

Annual Report 2015
**UNION PETROCHEMICAL
PUBLIC COMPANY LIMITED**

www.unionpetrochemical.com



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Message from the Chairman of the Board of Directors

Thai Economy in 2015, GDP increased by 2.8% a growth from the previous year which increased by 0.70%. This was mainly due to the government spending and the private consumption which supported by the government program. The number of in-bound tourists can increasingly be recovered in the last quarter after impact by the Rajprasong bombing in August 2015. The negative factors to the Thai Economy for the year 2015 is the drop in the export sectors which mainly impact by the China's and Asian's slowdown in which give the indirect impact to the private investment in real sectors. Besides the land slide in oil price have also made the price of oil and petrochemical products plunging down.

The Company operating results, which has the strong relationship with the Country's overall economic conditions and the global oil price movement pattern, was shown a significant drop in sale revenue. This was mainly due to the decreasing in price of solvent while the sale volume is in the same level of last year. In 2015, the Company has net profit of 26.01 Million Baht declined by 25.49% when compare to the same period of the year before. However, Gratitude Infinite Public Company Limited, the subsidiaries of the Company can retain the good performance. This reflected in the consolidated performance by having the net profit of 110.59 Million Baht increasing 17.14% when compare to the same period of last years.

I hope that in the year 2016 Thai economy will expanded in accordance with or even better the forecast from the Government and the oil price in global market can recover. In which they can provide the positive forces for the Company operation performance. However, those are uncontrollable factors. Thus, the Company will be careful in doing business as same as the year before in order to win the return to the shareholders continuously.

On behalf of board members, I wish to tender my sincere thanks to the shareholders and every stakeholders for their excellent support and hoping all of you to continue the support to the Company.

A handwritten signature in black ink, appearing to be 'Pala Sukawesh' with a stylized flourish at the end.

(Mr. Pala Sukawesh)
Chairman



Audit Committee's report

To shareholders,

Audit Committee of Union Petrochemical Public Company Limited consisted of three independent directors namely, Mr. Nopporn Thepasithar Chairman of the Audit Committee, Mr. Poolsak Tansitthiphun and Mr. Vorapote Uchupaiboonvong as audit committee. All members of the committee are qualified auditors as required by the regulations of the Security Exchange of Thailand (SET), neither of them holding any shares of the company, take part in administration of the firm, nor take benefit or risk out of the company.

During year 2015, The audit committee met 4 times; which each members attained the meetings as the detail described belows:

1 Mr. Nopporn Thepasithar	4	times
2 Mr. Poolsak Tansitthiphun	4	times
3 Mr. Vorapote Uchupaiboonvong	4	times

in order to review and consider the consolidated quarterly and annual financial statements; the internal control; the connected transaction; the external auditor and other matters which can be summarized as follows:

1. The Company's consolidated quarterly and annual financial statements which are audited by the qualified auditors accepted by the Securities and Exchange Commission or "SEC" is sufficient and accuracy disclosure of information in accordance with generally accepted accounting standard.

2. The Company has the appropriate and effective internal control system. During the previous year, there is no significant mistakes. The Audit Committee has assigned the internal Audit Department to review the company's working procedures as prescribed in the fiscal audit plan in order to verify that the transactions are practiced in compliance with the Company's operating systems.

3. The Company monitors the amendments or the changes in the relevant rule and regulation including that of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") in order to ensure that the Company's practices meet all required regulation.

4. The Audit Committee proposed the opinions to the Board of Directors on the qualification and the appropriation of the external auditors for the year 2016. The Audit Committee considered that Mr. Supachai Phanyawattano who possesses the Audit License No. 3930 and/or Ms. Siraporn Ouannukun who possesses Audit License No. 3844 and/or Ms. Cholros Lerdwana who possesses Audit License No. 4958 of the EY Office Ltd. has no relationship with and/or take benefit or risk out of the Company and Subsidiaries, major shareholders, managements and their connected persons.

5. The Audit Committee has considered the connected transaction which occurred in the previous operating year and has the opinions that those transaction is normal and support business of the Company and its subsidiaries being the price and conditions which the Company and/or subsidiaries offered and/or receive to general persons. The approval for the enter into the Connected transaction is proceed in cope with the rule and regulation. Besides, Audit Committee has assigned the internal auditor to review the product list of the Company and Union Intraco Plc (the Subsidiary) and has no overlap each other.

For the year 2016, the Audit Committee proposed the Board of Directors and ask for approval from the Annual General Meeting of the shareholder to appoint Mr. Supachai Phanyawattano who possesses the audit license No. 3930 and /or Ms. Siraporn Ouannukun who possesses the audit license No. 3844 and/or Mrs. Cholaros Suntiasvaraporn who possesses the audit license No. 4523 of the EY Office Limited as the Company external auditors in the accounting year 2016 for another year. This is mainly because we satisfied in the overall performance of the above said auditors.



(Nopporn Thepasithar)
Chairman of the Audit Committee



The history briefly of Board



1. Mr. Pala Sukawesh

Chairman of the Board of Directors
and Independent Director

Education Qualification

- Honorary Bachelor Degree in Engineering from Chulalongkorn University (1960)
- Honorary Doctorate Degree in Engineering from Chulalongkorn University (2003)
- Certificate in Directors Accreditation Program (DAP) Class 14/2004

Work Experience

- 2012-Present : Chairman - Union Petrochemical Public Company Limited
- 2011-Present : Advisor - PTT Chemical Public Company Limited
 - Empire Asia Group Co., Ltd.
 - CUEL Co., Ltd.
- 2010- Present : Director - CUEL Co., Ltd.
- : Chairman - Petroleum Institute of Thailand
- 2008- Present : Advisor - UNITHAI Public Company Limited
- 2006- Present : Chairman
 - Thai Resources and Environmental Management Foundation (TREMI)
- 2005- Present : Director - Thai Oil Power Co., Ltd.
- 2002- Present : Chairman - Bangkok Polyethylene Co., Ltd.



2. Mr. Virat Suwannapasri

Vice Chairman of the Board of
Directors and Director of authorization sign

Education Qualification

- Certificate of the Executive Development from Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 1981 - Present : Manager Director
 - Union Petrochemical Public Company Limited
- 2000 - Present : Director
 - Lion Asia (Thailand) Co., Ltd.
- 2010 - Present : Director
 - * Gratitude Infinite Public Company Limited



3. Dr. Kanjana Suwannapasri

Duputy Managing Director and Director
of authorization sign

Education Qualification

- Diploma degree of Administration (Marketing) College of Technology Bangkok
- Ph.D. Sociology Mahachulalongkornrajavidyalaya University(2007)
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 1981 - Present : Deputy Managing Director
 - Union Petrochemical Public Company Limited
- 2000 - Present : Director
 - Lion Asia (Thailand) Co., Ltd.
- 2010 - Present : Director
 - * Gratitude Infinite Public Company Limited



4. Mr. Perajed Suwannapasri

Duputy Managing Director
and Director of authorization sign

Education Qualification

- Certificate of Business Administration, Finance and International Banking, The University of Birmingham, England
- Certificate in Directors Accreditation Program (DAP) Class 44 (Sep 2, 2005)

Work Experience

- 2010 - Present : Board of Director
 - * Gratitude Infinite Public Company Limited
- 2005 - 2010 : Deputy Managing Director (Development Business Unit)
 - Union Petrochemical Public Company Limited
- : Director
 - Union Intraco Co., Ltd.
- 2000 - 2005 : General Manager
 - Union Intraco Co., Ltd.
- 1991 - 2000 : Deputy Manager of Marketing Division
 - Union Trading and Industries Co., Ltd.



5. Dr. Khien Vongsuree
Director

Education Qualification

- Ph.D (Electrical Engineering) The University of British Columbia, Canada
- Certificate in Directors Certification Program (DCP) Class 6/2001

Work Experience

- 2005 - Present : Executive Director
 - Union Petrochemical Public Company Limited
- 2005 - Present : Director
 - Bangkok Dec - con Public Company Limited
- 1998 - 2001 : Director
 - Electricity Generating Public Company Limited



6. Miss Suthida Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification

- Master Degree in Public Administration , National Institute of Development Administration (NIDA)
- Certificate in Directors Accreditation Program (DAP) Class 45 (Sep 27,2005)

Work Experience

- 2005 - Present : Assistant Managing Director (Sale Department)
 - Union Petrochemical Public Company Limited
- 2010 - Present : Director - * Gratitude Infinite Public Company Limited
- 1993 - 2005 : General Manager - Union Petrochemical Co.,Ltd.



7. Miss Piyanan Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification

- M.B.A in Marketing University of New Haven, USA
- MSc, in Finance University of New Haven, USA
- Certificate in Directors Accreditation Program (DAP) Class 42 (Aug 1, 2005)

Work Experience

- 2005 - Present : Assistant Managing Director (Accounting and Financial Department)
 - Union Petrochemical Public Company Limited
- 2010 - Present : Director
 - * Gratitude Infinite Public Company Limited
- 2002 - 2005 : Accounting and Financial Manager
 - Union Petrochemical Co.,Ltd.



8. Miss Piyada Suwannapasri
Assistant Managing Director

Education Qualification

- M.B.A University of New Haven, USA
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 2005 - Present : Assistant Managing Director
(General Administration Department)
- Union Petrochemical Public Company Limited
- : Director - Lion Asia (Thailand) Co., Ltd.
- 2002 - 2005 : General Manager - Lion Asia (Thailand) Co., Ltd.



9. Mr. Perapol Suwannapasri
Assistant Managing Director
and Director of Authorization sign

Education Qualification

- Master Degree in E-Business Management University of Surrey, U.K.
- Certificate in Directors Accreditation Program (DAP) Class 44 (Sep 2, 2005)

Work Experience

- 2005 - Present : Assistant Managing Director (Marketing)
- Union Petrochemical Public Company Limited
: Director - Lion Asia (Thailand) Co., Ltd.
- 2010 - Present : Director - * Gratitude Infinite Public Company Limited
- 2003 - 2005 : Business Development Manager
- Union Petrochemical Co., Ltd.



10. Mr. Nopporn Thepsithar
Chairman of Audit Committee

Education Qualification

- Bachelor Degree of Electrical Engineering , Chulalongkorn University
- Certificate in Directors Accreditation Program (DAP) Class 43 (Aug 19, 2005)

Work Experience

- 2015 - Present : Chief Executive and Committee of Export-Import Bank of Thailand
- 2013 - Present : Chairman of Thai National Shippers' Council
- 2013 - Present : Audit Committee - Tipco Asphalt Public Company Limited
- 2014 - Present : Committee of Ananda Development Public Company Limited
- 2014 - 2014 : Chief Executive of Ananda Development Public Company Limited
- 2007 - Present : Chairman of Audit Committee
- Ananda Development Public Company Limited
- 2005 - Present : Chairman of Audit Committee
- Union Petrochemical Public Company Limited
- 2004 - 2012 : Senior Vice President
- Siam City Cement Public Company Limited
- 2002 - 2003 : Transportation Manager
- Siam City Cement Public Company Limited
- 2000 - 2001 : Management Director - TCC Holding Co., Ltd.



11. Mr. Poolsak Tansithipun

Audit Committee
and Independent Director

Education Qualification

- Master of Business Administration,
Kasetsart University
- Certificate in Directors Accreditation Program (DAP)
Class 51 (Feb 22, 2006)

Work Experience

- 2015 - Present : The Chairman of the Audit Committee of FN Factory Outlet Co., Ltd.
- 2015 - Present : Vice Chairman and Chairman
- The Audit Committee Public Company Limited
- 2014 - 2015 : Chairman and Chairman
- The Audit Committee of Ananda Development Public Company Limited
- 2009 - Present : Audit Committee
- Ananda Development Public Company Limited
- 2005 - Present : Audit Committee
- Union Petrochemical Public Company Limited
- Present : Director
- Suphakit Dhurakarn Co., Ltd.
- B-Brathers Co., Ltd.



12. Mr. Vorapote Uchupaiboonvong

Audit Committee
and Independent Director

Education Qualification

- Master of Business Administration
(Financial and International Banking,
University of Birmingham, England)
- Certificate in Directors Certification Program (DCP)
Class 61/2005

Work Experience

- 2014 - Present : Audit Committee
- Ananda Development Public Company Limited
- 2005 - Present : Audit Committee
- Union Petrochemical Public Company Limited
- 2011 - Present : Director
- Bangkhen Chai Co., Ltd.
- 2010 - Present : Director
- Nakhonratchasima Solar Co., Ltd.
- Chiangrai Solar Co., Ltd.
- 2009 - Present : Director
- Bangpailin Cogeneration Co., Ltd.
- 2008 - Present : Assistant Managing Director (Accounting)
- Ch. Karnchang Public Company Limited

* Gratitude Infinite Public Company Limited, previously known as
Union Intraco Public Company Limited

Name : Union Petrochemical Public Company Limited
 Location : 728 Union House Bldg., Boromrachachonnee Bangbumru BangPlad Bangkok 10700
 Homepage : <http://www.unionpetrochemical.com>
 Business Registration No. : 0107548000391
 Type of Buisness : Trader of Solvents
 Registered Capital : 206,250,000 Baht. (As of December 31,2015)
 Paid-up Capital : 206,056,899 Baht. (As of December 31,2015)
 Number of Share Issued and Paid up Capital : Common Stock 824,227,596 Shares (As of December 31,2015)
 Par Value : 0.25 Baht per Share
 Telephone : 0-2881-8288
 Fax : 0-2433-7243-4

Investment of Company

Company Name : Gratitude Infinite Public Company Limited
 Location : 9/8 Moo 5 Saladharmasop Taweewattana Bangkok.
 Type of Business : Trader of Specialty Chemical
 Registered Capital : 454,029,949 Baht (as at December 31, 2015)
 Paid up Capital : 302,686,717 Baht (as at December 31, 2015)
 Par Value : 1.00 Baht per share
 % of Shareholding : 60.00% (as at December 31, 2015)

Company Name : Lion Asia (Thailand) Company Limited
 Location : 728 Union House Bldg., Boromrachachonnee Bangbumru Bang Plad Bangkok 10700
 Type of Business : Trader of Solvents
 Registered Capital : 15,000,000 Baht
 Paid up Capital : 15,000,000 Baht
 Par Value : 100 Baht per Share
 % of Shareholding : 99.99% (as at December 31, 2015)

Company Name : UKEM TECH Co.,Ltd
 Location : 728 Union House Bldg., Boromrachachonnee Bangbumru Bang Plad Bangkok 10700
 Type of Business : Currently Not Operate and on the process of registering to halt business
 Registered Capital : 35,000,000 Baht
 Paid up Capital : 7,500,000 Baht
 Par Value : 10 Baht per Share
 % of Shareholding : 99.99% (as at December 31, 2015)

Reference Data

Securities registration : Thailand Securities Depository Co.,Ltd.
 Location : Capital Market Academy Building 2nd Floor 2/7 Moo 4 (Northpark Project) Thung Song Hong Lak Si Bangkok 10210
 Tel : 0-2229-2800
 Fax : 0-2359-1259
 TSD Call Center : (66 2) 229 2888
 Website : <http://www.tsd.co.th/>
 E-mail : TSDCallcenter@set.or.th
 Auditor : EY Office Limited
 Location : 33rd Floor Lake Rachada Office Complex No. 193/136-137 Rachadapisek Road Klong Toey Bangkok 10110
 Telephone : +66 (0) 2264-0077

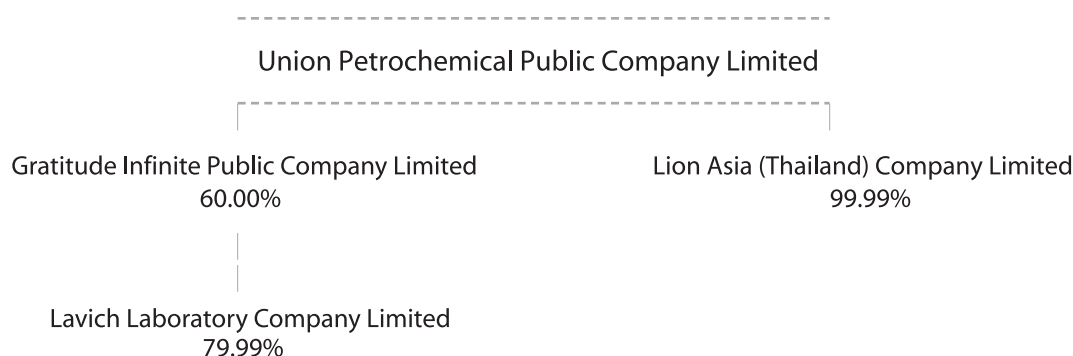
Financial Highlights of the Company and its subsidiaries

Summary of Financial Performance <i>Unit : Million Baht</i>	2013	2014	2015
Total Asset	2,001.07	1,995.78	1,908.16
Total Liabilities	1,243.03	1,109.16	946.27
Shareholder Equities	758.04	886.62	961.89
Total Revenue	3,624.16	3,748.69	3,028.91
Total Expense	3,500.91	3,625.02	2,905.60
(Exclude Tax & Interest Expense)	86.44	94.41	110.59
Net Profit – (After Tax & Interest Expense)			
Financial Ratio			
	10.71%	10.38%	12.96%
	2.39%	2.52%	3.45%
Gross Profit Margin	4.32%	4.73%	5.80%
Net Profit Margin	11.40%	10.65%	11.50%
Return on Assets	0.86	0.72	0.54%
Return on Equities			
Net Debt Ratio* (Times)			

Remarks: Interest Burden Debt.

Group Structure

The business structure of the Group As of December 31, 2015



PRODUCTS AND SERVICES

Union Petrochemical Public Company Limited ("UKEM") is the distributors of commodity solvents. These chemicals are used as raw materials in various industries. Target customers of the Company range from small to large industrial manufacturers. Most of them have long-term relationship with the Company.

Gratitude Infinite Public Company Limited ("the Subsidiary") A wholly-owned subsidiary of the Company is the distributor of specialty chemicals. As of December 31, 2015, the Gratitude has its registered capital at 454.03 Million Baht and paid-up capital at 302.69 Million Baht. Most of its products are sold directly to manufacturers. Gratitude Infinite is also responsible for sourcing new specialty chemicals in order to serve customers' needs.

Lion Asia (Thailand) Company Limited ("the Subsidiary") A wholly-owned subsidiary of the Company is the distributor of specialty solvents. As of December 31, 2015, the registered and the paid-up capital of Lion Asia were 15 Million Baht.

UKEM TECH CO.,LTD.* ("the Subsidiary") A wholly-owned subsidiary of the Company and As of December 31, 2015, the registered capital to UKEM TECH Co.,Ltd is 35 Million Baht and its paid up is 7.25 Million Baht

Lavich Laboratory Company Limited.* ("the Subsidiary of Gratitude Infinite") A 79.99% owned subsidiary of Gratitude Infinite Plc and As of December 31, 2015, Lavich Laboratory Co.,Ltd. has its registered and paid-up capital at 25 Million Baht.

(*) Currently Not Operate and on the process of registering to halt business

Revenue Structure

Revenue By Company	2013*		2014*		2015*	
	THB Mil	%	THB Mil	%	THB Mil	%
Union Petrochemical Plc.	2,684.03	74.06	2,629.82	70.15	2,139.25	70.63
Lion Asia (Thailand) Co.,Ltd.	274.49	7.57	302.33	8.06	168.26	5.56
Gratitude Infinite Co.,Ltd.	665.64	18.37	816.54	21.78	721.39	23.81
Total	3,624.16	100.00	3,748.69	100.00	3,028.90	100.00

Remark: (*) exclude the inter trade between the group of companies

Revenue Breakdown by type of solvents

[In THB :Million]

Revenue By Products		2013	%	2014	%	2015	%
1	Commodity Solvents	2,684.03	74.06	2,629.82	70.15	2,139.25	70.63
2	Specialty Solvents / Chemicals	940.13	25.94	1,118.87	29.85	889.65	29.37
	Total*	3,624.16	100.00	3,748.69	100.00	3,028.90	100.00

Remark: (*) exclude the inter trade between the group of companies

Risk Factors

1 Risks from Change in Prices of Raw Materials

Solvents are products in upstream petrochemical industry, which uses liquid natural gas (NGL), naphta, and condensates for its raw materials. Since the raw materials for solvents come from refinery plants, their prices fluctuate with the prices of crude oil and the supply and demand situation of the petrochemical industry. As a major distributor of solvents, the Company has been able to manage the price fluctuation of its products through the well established relationship with its suppliers.

2 Risks from Dependence on the Small Number of Suppliers

The Company imports and distributes solvents from major manufacturers and distributors, including

1. Thai-MC Co.,Ltd., an affiliate of Mitsubishi Corporation of Japan (The Company has been its authorized distributor since 1985)

2. Esso (Thailand) Public Company Limited, an affiliate of ExxonMobil Group of the US (The Company has been its authorized distributor since 1986)

3. PTT Group such as IRPC Plc., PTT Phenol Co.,Ltd, PTT Chemical Plc., TOC Glycol Co.,Ltd.

There are risks from dependence on the above suppliers. However, the Company has continuously added new import suppliers.

3 Risks from Failure to Extend Supply Contracts with Major Suppliers

Major suppliers include,

1. Thai-MC Co.,Ltd. (The Company has been its authorized distributor since 1985)

2. Esso (Thailand) Public Company Limited (The Company became its authorized distributor in 1986 and has become its Non-exclusive Branded Distributor since 2005)

3. PTT Group such as IRPC Plc., PTT Phenol Co.,Ltd, PTT Chemical Plc., TOC Glycol Co.,Ltd.

Even though the Company may encounter risks from not being able to renew the contracts with its major suppliers, the Company has established long-term relationship with its suppliers and never had a problem renewing supply contracts.

4 Risks from Payment Default from Customers

The Company offers credit terms on average of 90-120 days to its customers. The amount of payment default from the customers was very small and the amount of loan default under legal process is immaterial. The Company plans to reduce the amount of loan default by implementing credit evaluation processes before granting credit approval to each customer.

5 Risks from Increased Competition

There are 5-6 major distributors of solvents, whose aggregate market share has been increasing as competition within the industry has recently been intensified. The Company has been one of the top three largest distributors in terms of sales. Due to its 34-year experiences in the business, the Company has built up its marketing expertise and effective inventory management, which enable the Company to be able to anticipate industrial trends and plan relevant business strategies.

6 Foreign Exchange Risks

The Company is exposed to foreign exchange risks as it imports a significant amount of its products. It is the Company's policy to fully hedge such risks through the purchase of forward contracts.

7 Risks from Having One Major Shareholder with Interests Exceeding 50%

Even though the Suwannapasri Family holds a majority stake of 55%, according to the Company's policies, one-third of shareholders' votes is required to pass resolutions on special subjects. In addition, in order to achieve the balancing of power for the minority shareholders, the Company has implemented the following procedures;

1. Appoint an Audit Committee with three members with the authorities to review operations
2. Appoint four independent members (including four members from the Audit Committee) to the Board of Directors
3. Implement a transparent organizational structure in which decentralization system is utilized
4. The Company has appointed an Internal Control consulting company to set up and monitor its internal control system since February 2006, which reports directly to the Audit Committee

Shareholder Structure and Management

Capital Structure

Registered and Paid up Capital (December 31, 2015) as follows:

Registered Capital	206,250,000 Baht
Paid Up Capital	206,056,899 Baht
No.of Ordinary Shares issued	825,000,000 Shares
No. of Share paid-up shares	824,227,596 Shares
Par Value	0.25 Baht Per Share

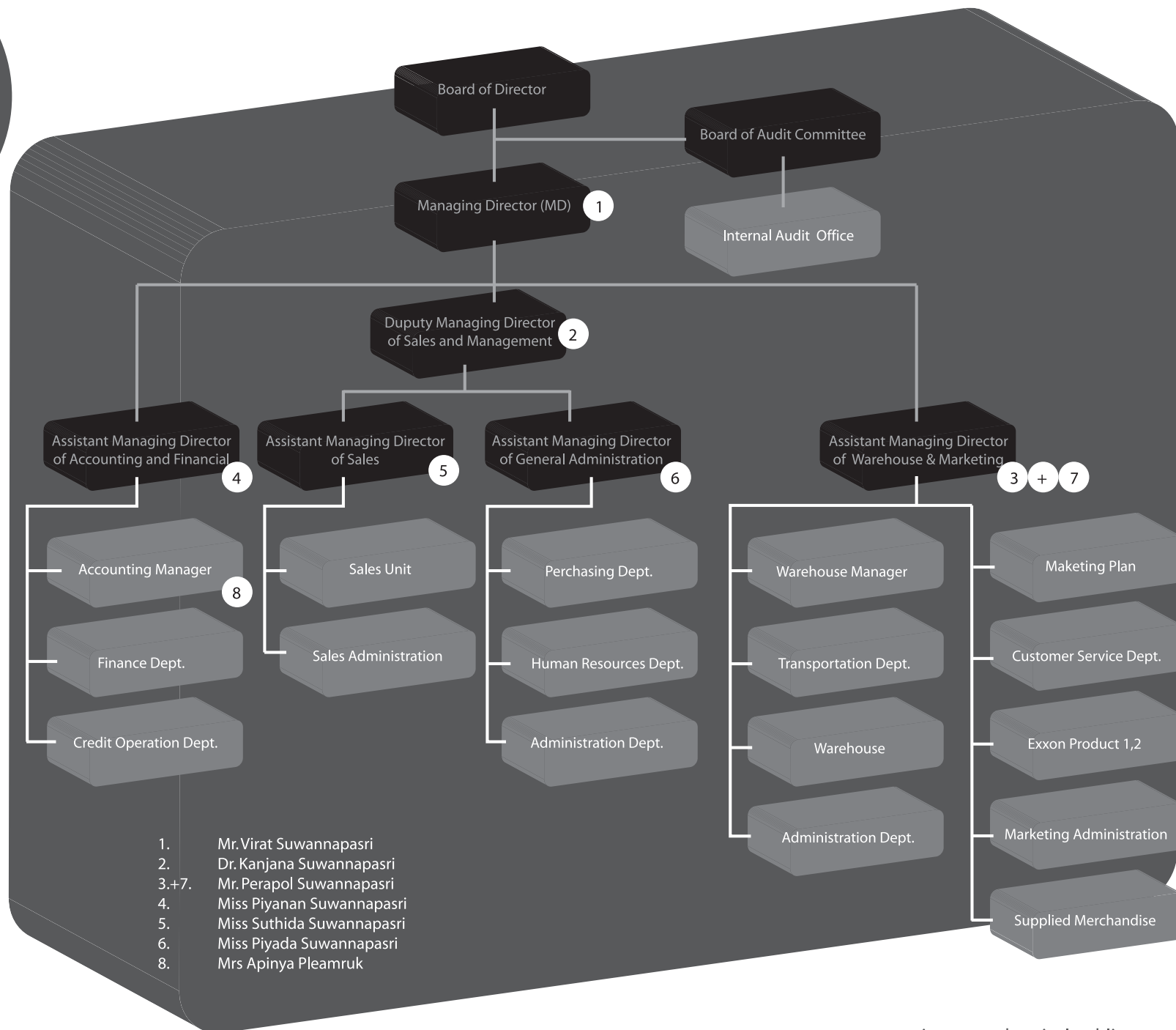
Major Shareholders

	Name	As of December 31, 2015	
		No. of Share held by shareholder	(%)
1	Dr.Kanjana Suwannapasri	367,750,000	44.62
2	Ms.Chatprapa Suwannapasri	34,803,100	4.22
3	Mr.Wichien Jirakranont	22,672,400	2.75
4	Mr.Perajade Suwannapasri	12,250,000	1.49
5	Ms.Junjira Julthira	11,185,000	1.36
6	Ms.Suthida Suwannapasri	9,250,000	1.12
7	Ms.Piyanan Suwannapasri	9,250,000	1.12
8	Ms.Piyada Suwannapasri	9,250,000	1.12
9	Mr.Perapol Suwannapasri	9,250,000	1.12
10	Thai NVDR Co.,Ltd	8,543,700	1.04

Dividend Policy

The Company has dividend policy which not lower than 40% of net profit after tax. And the dividend payment should not impact to its liquidity and others factor related to the company's operation plan. The dividend payment must be approved by the Shareholder Meetings.

Organization chart



STRUCTURE OF THE BOARD

The Boards of the Company consist of Board of Directors, Audit Committee, and the Executive Board.

Board of Director

As of December 31, 2015 the company has 12 directors and 1 Company Secretary as follows:

	Name	Title	% of Shareholding in Company (In Million Shares)		
			1 Jan 15*	31 Dec.15	Change
1	Mr. Pala Sukhawej	Chairman	0	0	-
2	Mr. Virat Suwannapasri	Director	0	0	-
3	Dr. Kanjana Suwannapasri	Deputy Managing Director	367.75	367.75	-
4	Miss Suthida Suwannapasri	Assistant Managing Director	9.25	9.25	-
5	Miss Piyanan Suwannapasri	Assistant Managing Director	9.25	9.25	-
6	Miss Piyada Suwannapasri	Assistant Managing Director	9.25	9.25	-
7	Mr. Perapol Suwannapasri	Assistant Managing Director	9.25	9.25	-
8	Mr. Perajed Suwannapasri	Deputy Managing Director	12.25	12.25	-
9	Dr. Khien Vongsuree	Director	0	0	-
10	Mr. Nopporn Thepsithar	Chairman of Audit Committee	0	0	-
11	Mr. Poolsak Tansitthipun	Audit Committee	0	0	-
12	Mr. Vorapote Uchupaiboonvong	Audit Committee	0	0	-
13	Ms. Waraporn Thongpho	Company Secretary			

Authorized Director

The Director who are authorized to sign on behalf of the company are Mr. Virat Suwannapasri and Dr. Kanjana Suwannapasri with the Company Seal, or Mr. Virat Suwannapasri or Dr. Kanjana Suwannapasri and two of the followings: Miss Suthida Suwannapasri, Miss Piyanan Suwannapasri, Mr. Perapol Suwannapasri together with the Company Seal.

Audit Committee

As Dec 31, 2015 The Company has 3 audit committees as follows:

	Name	Title
1	Mr.Nopporn Thepsithar	Chairman of Audit Committee
2	Mr.Poolsak Tansitthipun	Audit Committee
3	Mr.Vorapote Uchupaiboonvong	Audit Committee

Executive Board of Director

As Dec 31, 2015 The Company has 5 members for the executive board of committees as follows:

	Name	Title
1	Mr.Virat Suwannapasri	Chairman of Executive Board
2	Dr.Kanjana Suwannapasri	Vice Chairman of Executive Board
3	Miss Suthida Suwannapasri	Executive Director
4	Mr.Perapol Suwannapasri	Executive Director
5	Dr.Khien Vongsuree	Executive Director

Management

As Dec 31, 2015 The Company has 6 persons who are on the management levels as follows:

	Name	Title
1	Mr.Virat Suwannapasri	Managing Director
2	Dr. Kanjana Suwannapasri	Deputy Managing Director
3	Mr.Perapol Suwannapasri	Deputy Managing Director
4	Miss Piyanan Suwannapasri	Assistant Managing Director
5	Miss Suthida Suwannapasri	Assistant Managing Director
6	Miss Piyada Suwannapasri	Assistant Managing Director

Criteria for the Selection of Directors and Management

Even though the members of the Board of Directors and management team will not come from the procedures of the Nominating Committee, the Company has set criteria for the selection of directors and members of the management team as followed;

- The Executive Committee will consider candidates according to their relevant experiences, culture compatibility, and etc. and proposes the chosen candidate for the approval at the Shareholders' Meeting
- For every Annual Shareholders' Meeting, one-third of the members of the Board of Directors must resign. For the first two years after the listing, the method of a coin toss will be employed to decide which director will resign. From the third year on, the director who holds his position for the longest time shall resign. However, the director who must resign is eligible to be reelected again. Procedures for shareholders to elect a new director are as followed;

- One share is equivalent to one vote,
- One shareholder can only vote for one candidate, and
- The candidate with the highest votes will be elected and, if there is more than one position to be filled, the second highest votes will be elected and so on until all the positions are filled. If candidates have equal votes and only one appointment is needed, the Chairman will be the person to decide which candidate will be elected.

Even though the members of the Audit Committee will also not come from the procedures of the Nominating Committee, the Company has set the criteria for the members of the Audit Committee that at least one member will be a specialist in the field of accounting or finance and another member in the field of laws. Each Audit Committee member will serve for a two-year term.

The Attendant of Board Meeting During Year 2015

	Name	No. of Attendant (Board of Director)		No. of Attendant (Audit Committee)	
		2014	2015	2014	2015
1.	Mr.Pala Sukhawej	5/5	5/5	-	-
2.	Mr.Virat Suwannapasri	5/5	4/5	-	-
3.	Dr.Kanjana Suwannapasri	5/5	4/5	-	-
4.	MissSuthida Suwannapasri	5/5	5/5	-	-
5.	MissPiyanan Suwannapasri	4/5	5/5	-	-
6.	MissPiyada Suwannapasri	5/5	5/5	-	-
7.	Mr.Perapol Suwannapasri	5/5	4/5	-	-
8.	Mr.Perajed Suwannapasri	5/5	5/5	-	-
9.	Dr.Khien Vongsuree	5/5	5/5	-	-
10.	Mr.Nopporn Thepsithar*	3/5	5/5	3/4	4/4
11.	Mr.Poolsak Tansitthipun*	5/5	5/5	4/4	4/4
12.	Mr.Vorapote Uchupaiboonvong*	4/5	5/5	3/4	4/4

Remarks: (*) Director & Audit Committee

Compensation

a) Director

(Baht)		
	Name	2015
1.	Mr.Pala Sukhawej	2,050,000
2.	Mr.Virat Suwannapasri	-
3.	Dr.Kanjana Suwannapasri	-
4.	MissSuthida Suwannapasri	-
5.	MissPiyanan Suwannapasri	-
6.	MissPiyada Suwannapasri	-
7.	Mr.Perapol Suwannapasri	-
8.	Mr.Perajed Suwannapasri	-
9.	Dr.Khien Vongsuree	230,000
10.	Mr.Nopporn Thepsithar	290,000
11.	Mr.Poolsak Tansithipun	270,000
12.	Mr.Vorapote Uchupaiboonvong	270,000
	Total	3,110,000

b) Management

Management Compensation	Year 2015 (Million Baht)
No. of Management (persons)	6
Total Amount	10,933,000

Other Benefits

The Company has established the provident fund for the employees at the rate of 2% of their salary. The employees who are work with company not less than 3 years and retired or resigned will benefit from this provident fund.

Corporate Governance Policy

A corporate governance policy of Union Petrochemical Public Company Limited is based on guideline formulated by the Stock Exchange of Thailand (SET) in 2006, which is applied from the 15 principles of best practice for corporate governance of SET announced in March 2002. The Company's corporate governance policy consists of these 4 components:

1. Rights and Equal Treatment to Shareholders.
2. Role of Stakeholders
3. Disclosure and Transparency
4. Responsibilities of the Board of Directors

1. Rights and Equal Treatment to Shareholders.

The Company has assigned the Company Secretary to coordinate with the shareholders in matters relating to the equal protection of the rights of all shareholders. These include the right to buy and sell securities, the right to receive dividends, the right to attend and participate in discussions and voting on important issues at shareholders' meetings and the right to appoint a proxy in the event that a shareholders is unable to attend a meeting. The Company informs shareholders of the time, place and agenda for each shareholders' meeting, together with additional information intended to assist shareholders in making informed decisions about important issues under discussion. This information is sent to shareholders and the registrar not less than 7 days prior to the scheduled date of the meeting. Notices appear in newspapers over a period of 3 consecutive days not less than 3 days prior to the date of the meeting. Invitations are sent to shareholders in Thailand by registered mail, while foreign shareholders are notified by fax or by email. Acknowledgement of receipt is to be made by registered airmail.

2. Role of Stakeholders

The Company has outlined policy guidelines for dealing with various groups of stakeholders which included the insiders as well as the outsiders. The guideline instructs Board members, senior executives and staff at all levels. The stakeholders consists of shareholders, customers, trading partners, employees, competitors, creditors, the local community and society in general. The details are as follows:

- **Shareholders** The Company represents the best interest of shareholders through its commitment to transparency, increasing the Company's value over the long-run and good return of investment.
- **Customers** The Company realizes the importance of customers and consumers' rights to receive good quality products and delivery its on time and keeping the customer's information.
- **Trading Partners** The Company builds good relationships for mutual benefit and honors fully all obligations to its partners.
- **Employees** The Company recognizes the value of developing staff potential and creating a pleasant working environment, including the provision of remuneration and fair treatment to employees.
- **Creditors** The Company complies strictly with the terms of all agreements with creditors
- **Competitors** The Company is committed to fair competition.
- **Community and Society**
Recognizing the importance of safety, environmental responsibility, and quality of life for the local community and the society at large. All its business decisions are made with a view to minimizing the impact on society, the environment, and the public's quality of life.

3. Disclosure and Transparency

The Board of Directors has an obligation to make full disclosure of important Company-related information in a reliable and timely manner through a variety of media such as the Company

newsletters and notices to the Stock Exchange of Thailand in both Thai and English versions, the public relations news and the Company's website. This information, which concerns both financial and non-financial matters, is carefully checked and presented in language that is clear, concise, and easy to understand.

The Company has assigned Ms. Piyanan Suwannapasri as "Investor Relations" to provide clear, equal and accurate information to all interested members of the public including the respond to the inquiries of the shareholders, the investors and the securities analysts. The "investor relations" is also responsible for coordinating with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to ensure the Company's full compliance with the latest rules and regulations and the principles of corporate governance.

In 2008, the Company joined the "Opportunity Day Program" which is arranged by SET, in order to meet the investors and securities analyst and provide them the information of company results from operations and its future directions.

4. Responsibilities of the Board of Directors

The scope of authority of the Board of Directors is determined by law, the Company' regulation, the resolution of shareholders meeting and the principles of corporate governance. Members perform their duties with honesty, integrity, and a high degree of responsibility. The Board discloses information in a transparent manner and ensures that Company management operates in line with the goals and objectives, as well as the best interest of shareholders and all of the Company's stakeholders.

The Company separates the role and duties of chairman and the managing director clearly and completely. The Board is charged with appointing the task-specific committee; the Audit Committee, which oversees the Company operations and considered the conflicts of interest in order to maintain the good and efficiency internal control and ensure that the Company's accounting practices are complete and accurate in order to protect the property of the Company as well as to identify the weak points of the Company in order to protect the fraud operations and/or the uncommon situations. At least One of the Audit Committee members must have knowledge of accounting so that he/she can help the Board to review and ensure that the Company's financial statement is complied with Thailand's general accounting standards and The Company chooses the proper accounting policy including to provide sufficient information in the footnotes.

The Structure of the Company's Board of Directors is composed of the number of Independent Directors of no fewer than that is required by law and/or notifications and The Structure of the Board of Director must balance the powers of

As of December 31, 2015 The Company's Board of Directors consists of 12 directors, comprising as follows:

- Executive Director 6 persons
- Non-Executive Director 6 persons
- Independent Director 4 persons

The independent director is accounted for 33.33% of the Board of Directors where is seven directors come from Suwannapasri's family. Six of the Board of Directors, which accounting for 41.67 percent of the Board of Directors, are persons who have no relation with Suwannapasri's family and It is sufficient in the balancing of power. Besides, The Board of Directors approved a clear manual authorities to which all employees must comply with.

Supervision on the Use of Internal Information

The Company sets out the policy on a supervision on the use of internal information which hasn't yet been disclosed to the public by directors and/or management and/or any related person and complied with a policy in a strictly manner. Details of the policy are as follows:

1. Notification must be made to all directors and management of the Company pertaining their duty and responsibility in providing the a report on holding of the Company's securities by themselves, by their spouse, minority and by other related to directors and/or management. Such requirement is in compliance with Section 59 and 275 of the Securities and Exchange Act B.E. 1992.

2. Directors, management and employee in the division receiving internal information are recommended to avoid or suspend their trading of the Company's securities for a period of 1 month prior to the disclosure of the financial statement to the public.

Corporate Social Responsibilities : CSR

Policy Overview

Disciplinary penalty is determined should the policy be violated. Punishment will be determined based on the intention of the action and severity of such wrongdoing.

Board of Directors Is committed to improving organizations by operating under the principles of good corporate governance, coupled with the implementation of its corporate social responsibility (CSR) guidelines on social responsibility of business. Conducted by the Stock Exchange of Thailand. It has been determined that social responsibility is an important issue. By forming part of the ethics of the business. Under the Subject "Care and Social Responsibility"

The Company recognizes that company. Petrochemical and chemical products distribution business there. Must be trust and confidence in safety. The company Has a policy of complying with all laws, regulations, standards and codes that are strictly related. Including conducting business with integrity, transparency and social responsibility.

Operations and Reporting (CSR-in process).

Board of Directors It gives priority to social responsibility. It has set a policy of social responsibility in business processes. The guidelines are as follows.

1) the operation of the fair.

The Company treats competitors under the relevant laws. And business ethics of the Company. According to the rules of fair competition. Situated on the basis of obtaining a fair return on both sides.

- ☒ There is no advantage to a business rival. By distorting business information That may affect the reputation of a competitor.

- ☒ Avoid agreements or talked with employees of competitors. About Marketing The business plan that will affect the business.

- ☒ Maintain confidentiality of information or partners. Not to apply for their own interests or those involving wrongful.

- ☒ not take any action relating to intellectual property infringement. Including encouraging executives Employees use company assets and resources more effectively. Products and services are used under license. It is clearly defined in the company's business ethics.

2) Anti-Corruption Court corruption.

The Company operates its business with transparency. Anti-Corruption Court corruption both inside and outside the organization. In cooperation with various organizations to combat corruption, corrupt kind. Including encouraging employees to comply with laws and regulations concerned. Does not support the creation of completion method of fraud.

In 2015 the Institute of Thailand Patt This was supported by the Office of the Securities and Exchange Commission (SEC) to assess the implementation of the projects for sustainability. The defense has been involved in corrupt. (Anti-Corruption Progress Indicators) of listed companies in Thailand in 2558 under the plan for the sustainable development of listed companies by the Anti-Corruption, the Company disclosed or made public in the annual registration statement (Form 56-1.) and Annual report (form 56-2) or, as the case in other reports.

By the year 2015, the company has been assessed at level 2 Declared which demonstrates the commitment of the organization. By announcing its intention to form a unified practice (Collective Action Coalition) Thailand's private sector in the fight against corruption. Or participating in anti-corruption functions. The organization must have a process in the same way that suggests that its Board of Directors intends to continue to oppose the corrupt in society.

3) respect for human rights.

The Company's policy is to ensure fairness to all stakeholders. By complying with laws and regulations and adhere to the basic principles of human rights according to international criteria. Without distinction of origin, race, color, religion, sex, age, disability, national ancestry, financial institution or other status that is not directly related to operations. Including the right environment to work without violating privacy rights. There is mutual respect As well as provide assistance Comments, suggestions and resolve to work together.

4) to treat workers fairly.

The Company recognizes that employees are the most valuable asset of the company, the company aims to support the development of human resources. To maximize the benefits to the Company. It also encourages employees to participate in creating a good working atmosphere and culture and promote teamwork. Hear comments and suggestions from all employees equally equality. Compensation and benefits, and fairness.

The company encourages employees to have knowledge, skills and experience. To contribute to operational efficiency. By training employees in departments of the Company. Also sending staff to training outside to increase their knowledge in various fields related to the work and the knowledge gained from the training to convey to my colleagues to gain knowledge such as training standards. the new Training systems, computer networks, and so on.

5) Responsibility for customers and consumers.

The company is committed to excellence in the delivery of standard products. Secure And quality to meet customer satisfaction. As well as adherence to honesty and maintaining ethical business practices. Which is defined as a part of the code of conduct for its employees and the company. As dealers Will come from the manufacturer with large, both nationally and globally. These companies, which are companies that have been widely accepted. In terms of quality of products And in good conscience to society.

6) environmental care

The company engages in the purchase and disposition (Trading), the company has a policy to consider and purchase from the manufacturer / vendor standards. And environmental awareness As well as the care and consideration of environmental impact at every stage of the business process. The company's focus on the environment has changed society as a whole. Both affect health. And safety of employees and the society. Taking into account the impact over business outcomes. It has been the policy of the business with regard to the environment.

☒ Encouraging employees to have a conscience. And environmental responsibility

☒ comply with the terms in writing. And intent of the law concerned. The various agencies involved in environmental issues.

☒ Maintain workplace safety standards. Health and environment By adhering to the standards of the best practice guide.

☒ The company will oversee all stages of the product. To prevent potential harm to employees, customers, both in terms of safety and health.

☒ The company will manage the use of natural resources and energy efficiency. By promoting energy efficiency in the company's activities. To try and alleviate the problem of global warming. Coupled with a friendly environment.

7) The Community and Social Development.

The Company's policy is to develop and build relationships in the community and society. Behave in accordance with the cultural traditions of neighboring communities where the company operates in. And cooperate with all parties in the community. In order to create a sustainable society.

8) the innovation and innovation diffusion. It was operating with social responsibility and environmental stakeholders. The Company's policy is to focus on recruiting new products that are environmentally friendly. In order to create added value to all stakeholders. As well as to bring about sustainable business growth.

The safety, health and environment in the workplace.

The company has operations in consideration of the safety of the working environment inside and around the establishment, the Company has adopted a strict management of occupational. Health and Safety As part of the operational guidelines for effectiveness. The policy on safety, health and environment in the works.

☒ The company will develop and implement management systems, occupational health and safety properly. In accordance with the Law And other requirements set forth by the Company.

☒ The company will support the improvement of working conditions. And the working environment is safe and conducive to physical and mental health in the workplace. To make the operation more efficient.

☒ The company is implementing security. It is the responsibility of the management and staff at all levels. By taking into account their own safety. Colleague The assets of the Company for the duration of the operation.

☒ The Company provides facilities such as adequate and hygienic toilet drinking water standards (check the filter every month) and a standard warehouse, etc.

☒ Company's new black supervised environment within and around the company is always to meet the standards required by law.

Guidelines on Prevention are involved in corrupt.

Board of Directors Is committed to operating under the principles of corporate governance and social responsibility for sustainable development. And perceives corruption corrupt it. A threat that compromises sabotage. And the nation as a whole, therefore, the Board of Directors No. 4/2014 held on August 8, 2014, has approved the Company. Announced its intention to join the alliance of private practice to work against corruption in Thailand (Thailand's Private Sector Collective Action Coalition Against Corruption: CAC).

You Sookawesh Chairman. Have signed a declaration affording a unified practice (Collective Action Coalition) Private Thailand on anti-corruption, on November 12, 2014, and Dr. Panas Simasathien Chairman alignment private practice Thailand to fight corruption. Has been signed on January 16, 2558 by the Company is in the process of preparing a self-assessment on measures against the corrupt. To apply for certification as a unified operating company (Certification Process).

Thus, from the Company's Clear to cooperate with and support public and private sector, the Company has established an anti-corruption court corruption. The guidelines "The alignment of private practice in the fight against corruption, Thailand" to a clear code of conduct in business by directors, management and all employees must comply with the policy.

☒ prohibits Directors, management and staff or to offer to the property. Or any other benefits to third parties. To encourage that person acts or omissions which violate the law or wrongful act on its position.

☒ Provide a system of internal controls, efficient and effective. There are checks and balances of power appropriately. To prevent employee fraud Or have been involved in corruption and corrupt other.

☒ awareness, values, attitudes to employees in compliance with the rules. With honesty

CSR activities of the organization (CSR-after process).

The company recognizes its social responsibility, together with the business of the Company in 2015 are as follows.

☒ activities for the preservation of religious co-hosted by the company in the construction of places of worship, including other related buildings. The company also has been involved in the Offering. Ceremony with temples in Bangkok. And other provinces

☒ energy conservation activities, such as organizing events to raise awareness of employees. To contribute to environmental conservation. Office / warehouse follows

→ A campaign of paper used in the office (Reuse Paper).

→ To encourage employees to use the stairs instead of the elevator. Healthy and can save energy.

→ A campaign off air conditioning Lighting off And turn off the computer screen during the lunch break.

And the time to work outside the office. To save energy

→ The campaign uses containers that can be used against them. Without leaving In order to reduce global warming, such as the rice (Tiffin) mug identification and so on.

Human Resources

As of December 31, 2015 the Company has total employees (Excluded 6 persons in the management level) by 109 persons. In the past 3 years, the Company has no any dispute of labor.

Employee Remuneration

Total remuneration of employees during the year 2015 (including the turnover during the year) which is breakdown into salary wages overtime Bonus and other benefits amounted to 31.25 Million Baht.

Human Resource Development

The Company sets out the policy on human resource development to increase the efficiency of employees. The Company recognize that the recruitment process is very important processes in obtaining the qualified people into the organization. The Company set the program in Both internal and external training to develop people in organization and motivate them as well.

Such policies led to an efficient and efficiency work of employees which directly reduced the loss in working process and cost of sale as well.

The Company has established the provident fund for the employees at the rate of 2% of their salary. The employees who are work with company not less than 3 years and retired or resigned will benefit from this provident fund.

The Connected Transactions

During year 2015 (1 January - 31 December) The Company has the connected transaction which can be summarized as follows:

Parties with potential Conflict	First Traco Co.,Ltd	
Type of Relationship	Same Major Shareholder / Director.	
Type of Transaction	The Company and Subsidiaries rent an office space and utilize a public utility (Electricity)	
Value of Transaction	Rental 2.15 Million Baht Public Utility 0.36 Million Baht	
Parties with potential Conflict	Lion Asia (Thailand) Co.,Ltd.	
Type of Relationship	Subsidiary of Company by holding 99.99% of its registered and paid up capital	
Type of Transaction	Buy/Sell solvent / Inventory Space Rental / Office Equipment* /Motor Oil	
Value of Transaction	Sell Goods	68.41 Million Baht
	Buy Goods	6.54 Million Baht
	Buy Assets	2.00 Million Baht
	Inventory Space Rental	0.22 Million Baht
	Transportation Service	0.03 Million Baht
	<i>* Packaging and ect.</i>	
Parties with potential Conflict	Gratitude Infinite Public Company Limited.	
Type of Relationship	Subsidiary of Company by holding 60.00% of its registered and paid up capital	
Type of Transaction	Buy/Sell solvent / Inventory Space Rental / Transportation	
Value of Transaction	Buy Goods	5.92 Million Baht
	Sell Goods	0.00 Million Baht
	Transportation Service	0.10 Million Baht
	Inventory Space	0.48 Million Baht

Remarks: - The transaction of buy and sell of solvents from/to subsidiaries is higher than the cost of sale.
 - The transaction of sell tanks (20 ltrs) to subsidiaries is comparable to the market price
 - The transaction of office space rental is reviewed and considered by audit committee and provided opinion that the rental rate charged is similar to the market rate.

Management Discussion and Analysis

Overview of operating performance

In year 2015, the Company and its subsidiaries' net profit amounted to Baht 110.59 Million, increased by Baht 16.18 Million or by 17.14%. Total Revenue of the group was higher than that of the previous year by amount of Baht 719.79 Million or increasing by 19.20%. In 2015, the Gross profit margin of the Company and its subsidiaries is at 12.96% compared to 10.38% that of the previous year, a decrease by 2.58% from the last year or declined by 24.85%. Meanwhile the selling and administrative expensed as percentage slightly increased to 8.89%. However, the Company and its subsidiaries has lower financial expenses by decreasing by Baht 5.85 Million and no foreign exchange loss, this made the net profit margin of the Company and its subsidiaries higher from 2.52% in 2014 to 3.45% in 2015

Revenues

In year 2015, The Company and its subsidiaries' revenues from sale of solvents amounted to Baht 3,028.90 Million or decreasing by Baht 719.79 Million or by 19.20% when compared to the same period of year 2014. This was mainly due to the price of solvent had been highly dropped down in accordance with the global oil price mean while the sale volume was in line with the same level of last year. The other revenues in year 2015 was Baht 35.57 Million higher than that of 2014 by amount of Baht 20.24 Million or increasing by 132.03%. This was due to the gain from selling of investment in marketable securities.

Expenses

Cost of Sales

In Year 2015, The Company and its subsidiaries' cost of sales amounted to Baht 2,636.39 Million or decreasing by 21.53% when compared to the same period of year 2014. The gross profit margin of 2015 and 2014 is at 12.96% and 10.38% respectively. The lower in gross margin was due to the highly experienced in inventory management among the volatile of global oil price.

Selling & Administration Expenses (S&A)

In Year 2015, The Company and its subsidiaries' S&A expenses amounted to Baht 269.21 Million or a slightly increasing by Baht 4.02 Million or by 1.52% when compared to the same period of year 2014. The S & A expenses was 8.89% and 7.04% of total sale revenues in year 2015 and 2014 respectively.

Interest Expenses

In Year 2015 the Company and its subsidiaries' Interest expenses amounted to Baht 12.11 Million or decreasing by Baht 5.85 Million or by 832.57% when compared to the same period of year 2014. This was mainly due to the reduced in the solvent price led to the lower in amount of financial cost the Company have to subsidize for the sale volume. The Interest Expenses was 0.40% and 0.48% of total sale revenues in year 2015 and 2014 respectively.

Net Profit

In Year 2015, The Company and its subsidiaries' net profit amounted to Baht 110.59 Million or increasing by Baht 16.18 Million or by 17.14% when compared to the same period of year 2014. The Earning per Share (EPS) increased from 0.088 in Year 2014 to 0.092 in Year 2015. The return on equity (ROE) of the year 2015 and the year 2014 was 11.50% and 10.65% respectively.

Net Profit

In Year 2015, The Company and its subsidiaries' net profit amounted to Baht 110.59 Million or increasing by Baht 16.18 Million or by 17.14% when compared to the same period of year 2014. The Earning per Share (EPS) increased from 0.088 in Year 2014 to 0.092 in Year 2015. The return on equity (ROE) of the year 2015 and the year 2014 was 11.50% and 10.65% respectively.

Financial Status

Assets

As the end of the year 2015, the total assets of the Company and its subsidiaries equals to Baht 1,908.16 Million, declined by Baht 74.90 Million or by 3.93% from the end of the year 2014. The assets that saw the highest decrease during the year is the account receivable and inventory as the level of solvent price goes down. The total assets of 2015 divided into the current asset in amount of equals to Baht 1,622.24 Million and the fixed assets in amount of Baht 285.92 Million or equivalent to 85.02% and 14.98% of total assets respectively. The assets that have highest value is "account/ note receivable", which accounting for Baht 775.30 Million or 40.63% of total assets and the second highest amount of assets is cash and its equivalent which accounted for Baht 538.47 or 33.19%.

Liabilities

As the end of the year 2015, the total liabilities of the Company and its subsidiaries equals to Baht 946.27 Million, decreased by 14.73% or by Baht 162.89 Million from the end of the year 2014. The total current liabilities equals to Baht 928.80 Million and the long-term liabilities equals to Baht 17.47 Million. The major component of liabilities is the "Bank Overdraft and Short term loan", accounting for Baht 521.16 Million or 55.07% of total liabilities.

Shareholders' Equity

The Company and its subsidiaries' shareholder equity increased by Baht 84.85 Million or by 9.67% from the end of the Year 2014 to Bht 961.89 Million at the end of year 2015. This is belong to the Company in amount of Baht 580.47 Million.

Audit's Fee

In year 2015, The Company and its subsidiaries remuneration to the auditors can be summarized below:

- a. Auditing Fee to :
 - i. The Company's auditor in the previous financial period totaling Baht -0-
 - ii. The office employing such auditor in the previous financial period for auditing service totaling Baht....- (For the Company is at Bth 820,000) and there's no for other expense related to auditing service.
- b. Fee from other services
 - To the Company's auditor in the previous financial period totaling Baht -0-
 - To the office employing Baht -0-

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Financial Statements

Union Petrochemical Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of Union Petrochemical Public Company Limited

I have audited the accompanying consolidated financial statements of Union Petrochemical Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Union Petrochemical Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Petrochemical Public Company Limited and its subsidiaries and of Union Petrochemical Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to the Note 4 to the financial statements regarding the change in accounting policy regarding the measurement of land. The Company and its subsidiaries has restated the consolidated and separate financial statements for the year ended 31 December 2014, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statement of financial position as at 1 January 2014 as comparative information, using this accounting policy. My opinion is not qualified in respect of this matter.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 25 February 2016

Union Petrochemical Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents	8	538,467,835	334,099,533	328,886,074	311,432,935	147,827,639	130,713,066
Trade and other receivables	9	775,302,255	982,472,211	980,598,591	564,354,620	752,956,040	808,306,744
Inventories	10	301,830,626	390,271,179	458,359,293	156,012,334	197,947,619	288,196,340
Other current assets	11	6,643,882	16,196,125	17,888,859	3,984,541	2,888,002	4,725,793
Total current assets		1,622,244,598	1,723,039,048	1,785,732,817	1,035,784,430	1,101,619,300	1,231,941,943
Non-current assets							
Available-for-sale investments	12	73,264,000	55,743,480	21,628,000	-	-	-
Investments in subsidiaries	13	-	-	-	78,560,205	93,560,205	95,769,030
Intangible assets	14	6,487,860	5,435,916	236,309	2,805,418	1,335,264	236,309
Investment properties		13,959,000	13,959,000	13,959,000	13,959,000	13,959,000	13,959,000
Property, plant and equipment	15	184,549,235	173,144,702	160,385,444	67,022,666	68,056,165	66,185,814
Deferred tax assets	22	4,677,145	5,133,131	3,453,219	4,145,654	4,115,008	2,307,029
Other non-current assets		2,980,839	6,606,502	3,623,142	2,331,677	2,727,053	2,308,942
Total non-current assets		285,918,079	260,022,731	203,285,114	168,824,620	183,752,695	180,766,124
Total assets		1,908,162,677	1,983,061,779	1,989,017,931	1,204,609,050	1,285,371,995	1,412,708,067

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

Union Petrochemical Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
			(Restated)			(Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans from							
financial institutions	16	521,130,204	638,858,911	655,231,028	278,754,759	336,653,013	405,458,496
Trade and other payables	17	388,678,924	433,412,331	565,191,242	329,445,923	360,850,769	484,006,865
Current portion of liabilities under							
hire purchase agreements		544,090	321,384	495,939	-	-	-
Income tax payable		15,430,195	10,903,927	9,469,120	3,656,922	1,145,253	6,270,544
Other current liabilities		3,016,105	8,718,630	4,877,442	856,824	1,335,601	647,662
Total current liabilities		928,799,518	1,092,215,183	1,235,264,771	612,714,428	699,984,636	896,383,567
Non-current liabilities							
Liabilities under hire purchase agreements - net							
of current portion		964,768	508,858	830,242	-	-	-
Provision for long-term employee benefits	18	16,024,213	11,584,377	4,467,550	11,424,053	8,842,821	4,305,796
Deferred tax liabilities	22	484,214	1,716,765	-	-	-	-
Total non-current liabilities		17,473,195	13,810,000	5,297,792	11,424,053	8,842,821	4,305,796
Total liabilities		946,272,713	1,106,025,183	1,240,562,563	624,138,481	708,827,457	900,689,363
Shareholders' equity							
Share capital							
Registered							
825,000,000 ordinary shares of Baht 0.25 each		206,250,000	206,250,000	206,250,000	206,250,000	206,250,000	206,250,000
Issued and fully paid up	19						
824,227,596 ordinary shares of Baht 0.25 each							
(1 January 2014: 690,834,900 ordinary shares							
of Baht 0.25 each)		206,056,899	206,056,899	172,708,725	206,056,899	206,056,899	172,708,725
Share premium		87,736,899	87,736,899	54,388,725	87,736,899	87,736,899	54,388,725
Advance receipts of ordinary share subscription		-	-	12,500,000	-	-	12,500,000
Retained earnings							
Appropriated - statutory reserve	20	20,625,000	20,625,000	20,625,000	20,625,000	20,625,000	20,625,000
Unappropriated		450,218,312	397,659,924	358,822,607	266,051,771	262,125,740	251,796,254
Other components of shareholders' equity		5,885,632	8,014,404	2,409,487	-	-	-
Equity attributable to owners of the Company		770,522,742	720,093,126	621,454,544	580,470,569	576,544,538	512,018,704
Non-controlling interests of the subsidiaries		191,367,222	156,943,470	127,000,824	-	-	-
Total shareholders' equity		961,889,964	877,036,596	748,455,368	580,470,569	576,544,538	512,018,704
Total liabilities and shareholders' equity		1,908,162,677	1,983,061,779	1,989,017,931	1,204,609,050	1,285,371,995	1,412,708,067
		-	-	-	-	-	-

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

Directors

Union Petrochemical Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit or loss:					
Revenues					
Sales		3,028,900,076	3,748,690,469	2,139,250,458	2,751,781,742
Other income					
Dividend income received from a subsidiary		-	-	-	12,392,513
Gains on exchange		1,130,574	-	1,270,761	-
Gains from sales of current and available-for-sale investments		24,554,117	4,890,503	-	-
Others		9,885,106	10,439,314	2,662,389	2,915,931
Total revenues		3,064,469,873	3,764,020,286	2,143,183,608	2,767,090,186
Expenses					
Cost of sales		2,636,387,721	3,359,597,290	1,907,243,837	2,531,801,238
Selling expenses		85,404,768	90,897,662	53,947,763	57,648,290
Administrative expenses		183,807,004	174,290,649	123,413,510	119,875,356
Other expenses					
Impairment loss of investment in subsidiaries		-	-	15,000,000	2,208,825
Loss on exchange		-	238,244	-	3,117,793
Total expenses		2,905,599,493	3,625,023,845	2,099,605,110	2,714,651,502
Profit before finance cost and income tax expenses		158,870,380	138,996,441	43,578,498	52,438,684
Finance cost		(12,114,274)	(17,965,345)	(5,551,036)	(10,428,500)
Profit before income tax expenses		146,756,106	121,031,096	38,027,462	42,010,184
Income tax expenses	22	(36,162,630)	(26,617,660)	(12,022,012)	(7,100,301)
Profit for the year		110,593,476	94,413,436	26,005,450	34,909,883
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale investments		(4,435,681)	11,909,179	-	-
Less: Income tax effect		887,136	(2,381,836)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>		(3,548,545)	9,527,343	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(3,212,830)	(6,022,345)	(1,847,933)	(3,882,561)
Less: Income tax effect		622,173	1,204,469	369,587	776,512
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(2,590,657)	(4,817,876)	(1,478,346)	(3,106,049)
Other comprehensive income for the year		104,454,274	99,122,903	24,527,104	31,803,834

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

Union Petrochemical Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit attributable to:				
Equity holders of the Company	75,345,881	64,485,811	<u>26,005,450</u>	<u>34,909,883</u>
Non-controlling interests of the subsidiary	<u>35,247,595</u>	<u>29,927,625</u>		
	<u>110,593,476</u>	<u>94,413,436</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	71,030,690	65,916,582	<u>24,527,104</u>	<u>31,803,834</u>
Non-controlling interests of the subsidiary	<u>33,423,584</u>	<u>33,206,321</u>		
	<u>104,454,274</u>	<u>99,122,903</u>		
Earnings per share	24			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.091</u>	<u>0.088</u>	<u>0.032</u>	<u>0.048</u>

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

Union Petrochemical Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit before tax	146,756,106	121,031,096	38,027,462	42,010,184
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	15,979,909	21,248,956	7,308,317	10,276,209
Allowance for doubtful accounts (reversal)	(806,444)	(390,000)	(663,547)	(390,000)
Impairment loss of assets	7,307,033	-	-	-
Reduce cost of inventories to net realisable value (reversal)	3,247,592	3,476,029	(1,764,457)	2,684,045
Gain on sales of current investments	-	(331,349)	-	-
Gain on sales of available-for-sale investments	(24,554,248)	(4,559,154)	-	-
Gain on sales of equipment	(12,020)	(79,076)	-	(55,165)
Write-off equipment	1,273,529	470,857	198	-
Impairment loss of investment in subsidiary	-	-	15,000,000	2,208,825
Provision for long-term employee benefits	1,226,809	1,062,324	733,299	654,464
Unrealised loss on exchange	(3,397,830)	4,352,198	(5,228)	3,061,277
Dividend income	-	-	-	(12,392,513)
Interest revenues	(1,333,415)	(1,013,752)	(864,855)	(405,532)
Interest expenses	12,114,275	17,965,345	5,551,036	10,428,501
Profit from operating activities before changes in operating assets and liabilities	157,801,296	163,233,474	63,322,225	58,080,295
Operating assets (increase) decrease				
Trade and other receivables	208,103,266	(1,611,223)	189,264,967	55,740,704
Inventories	85,192,961	64,612,085	43,699,742	87,564,676
Other current assets	2,247,130	1,684,129	(1,096,539)	1,837,791
Other non-current assets	3,688,167	(2,983,360)	395,375	(418,101)
Operating liabilities increase (decrease)				
Trade and other payables	(44,122,722)	(130,731,965)	(31,398,046)	(123,193,536)
Other current liabilities	(6,322,644)	3,726,539	(430,836)	836,802
Other non-current liabilities	622,369	-	-	-
Cash flows used in operating activities	407,209,823	97,929,679	263,756,888	80,448,631
Cash paid for interest expenses	(12,178,829)	(18,515,856)	(5,598,977)	(10,577,364)
Cash paid for income tax expenses	(30,903,621)	(26,247,995)	(9,171,401)	(13,257,059)
Net cash flows from operating activities	364,127,373	53,165,828	248,986,510	56,614,208

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

Union Petrochemical Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Proceeds from sales of current investments	-	55,331,349	-	-
Increase in current investments	-	(55,000,000)	-	-
Proceed from sales of available-for-sale investments	68,939,930	31,681,075	-	-
Increase in available-for-sale investments	(66,341,883)	(49,328,223)	-	-
Acquisition of property, plant and equipment	(27,147,175)	(36,370,252)	(6,174,906)	(12,047,070)
Proceeds from sales of equipment	19,544	2,266,880	-	55,250
Cash paid for intangible assets	(1,570,264)	(5,496,230)	(1,570,264)	(1,198,540)
Interest income	1,331,495	1,022,357	864,855	405,532
Dividend received from subsidiary	-	-	-	12,392,513
Net cash flows used in investing activities	(24,768,353)	(55,893,044)	(6,880,315)	(392,315)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(115,068,429)	(21,108,183)	(57,899,826)	(71,829,320)
Repayment of liabilities under hire purchase agreements	(321,384)	(409,467)	-	-
Dividend payment	(20,601,073)	(21,474,348)	(20,601,073)	(21,474,348)
Dividend paid to non-controlling interests of the subsidiary	-	(8,263,775)	-	-
Proceeds from exercised warrants	-	54,196,348	-	54,196,348
Proceeds from exercised warrants of the subsidiary	168	-	-	-
Cash received from non-controlling interests of the subsidiary	1,000,000	5,000,100	-	-
Net cash flows (used in) from financing activities	(134,990,718)	7,940,675	(78,500,899)	(39,107,320)
Net increase in cash and cash equivalents	204,368,302	5,213,459	163,605,296	17,114,573
Cash and cash equivalents at beginning of year	334,099,533	328,886,074	147,827,639	130,713,066
Cash and cash equivalents at end of year	538,467,835	334,099,533	311,432,935	147,827,639
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Purchase of assets under hire purchase agreement	1,000,000	-	-	-

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

Union Petrochemical Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

	Consolidated financial statements												
	Equity attributable to owners of the Company												
	Retained earnings					Other components of shareholders' equity							
						Other comprehensive income							Total other components of shareholders' equity
	Issued and paid-up share capital	Share premium	Advance receipts of subscription ordinary share	Appropriated	Unappropriated	Surplus on revaluation of assets	changes in value of available-for-sale investments	Differences on reorganisation under common control	Deficit on change in the shareholding percentage in subsidiaries				
Balance as at 31 December 2013 - as previously reported	172,708,725	54,388,725	12,500,000	20,625,000	358,822,607	9,586,300	276,271	3,116,269	(983,053)	11,995,787	631,040,844	127,000,824	758,041,668
Cumulative effect of change in accounting policy regarding the measurement of land (Note 4)	-	-	-	-	-	(9,586,300)	-	-	-	(9,586,300)	(9,586,300)	-	(9,586,300)
Balance as at 31 December 2013 - as restated	172,708,725	54,388,725	12,500,000	20,625,000	358,822,607	-	276,271	3,116,269	(983,053)	2,409,487	621,454,544	127,000,824	748,455,368
Profit for the year	-	-	-	-	64,485,811	-	-	-	-	-	64,485,811	29,927,625	94,413,436
Other comprehensive income for the year	-	-	-	-	(4,174,146)	-	5,604,917	-	-	5,604,917	1,430,771	3,278,696	4,709,467
Total comprehensive income for the year	-	-	-	-	60,311,665	-	5,604,917	-	-	5,604,917	65,916,582	33,206,321	99,122,903
Ordinary shares issuance from exercised warrants (Note 19)	33,348,174	33,348,174	(12,500,000)	-	-	-	-	-	-	-	54,196,348	-	54,196,348
Increase in equity attributable to non-controlling interests of subsidiary from investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	5,000,100	5,000,100
Dividend payment (Note 26)	-	-	-	-	(21,474,348)	-	-	-	-	-	(21,474,348)	-	(21,474,348)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(8,263,775)	(8,263,775)
Balance as at 31 December 2014	206,056,899	87,736,899	-	20,625,000	397,659,924	-	5,881,188	3,116,269	(983,053)	8,014,404	720,093,126	156,943,470	877,036,596
Balance as at 31 Decembet 2014 - as previously reported	206,056,899	87,736,899	-	20,625,000	397,659,924	9,586,300	5,881,188	3,116,269	(983,053)	17,600,704	729,679,426	156,943,470	886,622,896
Cumulative effect of change in accounting policy regarding the measurement of land (Note 4)	-	-	-	-	-	(9,586,300)	-	-	-	(9,586,300)	(9,586,300)	-	(9,586,300)
Balance as at 31 December 2014 - as restated	206,056,899	87,736,899	-	20,625,000	397,659,924	-	5,881,188	3,116,269	(983,053)	8,014,404	720,093,126	156,943,470	877,036,596
Profit for the year	-	-	-	-	75,345,881	-	-	-	-	-	75,345,881	35,247,595	110,593,476
Other comprehensive income for the year	-	-	-	-	(2,186,419)	-	(2,128,772)	-	-	(2,128,772)	(4,315,191)	(1,824,011)	(6,139,202)
Total comprehensive income for the year	-	-	-	-	73,159,462	-	(2,128,772)	-	-	(2,128,772)	71,030,690	33,423,584	104,454,274
Increase in equity attributable to non-controlling interests from warrant exercised	-	-	-	-	-	-	-	-	-	-	-	168	168
Increase in equity attributable to non-controlling interests of subsidiary from investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Dividend payment (Note 26)	-	-	-	-	(20,601,074)	-	-	-	-	-	(20,601,074)	-	(20,601,074)
Balance as at 31 December 2015	206,056,899	87,736,899	-	20,625,000	450,218,312	-	3,752,416	3,116,269	(983,053)	5,885,632	770,522,742	191,367,222	961,889,964

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

Union Petrochemical Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements							
						Other components of shareholders' equity		
			Advance receipts of ordinary share subscription	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Share premium		Appropriated	Unappropriated			
Balance as at 31 December 2013 - as previously reported	172,708,725	54,388,725	12,500,000	20,625,000	251,796,254	9,486,490	9,486,490	521,505,194
Cumulative effect of change in accounting policy regarding the measurement of land (Note 4)	-	-	-	-	-	(9,486,490)	(9,486,490)	(9,486,490)
Balance as at 31 December 2013 - as restated	172,708,725	54,388,725	12,500,000	20,625,000	251,796,254	-	-	512,018,704
Profit for the year	-	-	-	-	34,909,883	-	-	34,909,883
Other comprehensive income for the year	-	-	-	-	(3,106,049)	-	-	(3,106,049)
Total comprehensive income for the year	-	-	-	-	31,803,834	-	-	31,803,834
Ordinary shares issuance from exercised warrants	33,348,174	33,348,174	(12,500,000)	-	-	-	-	54,196,348
Dividend payment (Note 26)	-	-	-	-	(21,474,348)	-	-	(21,474,348)
Balance as at 31 December 2014	<u>206,056,899</u>	<u>87,736,899</u>	<u>-</u>	<u>20,625,000</u>	<u>262,125,740</u>	<u>-</u>	<u>-</u>	<u>576,544,538</u>
Balance as at 31 December 2014 - as previously reported	206,056,899	87,736,899	-	20,625,000	262,125,740	9,486,490	9,486,490	586,031,028
Cumulative effect of change in accounting policy regarding the measurement of land (Note 4)	-	-	-	-	-	(9,486,490)	(9,486,490)	(9,486,490)
Balance as at 31 December 2014 - as restated	206,056,899	87,736,899	-	20,625,000	262,125,740	-	-	576,544,538
Profit for the year	-	-	-	-	26,005,450	-	-	26,005,450
Other comprehensive income for the year	-	-	-	-	(1,478,346)	-	-	(1,478,346)
Total comprehensive income for the year	-	-	-	-	24,527,104	-	-	24,527,104
Dividend payment (Note 26)	-	-	-	-	(20,601,073)	-	-	(20,601,073)
Balance as at 31 December 2015	<u>206,056,899</u>	<u>87,736,899</u>	<u>-</u>	<u>20,625,000</u>	<u>266,051,771</u>	<u>-</u>	<u>-</u>	<u>580,470,569</u>

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

Union Petrochemical Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

Union Petrochemical Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the import and distribution of chemical products. The registered office of the Company is at 728 Union House Building, Boromrachachonnee Road, Kwang Bangbumru, Khet Bangplad, Bangkok.

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 Union Petrochemical Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			2015 (Thousand Baht)	2014 (Thousand Baht)	2015 Percent	2014 Percent
Gratitude Infinite Public Company Limited	Import and distribution of chemical products	Thailand	302,687	302,687	59.99	59.99
Lavish Laboratory Company Limited (Formerly known as “Gratitude Supplement Company Limited”) *	Production and distribution of supplementary	Thailand	25,000	25,000	79.99	79.99
Lion Asia (Thailand) Company Limited	Distribution of chemical lubricant products and electronic equipment	Thailand	15,000	15,000	99.99	99.99
UKEM Tech Company Limited	Production and distribution of ethanol (ceased its operations)	Thailand	8,750	8,750	99.99	99.99

* Held by a subsidiary: Gratitude Infinite Public Company Limited

- (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, 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) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - (f) 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 profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. 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 financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognised actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiary already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is 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. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Change in accounting policy for valuing its land

In the current year, the Company and its subsidiaries changed their accounting policy regarding the measurement of land from a revaluation basis to a cost basis. In this regard, the Company and its subsidiaries restated the prior year's financial statements as though land had originally been valued using the cost basis. The change has no effect to profit as previously reported. The cumulative effect of this change in accounting policy has been presented under the heading of "Cumulative effect of change in accounting policy regarding the measurement of land" in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and changes in shareholders' equity are summarised below.

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	31 December	31 December	1 January	31 December	31 December	1 January
	2015	2014	2014	2015	2014	2014
Statements of financial position						
Decrease in land	11,982,875	11,982,875	11,982,875	11,858,112	11,858,112	11,858,112
Decrease in deferred tax liabilities	2,396,575	2,396,575	2,396,575	2,371,622	2,371,622	2,371,622
Statements of changes in shareholders' equity						
Decrease in surplus on revaluation of fixed asset	9,586,300	9,586,300	9,586,300	9,486,490	9,486,490	9,486,490

5. Significant accounting policies

5.1 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.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

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.

5.2 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.

5.3 Trade and other receivables

Trade and other 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 experience and analysis of debt aging.

5.4 Inventories

Finished goods are valued at the lower of cost (under the first-in, first-out method) and net realisable value and include all production costs and attributable factory overheads.

Raw materials and packaging materials are valued at the lower cost (under the first-in, first-out method) and net realisable value and are charged to costs of finished goods whenever consumed.

5.5 Investments

- (a) Investments in money market fund, which are classified as cash and cash equivalents, are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.
- (b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- (c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. 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.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.6 Investment properties

Investment properties which is land, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

No depreciation is provided to investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.7 Property, plant and equipment / Depreciation

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

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and leasehold improvement	-	10 and 20 years
Machinery, tools and factory equipment	-	3 - 10 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 and 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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 is included in profit or loss when the asset is derecognised.

5.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment loss (if any).

Intangible assets are computer software and the operation licenses.

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 profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years
Operation licenses	10 years

5.9 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.

5.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership 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 profit or loss over the lease period. The assets acquired under finance leases are 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 profit or loss on a straight line basis over the lease term.

5.11 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 that 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, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform 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.

An impairment loss is recognised in profit or loss.

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat 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.

5.14 Provisions

Provisions are recognised when the Company and its subsidiaries have 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.

5.15 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 Company and its subsidiaries recognise 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 Company and its subsidiaries review and reduce 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 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 Company and its subsidiaries apply 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 Company and its subsidiaries measure 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 Company and its subsidiaries determine 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.

6. 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 accounts

In determining an allowance for doubtful accounts, 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.

Property plant and equipment / 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.

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.

7. Related party transactions

During the years, the Company and its subsidiaries 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		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	74,331	121,955	Similar to market price
Other income	-	-	796	1,262	As mutual agreement
Purchases of goods	-	-	6,541	8,171	Similar to market price
Purchases of assets	-	-	1,996	99	Similar to market price
Other expenses	-	-	31	74	Similar to market price
<u>Transactions with related companies</u>					
Rental expenses	2,819	2,816	2,150	2,147	Contract price
Other expenses	375	355	312	293	As mutual agreement

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
<i>Subsidiaries</i>				
Gratitude Infinite Public Company Limited	-	-	2,038	2,248
Lion Asia (Thailand) Company Limited	-	-	34,061	30,839
UKEM Tech Company Limited	-	-	-	5,412
Total trade and other receivables - related parties	-	-	36,099	38,499

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade and other payables - related parties (Note 17)</u>				
<i>Subsidiaries</i>				
Lion Asia (Thailand) Company Limited	-	-	1,873	8,808
UKEM Tech Company Limited	-	-	538	-
<i>Related companies</i>				
Firsttraco Company Limited	427	198	422	198
Director	543	80	-	-
Total trade and other payables - related parties	<u>970</u>	<u>278</u>	<u>2,833</u>	<u>9,006</u>

Directors and management's remuneration

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	22,954	21,045	14,047	14,016
Post-employment benefits	455	419	141	129
Total	<u>23,409</u>	<u>21,464</u>	<u>14,188</u>	<u>14,145</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	350	292	250	250
Bank deposits	374,717	200,517	311,183	147,578
Money market fund - at cost	162,500	132,000	-	-
Add: Unrealised gain on changes in value of investment	901	1,291	-	-
Money market fund - at fair value	163,401	133,291	-	-
Total	<u>538,468</u>	<u>334,100</u>	<u>311,433</u>	<u>147,828</u>

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.300 and 1.500 percent per annum (2014: between 0.125 and 0.625 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade receivables - related parties (Note 7)				
Aged on the basis of due dates				
Not yet due	-	-	26,106	25,601
Past due up to 3 months	-	-	9,993	7,486
Total trade receivables - related parties	-	-	36,099	33,087
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	569,137	722,378	394,460	547,715
Past due				
Up to 3 months	204,770	251,325	132,867	166,745
3 - 6 months	305	2,246	53	-
6 - 12 months	18	5,809	-	-
Over 12 months	788	1,036	-	141
Total	775,018	982,794	527,380	714,601
Add: Returned cheques	881	719	881	525
Total trade receivables - unrelated parties	775,899	983,513	528,261	715,126
Total trade receivables	775,899	983,513	564,360	748,213
Less: Allowance for doubtful accounts	(793)	(1,061)	(5)	(669)
Total trade receivables - net	775,106	982,452	564,355	747,544
Other receivables				
Other receivables - related parties (Note 7)	-	-	-	5,412
Other receivables - unrelated parties	196	20	-	-
Total other receivables	196	20	-	5,412
Total trade and other receivables - net	775,302	982,472	564,355	752,956

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	259,907	344,688	(7,380)	(4,132)	252,527	340,556
Raw materials	511	415	-	-	511	415
Goods in transit	48,447	48,952	-	-	48,447	48,952
Packing materials	241	348	-	-	241	348
Work in process	4	-	-	-	4	-
Supplies	101	-	-	-	101	-
Total	<u>309,211</u>	<u>394,403</u>	<u>(7,380)</u>	<u>(4,132)</u>	<u>301,831</u>	<u>390,271</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	126,171	179,632	(1,117)	(2,881)	125,054	176,751
Goods in transit	30,958	21,197	-	-	30,958	21,197
Total	<u>157,129</u>	<u>200,829</u>	<u>(1,117)</u>	<u>(2,881)</u>	<u>156,012</u>	<u>197,948</u>

During the year 2015, the Company and its subsidiaries reduced cost of inventories by Baht 5.8 million (The Company only: Baht 0.8 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 2.5 million (The Company only: Baht 2.6 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenue department receivable	1,203	8,423	96	-
Prepaid expenses	287	1,291	-	981
Undue input VAT	2,670	3,373	2,471	1,870
Others	2,484	3,109	1,418	37
Total other current assets	<u>6,644</u>	<u>16,196</u>	<u>3,985</u>	<u>2,888</u>

12. Available-for-sale investments

(Unit: Thousand Baht)

	Consolidated financial statements					
			Unrealised gain on changes in value of			
Type of investments	Cost		investments		Carrying amount	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Available-for-sale securities	65,445	43,489	7,819	12,254	73,264	55,743
Total	65,445	43,489	7,819	12,254	73,264	55,743

During the year 2015, a subsidiary sold available-for-sale securities with book values totaling Baht 68.9 million (after tax) (2014: Baht 31.7 million) and recognised gains on the sales amounting to Baht 19.6 million (after tax) (2014: Baht 3.7 million) in profit or loss. This amount included gains transferred from gain on valuation of available-for-sale investments in other comprehensive income during the year, amounting to Baht 9.7 million (after tax) (2014: Baht 0.3 million).

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Cost		Allowance		Carrying amounts based on cost method-net	
			for impairment of			
			investments			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Gratitude Infinite Public Company Limited	77,993	77,993	-	-	77,993	77,993
Lion Asia (Thailand) Company Limited	15,000	15,000	(15,000)	-	-	15,000
UKEM Tech Company Limited	8,750	8,750	(8,183)	(8,183)	567	567
Total	101,743	101,743	(23,183)	(8,183)	78,560	93,560

13.1 Investment in subsidiary - Gratitude Infinite Public Company Limited

Share capital

On 30 April 2015, the Annual General Meeting of the subsidiary's shareholders No. 1/2015 on passed the following resolutions.

- a) To decrease the subsidiary's registered share capital from Baht 302,687,292 (302,687,292 ordinary shares of Baht 1 each) to Baht 302,686,633 (302,686,633 ordinary shares of Baht 1 each), by eliminating the 659 ordinary shares of Baht 1 each with a total of Baht 659 that are not issued.
- b) To increase the subsidiary's registered share capital from Baht 302,686,633 (302,686,633 ordinary shares of Baht 1 each) to Baht 454,029,949 (454,029,949 ordinary shares of Baht 1 each) to be reserved for the exercise of warrants.

Warrants for purchase ordinary shares of Gratitude Infinite Public Company Limited No.1 ("Warrants")

On 30 April 2015, the Company received an allocation of 90,798,233 warrants from Gratitude Infinite Public Company Limited, a subsidiary, free of charge. These are transferable, registered warrants that can be exercised for a period of 3 years from the issue date (30 April 2015) with an exercise ratio of 1 warrant per ordinary share and an exercise price of Baht 2 per share. Warrant holders can exercise the warrants on the last working day of October and April in each calendar year until the maturity date, with the first exercise date on 30 October 2015 and the last exercise date on 29 April 2018.

As at 30 October 2015, 84 warrants (GIFT-W1) have been exercised. The subsidiary registered the resulting increase in capital of Baht 84 with the Ministry of Commerce on 10 November 2015 and the Stock Exchange of Thailand listed the additional shares on 27 November 2015. However, the equity interest of the Company in this subsidiary has not changed significantly as a result of the exercise of these warrants.

As at 31 December 2015, the Company holds 90,798,233 warrants. There are no exercised and sold during the year.

13.2 Dissolution and deregistration of UKEM Tech Company Limited

On 14 August 2013, Meeting of the Board of Directors No. 4/2013 approved the dissolution of a subsidiary company, UKEM Tech Company Limited. On 3 August 2015, the subsidiary's liquidator registered the subsidiary's dissolution with the Ministry of Commerce and the subsidiary is currently in the process of liquidation.

13.3 Details of investments in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
Gratitude Infinite Public Company Limited	40.01	40.01	191.4	156.9	35.2	29.9	-	8.3

13.4 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling

Summarised information about financial position

	(Unit: Million Baht)	
	Gratitude Infinite Public Company Limited	
	2015	2014
Current assets	533.0	527.4
Non-current assets	196.5	168.4
Current liabilities	253.0	305.9
Non-current liabilities	5.7	4.7

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	Gratitude Infinite Public Company Limited	
	2015	2014
Revenue	753.2	826.5
Profit (loss)	89.3	75.2
Other comprehensive income	(4.6)	7.9
Total comprehensive income	84.7	83.1

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Gratitude Infinite Public Company Limited	
	2015	2014
Cash flow from operating activities	95.3	15.1
Cash flow used in investing activities	(14.9)	(46.9)
Cash flow from (used in) financing activities	(29.9)	8.9
Net increase (decrease) in cash and cash equivalents	50.5	(22.9)

14. Intangible assets

The intangible assets are comprised of computer software and the operation licenses.

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Operating licenses	Total	Computer software	Operating licenses	Total
As at 31 December 2015						
Cost	3,323	4,282	7,605	3,266	-	3,266
Less: Accumulated amortisation	(517)	(600)	(1,117)	(461)	-	(461)
Net book value	2,806	3,682	6,488	2,805	-	2,805
As at 31 December 2014						
Cost	1,753	4,282	6,035	1,696	-	1,696
Less: Accumulated amortisation	(418)	(181)	(599)	(361)	-	(361)
Net book value	1,335	4,101	5,436	1,335	-	1,335

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	5,436	236	1,335	236
Acquisition of computer software	1,570	1,198	1,570	1,199
Acquisition of operation licenses	-	4,282	-	-
Amortisation	(518)	(280)	(100)	(100)
Net book value at end of year	6,488	5,436	2,805	1,335

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Buildings and leasehold improvement	Machinery, tools and factory equipment	Furniture and office equipment	Motor vehicles	Assets under construction	Installation and under Total
Cost							
1 January 2014	63,985	78,097	50,253	20,828	108,039	1,229	322,431
Additions	2,000	5,980	2,965	1,816	8,497	12,889	34,147
Disposals/write-off	-	-	(1,441)	(123)	(4,016)	-	(5,580)
Transfers in (out)	-	-	655	-	-	(655)	-
31 December 2014	65,985	84,077	52,432	22,521	112,520	13,463	350,998
Additions	-	384	2,143	7,113	5,839	12,668	28,147
Disposals/write-off	-	(9,782)	(901)	(2,628)	(3,415)	-	(16,726)
Transfers in (out)	-	21,687	-	420	-	(22,107)	-
31 December 2015	65,985	96,366	53,674	27,426	114,944	4,024	362,419
Accumulated depreciation:							
1 January 2014	-	37,343	30,599	15,580	78,522	-	162,044
Depreciation for the year	-	4,240	6,330	1,488	7,255	-	19,313
Depreciation on disposals/write-off	-	-	(1,424)	(108)	(1,974)	-	(3,506)
31 December 2014	-	41,583	35,505	16,960	83,803	-	177,851
Depreciation for the year	-	4,636	5,770	2,104	2,952	-	15,462
Depreciation on disposals/write-off	-	(9,782)	(893)	(2,626)	(2,143)	-	(15,444)
31 December 2015	-	36,437	40,382	16,438	84,612	-	177,869
Allowance for impairment loss:							
1 January 2014	1	-	-	-	-	-	1
31 December 2014	1	-	-	-	-	-	1
31 December 2015	1	-	-	-	-	-	1
Net book value:							
31 December 2014	65,984	42,494	16,926	5,561	28,717	13,463	173,145
31 December 2015	65,984	59,929	13,292	10,988	30,332	4,024	184,549
Depreciation for the year							
2014							19,313
2015							15,462

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and leasehold improvement	Tools	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
1 January 2014	16,942	51,294	22,115	9,252	85,190	-	184,793
Additions	-	-	4,932	1,086	6,029	-	12,047
Disposals	-	-	(987)	-	-	-	(987)
31 December 2014	16,942	51,294	26,060	10,338	91,219	-	195,853
Additions	-	384	-	383	2,605	2,803	6,175
Disposals	-	(9,782)	(403)	(2,584)	-	-	(12,769)
Transfer in (out)	-	2,482	-	284	-	(2,766)	-
31 December 2015	16,942	44,378	25,657	8,421	93,824	37	189,259
Accumulated depreciation:							
1 January 2014	-	29,433	11,907	6,933	70,334	-	118,607
Depreciation for the year		2,583	3,287	1,026	3,281	-	10,177
Depreciation on disposals /write off	-	-	(987)	-	-	-	(987)
31 December 2014	-	32,016	14,207	7,959	73,615	-	127,797
Depreciation for the year	-	2,512	3,535	1,011	150	-	7,208
Depreciation on disposals/write off	-	(9,782)	(403)	(2,584)	-	-	(12,769)
31 December 2015	-	24,746	17,339	6,386	73,765	-	122,236
Net book value:							
31 December 2014	16,942	19,278	11,853	2,379	17,604	-	68,056
31 December 2015	16,942	19,632	8,318	2,035	20,059	37	67,023
Depreciation for the year							
2014							10,177
2015							7,208

As at 31 December 2015, the subsidiaries had vehicles under hire purchase agreements with net book values amounting to Baht 4.4 million (2014: Baht 1.3 million).

As at 31 December 2015, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 129.1 million (2014: Baht 96.8 million) (Separate financial statement: Baht 94.2 million (2014: Baht 78.5 million)).

As described in Note 4 to the financial statements, in the current year the Company and its subsidiaries changed its accounting policy regarding the measurement of land from a revaluation basis to a cost basis. To reflect the change, the Company and its subsidiaries restated the values of their land as at 31 December 2015, 31 December 2014 and 1 January 2014; decreasing it by Baht 12 million (Separate financial statements: Baht 12 million).

16. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Interest rate		2015	2014	2015	2014
(percent per annum)					
Bank overdrafts		-	13,511	-	13,511
Short-term loans from financial institutions					
Trust receipt	Market rate plus/minus	407,630	436,848	198,755	193,142
	Stipulated margin				
Promissory notes	2.45 - 3.36	113,500	188,500	80,000	130,000
Total		521,130	638,859	278,755	336,653

As at 31 December 2015, the non-secured credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 4,246 million (2014: Baht 3,914 million) (The Company only: Baht 3,125 million (2014: Baht 2,764 million)).

17. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
Trade and other payables - related parties					
(Note 7)		970	278	2,833	9,006
Trade payables - unrelated parties		350,104	401,383	304,182	331,908
Other payables - unrelated parties		22,062	16,277	17,030	14,109
Accrued expenses		15,543	15,474	5,401	5,828
Total trade and other payables		388,679	433,412	329,446	360,851

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represent compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Provision for long-term employee benefits at beginning of year	11,584	4,468	8,843	4,306
Included in profit or loss:				
Current service cost	924	839	544	494
Interest cost	303	255	189	160
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	1,803	4,633	938	2,674
Experience adjustments	1,410	1,389	910	1,209
Provision for long-term employee benefits at end of year	<u>16,024</u>	<u>11,584</u>	<u>11,424</u>	<u>8,843</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Selling and administrative expenses	1,227	1,094	733	654

The Company and its subsidiaries expect to pay Baht 5.2 million of long-term employee benefits during the next year (Separate financial statements: Baht 5.2 million) (2014: none).

As at 31 December 2015, the weighted average duration of liabilities for long-term employee benefit is 17 years (Separate financial statement: 17 years) (2014: 19 years, (Separate financial statements: 19 years)).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.1	4.4	3.1	4.4
Future salary increase rate (depending on age)	5.0 - 8.0	5.0 - 10.0	5.0	8.0
Staff turnover rate (depending on age)	0.5 - 50.0	0.5 - 50.0	3.0 - 15.0	3.0 - 15.0

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

(Unit: million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.4)	1.7	(0.7)	0.9
Salary increase rate	1.7	(1.4)	0.8	(0.7)

19. Share capital and share premium

Presented below is a summary of movements in share capital and share premium during the year ended 31 December 2015 and 2014.

	Issued and fully paid up		Share premium		Date of registration		Date of listing	
	share capital				of additional shares		securities on	
	(Thousand Baht)		(Thousand Baht)		with the Ministry		the Stock Exchange	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance outstanding as at beginning of year	206,057	172,709	-	54,388				
Increase in share capital								
Exercised warrants in December	-	6,250	-	6,250	-	9 Jan 14	-	17 Jan 14
Exercised warrants in June	-	2,833	-	2,833	-	9 Jul 14	-	14 Jul 14
Exercised warrants in November*	-	24,265	-	24,265	-	11 Nov 14	-	11 Nov 14
Balance outstanding as at end of year	206,057	206,057	-	87,736				

*Such warrants had expired since 4 November 2014

20. Statutory reserve

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

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	102,002	90,647	62,270	63,011
Depreciation and amortisation	15,980	21,249	7,308	10,276
Transportation expenses	43,989	44,049	33,597	32,664
Rental expenses from operating lease agreements	23,451	23,844	20,386	20,378
Purchase raw materials and finished goods	2,630,408	3,292,966	1,855,547	2,427,675
Changes in inventories of raw materials and finished goods	84,685	65,642	53,461	101,442

22. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	35,430	27,758	11,683	8,131
Deferred tax:				
Relating to origination and reversal of temporary differences	733	(1,140)	339	(1,031)
Income tax expenses reported in the statement of comprehensive income	<u>36,163</u>	<u>26,618</u>	<u>12,022</u>	<u>7,100</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to gain on revaluation of available-for-sale investments	(887)	2,382	-	-
Deferred tax relating to actuarial losses	(622)	(1,204)	(370)	(777)
Total	<u>(1,509)</u>	<u>1,178</u>	<u>(370)</u>	<u>(777)</u>

The reconciliation between accounting profit and income tax expenses is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>146,756</u>	<u>121,031</u>	<u>38,027</u>	<u>42,010</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	29,351	24,206	7,605	8,402
Effects of:				
Exempted dividend income	-	-	-	(2,479)
Non-deductible expenses	3,249	629	6,038	1,181
Additional expenses deductions allowed	(1,662)	-	(1,662)	(4)
Effect of unused tax losses	4,609	1,486	-	-
Others	616	297	41	-
Total	<u>6,812</u>	<u>2,412</u>	<u>4,417</u>	<u>(1,302)</u>
Income tax expenses reported in the statement of comprehensive income	<u>36,163</u>	<u>26,618</u>	<u>12,022</u>	<u>7,100</u>

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets				
Allowance for doubtful accounts	37	212	1	134
Allowance for diminution in value of inventories	421	826	224	576
Allowance for impairment loss of investment	1,636	1,636	1,636	1,636
Provision for long-term employee benefits	3,131	2,317	2,285	1,769
Unrealised intercompany gain on sales				
of fixed assets	527	774	-	-
Unrealised gain on intercompany trading transaction	5	102	-	-
Total	<u>5,757</u>	<u>5,867</u>	<u>4,146</u>	<u>4,115</u>
Deferred tax liabilities				
Surplus on changes in value of available-for-sale				
investments	1,564	2,451	-	-
Total	<u>1,564</u>	<u>2,451</u>	<u>-</u>	<u>-</u>
The presentation in financial statements				
Deferred tax assets	<u>4,677</u>	<u>5,133</u>	<u>4,146</u>	<u>4,115</u>
Deferred tax liabilities	<u>484</u>	<u>1,717</u>	<u>-</u>	<u>-</u>

As at 31 December 2015 the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 38.3 million (2014: Baht 21.9 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

23. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	75,346	64,486	824,228	733,750	0.091	0.088
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	26,005	34,910	824,228	733,750	0.032	0.048

24. 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 Company and its subsidiaries are organised into business units based on its products and services and have 3 reportable segments as follows:

- Commodity chemicals segment
- Specialty chemicals segment
- Other segments included the distribution of plastic pellets, distribution of lubricant, distribution of computer equipment and the provision of computer system services, among others.

The 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 total assets and on 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.

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014

(Unit: Thousand Baht)												
	Commodity chemicals segment		Specialty chemicals segment		Other segments ¹⁾		Total segments		Adjustments and eliminations		Consolidated	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue												
External customers	2,064,919	2,629,827	811,876	946,546	152,105	172,317	3,028,900	3,748,690	-	-	3,028,900	3,748,690
Inter-segment	74,331	121,955	10,165	11,795	276	145	84,772	133,895	(84,772)	(133,895)	-	-
Total revenue	<u>2,139,250</u>	<u>2,751,782</u>	<u>822,041</u>	<u>958,341</u>	<u>152,381</u>	<u>172,462</u>	<u>3,113,672</u>	<u>3,882,585</u>	<u>(84,772)</u>	<u>(133,895)</u>	<u>3,028,900</u>	<u>3,748,690</u>
Results												
Segment profit	232,007	219,981	153,401	165,838	7,671	1,652	393,079	387,471	(567)	1,622	392,512	389,093
Other income											35,570	15,330
Selling expenses											(85,405)	(90,898)
Administrative expenses											(183,807)	(174,291)
Other expenses											-	(238)
Financial expenses											(12,114)	(17,965)
Profit before income tax expenses											146,756	121,031
Income tax expenses											(36,163)	(26,618)
Profit for the year											110,593	94,413

¹⁾ Other segments included the distribution of plastic pellets, distribution of lubricant, distribution of computer equipment and the provision of computer system services, among others.

The Company and its subsidiaries are principally operated in Thailand. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively this geographical reportable segment.

25. 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. The employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2015 and 2014, the Company and its subsidiaries contributed Baht 1.2 million and Baht 1.0 million, respectively (Separate financial statements: Baht 0.3 million and Baht 0.3 million, respectively) to the fund.

26. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividends per share (Baht)
Dividend for 2013	The Annual General Meeting of the Company's shareholders on 22 April 2014	21,474	0.03
Total for the year 2014		21,474	0.03
Dividend for 2014	The Annual General Meeting of the Company's shareholders on 20 April 2015	20,601	0.03
Total for the year 2015		20,601	0.03

27. Commitments and contingent liabilities

27.1 Operating lease commitments

The Company and subsidiary companies have entered into several lease agreements in respect of the lease of building space and warehouse and provision of related services. The terms of the agreements are between 1 and 3 years.

As at 31 December 2015 and 2014, future minimum lease payments required under these operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	19	13	15	9
In over 1 year and up to 3 years	13	13	11	8

27.2 Guarantees

As at 31 December 2015, the Company and its subsidiaries had the following outstanding significant letters of guarantee:

27.2.1 Outstanding bank guarantees of Baht 42 million (2014: Baht 72 million) have been issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company, to guarantee payments of goods to suppliers.

27.2.2 Outstanding bank guarantees of Baht 23 million (2014: 33 million) have been issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business of its subsidiaries.

27.3 Other commitments

As at 31 December 2015, the Company had commitments to banks under outstanding letters of credit amounting to approximately USD 2.31 million (2014: USD 0.58 million).

27.4 Other service agreement

A subsidiary company has entered into an agreement to participate in an “intelligent meeting room” project (Agreement for supply of equipment, software and services for intelligent meeting solution) with True Universal Convergent Company Limited (TUC) and Dosanet Company Limited, located in South Korea, (Dosanet). The agreement has a term of 2 years, from 1 February 2010 to 1 February 2012, and automatically renews for another year if no party gives notice of its intention to cancel the agreement. To date, none of the parties have announced their intention to cancel. Under the agreement, the subsidiary company has invested in the hardware and equipment for the project, together with insurance coverage for the equipment of Baht 5 million, and is required to pay Baht 0.1 million per year to TUC and training expenses of Baht 0.2 million to Dosanet. TUC is responsible for costs of internet connections for installing the I-Meeting Solution system and for finding customers, while Dosanet is to source the software and provides expertise for the I-Meeting Solution system. Revenue from this project will be shared among the parties in proportions specified in the agreement.

28. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Cash and cash equivalents				
Money market fund	163	-	-	163
Available-for-sale investments	73	-	-	73
Assets disclosed at fair value				
Investment properties	-	16	-	16
Foreign currency forward contracts	-	2	-	2

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets disclosed at fair value				
Investment properties	-	16	-	16
Foreign currency forward contracts	-	1	-	1

29. Financial instruments

29.1 Financial risk management

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, available-for-sale investments, bank overdrafts and short-term loan from financial institutions, trade and other payables and liabilities under hire purchase agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term borrowings. Most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimum.

As at 31 December 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	interest rate (% per annum.)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalents	-	-	506.5	32.0	538.5	0.25 - 2.50
Trade and other receivables	-	-	-	775.3	775.3	-
Available-for-sale investments	-	-	-	73.3	73.3	-
	-	-	506.5	880.6	1,387.1	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	113.5	-	407.6	-	521.1	0.95 - 3.20
Trade and other payables	-	-	-	388.7	388.7	-
Liabilities under hire purchase agreement	0.2	0.8	-	0.5	1.5	7.50
	113.7	0.8	407.6	389.2	911.3	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2014

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	interest rate (% per annum.)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalents	-	-	323.8	10.3	334.1	0.125 - 0.625, 2.11
Trade and other receivables	-	-	-	982.5	982.5	-
Available-for-sale investments	-	-	-	55.7	55.7	-
	-	-	323.8	1,048.5	1,372.3	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	188.5	-	450.4	-	638.9	1.18 - 3.59
Trade and other payables	-	-	-	433.4	433.4	-
Liabilities under hire purchase agreement	-	-	-	0.8	0.8	-
	188.5	-	450.4	434.2	1,073.1	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2015

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	interest rate (% per annum.)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalent	-	-	311.1	0.3	311.4	0.25 - 2.50
Trade and other receivables	-	-	-	564.4	564.4	-
	-	-	311.1	564.7	875.8	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	80.0	-	198.8	-	278.8	0.95 - 3.04
Trade and other payables	-	-	-	329.4	329.4	-
	80.0	-	198.8	329.4	608.2	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2014						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	interest rate (% per annum.)
	Within 1 year	1 - 5 years				
Financial Assets						
Cash and cash equivalent	-	-	146.9	0.9	147.8	0.125 - 0.50
Trade and other receivables	-	-	-	753.0	753.0	-
	-	-	146.9	753.9	900.8	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	130.0	-	206.7	-	336.7	3.15 - 3.42
Trade and other payables	-	-	-	360.9	360.9	-
	130.0	-	206.7	360.9	697.6	

Foreign currency risk

The exposure to foreign currency risk of the Company and its subsidiaries arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 December		As at 31 December		As at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.02	-	6.72	12.30	36.0886	32.9630
Euro	0.02	0.23	0.25	0.37	39.4388	40.0530

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 December		As at 31 December		As at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	6.22	6.33	36.0886	32.9630

As at 31 December 2015 and 2014, foreign exchange contracts outstanding are summarised below.

Consolidated financial statements						
Foreign currency	Bought amount		Contractual exchange rate		Contractual maturity date	
	Bought		Bought		Contractual maturity date	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Baht per 1 foreign currency unit)		
US dollar	9.58	0.80	34.42 - 36.91	32.05 - 33.19	08/01/16 - 26/07/16	24/04/15 - 09/06/15
Euro	0.30	-	40.63 - 40.91	-	11/01/16 - 20/04/16	-
Separate financial statements						
Foreign currency	Bought amount		Contractual exchange rate		Contractual maturity date	
	Bought		Bought		Contractual maturity date	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)	(Baht per 1 foreign currency unit)		
US dollar	4.51	0.80	34.42 - 36.88	32.05 - 33.19	20/01/16 - 24/06/16	24/04/15 - 09/06/15

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature and loans bear interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in statements of financial position. Except investments in money market fund of which amount are both presented at cost and at fair value in Note 8 to the financial statements.

30. 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 2015, the Group's debt-to-equity ratio was 1.0:1 (2014: 1.3:1) and the Company's was 1.0:1 (2014: 1.2:1).

31. Reclassification

The Company and its subsidiaries reclassify “Deferred tax assets” and “Deferred tax liabilities” as at 31 December 2014 whereby balance at these line items were presented on a net basis for comparative purpose without any effect to previously reported profit or shareholder’s equity. Such reclassification was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2014		As at 1 January 2014	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Deferred tax assets	5,133	5,867	3,453	3,522
Deferred tax liabilities	1,717	2,451	-	69

32. Events after the reporting period

On 24 February 2016, the Board of Directors Meeting No. 1/2016 of Gratitude Infinite Public Company Limited, a subsidiary, approved the following resolutions:

- a) To propose to the Annual General Meeting of the subsidiary’s shareholders for the year 2016 for approval to pay a dividend of Baht 0.07 per share, or a total of Baht 21.19 million, to the shareholders in respect of the 2015 earnings.
- b) An investment plan to establish a new subsidiary company to engage in the distribution of the equipment used in refinery and power plant, with a registered capital of Baht 10 million (100,000 ordinary shares, Baht 100 per share).

33. Approval of financial statements

These financial statements were authorised for issue by the Company’s Board of Directors on 25 February 2016.