



รายงานประจำปี 2559
RPCG ANNUAL REPORT 2016

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General Information

Company Name	RPCG Public Company Limited (“Company”)
Type of Business	RPCG acts as the holding company, accompany with its fuel-retailing (former) business with the refined capacity of 17,000 Barrel per Day and one depot for the distribution of High Speed Diesel, 91 RON Gasoline, Gasohol 91, Gasohol 95, Gasohol E85, Chemicals and Fuel Oil including retail marketing
Head Office	86/2 Pure Place Ramkhamhaeng, 3 rd Floor, Ramkhamhaeng Road, Saphansoong, Bangkok 10240
Registered Capital	1,304,664,125 Baht
Ordinary shares	1,304,664,125 Shares
Par value	1 Baht
Paid registered capital	1,304,664,125 Baht
Company Register No.	0107546000202
	Telephone No. 02-372-3600
	Fax No. 02-372-3327
Factory	7/3 Pakom Songkrohrad Road, Tambol Map-ta-phut, Amphur Muang-Rayong, Rayong Province 21150
	Telephone No. (038) 685-816 -9 Fax No. (038) 685-243
Home page	http://www.rpcthai.com

References

Securities Registration	Thailand Security Depository Co., Ltd.
Address	93 Ratchadapisek Road, Dindaeng, Bangkok 10400
	Telephone No. 02-009-9000 Fax No. 02-009-9991
Auditor (year 2016)	Mrs.Poonnard Paocharoen
	Certified Public Accountant (Thailand) No. 5238
Address	EY Office Limited
	33 rd Floor, Lake Rajada Office Complex 193/136-137
	Rajadapisek Road, Klongtoey, Bangkok 10110
	Telephone No. 02-264-0777 Fax No. 02-264-0790

Message from the Chairman

The Company entered a legal dispute since 2009 regarding the termination of Condensate Residue Sale and Purchase Agreement by PTT Public Company Limited (“PTT”), which was considered a breach of agreement. The Company received an Arbitration Award dated March 25, 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote to order PTT to pay damages for the unlawful termination of the agreement with the Company in the amount of THB 390 million per annum starting from February 1, 2012 until the date on which the arbitral tribunal rendered the arbitration award, together with 7.5 percent interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company. In June 2016, PTT has filed a motion to the court requesting the award be abrogated and in December 2016 the Company has filed an application with the Civil Court to seek enforcement of an arbitration award by the court.

The transformation of the Company's business structure into a Holding Company, in complement with the nature of the business, has allowed the Company to receive revenue streams from two core businesses which are energy and property development. The Company believes that joint-investment and co-management in high potential business will be the business strategy that can provide a superior performance in the long run.

In the property development business, the Company holds a 48.25% stake in Sammakorn Public Company Limited (“SAMCO”), a property development company that focuses on developing single-detached house, townhome, and condominium projects. SAMCO continues to generate sustainable performance despite the real estate market being affected by economic uncertainties. In August 2016, the Company has change its shareholding

structure in the community mall business, consisting of 3 malls under the brand Sammakorn Place, by allowing SAMCO to increase its stake to 100% for increase in operational flexibilities.

Furthermore, SAMCO has plans to expand and continues to development more projects with its over 45 years of experience, which the Company believes that SAMCO will continue to provide a sustainable growth in the future.

For the energy business, this year the volatility in global oil and gas business has resulted in the unstable price of retail oil price. The Company operates 52 gas stations throughout Thailand with focus on providing Diesel & Gasohol E85 and Gasohol 91. The Company plans to develop “Pure” gas station in a new model that combines the gas station and community mall. We have successfully open two branches with this model and will synergize with the real estate development business in major cities that are expanding.

Furthermore, the oil tank farm and deep-sea port business that the Company holds 30% stake in Thai Public Port Company Limited (“TPP”) also provided a better performance in 2016 which the Company received dividend from TPP in the amount of THB 78 million.

On behalf of the Board of Directors, I would like to express sincere gratitude to the shareholders, suppliers, customers, financial institutions, management team, and every employee for your kind supports, companionship, and dedication to help the Company in tough times throughout the year. Please be assured that the Board of Directors and all employees are committed to operate the business with good governance for the shareholders, suppliers, customers, and employees and to turn the business into profitability and generate yields to shareholders as we have done in the past.



Satja Janetumnugul

Chairman of the Board of Directors

Board of Directors

As at December 31, 2016

1. Mr. Satja Janetumnugul	Chairman of the Board of Directors
2. Mr. Supapong Krishnakan	Director
3. Mr. Suwinai Suwanhirunkul	Director
4. Mr. Suthud Khancharoensuk	Director
5. Mr. Prasit Dheeraratbongkot	Independent Director / Chairman of the Audit Committee
6. Mr. Chamni Janchai	Independent Director / Member of the Audit Committee
7. Ms. Panicha Pongsivapai	Independent Director / Member of the Audit Committee

Management Team

1. Mr. Suwinai Suwanhirunkul	Acting President
2. Mrs. Supanee Tanchaisrinakorn	General Manager-Finance & Administration Function
3. Ms. Kallaya Klaithong	General Manager-Asset Management Office

Corporate Social Responsibility (CSR)

RPCG Public Company Limited and its affiliates with the board of directors and committee members recognized the corporate governance of the company align with the company's main aim under the good compliance and governance. The company's good compliance and governance is to accomplish the environmental management and including their privileges for better quality of life to earn loyalty of employees and increasing benefit of the organization, affiliates, society, environment and the country.

The company has implemented and created awareness for managing the business to rigorously follow the suit of good practices in corporate governance to its board of directors, committee members and workforces. The practices are directly involved shareholders, clients, partners, competitors, community, and the environment. Furthermore, cherishing the information system, understanding business gift giving etiquette and treating of the confidential information policy are all included.

The company has put its emphasis on the human capital for its employees to be involved in various policies and strategies such as one of the human resources policies in adding skills and values to its workforces. In regard to employment policy, the company has strictly complied with the law as well as follows the standard of the international human rights without discrimination on nationality, gender, age, ethnicity, religion, disability, education, or other traits associated with the working process, including, the individualism and human rights. Additionally, the company has employed people with disabilities by assigning them to appropriate work tasks. Furthermore, the company is strongly against slave labor, illegal immigrant workers, including child labor.

The well-being direction has been one of the main components created specifically for its employees and organization as a whole. The procedure operated through four dimensions: body, mind, social and wisdom altogether in creating "happiness" for the employee and organization development via various activities and policies, i.e. Thai New Year Blessing organized in order to create a strong rapport between the board of directors and the employees, Family Relations Project, RPCG Energy Saving Project in encouraging the new habit for the energy and resources saving. In addition, the company also focused on the health and safety workplace by providing purified drinking water for its employees. Additionally, the company is also continuing its annual health checkup, health insurance and life insurance for the employees.

The continuation of employee development is vital not only for the company, but also the employees. The main goal is to increase the employees' proficiency and competency through the operation in addition to creating a happy workplace environment. The company also regularly holds the new employee orientation to increase the comprehension and appreciation of the company's policies, culture and value in order to improve their skills and abilities to further their career.

The company has always put the emphasis on the importance of the community and public relations to create the bond and understanding, maintain good relationships, including the participation to support Rocket Festival (Bun Bang Fai) at PaTiew District, Yasothorn Province on May 27, 2016 to conserve Thai tradition for community's sustainability and as well joined charity fund for installation of water well rig donated to Wat Pa Patarapiyaram at Khok Tum District, Lopburi Province on June 28, 2016 for water using in the temple and the monks utilities.

Including the participation in various activities such as "Road Trip to The Cities that can't be missed Caravan" "Take Mom Out in August" "Lampang plus Lamphoon" activity organized by the Tourism Authority of Thailand (TAT) to promote new tourism road route and make new tourism places memorable by launched the cars at Pure Place Rangsit Klong 2, Pratum Thani Province. There were 60 cars and 200 people joined the event. Pure Gas Station in Singburi and Tak Province were used as rest stop and refueled for the cars. Moreover, the company also held and supported various important events, festivals, and cultural activities of each region such as Children's Day, Father's Day, Religion Days, etc.



Financial Highlights

Financial Ratios	Unit	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016
Current Ratio	X	0.30	0.21	0.33
Inventory Turnover Ratio	X	51.41	40.53	43.43
Average Collection Period	Day	8	7	7
Net Profit Margin	%	(7.77)	4.25	(3.13)
Gross Profit Margin	%	6.99	8.1	8.27
Return on Equity	%	(19.75)	7.28	(5.30)
Return on Assets	%	(8.46)	3.16	(2.13)
Net Profit per Share	Baht	(0.20)	0.08	(0.05)
Book Value per Share	Baht	1.04	1.06	1.00
Debt to Equity Ratio	X	1.38	1.44	1.44
Long-term Loan to Equity Ratio	X	0.03	0.03	0.03

Financial Position and Operating Results

(Unit : Million Baht)

Financial Items	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016
Total assets	3,008	3,332	3,171
Total liabilities	1,735	1,955	1,864
Total Shareholders' equity	1,273	1,377	1,307
Revenue from sales	3,237	2,361	2,210
Total revenue	3,348	2,451	2,335
Gross profit	226	191	183
EBITDA	(131)	176	(3)
Profit (loss) for year	(251)	99	(70)
Earnings (loss) per share	(0.20)	0.08	(0.05)

Future Projects

The company vision is clear, and in term of business, it always aims to expand its investment in new and promising opportunities, maintain its sustainability, and increase the remuneration to shareholders. Thus, for one of the company's main goals, the business expansion in various aspects is an essential element to generated revenues and as follows:

1. Energy Investment Project

As one of the experts in petroleum business, the company has strong ambitions and interests in expanding its business in various aspects such as petroleum service stations and the petroleum trading. Furthermore, in December 2013, the company expanded its business by engaging in the rental of its oil depot and port business together with the rental of the port in Ko Sichang, Chon Buri Province.

Admittedly, in conformity with the government policy, the company is keen on investing in various renewable energy projects such as Very Small Power Producer (VSPP) Project, Solar Power Plant Project and other renewable energy projects with the purpose of utilizing the domestic agricultural products and reducing the petroleum imports.

2. Real Estate Projects

The interest in the real estate projects has been invested by the collaboration with Sammakorn Public Company Limited (SAMCO) in establishing Pure Sammakorn Development Co.,Ltd. (PSDC). The partnership between the company and SAMCO was to improve and develop the lands in Bangkok Metropolitan Region in order to create the integrated community centers under the name "Sammakorn Place Mall". The Sammakorn Place malls are exceptionally modern and close to the communities in which its three branches are Rangsit-Klong 2 branch, Ramkhamhaeng branch and Ratchaphruek branch with the continuity planning of the community mall projects expansion in near the future. In August 2016, the Company has restructuring the shareholding of SAMCO, and SAMCO will hold 100% of shares in PSDC.

Besides the new investment in the community mall projects, the company also interested in expanding to other real estate projects by investing in the common shares of Sammakorn Public Company Limited (SAMCO), the property development company whose main aim is on the development of single-detached housing projects by further developing the SAMCO's previous projects; Sammakorn-Rangsit Khlong 2, Sammakorn-Rangsit Khlong 7, Chaiyapruk-WongWaen, S9 Condominium, Sammakorn Chaiyapruk-Changwatana and Sammakorn Avenue-Ramintra-WongWaen.

In accompanying between SAMCO, the high potential business partnership, the company has set its vision upon the opportunity for the company to grow, expand and increase its businesses and revenues, in which the development of the real estate projects for the company is indispensable.

Shareholding and Management Structure

As of 26 July 2016, the list of top ten shareholders including related persons as specified in Section 258 of the Securities Act B.E. 2535 is as follows:

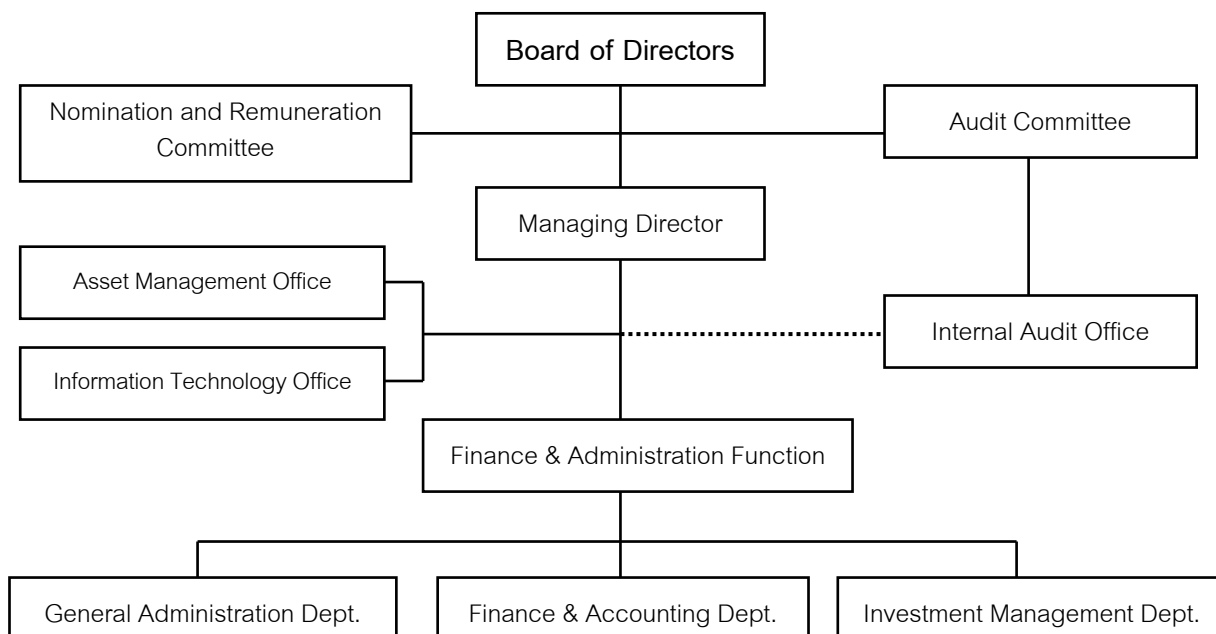
	Names of Shareholders	Number of shares	% ⁽¹⁾
1	Petro-Instruments Corp.	257,227,140	19.72
2	Ms. Montana Janetumnugul	33,981,978	2.60
3	Mr. Tawat Ungsuprasert	32,557,578	2.50
4	Ms. Prinnee Janetumnugul	28,601,578	2.19
5	Mr. Satja Janetumnugul and Spouse	22,734,592	1.74
6	Ms. Pimuma Janetumnugul	21,318,950	1.63
7	Mr. Napon Janetumnugul	21,111,400	1.62
8	Mrs. Ampai Hankraivilai	17,000,000	1.30
9	Pol.Maj.Gen. Uthid Pongpanich	15,541,725	1.19
10	Thai NVDR Co., Ltd.	14,686,417	1.13

Source : List of registered shareholders of RPCG as of 26 July 2016.

Note : ⁽¹⁾ Based on the paid-up capital of 1,304,664,125 shares

Structure of RPCG Public Company Limited

As of 31 December 2016



Board of Directors

As of 31 December 2016, the Board of Directors comprises 7 directors as follows:

Name	Position
1. Mr. Satja Janetumnugul	Chairman of the Board
3. Mr. Suwinai Suwanhirunkul	Director / Acting President
2. Mr. Supapong Krishnakan	Director
4. Mr. Suthud Khancharoensuk	Director
5. Mr. Prasit Dheeraratbongkot	Independent Director / Chairman of the Audit Committee
6. Mr. Chamni Janchai	Independent Director / Member of the Audit Committee
7. Ms. Panicha Pongsivapai	Independent Director / Member of the Audit Committee

Secretary to the Company : Mrs. Supanee Tanchaisrinakorn

The Authorized Signatory

The authorized directors composed of:

- Mr.Satja Janetumnugul, Mr.Supapong Krishnakan, Mr.Suwinai Suwanhirunkul, Mr.Suthud Khancharoensuk ; two of these four directors jointly sign and stamped with the Company's seal; or

Authority and Responsibilities of the Board of Directors

1. The Board of Directors may appoint any person to conduct the Company's business under the Board of Directors' supervision or may delegate authority to that person within the timeframe deemed appropriate. However, the Board of Directors may revoke or alter that authority anytime. The Board of Directors assigns the Executive Board to conduct business within the scope of authority and responsibility of the Executive Board. However, the authority of the Executive Board or the delegation of authority thereof to the appointed person(s) will exclude the power to approve

transactions that may be in conflict of interests with the Company and its affiliated companies, or as specified in the Securities and Exchange Commission's announcements and regulations, except for transactions that are in accordance with the prescribed policy and criteria previously approved by the Board of Directors.

2. The Board of Directors has the authority to approve and change the authorized signatory director(s).
3. The Board of Directors may approve an interim dividend when the Company has sufficient profits and then reports the decision to the shareholders in the next shareholder meeting.
4. The Board of Directors must comply with laws and the Company's objectives, Article of Association, as well as the shareholder resolutions. However, in some cases, the Board of Directors must get the shareholders' approvals prior to implementation i.e.,

activities that need shareholders' approval per law requirement, related party transactions as required by SET's regulation on acquisition or disposal of assets, and those activities as required by related government agencies.

5. The Board of Directors must convene meet at least quarterly and attended by more than half of the Board of Directors members. The Board of Directors' decision is based on majority vote, in which each director has one vote. When the voting is equal, the Chairman of the meeting shall vote for the final decision.
6. The Board of Directors shall arrange for an annual general meeting of shareholders within four months after the end of the Company's fiscal year.
7. A director shall immediately inform the Company once he/she has any conflict of interests in a contract(s) executed by the Company executed or when his/her number of shares or debentures in the Company or affiliates that the director holds has increased or decreased.
8. A director shall not conduct any competing business with the Company, be a partner in any business partnership, be an unlimited-liability partner in a limited business partnership, or be a director of any private or public company that

is operating competitively in similar business to that of the Company. However, the aforesaid requirements will not be in effect if the shareholders are notified of those conditions prior to appointing the said director to the Board of Directors.

Qualification of Independent Directors

1. Shall not hold more than 1% of total shares with voting rights of the company, parent company, subsidiary company, associated company or juristic person that may conflict.
2. Shall neither be the director involving in the management, staff, employee, consultant who receive regular salary, nor a person having control power over the company, parent company, subsidiary company, associated company, subsidiary company in the same level or a juristic person that may conflict.
3. Shall neither be a blood relationship nor relationship from registration in the nature of parent, spouse, brother/sister, child including child's spouse with the executives, major shareholders or controlling person or a person who will be nominated to be the executive or the controlling person of the company or subsidiary company.
4. Shall neither be the commercial relationship with the company
5. Neither being nor used to be an auditor of the Company, its parent company,

- subsidiary company, associated company, major shareholder or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company major shareholder or controlling person.
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person.
 7. Shall not be a director who is appointed as a representative of the director of the Company, major shareholders or the shareholders who are the connected person of the company's major shareholders.
 8. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.
 9. Not be directors assigned by the Board to make decision in operating business of the Company, the parent subsidiary, affiliate, and subsidiary at the same level or legal entity which may have conflicting interest and not be director of the parent, subsidiary, or subsidiary at the same level specifically.
 10. Having duties in the same manner as prescribed in the announcement of the Securities Exchange of Thailand relating to qualification and scope of duties of the Audit Committee.

The Audit Committee

As of 31 December 2016 the Audit Committee comprises 3 directors as follows:

Name	Position
1. Mr. Prasit Dheeraratbongkot	Chairman of the Audit Committee
2. Mr. Chamni Janchai	Member of the Audit Committee
3. Ms. Panicha Pongsivapai	Member of the Audit Committee

Secretary to the Audit Committee: Mrs. Supanee Tanchaisrinakorn

Authority and Responsibilities of the Audit Committee

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. Review the Company's financial reporting process to financial statement to ensure the accuracy and sufficient;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer dismissal and to yearly performance evaluation of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and to ensure that they are in compliance with the laws and the Exchange's regulations;
7. Review and discuss risk management and internal control systems to Board of Directors to ensure;
8. Review reliability and effectiveness of information technology related to financial reporting and internal control;
9. Review the audit plans to ensure that generally accepted principles are in practiced;
10. Review the appropriateness of the Audit Committee Charter and the Internal Audit Charter;
11. The Committee, if necessary, might seeks independent opinion from experts in other profession at the expense of the Company with the Board of Director' approval. The hiring procedure should conform to the company policy;
12. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.

The Nomination and Remuneration Committee

As of 31 December 2016, the Nomination and Remuneration Committee comprises 3 directors as follows:

Name	Position
1. Mr. Prasit Dheeraratbongkot	Chairman of the Committee
2. Mr. Chamni Janchai	Member of the Committee
3. Ms. Panicha Pongsivapai	Member of the Committee

Authority and Responsibilities of the Nomination and Remuneration Committee

1. Propose the remuneration of Directors and President thereof to the Board of Director for consideration and approval
2. Nominate Directors and President and propose to the Board of Director for consideration and approval
3. Perform other tasks assigned by the Board of Directors

The Management

As of 31 December 2016 the Company's managements are as follows:

Name	Position
1. Mr. Suwinai Suwanhirunkul	Acting President
2. Mrs. Supanee Tanchaisrinakorn	General Manager-Finance & Administration Function
3. Ms. Kallaya Klaithong	General Manager – Asset Management Office

Authority and Responsibilities of the President

The President has the authority and responsibilities to conduct business in accordance with the Board of Directors' assignment and shall follow strictly and ethically the Company's business plan or budget that has been approved by the Board of Directors. The President shall also act diligently to protect the Company's and the shareholders' best interests. The authority and responsibilities of the President are described as follows:

1. Oversee and supervise the Company's routine operation
2. Oversee the process of recruitment, appointment, promotion, and salary adjustment, based primarily on the pre-approval of the related authority in each department
3. Consider and approve the purchase of fixed assets with the amount not exceeding Baht 10 million. The approval must be complied with the Stock Exchange of Thailand's regulation on the acquisition and disposal of assets of the listed companies or

related party transactions or regulations of related authorities.

4. Prepare and propose the Company's policy, business plan, and budget to the Board of Directors for approval and report the progress thereof to the Board of Directors on the quarterly basis.
5. Execute the policy, business plan, and budget, which have been approved by the Board of Directors. The above authority of the President shall not be valid if, in exercising such authority, the President may receive benefits or have potential conflict of interest with the Company.

The Appointment of Directors and Management

The Company sets up the Nomination and Remuneration Committee to be responsible for the appointment of directors and management. In this regard, an individual who is eligible to be appointed as director and management of the Company must possess the qualifications as specified in the Public Company Act B.E. 2535, Section 68 and the Company's requirement, and shall not be disqualified per the SEC announcement dated December 12, 2008 on request for approval and Approval to offer new shares. The appointment process is as follows:

Appointment of the Board of Directors

The Board of Directors must comprise at least 5 members but not exceed 15 members. The directors shall be elected by the shareholders in the shareholder's meeting. At least half of the directors must have permanent residence in Thailand. According to the Company's Articles of Associations, the shareholder's meetings shall elect the directors per the following principles and methods:

1. One shareholder has one vote for one share held.
2. Each shareholder can use all of his/her eligible votes to elect only one or many director(s) but cannot split his/her votes erratically.
3. An individual in receipt of the highest number of votes and those in order of descent shall be elected as Directors as per the required number. In case that two or more individuals receive an equal number of votes which exceed the available positions, the Chairman of the meeting shall make the final decision.

At every Annual General Shareholder's Meeting, one-third of the directors shall resign. In case that the number of directors cannot be equally divided into three parts, the number nearest to one-third shall resign. Those outgoing directors may be re-elected.

The authorized signatory comprises the joint signatures from any two directors and stamped with the Company's seal.

Appointment of the Executive Board

The Board of Directors elects and appoints the Executive Board by electing from the Company's directors.

Appointment of the Audit Committee

The Board of Directors appoints at least 3 persons who are qualified per the SET's announcements to be the members of the Audit Committee with three-year term.

Remunerations for the Directors and Management

Financial remuneration

In 2015, the fee for 12 directors totaled Baht 1.70 million, paid for the meeting allowances in congruence with the Company's performance.

The fee for 4 Managements totaled Baht 6.12 million, paid for salary and bonus in congruence with the Company's performance.

In 2016, the fee for 9 directors totaled Baht 0.71 million, paid for the meeting allowances in congruence with the Company's performance.

The fee for 3 Managements totaled Baht 4.18 million, paid for salary and bonus in congruence with the Company's performance.

The details of remuneration for individual directors in 2016 are as follows:

Unit : Baht

Name	Position	Board of Directors	Audit Committee	Nomination & Remuneration Committee
1. Mr.Satja Janetumnugul	Chairman of the Board	87,500	-	-
2. Mr.Suwina Suwanhirunkul	Director / Acting President	70,000	-	-
3. Mr.Supapong Krishnakan	Director	70,000	-	-
4. Mr.Suthud Khancharoensuk	Director	60,000	-	-
5. Mr.Prasit Dheeraratbongot	Independent Director Chairman of the Audit Committee Chairman of the Nomination & Remuneration Committee	70,000	72,500	25,000
6. Mr.Chamnai Janchai ⁽¹⁾	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	30,000	30,000	10,000
7. Ms.Panicha Pongsivapai ⁽²⁾	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	10,000	15,000	-

Directors who resigned during the year 2016

1. Mr.Somchai Sirojvisuth	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	20,000	25,000	10,000
2. Mr.Sobhon Homcheon	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	50,000	40,000	10,000
TOTAL		467,500	182,500	55,000

Note: ⁽¹⁾ Appointed as director on May 16, 2016.

: ⁽²⁾ Appointed as director on September 12, 2016.

Other forms of remuneration

In 2015, the Company's provident fund contribution for 4 Management (excluding Independent Directors) was THB 0.21 million.

In 2016, the Company's provident fund contribution for 3 Management (excluding Independent Directors) was THB 0.21 million.

Corporate Governance

The Company perceives the importance to enforce the corporate governance practices in accordance with the Corporate Governance Policy across all levels of employees, the Management, and the Board of Directors. These practices are to ensure operating transparency, promote managerial integrity effectiveness, and efficiency across the firm, for the benefits of shareholders, customers, investors, and the general public.

1. Right of shareholders

The Company's Board of Directors perceives the significance of good corporate governance, the internationally standardized operation, the compliance with SET's regulations, the rights of shareholders and the promotion of their rights thereof. The Audit Committee was set up to supervise the business in various aspects so as to promote favorable corporate culture and corporate governance. This effort is a key factor encouraging the Company to achieve its desirable performances and targeted business objectives. As a result, the shareholders will reap the highest benefit out of this practice. In this regard, the Company

aims that the Directors and the employees of all levels hold on to the following values:

- Perform each task with their best knowledge and capability, along with professional practices, honesty, and morality
- Formulate cooperative solidarity in workplace
- Hold firmly to rules and regulations and perform for the benefit of the Company, the country and the society as a whole
- Create mutual interactions and be readily responsive to any circumstances.

In 2003, the company registered in the Stock Exchange of Thailand and became a public company. The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 7 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and

updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.

2. The equity of the shareholders

In 2003, the company registered in the Stock Exchange of Thailand and became a public company. The firm has a policy to send the inviting letters for a meeting and accompanying documents to the shareholders at least 7 days earlier, in order to reach the minimum period determined by the law. Moreover, the company has a policy to treat all the shareholders equally. That is, a shareholder can vote independently to elect the board of directors, partake in resolution making, opining, and enquiring the meeting as per the meeting's agenda and proposed issue. Every shareholder has the right and equity to receive correct, well-rounded, and updated information, of which he/she can also check for its verity. The company has a policy to provide more alternatives for the shareholders by permitting an independent director to be entrusted by a shareholder, in the event the latter cannot attend the meeting.

In the past years, the company's directors and management have been

considering about the eradication of the interests' conflict with prudence, honesty, and independence under the frame of decent morality. This effort is to achieve the overall benefits of the company, transparency, and protection of personal interest through exploitation. The company is in the process of initiating an instruction bill forbidding the directors, management, and operational staffs not to use the firm and its subsidiary's internal data which are significant and confidential for the pursuit of personal benefits. Besides, if there is any interrelated program, the firm will be complied with the criterion and method notified by the Stock Exchange of Thailand.

3. The roles of stakeholders

The company is attentive to the right of the beneficiaries in all groups, be they the internal beneficiaries like staffs and the Company's and its subsidiaries' executives, or the external beneficiaries like competitors, creditor, the governmental authority and other related agents. The company actually conducts its operation in compliance with the provisions of law and other relevant regulations in order to maintain the appropriate care of these beneficiaries. In 2016, the Company ensured that all stakeholders were properly treated as follows:

Shareholders:	The Company values the rights of shareholders and rights stipulated by the law, such as the right to attend the shareholders' meetings; the right to vote at the meeting; the right to freely express opinions at the shareholders' meetings; the Company also gives shareholders the right, as the owners of the Company, to make suggested and comments on the Company's affairs to the independent.
Employees:	The Company truly believes that its employees are the most valuable assets and also support employees to improve their knowledge and skill by providing skills trainings, knowledge sharing workshops and leaning opportunities to all employees for their self-development and career growth with the Company. The Employee Performance Assessment system integrates the employees' values with the corporate objective to ensure that the business success is their mutual benefits.
Customers:	The Company is determined to provide customers with maximum benefit in terms of quality and price, to develop and maintain the sustainable relationship with customer, to commitment to the customers.
Partners:	The Company is operates its business by upholds promises and committed to fair and equal treatment of its suppliers and business partners to establish mutual trust.
Competitors:	The Company is legally competing with the competitors by adhering to the business fairness under the trade competition act. , and not take any action that violates the intellectual property or copyright of competitors, not use dishonest methods to discredit a competitor or no trade secret violations.
Creditors:	The Company honestly and strictly adheres to loan agreement, pay attention to the importance of the creditors and strive to keep good relationship with them on the best interest of the Company.
Communities, Social and Environment	The Company perceives the corporate responsibility for the environment in the society and community and for natural resources conservation. The Company supports activities that promote quality of life and create happiness for communities, society and environment.

4. Information Disclosure and Transparency

The Board of Director is responsible for the Company's and its subsidiaries' financial statement and information as appearing in the annual report. They also

oversee the effective internal control system to ensure that the accounting records be thorough, accurate, and adequate to maintain the property, and to be notified of possible

weaknesses to assure that the financial statements are free of material misstatements.

Investor Relations

After being registered in the Stock Exchange of Thailand, the Company has a policy to nominate a person to be in charge of investor relations. This particular individual will make sure that the disclosure of general and financial information, as well as significant data affecting the price of the Company's stock, be accurate, complete, transparent, and thorough. Such information will be distributed to investors and the public via the following channels:

- 1) The Stock Exchange of Thailand
 - List of annual data (Form 56-1)
 - Annual report (Form 56-2)
 - Electronic media (SCP Client)
- 2) Newspaper
- 3) Magazine
- 4) Television
- 5) Company website
- 6) Shareholder journal
- 7) Face-to-face interview
- 8) Trip to meet domestic and international investors
- 9) Meeting with stock analysts

5. Responsibilities of the Board of Directors

The company's board of directors is composed of well-versed, experienced directors who settle policies, vision, strategy, goal, mission, business plan, and the firm's budget. They also govern the management to operate the works effectively and efficiently as

per the determined policy, within the boundary of law, the company's provisions, and the resolution of shareholders' meeting, with honesty, responsibility, and prudence; for the utmost economic value of the enterprise and supreme security of the shareholders. Besides, the company is highly attentive to an internal control system, internal auditing, appropriate method of risk management, including a checking system in order to enable the operation to be in compliance with the law, to make the utmost effectiveness and efficiency out of the internal control system. Moreover, the board of directors has considered about the settlement and separation of duty and responsibility between the board of directors, the audit committee, the executive board, and the President.

Conflict of interests

In the past years, the company's directors and management have been considering about the eradication of the interests' conflict with prudence, honesty, and independence under the frame of decent morality. This effort is to achieve the overall benefits of the company, transparency, and protection of personal interest through exploitation. The company is in the process of initiating an instruction bill forbidding the directors, management, and operational staffs not to use the firm and its subsidiary's internal data which are significant and confidential for the pursuit of personal benefits. Besides, if there is any interrelated program, the firm will

be complied with the criterion and method notified by the Stock Exchange of Thailand.

Business ethics

The company has stood firmly on doing correct deeds in its business path. The directors, management, and all the staffs of the company have their own parts in doing the duty with honesty, under the law's boundary and their own responsibilities. They shall also exercise the prudent consideration in trading and treatment to others; abstaining from any conduct which will riskily lead to the company's infamy or damage, though that action seems to be beneficial to the company's business. However, the company is preparing the Bills of Staff Conduct and Business Conduct for all the personnel to be complied with.

The board of director's check and balance

The company's board of directors consists of 10 persons, who are:

- Directors who are not the executives – 4 persons.
- Directors who are independent – 4 persons or 40 % of the whole board.

Unification or separation of rank

The chairman of the board of directors will not be the same person with the firm's managing director, in order to give check and balance in administration. More than half of the company's board of directors is consisted of a coalition of non-executive directors and the independent directors.

Remuneration for directors and management

The firm has clearly settled the policy on the directors and management's remuneration. However, the consideration of the directors' remuneration is under the approval of the shareholder's meeting, whereas the management's remuneration is under the approval of the board of directors. This consideration will be as high as that of the industry to maintain the highly-qualified directors and management with the firm.

The Board of Director's meeting

The company has a policy to send the inviting letters for a meeting with accompanying documents to the directors' consideration at least 7 days earlier, in order to reach the minimum period determined by the law. In 2016, the board of directors had 7 meetings, with the written record, and the approved meeting report was kept for the checking by directors and related persons.

The subcommittee

The board of directors has appointed the subcommittee board to support on corporate governance, as follows:

- The Audit committee with a 3-year term in office. The committee's body consists of 3 persons, all are the independent directors.
- The Nomination and Remuneration Committee with a 3-year term in office. The committee's body consists of 3 persons, all are not the Executive Board and committee's chairman must be the Independent director.

Name	Position	Meetings in the 2016			
		Board of Director	Audit Committee	Nomination & Remuneration Committee	Shareholders Meeting
		7 Times	4 Times	2 Times	1 Time
1. Mr.Satja Janetumnugul	Chairman of the Board	7/7	-	-	1/1
2. Mr.Suwina Suwanhirunkul	Director Acting President	7/7	-	-	1/1
3. Mr.Supapong Krishnakan	Director	7/7	-	-	1/1
4. Mr.Suthud Khancharoensuk	Director	6/7	-	-	1/1
5. Mr.Prasit Dheeraratbongot	Independent Director Chairman of the Audit Committee Chairman of the Nomination & Remuneration Committee	7/7	4/4	2/2	1/1
6. Mr.Chamni Janchai ⁽¹⁾	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	3/7	2/4	1/2	-/1
7.Ms.Panicha Pongsivapai ⁽²⁾	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	1/7	1/4	-/2	-/1

Directors who resigned during the year 2016

1. Mr. Somchai Sirojvisuth	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	2/7	2/4	1/2	1/1
2. Mr. Sobhon Homcheon	Independent Director Member of the Audit Committee Member of the Nomination & Remuneration Committee	5/7	3/4	1/2	1/1

Note: ⁽¹⁾ Appointed as director on May 16, 2016.

: ⁽²⁾ Appointed as director on September 12, 2016.

Control of the Use of Internal Information

The Company has informed all executives and management of each division about their duties to report the number of shares or securities of the Company that are held by them, their spouse and minor children as well as every change of securities holding occurring as a result of any purchase, sale, transfer or acknowledgement of transfer of securities to the Securities and Exchange Commission according to Clause 59 and Clause 275 of the Securities and the Stock Exchange Act B.E. 2535.

If any directors, executives or employees violates the Company's policy on the sale and purchase of securities by using internal information, those persons shall be punished or disciplined according to the Company's rules and regulations which include warning letter, pay cut, temporary forced leave without pay or employment termination. The level of disciplinary action shall depend on the degree of the violation.

Human Resources

1. Human Resources

As of 31 December 2016, the Company and its subsidiaries had 507 employees, which can be broken down by function as follows:

Organization Structure As of 31 December 2015		Organization Structure As of 31 December 2016	
<u>Function</u>	Quantities	<u>Function</u>	Quantities
- Business & Finance	17	- Business & Finance	2
- Manufacturing	19	- Manufacturing	12
- Business Development	2	- Business Development	3
- *Others	2		
<u>Subsidiaries</u>		<u>Subsidiaries</u>	
- PTEC	498	- PTEC	483
- SAP	12	- SAP	0
- SPG	12	- SPG	7
Total	562	Total	507

Remark - *Others are employees who are not under any particular function, such as Office of Managing Director.

2. Remuneration

2.1 Financial Remuneration

Total remuneration to the Company's staff including salaries, overtime, fringe benefits, bonuses and provident fund contribution for the year 2015 and 2016 were THB 129.22 million and THB 113.17 million respectively and benefits on termination of employment.

3. Human Resource Development Policy

The Company's policy to promote the advancement of employees. The direction of the development staff. And employees at all levels. It was developed under the direction of such a system. And continued to function effectively in the current page. And are ready to take up higher in the future. With regard to the use of human resources for maximum benefit. And the merit system (Merit System) in salary and promotion. And promoted Based on skills, knowledge, abilities and potential of each employee's individual compound. Corporate Value consists of:

- ♣ Initiatives.
- ♣ Accountability.
- ♣ Synergy
- ♣ Sustainable.

Internal Control System

According to the Board meeting no. 1/2017 held on February 16, 2017, the Audit Committee concluded that the Board of Directors and the Executives have paid a continuous and considerable attention to the internal control system. They have directed

their efforts to formulate the internal control system that is sufficient and appropriate with the Company's business operation. In this regard, proper attentiveness is geared toward asset maintenance, error and damage minimization, financial management, risk management, operation inspection, as well as efforts to promote compliance to existing legal requirements, along with rules and regulations. These measures are to achieve maximum job efficiency, and build up confidence in the Company's business capability to achieve its determined goals and heighten up its added values.

In order that the internal control system be efficient, the Board of Directors has focused the Company's internal control system to the following 5 sections:

1. Organization and Environment

The Company has formulated its business goal and objectives on a clear, possible, and measurable basis. In this regard, it has modified the organizational structure to facilitate job efficiency and flexibility, as well as to correspond with incessantly changing business environments. Hence, the Company has set regulations and penalty rules to prevent the management and employees from engaging in a conflict of interest with the Company. In addition, the policy and operational rules regarding financial transactions, selling, purchasing, and managing were also framed on the basis of fairness to all parties concerned.

2. Risk management

The Company's executives have set up a risk policy and an organization to be in charge of risk management. In this aspect, the risk management committee was founded along with a risk coordinator in each work unit. In addition to providing constant training to the employees on knowledge about risk management, the Company also assigns a person in charge of risk in each work unit, sets a plan and a measure for risk management, evaluates potentially threatening risk factors, formulates a measure for risk reduction, and follows up on risk management procedures of every work unit. The risk management committee will subsequently report its performance to the Audit Committee to be continually forwarded to the Company's management team.

3. Controlling of the Management

The Company has distinctly delineated the scope of authority and responsibility of both the management team and the employees of all levels. The approval scope of each management level is clearly and appropriately determined, and the operations of subsidiaries and affiliated companies are continuously and constantly supervised to comply with the existing legal requirements.

4. Information Technology and Communication System

The Company has utilized the ERP information technology system to efficiently manage purchasing, selling, accounting system, inventory, and permanent assets, so that the IT database be made efficient and handy for the executive's decision making. Moreover, additional developments have been brought in to advance the existing IT system, e.g. the systems for gas station management, close-circuit TV, and video conferencing. These developments aim prominently to facilitate work coordination and supervision, to cover extensive IT usage among employees, and to increase efficiency of communication channels between the Company and its subsidiaries and affiliated firms.

5. Monitoring System

The Board of Directors has conducted a thorough consideration and monitoring on the performance of the Management team. If any deviation from the preset goal is detected, the Board of Directors will have the Executives correct it immediately. In this regard, the Internal Control Committee will report directly to the Audit Committee in due time, especially when those deviations are critical. A report on correction process and progression should also be filed.

Company's background and major development

RPCG Public Company Limited, formerly known as Rayong Purifier Public Company Limited, was established in 1995 by a joint venture between Thai businessmen with extensive experiences in the petroleum and the petrochemical businesses and Petro-Instruments Co., Ltd. The Company's main business is to refine Condensate Residual (CR), which is a by-product from the production process of PTT Global Chemical Public Company Limited (PTTGC) (formerly known as PTT Aromatics and Refining Public Company Limited (PTTAR)), into high quality petroleum and petrochemical products such as high-speed diesel oil, fuel oil, and petrochemical products for the wholesale and retail businesses. In addition, the Company is granted a fuel-trading license, according to Article 7 of Fuel Trade Act, B.E. 2543 (2000)

Since early 2012, the Company's oil refinery has been shut down as PTT Company Limited had broken the Condensate Selling Agreement, which is the Company's main raw material. This was considered as a breach of contract between PTT and the Company. The Company, thus, filed a prosecution after this, which is the Company's main raw material. The Company needed to cease the oil refinery operation indefinitely because the Company had lost the main revenue business and there were many operating expenses.

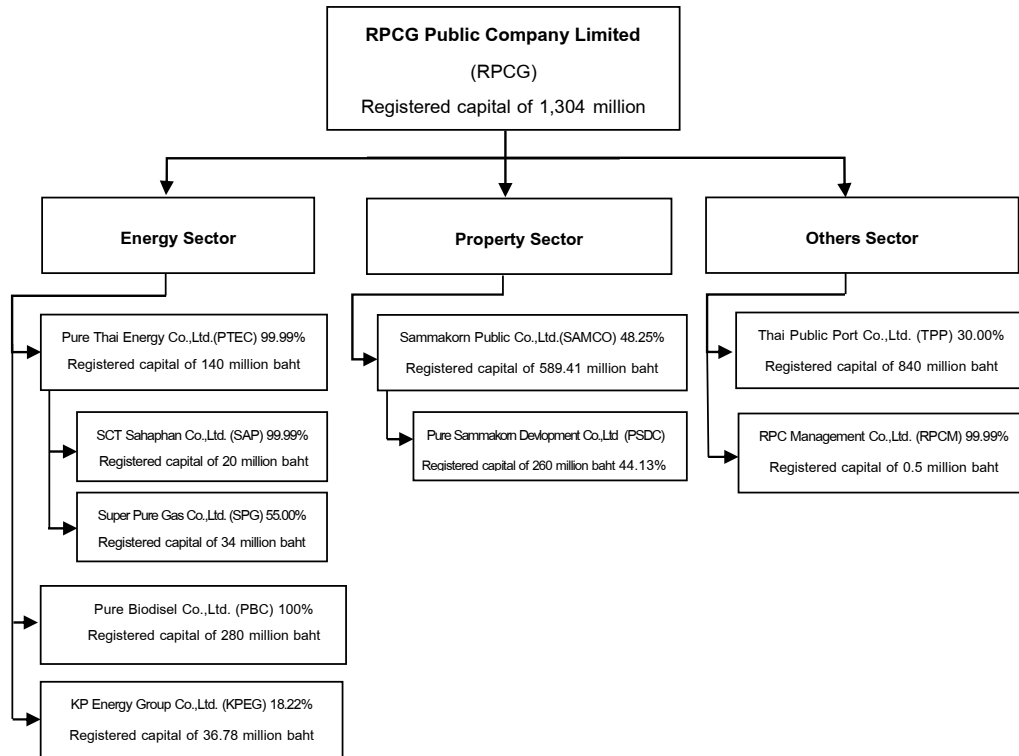
In 2015, the Company has improved business operation and restructure the business to suit the Holding Company environment, which main revenues came from energy business and the Company has the discontinued oil refinery in Rayong Province permanently.

Summary of the Company's history and major developments in the past 3 years

- 2014
- In January, the Company has registered the name change from Rayong Purifier Public Company Limited to RPCG Public Company Limited with the Department of Business Development, Ministry of Commerce
 - In February, the Company has registered the increase of its paid-up capital and the issued and paid-up capital of 1,304 million shares.
 - In April, the Company is a shareholder of TPP at amount 31,500,000 shares in proportion of 30%. Thus, TPP is an associate company of the Company.
- 2015
- In March, the Board resolved and approved the Company has restructured into Holding Company by joining venture and co-management with the company which has business potential. For this business strategy, company expecting to generate better long term income. And also, Sammakorn PLC (SAMCO) has transferred their 135,564,380 shares to company which is 23% of all SAMCO's shares. Now company hold the shares in SAMCO increased from 25.25 to 48.25 %
 - In April, the discontinued oil refinery in Rayong Province permanently, due to total plant shutdown for the unknown period of time since PTT stopped delivering raw material to the Company from February 2012 onwards. PTT action is in breach of clause 15.5 of the Agreement.

- In May, the Board resolved and approved to dissolution and liquidation of RPC Golbal Co., Ltd., is a subsidiary which the Company hold 100% shares.
 - In July, the Company sold its shareholdings 199,996 shares in the SCT Sahaphan Co., Ltd. “SAP” is a subsidiary company, equivalent to 100% to Pure Thai Energy Co., Ltd. “PTEC” is a subsidiary which held by RPC 100% of shares. It makes SAP become a subsidiary of PTEC.
 - In December, the Company has informed of the relocation of the new headquarter to 86/2 Pure Place Ramkhamhaeng, 3rd floor , Ramkhamhaeng Road, Saphansoong, Bangkok 10240 since 4 January 2016.
- 2016
 - In April, the Company received an Arbitration Award dated March 25, 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote to order PTT to pay damages for the unlawful termination of the agreement with the Company in the amount of Baht 390 million per annum starting from February 1, 2012 until the date on which the arbitral tribunal rendered the arbitration award (March 25, 2016), together with 7.5 percent interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company.
 - In August, the Board of Directors meeting passed a resolution approving the Company’s sales of 1,147,499 ordinary shares of Pure Sammakorn Development Company Limited (“PSDC”) to the Sammakorn Public Company Limited (“SAMCO”), representing a 44.13% shareholding of total paid-up capital of PSDC, at a price of Baht 140 per share, totaling Baht 160,649,860, In November, the Company received payment of the shares and already changed the share register with the Department of Business Development, Ministry of Commerce.
 - In September, the Company filed a petition to the Civil Court to object the request for revocation of the arbitration award on the case that the litigant lodged to the Civil Court.
 - In November, the Company filed a dispute to the Arbitration Office, requesting the PTT to pay the compensation of raw materials different from purchase agreement.
 - In December, the Company filed a petition with the Civil Court to seek enforcement.

As of 31 December 2016, the Company has registered capital of THB 1,304,664,125 and paid-up capital of THB 1,304,664,125. The holding structure in its subsidiaries and associated companies are as follows:



Overview of the Business Operation of the Company and its Subsidiaries

RPCG Public Company Limited (RPC)

Previously, the Company is engaged in the distillation of condensate residue (CR), a by-product from the production process of PTT Global Chemical Public Company Limited (PTTGC) (formerly known as PTT Aromatics and Refining Public Company Limited (PTTAR)), to produce high quality petroleum and petrochemical products, e.g. high-speed diesel B5, fuel oil and other petrochemical products. RPC's refinery has a maximum capacity of 17,000 barrels per day or 80

million liters per month. Moreover, RPC also procures unleaded gasoline 91, gasohol 91, gasohol 95, high-speed diesel, and E85 from other refineries to satisfy the increased consumers demand. Besides, RPC also operates one oil depot in Rayong Province to expedite the purchasing and delivery process. Since early 2012, the Company's oil refinery has been shut down as PTT Company Limited had broken the Condensate Selling Agreement, which is the Company's main raw material. The Company needed to cease the oil refinery operation indefinitely because the Company had lost the main revenue business and there were many operating expenses. According to the resolution of AGM 2015,

held on April 20, 2015 has approved the discontinued oil refinery in Rayong Province permanent.

The Company has improved business operation and restructure the business to suit the Holding Company environment, which main revenues came from energy business are as follows.

Core Company

1. Pure Thai Energy Company Limited (PTEC)

PTEC is a subsidiary which held by RPC 99.99% of shares, the registered capital of PTEC is 140 million Baht, divided into ordinary shares of 1,400,000 shares at par value of 100 Baht per share. All shares are fully paid-up. PTEC engages in retail distribution business of high-speed diesel, Benzene 91, Gasohol 91, Gasohol 95 (E85) and Gasohol E20 through "PURE" fuel stations. As of 31 December 2016, PTEC now operates 52 PURE fuel stations nationwide, which are categorized into 2 types of operation: 1) Company operated stations (Company Operate: CO) now operate 46, and 2) Franchised stations (Franchise) now operate 6. Moreover, PTEC has developed the plaza services in fuel station; the first plaza is opened in PURE fuel station located at Amata Nakorn, Chonburi Province. The Company plans to expand gas stations selling gasohol E20 through service stations.

Subsidiaries

1. SCT Sahaphan Co., Ltd. (SAP)

SCT Sahaphan Co.,Ltd. (SAP), is a subsidiary which held by RPC 99.99% of shares, the registered capital of SAP is 20 million Baht at par value of 100 Baht per share which divided into 200,000 shares. The nature of the business is selling equipment, providing construction, repair and maintenance services to petroleum service stations. In July 2015, the Company's Board of Directors meeting approved a resolution has sold all of the total ordinary shares in SCT Sahaphan Co., Ltd. "SAP" to Pure Thai Energy Co., Ltd. "PTEC". It makes SAP become a subsidiary of PTEC.

2. Super Pure Gas Co., Ltd. (SPG)

SPG is a subsidiary company which is 55% owned by Pure Thai Energy Co., Ltd. (PTEC). The registered capital of SPG is 34 million Baht. The nature of the business is selling LPG and CNG, as at 31 December 2016 the total of 4 gas stations.

3. Pure Bio-diesel Limited (PBC)

PBC is a subsidiary which is held 100% by RPC. The registered capital of PBC is 280 million Baht, at par value of 100 Baht per share which divided into 2,800,000 shares. The objectives of PBC are: 1) to produce bio-diesel (B100) from domestic palm oil which its production capacity of 300,000 liters per day or 100,000 tons per year for blending B100 into diesel fuel, referred to as Diesel B3 and Diesel B5 which are the renewable energies according to the government's policy, and (2) to produce glycerin with production capacity

of 10,000 tons per year, for usage as a raw materials in cosmetics and medical supplies. PBC obtains a BOI Promotion Certificate by which it receives an 8-year corporate income tax exemption. Present, PBC has stopped the production for indefinite period since February 2012.

4. RPC Management Co., Ltd. (RPCM)

RPCM is a subsidiary which is held 99.99% by RPC. The registered capital of RPCM is 500,000 Baht, divided into 5,000 ordinary shares at par value of 100 Baht per share, and all shares are fully paid up. RPCM engages in the business as an oil wholesale trader for trading all kinds of fuel products with major and minor dealers in nationwide such as, high-speed diesel, Gaslone 91, Gasohol 95, and fuel oil. RPCM has stopped all trading transactions. In 2012 RPCM changed it's the business operation to supporting the systems management service.

Associated Companies

1. Sammakorn Public Company Limited (SAMCO)

SAMCO is an associated company which is held 48.25% by the Company. The registered capital of SAMCO is 589.41 million Baht which divided into ordinary shares of 589.41 shares at par value of 1 Baht per share. SAMCO engages in property development business with major focus in single-detached house projects and Condominium in Bangkok and metropolitan. SAMCO is actively involved in the property developed continuously from

the past of 6 projects as at 31 December 2016 such as Sammakorn-Rangsit Khlong 2, Sammakorn-Rangsit Khlong 7, Chaiphruk-WongWaen, S9 Condominium, Sammakorn Avnue-Ramintra-WongWaen and Sammakorn Chaiphruk-Changwattana.

2. Pure Sammakorn Development Co.,Ltd. (PSDC)

- PSDC is a joint venture between the Company, which holds 44.13%, and Sammakorn Public Company Limited ("SAMCO"), which holds 55.87%. The registered capital of PSDC is 260 million Baht, divided into 2.6 million of ordinary shares at par value of 100 Baht per share, and all shares are fully paid up. PSDC engages in the business of land development for rent, for example, department stores, office building, etc. In August 2016, the Company's Board of Directors meeting approved a resolution has sold all of the total ordinary shares in Pure Sammakorn Development Co., Ltd. "PSDC" to Sammakorn Public Company Limited "SAMCO". It makes SAMCO hold the shares in PSDC 100%.

3. Thai Public Port Co., Ltd. (TPP)

TPP is an associated company which is held 30.00% by the Company. The registered capital of TPP is 840 million Baht, which divided into ordinary shares of 105 million shares at par value of 8 Baht per share. TPP

engages in the rental of oil depot and port business in Si-Chang Island, Chonburi province.

4. KP Energy Group Company Limited (KPEG)

KPEG is an associated company that the Company hold 18.22% stake. Its registered capital is THB 36.78 million and engages in a Very Small Power Producer (VSPP)

Revenue Structure

The revenue structure of the Company and its subsidiaries as of 31 December 2016 are as follows:

Sales revenue of the Company and its Subsidiaries

Products	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic						
High-Speed Diesel	1,804.85	54.52	1,383.85	57.18	1,330.64	59.02
Gasoline 91, 95	0.33	0.01	-	-	3.03	0.13
Gasohol	1,377.34	41.61	933.03	38.55	847.28	37.58
Other Petroleum Products	54.39	1.64	43.86	1.81	29.30	1.30
Total Domestic Sale Values	3,236.91	97.79	2,360.74	97.55	2,210.25	98.03
Income of Transportation and other products	73.27	2.21	59.41	2.45	44.46	1.97
Grand Total	3,310.18	100.00	2,420.15	100.00	2,254.71	100.00

Sales volumes of the Company and its subsidiary firms

Products	2014		2015		2016	
	Million Liter	%	Million Liter	%	Million Liter	%
Domestic						
High-Speed Diesel	64.76	57.48	59.97	59.45	61.64	60.15
Gasoline 91, 95	0.01	0.01	-	-	0.10	0.10
Gasohol	45.00	39.94	38.16	37.83	38.68	37.75
Other Petroleum Products	2.89	2.57	2.74	2.72	2.05	2.00
Total Domestic Sale Volumes	112.66	100.00	100.87	100.00	102.47	100.00

Risk Factors

In requirements for effective risk management, the company acknowledges the significant risk factors which may affect its business. In addition, by aligning the policies and the operation, the company considers the proper risk administration and internal control by focusing on the guidelines for risk management and the evaluations for systematic risk management.

Besides the following risk factors, the company originates its risk evaluation process on the current global status. Nevertheless, at this moment some other risks might not yet be mentioned due to the uncontrollable external sources which might affect the company in the future.

1. Risks from fluctuation in crude oil prices

The company deals directly with oil refineries and various crude oil sellers, thus, the possibility of the fluctuation in crude oil prices are according to the following factors;

- Global economic and politic unrest, specifically, the members of Middle East countries; the main producers of natural gas and crude oil
- Global and regional level of demand and supply for crude oil
- Government regulations; national level and global level
- Weather condition

Due to the fact that all mentioned factors are caused by the uncontrollable external sources, and the selling price depends on the fluctuation in crude oil prices. The effect on financial status and the operation results might also affect the selling quantity and the value of the inventories.

Nevertheless, the company manages the situation in the positive manner by utilizing great skills from the experienced group of employees regularly analyzes the situation and keeps close attention to the crude oil prices. In addition, the specializations in managing and acquiring crude oil in fair deals as well as the good management in price positioning in the market are achieved excellently. Furthermore, the main purpose of the crude oil inventories are assigned specifically for trading purpose for each part of the country, and the arbitrate trading in form of large quantity of crude oil inventories are not the policy of the company. Furthermore, the company does not have a significant effect on the fluctuation in crude oil prices due to the majority of consumers are regular buyers who purchase daily.

2. Risks from government intervention in market prices

The possibility caused by the government intervention in national crude oil price structure, especially, during the peak of the fluctuation in crude oil prices and petroleum price in global market. The intervention from the government may affect the operations, financial statuses and company operating results.

Although, the company measures that there are some risk from government intervention, but market prices may not have the effect on the company. The reason behind this is the intervention policy is only applied temporary. The government shall adjust the price to consumers and vendors for the petroleum retail price to stay at the same purchasing rate from the refinery or other suppliers including the marketing expenditures. In addition, when the tax rate, marketing expenditures and other contributed capital are unchanged the petroleum retail price will be adjusted to stay at the same rate at the refinery in order to aid the consumers and vendors during the increase of petroleum price in the global market.

3. Risks from man-made disasters and natural disasters

As the company involvement is mainly in the petroleum business, specifically, its subsidiaries as petroleum service stations all around the country. Therefore, the probability of various types of disasters is high. Although, the natural disasters such as conflagration, flood, and etc. are unavoidable and unpreventable, the company is well aware and well prepared for any circumstances in order to prevent the cause loss of lives and damage to properties and businesses.

The company acknowledges the prevention for these types of risk by applying for the all risks insurance which focuses primary on the production assets which can be filed the claim when the accidents or disasters occurred.

Furthermore, the company also recognizes the importance of the emergency training for its employees by conducting the training regularly in order to be prepared for the unexpected disasters as a contingency plan.

Risks from lawsuit cases

This risks arise from the dispute of the black case index no. 114/2552, the dispute of the black case index no. 78/2555 of The Thai Arbitration Institute, the civil case of black case index no. 3162/2553 of the Civil Court which the event occurred from PTT Public Company Limited (PTT) notified to terminate the Condensate Residue Purchase Agreement (CR) and completely stopped to supply the Condensate Residue (CR) as raw materials, The dispute of the black case index no. 114/2552, the Company received an arbitration award dated 25 March 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote to order PTT to pay damages for the unlawful termination of the agreement with the Company in the amount of Baht 390 million per annum starting from 1 February 2012 until the date on which the arbitral tribunal rendered the arbitration award (25 March 2016), together with 7.5% interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company. On June 2016 PTT petitioned the court to revoke the award (Black Case No. 3016/2559). On December 2016, the Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.6000/2559). PTT has already received

a copy of the petition. Moreover, the Company filed a dispute to the Arbitration Office (Dispute Black Case No. 117/2559), which the supplier sent raw materials different from purchase agreement. However, the outcomes of the commercial dispute and outstanding litigation, cannot be concluded at this time and depend on future judicial proceedings.

Risks of the future business

The risks of future business has arisen from PTT Public Company Limited (PTT) who is the only one supplier in distribution of raw materials, failed to perform the obligations under the Agreement without default in performances by Company. The Purchase Agreement is made on a long-term basis with no predetermined end date, and does not specify the period of termination (Evergreen Basis). This issues caused Company filed the case to

Arbitration and Civil Court, respectively. During the arbitration hearing, PTT Public Company Limited (PTT) stopped to supply the raw materials to the Company since the date February 1, 2012 onwards, which it is considered in default under Clause 15.5 specified that even if the dispute between the parties has not been resolved, PTT Public Company Limited (PTT) as the party, has obligated to perform its obligations under the Agreement until the final arbitration award will be made by the Arbitrators. These issues have caused the Company to stop its production for the indefinite period and lost the main income.

To compensate for loss of the main income, the Company is preparing feasibility studies of any projects, whether fuel business and other businesses. At present, the Company invested in Very Small Power Producer, the renewable energy business and has invested in real estate project.

Related Transaction

Related transactions of RPCG Public Company Limited and its subsidiaries with the connected persons in 2015 and 2016 are as follows:

Related transactions of the Company with Petro-Instruments Co., Ltd. ("PICO")

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2015	2016
The Company services management	■ Mr.Satja Janetumnugul, Director and holding 1.74% and Mr.Suthud Khancharoensuk, Director and holding 0.0008%, are directors of PICO and holding 22%	0.25	-
The Company services in rental vehicles		0.25	0.29

Related transactions of the Company and its subsidiary with Pure Sammakorn Development Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2015	2016
The Company Interest Income	■ The Company hold shares 44.13% and Mr.Satja Janetumnugul Director is a director of Sammakorn PCL., and Sammakorn PCL., which hold shares 100% **At the ended 2016, the Company has no longer hold the shares of Pure Sammakorn Development Co.,Ltd. **	0.12	-
The Company pay for rental fee for office and other expenses.		-	0.60
Pure Thai Energy Co., Ltd. (subsidiary) sells fuel		0.09	0.02
Pure Thai Energy Co., Ltd. (subsidiary) pay for land lease, rental fee for office and other expenses		0.90	3.29

Related transactions of the Company and its subsidiary with Sammakorn Public Company Limited.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2015	2016
The Company received management fees	■ Mr.Satja Janetumnugul Director, is a Director of Sammakorn PCL. and the Company was major shareholder of Sammakorn PCL. holding 48.25%.	3.60	1.50
The Company Dividend Income		22.33	34.13
Pure Thai Energy Co., Ltd. (subsidiary) sells fuel		0.56	0.48
Pure Thai Energy Co., Ltd. (subsidiary) pays for joint venture and other expenses		0.55	0.58

Related transactions of the Company with Thai Public Port Co., Ltd.

Type of Transaction	Type of Connection	Amount (Million Baht)	
		2015	2016
The Company Dividend Income	■ Mr.Satja Janetumnugul Director, is a Director of Thai Public Port PCL., which hold shares 30%.	-	78.75

Management Discussion Analysis and Business Performance

	31 Dec. 2016		31 Dec. 2015		Increase / Decrease	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenues	2,210	94.65	2,361	96.33	(151)	(6.40)
Total revenue	2,335	100.00	2,451	100.00	(116)	(4.73)
Cost of Sales	2,027	86.81	2,170	88.54	(143)	(6.59)
Selling & Administrative expenses	290	12.42	315	12.85	(25)	(7.94)
Loss on impairment of building and equipment (reversal)	102	4.37	20	0.82	82	410.00
Loss on impairment of investments	-	-	139	5.67	(139)	(100.00)
Share of profit from investments in associates	60	2.57	354	14.44	(294)	(83.05)
Profit (loss) for the year	(69)	(2.96)	100	4.08	(169)	(169.00)

Sales Revenue

For the year 2016 RPCG Public Company (the “Company”) have total revenue of THB 2,335 million decreased THB 116 million or equivalent to a 5% from the previous year. The Company generates its core revenue through sales of gasoline product via “PURE”. Sales revenue equals THB 2,210 million, decreased THB 151 million or equivalent to a 6%. As the situation of the world crude oil market has decreased.

Cost of Sales and Expenses

For the year 2016, the Cost of Sales of THB 2,027 million, decreased THB 143 million or equivalent to a 7% from the same last year. Depend on income from decrease of Oil Prices.

In 2016, the Company selling and administrative expenses of THB 290 million decreased from THB 25 million or equivalent to 8%, comparing to the previous year. The decrease was due to selling, employee expense and rent expense.

Net Profit (Loss)

In 2016, the Company has net loss of THB 69 million, an decrease of THB 169 million or a 169%, compared to a 2015 net profit of THB 100 million, which created a loss from impairment of building and equipment of THB 102 million and the Company recognized share of loss from investment in associates. In 2015, the Company recognized the excess of the net fair value of the identifiable assets and liabilities from the Company purchased ordinary shares of Sammakorn Public Company Limited an amount of THB 288 million

Statement of Board of Directors' Opinion on Financial Statement

The Board of Directors is responsible for the financial statement and information of RPCG Public Company Limited and its subsidiaries as appeared in the annual report. The financial statement was prepared according to the generally accepted accounting standards using appropriate accounting policies with consistent practices. The judgment thereof was exercised cautiously with the best applicable estimates and adequate disclosure of important information in the financial remarks.

The Board of Directors has provided and maintained the efficient internal control system, to assure that the accounting records be thorough, accurate, and adequate to keep all assets, and to be notified of possible weaknesses to assure that the financial statements are free of material misstatements.

In this aspect, the Board of Directors has authorized the Audit Committee comprising non-executive committees to supervise the quality of financial statement, and the internal control system. Their opinion thereof appears in the report of Audit Committee.

The Board of Directors perceived that the Company's overall internal control system is in the acceptable and reliable level as appearing in the financial statement of the Company and its subsidiaries as of 31 December 2016.

Mr. Satja Janetumnugul
Chairman of the Board of Directors

The Audit Committee Report

The Audit Committee (the "Committee") performed its duties in accordance with the scope of duties and responsibilities set forth in the Audit Committee Charter, which complies with the regulations of The Stock Exchange of Thailand and authorized by the Board of Directors (the "Board").

For the accounting period of 2016, the Committee has performed its duties independently. The Committee met four times during the year with the management, external auditor, and internal auditor and the Committee also met with the external auditors without the presense of the Company's management to consider the system of internal controls and the 2016 external audit plan of the Company and its subsidiaries as appropriate to discuss the following issues:

1. *Financial Statement and accounting practice according to the International Accounting Standards:* The Committee reviewed RPCG Public Company Limited's (the "Company") quarterly and yearly financial statements for the accounting period of 2016 with management and external auditor. The Committee reviewed the opinion of the external auditor on the Company's financial statements and the disclosure of essential information and concurred that the financial statements were prepared according to the compliance with the International Financial Reporting Standards (IFRS) and that the disclosure of essential information was adequate and the Auditor's report unqualified opinion to significant uncertainties, due to the involvement in a significant commercial dispute and outstanding litigation with PTT its major raw material supplier. The commercial dispute is under consideration by the Arbitration Office and the Civil Court. At present, the formal arbitration proceedings and litigation outcomes cannot be determined.

2. *Related Transactions:* The Committee considered the disclosure of Related Transactions and other transactions that may cause a conflict of interest, which the external auditor had expressed an opinion that the Company's transactions with related companies are disclosed in the Financial Statements and recorded in the notes to the Financial Statements. The Committee agreed with the opinion of the external auditor. Furthermore, the Committee expressed that the transactions were of sound business practices and for the best interest of the Company; and the disclosures were accurate, adequate, and in compliance with related laws and the regulations of the Stock Exchange of Thailand.

3. *System of internal controls and independence of the internal audit function:* The Committee reviewed the internal audit reports and the progress of the implementation of the approved Annual Audit Plan quarterly. Furthermore, the Committee advised the internal audit function to continue to perform effectively and efficiently, and diligently conducts follow-up reviews to ensure that material issues were corrected and the system of internal controls is adequate and effective. The Committee also reviewed the risk management policies in accordance with appropriately to the company situation and also reviewed the risk from lawsuit cases and the risk of the company's business in the future and agreed that the risk management process was appropriate and effective, and that the internal audit function was adequately independent.

4. *Compliance with applicable laws and regulations:* The Committee reviewed the compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand (SET), and other laws relevant to the business practices of the Company. The Committee concluded that the Company's operation complied with all applicable laws and regulations and no issue existed.

5. *Appointment of the external auditors and their remuneration:* The Committee considered that the performance, the reputation, the scope of work, and the independency of the

external auditors of the previous year to be appropriate. For the year 2017, the Committee recommended that the Board propose to the Shareholders, the appointment of the auditors from EY Office Limited to serve as the Company's external auditor for the year 2017.

6. Good Corporate Governance: The Company recognized the importance of and continued to operate within the Good Corporate Governance principles. The Committee ensured that the Company accurately and adequately disclosed relevant information and promoted good corporate governance, transparency, and ethics; thus creating confidence among of shareholders, investors, employees and other parties. The Committee also reviewed the method of reporting the interest of the Company's directors and management in accordance with the Securities and Exchange Act.

In summary, the Committee has performed duties as described in the Audit Committee Charter which was approved by the Board. Furthermore, the Committee considered that the Company recognized the importance of good corporate governance which resulted in adequate and effective system of internal controls without any defects; appropriate and effective risk management process; and the Company's Financial Statement and information disclosure were accurate, completed, and in accordance with generally accepted accounting principles. The Company accurately and completely disclosed information concerning related transactions that might lead to conflict of interest; and adhered to related laws, rules, regulations, and other related requirements.

Please be informed accordingly.

On behalf of the Audit Committee



(Mr. Prasit Dheeraratbongkot)

Chairman of the Audit Committee

RPCG Public Company Limited

RPCG Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of RPCG Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of RPCG Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of RPCG Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RPCG Public Company Limited and its subsidiaries and of RPCG Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Notes 1.2, 34.5 a) and 19 of the consolidated financial statements, since the year 2009 the Company has been involved in a significant commercial dispute and outstanding litigation with its major raw material supplier, who stopped delivering raw materials to the Company in February 2012. This forced the Company to cease production, since it has been unable to find new suppliers of these raw materials, while some of its subsidiaries that operate in a related business have also had to cease operations. On 20 April 2015, the 2015 Annual General Meeting of the shareholders passed a resolution to propose the permanent discontinuance of the refinery business at Rayong province. The Group has therefore suffered operating losses from refinery business in the years since the cessation of production in 2012. Even though some significant uncertainties that may impact on the ability of the Group to continue as going concern have currently eased as a result of the management plans to improve the operations by restructuring the organisation in order to operate investment and holding company business as discussed in Note 1.2 to the financial statements, the Group has suffered operating losses and as at 31 December 2016 its current liabilities exceeded its current assets by Baht 1,219 million (2015: Baht 1,518 million). Current liabilities include liabilities under the commercial dispute and outstanding litigation with its major raw material supplier, discussed above. At present, there remains uncertainty regarding the outcomes of the commercial dispute and outstanding litigation, which cannot be concluded at this time and depend on future judicial proceedings.

These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, if the outcome of the litigation not be in favour of the Company. My opinion is not modified in respect of this matter.

Emphasis of Matter

I draw attention to Note 14 of the consolidated financial statements, relating to an associated company, during the year 1997 Chonburi Province (plaintiff) sued a total of 8 unrelated companies and persons (defendants), charging that they had wrongly encroached on state land, exploded rock, and destroyed the natural environment, and claiming damages. During the year 2005, Chonburi Provincial Court issued a judgement ordering the defendants to jointly indemnify the damages, and revoking the title deeds held by the defendants, including the title deed to a plot of land owned by an associated company and used as the site of a dock and terminal project. Later, in July 2010, the Court of Appeals amended the judgement, whereby the title deeds held by the defendants, including the title deed to a plot of land owned by the associated company would not be revoked, since such an order exceeded the scope of the lawsuit. However, at present, the case is under consideration of the Supreme Court. The outcome of the dispute cannot be determined and depends on future judicial proceedings. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond for each matter are described below.

Impairment of building and equipment

As discussed in Note 17 to the consolidated financial statements, as at 31 December 2016, the Group recorded impairment loss on building and equipment related to refinery plant, which is not currently in use, totaling Baht 460 million (separate financial statements: Baht 241 million), which is a significant amount in the statement of financial position. In determining the impairment loss, the Group's management had to exercise judgement with respect to the estimated the recoverable amount of the assets. There is thus a risk of inappropriate presentation of the impairment loss on building and equipment.

I gained an understanding of and assessed the following:

- Assessment of the valuation method applied by the Group's management whether it is in accordance with the nature of its useful lives and free from management bias.
- Assessment of the appraisal report prepared by the expert of the Group's management relating to competency, independence, assumptions and important data used to the valuation of fair value of the assets.

Moreover, I have assessed the sufficiency of the disclosures of the valuation of impairment of such building and equipment.

Impairment of investment in associate

As discussed in Note 14 to the consolidated financial statements, as at 31 December 2016, the Company recorded impairment loss on investment in an associated company totaling Baht 139 million (separate financial statements: Baht 151 million), which is a significant amount in the statement of financial position. In determining the impairment loss, management had to exercise a high degree of judgement with respect to its projections of future operating performance and cash inflows that are expected to be generated from the associated company and setting of an appropriate discount rate and long-term growth rate. There is thus a risk with respect to the amount of impairment of investment in associate.

I assessed the identification of cash generating units and the financial models selected by management and assessing whether the decisions made were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following:

- Tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections.
- Evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry
- Tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment, of investment in associated company.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the 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.

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Poonnard Paocharoen.



Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 16 February 2017

RPCG Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	6	30,728,233	44,473,133	2,059,137	8,829,976
Current investments	7	466,717,790	133,179,001	428,653,312	105,926,336
Trade and other receivables	8, 9	41,571,621	40,698,416	3,453,105	3,395,569
Inventories	10	45,418,011	47,943,306	-	2,775,507
Short-term loans to related parties	9	-	-	80,000,000	80,000,000
Current portion of long-term loans to unrelated parties	11	349,755	931,266	-	-
Other current assets	12	20,935,892	62,397,621	5,671,057	6,930,756
		605,721,302	329,622,743	519,836,611	207,858,144
Non-current assets held for sale	30	-	66,986,015	-	66,986,015
Total current assets		605,721,302	396,608,758	519,836,611	274,844,159
Non-current assets					
Pledged deposits at banks	13	128,704,249	232,663,892	11,815,339	152,800,000
Long-term loan to related party	9	-	-	-	-
Long-term loans to unrelated parties	11	-	-	-	-
Investments in associates	14	1,821,736,604	2,020,863,307	1,534,914,300	1,664,095,292
Investments in subsidiaries	15	-	-	338,999,683	420,728,862
Other long-term investment	16	-	-	-	-
Property, plant and equipment	17	572,472,128	634,554,480	295,020,338	235,520,769
Intangible assets	18	2,388,678	3,235,947	960,439	1,307,410
Deferred tax assets	29	5,522,649	4,489,213	-	-
Other non-current assets	19	34,187,682	39,796,994	28,050,745	27,819,443
Total non-current assets		2,565,011,990	2,935,603,833	2,209,760,844	2,502,271,776
Total assets		3,170,733,292	3,332,212,591	2,729,597,455	2,777,115,935

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9, 21	1,661,169,449	1,658,207,482	1,522,215,560	1,527,341,612
Short-term loans from unrelated parties	22	149,025,825	201,190,000	148,025,825	200,000,000
Current portion of liabilities					
under finance leases		341,858	735,487	297,666	555,510
Income tax payable		-	1,222,423	-	-
Other current liabilities	24	13,979,207	13,464,937	166,322	366,032
		<u>1,824,516,339</u>	<u>1,874,820,329</u>	<u>1,670,705,373</u>	<u>1,728,263,154</u>
Liabilities directly associated with the					
non-current assets held for sale	30	-	40,000,000	-	40,000,000
Total current liabilities		<u>1,824,516,339</u>	<u>1,914,820,329</u>	<u>1,670,705,373</u>	<u>1,768,263,154</u>
Non-current liabilities					
Liabilities under finance leases		429,375	1,496,325	429,375	1,451,291
Deferred tax liabilities	29	29,091,857	29,091,857	21,676,535	21,676,535
Provision for long-term employee benefits	23	9,421,175	9,499,168	2,276,053	2,693,969
Provision for decommissioning costs		351,612	338,773	-	-
Total non-current liabilities		<u>39,294,019</u>	<u>40,426,123</u>	<u>24,381,963</u>	<u>25,821,795</u>
Total liabilities		<u>1,863,810,358</u>	<u>1,955,246,452</u>	<u>1,695,087,336</u>	<u>1,794,084,949</u>

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
1,304,664,125 ordinary shares of Baht 1 each		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125
Issued and paid-up					
1,304,664,125 ordinary shares of Baht 1 each		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125
Premium on ordinary shares		335,966,599	335,966,599	335,966,599	335,966,599
Retained earnings					
Appropriated	25	80,304,817	80,304,817	80,304,817	80,304,817
Unappropriated (deficit)		(544,576,881)	(475,337,068)	(773,131,561)	(824,610,694)
Other components of shareholders' equity		116,367,428	116,367,428	86,706,139	86,706,139
Equity attributable to owners of the Company		1,292,726,088	1,361,965,901	1,034,510,119	983,030,986
Non-controlling interests of the subsidiaries		14,196,846	15,000,238	-	-
Total shareholders' equity		1,306,922,934	1,376,966,139	1,034,510,119	983,030,986
Total liabilities and shareholders' equity		3,170,733,292	3,332,212,591	2,729,597,455	2,777,115,935
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Continuing operation					
Revenues					
Sales		2,210,242,464	2,360,752,388	-	-
Service income		44,464,850	59,407,603	-	-
Other income	27, 30	79,909,027	30,893,398	199,749,197	50,693,709
Total revenues		2,334,616,341	2,451,053,389	199,749,197	50,693,709
Expenses					
Cost of sales		2,027,474,532	2,169,606,678	-	-
Cost of services		25,508,964	38,388,182	-	-
Selling expenses		66,220,841	68,171,785	-	-
Administrative expenses		222,288,515	241,634,465	48,108,681	71,443,023
Loss on impairment of building and equipment (reversal)		101,484,576	19,646,004	(223,440)	5,846,004
Loss on impairment of investments in associates, investments in subsidiaries and other long-term investments		-	139,000,000	81,605,240	150,271,487
Bad debts and allowance for doubtful debts		1,559,500	6,298,586	-	124,409,728
Total expenses		2,444,536,928	2,682,745,700	129,490,481	351,970,242
Profit (loss) before share of profit from investments in associates, finance cost and income tax					
		(109,920,587)	(231,692,311)	70,258,716	(301,276,533)
Share of profit from investments in associates	14	60,292,491	354,178,493	-	-
Profit (loss) before finance cost and income tax		(49,628,096)	122,486,182	70,258,716	(301,276,533)
Finance cost		(11,490,741)	(7,772,406)	(10,638,334)	(6,841,129)
Profit (loss) before income tax		(61,118,837)	114,713,776	59,620,382	(308,117,662)
Income tax expenses	29	(783,119)	(3,297,454)	-	-
Profit (loss) for the year from continuing operation		(61,901,956)	111,416,322	59,620,382	(308,117,662)
Discontinued operation					
Loss for the year from discontinued operation	30	(8,141,249)	(12,004,633)	(8,141,249)	(12,004,633)
Profit (loss) for the year		(70,043,205)	99,411,689	51,479,133	(320,122,295)
Profit (loss) attributable to:					
Equity holders of the Company		(69,239,813)	100,217,814	51,479,133	(320,122,295)
Non-controlling interests of the subsidiaries		(803,392)	(806,125)		
		<u>(70,043,205)</u>	<u>99,411,689</u>		
		0	0		
Basic earnings per share					
	31				
Profit (loss) attributable to equity holders of the Company		(0.05)	0.08	0.04	(0.25)
Weighted average number of ordinary shares (shares)		1,304,664,125	1,304,664,125	1,304,664,125	1,304,664,125

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2016	2015	2016	2015
Profit (loss) for the year		(70,043,205)	99,411,689	51,479,133	(320,122,295)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	23	-	4,736,232	-	1,145,350
Less: Income tax effect	29	-	(718,176)	-	-
		-	4,018,056	-	1,145,350
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	4,018,056	-	1,145,350
Other comprehensive income for the year		-	4,018,056	-	1,145,350
Total comprehensive income for the year		(70,043,205)	103,429,745	51,479,133	(318,976,945)
Total comprehensive income attributable to:					
Equity holders of the Company		(69,239,813)	104,235,870	51,479,133	(318,976,945)
Non-controlling interests of the subsidiaries		(803,392)	(806,125)		
		(70,043,205)	103,429,745		

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before tax from continuing operation	(61,118,837)	114,713,776	59,620,382	(308,117,662)
Loss before tax from discontinued operation	(8,141,249)	(12,004,633)	(8,141,249)	(12,004,633)
Profit (loss) before tax	(69,260,086)	102,709,143	51,479,133	(320,122,295)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	54,712,480	65,217,400	2,960,609	11,198,328
Bad debts and allowance for doubtful debts	1,559,500	6,298,586	-	124,409,728
Reduction of cost of inventories to net realisable value	4,476,785	1,812,115	2,775,507	-
Gains on sales of current investments	(2,941,957)	(2,216,401)	(2,586,128)	(1,887,035)
Gains on the change in value of current investments	(1,267,929)	(1,123,839)	(1,004,562)	(926,336)
Gains (loss) on sales of equipment	5,757,040	(12,978)	5,738,049	(11,663)
Reversal of allowance for impairment of assets due to write-	(5,846,004)	-	(5,846,004)	-
Loss on impairment of building and equipment	106,187,633	26,550,157	4,479,618	12,750,157
Provisions for long-term employee benefits (reversal)	447,007	2,622,962	(417,916)	1,084,300
Provision for decommissioning costs	-	(2,847)	-	-
Loss on return of capital by subsidiaries	-	-	-	29,902,629
Loss on impairment of investments in associates, investments in subsidiaries and other long-term investments	-	139,000,000	81,605,240	120,368,858
Write-off investment in subsidiary	-	-	123,939	-
Gain on sale of investment in subsidiary	-	-	-	(5,118,699)
Gain on sale of investment in associate	(14,110,728)	-	(31,468,868)	-
Dividend income from associate	-	-	(112,880,062)	(22,327,920)
Interest income	(2,522,158)	(6,758,286)	(4,361,913)	(6,926,597)
Interest expense	8,320,665	6,978,079	8,287,259	6,811,028
Share of profit from investments in associates	(60,292,491)	(354,178,493)	-	-
Gain (loss) from operating activities before changes in operating assets and liabilities	25,219,757	(13,104,402)	(1,116,099)	(50,795,517)
Operating assets (increase) decrease				
Trade and other receivables	(2,971,497)	10,063,326	(741,451)	6,098,145
Inventories	(1,951,490)	9,356,539	-	4,116
Other current assets	41,461,729	(3,118,955)	1,259,699	(1,746,226)
Other non-current assets	6,332,288	1,850,664	(4,900)	1,987,830

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Operating liabilities increase (decrease)				
Trade and other payables	8,990,893	(22,016,663)	901,345	(1,745,637)
Cash paid for termination benefits	(525,000)	-	-	-
Other current liabilities	514,270	(526,512)	(199,710)	(8,330)
Other non-current liabilities	12,839	-	-	-
Director liabilities of non-current assets held for sale	(40,000,000)	-	(40,000,000)	-
Cash flows used in operating activities	37,083,789	(17,496,003)	(39,901,116)	(46,205,619)
Cash paid for interest expense	(14,349,591)	(958,477)	(14,314,656)	(783,631)
Cash received from income tax refunded	4,350,479	2,549,991	-	524,482
Cash paid for income tax	(8,112,433)	(3,634,057)	(226,402)	(523,701)
Net cash flows used in operating activities	18,972,244	(19,538,546)	(54,442,174)	(46,988,469)
Cash flows from investing activities				
Decrease (increase) in pledged deposits at banks	103,959,643	25,196,035	140,984,661	(50,000,000)
Interest received	3,060,950	8,622,619	5,045,828	7,455,764
Dividend received from associate and subsidiary	112,880,062	22,327,920	112,880,062	22,327,920
Cash paid for purchases of current investments	(1,750,310,001)	(630,410,000)	(926,500,000)	(564,000,000)
Proceeds from sales of current investments	1,420,981,098	695,309,519	607,363,714	622,968,816
Net cash paid for acquisitions of investments				
in associates	-	(414,209,888)	-	(414,209,888)
Proceeds from sales of investments in associates	160,649,860	-	160,649,860	-
Cash receipts from return of capital by subsidiaries	-	-	-	1,832,834
Proceeds from sales of investments in subsidiaries	-	-	-	26,599,468
Decrease in short-term loans to related parties	-	8,000,000	-	58,000,000
Increase in short-term loans to unrelated parties	-	(395,000)	-	(395,000)
Decrease in long-term loans to unrelated parties	581,511	298,059	-	100,000
Proceeds from sales of equipment	1,241,185	683,316	954,394	11,850
Acquisitions of equipment	(32,133,494)	(21,282,485)	(453,249)	(1,043,539)
Acquisitions of intangible assets	(3,204)	(83,705)	-	-
Advances received from selling of machinery and equipment	-	40,000,000	-	40,000,000
Net cash flows from (used in) investing activities	20,907,610	(265,943,610)	100,925,270	(250,351,775)

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Increase (decrease) in short-term loans from unrelated parties	(52,164,175)	199,500,000	(51,974,175)	200,000,000
Repayment of liabilities under finance leases	(1,460,579)	(1,268,809)	(1,279,760)	(577,348)
Net cash flows from (used in) financing activities	(53,624,754)	198,231,191	(53,253,935)	199,422,652
Net decrease in cash and cash equivalents	(13,744,900)	(87,250,965)	(6,770,839)	(97,917,592)
Cash and cash equivalents at beginning of year	44,473,133	131,724,098	8,829,976	106,747,568
Cash and cash equivalents at end of year	30,728,233	44,473,133	2,059,137	8,829,976
	-	-	-	-

Supplemental cash flows information:

Non-cash transactions

Transfer of building, building improvement, machinery and equipment to non-current assets held for sale	-	71,441,507	-	71,441,507
Transfer of non-current assets held-for-sale to building, building improvement, machinery and equipment	71,441,507	-	71,441,507	-

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2016

Consolidated financial statements												(Unit: Baht)
Equity attributable to owners of the Company												
Issued and paid-up share capital	Premium on ordinary shares		Retained earnings		Unappropriated (deficit)	Revaluation surplus on assets	Total other components of shareholders' equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	The Company	The subsidiaries	statutory reserve	The subsidiaries			shareholders' equity	shareholders' equity				
Balance as at 1 January 2015	1,304,664,125	335,966,599	80,304,817	1,500,000	(681,072,938)	116,367,428	116,367,428	116,367,428	1,257,730,031	15,806,363	1,273,536,394	
Profit (loss) for the year	-	-	-	-	100,217,814	-	-	-	100,217,814	(806,125)	99,411,689	
Other comprehensive income for the year	-	-	-	-	4,018,056	-	-	-	4,018,056	-	4,018,056	
Total comprehensive income for the year	-	-	-	-	104,235,870	-	-	-	104,235,870	(806,125)	103,429,745	
Reversal of statutory reserve from liquidation of subsidiaries	-	-	-	(1,500,000)	1,500,000	-	-	-	-	-	-	
Balance as at 31 December 2015	1,304,664,125	335,966,599	80,304,817	-	(475,337,068)	116,367,428	116,367,428	116,367,428	1,361,965,901	15,000,238	1,376,966,139	
Balance as at 1 January 2016	1,304,664,125	335,966,599	80,304,817	-	(475,337,068)	116,367,428	116,367,428	116,367,428	1,361,965,901	15,000,238	1,376,966,139	
Loss for the year	-	-	-	-	(69,239,813)	-	-	-	(69,239,813)	(803,392)	(70,043,205)	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	(69,239,813)	-	-	-	(69,239,813)	(803,392)	(70,043,205)	
Balance as at 31 December 2016	1,304,664,125	335,966,599	80,304,817	-	(544,576,881)	116,367,428	116,367,428	116,367,428	1,292,726,088	14,196,846	1,306,922,934	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Revaluation surplus on assets	Other components of shareholders' equity		Total shareholders' equity	Total shareholders' equity	Total
			Appropriated - statutory reserve	Unappropriated (deficit)		shareholders' equity	components of shareholders' equity			
Balance as at 1 January 2015	1,304,664,125	335,966,599	80,304,817	(505,633,749)	86,706,139	86,706,139	86,706,139	86,706,139	1,302,007,931	
Loss for the year	-	-	-	(320,122,295)	-	-	-	-	(320,122,295)	
Other comprehensive income for the year	-	-	-	1,145,350	-	-	-	-	1,145,350	
Total comprehensive income for the year	-	-	-	(318,976,945)	-	-	-	-	(318,976,945)	
Balance as at 31 December 2015	1,304,664,125	335,966,599	80,304,817	(824,610,694)	86,706,139	86,706,139	86,706,139	86,706,139	983,030,986	
Balance as at 1 January 2016	1,304,664,125	335,966,599	80,304,817	(824,610,694)	86,706,139	86,706,139	86,706,139	86,706,139	983,030,986	
Loss for the year	-	-	-	51,479,133	-	-	-	-	51,479,133	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	51,479,133	-	-	-	-	51,479,133	
Balance as at 31 December 2016	1,304,664,125	335,966,599	80,304,817	(773,131,561)	86,706,139	86,706,139	86,706,139	86,706,139	1,034,510,119	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	

The accompanying notes are an integral part of the financial statements.

RPCG Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

1.1 Corporate information

RPCG Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the trading of fuel oil, investment and holding company business. The registered office of the Company, which is the head office, is located at 86/2 Pure Place Community Mall Ramkhamhaeng, 3rd floor, Ramkhamhaeng Road, Saphan Sung, Bangkok. The Company’s branch, which is the plant, is located at 7/3 Pakorn Songkrohrad Road, Map-ta-phut, Muang Rayong, Rayong.

The Company’s major shareholder is Petro-Instruments Co., Ltd., which as at 31 December 2016 and 2015 held 19.72% of the issued and paid-up capital of the Company.

1.2 Fundamental accounting assumptions

As discussed in Note 34.5 a) to the financial statements, since the year 2009 the Company has been involved in a significant commercial dispute and outstanding litigation with its major raw material supplier, who stopped delivering raw materials to the Company in February 2012. This forced the Company to cease production, since it has been unable to find new suppliers of these raw materials, while some of its subsidiaries that operate in a related business have also had to cease operations. On 20 April 2015, the 2015 Annual General Meeting of the shareholders approved a resolution to permanently discontinue the refinery business in Rayong province. The Group has therefore suffered operating losses from refinery business in the years since the cessation of production in 2012. Later, in March 2016, an arbitral tribunal rendered an award by a majority vote to order this major supplier (litigant) to pay damages for the unlawful termination of the agreement with the Company and the Company received certain compensation. The Company is entitled to file application petition with the Civil Court to seek enforcement of the arbitration award by the court within 3 years from the date on which such arbitration award may be enforced. Later, on 30 June 2016, the litigant filed a petition to the Civil Court to revoke the award. On 23 September 2016, the Company filed a petition to the Civil Court to object the request for revocation of the arbitration award on the case that the litigant lodged to the Civil Court. On 16 December 2016, the Company filed a petition with the Civil Court to

seek enforcement of the above arbitration award and PTT has already received a copy of the petition. Even though some significant uncertainties that may impact on the ability of the Group to continue as going concern as a result of the cessation of the refinery have currently eased following the management plan, the Group has suffered operating losses and as at 31 December 2016 its current liabilities exceeded its current assets by Baht 1,219 million (2015: Baht 1,518 million). Current liabilities include liabilities under the commercial dispute and outstanding litigation with its major raw material supplier, discussed above. These factors would raise substantial doubt regarding the ability of the Group to continue as going concern, if the outcome of case is not beneficial to the Company. However, the outcomes of the commercial dispute and outstanding litigation, cannot be concluded at this time and depend on future judicial proceedings.

The Company's management has plans to improve the operations by restructuring the organisation in order to operate investment and holding company business. They believe that they will be able to resolve the issues. The Company's investment plans are as below.

- a) During the year 2014, the Company purchased Baht 900 million of the ordinary shares of Thai Public Port Co., Ltd., which is principally engaged in the rental of oil depot and port business.
- b) During the year 2015, the Company purchased additional ordinary shares of Sammakorn Plc. (SAMCO), an associated company, and as a result the Company's shareholding in SAMCO increased from 25.25% to 48.25%. SAMCO is principally engaged in the real estate development.

In addition, the Company is seeking business partners and other new business opportunities. For these reasons, the financial statements have been prepared on the going concern basis.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of RPCG Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Place of incorporation	Percentage of Shareholding	
			2016	2015
			%	%
Pure Biodiesel Co., Ltd.*	Manufacture and distribution of biodiesel (B100) and crude glycerin	Thailand	100	100
Pure Thai Energy Co., Ltd. and its subsidiaries	Trading of fuel oil and gas	Thailand	100	100
RPC Management Co., Ltd.*	Trading of fuel oil	Thailand	100	100
RPC Global Co., Ltd.*	Trading of fuel oil and petrochemical products and investment	Hong Kong	-	100

* Business suspended as at 31 December 2016

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenues from construction services

Revenues from construction services are recognised when services have been rendered taking into account the stage of completion. The stage of completion measured by the proportion of actual construction cost incurred up to the end of the year and the total anticipated construction cost to be incurred to completion. Provision for the total anticipated loss on construction projects will be made in the accounts as soon as the possibility of loss is ascertained.

Revenues from rental and service

Revenues from rental and service are recognised on a straight-line basis over the lease term.

Management fee income

Management fee income is recognised on an accrual basis in accordance with the terms and conditions specified in the contracts.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of average cost and net realisable value.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in the income statement.
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.

4.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Plant and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land, factory buildings, machinery and factory equipment are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets" in other components of shareholders' equity. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in the income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in respect of the same asset in "Revaluation surplus on assets" in other components of shareholders' equity.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives.

Building improvements	5 - 30 years
Buildings	20 - 40 years
Machinery and equipment	5 - 20 years
Office furniture, fixture and equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets and amortisation

Intangible assets acquired are recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The useful lives of computer software are 5 and 10 years.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to the income statement over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Non-current assets held for sales

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale when the Company receives economic benefits through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In determining allowance for impairment of non-current assets held for sale, the management needs to make judgment in estimating the losses that will be incurred on the sale of the asset, taking into account net realisable value, selling method, and the condition of the non-current assets held for sale, as well as the level of demand in the market for the non-current assets held for sale, among other factors.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Allowance for doubtful debts

In determining an allowance for doubtful debts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

In determining an allowance for impairment of investments in subsidiaries, investments in associates and other long-term investments, the management needs to prepare projections of the cash flows expected to be generated by the investments in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land, factory buildings, machinery and factory equipment at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for factory buildings, machinery and factory equipment. The valuation involves certain assumptions and estimates as described in Note 17 to the financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group had outstanding litigation and several commercial disputes. The management has used judgement to assess of the results of the litigation and believes that there will be no additional loss incurred from that recorded as at 31 December 2016. A summary of outstanding litigation and commercial deputies are discussed in Note 34.5.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash	12,234	10,823	60	90
Bank deposits	18,494	33,650	1,999	8,740
Total	30,728	44,473	2,059	8,830

As at 31 December 2016, bank deposits in savings accounts carried interests between 0.37% and 0.38% per annum (2015: bank deposit in savings accounts and fixed accounts carried interests between 0.26% and 1.07% per annum).

7. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
Deposits in fixed-term bank accounts				
Maturing within six-month	-	-	15,000	15,000
Total deposits in fixed-term bank accounts	-	-	15,000	15,000
Investment units in mutual funds				
Cost	464,326	466,718	117,055	118,179
Add: Unrealised gain	2,392	-	1,124	-
Investment units in mutual fund - net	466,718	466,718	118,179	118,179
Total current investments - net	466,718	466,718	133,179	133,179

(Unit: Thousand Baht)

	Separate financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
Deposits in fixed-term bank accounts				
Maturing within six-month	-	-	10,000	10,000
Total deposits in fixed-term bank accounts	-	-	10,000	10,000
Investment units in mutual funds				
Cost	426,722	428,653	95,000	95,926
Add: Unrealised gain	1,931	-	926	-
Investment units in mutual fund - net	428,653	428,653	95,926	95,926
Total current investments - net	428,653	428,653	105,926	105,926

As at 31 December 2015, bank deposits in fixed accounts carried interests between 2.60% and 3.20% per annum (2016: Nil).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due				
Not over 3 months	46	89	-	-
Total trade receivables - related parties	46	89	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due				
Not over 3 months	30,769	29,330	-	-
3 - 6 months	792	9	-	-
6 - 12 months	382	5	-	-
Over 12 months	12,140	10,836	-	-
Total	44,083	40,180	-	-
Less: Allowance for doubtful debts	(11,019)	(9,812)	-	-
Total trade receivables - unrelated parties, net	33,064	30,368	-	-
Total trade receivables - net	33,110	30,457	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Other receivables				
Advances to related parties	-	642	3,349	2,644
Accrued income	2,960	7,870	59	743
Others	10,797	6,671	45	9
Total	13,757	15,183	3,453	3,396
Less: Allowance for doubtful debts	(5,295)	(4,942)	-	-
Total other receivables - net	8,462	10,241	3,453	3,396
Total trade and other receivables, net	41,572	40,698	3,453	3,396

9. Related party transactions

The relationship between the Company and related parties are summarised below.

Name	Relationship
Pure Biodiesel Co., Ltd.	Subsidiary
Pure Thai Energy Co., Ltd. ("PTEC")	Subsidiary
RPC Management Co., Ltd.	Subsidiary
RPC Global Co., Ltd.	Subsidiary
Super Pure Gas Co., Ltd.	Subsidiary of PTEC
SCT Sahaphan Co., Ltd.	Subsidiary of PTEC
Pure Sammakorn Development Co., Ltd.	Associate
Sammakorn Plc.	Associate
Thai Public Port Co., Ltd.	Associate
Petro-Instruments Co., Ltd.	19.72% of shares held in the Company
KP Energy Group Co., Ltd.	Common directors

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Management fee income	-	-	937	4,305
Interest income	-	-	3,592	3,660
Other income - other services	-	-	1,963	2,654
Other expenses	-	-	13	18
Transactions with associates				
Sales	504	638	-	-
Dividend income	112,880	22,328	112,880	22,328
Management fee income	1,500	3,600	1,500	3,600
Interest income	-	114	-	114
Land rental expense	857	836	-	-
Office rental expense	1,826	-	288	-
Other expenses	1,787	618	315	-
Transactions with related parties				
Management fee income	-	250	-	250
Other expenses	286	247	286	247

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales	The selling price is set out based on the market price.
Dividend income	As declared
Management fee income	Contract price and at actual costs.
Interest income	3.50% - 5.00% per annum
Other income	Contract price Guarantee fee at a rate of 1% per annum
Land and office rental expenses	Contract price
Other expenses	Contract price

Significant agreements with related parties

Management and administration agreements

In January 2016, the Company entered into management and administration agreements with two subsidiaries to provide consultation relating to human resources, administration, information technology, law and coordination with the government. The service fees were stipulated in the agreements, which were for a period of 1 year, ended in December 2016.

Consultation agreements

In 2016, the Company entered into consultation agreements with two related companies to provide consultation relating to management, business development, accounting and finance and information technology. The service fees were stipulated in the agreements, which terminated in June 2016.

Guarantee agreements

In 2015, the Company entered into agreements with subsidiaries to guarantee bank credit facilities of subsidiaries amounting to Baht 80 million. The Company charges a guarantee fee at a rate of 1% per annum, which terminated in July 2016.

In 2016, a subsidiary entered into an agreement with its subsidiary to guarantee bank credit facility of its subsidiary amounting to Baht 10 million. The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary. No guarantee fee was charged for the guarantee.

As at 31 December 2016 and 2015, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties (Note 8)				
<i>Trade receivables - related parties</i>				
Associates	46	89	-	-
Total trade receivables - related parties	46	89	-	-
<i>Other receivables - related parties</i>				
Subsidiaries	-	-	3,349	2,002
Associates	-	642	-	642
Related companies (common directors)	-	-	-	-
Total other receivables - related parties	-	642	3,349	2,644
Short-term loans to related parties				
Subsidiaries	-	-	399,188	399,188
Total short-term loans to related parties	-	-	399,188	399,188
Less: Allowance for doubtful debts	-	-	(319,188)	(319,188)
Total short-term loans to related parties, net	-	-	80,000	80,000

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Long-term loans to related parties				
Related company (common directors)	4,500	4,500	4,500	4,500
Less: Allowance for doubtful debts	(4,500)	(4,500)	(4,500)	(4,500)
Total long-term loans to related party, net	-	-	-	-
Other payables - related parties (Note 21)				
Associates	150	51	31	-
Related companies (common directors)	23	23	24	23
Total other payables - related parties	173	74	55	23

Loans to related parties

During the year ended 31 December 2016, movements of loans to related parties were follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2015	during the year	during the year	31 December 2016
Long-term loan				
KP Energy Group Co., Ltd.	4,500	-	-	4,500
Less: Allowance for doubtful debts	(4,500)	-	-	(4,500)
Net	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2015	during the year	during the year	31 December 2016
Short-term loans				
Pure Biodiesel Co., Ltd.	319,188	-	-	319,188
Pure Thai Energy Co., Ltd.	80,000	280,000	(280,000)	80,000
Total	399,188	280,000	(280,000)	399,188
Less: Allowance for doubtful debts	(319,188)	-	-	(319,188)
Net	80,000	280,000	(280,000)	80,000
Long-term loan				
KP Energy Group Co., Ltd.	4,500	-	-	4,500
Less: Allowance for doubtful debts	(4,500)	-	-	(4,500)
Net	-	-	-	-

As at 31 December 2016 and 2015, short-term loans to subsidiaries totaling Baht 399 million are in the form of promissory notes with maturities of 6 - 12 months, carrying interest at rates of 3.50% - 5.00% per annum. Short-term loans to Pure Biodiesel Co., Ltd. were guaranteed by the mortgage of land, building and oil depots.

As at 31 December 2016 and 2015, the Company set aside allowance for doubtful debts for the loans to Pure Biodiesel Co., Ltd. for the whole amount, as the Company expects that the assets of the subsidiary will not be sufficient to repay the loans. On 1 October 2013, the Company ceased recognising the interest income on the loans to this subsidiary.

The short-term loan to KP Energy Group Co., Ltd. (KPEG) was unsecured loan amounting to Baht 4.5 million with maturity of 1 year, carrying interest at a rate of 5% per annum, with principal and interest to be repaid in full within December 2014. During the year 2014, KPEG requested an extension of the term of the loan to 31 December 2016, and the Company therefore reclassified the loan as a long-term loan. As at 31 December 2016 and 2015, the Company set aside allowance for doubtful debts for the full amount as the Company expects that the assets of KPEG will not be sufficient to repay the loan. On 1 January 2015, the Company ceased recognising the interest income on the loan to this company. At present, the Company is in the process of pursuing collection.

Management benefit expenses

During the years ended 31 December 2016 and 2015, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Short-term employee benefits	9,373	13,010	5,097	8,039
Post-employment benefits	497	786	342	649
Total	9,870	13,796	5,439	8,688

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
	Finished goods	57,079	55,128	(11,661)	(9,961)	45,418
Supplies	2,776	2,776	(2,776)	-	-	2,776
Total	59,855	57,904	(14,437)	(9,961)	45,418	47,943

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
	Finished goods	7,055	7,055	(7,055)	(7,055)	-
Supplies	2,776	2,776	(2,776)	-	-	2,776
Total	9,831	9,831	(9,831)	(7,055)	-	2,776

During the year 2016, the Group reduced cost of inventories by Baht 4.48 million (2015: Baht 1.91 million) (the Company only: Baht 2.78 million 2015: nil), to reflect the net realisable value. This was included in cost of sales. In addition, during the year 2015 the Group reversed the write-down of cost of inventories by Baht 0.10 million (2016: nil) (the Company only: 2016: nil), and reduced the amount of inventories recognised as expenses during the year.

11. Long-term loans to unrelated parties

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Long-term loans to unrelated parties	5,496	5,395	5,146	4,464
Less: Allowance for doubtful debts	(5,146)	(4,464)	(5,146)	(4,464)
Long-term loans to unrelated parties, net	350	931	-	-
Less: Current portion	(350)	(931)	-	-
Non-current portion	-	-	-	-

12. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deposits for inventory purchases	-	40,000	-	-
Value added tax refundable	6,168	4,068	4,978	4,068
Prepaid expenses	13,195	12,610	670	819
Others	1,573	5,720	23	2,044
Total	20,936	62,398	5,671	6,931

13. Pledged deposits at banks

These represented fixed deposits pledged with the banks to secure credit facilities and as bonds in lawsuits with the court.

14. Investments in associates

14.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Consolidated financial statements		Separate financial statements	
			2016	2015	2016	2015	Carrying amounts based on equity method		Carrying amounts based on cost method	
							2016	2015	2016	2015
			(%)	(%)						
Thai Public Port Co., Ltd.	Rental of oil depot and port business	Thailand	30.00	30.00	900,112	900,112	813,838	887,897	900,112	900,112
Pure Sammakorn Development Co., Ltd.	Real estate rental and service	Thailand	-	44.13	-	129,181	-	127,395	-	129,181
Sammakorn Plc.	Real estate development	Thailand	48.25	48.25	785,802	785,802	1,146,899	1,144,571	785,802	785,802
Total investments in associates							1,960,737	2,159,863	1,685,914	1,815,095
Less: Allowance for impairment							(139,000)	(139,000)	(151,000)	(151,000)
Investments in associates, net							1,821,737	2,020,863	1,534,914	1,664,095

The Company has pledged 49.1 million ordinary shares of Baht 1 each of Sammakorn Public Company Limited. Total carrying amounts based on cost method as at 31 December 2016 of Baht 136 million (2015: nil) as collaterals to secure short-term loans, as discussed in Note 22 to the financial statements.

Thai Public Port Co., Ltd.

During the year 1997, Chonburi Province (plaintiff) sued a total of 8 unrelated companies and persons with the Group (defendants), charging that they had wrongly encroached on state land, exploded rock, and destroyed the natural environment, and claiming damages. Thai Public Port Co., Ltd. (TPP) is not a party in such lawsuit. During the year 2005, Chonburi Provincial Court issued a judgment ordering the defendants to jointly indemnify the damages, and revoking the title deeds held by the defendants, including the title deed to a plot of land owned by the associated company and used as the site of a dock and terminal project. Later, in July 2010, the Court of Appeals amended the judgment, whereby the title deeds held by the defendants, including the title deed to a plot of land owned by the associated company would not be revoked, since such an order exceeded the scope of the lawsuit. However, at present, the case is under consideration of the Supreme Court. The outcome of the dispute cannot be determined and depends on future judicial proceedings.

The Company views that since TPP is not a party in such lawsuit, TPP should not be bound by the judgment of the Chonburi Provincial Court. The judgment of the Court of First Instance, ordering the revocation of the land title deeds, also exceeded the scope of the lawsuit, in which the plaintiff only demanded damages from the defendants.

During the year 1998, TPP filed an application for a concession to operate on state land, located between TPP's land and the coast (port area), totaling 103 rai. In 2007, the Cabinet approved the concession for a period of 50 years. However, at present it is in the process of preparing the concession contract and issuing the concession to TPP. The working group has passed a resolution to wait for the judgement of the above land case.

Pure Sammakorn Development Co., Ltd.

On 9 August 2016, the Board of Directors Meeting passed a resolution approving the Company's sale of 1,147,499 ordinary shares of Pure Sammakorn Development Company Limited to Sammakorn Public Company Limited, representing a 44.13% shareholding, at a price of Baht 140 per share, totaling Baht 160,649,860.

Subsequently, on 20 October 2016, the Shareholders' Extraordinary General Meeting of Sammakorn Public Company Limited resolved to approve the acquisition of such ordinary shares.

On 21 October 2016, the Company entered into an agreement to buy and to sell the ordinary shares of Pure Sammakorn Development Company Limited, and the Company received payment of the shares on 11 November 2016.

14.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2016	2015	2016	2015	2016	2015
Thai Public Port Co., Ltd.	4,691	7,011	-	-	78,750	-
Pure Sammakorn Development Co., Ltd.	5,987	1,872	-	-	-	-
Sammakorn Plc.	49,614	345,295	-	-	34,130	22,328
Total	60,292	354,178	-	-	112,880	22,328

Share of profit from investment in Sammakorn Plc. for the year 2015 amounting to Baht 345 million, included the excess of the net fair value of the identifiable assets and liabilities over the cost of the investment, amounting to Baht 288 million.

14.3 Fair value of investment in listed associate

As at 31 December 2016, fair value of investment in Sammakorn Plc., an associate that is listed company on the Stock Exchange of Thailand, was Baht 956 million (2015: Baht 1,018 million).

14.4 Impairment loss on investment in associate

The Company's management adopted discounted cash flows method in order to assess impairment loss on investment in Thai Public Port Co., Ltd. The discount rate at 10.6% per annum and long-term growth rate at 2% per annum are used in this valuation.

14.5 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Thai Public Port Co., Ltd.		Pure Sammakorn Development Co., Ltd.		Sammakorn Plc.	
	2016	2015	2016	2015	2016	2015
	Current assets	74	151	18	16	2,235
Non-current assets	1,452	1,563	437	467	1,613	2,272
Current liabilities	(114)	(35)	(76)	(90)	(1,084)	(915)
Non-current liabilities	(99)	(120)	(167)	(193)	(509)	(459)
Non-controlling interest of the subsidiaries	-	-	-	-	-	(88)
Net assets	1,313	1,559	212	200	2,255	2,286
Shareholding percentage (%)	30.00	30.00	-	44.13	48.25	48.25
Share of net assets	394	468	-	88	1,088	1,103
Goodwill	420	420	-	39	-	-
Eliminations	-	-	-	-	59	42
Carrying amounts of associates based on equity method	814	888	-	127	1,147	1,145
Less: Allowance for impairment	(139)	(139)	-	-	-	-
Carrying amounts of associates based on equity method, net	675	749	-	127	1,147	1,145

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December					
	Thai Public Port Co., Ltd.		Pure Sammakorn Development Co., Ltd.		Sammakorn Plc.	
	2016	2015	2016*	2015	2016	2015
Revenue	315	236	136	153	1,247	1,509
Profit (loss)	15	25	14	4	108	122
Other comprehensive income	-	-	-	-	3	-
Total comprehensive income	15	25	14	4	111	122

* For the period as from 1 January 2016 to 11 November 2016

15. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

Company	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Cost	
	2016	2015	2016	2015	2016	2015
			%	%		
Pure Biodiesel Co., Ltd. *	280,000	280,000	100	100	279,999	279,999
Pure Thai Energy Co., Ltd. and its subsidiaries	140,000	140,000	100	100	140,000	140,000
RPC Management Co., Ltd. *	500	500	100	100	956	956
RPC Global Co., Ltd.	-	41	-	100	-	124
Total investments in subsidiaries					420,955	421,079
Less: Allowance for impairment					(81,955)	(350)
Investments in subsidiaries - net					339,000	420,729

* Business suspended as at 31 December 2016

During the year 2016 and 2015, the Company had no dividend received from its subsidiaries.

During the year 2016, the Company set up allowance for impairment of investment in Pure Biodiesel Co., Ltd. amounting to Baht 81.6 million.

15.1 Pure Biodiesel Co., Ltd.

In early 2012, Pure Biodiesel Co., Ltd. ("PBC") shut down its plant since it had no orders from its customers and lacked liquidity to operate its business. PBC had laid off its employees while paying compensation in accordance with Labour Law. In 2016 and 2015, PBC had no revenue from sales and services.

PBC has received promotional privileges from the Board of Investment for the manufacture of bio-diesel, pursuant to the investment promotion certificate No. 1840(9)/2550 issued on 30 August 2007. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of eight years from the date the promoted operations begin generating revenues (from 12 January 2009 to 11 January 2017).

15.2 RPC Global Co., Ltd.

The meeting of the Company's Board of Directors held on 14 May 2015 approved a resolution to dissolve and liquidate RPC Global Co., Ltd., a 100%-held subsidiary of the Company.

Later, on 9 August 2016, the meeting of the Company's Board of Directors approved the write-off of investment in RPC Global Co., Ltd.

16. Other long-term investment

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Consolidated financial statements / Separate financial statements	
			Cost					
			2016	2015	2016	2015	2016	2015
					(%)	(%)		
KP Energy Group Co., Ltd.	Production and distribution of electricity	Thai	36,780	36,780	18.22	18.22	5,482	5,482
Less: Allowance for impairment							(5,482)	(5,482)
Other long-term investment - net							-	-

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Operating assets	101,538	96,732	7,471	15,369
Ceased using assets	930,646	680,911	528,157	245,844
Total property, plant and equipment	1,032,184	777,643	535,628	261,213
Less: Allowance for impairment	(459,712)	(143,089)	(240,608)	(25,692)
Property, plant and equipment - net	572,472	634,554	295,020	235,521

(Unit: Thousand Baht)

		Consolidated financial statements					
Revaluation basis		Cost basis					
		Office buildings and office building improvements	Gas station equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Operating assets							
Cost/revalued amount							
1 January 2015	7,350	154,640	65,866	83,981	26,912	8,721	347,470
Additions	-	-	42	140	306	20,795	21,283
Disposals	-	(5,591)	(1,949)	(6,418)	(2,150)	-	(16,108)
Transfers	-	10,262	2,648	2,392	1,722	(17,024)	-
Transfer to non-current assets held for sale	-	(131)	-	(3,123)	-	-	(3,254)
31 December 2015	7,350	159,180	66,607	76,972	26,790	12,492	349,391
Additions	-	-	264	265	286	38,460	39,275
Disposals/write-off	-	(46,155)	(4,777)	(14,253)	(589)	-	(65,774)
Transfers	-	21,029	32	6,167	(1,432)	(33,907)	(8,111)
Transfer back from non-current assets held for sale	-	131	-	3,123	-	-	3,254
31 December 2016	7,350	134,185	62,126	72,274	25,055	17,045	318,035
Accumulated depreciation							
1 January 2015	-	114,497	35,216	77,115	20,042	-	246,870
Depreciation for the year	-	17,969	618	3,472	2,399	-	24,458
Depreciation on disposals	-	(5,197)	(1,785)	(6,349)	(2,151)	-	(15,482)
Transfer to non-current assets held for sale	-	(109)	-	(3,078)	-	-	(3,187)
31 December 2015	-	127,160	34,049	71,160	20,290	-	252,659
Depreciation for the year	-	14,719	562	3,054	2,062	-	20,397
Depreciation on disposals/write-off	-	(40,293)	(4,298)	(14,196)	(959)	-	(59,746)
Depreciation on transferring back from non-current assets held for sale	-	109	-	3,078	-	-	3,187
31 December 2016	-	101,695	30,313	63,096	21,393	-	216,497

(Unit: thousand Baht)

	Consolidated financial statements						Total
	Revaluation basis	Cost basis					
	Land	Office buildings and office building improvements	Gas station equipment	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Allowance for impairment loss							
1 January 2015	-	-	-	-	-	-	-
Increase during the year	-	5,808	-	38	-	-	5,846
31 December 2015	-	5,808	-	38	-	-	5,846
Reversal of allowance for impairment due to write-off	-	(5,808)	-	(38)	-	-	(5,846)
31 December 2016	-	-	-	-	-	-	-
Net book value							
31 December 2015	7,350	26,212	32,558	5,774	6,500	12,492	90,886
31 December 2016	7,350	32,490	31,813	9,178	3,662	17,045	101,538
Depreciation for the years							
2015 (Baht 1 million included in manufacturing cost and cost of services, and the balance in administrative expenses)							24,458
2016 (included in administrative expenses)							20,397

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis			
	Land	Factory buildings and factory building improvements	Machinery and factory equipment	Total
Ceased using assets				
Revalued amount				
1 January 2015	279,394	175,768	1,513,913	1,969,075
Transfers	-	-	(956,088)	(956,088)
31 December 2015	279,394	175,768	557,825	1,012,987
Write-off	-	-	(1,976)	(1,976)
Transfer back from non-current assets held for sale	-	-	956,088	956,088
31 December 2016	279,394	175,768	1,511,937	1,967,099
Accumulated depreciation				
1 January 2015	-	99,739	866,721	966,460
Depreciation for the year	-	4,738	33,767	38,505
Transfer to non-current assets held for sale	-	-	(672,889)	(672,889)
31 December 2015	-	104,477	227,599	332,076
Depreciation for the year	-	4,527	28,937	33,464
Depreciation on write-off	-	-	(1,976)	(1,976)
Depreciation on transferring back from non-current assets held for sale	-	-	672,889	672,889
31 December 2016	-	109,004	927,449	1,036,453
Allowance for impairment loss				
1 January 2015	-	18,187	314,632	332,819
Increase during the year	-	2,459	13,790	16,249
Transfer to non-current assets held for sale	-	-	(211,825)	(211,825)
31 December 2015	-	20,646	116,597	137,243
Increase during the year	-	960	105,228	106,188
Transfer back from non-current assets held for sale	-	-	216,281	216,281
31 December 2016	-	21,606	438,106	459,712
Net book value				
31 December 2015	279,394	50,645	213,629	543,668
31 December 2016	279,394	45,158	146,382	470,934
Depreciation for the years				
2015 (included in administrative expenses)				38,505
2016 (included in administrative expenses)				33,464

(Unit: Thousand Baht)

	Separate financial statements				
	Cost basis				
	Office buildings and office building improvements	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Operating assets					
Cost					
1 January 2015	44,362	29,105	16,405	-	89,872
Additions	-	18	-	1,025	1,043
Disposals	-	(392)	(1,524)	-	(1,916)
Transfer to non-current assets held for sale	(131)	(3,123)	-	-	(3,254)
31 December 2015	44,231	25,608	14,881	1,025	85,745
Additions	-	166	-	287	453
Disposals/write-off	(36,819)	(11,350)	(2,020)	-	(50,189)
Transfers	1,136	176	-	(1,312)	-
Transfers back from non-current assets held for sale	131	3,123	-	-	3,254
31 December 2016	8,679	17,723	12,861	-	39,263
Accumulated depreciation					
1 January 2015	30,265	28,329	12,541	-	71,135
Depreciation for the year	2,990	342	1,012	-	4,344
Depreciation on disposals	-	(392)	(1,524)	-	(1,916)
Transfer to non-current assets held for sale	(109)	(3,078)	-	-	(3,187)
31 December 2015	33,146	25,201	12,029	-	70,376
Depreciation for the year	747	238	743	-	1,728
Depreciation on disposals/write-off	(31,233)	(11,305)	(959)	-	(43,497)
Depreciation on transferred back from non-current assets held for sale	109	3,078	-	-	3,187
31 December 2016	2,769	17,212	11,813	-	31,794
Allowance for impairment loss					
1 January 2015	-	-	-	-	-
Increase during the year	5,808	38	-	-	5,846
31 December 2015	5,808	38	-	-	5,846
Reversal of allowance for impairment due to write-off	(5,808)	(38)	-	-	(5,846)
31 December 2016	-	-	-	-	-
Net book value					
31 December 2015	5,277	369	2,852	1,025	9,523
31 December 2016	5,910	511	1,048	-	7,469
Depreciation for the years					
2015 (included in administrative expenses)					4,344
2016 (included in administrative expenses)					1,728

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis			
	Factory buildings and factory building			Machinery and factory equipment
	Land	improvements	Total	
Ceased using assets				
Revalued amount				
1 January 2015	214,152	108,094	960,466	1,282,712
Transfer to non-current assets held for sale	-	-	(956,088)	(956,088)
31 December 2015	214,152	108,094	4,378	326,624
Transfers	-	-	(1,976)	(1,976)
Transfer back from non-current asset held for sale	-	-	956,088	956,088
31 December 2016	214,152	108,094	958,490	1,280,736
Accumulated depreciation				
1 January 2015	-	75,495	673,073	748,568
Depreciation for the year	-	1,069	4,032	5,101
Transfer to non-current assets held for sale	-	-	(672,889)	(672,889)
31 December 2015	-	76,564	4,216	80,780
Depreciation for the year	-	870	16	886
Depreciation write-off	-	-	(1,976)	(1,976)
Depreciation on transferring back from non-current assets held for sale	-	-	672,889	672,889
31 December 2016	-	77,434	675,145	752,579
Allowance for impairment loss				
1 January 2015	-	17,301	211,922	229,223
Increase (decrease) during the year	-	2,459	(11)	2,448
Transfer to non-current assets held for sale	-	-	(211,825)	(211,825)
31 December 2015	-	19,760	86	19,846
Increase (decrease) during the year	-	(1,278)	5,759	4,481
Transfer back from non-current assets held for sale	-	-	216,281	216,281
31 December 2016	-	18,482	222,126	240,608
Net book value				
31 December 2015	214,152	11,770	76	225,998
31 December 2016	214,152	12,178	61,219	287,549
Depreciation for the years				
2015 (included in administrative expenses)				5,101
2016 (included in administrative expenses)				886

During 2013, the Group arranged for an independent professional valuer to appraise the value of certain refinery assets on an asset-by-asset basis. The revaluation was concluded on 31 December 2013 and the basis of the revaluation was as follows.

- a) Land and factory buildings were revalued using the market approach and the depreciated replacement cost approach, respectively.
- b) Machinery and factory equipment were revalued using the depreciated replacement cost approach.

Key assumptions used in the valuation are summarised below.

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Price per Rai (Thousand Baht)	6,400	6,400	Increase in fair value
Useful lives (years)			
Factory buildings and factory buildings improvements	15 - 40	15 - 40	Increase in fair value
Machinery and equipment	10 - 25	10 - 20	Increase in fair value

Had the land, factory buildings, machinery and factory equipment been carried in the financial statements on a historical cost basis, their net book values as of 31 December 2016 and 2015 would have been as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Land	141,286	141,286	105,770	105,770
Factory buildings and improvements	45,159	50,645	12,178	11,770
Machinery and factory equipment	146,382	213,629	61,219	76

During the years 2016 and 2015, the management of the Group estimated the recoverable amounts of the property, plant and equipment. The basis of the revaluation was as follows.

- a) Land was revalued using the market approach.
- b) Factory buildings, machinery and factory equipment were revalued using the fair value less cost to sell approach.

The reappraised values of the property, plant and equipment were Baht 106 million (2015: Baht 22 million) lower than their net book values as presented in the consolidated financial statements (separate financial statements: Baht 4 million, 2015: Baht 9 million). The Group recognised the loss on impairment of assets in the income statement for the same amount.

As at 31 December 2016, the Group had vehicles with net book values of Baht 0.8 million (2015: Baht 2.3 million) and in the separate financial statements of Baht 0.6 million (2015: Baht 1.9 million), which were acquired under finance lease agreements.

As at 31 December 2015, the Company mortgaged land with a total book value of Baht 211 million, as collateral to secure short-term loan, as discussed in Note 22 to the financial statements. Subsequently, on 19 October 2016, the Company redeemed the mortgage of such land.

A subsidiary has mortgaged land, buildings and oil depots with a total book value as at 31 December 2016 of Baht 78 million (2015: Baht 116 million), as collateral to secure short-term loans received from the Company, as discussed in Note 9 to the financial statements.

As at 31 December 2016, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 178 million (2015: Baht 174 million) in the consolidated financial statements and Baht 41 million (2015: Baht 74 million) in the separate financial statements.

18. Intangible assets

The net book values of intangible assets which are computer software as at 31 December 2016 and 2015 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Cost	25,028	25,272	19,738	20,010
Less: Accumulated amortisation	(22,639)	(22,036)	(18,778)	(18,703)
Net book value	<u>2,389</u>	<u>3,236</u>	<u>960</u>	<u>1,307</u>

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	3,236	5,452	1,307	3,061
Additions	-	84	-	-
Disposals	-	(28)	-	-
Transfer	85	-	-	-
Amortisation	(932)	(2,272)	(347)	(1,754)
Net book value at end of year	<u>2,389</u>	<u>3,236</u>	<u>960</u>	<u>1,307</u>

Amortisation for the year was included in administrative expenses.

19. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
The compensation for loss	26,711	26,711	26,711	26,711
Land and gas station leasehold rights	1,589	2,082	-	-
Prepaid corporate income tax	1,951	6,025	1,126	899
Prepaid expenses	1,615	2,610	-	-
Deposits	2,322	2,318	214	160
Others	-	51	-	49
Total	<u>34,188</u>	<u>39,797</u>	<u>28,051</u>	<u>27,819</u>

The compensation for loss is the compensation receivable because, in the third quarter of 2006, a raw material supplier delivered raw materials of a quality different to that specified in the relevant purchase agreement, with characteristics that differed from those of deliveries made to the Company under the agreement in the past. Therefore, the Company had additional cost for product improvement and compensation amounting to Baht 136 million. Based on the negotiation with the supplier, the Company will receive compensation of Baht 53 million. The difference represents inventory loss as a result of continuous and substantial falls in the prices of inventories and raw materials (inventory loss). Since this loss was a result of global market conditions with neither the Company nor the supplier could avoid, the supplier requested that each part bear responsibility for its own share of the inventory loss. The Company therefore recorded the compensation for loss in full as a deduction against cost of sales in 2006. The partial balance of Baht 26 million was paid by a credit note in November 2006 and the supplier will inform the Company of the method in payment for the remaining Baht 27 million later.

On 2 October - 20 November 2010, the supplier delivered raw materials of a quality difference to that specified in the relevant purchase agreement again. As a result, the Company had additional cost of raw materials quality improvement and other damages totaling Baht 53 million. The Company requested the compensation to the supplier but could not negotiable. Therefore, on 9 November 2016, the Company filed a dispute to the Arbitration Office (Dispute Black Case No. 117/2559), requesting the supplier to pay the compensation of raw materials quality improvement which the supplier sent raw materials different from purchase agreement in 2006 and during October and November 2010 amounting to Baht 26,700,000 and Baht 52,887,472.76, respectively, plus interest 7.5% per annum. The total compensation is Baht 116,678,438.74. The suppliers requested the Arbitration Office to extend a period to file a revocation and the Arbitration Office allowed to extend the filing of the revocation.

20. Credit facilities from financial institutions

The Group has overdraft and short-term loan facilities from various banks. Details of the facilities are as follows.

		(Unit: Million Baht)	
		Credit facilities which are not drawn down	
Secured by		2016	2015
The Company	Pledge of fixed deposits of the Company	25	70
SCT Sahaphan Co., Ltd. ("SAP")	Pledge of SAP's fixed deposits and guaranteed by the Company	11	11
Pure Thai Energy Co., Ltd. ("PTEC")	Pledge of the Company's and PTEC's fixed deposits and guaranteed by the Company	100	70

21. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Trade payables - unrelated parties		1,639,246	1,633,531	1,518,109	1,518,109
Other payables - related parties		173	74	55	23
Other payables - unrelated parties		12,775	13,460	2,268	2,583
Accrued expenses		7,942	10,290	1,784	6,627
Retention payables		1,033	852	-	-
Total		<u>1,661,169</u>	<u>1,658,207</u>	<u>1,522,216</u>	<u>1,527,342</u>

22. Short-term loans from unrelated parties

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			30 September	31 December	30 September	31 December
			2016	2015	2016	2015
	Interest rate	Secure by				
	(% p.a.)					
Promissory notes	1.50 - 1.61	Mortgage of the Company's land*	1,000	201,190	-	200,000
Bill of exchange	6.01	Pledge of the ordinary shares of Sammakorn Plc.	148,026	-	148,026	-
Total			149,026	201,190	148,026	200,000

* As discussed in Note 17 to the financial statements, the Company has outstanding balance of short-term loan as at 31 December 2015 of Baht 200 million (2016:nil), which was guaranteed by the mortgage of the Company's land.

23. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2016 and 2015, which represents compensation payable to employees after they retire from the company, was as follows.

					(Unit: Thousand Baht)			
					Consolidated		Separate	
					financial statements		financial statements	
					2016	2015	2016	2015
Provisions for long-term employee benefits at beginning of year					9,499	11,612	2,694	2,755
Current service cost					1,192	2,176	515	974
Interest cost					239	447	51	110
Reversal of provision for long-term employee benefits					(984)	-	(984)	-
Employee benefit paid during year					(525)	-	-	-
Actuarial loss (gain) arising from								
- Financial assumptions changes					-	1,138	-	357
- Experience adjustments					-	(5,874)	-	(1,502)
Provisions for long-term employee benefits at end of year					9,421	9,499	2,276	2,694

Long-term employee benefit expenses included in administrative expenses in the income statements for the years ended 31 December 2016 and 2015 consist of the following.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current service cost	1,192	2,176	515	974
Interest cost	239	447	51	110
Reversal of provision for long-term employee benefits	(984)	-	(984)	-
Total	447	2,623	(418)	1,084

The Group expects to pay Baht 0.8 million of long-term employee benefits during the next year (Separate financial statements: nil) (2015: Baht 0.6 million, separate financial statements: nil).

As at 31 December 2016 and 2015, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 13 years).

Key actuarial assumptions used for the valuation are as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.00	3.00	3.00	3.00
Future salary increase rate	5.00	5.00	5.00	5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5% in discount rate	(726)	788	(231)	249
Increase or decrease 1% in future salary increase rate	1,594	(1,382)	501	(442)

(Unit: Thousand Baht)

	As at 31 December 2015			
	Consolidated		Separate	
	financial statements		financial statements	
	Rate increase	Rate decrease	Rate increase	Rate decrease
Increase or decrease 0.5% in discount rate	(648)	706	(185)	200
Increase or decrease 1% in future salary increase rate	1,537	(1,313)	436	(378)

24. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Value added tax payable	1,142	1,042	-	-
Advances received from customers	9,849	10,347	-	-
Others	2,988	2,076	166	366
Total	13,979	13,465	166	366

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

Under Section 1202 of the Thai Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve equal to at least 5% of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

26. Revaluation surplus

This represents surplus arising from revaluation of land, factory buildings, machinery and factory equipment. The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets. Movements in the revaluation surplus account, net of income tax, during the years ended 31 December 2016 and 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Balance - beginning of year	116,367	116,367	86,706	86,706
Balance - end of year	116,367	116,367	86,706	86,706

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

27. Other income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Management fee income	13,893	14,682	2,437	8,155
Dividend income	-	-	112,880	22,328
Gain on sales of equipment and intangible assets	110	13	108	12
Penalties for late payment and demolition of assets income	40,000	-	40,000	-
Gain on sale and return of capital by subsidiary and associate	14,111	-	31,469	5,118
Interest income	2,522	6,758	4,362	6,927
Other income	9,273	9,440	8,493	8,154
Total	79,909	30,893	199,749	50,694

28. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Salaries, wages and other				
employee benefits	115,753	130,907	17,778	32,022
Long-term employee benefits (reversal)	447	2,623	(418)	1,084
Depreciation and amortisation	54,712	65,217	2,961	11,198
Changes in finished goods	2,525	9,357	2,776	4
Cost of merchandise inventories and services	2,051,733	2,181,416	-	-
Loss on impairment of investments in associates, investments in subsidiaries and other long-term investments	-	139,000	81,605	150,271
Loss on impairment of building and equipment	105,964	26,550	4,256	12,750
Bad debts and allowance for doubtful debts	1,559	6,299	-	124,410

29. Income tax

Tax expenses (income) for the years ended 31 December 2016 and 2015 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	1,816	3,184	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,033)	113	-	-
Tax expenses reported in the income statement	783	3,297	-	-

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax relating to actuarial gain	-	718	-	718
Total	-	718	-	718

The reconciliation between accounting profit (loss) and tax expenses (income) is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit (loss) before tax				
From continuing operation	(61,119)	114,714	59,620	(308,118)
From discontinued operation	(8,141)	(12,004)	(8,141)	(12,004)
Total accounting profit (loss) before tax	(69,260)	102,710	51,479	(320,122)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(13,852)	20,542	10,296	(64,024)
Deferred tax assets which were not recognised during the year as future taxable profits may not be sufficient	24,418	27,668	(5,931)	41,868
Effects of non-deductible expenses				
- Allowance for impairment of investments in associates and subsidiaries	-	27,800	16,321	24,074
- Other non-deductible expenses	350	337	5	88
Effects of:				
- Income not subject to tax	(22,576)	(4,466)	(22,576)	(4,466)
- Others	1,422	2,252	1,885	2,460
Effect of elimination entries on the consolidated financial statements	11,021	(70,836)	-	-
Tax expenses reported in the income statement	783	3,297	-	-

The components of deferred tax assets and deferred tax liabilities are as follows.

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Deferred tax assets				
Allowance for doubtful debts	3,175	2,863	-	-
Allowance for diminution in value of inventories	895	247	-	-
Provision for long-term employee benefits	1,429	1,361	-	-
Others	24	18	-	-
Total	<u>5,523</u>	<u>4,489</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Revaluation surplus on assets	29,092	29,092	21,677	21,677
Total	<u>29,092</u>	<u>29,092</u>	<u>21,677</u>	<u>21,677</u>

As at 31 December 2016 there are deductible temporary differences and unused tax losses totaling Baht 1,364 million (2015: Baht 1,092 million) per the consolidated financial statements and Baht 895 million (2015: Baht 721 million) per the separate financial statements. No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses amounting to Baht 587 million per the consolidated financial statements and Baht 319 million per the separate financial statements will expire by 2021.

30. Non-current assets held for sale and discontinued operation

As discussed in Note 1.2 to the financial statements, on 20 April 2015, the 2015 Annual General Meeting of the shareholders passed a resolution approving a permanent close of the refinery business in Rayong province. On 30 April 2015, the Company entered into a purchase and sale agreement for a disposal of the refinery, machinery and oil depot with an unrelated overseas company (buyer) whereby it will sell the refinery, machinery and various equipment at a net price of Baht 185 million (net of a subsidy for decommissioning costs of Baht 15 million). The buyer agrees to pay in six installments within a period of six months from the agreement date (by 30 September 2015). During the year 2015, the Company received advance from sale of the assets amounting to Baht 40 million. However, the buyer is required to settle the outstanding amount immediately upon completion of the decommissioning and movement of assets in accordance with the agreement. The sale of the Company's key machinery and equipment has been approved by the meeting of Company's Board of Directors held on 14 May 2015. The Company therefore presented building, building

improvement, machinery and equipment, which have net book values as at transfer date amounting to Baht 71 million as non-current assets held for sale. During the year 2016, the Company demanded penalties for late payment and demolition of assets in accordance with the criteria specified in the agreement because the buyer did not make payment for assets and carry out the demolition of the assets as specified in the agreement, amounting to Baht 40 million, which would be deducted from the advance payment that the Company already received for the assets. The penalties are presented as other income in the income statement for the current year. Therefore as at 31 December 2016, the Company reclassified those building, building improvement, machinery and equipment to property, plant and equipment under ceased using assets.

Details of non-current assets held for sale as at 31 December 2015 are as follows.

	(Unit: Thousand Baht)
	Consolidated financial statements / Separate financial statements
Building and Building improvements	68
Machinery and equipment	71,374
Total non-current assets held for sale	71,442
Less: Allowance for impairment	(4,456)
Non-current assets held for sale - net	66,986

A reconciliation of the net book value of non-current assets held for sale for 2016 is presented below

	(Unit: Thousand Baht)
	Consolidated financial statements / Separate financial statements
Net book value as at 1 January 2016	66,986
Less: Transfer back from asset held for sale	(66,986)
Net book value as at 31 December 2016	-

As at 31 December 2016, the Company classified the operating results of such operating segment as discontinued operation. Details of discontinued operations for the years ended 31 December 2016 and 2015 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements / Separate financial statements	
	2016	2015
Revenues	-	-
Expenses		
Administrative expenses	8,141	12,004
Total expenses	8,141	12,004
Loss for the year from discontinued operation	<u>(8,141)</u>	<u>(12,004)</u>
		(Unit: Baht)
Earnings per share:		
Loss per share for the year from discontinued Operation	<u>(0.01)</u>	<u>(0.01)</u>
		(Unit: Thousand shares)
Weighted average number of ordinary shares	<u>1,304,664</u>	<u>1,304,664</u>

The net cash flows incurred by discontinued operation for 2016 and 2015 are as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements / Separate financial statements	
	2016	2015
Operating activities	-	-
Investing activities	-	40,000
Financing activities	-	-
Net cash flows from discontinued operation	<u>-</u>	<u>40,000</u>

31. Basic earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows.

- 1) Energy segment: Fuel and gas retailing through a network of gas stations, distribution and maintenance of gas station equipment and rental of oil depot and port business.
- 2) Real estate segment: Real estate development for sale and for rent.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operates in Thailand only. As a result, all the revenues as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the years 2016 and 2015, the Group has no major customer with revenue of 10% or more of an entity's revenues.

The following tables present revenues and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2016 and 2015.

(Unit: Million Baht)

	For the years ended 31 December							
	Energy segment		Real estate segment		Adjustments and eliminations		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues								
Sales and service income from external customers	2,255	2,420	-	-	-	-	2,255	2,420
Inter-segment revenues	12	9	-	-	(12)	(9)	-	-
Interest income	6	10	-	-	(4)	(4)	2	6
Other income	207	66	-	-	(129)	(42)	78	24
Total revenues	2,480	2,505	-	-	(145)	(55)	2,335	2,450
Expenses								
Cost of sales and services	2,056	2,208	-	-	(3)	-	2,053	2,208
Depreciation and amortisation	58	65	-	-	(4)	(6)	54	59
Selling expenses	66	68	-	-	-	-	66	68
Administrative expenses	175	336	-	-	(6)	(154)	169	182
Loss on impairment of building and equipment	101	20	-	-	-	-	101	20
Loss on impairment of investments in associates, investments in subsidiaries and other long-term investments	82	150	-	-	(82)	(11)	-	139
Bad debts and allowance for doubtful debts	2	125	-	-	-	(119)	2	6
Total expenses	2,540	2,972	-	-	(95)	(290)	2,445	2,682
Profit (loss) before share of profit from investments in associates, finance cost and income tax	(60)	(467)	-	-	(50)	235	(110)	(232)
Share of profit from investments in associates	5	7	56	347	-	-	61	354
Profit (loss) before finance cost and income tax	(55)	(460)	56	347	(50)	235	(49)	122
Finance cost	(27)	(24)	-	-	15	16	(12)	(8)
Profit (loss) before income tax	(82)	(484)	56	347	(35)	251	(61)	114
Income tax expenses	(2)	(3)	-	-	1	-	(1)	(3)
Profit (loss) for the period from continuing operation	(84)	(487)	56	347	(34)	251	(62)	111
Loss for the period from discontinued operation	(8)	(12)	-	-	-	-	(8)	(12)
Profit (loss) for the year	(92)	(499)	56	347	(34)	251	(70)	99

33. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company or its subsidiaries and employees contributed to the fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by Aberdeen Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to Baht 2.6 million (2015: Baht 2.7 million) were recognised as expenses.

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2016, capital commitments of a subsidiary totaling Baht 4.9 million were in respect of the renovation of gas stations (2015: Baht 2.4 million were in respect of the renovation of office and gas stations).

34.2 Operating lease and service agreement commitments

The Group entered into several operating lease and service agreements in respect of the leases of land, building, oil depots, gas stations and equipment. The terms of the agreements are generally between 1 and 20 years.

Future minimum payments required under these agreements were as follows.

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
In up to 1 year	23	26	-	7
In over 1 and up to 5 years	81	69	-	-
In over 5 years	83	81	-	-

34.3 Long-term purchase and sale commitments

In November 2007, a subsidiary (Pure Biodiesel Co., Ltd.) entered into an agreement with Global Power Synergy Co., Ltd. (GPSC) to purchase steam in a quantity and at a price stipulated in the agreement, which is for a period of 15 years commencing from the facility commercial operation date or 1 October 2008. The agreement can be extended for another 5 years.

On 26 December 2011, the subsidiary entered into a memorandum with GPSC, whereby GPSC will construct a pipe rack and bridge to install a steam pipeline, with a construction price of Baht 58 million, and will compensate the subsidiary an amount of Baht 23 million, for the impact of its inability to supply steam as agreed. This is treated as part of the delay penalty and deducted from construction cost. The construction cost and all interest are to be paid to GPSC on a monthly basis, beginning on the first of the 37th month and to be completed within 72 months after the date GPSC commences supplying steam. The construction cost carries interest at a rate equal to MLR of a bank.

34.4 Guarantees

- a) As at 31 December 2016 and 2015, there were outstanding bank guarantees of Baht 155 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 150 million to guarantee payments due to creditors and Baht 5 million to guarantee electricity use, among others.
- b) As at 31 December 2015, the Company has guaranteed bank credit facilities of subsidiaries amounting to Baht 80 million (2016: nil).

As at 31 December 2016, a subsidiary has guaranteed bank credit facilities of its subsidiary amounting to Baht 10 million (2015: nil).

34.5 Litigation and commercial dispute

- a) On 8 August 1995, the Company entered into a purchase agreement with PTT Public Company Limited (“PTT”) to purchase condensate residue raw materials that are produced by PTT Global Chemical Public Company Limited (“PTTGC”) in a quantity and at a price stipulated in the agreement. The agreement is on an evergreen basis, meaning that there is no specified termination date, and after the primary period of 15 years ends in 2012 it automatically renews for a second period. The agreement stipulated that the Company had to provide a bank guarantee of a certain amount as security against payment for goods purchased. The security will be returned to the Company upon either parties agree to expire the agreement or PTT defaults the agreement.

On 30 September 2009, PTT sent a letter informing the Company of the cancellation of the condensate residue raw materials purchase agreement, and requesting termination of the agreement upon completion of the 15-year term (Primary period) in 2012 even though the Company did not breach the agreement and the cancellation was contrary to the purpose of the agreement. The Company and the Company’s legal advisor are of the opinion that the agreement cannot be terminated since it is a long-term reciprocal agreement, and it stipulates the requirement that the Company invest in the construction of a plant to refine condensate residue of a specification that would be sourced only from PTT, and not to resell the raw materials in the same condition they are received from PTT. The agreement therefore includes a stipulation that the agreement is made on an evergreen basis, meaning that there is no specified termination date and the agreement will automatically remain in force upon completion of the first 15-year term (Primary period) and the following periods. In addition, the agreement can only be terminated with the consent of both counterparties or in

the event that either party breaches the agreement. The Company has not breached any conditions of the agreement. On this basis, the Company is confident that the agreement cannot be terminated, while PTT has a different opinion. The Company has held discussions with PTT in order to seek a resolution that would be fair to both parties, but no resolution could be found. Consequently, to maintain the rights of the shareholders guaranteed and protected by law, the Company used the judicial process to make a final determination on the matter, and submitted a petition to the Arbitration Office on 3 December 2009. On 27 August 2010, the Company lodged a lawsuit against PTT and PTTGC with the Civil Court, demanding PTT and PTTGC comply with the agreement with no specified termination date. Alternatively, if forcing PTT and PTTGC to comply with the agreement is impossible for any reason, then PTT and PTTGC should pay compensation to the Company totaling Baht 13,805,648,806.91. Consequently, the Company submitted a petition to amend the amount of the claim, to request additional compensation, totaling Baht 29,368,397,797.76. The Arbitration Office allowed the request. The Civil Court has ordered the ongoing litigation be temporarily struck off in order to await the decision of the Arbitration Office.

Subsequently, on 30 November 2011, during the formal arbitration proceedings, the Company received a raw material delivery plan from PTT, which is part of the normal business cooperation process between the Company and PTT, and found that such plan specified that raw materials would only be delivered until January 2012. PTT has stopped delivering raw materials to the Company since February 2012 in breach of clause 15.5 of the agreement, which specifies that PTT should comply with the agreement until a final arbitration judgement is made. This has forced the Company to cease production since it had no supply of its main raw materials from PTT.

Subsequently, the Company submitted a request to cancel its demand to force PTT to comply with the agreement. On 5 July 2012, the Arbitration Office allowed the Company to cancel such issue.

The above dispute between the Company and PTT caused the Company to exercise its right to submit claims for compensation of not less than Baht 29,000 million to the Arbitration Office (Black dispute No.114/2552) and the Civil Court (Black case No. 3162/2553) due to PTT's breach of agreement, and the Company exercising its rights to undertake court action and arbitration in order to pursue these claims. The Company has exercised lien over the last payment for

condensate residue, amounting to Baht 1,518 million (net of bank guarantee) as part of the compensation it is claiming from PTT.

In June 2012, the Company was informed by the Dispute Office, Office of the Court of Justice that PTT had submitted the dispute to the Arbitration Office (Dispute Black Case No. 78/2555), requesting the Company to pay principal together with interest totaling Baht 1,555 million to PTT. At present, the Company submitted statements of dispute and the commercial dispute is under consideration by the Arbitration Office.

In April 2016, the Company received an arbitration award dated 25 March 2016, pursuant to which the arbitral tribunal rendered an award by a majority vote to order PTT to pay damages for the unlawful termination of the agreement with the Company in the amount of Baht 390 million per annum starting from 1 February 2012 until the date on which the arbitral tribunal rendered the arbitration award (25 March 2016), together with 7.5% interest per annum on such amount of damages calculated on the date on which the arbitral tribunal rendered the arbitration award until PTT makes payment in full to the Company. The Company can file a petition with the Civil Court to seek enforcement of the arbitration award within 3 years from the date on which the arbitration award was made. However, PTT petitioned the court to revoke the award on 30 June 2016 (Black Case No. 3016/2559). On 23 September 2016, the Company filed a petition to the Civil Court to object the request for revocation of the arbitration award on the case PTT lodged to the Civil Court.

On 16 December 2016, the Company filed a petition with the Civil Court to seek enforcement of the above arbitration award (Black Case No. Por.6000/2559). PTT has already received a copy of the petition.

- b) In May 2011, Thai Public Port Co., Ltd., (“TPP”) an associated company, was sued in a civil case brought by a shareholder, who petitioned the court to cancel the registration of the capital reduction and capital increase carried out by the associated company during the year 2003. In August 2011, the Civil Court dismissed the case, and in July 2012, the Appeal Court upheld the judgement of the Civil Court. At present, this case is under consideration by the Supreme Court.

In March 2014, the Directors of TPP were sued by another shareholder of TPP, who petitioned the court to cancel the letter confirming payment of share price and maintenance of share price dated 30 July 2003, the copy of the share register at the time of the Baht 30 million increase in share capital in 2003, and the memorandum of understanding regarding amendment of the debt restructuring agreement dated 7 October 2003. In May 2015, the Court of First Instance dismissed the case. In June 2016, the Appeal Court upheld the judgement of the Civil Court. At present, this case is under consideration by the Supreme Court.

In April 2015, the Directors of TPP, TPP and the Company were sued by another shareholder of TPP, who petitioned the court to nullify the request for the limited company registration (Form BOJ 1), the copy of shareholders' list, including the supporting documents for the increase in share capital of TPP during the years 2003 and 2014, and the memorandum of understanding regarding amendment of the debt restructuring agreement in 2003, and to seek a court order to reinstate the shareholding that was originally based on a list of shareholders in April 2002. In April 2015, the Court of First Instance dismissed the case. In July 2016, the Appeal Court upheld the judgement of the Civil Court. At present, this case is under consideration by the Supreme Court.

35. Fair value hierarchy

As at 31 December 2016, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investment units in mutual funds	467	-	-	467
Non-current assets held for sale	-	-	478	478

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investment units in mutual funds	118	-	-	118
Non-current assets held for sale	-	-	551	551
Property plant and equipment	-	-	67	67

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investment units in mutual funds	429	-	-	429
Property plant and equipment	-	-	288	288

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investment units in mutual funds	96	-	-	96
Property plant and equipment	-	-	226	226
Non-current assets held for sale	-	-	67	67

36. Financial instruments

36.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, accounts receivable and payable, loans receivable and payable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans receivable and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, loans receivable and other receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relate primarily to their deposits at banks, loans receivable and loans payable with interest. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2016					Effective interest rate (% p.a.)
	Fixed interest rates		Floating		Total	
	Within	1-5 years	interest	Non-interest		
	1 year		rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	19	12	31	0.37 - 0.38
Current investments	-	-	-	467	467	-
Trade and other receivables	-	-	-	42	42	-
Pledged deposits at banks	129	-	-	-	129	0.88 - 1.00
	<u>129</u>	<u>-</u>	<u>19</u>	<u>521</u>	<u>669</u>	
Financial liabilities						
Trade and other payables	-	-	-	1,661	1,661	-
Short-term loans from unrelated parties	149	-	-	-	149	1.50 - 3.95
	<u>149</u>	<u>-</u>	<u>-</u>	<u>1,661</u>	<u>1,810</u>	

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2015					Effective interest rate (% p.a.)
	Fixed interest rates		Floating		Total	
	Within	1-5 years	interest	Non-interest		
	1 year		rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	33	11	44	0.26 - 1.07
Current investments	-	-	15	118	133	2.60 - 3.20
Trade and other receivables	-	-	-	41	41	-
Pledged deposits at banks	233	-	-	-	233	0.88 - 2.95
Long-term loans to unrelated parties	1	-	-	-	1	5.00
	<u>234</u>	<u>-</u>	<u>48</u>	<u>170</u>	<u>452</u>	

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2015					
	Fixed interest rates		Floating		Total	Effective interest rate
	Within		interest	Non-interest		
	1 year	1-5 years	rate	bearing		(% p.a.)
Financial liabilities						
Trade and other payables	-	-	-	1,658	1,658	-
Short-term loans from unrelated parties	201	-	-	-	201	1.55 - 4.00
Liabilities under finance leases	1	2	-	-	3	5.85 - 6.78
	<u>202</u>	<u>2</u>	<u>-</u>	<u>1,658</u>	<u>1,862</u>	

36.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature, loans receivable and payable bear interest rates which are close to the market rate, their fair values are not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.43:1 (2015: 1.42:1) and the Company's was 1.64:1 (2015: 1.83:1).

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2017.

Management and Connected Person Description

As of 31 December 2016

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years		
					During	Position	Company
1) Mr. Satja Janetumnugul ▪ Chairman of the Board (Director with Authorized Signature)	62	- B.Engineering, King Mongkuts University of Technology Thonburi Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 20/2004	22,734,592 shares / 1.74%	-	Listed company :		
					1995-Present	Director / Chairman of the Board	RPCG Public Company Limited
					2012-Present	Director	Sammakorn Public Company Ltd.
					Holding a position of Director in related company		
					None-		
					Non listed company :		
					2015-Present	Director	Thai Public Port Co., Ltd.
					2001-Present	Director	Pure Thai Energy Co., Ltd.
					2001-Present	Director	RPC Management Co., Ltd.
					2012-Present	Director	SCT Sahaphan Co, Ltd.
					2012-Present	Director	Super Pure Gas Co., Ltd.
					1998-Present	Chairman of the Board	Petro-Instruments Co., Ltd.
					2007-2009,2014	Director	Pure Bio-Diesel Co., Ltd
					2006-2010	Director	Pure Sammakom Development Co., Ltd.
2001-2014	Director	Jaturatis Transport Co., Ltd.					
2003-2013	Director	Pure Silica Mining Co., Ltd. ,					
2003-2013	Director	Jatuchak Oil Co., Ltd.					
2002-2013	Director	Pure Intertrade Co., Ltd. ,					
2002-2013	Director	Tossatis Logistics Co., Ltd.					
1995-2013	Director	SCT Petroleum Co., Ltd.					

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years				
					During	Position	Company		
2) Mr. Supapong Krishnakan ▪ Director (Director with Authorized Signature)	60	<ul style="list-style-type: none"> - M.S.in Chemical Engineering & Process Control Computer University of California, Davis, California, USA - M.S.c. Economics / Advance Engineering & Economics California State Polytechnic University, Pomona, California, USA - B.S. in Chemical Engineering, Chulalongkorn University, Bangkok, Thailand Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 15/2004	4,791,092 shares / 0.37%	-	Listed company :				
					1995-Present			Director	1 Company RPCG Public Company Limited)
					Holding a position of Director in related company			-None-	
					Non listed company :			2 Companies	
					2008+Present			Director	RPC Management Co., Ltd
					1998-Present			Director	Honest and Efficient Co. ,Ltd.
					2014-2015			Director	Thai Public Port Co., Ltd.
					2006-2014			Director	Pure Sannakom Development Co.,Ltd.
					2008-2014			Director	Jaturatis Transport Co., Ltd.
					2008-2013			Director	SCT Petroleum Co., Ltd.
					2007-2009,2014			Director	Pure Bio-Diesel Co., Ltd.
					2008-2013			Director : Pure Silica Mining Co., Ltd. SCT Petroleum Co., Ltd., Pure Intertrade Co.,Ltd, Tossatis Logistics Co., Ltd. Pure Thai Energy Co., Ltd. , Jatuchak Oil Co., Ltd.	
					3) Mr. Suwimai Suwanhirunkul ▪ Director (Director with Authorized Signature))	61	<ul style="list-style-type: none"> - MBA Burapha University - B.Sc. (Chemical Engineering) Chulalongkorn University Thai Institute of Directors Association (IOD) - DCP: Directors Certification Program 39/2004 - Finance for Non-Finance Directors : 2003	-	-
1996-Present			Director	1 Company RPCG Public Company Limited					
Holding a position of Director in related company			-None-						
Non listed company :			1 Company						
2007-Present			Director	Pure Bio-Diesel Co., Ltd.					
2006-2014			Director	Pure Sannakom Development Co.,Ltd.					
2005-2014			Director	Jaturatis Transport Co., Ltd.					
2012-2014			Director	SCT Sahaphan Co, Ltd.					
2008-2014			Director	RPC Management Co., Ltd.					
2008-2014			Director	Pure Thai Energy Co., Ltd.					
2012-2013			Director: Pure Intertrade Co., Ltd.Tossatis Logistics Co., Ltd.Pure Silica Mining Co., Ltd. Pure Silica Mining Co., Ltd., Jatuchak Oil Co., Ltd.						

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years		
					During	Position	Company
4) Mr.Suthud Khancharoensuk ▪ Director (Director with Authorized Signature)	58	- MBA : Thammasat University - B.Sc., Chulalongkorn University Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program15/2004 - Board Performance Evaluation 2/2007	10,833,356 shares / 0.83%	-	Listed company :		
					1996-Present	Director	RPCG Public Company Limited
					2013-Present	Independent Director	LEASE IT Public Co., Ltd.
					Holding a position of Director in related company		
					Non listed company :		
					1991-Present	Director	Petro-Instruments Co., Ltd.
					2012-2014	Director	RPC Management Co., Ltd.
					2007-2014	Director	Pure Thai Energy Co., Ltd.
					2012-2014	Director	SCT Sahaphan Co, Ltd.
					2012-2014	Director	Jaturatis Transport Co., Ltd.
					2012-2014	Director	Pure Bio-Diesel Co., Ltd.
					2012-2013	Director	Director: SCT Petroleum Co., Ltd., Pure Silica Mining Co., Ltd., Jatuchak Oil Co., Ltd., Tossatis Logistics Co., Ltd
5) Mr.Prasit Dheeraratbongkot ▪ Independent Director ▪ Chairman of the Audit Committee ▪ Chairman of the Nomination and Remuneration Committee	61	- B.ENG (EE) Chulalongkorn University Thai Institute of Directors Association (IOD) - DCP: Director Certification Program (DCP62)	-	-	Listed company :		
					2015-Present	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination & Remuneration Committee	RPCG Public Company Limited
					2551-ปัจจุบัน	Director /Member of the Audit Committee	Karmarts Public Company Limited
					Holding a position of Director in related company		
					Non listed company :		
					1994-Present	Managing Director	Pure Green Company Limited
					2002-Present	Director	Vinytec Company Limited
					1999-Present	Advisor	H.M.Private Development Projects
					1998-Present	Advisor	Siam Rajathanee Company Ltd.

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years			
					During	Position	Company	
6) Mr. Chamni Janchai ▪ Independent Director ▪ Member of the Audit Committee ▪ Member of the Nomination and Remuneration Committee	60	- B. Account, Thammasat University - MBA, Thammasat University - Graduate Diploma in Management of Public Economy King Prajadhipok's Institute Thai Institute of Directors Association (IOD) - DAP: Directors Accreditation Program 30/2004 - Role of the Chairman Program 21/2009	-	-	Listed company :			
					2016-Present	Independent Director / Member of the Audit Committee / Member of the Nomination & Remuneration Committee	3 Companies RPCG Public Company Limited	
					1999-Present	Independent Director / Chairman of the Audit Committee	Sino-Thai Engineering and Construction Plc.	
					1999-Present	Independent Director / Member of the Audit Committee	STP&I Public Company Limited	
					Holding a position of Director in related company			-None-
					Non listed company :			5 Companies
					2015-Present	Director / Chairman of the Executive Committee	BMP Energy Public Company Limited	
					2015-Present	Director	Chumporn Biofuel Co., Ltd	
					2015-Present	Director	Betong Biofuel Co., Ltd	
					2015-Present	Director	Betong Green Power Co., Ltd	
2003-Present	President	CJM Consult Co., Ltd						
2009-2015	Chairman of the Director	Max Metal Corporation Plc.						
1999-2015	President	CJ Morgan Co., Ltd.						

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years		
					During	Position	Company
7) Ms. Panicha Pongsvapai <ul style="list-style-type: none"> ▪ Independent Director ▪ Member of the Audit Committee ▪ Member of the Nomination and Remuneration Committee 	46	<ul style="list-style-type: none"> - Master of Science, Finance, University of Colorado at Denver - B.B.A, Management, Faculty of Commerce and Accountancy, Chulalongkorn University Thai Institute of Directors Association (IOD) - DCP: Director Certification Program 234/2017 (in process of the training)	-	-	Listed company :		
					2016-Present	Independent Director / Member of the Audit Committee / Member of the Nomination & Remuneration Committee Executive Director	2 Companies RPCG Public Company Limited United Foods Public Co., Ltd.
8) Mrs.Supannee Tanchaisrinakorn <ul style="list-style-type: none"> ▪ General Manager – Finance & Administration Function ▪ Company Secretary 	50	<ul style="list-style-type: none"> - MBA, Finance, Ramkhamhaeng University - Bachelor of Accounting, Ramkhamhaeng University Thai Listed Companies Associated - Fundamental Practice for Corporate Secretary (FPCS) 18/2008	-	-	Holding a position of Director in related company		
					1995-Present 2005-2014	Director Senior Vice President, Investment Banking Group	-None- 1 Company Inside Out Design Co., Ltd. Bualuang Securities Public Company Limited
					Listed company :		
					2013-Present 2014-Present	GM-Finance & Administration Function GM-Finance & Administration Function	2 Companies RPCG Public Company Limited Sammakorn Public Company Limited
					Holding a position of Director in related company		
					2015-Present 2015-Present 2014-Present 2014-Present	Director Director Director Director	-None- 4 Companies Pure Sammakorn Development Co., Ltd. Thai Public Port Co., Ltd. Super Pure Gas Co., Ltd. RPC Management Co., Ltd.

Name-Surname Position	Age	Education / Training	Shareholding in the Company (%) ^{(1),(2)}	Relationship	Working Experience Last 5 years		
					During	Position	Company
9) Ms.Kailaya Klaihong - General Manager – Business Development Function	48	- Master of Engineering, Chulalongkorn University - Bachelor of Science (Chemical Engineering) Chulalongkorn University)	-	-	Listed company :		
					2016-Present	GM-Asset Management Office	1 Company RPCG Public Company Limited
					2012-2016	GM-Business Development Function	
					Holding a position of Director in related company		
Non listed company :			-None-				
2015-Present			1 Company				
Director			Thai Public Port Co., Ltd.				
2008-2012			Director : SCT Petroleum Co., Ltd ,Pure Intertrade Co., Ltd., Pure Silica Mining Co., Ltd., Jatuchak Oil Co., Ltd., Tossatis Logistics Co., Ltd ,RPC Management Co., Ltd.				

Note: (1) Including share portion of spouse and children who are under 20 years old.

(2) Share portion as July 26, 2016 with Par Value 1.00 Baht per Share. The registered and paid up is 1,304,664,125 Baht as of December 31, 2016.

