic of China	100.00	100.00	Petroleum and petrochemical products distribution
Siam Ocean Gas & Energy Limited Held by: - Siam Gas HK Limited	The People's Republic of China	100.00	100.00	Petroleum and petrochemical products distribution
Siamgas-J&J International Ltd. Held by: - Siamgas Global Investment Pte. Ltd.	Bangladesh	80.00	80.00	Petroleum and petrochemical products distribution
Siamgas Bangladesh Ltd. Held by: - Siamgas-J&J International Ltd.	Bangladesh	99.90	99.90	Petroleum and petrochemical products distribution
Pacific Gas Bangladesh Ltd. Held by: - Siamgas Global Investment Pte. Ltd.	Bangladesh	90.00	90.00	Petroleum and petrochemical products distribution
Topical Gas Pte. Ltd. ⁽⁵⁾ Held by: - SingGas (LPG) Pte. Ltd.	Singapore	100.00	-	Petroleum and petrochemical products distribution
Thai Public Port Company Limited. ⁽⁶⁾ Held by: - Siam LNG Company Limited.	Thailand	71.20	-	Oil depots and port services

As at 31 December

Unique Gas and Petrochemicals Public Company Limited
Lucky Carrier Company Limited
Siam Quality Steel Co., Ltd.
Siam Ethanol Exports Co., Ltd. ⁽⁴⁾
Siam Lucky Marine Co., Ltd. ⁽¹⁾
Siam Suksawat Co., Ltd.
Siam LNG Company Limited
Siam Gas HK Limited
Super Gas Co., Ltd.
SingGas (LPG) Pte. Ltd.
Siam Gas Trading Pte. Ltd.
MyGaz Sdn. Bhd.
Siam Gas Power Pte. Ltd. ⁽²⁾
Siamgas Global Investment Pte. Ltd. ⁽³⁾
Far East Petroleum Sdn. Bhd.

Total investment in subsidiaries

Less Impairment charge ⁽⁴⁾

Total investments in subsidiaries, net

Separate financial statements	
Cost Method	
2019	2018
Million Baht	Million Baht
2,105	2,105
70	70
70	70
855	280
348	308
100	100
385	385
4,088	4,088
388	388
427	427
12	12
84	84
2,473	2,366
69	66
83	83
11,557	10,832
(449)	(250)
11,108	10,582

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

- (1) On 21 February 2019, at the Board of Directors' meeting of the Company, it passed a resolution to approve the increase of share capital of Siam Lucky Marine Co., Ltd., totalling Baht 40.00 million with 4.00 million shares at par value of Baht 10 each. The purpose of increase in capital is to be able to entitle to the Board of Investment of Thailand's privileges. The Group still maintains 100% ownership in this subsidiary. The registration was completed in February 2019.
- (2) Siam Gas Power Pte. Ltd., incorporated in Singapore, registered an increase of its share capital of 3.35 million shares at par value of US Dollar 1 each or equivalent to Baht 106.59 million. The number of shares increased from 68.88 million shares to 72.23 million shares. The Company has already paid the capital increase. The Company's ownership in this subsidiary remains unchanged at 100%. The registration was completed during the year.
- (3) Siamgas Global Investment Pte. Ltd., incorporated in Singapore, registered an increase of its share capital of 0.10 million shares at par value of US Dollar 1 each or approximately to Baht 3.30 million. The number of shares increased from 2.03 million shares to 2.13 million shares. The Company has already paid the capital increase. The Company's ownership in this subsidiary remains unchanged at 100%. The registration was completed during the year.
- (4) Siam Ethanol Exports Company Limited, registered an increase of its share capital of 57.50 million shares at par value of Baht 10 each, totalling Baht 575 million. The Company has already paid the capital increase. As a result, the Company's ownership interest has increased to 87.69%. According to increase of share capital, impairment charge increased by to Baht 199 million and recognised the deficit from change in the ownership interest in subsidiaries amount of Baht 124.76 million.
- (5) In August 2019, SingGas (LPG) Pte. Ltd., the subsidiary of the Company, acquired 100% share capital of Tropical Gas Pte. Ltd., ("Tropical") which has principal activity in petroleum product distribution in Singapore. Total consideration paid was SGD 1.44 million or equivalent to Baht 32 million. The acquisition was completed on 2 September 2019. The main of net assets from business acquisition are other intangible assets (customer relationship) and equipment which net amount of Baht 35 million and Baht 4 million, respectively (Notes 18 and 15).

- (6) Siam LNG Company Limited (SLNG), a subsidiary of the Company entered into share purchase agreements to invest in Thai Public Port Company Limited. (TPP), totalling 104,668,735 shares which accounted for 99.68% of the registered and paid-up capital. TPP's business is the oil depots and port services. The shares purchasing consists of 2 parts as follow;

- The first part transferred shares on 24 September 2019, 16 October 2019 and 26 November 2019 which accounted for 71.20% of the registered and paid-up capital at a price of Baht 2,384 million. SLNG paid Baht 399 million and requested the Company to issue promissory notes in advance (Other payable disclosed in Note 22) amounting Baht 1,985 million on behalf of SLNG (guarantee from commercial bank disclosed in Note 9). The Aval issued by commercial bank dues on 21 January 2020 and 15 October 2020. As at 31 December 2019, TPP is considered as an indirect subsidiary of the Group with the investment proportion of 71.20 % of the registered and paid-up shares.
- The second part of share purchased accounted for 28.48% of the registered and paid-up shares at the price of Baht 932 million. SLNG paid the prepayment amount of Baht 124 million (Note 20) in August 2019. SLNG will pay the remaining amount of Baht 808 million and be received the transferred shares in January 2020.

When the Group completely received the transferred shares as mentioned above. The Group will own 99.68% of the registered and paid-up shares.

The details of consideration paid for business acquisition are described as follows:

	Million Baht
Cash	399
Promissory notes	1,985
Consideration paid	2,384

The details of the estimated fair value of net assets received at the acquisition date are described as follows:

	Consolidated financial statements Million Baht
The estimated fair value of net assets received	
Property, plant and equipment, net (Note 15)	1,875
Deferred income tax liabilities	(172)
Trade and other payables	(52)
Others	1
The estimated fair value of net assets	1,652
<u>Less</u> non-controlling interests	(476)
The estimated fair value of net assets received	1,176
Goodwill (provisional amount) (Note 17)	1,208
Consideration paid	2,384

The Group has completely measured fair value of assets and liabilities from business acquisition including its property, plant and equipment at amount of Baht 1,875 million by using an independent external valuer except other intangible assets which still in the valuation process. The difference between the consideration paid and the net assets acquired above is shown as goodwill (provisional amount) in the consolidated financial statements. When the fair value appraisal of other intangible assets is completed, the Group will revise this goodwill (provisional amount) later by completing the valuation within 12 months from the business acquisition date.

14.2 Investments in associates

The movement in investments in associates are as follows:

For the year ended 31 December 2019	Consolidated financial statements
	Equity method
	Million Baht
Opening balance	2,376
Acquisitions	67
Dividend received and payback of capital	(827)
Share of profit	197
Currency translation differences	(12)
Closing balance	1,801

Details of investments in associates are as follows:

	Country of incorporation	% ownership interest		Type of business
		2019	2018	
Indirect associates				
(Held by : Siam Gas Power Pte. Ltd.)				
<u>Group of MLIPP's power plant business</u>				
MSN International Limited ⁽⁸⁾	Malaysia	41.10	41.10	Energy related business services
Asiatech Energy Pte. Ltd.	Singapore	41.10	41.10	Energy related business services
Myanmar Lighting (IPP) Co., Ltd.	Myanmar	41.10	41.10	Electricity generating business
<u>Group of SMD's power plant business</u>				
Southern Myanmar Development Co., Ltd. ⁽⁷⁾	Myanmar	33.00	33.00	Electricity generating business
Asiatech Infrastructure Co. Pte. Ltd.	Singapore	33.00	33.00	Energy related business services
TSM Co., Ltd. ⁽⁹⁾	Malaysia	33.00	33.00	Energy related business services
Ruamur Pte. Ltd. ⁽¹⁰⁾	Singapore	41.10	-	Energy related business services

As at 31 December	Consolidated financial statements	
	Equity Method	
	2019	2018
	Million Baht	Million Baht
Group of MLIPP's power plant business	1,746	2,372
Group of SMD's power plant business	55	4
Ruamur Pte. Ltd.	-	-
Total	1,801	2,376

⁽⁷⁾ During 2019, Southern Myanmar Development Co., Ltd. registered the capital increase of 1 million shares, total of Myanmar Kyat 10,000 million, equivalent to Baht 204 million by converting loans from shareholders to be capital amounting to Baht 179.46 million and remaining unpaid for shares of Baht 24.54 million; representing the Group's portion of Baht 67.32 million, in which this investment paid-up shares by converting loans from shareholders in the amount of Baht 59.82 million and it is still unpaid in the amount of Baht 7.50 million. The company remains the same proportion of 33.00% investment in this associated company.

⁽⁸⁾ On 18 November 2019, the board of directors of MSN International Limited (MSN) passed a resolution of liquidation approval. MSN is in the liquidation process.

⁽⁹⁾ On 18 November 2019, the board of directors of TSM Co., Ltd. (TSM) passed a resolution for liquidation approval. TSM is in the liquidation process.

⁽¹⁰⁾ On 6 December 2019, Siam Gas Power Pte. Ltd., a subsidiary of the Company jointly established Ruamur Pte. Ltd., which incorporated in Singapore with a registered share capital of 1,000 shares, par value 1 Singapore Dollar. The business objective is to provide technical services regarding the energy business. The Group's ownership interest is 41.10% with the paid-up capital of 305.09 USD or approximately Baht 9,288.

Key financial information of the group of MLIPP's power plant business is as follow:

For the year ended 31 December 2019	Financial information* Million Baht	Proportion of the Group Million Baht
Current assets	3,998	1,643
Non-current assets	6,847	2,814
Total assets	10,845	4,457
Current liabilities	3,602	1,480
Non-current liabilities	3,555	1,461
Total liabilities	7,157	2,941
Net assets	3,688	1,516
Revenue	1,362	560
Net profit	509	209
Other comprehensive expense	(108)	(44)
Total comprehensive income	401	165

* The information above reflects the amounts presented in the financial statements of the associate and adjusted for differences in accounting policies between the Group and the associates (and not the Group's investment proportion 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

	Group of MLIPP's power plant business Million Baht
Net assets at the end of the year	3,688
Proportion of the Group:	
Interest in associates	1,516
Goodwill	230
Carrying value	1,746

14.3 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	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Opening balance	108	108	24	24
Acquisitions	-	23	-	-
Dividend received	(1)	-	-	-
Share of loss	(20)	(14)	-	-
Currency translation differences	(16)	(9)	-	-
Closing balance	71	108	24	24

Details of investments in joint ventures are as follows:

	Country of incorporation	% ownership interest		Type of business
		2019	2018	
Direct joint ventures				
Citygas North Co., Ltd. *	Vietnam	79.64	79.64	Petroleum products distribution
SG Gas Sdn. Bhd. *	Malaysia	29.99	29.99	Petrochemical products distribution
Siam Nathalin Co., Ltd.	Thailand	50.00	50.00	Vessel transportation, food and beverage
Indirect joint ventures (Held by Siamgas Global Investment Pte. Ltd.)				
PT Siamindo Djojo Terminal *	Indonesia	55.00	55.00	Petroleum products distribution
KMA Siam Limited	Myanmar	65.00	65.00	Petroleum products distribution

* According to Joint Venture Agreement with a third party has determined the management structure including strategic financial decisions and operations, with voting rights from all shareholders or the representative of each party, so this is classified as investments in joint ventures of the Group.

As at 31 December	Consolidated financial statements		Separate financial statements	
	Equity Method		Cost Method	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Direct joint ventures				
Citygas Noth Co., Ltd.	44	67	20	20
SG Gas Sdn. Bhd.	-	-	3	3
Siam Nathalin Co., Ltd.	1	1	1	1
	45	68	24	24
Indirect joint ventures				
PT Siamindo Djojo Terminal	26	25	-	-
KMA Siam Limited	-	15	-	-
	26	40	-	-
Total investments in joint ventures	71	108	24	24

Individually immaterial joint ventures

The Group has interests in immaterial joint ventures that are accounted for using the equity method.

For the year ended 31 December

	2019 Million Baht	2018 Million Baht
Aggregate carrying amount of individually immaterial joint ventures	71	108
Aggregate amounts of the Group's share of:		
Loss from continuing activities	(20)	(14)
Other comprehensive expenses	(16)	(9)
Total comprehensive expenses	(36)	(23)

	Consolidated financial statements							
	<div>Terminals, gas filling and service stations</div>							
	<div>Buildings, infrastructure improvement and land</div>		<div>Gas cylinders vessels</div>		<div>Furniture, fixtures and office equipment</div>		<div>Vehicles in progress</div>	
	<div>Million Baht</div>	<div>Million Baht</div>	<div>Million Baht</div>	<div>Million Baht</div>	<div>Million Baht</div>	<div>Million Baht</div>	<div>Million Baht</div>	Total Million Baht
As at 1 December 2018								
- Cost	2,399	8,038	2,743	4,585	5,460	2,050	1,484	29,522
- Revaluation surplus	1,242	-	-	-	-	-	-	1,242
	3,641	8,038	2,743	4,585	5,460	2,050	1,484	30,764
(Less Accumulated depreciation)	-	(4,755)	(1,291)	(1,652)	(3,271)	(1,803)	(882)	(15,090)
(Less Provision for impairment)	-	-	-	-	-	-	-	(28)
Net book value	3,641	3,283	1,452	2,933	2,189	247	602	15,646
For the year ended 31 December 2018								
Opening net book value	3,641	3,283	1,452	2,933	2,189	247	602	15,646
Additions	883	45	23	578	334	24	31	2,506
Transfers	7	8	95	108	3	27	20	-
Reclassify to Investment property, net	(104)	(3)	(6)	-	-	-	-	(113)
Write-offs and disposals, net	(20)	(2)	(11)	(1)	(3)	(4)	(10)	(56)
Currency translation differences	-	(37)	(1)	(21)	(20)	(11)	-	(140)
Impairment charge	-	-	-	-	-	-	-	(93)
Depreciation charge	-	(156)	(97)	(492)	(197)	(16)	(41)	(1,084)
Closing net book value	4,407	3,138	1,455	3,105	2,306	267	602	16,666
As at 31 December 2018								
- Cost	3,219	7,776	2,804	5,154	5,756	1,987	1,511	31,208
- Revaluation surplus	1,188	-	-	-	-	-	-	1,188
	4,407	7,776	2,804	5,154	5,756	1,987	1,511	32,396
(Less Accumulated depreciation)	-	(4,638)	(1,349)	(2,049)	(3,450)	(1,720)	(909)	(15,609)
(Less Provision for impairment)	-	-	-	-	-	-	-	(121)
Net book value	4,407	3,138	1,455	3,105	2,306	267	602	16,666

Consolidated financial statements										
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling stations and gas storage tanks Million Baht	Gas vessels Million Baht	Gas cylinders Million Baht	Machine, factory tools and equipment Million Baht	Furniture, fixtures and office equipment Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht
For the year ended 31 December 2019										
Opening net book value	4,407	3,138	1,455	3,105	2,306	771	267	602	615	16,666
Increase from business acquisition	-	-	-	-	-	-	-	4	-	4
- Tropical (Note 14.1)	-	-	-	-	-	-	-	-	-	-
Increase from business acquisition	-	-	-	-	-	-	-	-	-	-
- TPP (Note 14.1)	-	-	-	-	-	-	-	-	-	-
Additions	1,008	797	-	-	-	5	31	21	13	1,875
Revaluation surplus	658	3	77	498	279	48	41	19	409	2,032
Transfers	1,417	-	-	-	-	-	-	-	-	1,417
Reclassification to other assets	-	(58)	76	181	24	59	10	3	(295)	-
Write-offs and disposals, net	-	(6)	(43)	(241)	(4)	(1)	(2)	(2)	(13)	(312)
Currency translation differences	-	(134)	(2)	(210)	(38)	(60)	(15)	-	(8)	(467)
Depreciation charge	-	(163)	(74)	(363)	(206)	(76)	(29)	(45)	-	(956)
Closing net book value	7,490	3,578	1,489	2,970	2,361	746	303	602	721	20,260
As at 31 December 2019										
Cost - Historical cost	4,885	10,698	2,883	4,426	5,963	2,448	1,932	1,576	721	35,532
- Revaluation surplus	2,605	-	-	-	-	-	-	-	-	2,605
Less Accumulated depreciation	7,490	10,698	2,883	4,426	5,963	2,448	1,932	1,576	721	38,137
Less Provision for impairment	-	(7,116)	(1,394)	(1,456)	(3,602)	(1,581)	(1,629)	(974)	-	(17,752)
	-	(4)	-	-	-	(121)	-	-	-	(125)
Net book value	7,490	3,578	1,489	2,970	2,361	746	303	602	721	20,260

For the year ended 31 December 2019

Opening net book value
Increase from business acquisition
- Tropical (Note 14.1)
Increase from business acquisition
- TPP (Note 14.1)
Additions
Revaluation surplus
Transfers
Reclassification to other assets
Write-offs and disposals, net
Currency translation differences
Depreciation charge

Closing net book value

As at 31 December 2019

Cost - Historical cost
- Revaluation surplus

Less Accumulated depreciation
Less Provision for impairment

Net book value

Separate financial statements										
	Land Million Baht	Buildings, infrastructure and land improvement Million Baht	Terminals, gas filling stations and gas storage tanks Million Baht	Furniture, fixtures and office equipment Million Baht	Gas cylinders Million Baht	Vehicles Million Baht	Construction in progress Million Baht	Total Million Baht		
As at 1 January 2018	1,998	802	969	53	1,006	96	60	4,984		
Cost - Historical cost	940	-	-	-	-	-	-	940		
- Revaluation										
Less Accumulated depreciation	2,938	802	969	53	1,006	96	60	5,924		
	-	(98)	(208)	(28)	(484)	(48)	-	(866)		
Net book value	2,938	704	761	25	522	48	60	5,058		
For the year ended 31 December 2018	2,938	704	761	25	522	48	60	5,058		
Opening net book value	24	4	5	2	90	12	217	354		
Additions	-	1	8	-	-	-	(9)	-		
Transfers	(104)	(3)	(8)	-	-	-	-	(115)		
Reclassify to Investment property, net	(20)	(2)	-	(1)	(1)	(1)	(1)	(26)		
Write-offs and disposals, net	-	(25)	(25)	(4)	(57)	(7)	-	(118)		
Depreciation charge										
Closing net book value	2,838	679	741	22	554	52	267	5,153		
As at 31 December 2018	1,955	799	940	54	1,095	106	267	5,216		
Cost - Historical cost	883	-	-	-	-	-	-	883		
- Revaluation										
Less Accumulated depreciation	2,838	799	940	54	1,095	106	267	6,099		
	-	(120)	(199)	(32)	(541)	(54)	-	(946)		
Net book value	2,838	679	741	22	554	52	267	5,153		

Separate financial statements														
	Buildings, infrastructure and land improvement			Terminals, gas filling stations and gas storage tanks			Furniture, fixtures and office equipment		Vehicles		Construction in progress		Total	
Land	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
2,838	679	741	554	22	52	267	5,153							
17	-	1	91	2	2	9	122							
876	-	-	-	-	-	-	876							
-	9	-	-	-	-	(9)	-							
(385)	-	-	-	-	-	-	(385)							
-	(1)	(8)	-	(1)	(1)	-	(11)							
-	(25)	(25)	(63)	(4)	(7)	-	(124)							
3,346	662	709	582	19	46	267	5,631							
1,691	806	931	1,186	55	105	267	5,041							
1,655	-	-	-	-	-	-	1,655							
3,346	806	931	1,186	55	105	267	6,696							
-	(144)	(222)	(604)	(36)	(59)	-	(1,065)							
3,346	662	709	582	19	46	267	5,631							

For the year ended 31 December 2019

Opening net book value
Additions
Revaluation surplus
Transfers
Reclassification to Investment property
Write-offs and disposals, net
Depreciation charge

Closing net book value

As at 31 December 2019

Cost - Historical cost
- Revaluation

Less Accumulated depreciation

Net book value

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:

Consolidated financial statements			
Fair value measurements at 31 December 2019			
	Level 1	Level 2	Level 3
	Million Baht	Million Baht	Million Baht
Recurring fair value measurements			
Land	-	7,490	-
Separate financial statements			
Fair value measurements at 31 December 2019			
	Level 1	Level 2	Level 3
	Million Baht	Million Baht	Million Baht
Recurring fair value measurements			
Land	-	3,346	-

There were no transfers between level 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 2019, certain of gas vessels of a subsidiary with net book value of Baht 2,083 million (2018: Baht 2,221 million) have been pledged as collateral for loans from local commercial banks (Note 23).

16 Investment property, net

	Consolidated financial information	Separate financial information
	Million Baht	Million Baht
For the year ended 31 December 2018		
Opening net book amount	-	-
Additions	-	555
Transfers from property, plant and equipment	113	115
Transfers from other assets	15	-
Depreciation charge	-	-
Closing net book amount	128	670
As at 31 December 2018		
Cost	165	707
<u>Less</u> Accumulated depreciation	(37)	(37)
Net book value	128	670
Fair value	128	670

For the year ended 31 December 2019

Opening net book amount
Revaluation surplus
Transfers from property, plant and equipment
Transfers to other assets
Depreciation charge

Closing net book amount

As at 31 December 2019

Cost
Less Accumulated depreciation

Net book value

Fair value

	Consolidated financial information	Separate financial information
	Million Baht	Million Baht
Opening net book amount	128	670
Revaluation surplus	42	79
Transfers from property, plant and equipment	-	385
Transfers to other assets	(1)	-
Depreciation charge	(1)	(1)
Closing net book amount	168	1,133
Cost	204	1,170
Less Accumulated depreciation	(36)	(37)
Net book value	168	1,133
Fair value	168	1,133

17 Goodwill, net

The movement of goodwill can be analysed as follows:

For the year ended 31 December

Goodwill
Business acquisition (Note 14.1)
Less Provision for impairment

Goodwill, net

	Consolidated financial statements	
	2019	2018
	Million Baht	Million Baht
Goodwill	1,516	1,538
Business acquisition (Note 14.1)	1,208	-
<u>Less</u> Provision for impairment	-	(22)
Goodwill, net	2,724	1,516

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

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

	Consolidated financial statements				
	2019				
	Thailand	Vietnam	Singapore		
	Petroleum products	Oil depots and ports service	Petroleum products	Petroleum products	Total
Goodwill allocation (Million Baht)	1,152	1,208	227	137	2,724
	Consolidated financial statements				
	2018				
	Thailand	Vietnam	Singapore		
	Petroleum products	Oil depots and ports service	Petroleum products	Petroleum products	Total
Goodwill allocation (Million Baht)	1,152	-	227	137	1,516

Impairment tests for goodwill

Goodwill arising from the acquisition of investment in the business of petroleum, petrochemical products and oil depots and ports service 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.

	Petroleum products	Thailand Oil depots and ports service	Vietnam Petroleum products	Singapore Petroleum products
Growth rate	1.00%	2.50%	2.78%	2.77%
Discount rate	8.00%	8.00%	8.15%	7.77%

18 Intangible assets, net

	Consolidated financial statements		
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
As at 1 January 2018			
Cost	244	52	296
Less Accumulated amortisation	(151)	(37)	(188)
Net book amount	93	15	108
For the year ended 31 December 2018			
Opening net book amount	93	15	108
Amortisation charge	(32)	(2)	(34)
Currency translation differences	-	(1)	(1)
Closing net book amount	61	12	73
As at 31 December 2018			
Cost	240	52	292
<u>Less</u> Accumulated amortisation	(179)	(40)	(219)
Net book amount	61	12	73
	Consolidated financial statements		
	Customer relationship Million Baht	Computer software Million Baht	Total Million Baht
As at 1 January 2019			
Cost	240	52	292
Less Accumulated amortisation	(179)	(40)	(219)
Net book amount	61	12	73
For the year ended 31 December 2019			
Opening net book amount	61	12	73
Increase from business acquisition (Note 14.1)	35	-	35
Additions	-	4	4
Amortisation charge	(31)	(3)	(34)
Currency translation differences	(3)	(2)	(5)
Closing net book amount	62	11	73
As at 31 December 2019			
Cost	261	53	314
<u>Less</u> Accumulated amortisation	(199)	(42)	(241)
Net book amount	62	11	73

	Separate financial statements	
	2019	2018
	Computer software Million Baht	Computer software Million Baht
As at 1 January		
Cost	17	17
<u>Less</u> Accumulated amortisation	(15)	(14)
Net book amount	2	3
For the year ended 31 December		
Opening net book amount	2	3
Additions	2	-
Amortisation charge	(1)	(1)
Closing net book amount	3	2
As at 31 December		
Cost	19	17
<u>Less</u> Accumulated amortisation	(16)	(15)
Net book amount	3	2

19 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	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Deferred tax assets	107	243	-	-
Deferred tax liabilities	(687)	(341)	(171)	(26)
Deferred tax assets (liabilities), net	(580)	(98)	(171)	(26)

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

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	12	2	2	4
Deferred tax asset to be recovered after more than 12 months	278	327	174	124
	290	329	176	128
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	(24)	(8)	-	-
Deferred tax liability to be settled after more than 12 months	(846)	(419)	(347)	(154)
	(870)	(427)	(347)	(154)
Deferred tax liabilities, net	(580)	(98)	(171)	(26)

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

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
As at 1 January	(98)	(226)	(26)	(91)
Charged/(credited) to profit or loss (Note 33)	(14)	135	44	65
Credited directly to other comprehensive income	(296)	(7)	(189)	-
Increase from business acquisition	(172)	-	-	-
As at 31 December	(580)	(98)	(171)	(26)

The movement in deferred tax assets and liabilities during the year 2019 and 2018, is as follows:

	Separate financial statements					
	Charged/credited to			Charged/credited to		
	As at 1 January 2018 Million Baht	Profit or loss Million Baht	comprehensive income Million Baht	As at 31 December 2018 Million Baht	Profit or loss Million Baht	comprehensive income Million Baht
Deferred tax assets						
Allowance for doubtful accounts	1	-	-	1	-	-
Provision for impairment from investment of subsidiaries	24	26	-	50	40	-
Employee benefit obligation	11	1	-	12	5	2
Loss carried forwards	23	40	-	63	1	-
Others	2	-	-	2	-	-
	61	67	-	128	46	2
Deferred tax assets, gross						
						176
Deferred tax liabilities						
Differences on depreciation	(14)	(2)	-	(16)	(2)	-
Realisation surplus on land	(138)	-	-	(138)	-	(191)
	(152)	(2)	-	(154)	(2)	(191)
Deferred tax liabilities, gross						
						(347)
Deferred tax assets (liabilities), net						
	(91)	65	-	(26)	44	(189)
						(171)

Deferred income tax assets are recognised for tax losses carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group and the Company did not recognise deferred tax assets of Baht 129 million and Baht 72 million (2018: Baht 82 million and nil, respectively) in respect of losses amounting to Baht 647 million and Baht 360 million, (2018: Baht 409 million and nil, respectively) that can be carried forward against future taxable income within 2019 to 2023.

20 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Accrued interest income on loans to related companies (Note 36)	-	-	3	217
Deposits at bank used as collateral	47	37	-	-
Deposits	13	19	7	7
Corporate income tax refundable	154	140	128	114
Advance payments for purchases of equipment	287	86	285	73
Prepayment for investments in Subsidiaries (Note 14.1)	124	-	-	36
Deferred charge	30	50	-	-
Prepaid rental	437	494	70	80
Others	46	26	15	-
Total other non-current assets	1,138	852	508	527

21 Short-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Thai Baht	1,528	600	1,480	600
US Dollar	3,311	4,389	-	-
Short-term loans from financial institutions, net	4,839	4,989	1,480	600

As at 31 December 2019, the Group has short-term trust receipts, bank overdrafts and promissory notes from commercial banks with unsecured represented in US Dollar amounting to USD 109.81 million, which is equivalent to Baht 3,311 million, and Thai Baht amounting to Baht 1,528 million for the Group and Thai Baht amounting 1,480 million for the Company, which bear interest rates at the range of 1.65% to 6.88% per annum and 1.65% to 2.50% per annum, respectively. (31 December 2018, the Group has short-term trust receipts and promissory notes from commercial banks with unsecured represented in US Dollar amounting to USD 135.24 million, which is equivalent to Baht 4,389 million, and Thai Baht amounting to Baht 600 million for the Group and Thai Baht amounting 600 million for the Company, which bear interest rates at the range of 1.90% to 2.77% per annum and 1.90% per annum, respectively.).

22 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Trade payables	4,400	2,435	475	781
Trade payables to related parties (Note 36)	-	2	65	49
Other payables (Note 14.1)	2,158	121	2,013	50
Other payables to related parties (Note 36)	4	4	4	3
Advance received from customers	204	374	-	-
Accrued interest	56	60	56	60
Accrued expenses	273	519	4	61
Total trade and other payables	7,095	3,515	2,617	1,004

23 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current portion of long-term loans, net				
Thai Baht	796	625	494	184
US Dollar	80	727	-	704
<u>Less</u> Deferred financing fee	(1)	(3)	-	(2)
	875	1,349	494	886
Long-term loans, net				
Thai Baht	982	965	422	274
US Dollar	280	-	-	-
<u>Less</u> Deferred financing fee	(2)	(2)	-	-
	1,260	963	422	274
Total long-term loans, net	2,135	2,312	916	1,160

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Opening balance, net	2,312	2,036	1,160	851
<u>Cash flows information</u>				
Additions	1,393	1,017	864	550
Repayments	(1,625)	(772)	(1,157)	(248)
Financing fees on addition loans	(1)	(1)	-	-
<u>Non-cash movements</u>				
Amortised deferred financing fees	3	5	2	4
Unrealised loss from exchange rate	108	20	47	3
Currency translation differences	(55)	7	-	-
Closing balance, net	2,135	2,312	916	1,160

As at 31 December 2019 and 2018, 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
2019	2018			
274	458	MLR-3.28%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by June 2021.	A Subsidiary
400	-	MLR-3.28%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by December 2021.	A Subsidiary
242	-	BIBOR 3 month+2.50%	Principal and interest repayments are made on quarterly basis. The loan is due for full repayment by July 2022.	A Subsidiary
-	702 (21.60 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

The subsidiaries

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2019	2018			
6	45	BIBOR +2.15%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by February 2020.	Vessel (Note 15) and also guaranteed by the Company
-	23 (0.70 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.	
101 (3.35 Million US Dollar)	-	LIBOR 1M+2.75%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by May 2024.	
67	89	THBFIX 6M +2.22%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by December 2022.	
103	-	4.30%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by April 2024	Vessels (Note 15) and also guaranteed by the Company and another two subsidiaries
259 (8.62 Million US Dollar)	-	4.65%	Principal and interest repayments are made on monthly basis. The loan is due for full repayment by July 2024	

Balance of loan, net (Million Baht)		Interest rate per annum	Repayments of principal and interest	Security
2019	2018			
4	52	2.57%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by January 2020.	Vessels (Note 15) and also guaranteed by the Company and another two subsidiaries
252	350	2.73%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by July 2022.	
22	41	3.00%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by February 2021.	
-	20	3.00%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by April 2019.	
60	94	2.57%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by September 2021.	
266	339	3.00%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by August 2023.	
79	99	3.00%	Principal and interest repayments are made on monthly basis the loan is due for full repayment by October 2023.	
2,135	2,312			

During the year 2019, 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 2019 in note 38.

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.

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	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Long-term loans, net				
- at fixed rates	1,045	995	-	-
- at floating rates	1,090	1,317	916	1,160
Total long-term loans, net	2,135	2,312	916	1,160

As at 31 December 2019, the weighted average effective interest rate of the long-term loans of the Group and the Company were approximately 4.52% and 4.09% per annum respectively (2018: 4.91% and 4.90% per annum respectively).

Maturity of long-term loans is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Within 1 year	875	1,349	494	886
Later than 1 year but not later than 5 years	1,260	963	422	274
Total long-term loans, net	2,135	2,312	916	1,160

Credit facilities

As at 31 December 2019, the Group has available unused credit facilities with commercial banks for letter of credit, trust receipt, letter of guarantee, and forward contract, of Baht 26,505 million (2018: Baht 24,512 million).

24 Other current liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Tax payables	17	91	1	4
Withholding tax payable	8	8	-	-
Others	52	41	11	2
Total other current liabilities	77	140	12	6

25 Bonds, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current portion of long-term bonds, net				
Thai Baht	2,000	3,000	2,000	3,000
Long-term bonds, net				
Thai Baht	7,000	6,000	7,000	6,000
<u>Less</u> Deferred financing fees	(23)	(17)	(23)	(17)
	6,977	5,983	6,977	5,983
Total bonds, net	8,977	8,983	8,977	8,983

The movements of bonds can be analysed as follows:

For the year ended 31 December 2019

	Consolidated financial statements Million baht	Separate financial statements Million Baht
Opening balance, net	8,983	8,983
<u>Cash flows information</u>		
Repayment	(3,000)	(3,000)
Issue of bond	3,000	3,000
Financing fee on issue of bond	(15)	(15)
<u>Non-cash movements</u>		
Amortised financing fees	9	9
Closing balance, net	8,977	8,977

During the year 2019, the Company had proposed to issue and offer unsubordinated and secured debenture bond. Total value of debenture bond is Baht 3,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

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

Type of bond	Fixed interest rate
3-year bond	4.10% per annum

Under the rights and responsibility of the issuer and the holders of bond, the Company has to comply with the conditions, including certain financial covenants.

Maturity of bonds is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Within 1 year	2,000	3,000	2,000	3,000
Later than 1 year but not later than 5 years	6,977	5,983	6,977	5,983
Total bonds, net	8,977	8,983	8,977	8,983

26 Cylinder deposits

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Cylinder deposits	5,219	5,054	1,148	1,078

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 recognized 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 37). The significant refund of deposits will occur when gas business operations significantly decline.

27 Employee benefit obligations

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Present value of obligations	274	166	99	62
Liability in the statement of financial position	274	166	99	62

On 5 April 2019, an amendment bill to the Labour Protection Act was published and has become effective during this period. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The impact from this change is considered as the past service cost which has been recognised in the statement of income.

Movements in employee benefit obligations are as follows:

For the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	166	156	62	56
Employee benefit obligations - Increase from business acquisition during the year	29	-	-	-
Current service costs	16	12	6	5
Interest costs	5	5	3	2
Benefit paid	(21)	(7)	(2)	(1)
Actuarial loss	26	-	9	-
Past service cost	53	-	21	-
Closing balance	274	166	99	62

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

For the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Current service costs	16	12	6	5
Interest costs	5	5	3	2
Past Service cost	53	-	21	-
Total	74	17	30	7

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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Cost of sales and services	26	7	3	2
Administrative expenses	48	10	27	5
Total	74	17	30	7

The principal actuarial assumptions used were as follows:

	2019	2018
Discount rate	2.25%	3.1%
Salary increase rate	3.0% - 7%	4.5% - 7%

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1%	1%	Decrease by 6.97%	Decrease by 6.53%	Increase by 7.95%	Increase by 7.42%
Salary increase rate	1%	1%	Increase by 9.10%	Increase by 9.73%	Decrease by 8.11%	Decrease by 8.66%

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 2019, the weighted average duration of the defined benefit obligation of the Group is 18 years (2018: 19 years).

28 Share capital

	Number of share Million shares	Ordinary share Million Baht	Share premium Million Baht	Total Million Baht
As at 1 January 2018	919	919	1,875	2,794
Shares split	919	-	-	-
As at 31 December 2018	1,838	919	1,875	2,794
Issue of ordinary shares	-	-	-	-
As at 31 December 2019	1,838	919	1,875	2,794

As at 31 December 2019 and 2018, total authorised number of shares was 1,838 million shares with a par value of Baht 0.50 per share. All 1,838 million shares were issued and fully paid-up with the share premium of Baht 1,875 million.

29 Dividends paid

The Company

On 25 April 2019, at the Annual General Shareholders' meeting of the Company, the shareholders passed a resolution to approve the payment of dividends from operating results for the year 2018 amounting to Baht 0.45 per share, totalling Baht 827.04 million, inclusive of interim dividends for the first six-month of 2018. The Company had already paid interim dividend amounting to Baht 0.25 per share, totalling Baht 459.47 million on 5 September 2018. The remaining dividends of Baht 0.20 per share, totalling Baht 367.57 million, had already been paid on 15 May 2019.

On 7 August 2019, 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 2019 at Baht 0.10 per share, totaling Baht 183.78 million, had already been paid on 16 September 2019.

The Subsidiaries

On 23 April 2019, at the Annual General Shareholders' meeting of Unique Gas and Petrochemicals Public Company Limited, the shareholders passed a resolution to approve the payment of dividends from the operating results for the year 2018 in an amount of Baht 70.00 per share, totalling Baht 735.00 million, inclusive of interim dividends from operating results for the six-month period of the year 2018, amounting to Baht 35.00 per share, totalling Baht 367.50 million. The interim dividends had already been paid on 3 September 2018. The remaining dividend of Baht 35.00 per share, totalling Baht 367.50 million, had already been paid on 9 May 2019.

On 23 April 2019, at the Annual General Shareholders' meeting of Lucky Carrier Company Limited, the shareholders passed a resolution to approve the payment of dividends from the operating results for the year 2018 in an amount of Baht 7.00 per share, totalling Baht 49.00 million, inclusive of interim dividends from operating results for the six-month period of the year 2018, amounting to Baht 3.00 per share, totalling Baht 21.00 million. The interim dividends had already been paid on 3 September 2018. The remaining dividend of Baht 4.00 per share, totalling Baht 28.00 million, had already been paid on 2 May 2019.

On 6 August 2019, 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 2019 at Baht 2.00 per share, totaling Baht 14.00 million, had already been paid on 2 September 2019.

On 7 August 2019, at the Board of Directors' meeting of Unique Gas and Petrochemical Public Company Limited, the board passed a resolution to approve the payment of interim dividends from retained earnings and operating results for the six-month period ended 30 June 2019 at Baht 35.00 per share, totaling Baht 367.50 million, had already been paid on 3 September 2019.

In November 2019, at the Board of Directors' meeting of Siam Gas Trading Pte. Ltd., the board passed a resolution to approve the payment of interim dividends from retained earnings at USD 8 per share or Baht 286.33 per share, for 0.5 million shares, totalling USD 4 million or Baht 143.17 million. The Company recognised the dividend income in the separate statement of income. The interim dividends had been paid on 25 November 2019.

30 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.

31 Other income

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Rental income	37	29	26	22
Interest income	26	17	61	37
Gain on disposals of property, plant and equipment	-	37	-	33
Others	298	494	148	131
Total other income	361	577	235	223

32 Expenses by nature

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Depreciation and amortisation expenses	1,006	1,138	126	120
Staff costs	1,429	1,475	314	333
Directors' and key management's remuneration	66	65	34	33
Impairment charged on equipment	-	93	-	-
Impairment charged on investment	-	-	30	129

33 Income tax

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Current tax	293	286	-	-
Deferred tax (Note 19)	14	(135)	(44)	(65)
Total tax expense (revenue)	307	151	(44)	(65)

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:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Profit before tax	1,729	1,021	443	1,342
Tax calculated at a tax rate of 20% (2018: 20%)	346	204	89	268
Tax effect of:				
Difference in overseas tax rate	187	251	-	-
Income not subject to tax	(243)	(366)	(214)	(346)
Expenses not deductible for tax purpose	45	69	10	10
Utilisation of previously unrecognised tax losses	-	(7)	-	-
Tax losses for which no deferred income tax asset was recognised	82	12	71	-
Others	(110)	(12)	-	3
Tax charge	307	151	(44)	(65)

34 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.

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net profit attributable to owner of the parent (million Baht)	1,360	871	487	1,407
Weighted average number of ordinary shares in issue during the year (million shares)	1,838	1,838	1,838	1,838
Basic earnings per share (Baht per share)	0.74	0.47	0.27	0.77

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

35 Other components of equity

	Consolidated financial statements						
	Revaluation surplus on land	Difference arising from business acquisition under common control	Difference from taking equity of a business combination under common control	Share of other comprehensive expense from joint ventures and associates for using the equity method	Currency translation differences	Deficit from the change in the ownership interest in subsidiaries	Total other component of equity
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance - 1 January 2019	969	(609)	22	(55)	(1,014)	(4)	(691)
Total comprehensive expense for the year	1,144	-	-	(27)	(686)	-	431
Effect from increase in shareholding of subsidiary	-	-	-	-	-	(125)	(125)
Closing balance - 31 December 2019	2,113	(609)	22	(82)	(1,700)	(129)	(385)
Opening balance - 1 January 2018	969	(609)	22	(21)	(407)	-	(46)
Acquisition of investment in a subsidiary from non-controlling interests	-	-	-	-	-	(4)	(4)
Total comprehensive expense for the year	-	-	-	(34)	(607)	-	(641)
Closing balance - 31 December 2018	969	(609)	22	(55)	(1,014)	(4)	(691)

	Separate financial statements		
	Revaluation surplus on land	Difference arising from business acquisition under common control	Total other component of equity
	Million Baht	Million Baht	Million Baht
Opening balance - 1 January 2019	757	(609)	148
Total comprehensive income for the year	764	-	764
Closing balance - 31 December 2019	1,521	(609)	912
Opening balance - 1 January 2018	757	(609)	148
Total comprehensive income for the year	-	-	-
Closing balance - 31 December 2018	757	(609)	148

36 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 2019, the major shareholders of the Company are shareholders in Weeraborwong family, which own 55.03% of the Company's share capital.

Details of subsidiaries, associates and joint ventures are presented in Note 14.

The significant related party transactions are as follows:

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Trade accounts receivable				
Subsidiaries	-	-	11	74
Joint ventures	27	17	-	-
Other related parties - the same shareholders and directors	5	3	2	2
Total	32	20	13	76
Other receivables				
Subsidiaries	-	-	2,063	94
Cylinder deposits				
Subsidiaries	-	-	2	2
Deposits for building				
Other related parties - the same shareholders and directors	7	7	3	3
Prepayment for building				
Other related parties - the same shareholders and directors	109	174	44	71
Trade accounts payable				
Subsidiaries	-	-	65	49
Joint ventures	-	2	-	-
Total	-	2	65	49
Other payables				
Subsidiaries	-	-	2	1
Other related parties - the same shareholders and directors	4	4	2	2
Total	4	4	4	3

b) Long-term loans to/from related parties

Long-term loan to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Long-term loans to related parties				
Subsidiaries	-	-	2,181	1,160
Associates	958	112	-	-
Joint ventures	5	21	5	21
Total	963	133	2,186	1,181
Accrued interest income				
Current portion				
Subsidiaries	-	-	11	-
Joint ventures	-	1	-	1
Non-current portion (Note 20)				
Subsidiaries	-	-	3	217
Total	-	1	14	218

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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	133	21	1,181	1,203
Additions	83	113	1,663	155
Proceeds	(15)	-	(653)	(173)
Convert from debt to equity	(57)	-	-	-
Return on investment in associate	828	-	-	-
Currency translation differences	(8)	-	-	-
Unrealised loss on exchange rates	(1)	(1)	(5)	(4)
Closing balance	963	133	2,186	1,181

As at 31 December 2019, the details of long-term loans to subsidiaries and joint ventures are as follows:

Balance of long-term loans to related parties (Million Baht)		Interest rate per annum	Repayment of principal and interest
2019	2018		
789	783	The maximum of bond rates +0.25	The loan is due for full repayment in 2024.
5	5	The maximum of bond rates +0.25	The loan is due for full repayment in 2020.
-	357	MLR +0.50	The loan is full repayment during the year 2019.
-	16 (0.50 Million US Dollar)	The maximum of bond rates +0.25	The loan is full repayment during the year 2019.
39	-	The maximum of bond rates +0.25	The loan is due for full repayment in 2029.
1,163	-	The maximum of bond rates +0.25	The loan is due for full repayment in 2029.
100	20	The maximum of bond rates +0.25	The loan is due for full repayment in 2024.
90	-	Fixed rate 4.55%	The loan is due for full repayment in 2020.
2,186	1,181		

Short-term loans from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Short-term loan from Subsidiaries	-	-	152	-

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

As at 31 December 2019	Consolidated financial statements Million Baht	Separate financial statements Million Baht
Opening balance	-	-
Additions	-	150
Proceeds	-	-
Unrealised loss on exchange rates	-	2
Closing balance	-	152

On 18 November 2019, the Company enter into an agreement with Siam Gas Trading Pte. Ltd, the subsidiary of the Company, amounting to US Dollar 5 million (which equivalent to Baht 150 million) which bare interest rate at fixed rate per annum. The interest payment and the principal shall return within one year.

Long-term loans from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Long-term loans				
Subsidiaries	-	-	1,485	998
Other related parties - the same shareholders and directors	3	3	-	-
Total	3	3	1,485	998

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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Opening balance	3	3	998	690
Additions	-	-	1,233	1,046
Repayments	-	-	(720)	(740)
Unrealise loss from exchange rate	-	-	(26)	2
Closing balance	3	3	1,485	998

As at 31 December 2019, the details of long-term loans from 2 subsidiaries are as follows:

- Loan of Baht 920 million (2018: Baht 690 million) with interest rate of 1.67% per annum or Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum (2018: Interest rate of average fixed deposit interest rate of four Thai commercial banks plus 0.50% per annum). The loan is dues for payment in 2023.
- Loan of Baht 565 million (2018: Baht 308 million) with no interest. The loan is no due date.

As at 31 December 2019, the Group has loan from directors of Baht 3 million with no interest. The loan dues when the subsidiary has sufficient working capital.

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of gas				
Subsidiaries	-	-	1,426	2,469
Joint ventures	186	122	-	-
Other related parties - the same shareholders and directors	16	15	8	8
Total	202	137	1,434	2,477
Wharfing service income				
Subsidiaries	-	-	41	41
Interest income				
Subsidiaries	-	-	69	35
Joint ventures	-	1	-	1
Total	-	1	69	36
Other income				
Subsidiaries	-	-	104	118
Dividend income				
Subsidiaries	-	-	895	1,731

d) Purchases of goods and services and interest expenses

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Purchase of goods				
Subsidiaries	-	-	2	1,010
Purchase of equipment				
Subsidiaries	-	-	76	82
Transportation expenses				
Subsidiaries	-	-	354	292
Wharfing expenses				
Subsidiaries	-	-	35	35
Rental expenses				
Subsidiaries	-	-	3	3
Other related parties - the same shareholders and directors	41	34	16	13
Total	41	34	19	16
Interest expenses				
Subsidiaries	-	-	14	12
Other expenses				
Subsidiaries	-	-	20	17
Other related parties - the same shareholders and directors	45	36	17	15
Total	45	36	37	32

e) Directors' and key management remunerations

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Short-term employee benefits	64	63	33	32
Post-employment benefits	2	2	1	1
Total	66	65	34	33

37 Commitments and contingent liabilities

a) Contingent liabilities

The assessments of value added tax

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

- In June 2011, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from October to December 2010 totalling Baht 8.85 million. In August 2018, the subsidiary received a favourable ruling from the Supreme Court. Then, in February 2019, the subsidiary received a value added tax refund together with the interest totalling Baht 7.12 million from the Revenue Department.

- In June 2017, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from May to December 2012 totalling Baht 11.62 million. The subsidiary filed a partial tax payment of Baht 3.94 million and recorded this as expense in the same year. The remaining of Baht 7.68 million was the penalty and surcharge. As at 31 December 2019, the case was being reviewed by the Administrative Appeal Committee.
- In January 2018, a notice of assessment letter was received for the underpayment of value added tax, including a penalty and surcharge, for the period from February to April 2013 totalling Baht 4.03 million. The subsidiary filed a partial tax payment of Baht 1.28 million and recorded this as expense in the period. The remaining of Baht 2.75 million was the penalty and surcharge. As at 31 December 2019, the case was being reviewed by the Administrative Appeal Committee.

The assessments of corporate income tax

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

- In November 2017, a notice of assessment letter was received for the underpayment of corporate income tax, including a penalty and surcharge, for the year 2012 and 2014 totalling Baht 58.47 million and Baht 33.81 million, respectively. The subsidiary filed a partial tax payment of Baht 34.61 million and recorded this as expenses in the same year. The remaining of Baht 57.67 million was the penalty and surcharge. As at 31 December 2019, the cases were being reviewed by the Administrative Appeal Committee.
- In January 2018, a notice of assessment letter was received for the underpayment of corporate income tax, including a penalty and surcharge, for the year 2013 totalling Baht 51.28 million. The subsidiary filed a partial tax payment of Baht 19.17 million and recorded this as expense in the period. The remaining of Baht 32.11 million was the penalty and surcharge. As at 31 December 2019, the case was being reviewed by the Central Tax Court.

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

b) Letter of guarantee

As at 31 December 2019 and 2018, the Group and the Company have bank guarantees issued on its behalf as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Letter of guarantee	2,164	1,164	1,040	310
Letter of credit	1,497	928	-	-
Aval	800	-	800	-

The Group has available credit facilities with commercial banks for letter of credit, trust receipt, 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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	98	92	38	20
During 2 - 5 years	195	229	69	63
Over than 5 years	485	582	58	76
Total	778	903	165	159

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	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Property, plant and equipment	1,321	1,034	765	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 26 in relation to contingent liabilities from cylinder deposits.

38 Financial instruments

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 2019 as follows:

Interest rate swap contracts

Interest rate swap contracts are entered 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 which equivalent to Baht 241.60 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 67.20 million

Cross currency swaps contracts

Cross currency swaps contract is entered 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 794.92 million which equivalent to US Dollar 23.70 million.

39 Events after the reporting date

a) Dividend payment

The Company

On 18 February 2020, 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 2019 amounting to Baht 0.35 per share, totalling Baht 643.25 million, inclusive of interim dividends for the first six-month of 2019. The Company had already paid interim dividend from retained earnings and operating results for the six-month period of the year 2019 amounting to Baht 0.10 per share, totalling Baht 183.78 million on 16 September 2019. The board will propose the shareholders at the shareholders' meeting to get an approval for dividend payment.

Subsidiary

On 22 January 2020, at the Board of Directors' meeting of Siam Gas Trading Pte. Ltd., the board passed a resolution to approve interim dividends from retained earnings at US Dollar 10 per share per share, for 0.50 million shares, totalling US Dollar 5 million or Baht 151.38 million. The interim dividends had been paid on 23 January 2020.

On 17 February 2020, at the Board of Directors' meeting of Lucky Carrier Company Limited, the board passed a resolution to propose dividend payment for the year 2019 in an amount of Baht 7 per share, totalling Baht 49 million, inclusive of interim dividends from operating results for the six-month period of the year 2019, amounting to Baht 2.00 per share, totalling Baht 14.00 million. The interim dividends had already been paid on 2 September 2019. The remaining dividend of Baht 35.00 million. The board will propose the shareholders at the shareholders' meeting to get an approval for dividend payment.

On 18 February 2020, at the Board of Directors' meeting of Unique Gas and Petrochemicals Public Company Limited, the board passed a resolution to propose the payment of dividends from retained earnings and operating results for the year 2019 amounting to Baht 70.00 per share, totalling Baht 735.00 million, inclusive of interim dividends for the first six-month of 2019. The Company had already paid interim dividend from retained earnings and operating results for the six-month period of the year 2019 amounting to Baht 35.00 per share, totalling Baht 367.50 million on 3 September 2019. The remaining dividend of Baht 367.50 million. The board will propose the shareholders at the shareholders' meeting to get an approval for dividend payment.

b) Issue of bond

During 20 - 23 January 2020, at the Board of Directors' meeting of the Company, the board passed a resolution to propose to issue and offer unsubordinated and unsecured debenture bond. Total value of debenture bond is Baht 4,000 million. The par value is equal to offering price at Baht 1,000 per unit. Interest is repayment every 3 months.

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

Type of bond	Fixed Interest rate
4-year bond	3.85% per annum







SIAMGAS

SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED

553 The Palladium Tower A, Floor 30th, Ratchaprarop Road,
Makkasan, Ratchathewi, Bangkok 10400

Tel. 0-2120-9999 Fax. 0-2250-6008

www.siamgas.com