

ANNUAL REPORT 2014



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Message from the Board of Directors



Pol. Gen. Soontorn Saikwan
Chairman of the Board of Directors
Independent Director

PTG Energy Public Company Limited

2014 was without a doubt another remarkable year for PTG Public Company Limited. Most importantly, the fuel retailing business has grown significantly through a planned expansion of nearly 200 petrol stations. Thus, by the end of 2014, the Company had a total of 951 petrol stations nationwide with 273 ML of incremental sales volume or 17% increase from 2013, resulting in a gross fuel sales volume of 1,851 ML. The revenue has risen by 7,420 Million Baht or 16% from 2013, resulting in a gross sales revenue of 55,274 Million Baht at the end of 2014.

Moreover, a 9th tank farm has been opened in Payuhakiri District, Nakhon Sawan province, to accommodate future expansion of service stations in the Central Region of the country and to address an increasing demand for energy as well as continuously flourishing number of PT Max Card holders. The Company is proud to be trusted by its users, attributing its success to quality service and full-liter standard products it has been providing on a continual basis.

The end of 2014 has marked the beginning of the Company's expansion into the related energy sphere, the most predominant of which was its joint venture investment in PPP Green Complex Co., Ltd. for the purpose of manufacturing and distributing biodiesel for automobiles and palm olein for consumption; these two products are derived from crude palm oil (CPO). This project is the result of the Company's vision not only in managing the risk associated with the fluctuation of diesel market price and meeting an increasing demand in the future, but also in supporting renewable energy policy and reducing crude oil imports as well as contributing to the economic and societal sustainability of the country. In Thailand, this project is the first of its kind, which integrates all processing steps into an all-in-one complex, including CPO extraction plant, palm oil refinery, and biodiesel and palm olein processing plant, in order to enhance operating efficiency and reduce manufacturing cost and product transportation time. In addition, the Company has also devised future plans to expand into a more complete full-service energy business so as to accommodate the increasing energy demand within the country and the region.

Aside from its commitment to excellent and transparent business operations, the Company also adheres to the principles of good corporate governance as well as focuses on its personnel development both in hard skills and soft skills with the objective of continuous improvement. Furthermore, the Company has conducted various CSR activities, wherein, in 2014, it has continued, for the second consecutive year, to be the major sponsor to "Pra Dabos Foundation," which is a project under the royal patronage of His Majesty the King and a public charity with the purpose of providing the underprivileged with an opportunity to receive vocational education and morality teachings. The benefits from this project include the recipients' ability to hold an honest profession, personal development, and support to families, society, and the country. The Company has further organized activities pertaining to safety and genuine support to the society and community as shown in this year's annual report.

In 2015, the Company is still determined to continuously expand various aspects of its businesses, especially with more PT service stations, under the same quality standards throughout Thailand to ensure highest level of service and highest quality of fuel provided, as well as in the related energy industry, in order to fulfill the Company's vision of becoming the country's leading full-service energy provider while enhancing sustainable development of the Thai society.

Finally, on behalf of the Board of Directors of PTG Energy Public Company Limited, I would like to express my gratitude toward the shareholders, customers, business partners, and all stakeholders for the given support and trust, which have enabled us to achieve continual business success. I would also like to thank the management team and all the staff for their unwavering determination and dedication at all times.

Pol. Gen



(Soontorn Saikwan)
Chairman of the Board of Directors

Report of the Audit Committee

The Audit Committee of PTG Energy Public Company Limited comprises 3 qualified independent directors, with Police General Soontorn Saikwan serving as the Chairman of the Audit Committee, Mr. Thien Mekanontchai and Mr. Supote Pitayapongpat serving as members of the Audit Committee. On April 24, 2014 at the shareholder's annual general meeting, Associate Professor Dr. Wanchai Rattanawong was appointed director, also serving as an independent director and a member of the Audit Committee. Then, on May 13, 2014,

Police General Soontorn Saikwan resigned from his position after the Audit Committee, at the Board of Directors' meeting no. 2/2014 on May 12, 2014, had appointed Mr. Supote Pitayapongpat as the new Chairman of the Audit Committee, with high regards for sufficient knowledge and experience in auditing financial reports credibility.

During these times, the Audit Committee had discussed with the Chief Executive Officer and President, the management, external auditors, and internal auditors, and duly given independent opinions and recommendations. The Audit Committee performed its duties as assigned by the Board of Directors and in accordance with the Audit Committee Charter, which also complied with the regulations set out by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), by placing emphasis on good corporate governance principles and good internal audit system. The Audit Committee discharged its duties with competence, prudence and sufficient independence for equal benefits to all stakeholders. In 2014, the Audit Committee reported on business performance and provided its decision on various matters, which could be summarized as follows:

In **2014**, the Audit Committee held 7 meetings, with meeting attendance summary as follows:

Audit Committee Members	No. of times present/total no. of meetings
1. Pol. Gen. Soontorn Saikwan	3/3
2. Mr. Supote Pitayapongpat	7/7
3. Mr. Thien Mekanontchai	7/7
4. Assoc. Prof. Dr. Wanchai Rattanawong	4/4

1 Financial reports audit

The Audit Committee reviewed with the management and external auditors the quarterly and annual financial statements for the year 2014, significant accounting policies, as well as related transactions including potential conflict-of-interest transactions. In addition, the external auditors attended every meeting to ensure the accuracy and completeness of financial statements; the adjustment of significant accounts that affected the financial statements; the adequacy and appropriateness of account recording method and scope of auditing; the accurate, complete, and adequate disclosure of information, along with the independence of the auditors in order to ensure that the financial statements were prepared in accordance with applicable laws and generally-accepted accounting standards, and that the financial statements were disclosed sufficiently and timely for the benefit of investors or financial statement users. In addition, the Audit Committee also held 1 meeting with the external auditors, without the management's involvement.

2 Adequacy of internal control and internal audit systems

The Audit Committee reviewed audit reports of the Internal Audit Department and the external auditors on the internal control assessment and the management's corrective actions as recommended by said reports. The Audit Committee viewed that the Company's internal control systems were adequate and appropriate. Moreover, the Audit Committee assessed the Internal Audit Department's performance and also consulted with supervisors of the Internal Audit Department appropriately on a regular basis.

As for the internal audits, the Audit Committee also reviewed the Audit Committee Charter and the Internal Audit Department Charter annually so as to comply with the current risk and circumstances. The Audit Committee reviewed the Internal Audit Department's performance according to the approved annual work plan and found that the Department had achieved every targets and KPIs set for audit improvement. The Audit Department has placed emphasis on the development of human and auditing tools in accordance with the international standards for the professional practice of internal auditing.

3 Audit of related transactions

The Audit Committee reviewed related transactions that qualified as connected transactions, which may lead to conflicts of interest, by adhering to the rules and regulations of the Stock Exchange of Thailand. The audit result of the related transactions, in which the Company had taken part, indicated that the Company had operated with compliance to general trade terms, displayed reasonable fairness, maximized Company's benefits, not caused a conflict of interest, as well as disclosed all information completely and adequately.

4 Risk Management

The Audit Committee reviewed risk management plans, risk management criteria, and the efficiency and appropriateness of risk management process regularly on a quarterly basis with recommendations for improvement. In this regard, the Audit Committee had considered both external and internal risk factors together with probability of impact to ensure that they were at an acceptable level. Nevertheless, the management had already carried out risk assessment and managed risks by setting responsive measures to deal with any possible incidents efficiently.

5 Good Corporate Governance

The Audit Committee reviewed operations for compliance with the corporate-set systems, ethics, code of conduct, securities and exchange laws, requirements of the Stock Exchange of Thailand, including other relevant laws, especially those concerning connected transactions and potential conflict-of-interest transactions. According to related reports, the Company's directors and employees had strictly complied with the set principles, and the Board of Directors had regularly and continually promoted the sense of ethical conduct among employees. Moreover, the Audit Committee pursued good practices in corporate governance by performing a self-assessment, both for the whole body and each member, the results of which were highly satisfactory.

Furthermore, the Company has signed in the manifestation of Collective Action Coalition Against Corruption in Private Sector on October 28, 2014. Currently, this action is undergoing policy development under said subject and is awaiting evaluation of the Audit Committee to seek approval from the Collective Action Coalition Against Corruption in Private Sector Committee.

6 Compliance with securities and exchange laws, requirements of the Stock Exchange of Thailand, and other relevant laws

The Audit Committee reviewed the Company's compliance with securities and exchange laws, requirements of the Stock Exchange of Thailand, and other relevant laws, and also regularly monitored the management's corrective actions. In this regard, the Audit Committee viewed that the Company had complied with securities and exchange laws, requirements of the Stock Exchange of Thailand, and relevant laws governing the Company's business.

7 Appointment of external auditors for the year 2015

The Audit Committee held 1 meeting with the external auditors, without the management's involvement, to seek the auditors' opinions about performance and coordination with the related management. Upon considering the previous year's performance, the Audit Committee viewed that the external auditors had performed their duties independently and satisfactorily. As for the appointment of external auditors for the year 2015, the Audit Committee reviewed, together with the management in 2013, the evaluation reports of audit proposals containing the conditions, scope, and auditing fees from 4 external auditing firms. The Audit Committee considered proposed past performance, scope, and due diligence in comparison with the 2014 auditing fees, and came to a decision with a proposal, to the Board of Directors, to select and appoint Pricewaterhouse Coopers ABAS Limited (PWC) as the Company's external auditors for the year 2015, and approve an annual auditing budget for 2015 in the amount of 2,541,000 baht.

On behalf of the Audit Committee



Mr. Supote Pitayapongpat
Chairman of the Audit Committee

PTG BOARD OF DIRECTORS

PTG Board of Directors for PTG group of companies



Mr. Pitak Ratchakitprakarn

Director
Member of the Executive Committee
Chairman of the Risk Management Committee
President & Chief Executive Officer



Pol. Gen. Soontorn Saikwan

Chairman of the Board of Directors
 Independent Director



Mr. Thien Mekanontchai

Director
 Member of the Audit Committee
 Member of the Corporate Governance Committee
 Independent Director



Mr. Supote Pitayapongpat

Director
 Chairman of the Audit Committee
 Chairman of the Corporate Governance Committee
 Independent Director



Mr. Sakanant Wijitthanarak

Director
 Chairman of the Executive Committee



Mrs. Chatkaew Gajaseni

Director
 Member of the Executive Committee



Mrs. Lertlak Nadtasomboon

Director



Mr. Pongsak Vachirasakpanich

Director
 Member of the Executive Committee



Assoc. Prof. Dr. Wanchai Rattanawong

Director
 Member of the Audit Committee
 Member of the Corporate Governance Committee
 Independent Director



Mr. Rangsun Puangprang

Director
 Member of the Executive Committee
 Member of the Risk Management Committee
 Secretary to the Board of Directors
 Secretary to the Executive Committee
 Secretary to the Corporate Governance Committee
 Company Secretary

Financial Highlights

		31 December 2014 (Audited)	31 December 2013 (Audited)	31 December 2012 (Audited)
Financial Position (Million Baht)				
Total Assets		6,596.30	5,935.00	3,915.53
Total Liabilities		2,997.40	2,746.56	2,544.71
Total Shareholders' Equity		3,598.90	3,188.44	1,370.82
Business Performance (Million Baht)				
Revenue from Sales and Services		55,100.76	47,716.26	41,723.68
Cost of Sales and Services		52,036.65	45,434.34	39,991.38
Selling and Administrative Expenses		2,564.14	1,972.32	1,325.79
Profit for the Period		494.05	312.33	340.37
Liquidity Ratio				
Current Ratio (Times)		0.93	1.20	0.89
Account Receivable Turnover (Times)		480.53	364.29	300.84
Average Collection Period (Days)		0.75	0.99	1.20
Inventory Turnover (Times)		41.22	42.30	52.93
Inventory Days (Days)		8.73	8.51	6.80
Account Payable Turnover (Times)		34.98	38.20	45.11
Account Payable Days (Days)		10.29	9.42	7.98
Cash Cycle (Days)		-0.81	0.08	0.02
Profitability Ratio				
Gross Profit Margin (%)		5.60	4.78	4.15
Net Profit Margin (%)		0.89	0.65	0.81
Return on Equity (%)		14.56	13.70	27.79
Efficiency Ratio				
Return on Assets (%)		7.88	6.36	9.93
Return on Fixed Assets (%)		23.58	20.17	27.95
Assets Turnover (Times)		8.82	9.74	12.20
Financial Policy Ratio				
Debt to Equity Ratio (Times)		0.83	0.86	1.86
Interest Coverage Ratio (Times)		33.64	14.12	15.32
Debt Service Coverage Ratio (Times)		0.84	0.37	0.90
Dividend Payout Ratio (%)		n.a.	58.80 ^{1/}	n.a.

Notes : ^{1/} Calculate from interim dividend paid in 2013 and annual dividend paid in 2014 divided by net profit from consolidated financial statement in 2013.

General Information and Other Significant Information

Company Information



Name	: PTG Energy Public Company Limited
Head office address	: 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Type of business	: 1. Fuel retailing at petrol stations managed by the Company (COCO petrol stations). 2. Fuel wholesaling to 1) dealers for sales at petrol stations managed by such dealers (DODO petrol stations), 2) Other petrol traders, and 3) Industrial operators that need fuel in business operations. 3. Fuel logistics services
Registration no.	: 0107538000703
Telephone	: 0 2168 3377, 0 2168 3388
Facsimile	: 0 2168 3379, 0 2168 3389
Homepage	: www.ptgenergy.co.th
Amount and type of total shares issued and paid	: 1,670,000,000 ordinary shares (as of December 31, 2014)
Par value	: 1 Baht per share

Investment Information (as of December 31, 2014)



Company name	: Petroleum Thai Corporation Co., Ltd.
Head office address	: 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Type of business	: 1. Fuel trader under Section 11 2. Minimart business at petrol stations
Registration no.	: 0105535099511
Telephone	: 0 2168 3377, 0 2168 3388
Facsimile	: 0 2168 3379, 0 2168 3389
Amount and type of total shares issued and paid	: 6,000,000 ordinary shares (as of December 31, 2014)
Par value	: 73.33 Baht per share

**Company name****: Pyramid Oil Co., Ltd.**

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105552004590

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share

**Company name****: Alpine Oil Co., Ltd.**

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105552004522

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share

**Company name****: Empire Oil Co., Ltd.**

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105554077471

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share

**Company name****: Everest Oil Co., Ltd.**

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105554093280

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share


Company name : Andes Oil Co., Ltd.

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105554147673

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share


Company name : Atlas Oil Co., Ltd.

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105554147681

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share


Company name : Olympus Oil Co., Ltd.

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105555130588

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share


Company name : Pyrenees Oil Co., Ltd.

Head office address : 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310

Type of business : Fuel trader under Section 10

Registration no. : 0105555130570

Telephone : 0 2168 3377, 0 2168 3388

Facsimile : 0 2168 3379, 0 2168 3389

Amount and type of total shares issued and paid : 10,000 ordinary shares (as of December 31, 2014)

Par value : 100 Baht per share

Company name	: Punthai Coffee Co., Ltd.
Head office address	: 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Type of business	: Coffee shop operation under the name “Punthai Coffee”
Registration no.	: 0105555139534
Telephone	: 0 2168 3377, 0 2168 3388
Facsimile	: 0 2168 3379, 0 2168 3389
Amount and type of total shares issued and paid	: 50,000 ordinary shares (as of December 31, 2014)
Par value	: 100 Baht per share

References

Company Secretary	: Mr. Rangsun Puangprang
Contact address	: 90 CyberWorld Tower A 33rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Telephone	: 0 2168 3377, 0 2168 3388
Facsimile	: 0 2168 3379, 0 2168 3389
Registrar	: Thailand Securities Depository Co., Ltd.
Contact address	: 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110
Telephone	: 0 2229 2800
Facsimile	: 0 2654 5427
Auditor	: PricewaterhouseCoopers ABAS Ltd.
Contact address	: 179/74-80 Bangkok City Tower 15th Floor, Sathorn Tai Road, Toongmahamek, Sathorn, Bangkok 10120
Telephone	: 0 2344 1000
Facsimile	: 0 2286 5050
Legal Consultant	: LS Horizon Co., Ltd.
Contact address	: 93/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10120
Telephone	: 0 2627 3443
Facsimile	: 0 2627 3250





Company Overview

Vision, Objectives, Goals, and Company Business Strategy

PTG Energy Public Company Limited (“the Company” or “PTG”) was founded by a group of Thai businesspersons on March 21, 1988, originally as Paktai Chueplerng Co., Ltd., which was later registered and renamed to PTG Energy Public Company Limited on December 20, 2011. In this regard, the Company is striving to become the leader in full-service energy industry and to grow sustainably by providing the utmost satisfaction for all partners, employees, and consumers through outstanding corporate governance and continuous societal and environmental stewardship.

Vision

“PT, the nation’s leader in full-service energy industry.”

Mission

1. To create the utmost satisfaction for all partners, employees, and consumers;
2. To manage with professionalism and continuous improvement to generate revenue for and add value to the organization and all partners;
3. To be responsible and accountable to the welfare of society and the environment.

The Company plans to expand its operation to other related energy business in order to enhance its business operations potential and to accommodate the energy demand in the future. The company places great emphasis on creating energy sustainability together with economic, social, and environmental development by realizing its role in supporting conscientious energy consumption and enhancing quality of life. Thus, in 2014, the Company has entered into a joint venture agreement in the Palm Complex for manufacturing and distributing Biodiesel (B100), from palm oil, as the main ingredient in the blend of Diesel fuel. This renewable energy business is considered an integral part of the sustainable sufficiency economy philosophy and is in-line with the Government’s energy policy.



The Company values its service as the number one priority and maintains its strategy to continuously expand its PT petrol stations both under COCO (Company-Owned Company-Operated) and under DODO (Dealer-Owned Dealer-Operated) models in order to cover all areas in each province throughout the country and to ubiquitously ensure PT consumers of its high standard service and Euro 4 high quality fuel. In this regard, the Company places more weight on stations expansion through the COCO model due to the Company’s right to own and operate, thus ensuring quality control and efficient service along with rapid expansion.

In addition, the Company also employs a strategy to efficiently manage its operating cost through Company-owned logistics system, which utilizes its fleet of 335 tanker trucks and its network of 9 tank farms, located throughout the country, in order to accommodate and support business expansion, as well as establish a strong customer base through its membership card “PT Max Card” that rewards members with special privileges and various discounts for products and services offered by its network of affiliates and partners.

The Company intends to maximize its organizational efficiency and trusts that good corporate governance and management excellence are keys to transparent, fair, and accountable operation. Thus, the Company has



laid out the Principle of Good Corporate Governance for the Company Directors, Executives, and employees to adhere to as operational guidelines. Further, the Company has agreed to sign the Collective Action Coalition Against Corruption in Private Sector as well as set up Anti-Corruption Policy and assigned internal roles and responsibilities, guidelines, and regulations to ensure sustainable growth. The Company has set its core values as operating principles for its employees to follow in order to achieve the corporate goals. These core values include:

Customer Service

We listen and we understand because we care. Your wants and your expectations are central to what we do every day.

Team Work

The role and responsibility as a member of a team is to participate in the work and problem solving and to exchange thoughts and experiences. At PTG, we work as a team.

Integrity & Ethic

We operate on principles. We trust in honesty. We respect rules and regulations. Our employees, our managers, and our team all perform with the highest integrity.

Continuous Improvement

New ideas, new processes, and new systems. We continuously find ways to improve our operations to stay ahead of the competitions and to service our customers better.

Significant changes and major development 2014

In December, the Company has entered into a joint venture agreement in the Palm Complex, an all-in-one project for manufacturing and distributing palm oil, starting from growing palms for production process all the way to producing Biodiesel (B100) and cooking oil. The three co-investors involved in the transaction are:

- 1) Tha Chang (Bang Saphan) Palm Oil Co., Ltd.
- 2) PTG Energy Public Company Limited
- 3) R&D Kasetpattana Co., Ltd.

In this regard, the project construction will commence in Q1/2015. Palm oil extraction plant is expected to be completed within 2016, and the entire project is expected to be completed within 2017.

The Company has opened 212 new petrol stations with 192 stations as COCO and 20 stations as DODO stations, resulting in a total of 951 petrol stations across the country at the end of the year. In addition, the Company has also increased Gasohol E20 distribution, as another viable alternative for consumers, through 22 of its petrol stations.

The Company has invested in modernizing two large-scaled petrol stations with an attractive feel and a variety of services at Khao Pho, in Prachuab Khiri Khan province, and at Chainat Rest Area, in Chainat province. The Company expects the supplementary businesses at these stations to be opened in Q2/2015.

The Phitsanulok Tank Farm was opened for operation, in January, as the 8th tank farm, located in Bueng-Pra Sub-District, Muang District, Phitsanulok province. Having the storage capacity of 7.7 ML for services rendered to 63 petrol stations in the vicinity. The tank farm will accommodate future expansion of fuel supply area coverage in the Northern part of the country. 8 provinces are currently served by the Phitsanulok Tank Farm, namely Chiang Rai, Phayao, Nan, Lumpang, Phrae, Uttaradit, Sukhothai, and Phitsanulok.

The Company officially opened another tank farm in Nakhon Sawan Province, in September, as its 9th tank farm, located in Muong Hak Sub-District, Payuhakiri District, Nakhon Sawan Province. Having the storage capacity of 6.6 ML for services rendered to 44 petrol stations in the vicinity.

The tank farm will accommodate future expansion of fuel supply area coverage in the Northern and Central parts of the country. 6 provinces are currently served by the Nakhon Sawan Tank Farm, namely Chainat, Uthaitхани, Nakhon Sawan, Pichit, Kampangetch, and Tak.

The Company set its Anti-Corruption Policy and announced its inception to be used with Company personnel including the Board of Directors, Executives, and all its employees in order to ensure integrity, transparency, and morality in its business operations; social responsibility; and, consideration for all related parties through good corporate governance.

The Company places importance on human resources development as an integral part of business expansion by promoting job specialization and skills enhancement. training is provided for employees both on operative and administrative level in order to enhance their potential both through hard skills development and soft skills. This year, the human resources development comprised:



1) Establishing a training center in Phanat Nikhom District, Chonburi province, as the central training center for managers at PT COCO stations to ensure the same standard everywhere. This also includes a training center for logistics business personnel or Company truck drivers at Nong Khae Tank Farm, in Nong Khae District, Saraburi province. In this regard, emphasis is placed on operational safety, which is of utmost importance.

2) Conducting a quarterly internal communication activity via “CEO Talk” to ensure unidirectional understanding of corporate objectives and strategies for all employees.

3) Implementing Kaizen techniques as operational system improvement measures both on the operative and administrative levels to enhance operating efficiency and reinforce core values in continuous improvement. The activity received great cooperation from the employees, thus enabling and encouraging constructive feedbacks and suggestions for improvement, from all levels of employees, which is geared toward a more systematic operation, continuous improvement, excess time reduction, resulting in better cost management and long-term sustainability.

Setting up new IT policy to improve information system and communication network in order to efficiently support business operations. This pertains to information source quality control, critical data access security, and emergency protocols. The company has introduced ERP system for internal process support by storing information within a centralized database for ease of information linkage, while utilizing maintenance management system with equipment storage, maintenance management, and parts changing in order to effectively create and store maintenance historical information. Furthermore, the Company has created infrastructure and servers to securely and effectively improve the network.

Being certified with The International Ship and Port Facility Security (ISPS) Code, in accordance with the Department of Marine and Maritime, for the seaport at Mae Klong Tank Farm in Samut Songkhram province to prevent threats of terrorism or other unsafe acts against sea transport, ensuring the Company-valued security measures.

Implementing the CRM system for marketing and sales promotion, as well as accommodating the Max Card membership rewards program. By December 31, 2014, the number of PT Max Card holders reached 2.4 million. The Company has gathered consumer data from the CRM system and analyzed consumer behavior for each customer in order to better serve their needs and to accurately record points and prize redemption. Currently, points can now be accumulated from purchases made at Punthai Coffee.

Joining the “Full-liter petrol station campaign” and became certified by the Department of Internal Trade in accordance with the Measurement Act of 1999. Each petrol station is equipped with a standard 5-liter measuring device for calibrating and ensuring accurate volume of PT quality petroleum.

Valuing safety and control of maintenance standard for petrol stations on a continuous basis. Normally, Preventive Maintenance standard is verified every 4 months. In addition, the Company also set service standards and service quality follow-up process to ensure that services provided at the petrol stations meet the standards set by the Mystery Shopper, which serves as an excellent tool in evaluating the true quality of petrol station services. In this regard, the Company is able to improve the petrol station area management system in order to enhance transparency in managing the retail spaces more efficiently, in accordance with the Company’s commitment to continuous improvement.

Being entrusted and selected as the major sponsor in Pra Dabos Foundation’s Project for the second consecutive year. More importantly, the Company recognizes the importance of human capital development, thus it provided support in the forms of vocational scholarship and educational tools for students of Pra Dabos. In this regard, PTG customers nationwide had an opportunity to take part in the donation campaign, between August and September 2014, in which the donation amount contributed by the gross petrol sales volume and additional fund raising totaled Baht 15 Million.

2013

The Office of the Securities and Exchange Commission approved the Company to offer 420 million ordinary shares at a price of Baht 3.90 each, by offering not more than 33.40 million shares to the Company’s and its Subsidiaries’ directors, executives and employees, and offering 386.60 million shares to general public (including the

amount remained from offering to directors, executives and employees of the Company and subsidiaries). Consequently, the Company's registered capital increased from Baht 1,250.00 million to Baht 1,670.00 million. On May 30, 2013, the Company's shares were a listed stock in the Stock Exchange of Thailand and were first traded on the day.

- The Company invested in Phitsanulok Tank Farm, being the 8th tank farm of the Company. The tank farm has a total capacity of 7.7 million liters for service rendered to petrol stations in 8 Northern provinces, namely Chiang Rai, Phayao, Uttaradit, Nan, Phitsanulok, Sukhothai and Phrae. It would be commercially opened in January 2014.

2012

- The Company was accredited ISO 9001 certification for receiving, storage, and distribution of fuel oil (benzene and diesel) at Mae Klong Tank Farm.
- PTC decreased its registered capital to Baht 439.98 million by reducing the par value from Baht 100.00 each to Baht 73.33 each in order to write off PTC's accumulated loss.
- The Company incorporated Pyrenees Oil Co., Ltd. ("PRN"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company incorporated Olympus Oil Co., Ltd. ("OLP"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company assigned a working group to arrange for the incorporation of Punthai Coffee Co., Ltd. ("Punthai Coffee"), a subsidiary, with a registered capital of Baht 5.00 million, divided into 50,000 ordinary shares with a par value of Baht 100.00 each. Then the Company purchased 49,997 Punthai Coffee shares from the working group at a price of Baht 100.00 each, equal to the value of shares paid up for incorporation.
- The shareholders' meeting resolved to register a change of the par value from Baht 10.00 each to Baht 1.00 each, thereby the number of issued and paid-up shares increased from 125.00 million shares to 1,250 million shares. The meeting also approved the registered capital increase of Baht 420.00 million via issuance of 386.60 million shares for a public offering and issuance of 33.40 million shares for offering to its directors, executives, and employees.

2011

- The Company assigned an operating panel to arrange for the incorporation of Empire Oil Co., Ltd. ("EPO"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company assigned an operating panel to arrange for the incorporation of Everest Oil Co., Ltd. ("EVO"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company assigned an operating panel to arrange for the incorporation of Atlas Oil Co., Ltd. ("ATL"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company assigned an operating panel to arrange for the incorporation of Andes Oil Co., Ltd. ("AND"), a subsidiary, with a registered capital of Baht 1.00 million, divided into 10,000 ordinary shares with a par value of Baht 100.00 each.
- The Company registered a change of name to PTG Energy Public Company Limited.

Shareholding Structure of the Company Group

The Company and subsidiaries conduct retailing and wholesaling of fuel as the core business. In addition, the Company also operates retail outlets and coffee shops at PT petrol stations to provide convenience and meet the demand of the consumers.

PTG Energy Public Company Limited

99.99%

Petroleum Thai Corporation Co., Ltd.

Fuel retailing business through PT petrol stations and convenience store business at PT petrol stations.

99.98%

Pyramid Oil Co., Ltd.

Fuel wholesaling business

99.97%

Alpine Oil Co., Ltd.

Fuel wholesaling business

99.99%

Punthai Coffee Co., Ltd.

Coffee shop business

99.98%

Empire Oil Co., Ltd.

Fuel wholesaling business

99.98%

Everest Oil Co., Ltd.

Fuel wholesaling business

99.97%

Atlas Oil Co., Ltd.

Fuel wholesaling business

99.97%

Andes Oil Co., Ltd.

Fuel wholesaling business

99.97%

Pyrenees Oil Co., Ltd.

Fuel wholesaling business

99.97%

Olympus Oil Co., Ltd.

Fuel wholesaling business





Nature of Business



Business Overview

The core businesses of the Company and subsidiaries are retailing and wholesaling of fuel. The Company purchases most of the fuel directly from Thai Oil Public Company Limited (“Thai Oil” or “TOP”) and transport them from TOP refineries to customers by its own tanker truck fleet. In general, the Company sold the fuel both directly and indirectly to automobile users and users of other types (e.g. farmers using fuel for agricultural machines, etc.) via PT petrol stations. PT petrol stations can be categorized into 2 types as follows:

1) Petrol stations as company-owned outlet

At present, most PT petrol stations in service are of the Company-Owned-Company-Operated type (“COCO petrol stations”). PTC, a subsidiary, owns or holds leasehold rights of these COCO petrol stations, and sells fuel directly to automobile users and other users.

2) Petrol stations operated as a franchise

PT petrol stations of the other type are owned and operated by dealers who are permitted by the Company to use PT trademark (Dealer-Owned-Dealer Operated or “DODO petrol stations”). Operators of DODO petrol stations (“the Company’s dealers”) own or hold leasehold rights of the stations as well as manage them, while the Company and subsidiaries as fuel traders under Section 10 sell fuel to the Company’s dealers in their respective responsible areas. In this regard, the Company will give its dealers support and advice on various aspects, such as station layout design, investment, and management schemes, along with providing them with materials and accessories such as paints for decoration, tall poles for PT logo and price displays, Thai Oil trademark flags showing fuel quality assurance by Thai Oil, other displays, and etc., in order to ensure that all DODO petrol stations are of the same pattern and quality as COCO petrol stations.

In addition, the Company and subsidiaries as fuel traders under Section 10 sell fuel to independent petrol station operators who are not dealers of large fuel traders and also to other fuel wholesalers that act as middlemen (also known as “Jobbers” in fuel distribution business). The Company and subsidiaries as fuel traders under Section 10 also sell fuel directly to industrial operators that need fuel in business operations.

Nature of Business Operations of the Company and Subsidiaries

PTG Energy Public Company Limited

The Company has registered as a fuel trader under Section 7 of the Fuel Trade Act of 2000, operating the business of fuel wholesaling to customers in its responsible areas which are 1) the Company’s dealers, 2) other petrol traders and 3) industrial operators that need fuel in business operations. The Company has also registered as a fuel logistics operator under Section 12 of the Fuel Trade Act of 2000 and provides service for its subsidiaries and customers in fuel wholesaling sector. Moreover, the Company provides fuel storage services to other fuel traders.





Petroleum Thai Corporation Co., Ltd.

Petroleum Thai Corporation (“PTC”), a subsidiary in which the Company holds a 99.99% stake, has registered as a fuel trader under Section 11 of the Fuel Trade Act of 2000, operating the business of fuel retailing through PT COCO petrol stations. In addition, PTC operates minimart business under the name PT Mart (“PT Mart convenience store”) at PT petrol stations. It is presently redesigning the image and service model of its minimart, where the new stores as well as PT Mart stores with high service potential will be modernized into stores of new model and standards under the name Max Mart. Furthermore, PTC sells lubricating oils under the trademark Castrol at PT COCO petrol stations and rents out spaces at COCO petrol stations to retail business operators.

Subsidiaries as Fuel Traders under Section 10

As of December 31, 2014, the Company has a total of 8 subsidiaries registered as fuel traders under Section 10 of the Fuel Trade Act of 2000 (“subsidiaries as fuel traders under Section 10”), namely:

- o Pyramid Oil Co., Ltd. (“PMO”) 99.98%
of shares held by the Company
- o Alpine Oil Co., Ltd. (“APO”) 99.97%
of shares held by the Company
- o Empire Oil Co., Ltd. (“EPO”) 99.98%
of shares held by the Company
- o Everest Oil Co., Ltd. (“EVO”) 99.98%
of shares held by the Company
- o Andes Oil Co., Ltd. (“AND”) 99.97%
of shares held by the Company
- o Atlas Oil Co., Ltd. (“ATL”) 99.97%
of shares held by the Company
- o Olympus Oil Co., Ltd. (“OLP”) 99.97%
of shares held by the Company
- o Pyrenees Oil Co., Ltd. (“PRN”) 99.97%
of shares held by the Company

All subsidiaries as fuel traders under Section 10 operate the business of fuel wholesaling to customers in their respective responsible areas which are 1) the Company’s dealers, 2) other petrol traders and 3) industrial operators that need fuel in business operations. In this regard, the Company directs that fuel sales of each tank farm be handled by 1 or 2 subsidiaries,

Punthai Coffee Co., Ltd.

Punthai Coffee Co., Ltd. (“Punthai Coffee”), a subsidiary in which the Company holds 99.99% stake, operates coffee shops at PT petrol stations under the name “Punthai Coffee” (“Punthai Coffee shops”).

Revenue Structure

Business		2014		2013		2012	
		Mil. Bt.	%	Mil. Bt.	%	Mil. Bt.	%
1. Revenue from fuel sales through PT petrol stations	PTG and subsidiaries						
1.1) Revenue from fuel retailing through the Company’s petrol stations (COCO petrol stations)	PTC	38,506.66	69.7	29,283.82	61.2	19,728.41	47.2
1.2) Revenue from fuel wholesaling to the Company’s dealers (DODO petrol stations)	PTG and subsidiaries (excl. PTC)	7,513.06	13.6	7,463.17	15.6	8,064.67	19.3
2. Revenue from fuel wholesaling to other fuel traders and industrial operators	PTG and subsidiaries (excl. PTC)	8,694.91	15.7	10,697.48	22.4	13,629.46	32.6
3. Revenue from fuel logistics business	PTG	35.87	0.1	11.25	0.0	13.27	0.0
4. Revenue from minimart business at PT petrol stations	PTC	242.47	0.4	194.97	0.4	230.76	0.6
5. Other revenues ^{1/}	PTG and subsidiaries	280.90	0.5	202.81	0.4	152.75	0.4
Total Revenue		55,273.87	100.0	47,853.51	100.0	41,819.32	100.0

Notes: ^{1/}Other revenues consist of 1) revenue from sales of other products and services such as fuel storage for other fuel traders, property rental and retailing and wholesaling of automobile lubricating oils, etc., and 2) revenue from special items such as subsidy for decline in oil prices,

Characteristics of Products and Services

Products sold by the Company and subsidiaries are mostly diesel and benzene used as fuel for vehicles. In 2013 and 2014, the Company's fuel sales revenues were Baht 47,444.48 million and Baht 54,714.63 million, respectively, from total sales of 1,577.50 million liters in 2013 and 1,850.96 million liters in 2014. Fuel sales revenues in 2013 and 2014 were equal to 99.1% and 99.0% of its total revenues.

The Company's products can be categorized into 2 main groups, details of which are as follows:

Fuel Products

Fuel products of the Company and subsidiaries can be divided into 2 main types as follows:

- Diesel, which is high-speed diesel fuel (hereinafter called "diesel fuel");
- Benzene, which comprises octane-95 benzene, gasohol 95 (E20), gasohol 95 (E10), and gasohol 91 (E10) (hereinafter called "benzene fuel").

Mostly, the Company sells diesel fuel because car users for commercial purpose are, both directly and indirectly, its main customers. For this reason, volume of fuel sold is in line with the type of cars registered in Thailand, which are largely diesel-powered engines



Sales proportions of diesel fuel and benzene fuel from 2010 – 2014

	2014	2013	2012	2011	2010
Diesel fuel	76.9%	75.8%	75.7%	75.0%	74.1%
Benzene fuel	23.1%	24.2%	24.3%	25.0%	25.9%

Non-fuel Products

Apart from fuel sales, the Company sells more than 1000 items of consumer goods via PT Mart convenience stores and more than 2000 items via Max Mart, at PT petrol stations. It also serves high quality coffee through its coffee shops at Pt petrol stations under the name “Punthai Cofee,” as well as sells a variety of lubricating oils at PT petrol stations.

The Company also provides its customers and other fuel traders with more services related to fuel trade. Major services include logistics services for fuel wholesalers that have no tankers truck fleet of their own, and fuel storage services for other fuel traders.

Nature of Core Business Groups of the Company

The Company’s significant operations can be divided according to characteristics of products and services, target groups, and distribution channels into 5 core business groups, namely:

- 1) Fuel sales at PT petrol stations
 - 1.1) Fuel retailing via COCO petrol stations
 - 1.2) Fuel wholesaling via DODO petrol stations;
- 2) Fuel wholesaling to other fuel traders and industrial operators;
- 3) Fuel logistics services;
- 4) Minimart business and coffee shop business at PT petrol stations;
- 5) Sales of other products and services.

Sales Volume of Fuel Trading Businesses

(unit : million liters)

	2014	2013	2012
1) Fuel sales at PT petrol stations	1,535.29	1,201.02	891.28
1.1) COCO petrol stations	1,280.39	953.12	633.82
1.2) DODO petrol stations	254.90	247.90	257.46
2) Fuel wholesaling to other fuel traders and industrial operators	315.67	376.48	480.91
Total fuel sales volume	1,850.96	1,577.50	1,372.19

1. Fuel Sales at PT Petrol Stations

The Company operates fuel sales business at PT petrol stations in 2 manners as follows:

1) Fuel retailing via the Company's petrol stations, where fuel is sold directly to automobile users via the petrol stations owned and operated by the Company, or the so-called COCO petrol stations.

The Company operates fuel retailing business via COCO petrol stations under the management of Petroleum Thai Corporation Co., Ltd. (PTC), the Company's subsidiary. Fuel sold at COCO petrol stations include both diesel fuel and benzene fuel. Sales proportion of the two fuel varies from station to station, relying mainly on target customer demand for each fuel type at a specific COCO petrol station. If target customers frequenting a COCO petrol station need more diesel fuel than benzene fuel, the Company will have the station keep diesel fuel in reserve at a higher proportion than benzene fuel to ensure sufficient amount for sales. Additionally, the petrol station shall have more diesel dispensers than benzene ones in order to adequately serve incoming customers each day. However, the number of petrol dispensers at each COCO petrol station depends on the space available for placing them.

For each petrol station, a station manager is put in charge to control, oversee and manage its day-to-day operations to make certain that they are carried out correctly, appropriately and in accordance with the Company's regulations. Moreover, the Company appoints zone managers to supervise station managers under their responsibility so that the station managers perform duties according to plans to achieve the set goals, as well as to monitor that the stations' operations comply with corporate regulations. Zone managers are to visit a troubled petrol station and inspect the station manager's and employees' operations, so as to identify and report the cause of problems to related units for further action. Supervision by zone managers therefore enables the Company to inspect, monitor and address the problems properly and promptly.

In addition, the Company appoints regional managers to supervise and ensure that zone managers and station managers under their responsibility perform duties according to plans and strategies in order to achieve the set goals. Each regional manager is also assigned a different responsibility, such as marketing strategy formulation, COCO petrol station expansion, cost management, PT petrol station efficiency control, fuel sales activities and volume, etc.

Service hours of each COCO petrol station depend on the number of working periods ("work shifts") of pump attendants and cashiers. The length of each work shift is 9 hours. 1st shift runs from 5 AM to 2 PM; 2nd shift runs from 1 PM to 10 PM, and 3rd shift runs from 9 PM to 6 AM, with a 1-hour overlap between shifts to enable the staff of the next shift to get ready before their shift begins. In determining suitable service hours of each COCO petrol station, the Company takes into account the number of customers obtaining services at each period. Petrol stations having a few incoming customers between 10 PM and 5 AM will operate in only 2 work shifts from 5 AM to 10 PM only, while petrol stations with round-the-clock business will operate with 3 work shifts and are open 24 hours a day.

Fuel sales via COCO petrol stations are mostly cash sales. Customers pay cash right away once the pump attendant fills the fuel tank, except for some regular or bulk purchase customers such as transport service providers and manufacturers using vehicles for goods transport, etc. that would like to purchase fuel on credit, so that their drivers



need not carry any cash. Consequently, the Company has offered “Fleet Card” and “Cash Card” to accommodate the needs of these operators, wherein these two types of card can be used in place of cash to purchase fuel at PT petrol stations. The Fleet Card is equivalent to a fuel credit card, which contains vehicle registration information and the employee must sign off after each purchase, whereas the Cash Card is a prepaid card that can be used in purchasing fuel up to the prepaid amount previously made by the operators. Those who would like to use this service can submit their application for approval by the bank who will consider the conditions applied and issue Fleet Card or Cash Card according to the operator’s financial standings.

Characteristics of Customers and Target Group

Target customers for fuel retailing via the Company’s petrol stations are fuel users in the vicinity of COCO petrol stations, namely:

- 1) Transport service providers and manufacturers using vehicles for goods transport, which are located in communities surrounding COCO petrol stations or often go by COCO petrol stations;
- 2) Farmers using fuel for agricultural machines, or living or working near COCO petrol stations;
- 3) People using automobiles and motorcycles in their daily life, who reside in communities surrounding COCO petrol stations.

The Company focuses on selling fuel to target customers, since they regularly need fuel in their daily life or work. To reach these target customers, the Company primarily invests in COCO petrol stations near communities or its main target customers.

Distribution Channels

The Company sells fuel directly to target customers via COCO petrol stations. Over the past years, the Company has been increasing the number of COCO petrol stations for a wider distribution channel to reach more target customers throughout Thailand. Numbers of COCO petrol stations at the end of 2010 to 2014 are shown below.

Number of COCO Petrol Stations at the end of 2010 – 2014

	2014	2013	2012	2011	2010
Number of COCO stations	743	551	397	272	184

Number of COCO Petrol Stations by Region at the end of 2013 – 2014

Region	2014		2013	
	Stations	%	Stations	%
1. Greater Bangkok area	73	9.8	52	9.4
2. Northern region	114	15.3	113	20.5
3. Central region	116	15.6	55	10.0
4. Northeastern region	258	34.7	214	38.8
5. Eastern region	58	7.8	51	9.3
6. Western region	53	7.1	38	6.9
7. Southern region	71	9.6	28	5.1
Total	743	100.0	551	100.0

The Company pursues COCO petrol station expansion through various natures of investments, in which it may buy or rent petrol stations from proprietors who are discontinuing the business. The Company determines suitable patterns of investment by considering the proprietors' conditions, e.g. terms of contract, rental fee and increase. This is accompanied by risk analysis and investment worthiness assessment, covering such aspect as location of property, locations of PT petrol station, and other petrol stations nearby, characteristics and number of existing or prospective customers, sales projections, amount of investment and expenditure required for station renovation, rates of return, and etc.

Competitive Strategies

The Company puts emphasis on sales of quality and high-standard fuel to customers to establish confidence in and satisfaction of PT petrol stations' products and services. Over 90% of fuel sold at PT petrol stations is purchased directly from Thai Oil, which is one of the largest refinery companies of very high standard and one of the nation's major fuel suppliers, thus ensuring standardization of fuel quality. As the tanker fleet owned and operated by the Company is used in transporting and distributing fuel from Thai Oil refineries to its COCO petrol stations nationwide, the Company can control fuel quality and prevent fuel contamination, and adulteration that may occur if the transportation is handled by un-

qualified and unethical operators. Moreover, the Company has built a fuel oil testing laboratory at Mae Klong Tank Farm to examine the quality of petrol randomly retrieved in the course of transport, from Thai Oil refineries to the Company's tank farms and COCO petrol stations across the country. The Company also sets up a mobile lab unit to carry out random on-site inspection for fuel quality at both PT COCO and DODO petrol stations, in order to give the customers confidence that fuel sold at each PT petrol station are of equal quality and standard to those produced by refineries.

In relation to marketing and public relations, the Company engages in sales promotion activities continually to encourage higher-volume and constant purchases among target customers. One example is giveaway of drinking water or other sales promotion items for an indicated purchase value, where sales promotion items may vary from area to area, depending on characteristics of target customers in the area. Another is PT petrol station membership program, where customers applying for Max Card membership are entitled to special benefits such as reward point collection or redemption newsletter, service privileges at PT petrol stations, privileges to participate in other exclusive sales promotion activities in the future, etc. Besides, the Company uses internet tools and social media like its website (www.ptgenenergy.co.th) and Facebook (www.facebook.com/ptstation) for disclosing

corporate information and publicizing its marketing activities to customers and the general public.

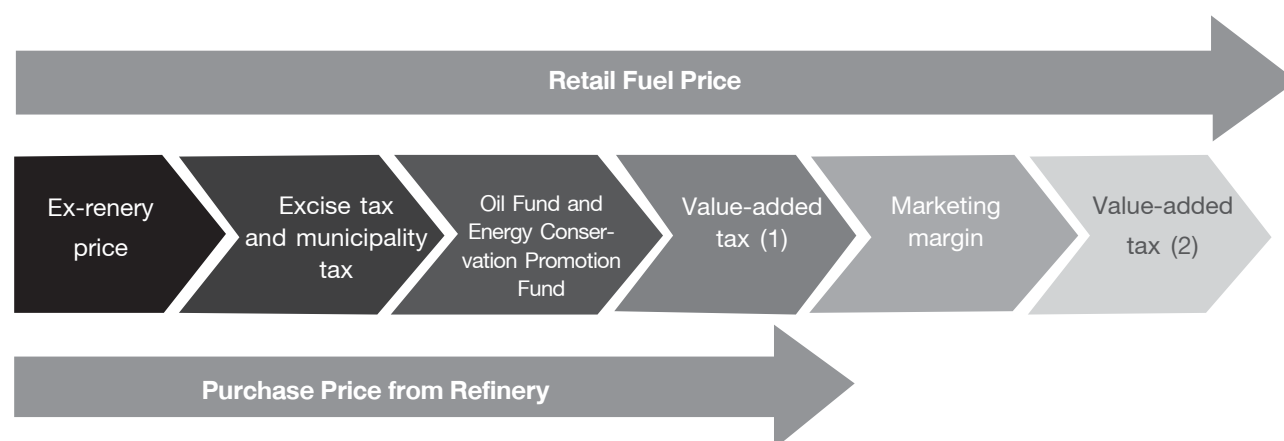
The Company also places great importance on good relations between PT petrol stations and surrounding communities. In recruiting full-time employees, it therefore has a policy to give special consideration to applicants living near its petrol stations, so PT petrol station staff understand the nature of local customers and can render proper services. This policy not only enables the staff to stay close to their families, but also promotes a good image of PT petrol stations.

Pricing Policies

The Company does not focus on price competition against other fuel retailers, as it pays more attention to selling quality and high-standard fuel to customers, good services, and punctual delivery. Changes in sales price at the petrol station ("retail fuel prices") of the Company are subject to market mechanism and in line with changes made by major traders.

Profit gained ("marketing margin") by the Company is equal to the difference between the retail fuel price after

value added tax (output tax) and the purchase price from refinery after value added tax (input tax). The relationship between retail price, purchase price from refinery, and marketing margin is shown in the diagram below.



Notes : Value added tax (1) in the fuel purchase price from refinery is the tax for which the Company can claim a tax refund from the Revenue Department. It is called the "input tax." Value added tax (2) in the fuel retail prices is the tax the Company must submit to the Revenue Department. This is called the "output tax."



2) Fuel wholesaling to the Company's dealers, where fuel is sold indirectly to automobile users. In this, the Company sells fuel to its dealers who manage the petrol stations owned and operated by them, or the so-called DODO petrol stations.

The Company and subsidiaries as fuel traders under Section 10 sell fuel to DODO petrol stations operators, which are fuel dealers who are permitted by the Company to use PT trademark ("the Company's dealers").

Petrol station operators wishing to become the Company's dealers have to sign a petroleum dealer appointment agreement with the Company first. According to the petroleum dealer appointment agreement, the Company's dealers shall buy fuel from the Company, with an aggregate volume of purchase not less than the amount specified therein. Likewise, the Company shall sell fuel to its dealers at a price that allows the dealers to receive a profit share ("marketing margin for dealers") not less than the rate specified under the agreement. However, the Company may increase the already-agreed marketing margin for dealers in some periods of time, so that the dealers receive a proper and fair profit share. In determining the marketing margin for dealers, the Company will take its gain on marketing margin into close consideration.

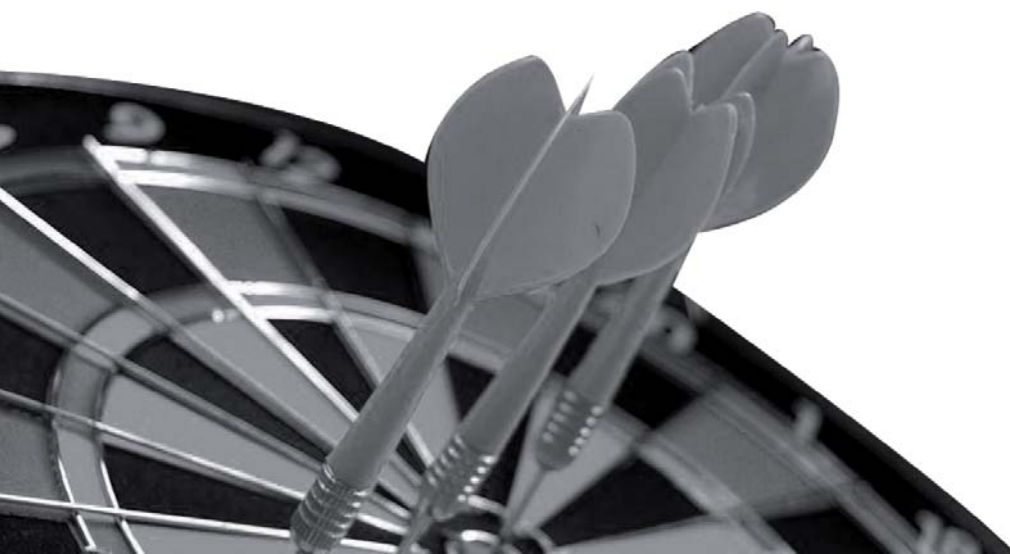
Fuel sold at DODO petrol stations are both diesel fuel and benzene fuel, similar to those at COCO petrol stations. However, the proportion and volume for trade of each fuel type are decided at the discretion of each dealer. The Company merely serves as the supplier, seller of fuel, and standard service guideline provider for them. Each dealer is responsible for the internal administration of DODO petrol stations, including personnel management and control.

Characteristics of Customers and Target Group

Target customers for the business of fuel wholesaling to PT petrol station operators are persons and juristic persons wishing to undertake petrol station business, namely 1) petrol station operators who are dealers of other fuel traders, 2) petrol station operators who are not fuel dealers, and 3) persons and juristic persons who are land owners wishing to undertake petrol station business. These persons and juristic persons find the Company's dealership conditions interesting, and share the same business goals with the Company. Numbers of DODO petrol stations (the Company's dealers) at the end of 2010 to 2014 are shown below.

Number of DODO Petrol Stations at the end of 2010 – 2014

	2014	2013	2012	2011	2010
Number of DODO stations	208	188	177	165	154



Number of DODO Petrol Stations by Region at the end of 2013 – 2014

Region	2014		2013	
	Stations	%	Stations	%
1. Greater Bangkok area	13	6.3	13	6.9
2. Northern region	28	13.5	32	17.0
3. Central region	36	17.3	21	11.2
4. Northeastern region	78	37.5	74	39.4
5. Eastern region	12	5.8	10	5.3
6. Western region	14	6.7	14	7.4
7. Southern region	27	13.0	24	12.8
Total	208	100.0	188	100.0

Distribution Channels

Aside from taking care of and giving advice to the Company's dealers and customers, sales staff at tank farms are responsible for seeking petrol station operators who desire to become the Company's dealer. In addition, business development staff has made incessant effort to locate operations with the potential of becoming COCO petrol stations. Some petrol station operators, with whom business development staff meets, want to continue the current petrol station business, yet want to buy fuel from the Company and also be the Company's dealer. Information review concerning petrol station operators by the sales and business development staff, the Company is able to gain better access to target customers.

Competitive Strategies

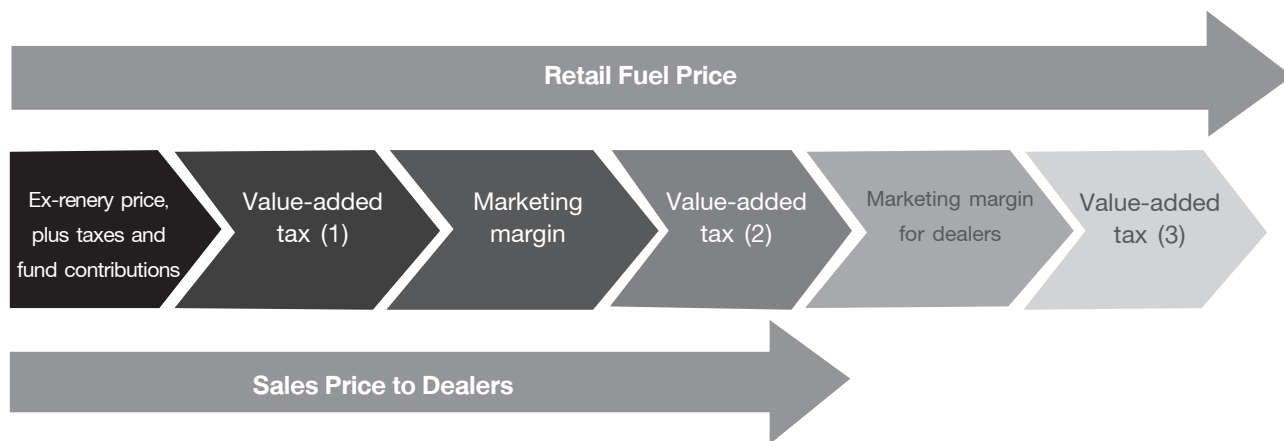
Since day one of operation as fuel dealers, the Company's dealers receive continual support in various forms. The Company provides its dealers with materials and accessories for station renovation, such as paints for decoration, tall poles for PT logo, and price displays, TOP trademark flags as fuel quality assurance, and other displays, together with uniforms for pump attendants. Moreover, the Company assigns an engineering and maintenance team to give advice and assistance necessary for renovation of petrol stations, in order that the dealers' petrol stations are of the same pattern and quality as COCO petrol stations. In terms

of marketing support, it offers the dealers some discounts on sales promotion items such as drinking water and other sales promotion products, so the sales promotion campaigns at DODO petrol station can be run in a similar way as they are at COCO petrol stations. The Company provides guidance on force count service and inventory management as well. In addition, the Company also provides special privileges to its customers who are PT Max Card holders via the Max Card membership rewards program.

Pricing Policies

The Company has no policy to pursue any price competition against other fuel traders. Yet, it may increase or decrease the marketing margin for dealers, taking into account the marketing margin by the Company as well as the suitable and fair profit share (marketing margin for dealers) for its dealers.

Sales price to the Company's dealers is calculated by subtracting the marketing margin for dealers from the retail fuel price. The relationship between retail price, sales price to dealers, and marketing margin for dealers can be shown in the diagram below.



Accordingly, the sales price changes according to the fluctuation in retail fuel price announced by the Energy Policy and Planning Office. However, profit gained by the dealers is equal to the difference between the retail fuel price after value added tax (tax (3) in the above diagram, which is output tax for the dealers) and the sales price to dealers after value added tax (tax (2) in the above diagram, which is input tax for the dealers). Therefore, if the Company does not change the marketing margin for dealers, the dealers will get the same rate of profit share regardless of the fluctuation in the fuel prices.

2. Fuel Wholesaling to Other Fuel Traders and Industrial Operators

The Company and subsidiaries as fuel traders under Section 10 operate business of fuel wholesaling to other fuel traders and industrial operators. They are another customer group with huge volume of fuel purchase and for numerous purposes, e.g. reselling fuel to other fuel traders, selling fuel to individual users, or using such fuel in the production process in factories, etc.

Characteristics of Customers and Target Group

Target customers for the business of wholesaling fuel to other fuel traders and industrial operators include:

1) Other fuel wholesalers, which are fuel wholesalers who buy fuel for the purpose of reselling fuel to other traders, independent petrol station operators, or industrial operators that need fuel in business operations, thus acting as the middlemen. In the fuel trade industry, a wholesaler of this nature is called a “jobber.”

2) Independent petrol station operators, which are operators of small-scale petrol stations who are not dealers of major fuel traders. Consequently, they may not display any trade-marks at the petrol stations or use their own logos.

3) Industrial operators that need fuel in business operations, for example construction business that needs fuel for machines, logistics business that needs fuel for vehicles, agricultural business that needs fuel for farm machineries, industrial plants that use fuel in production, etc.

Distribution Channels

Apart from seeking petrol station operators who wish to because the Company's dealers, sales staff are assigned to regularly gather information on fuel retailers and wholesalers as well as industrial operators in their respective responsible areas, in order to look for retailers, wholesalers and industrial operators who make regular purchases or have high volume of consumption.

Competitive Strategies

The Company places a top priority on product quality and punctual delivery of fuel to customers, so it keeps investing in tanker trucks to support the increasing daily delivery workload due to growing sales volume. Owning a large tanker truck fleet with high combined cargo capacity, the Company is capable of supplying a huge quantity of fuel per load. Appropriate and efficient tanker truck management contributes to the delivery continuity of tanker truck fleet, while efficient fuel reserve management at each tank farm enables the Company to make fuel deliveries according to customer demand.

In addition, the Company lends its customers some tools for fuel storage and dispensing equipment, e.g. fuel tanks, fuel dispensers, etc., and helps install the equipment at the customers' business site, as a facilitation given to customers who are fuel retailers or industrial operators that need fuel for vehicles or machineries.

Pricing Policies

In the business of wholesaling fuel to other fuel wholesalers and industrial operators, sales price is a crucial factor in the customers' decision as to which fuel wholesaler to buy from. For this reason, the Company has to set its sales price based on comparison with other fuel traders'. However, the sales price offered to each customer must reflect the cost of fuel, credit term, and the facilitation provided to each customer.

3. Fuel Logistics Business

Fuel logistics business is related to fuel sales. The Company has registered as a fuel transporter under Section 12 of the Fuel Trade Act of 2000, and invests in a large tanker truck fleet of its own. The size of the fleet has been growing correspondingly with the growth in fuel sales volume

and the increasing number of PT petrol stations over the past period. However, in 2014 the Company delayed its investment in expanding its truck fleet, but enhanced the management of fuel logistics and transport with higher efficiency instead. thus, the fleet size remained similar but was vetted with a 30% increase in its transport capacity.

Tankers of the Company can be divided into 2 groups, namely:

- 1) Tanker trucks with a maximum cargo capacity of 20,000 liters ("10-wheeler trucks"), and
- 2) Tanker semi-trailers with a cargo capacity exceeding 20,000 liters ("tanker trailers").



Number of Tanker Trucks and Aggregate Cargo Capacity at the end of 2010 – 2014

	2014	2013	2012	2011	2010
Number of tanker trucks	335	336	236	154	127
Aggregate cargo capacity (million liters)	11.57	11.75	7.77	4.61	3.53

The Company assigns each driver to work on and take responsibility for a certain tanker truck. At the start of work day, all drivers shall report to the supervisor to take a driver readiness test, which involves random test for blood alcohol level, random urine test for drug and stimulant positivity, including tests for physical fitness in relation to adequate rest and illness that may affect their ability to drive. Before performing their jobs, drivers are also responsible for carrying out truck roadworthiness checks as per the list stated by the Company, such as lighting and signal systems, level of automotive system lubricants, radiator water level, conditions of wires in the engine compartment, tire conditions, etc., and submitting the check form to the supervisor. If a tanker truck fails the condition checks, it shall be prohibited from use and its driver will not receive per diem pay (the wage that varies dependent on the number of delivery trips made each month) until such tanker truck resumes normal service. Accordingly, each driver pays great attention to truck condition checks according to time/mileage schedule and gets the tanker truck under responsibility checked regularly.

After daily condition checks, drivers will park their tanker trucks in the specified area and await call of duty. Logistics staff is responsible for appropriately setting delivery schedules based on such factors as cargo capacities, routes, fuel supply plans for COCO petrol stations and fuel wholesalers, fuel transports between tank farms for the purpose of inventory management, etc. When called, the drivers will obtain transport-related documents, e.g. bill of lading, delivery control slip, purchase order, delivery invoice, etc., along with cable seals and security seal caps for sealing the loading and unloading valves of the truck. The drivers must to study their assigned routes to destinations. In this regard, the Company determines appropriate routes based on distance and time travel, and also specifies appropriate rest stops en route, which are fair-sized PT COCO petrol stations. Consequently, the Company-selected routes optimize the efficiency of delivery, while the appropriate rest stops facilitate safety in driving. In addition, they are responsible for double-checking the correctness of all documents relevant to fuel delivery to prevent any errors, such as delivery of the wrong fuel type, or discrepancy between the delivery quantity and the purchase order quantity, etc.

The drivers will subsequently check for possible remaining fuel in the tank. If so, they must completely unload the remaining fuel and close all discharge valves tightly. Then the drivers seal the discharge valves by fastening seal caps with cable seals firmly. Security guards at the gate of a loading terminal will re-check that the seals on the discharge valves are in secured condition. The drivers drive

fuel tanker trucks to the loading terminal and hand the bill of lading and the delivery control slip to terminal officers for execution of loading. After filling the tank with fuel of the right type and quantity stated in the documents, the terminal officers seal the fill inlets by fastening seal caps with cable seals firmly and the drivers re-check that the seals on the fill inlets are in secured condition. The security guards at the gate of the loading terminal will examine all the seals before allowing the tanker trucks to leave the tank farm.

When a tanker truck reaches its destination, COCO petrol station staff in charge of fuel receipt or the customer procuring fuel from the Company shall inspect the seals and the seal numbers stated in the documents. If the seals are not in proper condition or the seal numbers differ from those indicated in the documents, COCO petrol station staff or the customers can refuse the delivery. The driver must report the incident back and returns to the Company for due examination. In case the seals are really in an improper condition or the seal numbers differ from those in the documents, while the driver cannot provide a reasonable explanation, the Company shall regard that driver as demonstrating misconduct of duty and having an intention of stealing the Company's fuel, which carry a dismissal penalty. Therefore, security seal caps are useful tools for inspecting and preventing possible fuel theft by the drivers.



Additionally, the Company seeks to achieve driver operation control and tanker fleet management more efficiently by installing a global positioning system unit (“GPS”) on all tanker trucks and software to display data of tanker trucks currently in delivery operations. Logistics staff then gets a real-time monitoring of tanker trucks’ data, such as location of every tanker truck on delivery, route taken from its origin to current spot, speed, number of times the drivers have exceeded the Company-specified speed limit, including stops made during delivery, etc. As a result, logistics staff can examine the drivers’ regulatory compliance at all times. Furthermore, logistics staff are able to use GPS data in enhancing the efficiency of tanker fleet management, e.g. organization of delivery schedule that identifies the codes of tanker trucks to be on duty in sequential order or within the next 1 or 2 days, and calculation of the drivers’ actual work hours.

Each group of tanker trucks is suited for different mode of fuel deliveries. A ten-wheeler truck is appropriate for short-distance and small-volume distribution of fuel, such as deliveries from the Company’s tank farms, Thai Oil refinery (Sriracha) or other loading sites to COCO petrol stations or fuel wholesaler in nearby areas. A tanker trailer is fit for long-haul bulk delivery, such as deliveries from Thai Oil refinery (Sriracha) to the Company’s tank farms in various regions, or deliveries between tank farms of the Company, etc.

At present, the Company employs tanker trailers for fuel distribution more frequently due to the increase in COCO petrol stations. The Company is then able to use only one tanker trailer to transport fuel from Thai Oil refinery (Sriracha) to a number of COCO petrol stations in close proximity, thereby saving both the expenses and time in

the loading/unloading of fuel to and from tanker trucks at the tank farms, as well as reducing delivery costs. The ratio of transportation cost per liter per distance of a tanker trailer is relatively lower, since it can carry a larger quantity of fuel while its cost per distance is slightly higher. The use of tanker trailers in place of 10-wheeler trucks in fuel delivery helps boost the efficiency of the Company’s fuel transportation.

The Company assigns logistics staff to plan for tank calibration test of each tanker truck. Every 3 years, all tanker trucks are subject to a tank volume measurement with a calibration service provider certified by the Bureau of Weights and Measures (Department of Internal Trade), Ministry of Commerce. This is to ensure that the volume of fuel in each truck’s cargo tank is equal to the marking on the identification plate inside the tank. The customers and COCO petrol stations taking delivery from the tanker trucks will receive the exact and accurate quantity of fuel as shown in the delivery documents.

Characteristics of Customers and Target Group

Users of the Company’s fuel logistics service can be divided into 2 groups as follows:

- 1) PTC and subsidiaries as fuel traders under Section 10.
- 2) Fuel wholesalers buying fuel from the Company and subsidiaries, i.e. the Company’s dealers, jobbers, operators of petrol stations not using PT trademark, and industrial operators that need fuel in business operations.

Most of the Company’s fuel logistics services are rendered to PTC and subsidiaries as fuel traders under Section 10.



Distribution Channels

In the process of fuel logistics to PTC and subsidiaries as fuel traders under Section 10, the logistics staff are notified of requests for daily logistics services by tank farm staff who receive purchase orders from COCO petrol stations in their respective areas, and also notified of fuel supply information by supply staff. Logistics staff then arrange for tanker trucks and plan the work schedule in order to sufficiently and appropriately deliver fuel to COCO petrol stations as well as transport fuel from refineries to each tank farm.

As for fuel logistics to fuel wholesalers, sales coordinators, upon receiving purchase orders from customers, shall inquire the customers about the means of transportation in order to organize the time and queue for suitable loading of fuel by the Company's and customers' tanker trucks. In case the customers do not own a tanker truck and have not hired any transportation services, the sales coordinators shall offer them the Company's fuel logistics services. Then, the sales coordinator will propose fuel prices including logistics fees to an interested customer for consideration. When the customer sends back the approved purchase order, the sales coordinator will coordinate with logistics staff on arrangement of tanker truck for fuel delivery to the customer.

Competitive Strategies

The Company focuses on building customer confidence in its fuel logistics services. To this end, the Company directs truck drivers to double-check documents relating to loading/unloading and delivery of fuel in order to prevent delivery of the wrong fuel type or quantity. Furthermore, uses of oil seals for securing both unloading and loading valves together with GPS system for monitoring drivers' behaviors help boost customer confidence in the Company's logistics services. It also emphasizes fast and punctual delivery of fuel, in an effort to keep customers satisfied with its fuel logistics services.

Pricing Policies

The Company sets its fuel logistics fees based on the actual costs of fuel logistics services and in comparison of market rates, so that its fuel logistics fees are appropriate and fair. The Company has no policy to compete with other fuel logistics service providers by lowering its service fees, because it undertakes fuel logistics services primarily for COCO petrol stations. It renders fuel logistics services to fuel wholesalers merely to facilitate customers who have no tanker trucks of their own.



4. Minimart Business at PT Petrol Stations

The Company sells daily-use consumer goods at PT petrol stations to users of station services and residents of nearby areas. PTC invests in and manages the original convenience stores under the name PT Mart ("PT Mart stores") and modern convenience stores under the name Max Mart ("Max Mart stores"). Similar to PT Mart stores, Max Mart stores are also open at PT petrol stations operated by PTC (COCO petrol stations), but their store design as well as the variety and quantity of merchandise differ.

The work shift duration and the number of shifts in a day will coincide with those of PT petrol stations, which can be categorized into 2 types: those that open 24 hours a day and those that operate under normal hours. At a shift change, cashiers of the current and the next shifts will examine the store inventory together, by counting up all the control merchandise (goods with a high value per unit) and randomly counting up the other merchandise. They will also jointly check the amount of changes in cash registers, for the benefit of reconciling product sales to cash receipts in each shift, as well as checking stock at the end of each shift. In case of loss of goods in a shift, the cashier of that shift together with the store manager will be liable for the price of goods lost.

Distribution Channels

Goods for sale at each convenience store may vary depending on the demand of customers in each area. The Company determines the appropriate products based on sales statistics of each product item. Goods of top sales at most stores are made the major goods to be available for sale at every store, while goods of top sales at some stores are made the minor goods to be available for sale at some stores. Besides, the amount of goods held in stock for sale at each store will be calculated from the average inventory turnover rate of each item. As a result, bestselling goods (sold quickly) will be stocked in large quantity.

Characteristics of Customers and Target Group

Target customers for minimart business at PT petrol stations consist of 1) fuel buyers at PT petrol stations, and 2) residents of communities near PT petrol stations.



Number of PT Mart and Max Mart Stores

		2014	2013	2012
PT Mart		19	53	51
Max Mart		9	3	1
Total		28	56	52

The first Max Mart was opened in 2012. The Company's investment is made mainly in convenience stores at PT COCO petrol stations, in order to promote favorable image of services and to accommodate users of PT petrol stations. The Company selects appropriate stations to invest in by considering 1) number of users of station services and sales volume at the stations, 2) location of petrol stations at which the stores will be situated, taking into account the nearby residential communities, business areas and significant government offices, as well as roadways that link to the petrol stations, and 3) size of PT petrol stations, either with a free space large enough for constructing a convenience store, or with an already-built convenience store.

In 2014, the company has reduced a number of convenient stores due to 1) insufficient number of customer at petrol stations and low purchasing power from the target customer groups, especially truck drivers thus resulting in low revenue generated per visit, and 2) high competition of newly opened convenient stores, operating in the vicinity, those are major players in the market, resulting in lower-than-target sales. Accordingly, sales revenue at certain convenient stores was lower than the projected target. In this regard, the Company has revised its convenient store management strategy as follows: 1) refurbishing all PT Marts into Max Marts to enhance sales potential by restructuring the stores and modernizing them with more attractive appeals and cleanliness, and 2) increasing the number of Max Mart convenient stores in the future to occupy 10% of the total petrol stations to facilitate them as full-service stations.

Competitive Strategies

The Company places importance on providing quality products from manufacturers renowned for high production and safety standard, and endeavors to select products that fulfill the demand of target customers in each area, based on sales record of each item at each store. If a product is not popular among target customers, the Company will reduce the quantity ordered or cancel purchase order for it in order to correspond to target customer demand at each store. In addition, it arranges joint marketing campaigns between convenience stores and the petrol stations, by offering users of petrol station services a discount or a purchase privilege on goods in the store under the conditions specified by the Company.

Pricing Policies

The Company sets retail prices of goods in its convenience stores by considering general retail prices of each item and comparing them with cost of goods and other expenses,

such as transportation cost, inventory cost managerial cost, etc. For a product obtained at a big discount, the Company may set a sales price lower than the general retail price of such product. Moreover, the Company may reduce sales prices of some product items from time to time in order to attract more customers to the convenience stores.

Sales of Other Products and Services

Other revenues of the Company are partly from providing oil storage services for other fuel traders, since the Company has invested in many tank farms. Mae Klong Tank Farm is a big tank farm housing a lot of oil tanks, capacity of which exceeds the Company's current reserve demand, and it is also equipped with a dock suitable for bulk shipment of fuel. Therefore, the Company is able to provide fuel storage services to other fuel traders in large volume. Customers' fuel are stored in oil tanks arranged solely for them, while the Company's fuel in separate oil tanks. Additionally, the Company regularly inspects quality of the fuel stored for customers, to ensure that the customers' fuel are not contaminated with other types of fuel during storage at the Company's tank farm.

The Company earns other revenues from sales of Castrol engine lubricating products at COCO petrol stations and also to the Company's dealers for further distribution at DODO petrol stations, and from renting out spaces at COCO petrol stations to retail operators, such as coffee shops, auto garages, etc., for their business operations.



Credit Sale of Fuel

The Company requires customers in fuel retailing via PT petrol stations, who are individual users with infrequent and low-volume purchases, as well as customers in fuel wholesaling who place only occasional orders or are new customers to make payments in advance before place purchase order or as soon as receiving fuel. For customers with high-volume and frequent purchases, however, the Company may grant them a credit line and term as it deems appropriate. The credit scheme is set by the Credit Development and Collection Committee, which is responsible for determining credit line, conditions, and management consideration. Credit line and term are determined based on various factors, e.g. nature

of business, reason and necessity for credit request, sources and consistency of income, financial status and operating results, duration as the Company's customer, business reputation, payment history, collateral pledged as a guarantee of purchase order, etc. Customers are granted different credit line and term. Almost all fuel retailing customers, who are general individual users, have no reason and necessity to get a credit line, except for transport service providers and manufacturers using vehicles in goods transport that need a credit line for business flexibility. Therefore, most of the credit lines are extended to customers in fuel wholesaling business.

Proportion of Cash and Credit Sales of Each Business Group in 2014

	Fuel retailing through the Company's petrol stations	Fuel wholesaling to the Company's dealers	Fuel wholesaling to other fuel traders and industrial operators
Cash sales (%)	98.73	26.07	25.28
Credit sales (%)	1.27	73.93	74.72
Credit term	~ 30 days	< 3 days	< 3 days

Notes : Proportion of revenues of each business type



Credit sales in fuel retailing is provided for operators in nearby areas who are regular customers of the Company's petrol stations.

Mostly, instruments required by the Company to use as collateral are letters of guarantee (L/G) issued by commercial banks, except that the customer cannot request a bank to issue one. If the Company has considered other credit-related factors and seen that the customer is of low risk, it may accept land, or other reliable asset as collateral for the credit line.

In regard to fuel purchase order by credit customers, the Company assigns pump attendants to take care of customers in fuel retailing business, and sales coordinators to take care of customers in fuel wholesaling business. Before selling fuel to credit customers, the responsible pump attendants and sales coordinators shall examine the credit line and term as follows:

Credit Term

For customers with overdue payments exceeding their respective credit terms, the pump attendants or sales coordinators shall refuse to sell fuel to them although the amount overdue is less than the credit line. The customers will be asked to pay for the overdue bills before making a new purchase order.

Credit Line

The value of each purchase, together with both due and undue debt obligations, must not exceed the approved credit line. If the value of a purchase will cause the total debt to exceed the credit line, the pump attendants or sales coordinators shall refuse to make a sale, and inform the customer of that the purchase amount permitted at the time is equal to the differential between the credit line and total debts. Wishing to buy at a higher amount, the customer has to pay for part of the current debts.

As for fuel wholesaling business, if a credit customer with overdue payments or insufficient credit line really needs to buy more fuel, but cannot pay for part of the current debts, the sales coordinators must prepare a brief on said customer as well as relevant documents for approval request according to the Company's procedures. In giving approvals to the purchase request of the customer with overdue payments or insufficient credit line, the Company shall consider their duration as the Company's customer, payment history, fulfillment of the agreed conditions, quantity and consistency of purchases, financial status, operating results, as well as

the reason and necessity for overdue bills or insufficient credit line. If the customer has made late payments many times, the Company shall not approve the excess purchase. In case of a customer with repeated overbuying orders, the Company shall have sales staff to discuss with the customer the adjustment of credit line to suit their fuel purchase demand.

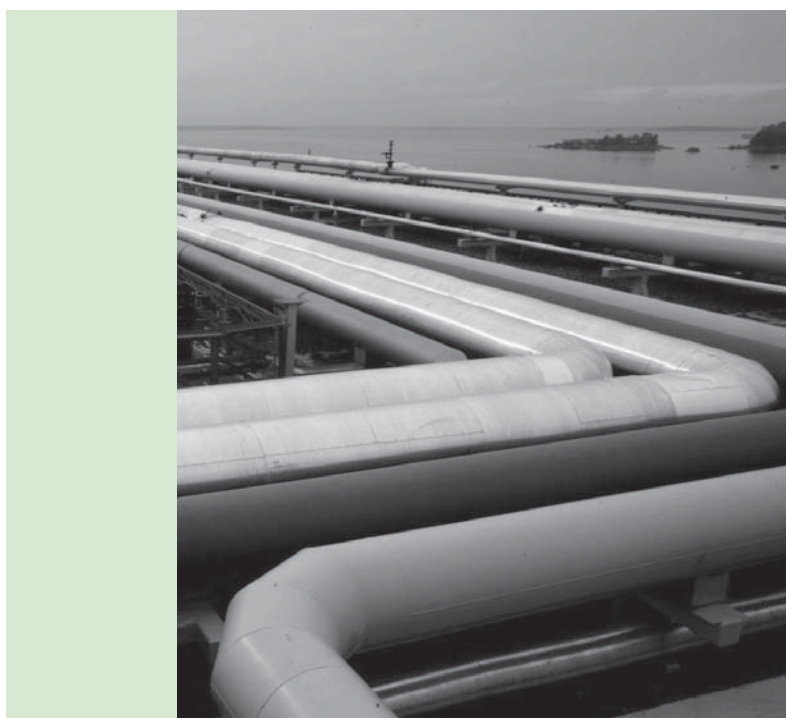
The Company also assigns credit control staff at the Head Office to examine and monitor credit sales of fuel to all customers. Upon finding customers with overdue payments or overdue amount exceeding the credit line, the credit control staff shall inform the sales development staff to pursue collection of the overdue or overbought amount from customers in fuel retailing business, or the sales staff from customers in fuel wholesaling business. If a mutual conclusion cannot be reached within 60 days, the sales development or sales staff must notify the matter to the legal officers who will issue a final notice as well as demand the guarantor bank to make payments as stated in its letter of guarantee. If a conclusion cannot be reached within 90 days, the legal officers shall take further legal action.



Industry Review

Domestic Petrol Refinery

At the of 2014, there were a total of 7 large-scale commercial oil refinery operators in Thailand, namely Thai Oil Public Company Limited (“Thai Oil”), IRPC Public Company Limited (“IRPC”), Esso (Thailand) Public Company Limited (“Esso”), PTT Global Chemical Public Company Limited (“PTTGC”), Star Petroleum Refining Co., Ltd. (“Star”), Bangchak Petroleum Public Company Limited (“Bangchak”), and Rayong Purifier Public Company Limited (“RPC”). Their crude refining capacities at the end of 2014, along with daily oil refining volumes and refinery utilization rates in 2014, are shown below.



	Crude Refining Capacity (1,000 barrels/day)	Daily Oil Refining Volume (1,000 barrels/day)	Refinery Utilization Rate (%)
1. Thai Oil	275.00	282.76	102.2
2. IRPC	215.00	173.96	80.9
3. Star	155.00	162.73	108.5
4. PTTGC	280.00	188.48	130.0
5. ESSO	177.00	134.14	75.8
6. Bangchak	120.00	86.11	71.8
7. RPC ^{1/}	17.00	-	-
Total	1,239.00	1,028.16	93.6

Source : Energy Policy and Planning Office, Ministry of Energy

Notes : ^{1/}RPC Refineries ceased operation on February 7, 2012.

Domestic oil refining volume is on a continually increasing trend in response to rising domestic oil demand due to population growth and domestic economic expansion, illustrated by a hike in daily oil refining volume from 0.17 million barrels in 1986 to 0.94 million barrels in 2011. The perpetual higher demand for oil spurs more investment efforts for greater refining capacity among oil refinery operators. Especially in 1991, refinery utilization rate was soaring causing operators to hasten expansion at their refineries. However, in 2011, daily oil refining volume decreased by 2% from 2010 because many refineries simultaneously underwent temporary shutdowns, both for annual maintenance and for upgrading facilities so that the production qualities to meet the Euro 4 standard that took effect on January 1, 2012. At present, average daily oil refining capacity has increased to 1.03 million barrels.

Nature of Sales of Refined Fuel by Domestic Refinery Operators

Petroleum derived from crude oil can be refined into various types of fuel, divided into 5 major categories as follows:

- 1) Diesel fuel, i.e. high-speed diesel fuel and low speed diesel fuel;
- 2) Benzene fuel, i.e. octane-95 benzene, octane-91 benzene, gasohol 95 (E10), gasohol 91 (E10), gasohol 95 (E20), and gasohol 95 (E85);
- 3) Aviation fuel, i.e. Jet A-1 aviation fuel and JP-8 aviation fuel;
- 4) Fuel oil;
- 5) Kerosene.



Fuel obtained from crude refinery is largely diesel fuel and benzene fuel. Most of fuel produced by large-scale oil refinery operators in the country are distributed domestically, especially diesel fuel and benzene fuel sold by the Company. Fuel production volumes, domestic sales volumes, and ratios of sales volume to production volume in 2010 to 2014 are as follows:

	2014	2013	2012	2011	2010
Diesel fuel					
Production volume (million liters)	23,404.09	25,024.52	25,124.62	23,098.60	23,304.83
Domestic sales volume (million liters)	21,065.36	20,891.93	20,564.63	19,192.15	18,479.67
Ratio of sales volume to production volume (%)	90.0	83.5	81.9	83.1	79.3

	2014	2013	2012	2011	2010
Benzene fuel					
Production volume (million liters)	9,886.47	9,831.92	9,150.10	8,325.89	8,741.82
Domestic sales volume (million liters)	8,567.19	8,233.03	7,704.96	7,331.14	7,416.76
Ratio of sales volume to production volume (%)	86.7	83.7	84.2	88.1	84.8
Fuel oil					
Production volume (million liters)	5,644.33	5,911.17	6,138.11	5,815.80	5,999.80
Domestic sales volume (million liters)	2,073.59	2,154.90	2,363.34	2,455.93	2,615.22
Ratio of sales volume to production volume (%)	36.7	36.5	38.5	42.2	43.6
Aviation fuel					
Production volume (million liters)	6,602.34	6,227.33	5,857.77	6,292.73	6,196.06
Domestic sales volume (million liters)	5,513.08	5,562.40	5,091.40	5,076.52	4,711.69
Ratio of sales volume to production volume (%)	83.5	89.3	86.9	80.7	76.0
Kerosene					
Production volume (million liters)	1,091.64	687.11	75.86	151.80	466.71
Domestic sales volume (million liters)	10.77	10.99	13.44	12.97	15.25
Ratio of sales volume to production volume (%)	1.0	1.6	17.7	8.5	3.3
Products in aggregate					
Production volume (million liters)	46,628.87	47,682.05	46,346.46	43,684.82	44,709.22
Domestic sales volume (million liters)	37,229.99	36,853.25	35,737.77	34,068.71	33,238.59
Ratio of sales volume to production volume (%)	79.8	77.3	77.1	78.0	74.3

Source : Department of Energy Business, Ministry of Energy

Domestic Distribution Channels for Diesel and Benzene

According to domestic sales volume of diesel and benzene by types of business, fuel sales in petrol station business account for the largest portion of diesel and benzene distribution. Sales volume of diesel and benzene in Thailand from 2010 to 2014 are shown below.

	2014		2013		2012		2011		2010	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
Diesel fuel										
Petrol stations	12,689.46	60.2	12,331.58	59.0	11,992.83	58.3	11,448.10	59.6	10,614.89	57.4
Transportation	783.29	3.7	779.99	3.7	750.76	3.7	663.11	3.5	750.98	4.1
Industries	1,153.56	5.5	1,112.13	5.3	1,083.18	5.3	921.41	4.8	825.58	4.5
Electricity generation	53.47	0.3	135.16	0.7	50.33	0.2	32.15	0.2	48.61	0.3
Government and state enterprises	512.27	2.4	525.49	2.5	577.14	2.8	521.58	2.7	547.72	3.0
Others	2,133.65	10.1	2,280.33	10.9	2,319.11	11.31	2,136.90	11.1	2,317.85	12.5
Fuel traders under Section 10	3,379.67	17.8	3,727.25	17.8	3,791.28	8.4	3,468.90	18.1	3,374.05	18.3
Total volume	21,065.36	100.0	20,891.93	100.0	20,564.63	100.0	19,192.15	100.0	18,479.67	100.0
Benzene fuel										
Petrol stations	7,167.13	83.7	6,769.42	82.2	6,273.10	81.4	5,897.01	80.4	5,880.51	79.3
Transportation	-	-	-	-	-	-	-	-	-	-
Industries	26.35	0.3	31.33	0.4	33.47	0.4	30.97	0.4	36.32	0.5
Electricity generation	41.38	0.5	48.96	0.6	56.95	0.7	25.07	0.3	20.07	0.3
Government and state enterprises	43.77	0.5	44.08	0.5	44.78	0.6	44.86	0.6	48.09	0.6
Others	456.27	5.3	473.97	5.8	437.86	5.7	470.12	6.4	600.62	8.1
Fuel traders under Section 10	832.28	9.7	865.27	10.5	6,846.15	11.1	863.12	11.8	831.16	11.2
Total volume	8,567.19	100.0	8,233.03	100.0	7,704.96	100.0	7,331.14	100.0	7,416.76	100.0

Source : Department of Energy Business, Ministry of Energy

Domestic Demand for Diesel and Benzene

Domestic consumption of diesel and benzene has a tendency to increase steadily. In particular, fuel sale in petrol station business is escalating due mainly to domestic vehicle used that tends to grow every year. Although the majority of vehicles run on benzene, about 84% of them are motorcycles. Diesel-powered vehicles, comprised of private carriers, buses, trucks and agricultural motors, are the second most used automobile accounting for 25% of total vehicles registered, but have higher and more regular fuel consumption than the benzene-powered. Consequently, domestic sales volume of diesel is greater than that of benzene, despite the fact that the number of diesel-powered vehicles is fewer than benzene-powered ones.

Number of vehicles registered with the Department of Land Transport at the end of 2010 – 2014

(unit : million vehicles)

	2014	2013	2012	2011	2010
Diesel-powered vehicles	9.11	8.64	8.00	7.38	6.97
Benzene-powered vehicles	24.80	24.19	22.91	21.51	20.47
Total vehicles	35.84	34.63	32.48	30.19	28.48

Source : Department of Land Transport

Types of Fuel Service Station in Thailand

The number of fuel service stations in the country tends to expand constantly, caused chiefly by the rising trend of fuel demand. Fuel service stations can be categorized into 2 types, namely petrol stations and natural gas stations, the proportion of which are shown below.

Station type	2014	2013	2012	2011	2010
Petrol stations	21,778	20,787	19,769	18,884	18,139
Natural gas stations	2,435	2,217	1,637	1,368	1,304
Total	24,213	23,004	21,406	20,252	19,443

Source : Department of Energy Business, Ministry of Energy

Furthermore, petrol and natural gas station can be divided by characteristics of operators as follows:

1. Petrol or natural gas stations operated by large and medium fuel traders. Trademarks of these fuel traders shall be displayed at the petrol or natural gas stations.
2. Petrol or natural gas stations operated by dealers appointed by large and medium fuel traders. These dealers are therefore permitted to display trademarks of these fuel traders at their petrol or natural gas stations.
3. Petrol or natural gas stations operated by independent operators who undertake small stations and may not be dealers of large fuel traders. Therefore, these service stations may not display any trademarks, or display the operators' own logos.

Different groups of operators have different target customers. Thus, their courses of business operations differ, for example one may aim to provide services on main roads that carry heavy traffic, while another in communities in order to sell fuel to users in such communities, etc.

Market Competition

A continuing expansion in domestic oil demand attracts a lot of operators into fuel sale business, both as retailers and wholesalers. Fuel sale operators are then diverse in nature, ranging from retailers who own and operate only one petrol station, small and medium traders who own no petrol station but act as fuel wholesale middlemen, to large fuel traders operating fuel retailing and wholesaling businesses who own oil refineries and tank farms in various parts of Thailand along with petrol stations undertaken under their own trademarks. The current list of medium and large fuel traders is as follows:

- 1) PTT Public Company Limited ("PTT")
- 2) Thai Oil Public Company Limited ("Thai Oil")
- 3) Esso (Thailand) Public Company Limited ("Esso")
- 4) Shell (Thailand) Co., Ltd. ("Shell")
- 5) Bangchak Petroleum Public Company Limited ("Bangchak")
- 6) Chevron (Thailand) Co., Ltd. ("Chevron")
- 7) IRPC Public Company Limited ("IRPC")
- 8) PTG Energy Public Company Limited ("the Company")
- 9) Susco Public Company Limited ("Susco")



Market share of domestic fuel sales by medium and large fuel traders from 2010 to 2014 is shown below.

	2014		2013		2012		2011		2010	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
1) PTT	10,986.04	37.1	10,683.97	36.7	10,072.54	35.6	9,686.19	36.5	9,130.55	35.3
2) ESSO	4,239.04	14.3	4,540.82	15.6	4,373.59	15.5	3,801.58	14.3	4,166.44	16.1
3) Bangchak	3,893.57	13.1	3,861.94	13.3	3,481.56	12.3	3,032.05	11.4	2,812.79	10.9
4) Shell	3,453.29	11.7	3,099.34	10.6	3,246.54	11.5	3,114.09	11.7	3,039.21	11.7
5) Chevron	2,406.28	8.1	2,228.86	7.7	2,511.58	8.9	2,366.86	8.9	2,659.22	10.3
6) IRPC	1,764.18	6.0	2,072.99	7.1	2,032.27	7.2	2,004.93	7.6	2,321.28	9.0
7) Thai Oil ^{3/}	1,656.03	5.6	1,470.48	5.0	1,396.17	4.9	996.05	0.5	413.52	1.6
8) Susco ^{2/}	436.47	1.5	428.28	1.5	522.82	1.8	244.25	0.9	230.63	0.9
9) Petrona ^{2/}	-	-	-	-	-	-	355.23	1.3	316.81	1.2
10) Company ^{1/}	333.62	1.1	254.22	0.9	177.51	0.6	129.23	0.5	122.84	0.5
11) Others	467.77	1.6	484.06	1.7	455.02	1.6	792.83	3.0	683.14	2.6

Source : Department of Energy Business, Ministry of Energy

Notes: 1/ Volume shown in the table above refers to the quantity of fuel sold by fuel traders under Section 7 to customers (including fuel traders under Sections 10 and 11 buying fuel from fuel traders under Section 7). Therefore, the Company's fuel sales volume shown above refers to the quantity of fuel sold solely by the Company as a fuel trader under Section 7 to its customers. This does not include the quantity of fuel sold by the Company's subsidiaries being fuel traders under Sections 10 and 11, because the Company's subsidiaries are regarded as other Section 7 fuel traders' customer, and have already been included in the volume reported by that Section 7 fuel traders. Fuel sold by the Company and subsidiaries altogether amounted to 391.78 million liters in 2009 and increased to 558.23 million liters in 2010, to 948.05 million liters in 2011, to 1,372.17 million liters in 2012, to 1,577.50 million liters in 2013, and to 1,850.96 million liters in 2014.

2/ Susco Public Company Limited acquired shares of Petronas Retail (Thailand) Co., Ltd. on October 9, 2012.

3/ Fuel volume shown in the table above refers to the quantity of fuel sold by fuel traders under Section 7 to customers who are not fuel traders under Section 7. Therefore, Thai Oil's fuel sales volume shown above is lower than its actual annual production volume, because Thai Oil sells a vast quantity of oil output to fuel traders under Section 7.

Most of the large and medium fuel traders sells diesel and benzene fuel via petrol stations operated under their respective trademarks. These petrol stations are either stations operated by the large and medium fuel traders or station operated under franchise by dealers of said large and medium fuel traders. Meanwhile, independent petrol station operators sell fuel via their own petrol stations, without bearing trademarks of the large and medium fuel traders. Over the past period, number of petrol and natural gas stations has been expanding in line with continual increase in domestic oil and gas consumption. Number of petrol and natural gas stations of each trader at the end of 2010 to 2014 is shown below.



	2014		2013		2012		2011		2010	
	No. (stations)	Share (%)	No. (stations)	Share (%)	No. (stations)	Share (%)	No. (stations)	Share (%)	No. (stations)	Share (%)
1) PTT ^{1/}	1,652	6.8	1,610	7.0	1,550	7.2	1,472	7.3	1,321	6.8
2) Bangchak	1,070	4.4	1,074	4.7	1,067	5.0	1,068	5.3	1,065	5.5
3) Company ^{2/}	951	3.9	743	3.2	577	2.7	438	2.2	315	1.6
4) Shell	489	2.0	515	2.2	533	2.5	547	2.7	548	2.8
5) Esso	511	2.1	516	2.2	512	2.4	523	2.6	529	2.7
6) Chevron	359	1.5	366	1.6	371	1.7	390	1.9	438	2.3
7) Susco	164	0.7	154	0.7	138	0.6	145	0.7	147	0.8
8) Petronas	-	-	-	-	95	0.4	100	0.5	103	0.5
9) Rayong Pure	-	-	66	0.3	67	0.3	76	0.4	78	0.4
10) Others	19,017	78.5	17,960	78.1	16,496	77.1	15,493	76.5	14,899	76.6
Total ^{3/}	24,213	100.0	23,004	100.0	21,406	100.0	20,252	100.0	19,443	100.0

Source : Department of Energy Business, Ministry of Energy

Notes :1/ Including PTT petrol stations under the management of PTT Retail Management Co., Ltd.

2/ Number of the Company's petrol stations in the table above refers to the number of petrol stations registered with the Department of Energy Business at period end. However, the number reported slightly differs from the actual number in service in each period because some newly-opened or terminated petrol stations are still in the process of ling registration with the Department. The actual number of the Company's active petrol stations was 388 stations at the end of 2010 and was increased to 437 stations at the end of 2011, to 574 stations at the end of 2012, to 739 stations at the end of 2013, and to 951 stations at the end of 2014.

3/ Number of petrol stations of some fuel traders in the table above consists of both petrol and natural gas stations.

Supply and Storage of Products

Supply of Fuel Products

The Company's fuel are supplied mainly by Thai Oil's refinery. The petrol the Company purchased from Thai Oil in 2013 and 2014 accounted for 96.7% and 97.6% of total purchased quantity, respectively, enabling the Company to get better terms and prices from Thai Oil than it does from other fuel traders and jobbers. Nevertheless, the Company also buys fuel partially from jobbers in the following cases:

1) Purchase of fuel for distribution to fuel retailers and wholesalers in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in said area. The Company is therefore unable to purchase fuel from Thai Oil, and transport of fuel from other Thai Oil tank farms or distribution facilities is not worthwhile as well.

2) Purchase of fuel for the portion exceeding the monthly offtake quantity agreed upon with Thai Oil. In this regard, the Company may buy fuel from other refineries or jobbers if the terms and prices offered by jobbers are significantly better than those by Thai Oil, or if there is a need to avert risk of dealing with a sole supplier.

The Company assigns fuel procurement staff to be responsible for daily purchase of fuel for distribution and to manage an appropriate amount of fuel reserve at each tank farm. Procedure for daily fuel procurement involves:

1. In the morning and afternoon of each day, fuel procurement staff compiles and reviews information on international oil prices, along with matters that can affect sales prices and volume of domestic oil producers, ex-refinery

prices, retail fuel prices at petrol stations, and domestic fuel demand, in order to analyze short-term trend of petrol prices. Additionally, fuel procurement staff is responsible for compiling and reviewing information on wholesale petrol prices of each jobber.

2. At the end of each day, fuel procurement staff decide son the quantity of fuel to be purchased, by gathering information from each tank farm manager. The quantity of fuel to be purchased consists of 1) quantity to be delivered to customers and petrol stations in the next day, 2) quantity to be reserved as compensation for the quantity sold during the day, and 3) quantity to be reserved or removed in response to the trend of market demand.

3. Fuel procurement staff compares terms and sales prices of Thai Oil with those of jobbers, and determine the proportion of fuel types to be purchased from Thai Oil and jobbers. Then, fuel procurement staff submits the purchase summary plan to their supervisors for consideration and approval.

4. Fuel procurement staff coordinates with logistics staff for the arrangement of tanker trucks for fuel transport, submit purchase orders to Thai Oil and jobbers, and then notify accounting and finance staff of the fuel purchase transactions for further financial processing.

Some fuel purchased from Thai Oil or other jobbers will be transported by tanker trailers directly, without stopping at a Company tank farm, to COCO petrol stations or customers in fuel wholesaling business, if several COCO petrol stations to take delivery of such fuel are located in close proximity, or customers in fuel wholesaling business have made bulk purchases and requested the Company's logistics services. Most of the fuel purchased will be transported by tanker trailers from Thai Oil's or other traders' site to the Company's tank farms, before further delivery on tanker trucks to COCO petrol stations or customers in fuel wholesaling business.

Storage of Fuel Products

The Company has invested in scores of tank farms for stocking at each the fuel transported from Thai Oil prior to further distribution to the Company's petrol stations (COCO petrol stations) and its customers in fuel wholesaling business and the industrial sector. At present, the Company has 9 tank farms, as follows:

Tank Farm	Capacity (million liters)
1. Chum Phon Tank Farm, Chum Phon province	26.54
2. Mae Klong Tank Farm, Samut Songkhram province	113.69
3. Pak Phanang Tank Farm, Nakhon Si Thammarat province ^{1/}	19.80
4. Nam Phong Tank Farm, Khon Kaen province	4.46
5. Lampang Tank Farm, Lampang province	3.87
6. Nong Khae Tank Farm, Saraburi province	5.30
7. Pak Thong Chai Tank Farm, Nakhon Ratchasima province	12.52
8. Phitsanulok Tank Farm, Phitsanulok Province	7.69
9. Nakhon Sawan Tank Farm, Nakhon Sawan province	6.65
Total	200.52

Notes: 1/ In the past, Pak Phanang Tank Farm was the distribution facility for supplying fuel to petrol stations and customers in the lower South (from Nakhon Si Thammarat to Narathiwat). As small sales volume in the said area made the business not worth the management expenses, the Company therefore suspended the operation of Pak Phanang Tank Farm. However, if fuel sales volume in the lower South is high enough, the Company may consider using it as the distribution facility again.

The Company's tank farms in all regions of Thailand contribute to its ability to transport and delivery fuel to target customers in each business segment effectively and efficiently. Advantages of tank farms in fuel transport and delivery as well as fuel wholesaling business operations as follows:

- 1) Fuel delivery takes a relatively short time. The Company can promptly fulfill its petrol station demand for fuel since the fuel is transported to and stored at its tank farms, readily available for delivery, reducing the need to stock large reserve quantity.
- 2) Cost of fuel transport per liter is low, attributing to the combined operations of tanker trailers for long-haul delivery and 10-wheeler trucks for short-distant distribution.
- 3) The Company is able to use each tank farm as a sales office in order to reach the target customers in each area more efficiently.

Supply and Storage of Non-fuel Products

Consumer Goods for Sales at PT Mart and Max Mart

The Company set up a distribution center (DC) in Pathum Thani province to serve as warehouse for keeping the stock of consumer goods for PT Mart and Max Mart, as well as distribution hubs in Nakhon Ratchasima Province to serve as the centers for distributing goods to PT Mart and Max Mart stores in responsible areas. These distribution facilities have their own trucks for delivering merchandise to PT Mart and Max Mart stores under their responsibility. Each truck is assigned with regular delivery route and destination stores, therefore the time period between one delivery and the next ("goods delivery cycle time") for each convenience store will differ dependent on number of stores and the delivery route for which each truck is responsible. For this reason, the time period between one set of orders and the next ("order cycle time") of these convenience stores shall be equal to the goods delivery cycle time.

In any case, the distribution center is not required to handle purchase orders for some types of goods, which include short-life products, such as milk and bread, and locally-produced or locally-based goods, such as ice and souvenirs. The Company assigns the convenience store managers to make purchase requests for short-life fresh products to the Minimart Management Division at the Head Office. Minimart management staff will subsequently place

purchase orders with the producers, with instruction for the delivery of goods to certain PT Mart and Max Mart stores. As for the locally-produced or locally-based goods, the Company permits the store managers to place purchase orders, for the goods as approved by the Company only, with the local producers permitted by the Company to be suppliers for the stores. Nonetheless, the quantity and value of purchases not made via the distribution center are relatively small when compared to purchases via the distribution center.

Apart from receiving purchase orders from PT Mart and Max Mart stores in the responsible areas, staff at the distribution center and distribution hubs are also responsible for managing stock to ensure availability of consumer goods for supplying to each convenience store. The distribution staff submits purchase orders for consumer goods to the minimart management staff at the Head Office via software similar to the one used in convenience stores. The order cycle time for each product item depends on the delivery cycle time of each producer, and the suitable quantity of each purchase is calculated by multiplying the average quantity of goods to be distributed to convenience stores in a day by the number days of an order cycle time, and then subtracting the number of current inventory in the facility. Upon receipt of purchase orders from the distribution center and distribution hubs, the minimart management staff place orders with the producers, with instruction for the delivery of goods to the center and the hubs.

Engine Lubricants for Sale at PT Petrol Stations

The Company buys engine lubricants for sale at PT petrol stations directly from BP-Castrol (Thailand) Co., Ltd., the distributor of Castrol lubricant in Thailand. The Company sells engine lubricants at PT COCO petrol stations and also to its dealers for further sale at their DODO petrol stations. Tank farm operating staff are assigned to manage a suitable level of lubricant stock at each tank farm to match the volume sold at COCO petrol stations and the demand of the Company's dealers.

Inspection of Fuel Quality

The Company has built a fuel oil testing laboratory at Mae Klong Tank Farm to inspect the quality of petrol randomly retrieved during its operating process. Quality testing at the oil testing laboratory aims to:

- 1) assess the performance of tanker drivers and the logistics service providers,
- 2) inspect the quality of fuel obtained from other fuel wholesalers and other loading sites in comparison to those obtained from oil refineries,
- 3) inspect the quality of fuel stored in the oil tanks at the Company's tank farms,
- 4) inspect the accuracy and precision of the dispensing equipment, and
- 5) inspect the quality of fuel sold to retail users, at petrol stations. The Company has laid down procedures for inspection of fuel quality as follows :

Quality Inspection of Fuel Oils Received from Tanker Trucks at Tank Farms

Prior to taking fuel delivery by tanker trucks, the Company assigns the quality assurance staff to inspect the delivered fuel for preliminary qualities which include:

- 1) specific gravity of fuel ("API gravity") measured in comparison to API gravity stated in the delivery documents and the standard API of each fuel type,
- 2) color of the delivered fuel in comparison to the government-specified color chart, and
- 3) clarity of fuel, where the fuel of high quality and standard will carry no sediment or other substances. If the preliminary test results match with the delivery document information and the official standards, the quality assurance staff will take random samples of fuel from the tanker trucks according to the rules specified by the Company and launch the unloading of fuel from the trucks to the oil tanks of the tank farm. The samples collected will be submitted to the testing laboratory which will conduct another random test of fuel quality thoroughly. Mae Klong Tank Farm submits the stored oils for random test every day because its volume of oil received per day is high. The other tank farms submit the stored oils to the quality testing laboratory once a month.

Quality Inspection of Fuel Oils Received from Tanker Vessels at Tank Farms

At present, the fuel sold by the Company is transported by tanker trucks alone. Therefore, the fuel received from tanker vessels are those of the customers using the Company's storage services only. Before taking delivery from tanker vessels, the quality assurance staff is also required

to inspect the delivered fuel for preliminary qualities as they do for tanker trucks, which are API gravity, color and clarity of fuel. If the preliminary test results match with the information in delivery documents and the standards, the quality assurance staff will take random samples of fuel from the tanker vessels according to the rules specified by the Company and launch the unloading of fuel from the vessels to the oil tanks of the tank farm. The quality assurance staff will, on a daily basis, submit the collected samples to the testing laboratory for another thorough random test of fuel quality. If the fuel do not pass the preliminary quality testing, the Company will notify the customers of such results and let them decide whether to take or reject the fuel delivery from the tanker vessels.

After unloading fuel from tanker vessels to the oil tanks, the quality assurance staff will take random samples of fuel in the oil tanks according to the rules specified by the Company. The fuel samples will be submitted to the quality testing laboratory which will conduct a thorough random test of fuel quality in order to compare the quality of fuel stored in the oil tanks before and after the latest delivery.

Quality Inspection of Fuel Oils Stored in the Oil Tanks and of Additives at Tank Farms

The Company requires that random samples of fuel in the oil tanks, both the ones storing the Company's fuel oils and the ones storing the customers' oils, are taken at the beginning and in the middle of each month according to the rules specified by the Company, and submitted to the testing laboratory for quality testing of the stored fuel oils. In addition, the Company takes random samples of fuel in the oil tanks in tandem with the annual random sample collection by the Department of Energy Business officials in order to inspect the quality and properties of additives in the storage before utilization. The additives stored at the Company's tank farms belong to the customers using the Company's fuel storage services.

Quality Inspection of Fuel Oils Loaded to Tanker Trucks at Tank Farms

In the fuel storage services, the fuel oils stored for the customers are base oils that require a mixture of additives or B100 biodiesel to obtain ready-to-use fuel. The Company assigns the quality assurance staff to take random samples of fuel oils loaded into the first tanker truck of each day according to the rules specified by the Company in order to test the accuracy and precision of the fuel mixers and dispensers. The quality assurance staff submit the fuel samples to the quality testing laboratory for inspecting qualities of the fuel discharged from the dispensers according to the customers' requirements. Throughout the

course of fuel loading to tanker trucks both for the Company and for the customers, the quality assurance staff are to constantly inspect the preliminary qualities of fuel, namely API gravity, color and clarity of fuel according to the rules specified by the Company.

Quality Inspection of Fuel Oils Unloaded from Tanker Trucks at PT Petrol Stations

Apart from examining the security seals and delivery documents, the station managers are assigned to inspect the preliminary qualities of fuel, i.e. API gravity, color and clarity of fuel, every time before unloading fuel from tanker trucks to the fuel tanks at the COCO petrol stations. If the preliminary testing results match with the information in the delivery document and the standards, the station managers will launch the unloading of fuel into fuel tanks and take random samples of fuel from the tanker trucks according to the rules specified by the Company. Such samples are submitted to the quality testing laboratory every month for a thorough random test. As for DODO petrol stations, the Company has provided training sessions for its dealer on fuel inspection before unloading into fuel tanks at the petrol stations, and encouraged the dealers to strictly comply with the relevant instructions.

Quality Inspection of Fuel Oils at PT Petrol Stations

The Company assigns the testing laboratory staff to conduct a random test of fuel quality at each PT petrol station. In addition to performing on-site inspection of fuel quality using a mobile lab equipped with key testing apparatus, the laboratory staff will take random samples of fuel according to the rules specified by the Company for further test at the laboratory. The laboratory staff will carry out on-site quality tests at all PT petrol stations every year without prior notice.

Environmental Impacts and Safety

Recognizing the importance of environmental impacts and safety, the Company has established Safety Division to analyze and examine each of the Company's business activity that may affect safety of the operating staff and other related parties, including the environmental impacts arising from the Company's operations. Operation Manual and Incident Prevention and Control Manual have been issued to staff in related units. Staff of each unit is required to thoroughly study and strictly follow these manuals. Emergency drills are carried out regularly, especially the fire extinguisher trainings at petrol stations and tank farms, the rescue trainings for tanker truck accident, etc.

Moreover, the Company is a member of the Oil Industry Environmental Safety Group Association (IESG), established with the aim of enhancing safety standards, developing personnel related to safety and environment, promoting collaboration among large petroleum business operators for the prevention and handling of oil spill into water supplies or on land, along with emergency responses. The Company delegates its safety and environment staff to participate in IESG activities. Over the past period, the Company, IESG and governing sector have been regularly organizing training programs on incident preventions. It also provides staff and equipment in many emergency rescues.

Significant Laws Relevant to Business Operations

Fuel Trade Act of 2000

The Fuel Trade Act has been enacted to control and supervise the businesses related to trade of fuel. Under the Act, fuel traders are divided into 3 groups as follows:

1) Fuel traders under Section 7, which are large fuel traders having an annual trade volume of each fuel type or of all types altogether equal to 100,000 metric tons or more, or having an annual trade volume of liquefied petroleum gas alone equal to 50,000 metric tons or more. They can operate the business only when granted a license by the Minister of Energy.



2) Fuel traders under Section 10, which are fuel retailers having an annual trade volume of fuel and liquefied petroleum gas not as much as the volume prescribed for traders under Section 7, but having an aggregate trade volume of each fuel type or all types altogether exceeding the volume prescribed by the Minister, or having storage tanks with capacity exceeding the volume prescribed by the Minister. They can operate the business only when registering with the Director-General of the Energy Business Department.

3) Fuel traders under Section 11, which are traders operating fuel trade by establishing a fuel service station. They can operate the business only when registering with the Director-General of the Energy Business Department.

The fuel transporters under Section 12 transporting fuel of the type and volume prescribed by the Minister are required to notify the Director-General according to the specified forms and procedures, before undertaking the businesses.

Fuel traders under Section 7 have the duty to submit the annual trade volume to the Director-General for approval before the trade year, and to keep reserve of fuel of the prescribed types at all times at the volume not less than the prescribed rate, but not exceeding 30% of the annual trade volume. They are required to prepare books of account regarding volume and storage location of each fuel type imported into the Kingdom, purchased, refined, produced, acquired, sold and the remaining volume in each month, as well as to prepare plans regarding the fuel to be imported into the Kingdom, purchased, refined, produced or sold for the next three-month period.

Under this Act, the Director-General is empowered to prescribe the appearance and quality of fuel to be sold, and the rules for inspecting fuel appearance and quality, i.e. sample collection of fuel kept in storage or for sale, and inspection of appearance and quality of fuel kept in storage or for sale. Fuel traders selling fuel of appearance and quality different from the prescribed standards or not complying with the provisions or conditions specified by the Minister or the Director-General shall be subject to license revocation, imprisonment or fine penalty, as the case may be.

The Company operates fuel trade business, having a trade volume reaching the volume prescribed for fuel traders under Section 7 of the Fuel Trade Act, and also provides fuel transport and logistics services. Therefore, it must obtain the trading license as a fuel trader under Section 7 and notify the status of fuel transporter under Section 12. Meanwhile, the subsidiaries (except PTC) operating fuel sale business and having a trade volume as prescribed

for fuel traders under Section 10 shall have to apply for registration as fuel traders under Section 10. PTC, which operates petrol station business, shall have to apply for registration as a fuel trader under Section 11.

Fuel Oils Control Act of 1999

The Fuel Oils Control Act has been enacted to prevent any damage and danger that may affect people, animals, plants, properties or the environment. The businesses under control in relation to possession of fuel are divided into 3 categories as follows:

- 1) Category-1 controlled business, refers to business that can begin operations immediately by complying with the rules prescribed in ministerial regulations.
- 2) Category-2 controlled business, refers to business that must comply with the rules prescribed in ministerial regulations, and must give the officials prior notice of its commencing operations.
- 3) Category-3 controlled business, refers to business that must comply with the rules prescribed in ministerial regulations, and can commence its operations only when obtaining business license according to the rules and procedures prescribed in ministerial regulations.

The Fuel Oils Control Act has also set out guidelines for or nature of activities relating to fuel oils control. In this regard, the Minister is empowered to issue ministerial regulations governing the following matters:

- 1) Storage, transport, usage, sale, sub-packing of fuel, and any other measures relating to fuel oils;
- 2) Location, layout, format and characteristics of fuel oil storage site, petrol service station and tank farm, as well as the maintenance thereof;
- 3) Description of tanks or containers used for storage or transport, as well as the maintenance thereof;
- 4) Qualifications and trainings for personnel relating to fuel oils control operations;
- 5) Operating procedures and arrangements for maintenance of equipment or any other tools for the benefit of implementing activities under 1) to 4);
- 6) Hearing of public opinions that is deemed to be arranged in the event that the business operations or the approval of business to be operated under the Act may have impact on the general public;
- 7) Any other matters necessary for the successful fulfillment of this Act's objectives.

Under the Fuel Oils Control Act, all petrol service stations and tank farms must obtain the license for undertaking Category-3 business before commencing business operations.

Risk Factors

The following statements entail significant risk factors that can have adverse effects on the Company and its share prices. Apart from risk factors disclosed herein, there may be other risks currently unknown to the Company or considered as insignificant for the time being, yet they may become important risk factors in the future. These risks may have significant effects on the Company's business, financial status, operating results, liquidity or sources of fund.

In addition, forward-looking statements which are the opinions of the Company at the time of this report, e.g. such terms and phrases as "believe that", "expect that", "anticipate that", "plan to", "intend to", "approximately," or financial projections, future projects, operating performance anticipation, business expansion plans, change of applicable laws, government policies and anticipation of future circumstances, do not guarantee future operating results or circumstances. The actual results could differ materially from those anticipated or estimated in said statements. In this section, information referring or related to the government or economy on the whole has been derived from disclosed information or abridged from the government publication or other sources. The Company has not examined or verified the accuracy of such information at all.

Risks from uncertainties in fuel sale profits due to oil price volatility and state mechanism

Prices of fuel sold by the Company and/or purchased from refineries or other fuel traders may fluctuate according to such factors as 1) global economic situation, especially in the region with relatively high fuel consumption, 2) world fuel demand and supply, 3) relevant state regulations domestically and overseas, etc., which are beyond the Company's control. Volatility of fuel prices can directly affect both retail and wholesale sale prices of fuel, leading to possible increase or decrease in demand for and sales volume of fuel along with a change in the value of inven-

tory, mostly the reserved fuel. Therefore, fuel price volatility can impact the Company's financial status and operating results.

However, the Company focuses on selling fuel to target customers with regular demand, i.e. individual consumers using fuel in their daily lives and businesses, and industrial operators using fuel in their operations. Demand for and sales volume of fuel in these groups do not easily change in response to fluctuating oil prices. The Company has no policy to reserve fuel for speculation; the amount currently reserved is only for legal requirement and sales to customers in each area.

Despite oil price volatility, the Company's ratio of profit to sales per liter will remain unaffected if the marketing margin does not change. This is because retail fuel price is the sum total of ex-refinery price plus marketing margin. Therefore, if marketing margin, tax rate, and fund contributions do not change, the retail fuel price shall be adjusted according to the change in the ex-refinery price alone. For this reason, the Company believes that oil price volatility will not materially affect its financial status and operating results.





Risks from the mismatching personnel knowledge, capability, and skills with corporate growth

Due to rapid business growth from extensive expansion of service stations combined with quite volatile fuel prices, the Company needs personnel experienced and expert in fuel procurement and distribution management. The skills include procuring fuel at appropriate prices and quantity, determining the appropriate quantity of fuel reserve for distribution in each period, and setting the suitable fuel sale price to enhance its competitiveness in the markets, as well as managing tanker truck fleet to enable a timely and sufficient delivery of fuel to its tank farms and petrol stations so as to fulfill customer demand without the need to make excessive fuel reserve. A shortage of such professionals can affect the Company's business operations. Recognizing the importance of personnel, the Company has considered and set an appropriate level of remuneration for employees, benchmarked against those of the industry peers, in order to induce employee loyalty. The Company has also encouraged personnel development continually, and promoted competent employees to an appropriate position so that they can contribute to corporate growth to the best of their ability. Additionally, the listing of the Company on the Stock Exchange has demonstrated its credibility and stability to both the existing employees and the prospective employees being recruited to support business expansion.

Risks from the substandard service quality and inefficient petrol station management

The Company puts emphasis on continuous expansion of the Company's COCO petrol stations and the dealers' DODO petrol stations over the past period, causing the number of PT petrol stations to increase to 951 at the end of 2014. With respect to the type of petrol stations, most of the increasing stations are COCO petrol stations. The Company has 743 COCO petrol stations at the end of 2014, and plans to open approximately 250 new stations

in 2015. The steady increase in number of COCO petrol stations may affect the petrol station management, e.g. recruiting adequate number of experienced staff for the increasing petrol stations, overseeing efficient operations of petrol stations, upgrading service station management and database systems to support the expansion of petrol station network, as well as managing to ensure that fuel sales at the newly opened petrol stations are on par with those at the existing stations. The Company's failure to efficiently manage the newly opened stations can therefore affect its operations in the future. The Company is however well aware of potential impacts of this rapid expansion of COCO petrol stations, and has thus implemented a plan on recruitment of petrol station staff. It will have job advertisements posted at petrol stations nearby the new PT petrol stations, and encourage the existing staff to recommend the vacancy to interested candidates. In this regard, the Company would rather employ applicants residing in the vicinity of the petrol stations so that the petrol station staff can understand the nature of local customers and provide proper services. Petrol station staff shall be employed in advance and take both training session and on-the-job training at the petrol stations with the existing experienced staff who have a good track record. The Company shall select station managers and zone managers, who play an important role in managing and supervising petrol stations under responsibility, primarily from qualified staff existing employed. Experienced and capable station managers will be transferred to the new petrol stations or appointed as zone managers, while competent staff in their subordinate positions will be promoted to station managers. However, the Company still employs new station managers regularly through external recruitment in advance. Prior to starting their job as station managers, these newly-employed managers will take training session and on-the-job training with the experienced station managers for about 1 to 3 months so that the management of the new petrol stations is as efficient as that of the existing ones. With all these, the Company believes that it has a consistent and suitable

personnel recruitment to support the expansion of COCO petrol stations. The considerable expansion of COCO petrol stations annually should therefore not affect either the efficient management of the new petrol stations or the Company's operating results in the future.

Risks from the inability to acquire locations for expansion of petrol stations

The Company places importance on the investment in potential petrol stations. Business development staff are responsible for finding petrol stations with potential for operations, but the existing operators do not want to continue the business. Informed of such a station, sales staff will contact its proprietor to gather information of business performance record, especially of target customers and monthly fuel sales volume, before submitting a summary report to the Petrol Station Investment Committee for further consideration. If the petrol station under consideration is expected to have a fuel sales volume lower than the Company's minimum target and yield a return not worth the investment, the Company will not invest in the said petrol station. In regard to investment in COCO petrol stations, the Company will enter into a lease agreement of no longer than 3 years, with renewal rights. If a station makes favorable sales volume as expected, the Company will negotiate for a renewal of a longer term or offer to purchase the station when the original lease agreement expires. On the contrary, if the station's performance is lower than expected, the Company may not renew the agreement or even terminate the lease before its expiry. Therefore, the Company believes that its selection process and method of investment in COCO petrol stations are appropriate.



Risks from reliance on a single major supplier

Most of the fuel sold by the Company and subsidiaries are procured directly from Thai Oil Public Company Limited (“Thai Oil”), which is the largest single-site complex refinery in Thailand having a crude refining capacity of 275,000 barrels per day (source: Department of Energy Business). Volume of fuel purchased from Thai Oil is shown below.

Description	2014	2013	2012	2011	2010	2009
Volume of fuel purchased from Thai Oil (million liters)	1,735.52	1,540.97	1,350.28	926.20	443.31	235.26
Percentage of total purchase volume (%)	96.27	97.68	98.40	97.00	78.70	66.00

Accordingly, the Company is at risk of reliance on a single major supplier. If there is a necessity for Thai Oil to cease fuel supply to the Company or to supply only a part of the total demand of the Company and subsidiaries in the future, the Company’s operating performance can be affected.

Nonetheless, the Company and Thai Oil have been good trade partners for over 15 years. According to the fuel supply agreement made with Thai Oil, the Company shall notify Thai Oil in advance of the required quantity of each fuel type in order to facilitate the supplier’s production plan. At the beginning of each month, Thai Oil shall confirm to the Company the volume of fuel deliverable in the month. Throughout these years, Thai Oil has been promptly supplying fuel to the Company and able to produce more than sufficient fuel to serve domestic demand. The remainder of fuel is exported to overseas markets.

Volume of Fuel Exports

(unit : million liters)

Description	2014	2013	2012	2011
Thai Oil				
Diesel	200.07	528.77	753.42	438.01
Benzene	347.96	478.29	132.38	135.08
All Refinery Operator in Thailand				
Diesel	3,975.29	4,874.305	5,371.34	3,975.29
Benzene	1,271.29	1,493.48	1,569.27	1,271.29

Source : Department of Energy Business

In 2014, the volumes of diesel and benzene sold by the Company and its subsidiaries increased from those in 2013 by 227.08 million liters and 46.37 million liters, respectively. From the table above, the volume of diesel and benzene exports by Thai Oil can apparently support the Company's growth. In addition, the Company has made a purchase agreement with ESSO (Thailand) Public Company Limited to reduce of the future risk associated with insufficient production capacity from Thai Oil.

The Company is also able to purchase fuel from other refinery operators or jobbers, or import finished products with a slightly higher distribution costs. Therefore, the Company believes that the risks from reliance on a single major supplier will not materially affect its business operations.

Risks from Accidents and Incidents at Tank Farms

The Company has currently invested in 8 tank farms in all parts of the country to keep fuel in reserve for fuel sales of the Company and subsidiaries. Fuel is highly inflammable. Negligence of operating staff in their day-to-day operations can pose risks of such accidents as fire, leakage of pipeline and explosion at tank farms, thus inflicting damages and impacts on the Company, the lives and properties of the employees and residents in nearby communities, along with the environment, as well as having a material effect on the Company's reputation, financial status and operating performance. Well aware of the potential risks, the Company has invested in pipeline and storage systems of high safety standards, and also arranged for a well-schedule maintenance of related tools and equipment on a regular basis in order that its tank farms attain international standards. The Company has also established the Safety and Environment Section to analyze and monitor the Company's operations in the areas that may impact the safety of operating staff and other related parties, including the environment. In this regard, the Operation Manual and the Incident Prevention and Control Manual have been issued to staff in relevant units. Safety standards include prohibition of entry of unrelated persons into tank farm's working areas without permission, and prohibiting of materials that can cause sparks into the working areas. Additionally, measures on the prevention and handling of oil spill into the waterway have been implemented at tank farms with petrol loading docks, namely Mae Klong Tank Farm Pak Phuang Tank Farm and Chum Phon Tank Farm.

Moreover, the Company is a member of the Oil Industry Environmental Safety Group Association (IESG), established with the aim of enhancing safety standards, developing personnel related to safety and environment, promoting

collaboration among large petroleum business operators for the prevention and handling of oil spill into water supplies or on land, along with emergency responses. The Company delegates its safety and environment staff to participate in IESG activities. Over the past period, the Company, IESG and governmental sector have been regularly organizing training programs on incident preventions. It also provides staff and equipment in many emergency rescues.

Throughout its years of operations, the Company has passed all inspections by government agencies related to industry and environment, without any record of getting below regulatory standards. Its tank farms are also not located in densely populated areas and at a safe distance as specified by laws away from communities. In the event of an accident, it is unlikely to pose serious impact on the nearby communities. Furthermore, the Company has arranged for insurance against damages to the lives and properties of the Company and employees, including people residing in areas surrounding tank farms. The Company therefore believes that it has reduced the possibility of accidents at tank farms to a low level, and taken preventive measures to curb potential impacts on and damages to the Company and the environment at an acceptable level, thereby unlikely to materially affect the Company's financial status and operating performance.



Risks from natural disaster in the country

Natural disaster is one of the business risks inevitable by operators in every industry. Having a large number of petrol stations in all areas across the country, the Company is at risk from natural disaster, namely flooding in many areas which tends to occur every year. Although natural disaster could not be prevented, the Company realizes the importance of natural disaster response preparation in order to cope with these occurrences, solving in a loss in a small fraction of the total revenue of the Company.

Additionally, safety and environment staff have prepared and provide a Flood Response Manual as guidelines for each petrol station to reduce the damages to petrol stations and convenience stores. The Manual details procedures for preventing the flood-induced losses and damages to fuel pipeline systems and storage tanks at petrol stations, fuel in storage tanks, power systems, including constructions and equipment in the stations and convenience stores. The Company has maintained an all risk insurance policy for its major operating assets, with additional coverage for flood-related damages, enabling it to claim for compensation from the insurer in case of any damages. Accordingly, the Company believes that risks from flooding disaster in the country will not materially affect the its financial status and operating performance.

Risks of deviation from specified investment plan in terms of value and timing of strategic expansion investment to new businesses

The risk of erroneous investment decisions and ineffective implementation of investment strategies can lead to lost business opportunities and potential negative impact on revenue and profitability of the Company. Recently, the company has invested in new projects both on its own and in joint venture projects. The company recognizes the importance of investment expansion planning as part of a sustainable growth of the company. In this regard, the risk factors that may affect the new projects have been analyzed. The investment feasibility in the new projects as well as a plan to monitor progress after implementation have been determined to ensure that the investment in every new project can be carried out efficiently and successfully as planned. Further, investment in new projects always serves as a diversification strategy for a company whose core business is selling petrol alone, thus the Company has to consider investing in businesses related to its core business operations, namely LPG service stations and biodiesel manufacturing plant using palm oil. However, there are many factors to be considered: the economic assumptions, including other assumptions significantly relevant to the projects that may be the risk of deviation from

the previous assumptions made due to external factors, which are beyond the Company's control, such as changes in laws related to the projects made by the government and other related organizations or changes in raw material cost, construction cost, which may affect new business significantly in many forms, e.g. the cost of construction or project management could rise beyond the investment estimates reducing the return on the project, or late project completion would have a negative impact on revenue realization of the company because the project does not generate cash flow back into the company as planned. All of the aforementioned factors may affect the business of the Company and may substantially hinder the performance of the company in the short term or long term.

In order to reduce such risks, the Company has established a working committee to study and analyze in details the law, government policy, and risk issues that may affect the project, such as tax risk; marketing risk; risk in procuring the supply of raw materials, equipment, machinery, and contractors; health risk toward personnel; environmental risks; as well as other factors to assess the impact and the risk probability toward the new business. The Company also has made preparation and implementation according to the risk management plan, reported and reviewed risk reports continuously and has incorporated the results of such evaluation as part of the consideration for modifying investment suitability.

Securities Information and Shareholders

Securities Information

As of December 31, 2014, the Company has paid-up registered capital of Baht 1,670.00 million, divided into 1,670.00 million ordinary shares with a par value of Baht 1.00 each.

Shareholders

Major shareholders of the Company as of December 31, 2014 can be summarized as follows:

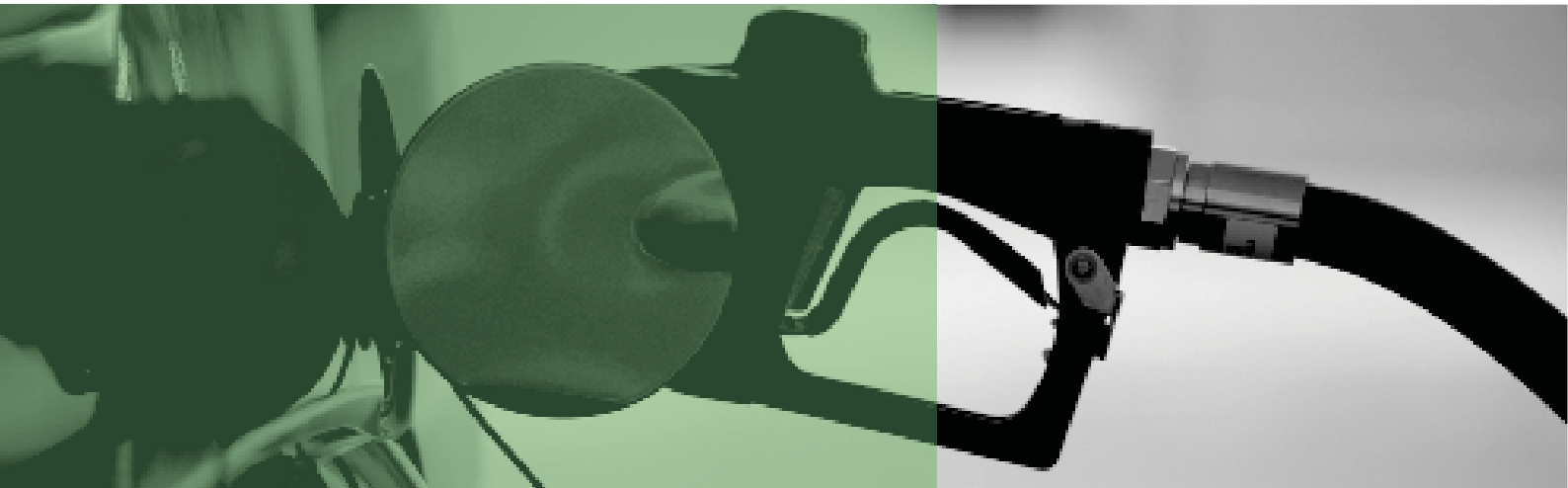
Top 10 Major Shareholders ^{1/}	No. of shares	%
1. Ratchakitprakarn Family ^{2/}	550,843,934	32.98%
- Mr. Pitak Ratchakitprakarn	129,260,634	7.74%
- Mr. Phiphat Ratchakitprakarn	72,502,000	4.34%
- Ms. Pakjira Ratchakitprakarn	71,305,000	4.27%
- Mrs. Chatkaew Gajaseni	33,969,000	2.03%
- Ms. Lapat-on Gajaseni	60,000,000	3.59%
- Mr. Khemmapope Gajaseni	435,000	0.03%
- Ms. Chantawarat Chandrasardula	183,372,300	10.98%
2. Mr. Sakanan Wijitthanarak	308,325,300	18.46%
3. Vachirasakpanich Family ^{3/}	156,356,500	9.36%
- Mr. Veerasak Vachirasakpanich	146,056,500	8.75%
- Mr. Pongsak Vachirasakpanich	10,300,000	0.62%
4. Mrs. Lertlak Nadtasomboon	77,849,140	4.66%
5. Mr. Paniang Pongsatha	39,386,300	2.36%
6. HSBC (SINGAPORE) NOMINEES PTE LTD	38,782,100	2.32%
7. Pooshutvanitshakul Family ^{4/}	31,865,174	1.91%
- Mr. Choosak Pooshutvanitshakul	31,379,900	1.88%
- Mrs. Sukwasa Pooshutvanitshakul	485,274	0.03%
8. Bualuang Long Term Equity Fund	27,209,400	1.63%
9. Mrs. Pennapa Pongsuraphan	24,510,000	1.47%
10. Mr. Surachai Chotjurangkool	22,400,000	1.34%
11. Others	387,939,152	23.23%
Total shares held by Top 10 Major Shareholders	1,277,527,848	76.50%
Total shares	1,670,000,000	100.00%

Note : 1/ Does not include shareholders from Thai NVDR Ltd., which is a subsidiary of the Stock Exchange of Thailand, established with the purpose of promoting investment activities for investors, especially foreigners, so as to be able to invest in common stocks without the constraint of the Foreign Limit that withholds the right to vote during company meeting.

2/ Ratchakitprakarn Family comprises: 1) Mr. Pitak Ratchakitprakarn, the Company's Director, Executive Director, Risk Management Committee, and President & Chief Executive Officer; 2) Mr. Pipat Ratchakitprakarn, elder brother of Mr. Pitak Ratchakitprakarn; 3) Ms. Pakjira Ratchakitprakarn, younger sister of Mr. Pitak Ratchakitprakarn; 4) Mrs. Chatkaew Gajasen, the Company's director, Executive Director, Risk Management Committee, and elder sister of Mr. Pitak Ratchakitprakarn; 5) Ms. Lapat-orn Gajasen, daughter of Mrs. Chatkaew Gajasen; 6) Mr. Khemmapope Gajasen, son of Mrs. Chatkaew Gajasen; and, 7) Ms. Chantawarat Chandrasardula, spouse of Mr. Pitak Ratchakitprakarn.

3/ Vachirasakpanich Family comprises: 1) Mr. Pongsak Vachirasakpanich, the Company's Director and Executive Director; and, 2) Mr. Veerasak Vachirasakpanich, father of Mr. Pongsak Vachirasakpanich.

4/ Pooshutvanitshakul Family comprises: 1) Mrs. Sukwasa Pooshutvanitshakul, Vice President of Procurement; and, 2) Mr. Choosak Pooshutvanitshakul, spouse of Mrs. Sukwasa Pooshutvanitshakul



Dividend Policy

Dividend Policy of the Company

The Company has a policy to pay dividends to shareholders at the rate of no less than 30% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to the Company's operations and management. This is contingent upon the condition that the Company has sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as the Board of Directors and/or the shareholders deems appropriate. The Board of Directors' resolution for dividend payment shall be proposed to the meeting of shareholders for approval, except for interim dividend payment, which can be approved by the Board of Directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.

Dividend Policy of Subsidiaries

PTC, a subsidiary operating fuel retailing business via the petrol stations, and Punthai Coffee, a subsidiary operating coffee shop business at the Company's petrol stations, have a policy to pay dividends to shareholders at the rate of no less than 30% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to their operations and management. This is contingent upon the condition that they have sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as their respective board of directors and/or the shareholders deem appropriate. Resolution by the board of directors for dividend payment shall be proposed to the meeting of shareholders for approval, except for interim dividend payment, which can be approved by the board of directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.

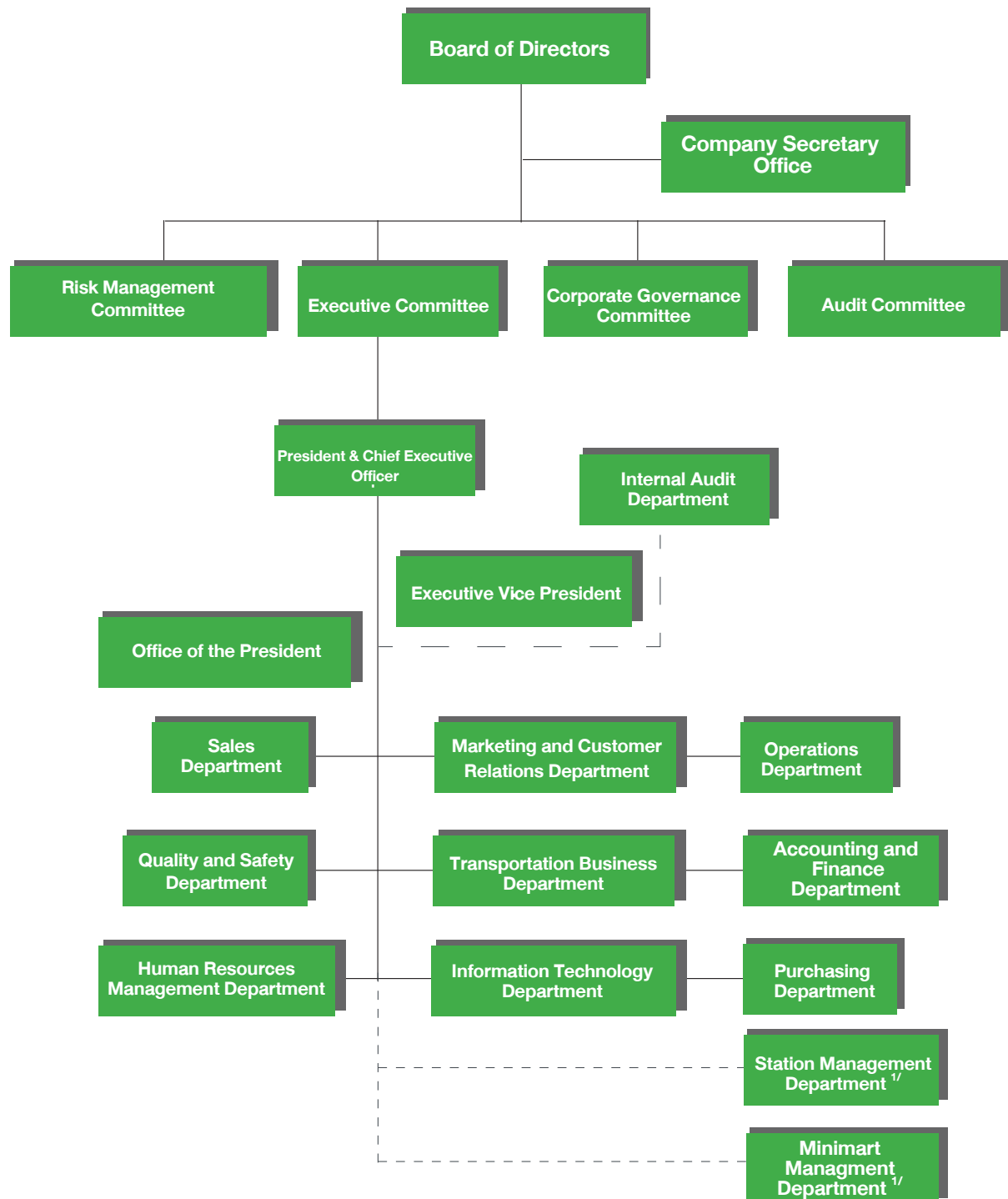


Subsidiaries which are fuel traders under Section 10 have a policy to pay dividends to shareholders at the rate of no less than 90% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to their operations and management. This is contingent upon the condition that they have sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as their respective board of directors and/or the shareholders deem appropriate. Resolution by the board of directors for dividend payment shall be proposed to the meeting of shareholders for approval, except for interim dividend payment, which can be approved by the board of directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.



Management Structure

1. Management Structure of the Company as of December 31, 2014



Notes : 1/ Station Management Department and Minimart Management Department are business units of PTC, a subsidiary in which the Company holds a 99.99% stake. However, the Company supervises management and day-to-day operations of these two units like they are its own business units.

Board of Directors

The Company's Board of Directors comprises 10 directors, which are 1) 8 non-executive directors, 4 of which are independent directors, and 2) 2 executive directors.

Members of the Board of Directors as of December 31, 2014

Name	Position(s)	Board Meeting Attendance
1. Police General Soontorn Saikwan	Chairman of the Board of Directors and Independent Director	10/10
2. Mr. Thien Mekanontchai	Director, Member of the Audit Committee, Corporate Director, and Independent Director	10/10
3. Mr. Supote Pitayapongpat	Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee, and Independent Director	10/10
4. Mr. Sakanan Wijitthanarak	Director and Chairman of the Executive Committee	10/10
5. Mr. Pitak Ratchakitprakarn	Director and Member of the Executive Committee	10/10
6. Mrs. Chatkaew Gajasen	Director and Member of the Executive Committee	9/10
7. Mrs. Lertlak Nadtasomboon	Director	9/10
8. Mr. Pongsak Vachirasakpanich	Director and Member of the Executive Committee	10/10
9. Assoc. Prof. Dr. Wanchai Rattanawong	Director, Member of the Audit Committee, Corporate Director, and Independent Director	9/10
10. Mr. Rangsun Puangprang	Director and Member of the Executive Committee	10/10

Notes: Mr. Rangsun Puangprang serves as the secretary to the Board of Directors, the secretary to the Corporate Governance Committee, and the Company Secretary.

Authorized Directors as specified in the Company Affidavit

According to the Company affidavit, Mr. Pitak Ratchakitprakarn and Mr. Rangsun Puangprang are authorized directors to jointly sign together with the Company seal affixed.

Executives

Executives as of December 31, 2014

Names	Positions
1. Mr. Pitak Ratchakitprakarn	President & Chief Executive Ofce
2. Mr. Rangsun Puangprang	Executive Vice President
3. Ms. Natthisa Pongtaranont	Executive Vice President
4. Mrs. Sukwasa Pooshutvanitshakul	Director of Procurement
5. Mr. Thatree Kerdboonsong	Director of the Ofce of the President
6. Mr. Surasak Songvorakulpan	Director of Operations
7. Mr. Chaitas Wanchai	Director of Retail Management
8. Flt. Lt. Satta Suparp	Director of Marketing and Customer Relations



Scope of Authorities and Responsibilities of the Chief Executive Officer and President

The Board of Directors' meeting no. 10/2014 on December 26, 2014 resolved to specify the scope of authorities and responsibilities of the President & Chief Executive Officer as follows:

- 1) Formulate the Company's policies, goals, business plans, and strategic plans and propose them to the Executive Committee for consideration.
- 2) Manage the business according to the policies, goals, business plans, and strategic plans approved by the Board of Directors.
- 3) Authorize and/or assign other persons to perform specific duties on his behalf, within the scope of authorities according to the authorization rules or regulations or orders specified by the Board of Directors.
- 4) Prepare reports on the Company's operations together with significant matters regularly for presenting to the Executive Committee.
- 5) Represent the Company in dealing with external firms.
- 6) Perform other duties as assigned by the Executive Committee and/or the Board of Directors.

Authorities of the Chief Executive Officer and President as well as authorization to other persons by the Chief Executive Officer and President shall not include the authorities or authorization to approve any transactions whereby he/she or his/her related persons may have conflicts, interests or other benefits of any nature against the interests of the Company or its subsidiaries, or to approve any transactions outside the normal course of business of the Company or subsidiaries. Approval of such transactions must be proposed to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's Articles of Association or by relevant laws.

Remuneration for Directors and Executives

Monetary Remuneration

Remuneration for the Board of Directors

In 2013 and 2014, the Company paid remuneration to the Board of Directors as follows



2014

Unit : Baht

Name	Monthly Remuneration	Meeting Allowance-BoD	Meeting Allowance-Audit Committee	Total
1. Police General Soontorn Saikwan	896,000	100,000	30,000	1,026,000
2. Mr. Thien Mekanontchai	840,000	100,000	70,000	1,010,000
3. Mr. Supote Pitayapongpat	917,333	100,000	70,000	1,087,333
4. Mr. Sakanan Wijitthanarak	480,000	100,000	-	580,000
5. Mr. Pitak Ratchakitprakarn	480,000	100,000	-	580,000
6. Mrs. Chatkaew Gajaseni	480,000	90,000	-	570,000
7. Mrs. Lertlak Nadtasomboon	480,000	90,000	-	570,000
8. Mr. Pongsak Vachirasakpanich	480,000	100,000	-	580,000
9. Assoc. Prof. Dr. Wanchai Rattanawong	576,333	90,000	50,000	716,333.33
10. Mr. Rangsun Puangprang	480,000	100,000	-	580,000
Total	6,109,666	970,000	220,000	7,299,666



2013









Unit : Baht

Name	Monthly Remuneration	Meeting Allowance-BoD	Meeting Allowance-Audit Committee	Total
1. Police General Soontorn Saikwan	1,000,000	90,000	70,000	1,160,000
2. Mr. Thien Mekanontchai	700,000	100,000	70,000	870,000
3. Mr. Supote Pitayapongpat	700,000	100,000	70,000	870,000
4. Mr. Sakanan Wijitthanarak	400,000	70,000	-	470,000
5. Mr. Pitak Ratchakitprakarn	400,000	100,000	-	500,000
6. Mrs. Chatkaew Gajaseni	400,000	80,000	-	480,000
7. Mrs. Lertlak Nadtasomboon	400,000	90,000	-	490,000
8. Mr. Pongsak Vachirasakpanich	400,000	100,000	-	500,000
9. Assoc. Prof. Dr. Wanchai Rattanawong	-	-	-	-
10. Mr. Rangsun Puangprang	400,000	100,000	-	500,000
Total	4,800,000	830,000	210,000	5,840,000

Remark : Excluding remuneration as Executive Director

Remuneration for Executives

In 2013 and 2014, the Company paid remuneration to executives as follows:

1) Salary, bonus and overtime pay		8 Number (persons)	7 Number (persons)		30.60 Amount (Mil. Baht)	20.77 Amount (Mil. Baht)
		2014	2013		2014	2013
2) Meeting allowance and annual remuneration for Executive Director position ^{1/}		2 Number (persons)	2 Number (persons)		0.71 Amount (Mil. Baht)	0.63 Amount (Mil. Baht)
		2014	2013		2014	2013
3) Other remunerations, i.e. provident fund contribution, ^{2/} social security fund contribution, and other welfare benefits		8 Number (persons)	7 Number (persons)		2.75 Amount (Mil. Baht)	1.83 Amount (Mil. Baht)
		2014	2013		2014	2013
Total		8 Number (persons)	7 Number (persons)		34.06 Amount (Mil. Baht)	24.39 Amount (Mil. Baht)
		2014	2013		2014	2013

Notes : 1/ Two Directors who also serve in the Executive Committee are Mr. Pitak Ratchakitprakarn and Mr. Rangsun Puangprang.

2/ The Company has established a provident fund, into which it pays contributions at the rate of 3-6% of salaries.

Other Remuneration

- None –

Personnel

Number of Personnel

As of December 31, 2014 the Company and its subsidiaries (excluding directors and executives of the Company and its subsidiaries) had a total of 6,184 employees, 1,132 of which are the Company's employees and another 5,052 were the subsidiaries'. They could be categorized according to the following line functions:









Line Function	PTG	Subsidiaries
Internal Audit Department	42	-
Office of the President	25	5
Company Secretary Office	2	-
Sales Department	63	-
Marketing and Customer Relations Department	31	-
Operations Department	162	-
Quality and Safety Department	35	-
Transportation Business Department	580	-
Accounting and Finance Department	88	-
Human Resources Management Department	52	-
Information Technology Department	36	-
Purchasing Department	16	-
Station Management Department	-	4,861
Minimart Management Department	-	133
General Management Department	-	53
Total	1,132	5,052



Remuneration for Employees

In 2013 and 2014, the Company paid remuneration to its employees (excluding directors and executives of the Company and its subsidiaries) as follows:

1) Salary, bonus, and overtime pay		6,184	5,273		770.62	644.45
		Number (persons)	Number (persons)		Amount (Mil. Baht)	Amount (Mil. Baht)
		2014	2013		2014	2013
2) Other remunerations, i.e. provident fund contribution, social security fund contribution, and other welfare benefits		6,184	5,273		66.43	51.61
		Number (persons)	Number (persons)		Amount (Mil. Baht)	Amount (Mil. Baht)
		2014	2013		2014	2013
Total		6,184	5,273		837.05	696.06
		Number (persons)	Number (persons)		Amount (Mil. Baht)	Amount (Mil. Baht)
		2014	2013		2014	2013

Labor-related Disputes over the Past 3 Years

– None –

Personnel Development Policy

Well aware that personnel at all levels and in all units are essential to the business undertaking, the Company encourage the personnel to constantly enhance their knowledge, expertise, and competency so as to be well-grounded in their works.

- 1) Basic knowledge training for new employees, in order to enable all new employees to gain a clear understanding of their jobs and operate correctly and safely according to the Company's regulations.
- 2) Annual training, in order to enable the employees to regularly refresh their knowledge about risk prevention and safety in work.
- 3) Specialized training such as management development course for new station managers, minimart management courses, professional selling skills course, persuasion techniques in sales course, etc., in order to boost operating effectiveness and efficiency of each units.
- 4) Training for continuous improvement and increasing work operating efficiency, such as Kaizen activities and employee feedback sessions.

Total personnel development expenses of the Company and subsidiaries amounted to Baht 13.88 million in 2014.

Directors and Executives of the Company



Police General Soontorn Saikwan

Chairman of the Board of Directors / 25 May 2012

Independent Director / 25 May 2012

Age (years) 70

Education

- Master of Arts in Political Sciences
Ramkhamhaeng University
- Public Administration Graduate in Political Sciences
Sampran Police Cadet Academy

Training Courses

- DCP Class 201/2015 (attending)
Thai Institute of Directors
- MFM Class 9/2013
Thai Institute of Directors
- MIA Class 15/2013
Thai Institute of Directors
- MFR Class 18/2013
Thai Institute of Directors
- MIR Class 14/2013
Thai Institute of Directors
- ACP Class 42/2013
Thai Institute of Directors
- DAP Class 41/2005
Thai Institute of Directors
- Thailand National Defence Course
(NDC Certificate) Class
Thailand National Defence College

Shareholding (%)

- Self -
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

- | | |
|----------------|--|
| 2012 – 2014 | Chairman of the Audit Committee
PTG Energy PLC
Fuel Retail |
| 2013 – present | Chairman of the Board of Directors
Millcon Burapa Co., Ltd. Steel
Manufacturer and Distributor |
| 2012 – present | Chairman of the Board of Directors /
Independent Director
PTG Energy PLC
Fuel Retailer |
| 2013 – present | Vice Chairman of the Board of
Directors / Independent Director
Millcon Steel PLC
Steel Manufacturer and Distributor |
| 2007 – 2013 | Chairman of the Board of Directors /
Independent Director
Millcon Steel PLC
Steel Manufacturer and Distributor |
| 2005 – present | Independent Director
Vanachai Group PLC
Wood plank Manufacturer and
Distributor |
| 2008 – 2011 | Selected Senator
The Senate |
| 2006 - 2008 | Member of the National Legislative
Assembly
The National Legislative
Assembly |
| 2006 - 2008 | Elected Senator of Bangkok
The Senate |

Mr. Thien Mekanontchai

Corporate Director / 13 Nov 2014

Director / Independent Director /

Member of the Audit Committee / 25 May 2012

Age (years) 74

Education

- M.S. in Mechanical Engineering
North Dakota State University, U.S.A.
- Bachelors of Engineering
Automotive Engineering
Chulalongkorn University

Training Courses

- DCP 202/2015 (attending)
Thai Institute of Directors
- MFM Class 9/2013
Thai Institute of Directors
- MIA Class 14/2013
Thai Institute of Directors
- MFR Class 17/2013
Thai Institute of Directors
- MIR Class 14/2013
Thai Institute of Directors
- ACP Class 42/2013
Thai Institute of Directors
- DAP Class BJC/2004
Thai Institute of Directors

Shareholding (%)

- Self -
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

- 2014 – present Member of the Corporate Governance Committee
PTG Energy PLC
Fuel Retailer
- 2012 - present Director / Independent Director /
Member of the Audit Committee
PTG Energy PLC
Fuel Retailer
- 2010 – present Chairman of the Board of Directors
Quality Pineapple Products Co., Ltd.
Manufacturer and Exporter of
Pineapple Products
- 2007 - present Chairman of the Board of Directors
/ Chairman of the Executive Committee
Siam Food Products PLC
Manufacturer and Exporter of
Pineapple Products
- 2007 - present Chairman of the Board of Directors
Eastern Seaboard Industrial Estate
(Rayong) Co., Ltd.
Real Estate Sales
- 2001 - 2007 Independent Director / Member of the
Audit Committee
Berli Jucker PLC
Distribution of Consumer Goods

Mr. Supote Pitayapongpat

Chairman of the Corporate Governance

Committee / 13 Nov 2014

Chairman of the Audit Committee / 13 May 2014

Director / Independent Director / 25 May 2012

Age (years) 73

Education

- Bachelor of Accounting, Thammasat University
- Bachelor of Commerce,
Thammasat University

Training Courses

- DCP Class 197/2014
Thai Institute of Directors
- ACP Class 42/2013
Thai Institute of Directors
- MIR Class 14/2013
Thai Institute of Directors
- MFR Class 17/2013
Thai Institute of Directors
- MIA Class 14/2013
Thai Institute of Directors
- MIA Class 14/2013
Thai Institute of Directors
- MFM Class 9/2013
Thai Institute of Directors
- DAP Class 96/2012
Thai Institute of Directors

Shareholding (%)

- Self -
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

- 2014 – present Chairman of the Corporate
Governance Committee
PTG Energy PLC
Fuel Retailer
- 2014 – present Chairman of the Audit Committee
PTG Energy PLC
Fuel Retailer
- 2012 – 2014 Member of the Audit Committee
PTG Energy PLC
Fuel Retailer
- 2012 – present Director / Independent Director
PTG Energy PLC
Fuel Retailer
- 2003 - present Director / Executive Director
Siam-Best Trading Co., Ltd.
Exporter

Mr. Sakanan Wijitthanarak

Chairman of the Executive Committee / 25 May 2012

Director / 28 Nov 1995

Age (years) 58

Education

- Commercial, Han Chiang College (Malaysia)

Training Courses

- DAP Class 202/2015 (attending)
Thai Institute of Directors
- DAP Class 96/2012
Thai Institute of Directors

Shareholding (%)

- | | |
|--|-------|
| - Self | 18.46 |
| - Spouse or children under age 20 | - |
| - Family relations with company executive(s) | - |

Work Experiences in The Past 5 Years

- | | |
|----------------|--|
| 2012 – present | Chairman of the Executive Committee
PTG Energy PLC
Fuel Retailer |
| 2007 - present | Director
Siam Bird's Nest Products Co., Ltd.
Manufacturer and Distributor of
Bird's Nests |
| 2004 – present | Director
Siam South Sea Bird's Nest Co., Ltd.
Distributor of Swallow Bird's Nests |
| 1995 – present | Director
PTG Energy PLC
Fuel Retailer |
| 1992 – 2014 | Director
Petroleum Thai Corporation Co., Ltd.
Fuel Retail through Petrol Stations |
| 1990 - present | Director
S.C.S. Land Development Co., Ltd.
Real Estate Developer
Construction Contractor |
| 1981 - present | Director
Hat Yai Chok Charoen Co., Ltd.
Hotelier |

Mr. Pitak Ratchakitprakarn

Chairman of the Risk Management Committee /

25 May 2012

Executive Director / 25 May 2012

Chief Executive Officer

and President / 01 Mar 2006

Director / 18 Dec 2002

(Director with binding authority to the Company)

Age (years) 50

Education

- Master of Business Administration
Prince of Songkla University
- Bachelor of Science in Fisheries
Kasetsart University

Training Courses

- DCP Class 198/2014
Thai Institute of Directors
- DAP Class 92/2011
Thai Institute of Directors
- SFE Class 8/2010
Thai Institute of Directors

Shareholding (%)

- Self 7.74
- Spouse or children under age 20 -
- Family relations with company executive(s)
Brother of Mrs. Chatkaew Gajaseni

Work Experiences in The Past 5 Years

- | | | | |
|----------------|---|----------------|--|
| 2013 - present | Acting Director - Office of the President
PTG Energy PLC / Fuel Retailer | 2011 - present | Chairman of the Board of Directors
Atlas Oil Co., Ltd. / Fuel Retailer |
| 2013 - 2014 | Acting Director - Marketing and
Customer Relations Department
PTG Energy PLC / Fuel Retailer | 2011 - present | Chairman of the Board of Directors
Andes Oil Co., Ltd. / Fuel Retailer |
| 2013 - present | Acting Director - Human Resources
Management Department
PTG Energy PLC / Fuel Retailer | 2011 - present | Chairman of the Board of Directors
Everest Oil Co., Ltd. / Fuel Retailer |
| 2012 - present | Chairman of the Risk Management
Committee / Executive Director
PTG Energy PLC / Fuel Retailer | 2011 - present | Chairman of the Board of Directors
Empire Oil Co., Ltd. / Fuel Retailer |
| 2012 - present | Chairman of the Board of Directors
Punthai Coffee Co., Ltd. / Coffee Shop | 2011 - 2013 | Acting Director - Marketing Department
PTG Energy PLC / Fuel Retailer |
| 2012 - present | Chairman of the Board of Directors
Pyrenees Oil Co., Ltd. / Fuel Retailer | 2009 - present | Chairman of the Board of Directors
Alpine Oil Co., Ltd. / Fuel Retailer |
| 2012 - present | Chairman of the Board of Directors
Olympus Oil Co., Ltd. / Fuel Retailer | 2009 - present | Chairman of the Board of Directors
Pyramid Oil Co., Ltd. / Fuel Retailer |
| | | 2007 - present | Chairman of the Board of Directors /
Managing Director
Petroleum Thai Corporation Co., Ltd. /
Fuel Retailer through Petrol Stations |
| | | 2006 - present | Chief Executive Officer and President
PTG Energy PLC / Fuel Retailer |
| | | 2005 - 2013 | Director
R & D Kasetpattana Co., Ltd. /
Palm Oil Cultivator and Distributor |
| | | 2002 - present | Director
PTG Energy PLC / Fuel Retailer |
| | | 1999 - present | Director
P & C Group Co. Ltd. / Real Estate Sales |
| | | 1999 - present | Director
Satun Aquamarine Shrimp Co. Ltd. /
Farming Culture |
| | | 1999 - present | Director
S.C.S. Land Development Co., Ltd. /
Real Estate Developer and Construction
Contractor |
| | | 2007 - 2012 | Chairman of the Board of Directors /
Chairman of the Executive Committee
PTG Energy PLC / Fuel Retailer |
| | | 2005 - 2009 | Director
Petro Bangkok Co., Ltd. /
Concessionaire of Swallow Bird's Nests |

Mrs. Chatkaew Gajasen

Executive Director / 25 May 2012

Director / 28 April 2011

Age (years) 57

Education

- Master of Public Administration,
The National Institute of Development Administration
- Master of Science
(Environmental Science)
Kasetsart University
- Bachelor of Laws (special)
Ramkhamhaeng University
- Bachelor of Science (Chemistry)
Kasetsart University

Training Courses

- DCP Class 198/2014
Thai Institute of Directors
- DAP Class 92/2011
Thai Institute of Directors

Shareholding (%)

- Self 2.03
- Spouse or children under age 20 -
- Family relations with company executive(s)
Sister of Mr. Pitak Ratchakitprakarn

Work Experiences in The Past 5 Years

- 2014 - Present Director
Paramount Oil co.,Ltd.
Palm Cultivator and Distributor
- 2013 - present Director
B.K. Trading Co., Ltd. / Manufacturer
and Distributor of Light Weight Bricks
- 2012 – present Executive Director
PTG Energy PLC / Fuel Retailer
- 2012 – 2014 Director
Gear Auto Car Co., Ltd / Automotive
Accessories and Body Shop
- 2011 – present Director
PTG Energy PLC / Fuel Retailer
- 2010 – present Director / Representative /
Real Estate Agent
Jitkaew Co., Ltd. / Real Estate Sales

- 2010 – present Owner / Partner
Chatthong Rungrueng Ordinary Partnership
Real Estate Sales
- 2007 – present Director
Siam Bird's Nest Products Co., Ltd.
Manufacturer and Distributor of Bird's
Nests
- 2005 - present Director / Manager
R & D Kasetpattana Co., Ltd.
Palm Oil Cultivator and Distributor
- 2004 – present Director
Siam South Sea Bird's Nest Co., Ltd.
Distributor of Swallow Bird's Nests
- 2003 – present Director
P & C Aquamarine Co., Ltd.
Shrimp Farming
- 2000 – present Director / Managing Director
CK Five Trading Co., Ltd.
Fuel Retailer
- 1999 - present Director
Satun Aquamarine Feed Supply Co., Ltd.
Shrimp feed
- 1996 – present Director / Managing Director
N & C Minimart Co., Ltd.
Convenience Store
- 1996 – present Director / Managing Director
KTP Petroleum Co., Ltd.
Fuel Retailer
- 1993 – present Director
Odean Southern Center Co., Ltd.
Department Store
- 1993 – present Director / Managing Director
P & C Petroleum Co., Ltd.
Fuel Retailer
- 1991 - present Director / Managing Director
P & C Group Co., Ltd.
Real Estate Sales
- 1989 - present Director/ Satun Aquamarine Culture Co., Ltd. /
Shrimp Farming

Mrs. Lertlak Nadtasomboon

Director / 18 Jan 2007

Age (years) 70

Education

- High school diploma, Indrapichai School,
Surat Thani province

Training Courses

- DCP Class 198/2014
Thai Institute of Directors
- DAP Class 96/2012
Thai Institute of Directors

Shareholding (%)

- | | |
|--|------|
| - Self | 4.66 |
| - Spouse or children under age 20 | - |
| - Family relations with company executive(s) | - |

Work Experiences in The Past 5 Years

- | | |
|----------------|--|
| 2007 – present | Director
PTG Energy PLC
Fuel Retailer |
| 2003 - present | Director
Pubadin Co., Ltd.
Fuel Retailer through Petrol Stations |

Mr. Pongsak Vachirasakpanich

Executive Director / 25/05/55

Director / 27 April 2012

Age (years) 47



Education

- Master of Business Administration (XMBA) in Strategic Management, Thammasat University
- Bachelor of Economics in Finance and International Finance Thammasat University

Training Courses

- DCP Class 197/2014 Thai Institute of Directors
- DAP Class 96/2012 Thai Institute of Directors
- MINI MBA Chulalongkorn University By Srinakorn Bank PLC
- Advance Certificate in Public Administration and Public Law (Class 6), King Prajadhipok's Institute

Shareholding (%)

- | | |
|--|------|
| - Self | 0.62 |
| - Spouse or children under age 20 | - |
| - Family relations with company executive(s) | - |

Work Experiences in The Past 5 Years

- | | |
|----------------|--|
| 2012 – present | Director / Executive Director
PTG Energy PLC
Fuel Retailer |
| 2010 – present | Director
Highlight Mansion Co., Ltd.
Rental Properties |
| 2006 - present | Director
Legal Brains Co., Ltd.
Legal Consulting and Prosecution |
| 2005 – present | Director
New Bangpho Apartment Co., Ltd.
Rental Properties |
| 2003 – present | Director
Puripat Property Co., Ltd.
Real Estate Sales |
| 2012 - present | Managing Director
P.S.V. Property Co., Ltd.
Real Estate Sales |

Assoc. Prof. Wanchai Rattanawong

Corporate Director 13 Nov 2014

Director / Independent Director

Member of the Audit Committee / 24 Apr 2014

Age (years) 51

Education

- Ph.D. (Manufacturing Engineering)
Swinburne University of Technology,
Melbourne, Australia
- Master of Engineering (Computer Integrated
Manufacturing) Swinburne University of Technology,
Melbourne, Australia.
- Master of Education (Physics)
Srinakharinwirot University (Prasarnmit Campus)
- Bachelor of Education (Physics) Srinakharinwirot
University (Bangsaen Campus)

Training Courses

- DCP Class 201/2015 (Attending)
Thai Institute of Directors
- DAP Class 110/2014
Thai Institute of Directors
- AACF Class 16/2014
Thai Institute of Directors
- Thailand National Defence Course
(NDC Certificate) Class of 2012
Thailand National Defence Collage

Shareholding (%)

- Self -
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

- 2014 – present Corporate Director / Director /
Independent Director /
Member of the Audit Committee
PTG Energy PLC
Fuel Retailer
- 2012 – present Dean, Faculty of Engineering /
Director - Logistics Research Center
University of the Thai Chamber of
Commerce / Educational Institution

- 2008 – 2011 Vice Rector - Planning and Development
Department / Acting Director - Logistics
Research Center
University of the Thai Chamber of Commerce
Educational Institution
- 2006 – 2008 Vice Rector - Planning and Development
Department / Interim Dean - Faculty of
Engineering / Acting Director - Logistics
Research Center
University of the Thai Chamber of Commerce
Educational Institution
- 2004 – 2006 Dean - Faculty of Engineering / Interim
Vice Rector / Academic Division Director -
Logistics Research Center
University of the Thai Chamber of Commerce
Educational Institution
- 2003 - 2004 Interim Dean / Student - Faculty of Engineering
University of the Thai Chamber of Commerce
Educational Institution
- 2001 – 2003 Vice Rector - Faculty of Engineering /
Head of Logistics Department
University of the Thai Chamber of Commerce
Educational Institution
- 1997 - 2000 Teaching Assistant - Industrial Research
Institute Swinburne
Swinburne University of Technology,
Melbourne, Australia
Educational Institution
- 1993 – 1994 Assistant to the Dean – Student Affairs
Department
University of the Thai Chamber of Commerce
Educational Institution
- 1990 - 1992 Secretary - Faculty of Engineering
University of the Thai Chamber of Commerce
Educational Institution

Mr. Rangsun Puangprang

Member of the Risk Management Committee / 03

Dec 2013

Executive Director / 25 May 2012

Company Secretary / 25 May 2012

Executive Vice President / 01 Jan 2010

Director / 14 Dec 2005

(Director with binding authority to the Company)

Age (years) 49

Education

- Master of Business Administration,
The National Institute of Development Administration
- Bachelor of Business Administration (Accounting)
2nd Class Honor, Ramkhamhaeng University

Training Courses

- DCP Class 197/2014
Thai Institute of Director
- SFE Class 21/2014
Thai Institute of Directors
- Technical Management and Risk Management
- RCC Class 16/2013
Thai Institute of Directors
- CRP Class 5/2013
Thai Institute of Directors
- BRP Class 10/2013
Thai Institute of Directors
- CSP Class 50/2013
Thai Institute of Directors
- DAP Class 79/2009
Thai Institute of Directors
- “Building Professional CFO Program” Batch 3 / 2009

Shareholding (%)

- Self 0.03
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

- 2013 - present Acting Director - Accounting and Finance Department
PTG Energy PLC
Fuel Retailer
- 2013 - 2014 Acting Director - Minimart Management Department
Petroleum Thai Corporation Co., Ltd.
Fuel Retailer through Petrol Stations
- 2013 - present Member of the Risk Management Committee
PTG Energy PLC / Fuel Retailer

- 2012 - 2013 Vice Chairman - Risk Management Committee
PTG Energy PLC / Fuel Retailer
- 2012 - present Director
Punthai Coffee Co., Ltd. / Coffee Shop
- 2012 - present Director
Pyrenees Oil Co., Ltd. / Fuel Retailer
- 2012 - present Director
Olympus Oil Co., Ltd. / Fuel Retailer
- 2011 - present Director
Atlas Oil Co., Ltd. / Fuel Retailer
- 2011 - present Director
Andes Oil Co., Ltd. / Fuel Retailer
- 2011 - present Acting Director - Information Technology Department
PTG Energy PLC / Fuel Retailer
- 2011 - 2013 Acting Director - General Administration Department
PTG Energy PLC / Fuel Retailer
- 2011 - present Director
Everest Oil Co., Ltd. / Fuel Retailer
- 2011 - present Director
Empire Oil Co., Ltd. / Fuel Retailer
- 2009 - present Director
Alpine Oil Co., Ltd. / Fuel Retailer
- 2009 - present Director
Pyramid Oil Co., Ltd. / Fuel Retailer
- 2010 - present Executive Vice President
PTG Energy PLC / Fuel Retailer
- 2006 - present Director
Petroleum Thai Corporation Co., Ltd.
Fuel Retailer through
Petrol Stations
- 2006 - 2014 Director
Century Oil Co., Ltd.
Concessionaire of Swallow Bird's Nests
- 2005 - present Director / Executive Director
PTG Energy PLC / Fuel Retailer
- 2005 - 2010 Director - Accounting and Finance Department
PTG Energy PLC / Fuel Retailer
- 1993 - 2008 Manager - Accounting Division
PTG Energy PLC / Fuel Retailer

Ms. Nattisa Pongtaranont

Member of the Risk Management Committee /

3 Dec 2013

Executive Vice President / 01 Nov 2013

Age (years) 55

Education

- Business Management
La Vern University, USA

Training Courses

- SFE Class 21/2014
Thai Institute of Directors

Shareholding (%)

- | | |
|--|------|
| - Self | 0.02 |
| - Spouse or children under age 20 | - |
| - Family relations with company executive(s) | - |

Work Experiences in The Past 5 Years

- | | |
|----------------|---|
| 2013 – present | Member of the Risk Management Committee
PTG Energy PLC
Fuel Retailer |
| 2013 – present | Executive Vice President
PTG Energy PLC
Fuel Retailer |
| 2011 – 2013 | Chief Digital Officer
Creative Juice\G1 Limited
Marketing Digital Communications |
| 2003 - 2010 | Managing Director / DRAFT Worldwide
under Lowe and Communication Thailand
Customer Relations Management |
| 1995 - 2002 | Managing Director
OgilvyOne Limited
Customer Relations Management
and Direct Marketing |

Mrs. Sukwasa Pooshutvanitshakul

Director of Procurement / 01 Jan 2013

Member of the Risk Management Committee / 25 May 2012

Age (years) 48

Education

- Master of Business Administration (Finance),
The National Institute of Development Administration
- Bachelor of Business Administration (Accounting) 2nd Class Honor,
Prince of Songkla University
Hat Yai Campus

Shareholding (%)

- | | |
|--|---|
| - Self | 0.03 |
| - Spouse or children under age 20 | 1.88 |
| - Family relations with company executive(s) | Younger Cousin Mr. Pitak Ratchakitprakarn |

Work Experiences in The Past 5 Years

- | | |
|----------------|---|
| 2013 – present | Director – Purchasing Department
PTG Energy PLC / Fuel Retailer |
| 2013 – 2013 | Director Office of the President
PTG Energy PLC / Fuel Retailer |
| 2012 – present | Member of the Risk Management Committee
PTG Energy PLC / Fuel Retailer |
| 2007 – 2013 | Director - Accounting and Finance Department
PTG Energy PLC / Fuel Retailer |
| 2002 - 2006 | Assistant Director - Accounting and Finance Department
Petroleum Thai Corporation Co., Ltd.
Fuel Retailer through Petrol Stations |
| 1997 – 2001 | Manager - Accounting and Finance Department
Petroleum Thai Corporation Co., Ltd.
Fuel Retailer through Petrol Stations |
| 2001 – 2001 | Director
Andes Oil Co., Ltd. / Fuel Retailer |
| 2001 – 2001 | Director
Atlas Oil Co., Ltd. / Fuel Retailer |



Mr. Thatree Kerdboonsong

Director of the Office of

The President / 01 Nov 2014

Member of the Risk Management Committee /

25 May 2012

Age (years) 59

Education

- Diploma – Automotive Technician,
Rajamangala University of Technology Isan
(Northeastern Campus, Nakhon Ratchasima province)

Training Courses

- SFE Class 16/2012
Thai Institute of Directors

Shareholding (%)

- Self 0.02
- Spouse or children under age 20 -
- Family relations with company executive(s)
Spouse of Mrs. Chatkaew Gajasen's Sister-in-law

Work Experiences in The Past 5 Years

2014 - present	Director of the Office of the President PTG Energy PLC Fuel Retailer
2012 - present	Member of the Risk Management Committee PTG Energy PLC Fuel Retailer
2010 – 2014	Director - Transportation Business Department PTG Energy PLC Fuel Retailer
2006 – 2010	Senior Division Manager - Marketing Department PTG Energy PLC Fuel Retailer

Mr. Surasak Songvorakulpan

Member of the Risk Management Committee /

25 May 2012

Director – Operations Department / 01 Jan 2012

Age (years) 49

Education

- Bachelor of Science in Mathematics,
Prince of Songkla University,
Hat Yai Campus

Training Courses

- SFE Class 21/2014
Thai Institute of Directors

Shareholding (%)

- Self 0.02
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

2013 – 2014	Acting Director - Quality and Safety Department PTG Energy PLC / Fuel Retailer
2012 – present	Member of the Risk Management Committee PTG Energy PLC / Fuel Retailer
2012 – present	Director - Operations Department PTG Energy PLC / Fuel Retailer
2010 - 2011	Executive Officer Petroleum Thai Corporation Co., Ltd Fuel Retailer through Petrol Stations
2009 - 2010	Director – General Administration Department Petroleum Thai Corporation Co., Ltd. Fuel Retailer through Petrol Stations
2008 – 2009	Director - Operations Department PTG Energy PLC / Fuel Retailer
2007 - 2008	Assistant Director - Operations Department PTG Energy PLC / Fuel Retailer
2003 - 2007	Assistant Director - Policy and Planning Department PTG Energy PLC / Fuel Retailer

Mr. Chaitas Wanchai

Director – Station Management Department /

01 Jul 2012

Member of the Risk Management Committee /

25 May 2012

Age (years) 46

Education

- Master of Science (Economics),
Kasetsart University
- Bachelor of Science (Fisheries),
Kasetsart University

Training Courses

- SFE Class 16/2012
Thai Institute of Directors

Shareholding (%)

- Self -
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

2014 – present	Acting Director - Minimart Management Department / Petroleum Thai Corporation Co., Ltd. Fuel Retailer through Petrol Stations
2013 - 2013	Acting Director - Purchasing Department / PTG Energy PLC Fuel Retailer
2012 – present	Member of the Risk Management Committee / PTG Energy PLC Fuel Retailer
2012 – present	Director - Station Management Department Petroleum Thai Corporation Co., Ltd. Fuel Retailer through Petrol Stations
2010 – 2012	Acting Director - Management Department / Petroleum Thai Corporation Co., Ltd. Fuel Retailer through Petrol Stations
2000 - 2010	Manager - Marketing Department Thai Sekisui Foam Co., Ltd. Polyethylene Foam Manufacturer

Ft. Lt. Satta Suparp

Director – Marketing and

Customer Relations Department / 01 Jul 2014

Member of the Risk Management Committee / 25 May 2012

Age (years) 50

Education

- Master of Science, (Computer Science)
Chulalongkorn University
- Master of Science, (Statistics)
Chiangmai University

Training Courses

- SFE Class 16/2012
Thai Institute of Directors

Shareholding (%)

- Self 0.02
- Spouse or children under age 20 -
- Family relations with company executive(s) -

Work Experiences in The Past 5 Years

2014 - present	Director - Marketing and Customer Relations Department / PTG Energy PLC Fuel Retailer
2013 – 2014	Senior Manager - Marketing and Customer Relations Department / PTG Energy PLC Fuel Retailer
2013 – 2013	Executive Officer of the Office of the President PTG Energy PLC / Fuel Retailer
2012 - 2013	Executive Officer Level 10 of the Office of the President / PTG Energy PLC / Fuel Retailer
2554 – 2555	Central Executive Officer Level 10 of The Office of the President / PTG Energy PLC Fuel Retailer
2554 – 2554	Executive Officer Level 10 - PTC Administration Petroleum Thai Corporation Co., Ltd. Fuel Retailer through Petrol Stations
2550 – 2554	Senior Division Manager - Policy and Planning Department PTG Energy PLC Fuel Retailer

Duty and Responsibility of the Company Secretary

At the Board of Directors meeting No. 5/2012 on May 25, 2012, a resolution was reached to appoint Mr. Rangsun Puangprang as the Company Secretary assigned with the duty and responsibility of the Company Secretary according to Section 89/15 of the Securities and Exchange Act of 1992 (as amended), thus having the following duty and responsibilities:

1. preparing and safekeeping the following documentation:
 - 1.1 a register of directors;
 - 1.2 a notice calling a director meeting, minute of the meeting of the Board of Directors, and an annual report of the company;
 - 1.3 a notice calling a shareholding meeting and minutes of the shareholders meeting;
2. keeping a report on interest filed by a director or an executive;
3. performing any other acts as specified in the notification of the Capital Market Supervisory Board.



[illegible]

Details of the Directors, Executives, those with governing authority, and Company Secretary

	Pol. Gen. Soontorn	Saikwan	Mr. Thien	Mr. Supote	Mr. Sakanan	Mr. Pitak	Mrs. Chatkaew	Mrs. Lertlak	Nadtasomboon	Mr. Pongsak	Vachirarakpanich	Assoc. Prof.	Dr. Wanchai Rattana Wong	Mr. Rangsun	Ms. Natthisa	Mrs. Sukwasa	Pooshutvanitsakul	Mr. Tharee	Mr. Surasak	Songvorakulpan	Mr. Chaitas	Wanchai	Suparp
Jitkaew Co., Ltd.							/																
Chatthong Rungrueng Ordinary Partnership							/																
P & C Aquamarine Co., Ltd.							/																
CK Five Trading Co., Ltd.							/																
Satun Aquamarine Feed Supply Co., Ltd.							/																
N & C Minimart Co., Ltd.							/																
KTP Petroleum Co., Ltd.							/																
Odean Southern Center Co., Ltd.							/																
P & C Petroleum Co., Ltd.							/																
Pubadin Co., Ltd.								/															
Highlight Mansion Co., Ltd.										/													
Legal Brains Co., Ltd.										/													
New Bangpho Apartment Co., Ltd.										/													
Puripat Property Co., Ltd.										/													
P.S.V. Property Co., Ltd.										/													
Century Oil Co., Ltd.										/													

Note: x = Chairman of the Board of Directors; o = Vice Chairman of the Board of Directors; / = Director; * = Chief Executive Officer and President; # = Executive

CORPORATE GOVERNANCE



Corporate Governance

Corporate Governance Policy

The Company trusts that good corporate governance is the cornerstone of transparent and efficient operations, sustainable growth and constructive relationships with all stakeholders, i.e. shareholders, investors, employees, customers, trade partners and the society. Therefore, a good corporate governance policy has been established in accordance with the SET's good corporate governance principles for listed companies covering 5 sections namely 1) rights of shareholders, 2) equitable treatment of shareholders, 3) role of stakeholders, 4) information disclosure and transparency, and 5) responsibilities of the Board of Directors. Details are as follows

Section 1 Right of Shareholders

The Company attaches great importance to the right of shareholders, especially the basic rights to buy, sell, and transfer securities held by them, to share profit of the Company, to sufficiently obtain news and information of the Company, to attend and exercise their votes at the meeting of shareholders, etc. The Company has thus laid down pertinent policies and procedures in order to protect shareholder rights as well as to support and facilitate the exercise of their rights, as follows:

Treatment of Shareholders prior to the Day of the Annual General Meeting

- The Company provides an opportunity for shareholders to propose agendas for shareholders meeting, give their opinions, and made enquiries in advance.
- The Company undertakes to sufficiently and timely submit or disclose to the shareholders important information in relation to shareholders meetings, by submitting the meeting notice and agenda supporting documents to them not less than 7 days before meeting date or for a period specified by the Office of Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand (SET). Such notice shall be published in a newspaper, for 3 consecutive days, not less than 3 days before the meeting date, and each agenda shall be supplemented by the Board of Directors' opinion. The meeting notice shall also be published via the Company's website so that the shareholders have sufficient time to study the information in advance of the meeting. Moreover, the Company avoids adding any immediate agendas that were not included in the meeting notice, in order to ensure fair treatment to shareholders who cannot attend the meeting.

- In case of shareholders unable to attend the meeting, the Company enables them to appoint its independent directors or any other persons as a proxy to attend the meeting on their behalf, using one of proxy forms attached with the meeting notice.

Treatment of Shareholders on the Day of the Annual General Meeting

- The Company organizes the meeting at a location, which is convenient to attend with has adequate capacity to accommodate shareholders' attendance for their convenience.
- The Company encourages all directors to attend the shareholders meeting, so that shareholders can ask relevant questions.
- All shareholders attending the meeting are given equal opportunity to freely make comments, recommendations or enquiries before the vote casting. The directors and executives related to the agendas so considered shall be present to answer questions made at the meeting. Questions and answers along with significant opinions shall be recorded in the minutes of the meeting for further inspection by shareholders.
- Voting results and resolutions of the meeting are recorded in the meeting minutes, specifying clearly on each agenda that requires vote casting as to the number of votes for approval, disapproval and abstention.

Treatment of Shareholders after the Day of the Annual General Meeting

- After the meeting, the Company shall prepare the minutes of the meeting in which material information is disclosed completely and accurately for further inspection by shareholders. The Company shall also disclose the resolutions of the meeting through SET's Electronic Company Information Disclosure (ELCID) and on the Company's website (www.ptgenenergy.com).
- The Company takes all suggestions and comments into consideration in order to create improvement guidelines for subsequent shareholders general meetings.

Section 2 Equitable Treatment of Shareholders

Recognizing the importance of all shareholder groups, i.e. executive shareholders, non-executive shareholders, minority shareholders, and foreign shareholders, the Company has adopted a policy to facilitate fair treatment of shareholders as follows:

1) Disclose information related to shareholders meeting to all shareholders on an equal basis. All shareholders are provided an opportunity to express their opinions and make enquiries both before and during the meeting. Meanwhile, those unable to attend the meeting can appoint a proxy to attend the meeting on their behalf.

2) Shareholders with directorship or executive positions are required to disclose information about the interests they or their related persons have in any agendas, and shall not be entitled to vote on the agendas in which they have interests.

3) At a meeting where director election is considered, the Company shall give the shareholders an opportunity to cast their votes on an individual basis. Accordingly, the shareholders exercise the right to elect any nominees qualified as directors to safeguard their interests, thereby promoting diversity among directors who would truly represent the shareholders.

4) Directors, executives and staff being aware of inside information are prohibited from revealing said information to third or uninvolved parties. In addition, the Company has a policy preventing directors, executives and employees from using non-public inside information acquired as a result of their positions to trade the Company's securities. Directors and executives are also prohibited from trading the Company's securities during the period of 1 month before the financial statements are publicly disclosed.

5) Directors and executives are informed of the duty to report changes in their securities holding to the Office of the SEC in pursuant to Section 59 of the Securities and Exchange Act of 1992 (as amended).

Section 3 Roles of Stakeholders

The Company recognizes and respects the rights of stakeholders related to its business operations, e.g. shareholders, employees, customers, trade partners, creditors, debtors, competitors, communities, the society, the environment,



etc. In this regard, the Company shall comply with the provisions of laws and relevant regulations in order that the rights of all stakeholders are well sustained.

Treatment of Shareholders

The Company has a policy to treat all shareholders equitably and not to perform any action in violation or infringement of shareholders' rights. It endeavors to safeguard shareholder rights and maximize their satisfaction, taking into account the sustainable growth of the Company, addition of corporate value, consistent and proper returns, along with adherence to the good corporate governance principles.

Treatment of Employees

Fully aware that all employees are crucial to corporate operations, the Company has a policy to treat employees equitably and fairly. Employee appointment, transfer, remunerations and fringe benefits, as well as disciplinary actions shall be fair, transparent and appropriate for individual employee dependent on his/her knowledge, competence and past performance. The Company encourages continual development of employee capabilities and skills, and also offers employees of all levels opportunities to make comments and recommendations on operational enhancement for each unit.

Treatment of Customers

The Company focuses on strengthen customer satisfaction by delivering quality products that meet their demand, disclosing complete and up-to-date information of products and services without misleading them, and honoring contracts, agreements or conditions made with the customers on a transparent and equitable basis. Confidentiality of customers shall be preserved at all times, and not be exploited for personal gain or for the interests of other related parties.

Treatment of Trade Partners, Creditors, and Debtors

The Company operates on the basis of equal opportunities, fairness and ethical conducts. When engaging in business



with trade partners, creditors and debtors, the Company and its employees shall never solicit or accept from or pay to them any corrupt benefits. To protect mutual benefits of its trade partners, creditors and debtors, the Company shall strictly comply with laws, contracts and agreements. In case of failure to honor the terms and conditions of contracts, the Company shall notify the contractual parties immediately to discuss solutions to the problems.

Treatment of Competitors

The Company treats business competitors on the basis of free trade, equal opportunities and fair competition. It discourages the defamation of competitors through accusation, slander, false lambasting, or any unfair action in competition.

Treatment of Communities, Society, and Environment

The Company puts emphasis on sustainable collaboration with communities, the society and the environment, and also realizes its role, duties and responsibilities to them. The Company has therefore set and regularly reviewed policy and plans concerning occupational safety, health, security and environment, in order to control and assess employees' and relevant parties' performance in relation to the aforementioned matters effectively and efficiently as appropriate to changing circumstances. Moreover, the Company promotes efficient use of energy along with employees' awareness of and responsibility to communities, the society and the environment. Any activities posing a threat to society or morality and/or abetting vices are not permitted.

Section 4 Information Disclosure and Transparency

Recognizing the significance of accurate, complete, sufficient and timely disclosure of information to shareholders, investors and the general public, the Company has a policy to publish via the SET's ELCID system and the Company's website (www.ptgenenergy.co.th) corporate information,

namely financial reports and information, general information as required by the Securities and Exchange Commission and the Stock Exchange of Thailand, along with other information that may affect the price of the Company's securities or the decisions of shareholders, investors, and stakeholders. In addition, the Board of Directors has assigned Mr. Rangsun Puangprang to take responsibility for investor relations duties outlined as follows:

Investor Relations

The Company places importance on communicating and forging long-lasting relations with investors, analysts, and related government agencies, thus it has set up the Investor Relations (IR) Department in order to carry out various activities pertaining to investor relations affairs and to become a centralized information management hub for the Company. In this regard, the IR Department shall disclose all relevant information, in compliance with the regulations set out by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with completeness, accuracy, credibility, punctuality, and consistency. Such information includes general information and financial reports, namely financial statements, quarterly and annual Management Discussion and Analysis (MD&A), as well as news and updates through IR's website for the benefits of shareholders, analysts, investors, and any interested individual both domestically and internationally. Furthermore, Investor Relations activities also promote the Company's business operations in accordance with the Principle of Good Corporate Governance by closely aligning IR's core values with those of the Company's under the slogan, "swift communication, transparent information, service mind, right by investors' side." The IR Department can be contacted at:

- PTG Energy Public Company Limited
Investor Relations Department
90 CyberWorld Tower A
33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310
- ir@pt.co.th
- Telephone: 02-168-3377, 02-168-3388
- Facsimile: 02-168-3379, 02-168-3389

In 2014, the Company and the IR Department have facilitated various activities related to disseminating its business operations and relevant information for investors, shareholders, and related parties as summarized in the table below.

Activities	Frequency (times)
Analyst Meeting	1
Meeting with Executives (Company Visit)	8
Opportunity Day (hosted by SET)	4
Conference Call	3
Information inquiry via e-mail and telephone	5-6 per week
Press Conference	1
News (website)	138

In addition, all employees are required to discharge their duties solely for the maximum benefits of the Company. All actions and decisions shall be made in accordance with the Company's regulations and procedures, and not be influenced by personal intents of the makers or their family members, close relatives or other acquaintances.

All employees are also prohibited from exploiting or using inside information corruptly for personal gain or for the interests of their families or associates, and must safeguard the Company's inside information and documents without disclosing them to third and/or uninvolved parties. Use of shared inside information by employees must be in the scope of duties and responsibilities assigned specifically to each.

Section 5 Responsibilities of the Board of Directors

Board of Directors Structure

The number of directors is specified by the shareholders meeting, but shall not be less than 5 directors. The Board of Directors is made up of members with knowledge, capabilities and experiences pertinent to the business who have been approved by the shareholders meeting to serve as the Company's directors, and shall consist of at least 3 independent directors or one-third of the total directors, whichever is higher. At each annual general meeting of shareholders, one-third of the directors, having served longest in the office, shall retire. If the number of directors is not a multiple of three, the number closest to one-third shall apply.

The duties and authorities of the Board of Directors and top executives are clearly segregated. The Board of Directors is responsible for policy making and supervision of the management at a policy level, while the executives for management of operations according to the prescribed policies. The Company has specified that the Chairman of the Board is an independent director and shall not be either the Chairman of the Executive Committee or the Chief Executive Officer and President, thereby distinctly segregating the policy making and supervision duties from the day-to-day management. This also enables the Company to retain a sound balance of power and to prevent centralization of authority by any person. Moreover, the Company has laid down and put in writing the scope of duties and authorities of the Board of Directors, subcommittees and the Chief Executive Officer and President so that the scope of their operational responsibilities can be clearly defined.



Board of Directors Meetings

The Board of Directors should organize formal meetings at least 6 times a year and special meetings as appropriate. To allow the directors ample time and sufficient information for consideration, the Company shall notify them of the agenda items and submit to them the meeting notice and agenda supporting documents no less than 7 days prior to the meeting date. Except where it is a matter of necessity and urgency to preserve the rights or interests of the Company, the meeting may be called by other means and at an earlier date. At the Board meetings, each director is able to give opinions or make recommendations and remarks independently. On some agendas, top executives or concerned persons may attend the meeting to provide explanations, opinions and answers to the Board of Directors' questions. Resolutions of the Board of Directors meetings shall be made by a majority of votes, where each director shall have one vote and any directors having interests therein shall exclude themselves from the meeting and not be entitled to vote on such agenda. In case of a tie, chairman of the meeting shall have an additional casting vote.

The Company Secretary shall attend every meeting and take notes of the meeting. The minutes shall be submitted to the Chairman of the Board for consideration and signature confirming its accuracy, and subsequently proposed to the Meeting on the second agenda of the next meeting for approval. The Company is also responsible for safekeeping all information and documents of the Board meetings for future inquiry and reference.

Remuneration

The Company has established guidelines in setting remuneration for directors at a level appropriate and attractive enough, yet not overpaid, to retain competence and valuable directors with the Company in the long term. In determining directors' remuneration, the Company takes into account their duties and responsibilities, the Company's performance and operating results, along with remuneration rates of peer companies in similar industries. Furthermore, directors' remuneration each year shall be considered and approved by the annual general meeting of shareholders.

Director and Executive Development

To enable continual improvement of performance, the Company has a policy to promote and facilitate trainings and seminars for persons related to corporate governance system, e.g. directors, Audit Committee members, executives, etc. Directors are encouraged to attend relevant training courses such as those organized by the Thai Institute

of Directors Association ("IOD"), so that they thoroughly recognize and understand their fiduciary duties and responsibilities as directors of listed companies.

Review of Corporate Governance Guidelines

The Company will review in details and comply with the rules on corporate governance at least once a year to ensure suitability for the business operations of the company and to comply with the legal regulations defined during each period.

Anti-Corruption

The company has signed in the manifestation of Collective Action Coalition Against Corruption in Private Sector of Thailand on October 28, 2014.

The Board of Directors has approved an Anti-Corruption Policy on November 1, 2014, to be applied across every unit within PTG Energy Group, including the Board of Directors, the Executive Committee, the Audit Committee, the Risk Management Committee, the Corporate Governance Committee, Chief Executive Officer and President, executives, department heads, employees, business partners, and every group of stakeholders. This policy is put in place to ensure that business operations of the Company is carried out with fairness, integrity, transparency, social responsibility, and in accordance with the Principle of Good Corporate Governance.

Anti-corruption policy

PTG Energy Group ("Group") is committed to conducting its business with integrity, transparency, morality, and responsibility toward society and all stakeholders in accordance with the Principle of Good Corporate Governance and international standards, as well as exercise zero-tolerance toward any form of fraud and corruption, whether direct or indirect.

The Group shall not compensate government officials or private entities in return for business advantages or improper acquisition. It shall oppose those individuals involved in any form of corruption, such as inquiring, proposing, or accepting bribes; extortion; activities giving rise to conflicts of interest; money laundering; embezzlement; misuse of expenditure allocated for gifts, hospitality, traveling, donation, financial support, and accommodation; political contribution; investment in society and community activities; corruption through contact with government officials, trading partners, representatives, and other intermediaries; corruption through joint ventures; inappropriate utilization of company assets; corruption through mergers and acqui-

sitions, as well as unfair treatment of minority shareholders. The Group shall not allow any corruption behavior to foster within the organization by putting in place risk assessment and guidelines that require all levels of personnel, ranging from directors, executives, and all levels of employees to comply with legal regulations and ethical principles.

The Group has announced its intention to participate in the Collective Action Coalition Against Corruption in Private Sector of Thailand by signing in the manifestation of Collective Action Coalition and designated all the Group personnel to seriously comply with the anti-corruption policy of the Group.

To achieve said intention and to ensure that the Group has a clearly determined policy for responsibilities, guidelines, and appropriate guidelines to prevent all types of fraud and corruption that may arise from the Group's business operations, as well as ensuring that business decisions bearing risk of corruption are thoroughly scrutinized and carefully handled, the Group has formulated the Anti-Corruption Policy along with defining roles, responsibilities, guidelines, and practical measures as follows:

Definition

"Corruption" means every type of corrupted conduct of, negligence to properly conduct, or misuse of authoritative power from position one currently assumes, such as giving or accepting bribes; offering and proposing to give; accepting invitation to participate in acts that are unlawful and mistrustful; inquiring or requesting assets, money, properties, rights, or other benefits that are against the ethics, morality, laws, regulations, government policy, or policies of other parties conducting business with the Group, both domestically and internationally, to reap mischievous benefits toward the organization, oneself, or related entities. "Political Contribution" means direct or indirect act of giving assets, money, properties, rights, or other benefits in order to help, support, or benefit political parties, politicians, or individuals involved in political affairs.

"Related Party" means spouses, children, parents, siblings, and close relatives of the directors, executives, and All levels of employees of the Group.

"The Group" means

1. PTG Energy Public Company Limited
2. Petroleum Thai Corporation Co., Ltd.
3. Pyramid Oil Co., Ltd.
4. Alpine Oil Co., Ltd.
5. Empire Oil Co., Ltd.
6. Everest Oil Co., Ltd.
7. Andes Oil Co., Ltd.
8. Atlas Oil Co., Ltd.
9. Olympus Oil Co., Ltd.
10. Pyrenees Oil Co., Ltd.
11. Punthai Coffee Co., Ltd.
12. Other legal entities to be established as subsidiaries of PTG Energy Public Company Limited.

Anti-Corruption Policy

Directors, executives, and all levels of employees of the Group are prohibited from engaging in or accepting any type of fraud and corruption under any circumstances, and are required to strictly comply with the Anti-Corruption Policy. The Group shall arrange to have proper reviewing measures to regularly review compliance of this policy to ensure that it is consistent with the change in business, relevant rules, laws, and regulations.

Roles and Responsibilities

Aside from strict compliance with relevant policies, guidelines, and measures, the Group has defined roles and responsibilities of directors, executives, and other personnel as follows:

1. Directors are obligated to and responsible for determining policy, monitoring, and arranging to have in place an effective anti-fraud and anti-corruption system, as well as for delegating management to enforce and carry out the anti-corruption measures thus ensuring that management are aware of and place high value on anti-fraud and anti-corruption and cultivate such awareness into an organizational culture.
2. Corporate Governance Committee is obligated to and responsible for reviewing Anti-Corruption Policy whenever necessary so as to comply with the change in business, rules and regulations, and relevant laws; for giving comments on the amendment of the policy before seeking approval from the Board of Directors; as well as, for voicing its opinion and providing recommendations that are useful to the management in the formulation and the implementation of the anti-corruption measures.

3. Audit Committee is obligated to and responsible for reviewing the Company's compliance with the Anti-Corruption policy to ensure that each unit operates efficiently and according to the laws, codes of conduct, and ethical standards. If it is detected that any items or behaviors may significantly affect the Group's financial status and business performance, or actions of fraud and corruption, the Audit Committee must report said case to the Board of Directors in order to resolve the issues within the timeframe deemed appropriate by the Audit Committee.

4. Risk Management Committee is obligated to and responsible for monitoring and supporting corruption risk management by assessing fraud and corruption risk and reviewing the anti-fraud and anti-corruption measures to ensure their adequacy.

5. The Chief Executive Officer and President and management are obligated to and responsible for practicing Anti-Corruption Policy, providing resources, and communicating to and empowering all levels of employees along with all related personnel to have correct knowledge and understanding of the policy, guidelines, and measures, as well as for encouraging the Group to practice or apply such policy and measures. It is also responsible for putting into practice opinions and recommendations given by the Board of Directors and the Sub-Committee, and reviewing applicability of various systems, measures, and procedures to ensure consistency with the change in business, rules and regulations, and legal requirements. Further, it is responsible for reporting the audit results in accordance with the Anti-Corruption Policy to the Audit Committee, the Corporate Governance Committee, and the Board of Directors on a regular basis. The Chief Executive Officer and President and management are also vested with the authority to conduct any activity to prevent fraud- and corruption-related matters.

6. The Company Secretary is obligated to and responsible for assisting and supporting the work of directors, executives, and all levels of employees in accordance with the Principle of Good Corporate Governance and the Anti-Corruption Policy.

Guidelines

The Group, directors, executives, and all levels of employees shall adhere to the Anti-Corruption Policy outlined herein by:

1. Understand and comply with Anti-Corruption Policy by disengaging themselves from any type of fraud and corruption activities, whether direct or indirect.
2. Strictly abide by Policy for giving or receiving gifts, assets, or other benefits.
3. Arrange to have effective and appropriate internal control and risk assessment system to prevent fraud and corruption, and have corruption risk review and assessment performed at least once a year.
4. Put in place accurate and transparent financial reporting mechanism that is in accordance with the generally accepted accounting standards.
5. Have human resource management procedure that reflects the Group's determination to fight against fraud and corruption.
6. Arrange to have communication channel that reaches directors, executives, and all levels of employees of the Group to give knowledge and create understanding about the effects of fraud and corruption and the need to comply with Anti-Corruption Policy, as well as arrange to have proper channel through which whistle-blowers can timely inform traces of, give recommendations on, or report fraud and corruption incidences.
7. Do not neglect or ignore the incidences that possibly fall under fraud and corruption. The persons who witness or have information about the incidence must report to their supervisors or responsible units/personnel promptly and must cooperate in the investigation. In the case that the persons have doubts or questions, they must consult with their supervisors or the persons responsible for monitoring ethical conducts of the Group through various channels provided. The Group will take the information in a just, unbiased manner, and will immediately exercise protective measures to protect the whistle-blowers, the informants, and those cooperating in the reporting of fraud and corruption events.
8. Conduct oneself in a manner consistent with the laws against fraud and corruption in every country in which the Group operates.

9. Any action that violate or does not comply with this policy, directly or indirectly, bear disciplinary punishment stated in the Group's code of conduct, as well as legal punishment if deemed punishable for law.

10. Have strong determination to instill anti-corruption awareness into the minds of directors, executives, and all levels of employees, build and preserve the organization's value that totally repudiate fraud and corruption regardless of such fraud and corruption coming from transactions with governmental bodies, private entities, or any person.

Regulations

1. This Anti-Corruption Policy covers the whole spectrum of human resource management ranging from nomination and selection of personnel, promotion, training, performance assessment, to compensation. Supervisors are responsible for communicating with their subordinates to enforce Anti-Corruption Policy in the business conduct under supervision and for monitoring to make sure that such enforcement is effective.

2. In order to comply with Anti-Corruption Policy, refer to guidelines specified in the Principle of Good Governance, policies and guidelines for stakeholder treatment, as well as regulations and relevant manuals of the Group and other guidelines to be determined in the future.

3. To clearly illustrate the operation highly prone to fraud and corruption, the Group demands in writing that its directors, executives, and all level of employees be thorough and careful when engaging in the following matters:

3.1 Neutrality and political support

The Group has a political-neutrality policy. It will not directly or indirectly support or engage in activities having interest in political parties, including the use of the

Group's resources in the activities that will sabotage the Group's political neutrality and/or cause damages from engaging in such activities.

3.2 Donation for charity and financial support

The Group has a policy to monitor and control donation for charity or several forms of financial support to ensure that such activities will not be used as a vehicle for fraud and corruption. In so doing, the Group will determine clear, precise, and effective procedures and controls that can be regularly reviewed and whose document can be conveniently tracked.

3.3 Gifts, welcome banquets, and other expenses

The Group requires that receiving or giving of gifts and souvenirs, holding welcome banquets, giving and receiving assets or other benefits must be done in the manner consistent with those specified in Policy for giving or receiving gifts, assets, or other benefits.

4. Directors, executives, and all level of employees of the Group who violate or do not comply with this policy will receive punishment specified in the laws or regulations of the Group. Note that the Group will not demote, punish, or give unfavorable treatment to persons who refuse to commit fraud and corruption, even though such refusal may undermine the Group's business opportunities.

5. The Group will communicate with its personnel about Anti-Corruption Policy and relevant measures, as well as about various channels to inform traces of, give recommendations on, or report fraud and corruption incidences, using several means, such as executive and employee orientations and Moodle system, to build knowledge and understanding about practical application of the policy.

6. The Group determined the rule to disburse expenses, gifts, or assets by setting limits and approval criteria. It also demands that all disbursement have clear evidence to make sure that the expenses, gifts, or assets disbursed are not used as objects of fraud and corruption or used to support any political personnel. Details and information of every disbursement must be reviewed by Internal Audit Department to ensure that such disbursement is in compliance with the measures and procedures ruled by the Group.

7. The Group arranged to have auditing procedures for its sales, marketing, procurement, contract and legal work and other functions to regularly monitor, control, and prevent the risk of fraud and corruption and to ensure that the



works are done according to procurement and disbursement rules by requiring that details of transactions be reviewed by Internal Audit Department.

8. The Group arranged to have internal control system covering finance, accounting, information recording and storage, and other procedures in the Group that are relevant to anti-fraud and anti-corruption measure by requiring that details of procedures be reviewed by Internal Audit Department in order to ensure that such procedures are in compliance with the measures and procedures ruled by the Group.

9. The Group arranged to have risk management system to prevent and combat against frauds and corruption by analyzing corruption risks, determining risk level, formulating proper measure to deal with the risks assessed, and constantly tracking the progress of risk management plan.

10. The Group arranged to have internal audit process to ensure that its internal control and risk management system established support the Group to achieve its target, to review each unit's operation and make sure that such operation is in compliance with rules and regulations, to help identify flaws in and give recommendation to improve operating systems to be effective and efficient consistent with the Principle of Good Corporate Governance.

11. The Group arranged to have channels in which information of fraud and corruption can be informed, complaints on illegal or unethical actions can be filed, and information of incorrect financial statements and flaws in internal control system can be communicated to responsible parties to facilitate all stakeholders to more efficiently help protect the benefits of the Group. The channels are disclosed in the Company's website www.ptgenergy.co.th under "Corporate Governance."

12.. The Group will review the details and the compliance of this Anti-Corruption Policy at least once a year.

The Company's Director Structure

The Company's director structure consists of 5 sub-committees namely the Board of Directors, the Audit Committee, the Executive Director Committee, the Risk Management Committee and the Corporate Governance Committee, the members and scope of duties and responsibilities of which are as follows:

Board of Directors

The Company's Board of Directors is made up of 10 directors, comprising 1) 8 non-executive directors, 4 of which are independent directors, and 2) 2 executive directors.

The Board of Directors as of December 31, 2014

	Name	Position	Meeting Attendance
1)	Police General Soontorn Saikwan	Chairman of the Board of Directors	10/10
2)	Mr. Thien Mekanontchai	Director	10/10
3)	Mr. Supote Pitayapongpat	Director	10/10
4)	Mr. Sakanan Wijitthanarak	Director	10/10
5)	Mr. Pitak Ratchakitprakarn	Director	10/10
6)	Mrs. Chatkaew Gajasen	Director	9/10
7)	Mrs. Lertlak Nadtasomboon	Director	9/10
8)	Mr. Pongsak Vachirasakpanich	Director	10/10
9)	Assoc. Prof. Wanchai Rattanawong	Director	9/10
10)	Mr. Rangsun Puangprang	Director	10/10

Note : Mr. Rangsun Puangprang serves as the Secretary to the Board of Directors, and also the Company Secretary. Detailed profile of the Company Secretary is disclosed under the Director and Executive Profile Section.

Scope of Authority and Duties of the Board of Directors

1) Supervise and manage the Company, discharge their duties with integrity in compliance with the laws, the Company's objectives and articles of association including resolutions of shareholders meetings, as well as safeguard the Company's interests and exercise accountability to shareholders.

2) Formulate policies and business direction of the Company, as well as monitor and oversee to ensure the management's effective and efficient performance of the established policies and plans under the good corporate governance in order to maximize economic value and shareholders' wealth.

3) Oversee to ensure that the management treats all stakeholders on the basis of ethical values and equality.

4) Consider and formulate the annual budget plan, revise such plan to be appropriate to and consistent with the Company's policies and business direction, as well as inspect and control the management's efficient implementation of budgets according to the annual budget plan.

5) Monitor the Company's business operations regularly, and secure compliance with the laws and terms of relevant agreements. In this regard, the management is assigned to report on a quarterly basis on performance and other significant matters of the Company to the Board of Directors meeting for acknowledgement in order to enable effective business operations.

6) Ensure that the Company's accounting system, financial reporting system, internal control and internal audit are effective and reliable.

7) Play a vital role in risk management, by implementing appropriate and adequate risk management guidelines and measures in tandem with regular monitoring.

8) Consider and approve and/or give opinions on the execution of significant transactions and connected transactions to be proposed to shareholders meetings for approval in accordance with criteria, conditions and procedures specified by relevant laws and regulations and/ or the Company's articles of association and/or resolutions of shareholders meetings.

9) Ensure that annual reports of the Company or the Board of Directors are prepared in compliance with relevant laws or regulations, as well as report to the shareholders regularly and accurately on both positive and negative aspects of the current business status and future business direction, together with sufficient reasons for entering to said transactions.

10) Consider and approve an organizational structure suitable for business operations, which include establish subcommittees, nominate and appoint experienced and competent directors or persons qualified to sit in the subcommittees, and determine the scope of authority, duties and responsibilities of such sub committees.

11) Consider and appoint the Chief Executive Officer and President, and determine the scope of authority, duties, and responsibilities of the position.

12) Consider and set out the annual remuneration structure and criteria for appropriate remuneration for directors, executives, and employees, taking into account proper factors such as performance assessment results, positions, scope of duties and responsibilities, qualifications, knowledge, abilities and suitable remuneration rates comparable to those in the same industry.

13) Consider appropriate remuneration rate for directors in accordance with the criteria specified by the Board of Directors, and propose such rate to the shareholders meeting for consideration and approval.

14) Nominate and propose knowledgeable, competent, and experienced persons fully qualified under the relevant laws and regulations to the shareholders meeting for approval as the Company's directors.



15) The Board of Directors may authorize one or more directors or any other persons to, under the supervision of the Board, perform any acts on its behalf. It may also delegate certain authorities to said persons as it deems appropriate and for a period of time it deems appropriate. Such authorization and delegation can be rescinded, revoked, changed or amended if appropriate, and must be made in writing or clearly recorded as the Board's resolution in the minutes of the Board of Directors meeting, with a clearly-defined scope of delegated authority. In addition, the authorized persons shall not have an authority to approve any transactions which they or potential interested persons ("potential interested persons" shall be as defined by the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have an interest in or may involve a conflict of interest in any other form with the Company, except for approval of transactions made in accordance with the policies and criteria already approved by the shareholders meeting or the Board of Directors meeting.

16) Set up regulatory policies for supervising and monitoring and a effective support system for anti-corruption, as well as delegate the management to enforce said measures against corruption in order to ensure that management recognizes the importance and emphasizes of the anti-corruption measures and mindset within the organization.

17) Conduct performance evaluation of the Chief Executive Officer & President and the first four Executive members next-in-line to the Chief Executive Officer & President in a consecutive manner in order to evaluate the performance of the Chief Executive Officer & President and the first four Executive members next-in-line to the Chief Executive Officer & President at least once per year.

18) Hold any other authorities, duties, and responsibilities as prescribed by relevant laws and regulations, the Company's articles of association, and resolutions of shareholders meetings.

Board of Directors Evaluation

The Board of Directors has arranged to put in place a performance evaluation of the Board of Directors, both as a committee and as individuals, in order to regularly review the performance of the Board of Directors, at least once a year.

The Board of Directors' self-evaluation consisted of:

1. Structure and Qualifications of the Board of Directors
2. Roles and Responsibilities of the Board of Directors
3. Meeting of Board of Directors
4. Duties of the Directors
5. Relations with Management
6. Director and Executive Development

Evaluation scores in each category are given by:

- 1 = Strongly disagree or no action was taken
- 2 = Disagree or slight action was taken
- 3 = Agree moderately or moderate action was taken
- 4 = Agree or considerable action was taken
- 5 = Strongly agree or solid action was taken.

The performance evaluation result for the Board of Directors was 88.47% in 2014.

Self-evaluation of the Chief Executive Officer and President consisted of:

- Section 1 Progress of the work plan
- Section 2 Performance Evaluation consisted of:
 1. Leadership
 2. Strategy
 3. Strategy Execution
 4. Financial Planning and Performance
 5. Relations with Management
 6. External Relations
 7. Management and Relations with Employees
 8. Position Succession
 9. Knowledge of Products and Services
 10. Personal Attributes
- Section 3 CEO Development

Evaluation scores in each category are given by:

- 1 = Strongly disagree or no action was taken
- 2 = Disagree or slight action was taken
- 3 = Agree moderately or moderate action was taken
- 4 = Agree or considerable action was taken
- 5 = Strongly agree or solid action was taken.

The performance evaluation score for the Chief Executive Officer & President was equal to 90.22% in 2014.

Audit Committee

The Audit Committee consists of 3 independent directors who are fully qualified under the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee as of December 31, 2014

Name	Position	Meeting Attendance
1. Mr. Supote Pitayapongpat ^{1/}	Chairman of the Audit Committee, and Independent Director	7/7
2. Mr. Thien Mekanontchai	Member of the Audit Committee, and Independent Director	7/7
3. Assoc. Prof. Wanchai Rattanawong ^{2/}	Member of the Audit Committee, and Independent Director	5/7

Notes : 1/ Mr. Supote Pitayapongpat is a member of the Audit Committee with competency and expertise in reviewing the reliability of financial statements. Ms. Sumaree Panniyom, Head of the Internal Audit Division, serves as the secretary to the Audit Committee.

2/ Assoc. Prof. Wanchai Rattanawong was appointed a member of the Audit Committee on 24 April, 2014.

Scope of Authority and Duties of the Audit Committee

1. Financial Reporting

(1) Review to ensure that the preparation and information disclosure of the Company's quarterly and annual financial reports are accurate, complete, sufficient, reliable and timely, by coordinating with the external auditors and executives responsible for preparation of the financial reports.

2. Related Transactions and Transactions with Potential Conflicts of Interest

(1) Review that connected transactions and transactions with potential conflicts of interest are in compliance with the laws and the SET's regulations in order to ensure that these transactions are reasonable and in the best interests of the Company.

(2) Review that the disclosure of information regarding connected transactions or related transactions or transactions that may involve conflicts of interest is accurate and complete.

3. Internal Control

(1) Review to ensure that the Company's internal control system is appropriate and effective.

(2) Consider audit results and recommendations of the external auditors and the internal audit office on the internal control system, propose said recommendations to the management for further improvements, and follow up the progress.

4. Internal Audit

(1) Review to ensure that the Company's internal audit unit is independent and the internal audit system is effective.

(2) Review activities and structure of the Internal Audit

Division, and approve the Charter of the Internal Audit Office.

(3) Participate in the approval to the appointment, rewarding, transfer, removal or dismissal as well as the remuneration of the manager of Internal Audit Division, to ensure that the unit can perform duties independently.

(4) Review with the manager of Internal Audit Division the internal audit plan, especially on matters concerning internal control system and financial management process.

(5) Consider and give opinions and remarks in relation to budget and staffing of the Internal Audit Division, to propose to the Management for approval.

(6) Consider the audit plans and the scope of works of internal auditors, external auditors as well as internal audit advisor (if any) to ensure that they are mutually supportive and to avoid duplication of works.

5. Auditing

(1) Consider and propose the appointment of auditors and audit fees, including removal thereof. External auditors with independence are selected based on the credibility, adequacy of resources, work load of the audit firm, past experiences of staff assigned to audit the Company's statements, together with performance in the previous year. The Audit Committee shall propose the matter to the Board of Directors for approval.

(2) Review the scope and approach of audit proposed by the external auditors, and consider reasons for changes of audit plan (in case the plan is changed afterward).

(3) Suggest the external auditors to review or audit any transactions deemed necessary and material in the course of auditing the Company's and subsidiaries' statements.

(4) Review the auditors' reports, propose recommendations for improvements to the management, and follow up the progress.

(5) Consider the adequacy and efficiency of coordination between the external and internal auditors.

(6) Take due action and inspect the issue without delay upon being notified by the external auditors of any suspicious circumstance that the Chief Executive Officer and President or any person responsible for the Company's operations commits an offence under the second paragraph of Section 281/2, Sections 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, as well as report results of preliminary inspection to the SEC and the external auditors within 30 days from the date being notified.

6. Compliance with Relevant Laws and Regulations

(1) Review to ensure the Company's compliance with the Securities and Exchange Act, the SET's regulations or the laws relating to the Company's business.

7. Reporting of the Audit Committee

(1) The Audit Committee shall submit performance report to the Board of Directors meeting for acknowledgement and consideration at least once a quarter.

(2) The annual performance report of the Audit Committee shall be prepared with details as specified by the SET and signed by the Chairman of the Audit Committee, as well as disclosed in the Company's annual report.

(3) During the discharge of duties, if a transaction or action that may materially affect the Company's status and performance is found or suspected, the Audit Committee shall immediately report the matter to the Board of Directors in order to rectify the circumstance within the period deemed appropriate. Such transactions or actions include:

(3.1) Transactions with conflicts of interest;

(3.2) Fraud, or irregularity or material defect in the internal control system;

(3.3) Violation of the Act, the SET's regulations or the laws relating to the Company's business.

(4) If the Board of Directors or the executives fail to rectify the transaction or action identified in (3.1), (3.2) and (3.3) above within the appropriate period, any member of the Audit Committee may report such transaction or action to the SEC or the SET.

8. Good Corporate Governance

(1) Review to ensure the Company's continual process of good corporate governance development, as well as provide guidelines and recommendations necessary for improvement.

(2) Promote good corporate governance values by encouraging the Company to set the topic as a regular agenda for the Board of Directors meeting and annual general meeting of shareholders.

(3) Monitor to ensure that the Chairman of the Audit Committee receives copies of reports on interests under Section 89/14 within 7 business days from the date on which the Company has received such reports.

9. Risk Management

(1) Review to ensure that the Company's risk management process runs systematically, effectively and efficiently under appropriate standards.

(2) Consider, jointly with the Risk Management Committee, the risk management panel and the management, and give opinions regarding reports on risk management results and progress.

10. Anti-Corruption Measures

Review the Company's operations according to anti-corruption measures. If found or suspected any items, or any action that could result in a significant impact on the financial position and business performance of the Company, including fraud or corruption, the Audit Committee shall report such cases to the Board of Directors in order to rectify the situation within the period deemed appropriate by the Audit Committee.

11. Other Responsibilities

(1) Carry out any other tasks as assigned by the Board of Directors with the concurrence of the Audit Committee. The Audit Committee is responsible to the Board of Directors according to the duties and responsibilities assigned by the Board of Directors, while the responsibilities for all corporate activities toward third parties still lie with the entire Board of Directors.

(2) Review and revise the Charter of the Audit Committee at least annually in order to keep it up-to-date and proper to the Company's business circumstances.

(3) Discharge duties as specified by additional notifications of the SET.

(4) Oversee that a whistleblower system is established, in case employees or stakeholders have doubts or discover any actions suspicious of being violation of or non-compliance with the laws, rules, regulations, business ethics or corporate governance policies, in order to ensure the whistleblowers that the Company has independent investigation process and appropriate monitoring activities.

(5) Oversee any special investigations as necessary.

3.3 Risk Management Committee

The Risk Management Committee has been set up to formulate organization-wide risk management policy and to supervise the implementation of a system or process for managing risks that may affect the Company's financial status, operating performance, and competitiveness in the long term.

The Risk Management Committee as of December 31, 2014

Member Parties	Name	Position	Meeting Attendance
President and Chief Executive Officer	Mr. Pitak Ratchakitprakarn	Chairman of the Risk Management Committee	5/5
Executive Vice President	Mr. Rangsun Puangprang	Member of the Risk Management Committee	5/5
	Ms. Nattisa Pongtaranont		5/5
Office of the President	Mr. Surasak Songvorakulpan	Member of the Risk Management Committee	3/5
	Mr. Thatree Kirdboonsong		4/5
Office of the Company Secretary	Mr. Nopparat Chantanaves	Member of the Risk Management Committee	4/5
Sales Department	Mr. Suwatchai Pitakwongsaporn	Member of the Risk Management Committee	3/5
Marketing & Customer Relations Department	Mr. Chalong Tiratraipusit	Member of the Risk Management Committee	4/5
	Flt. Lt. Satta Suparp		5/5
Operations Department Quality & Safety Department	(Mr. Pitak Ratchakitprakarn – Acting)	Member of the Risk Management Committee	-
Transportation Business Department	(Mr. Pitak Ratchakitprakarn – Acting)	Member of the Risk Management Committee	-
Accounting & Finance Department	Ms. Patchanok Worasakyotin	Member of the Risk Management Committee	5/5
Human Resources Management Department	(Mr. Pitak Ratchakitprakarn – Acting)	Member of the Risk Management Committee	-
Information Technology Department	(Mr. Rangsun Puangprang – Acting)	Member of the Risk Management Committee	-
Purchasing Department	Mrs. Sukwasa Pooshutvanitshakul	Member of the Risk Management Committee	5/5
Station Management Department Minimart Management Department	Mr. Chaitas Wanchai	Member of the Risk Management Committee	5/5

Note : Mr. Tossaporn Nakay serves as the Secretary to the Risk Management Committee.

Scope of Authority and Duties of the Risk Management Committee

1) Formulate the overall risk management policy and framework, where the management is assigned to implement said policy and framework as well as to report performance results to the Risk Management Committee.

2) Review and revise the Company's risk management system for continual efficiency and effectiveness, and supervise assessment and monitoring of risk management implementation to ensure constant conformity with the set policy and framework.

3) Arrange for assessment and analysis of significant risks in various areas systematically and continuously in line with current circumstances in order to ensure that the risk assessment covers all steps of operations, and also recommend methods for preventing or mitigating such risks to an acceptable level.

4) Audit the risk management reports, monitor additional risks that are significant to the organization, and implement risk management measures appropriately.

5) Supervise and support the implementation of risk management for the fight against corruption by assessing the risk of fraud and corruption, and review to ensure adequacy of the anti-fraud and anti-corruption measures.

6) Perform any other duties as assigned by the Board of Directors.

Executive Committee

The Executive Committee was set up with the objective of assisting the Board of Directors in overseeing the management operations in accordance with the policies established by the Board of Directors and report on the performance of the management, along with other information relevant to the Board of Directors.



The Executive Committee as of December 31, 2014

Name	Position	Meeting Attendance
1. Mr. Sakanan Wijitthanarak	Chairman of the Executive Committee	12/12
2. Mr. Pitak Ratchakitprakarn	Member of the Executive Committee	12/12
3. Mrs. Chatkaew Gajasen	Member of the Executive Committee	11/12
4. Mr. Pongsak Vachirasakpanich	Member of the Executive Committee	12/12
5. Mr. Rangsun Puangprang	Member of the Executive Committee	11/12

Note : Mr. Rangsun Puangprang serves as the Secretary to the Executive Committee.

Scope of Authority and Duties of the Executive Committee

1) Consider the business plan and annual budget for proposing to the Board of Directors.

2) Formulate the Company's financial and investment policies, determine investment policy direction in line with corporate policies, and approve investment criteria as well as investment proposals according to the Company's regulations.

3) Consider and take action on key matters relating to the Company's operations.

4) Consider and provide recommendations on projects of all types that are proposed to the Board of Directors.

5) Consider and appoint directors of subsidiaries or joint ventures, according to shareholding ratio of the Company or the terms agreed by shareholders of subsidiaries or joint ventures (if any).

6) Oversee and monitor that the Company's administration results comply with the policies, business plans, and annual budget determined and approved by the Board of Directors, as well as regularly report such results to the Board of Directors.

7) Consider matters that the Chief Executive Officer and President proposes to the Executive Committee for consent or approval.

8) Approve recruitment, appointment, removal and transfer of senior employees at the senior executive vice president level or other equivalent positions.

9) Approve matters concerning the Company's finances and assets in accordance with the approval criteria.

10) Assign or advise the Chief Executive Officer and President to consider or perform any activities as the Committee deems appropriate.

11) Appoint working panels to consider any matters as the Committee deems appropriate.

12) Consider and propose matters deemed appropriate to be notified to the Board of Directors for acknowledgement, consent, or approval.

13) Consider and approve matters concerning the opening or closing of bank accounts with all commercial banks at which the Company uses services, including requests for special or extra services in relation to all the accounts the Company has with all commercial banks.

14) Consider any other matters or perform any other duties as assigned by the Board of Directors.

The Executive Committee's authority as well as delegation of authority to other persons as the Committee deems appropriate shall not include the authority or delegation of authority to approve any transactions in which the Executive Directors and delegated persons or their related persons may have conflicts of interest or benefits in any other forms against the Company's or subsidiaries' interests, or transactions beyond the Company's or subsidiaries' normal business scope. Such transactions must be proposed to the Board of Directors meeting and/or the shareholders meeting for consideration and approval in accordance with the Company's articles of association or relevant laws.

Corporate Governance Committee

The Corporate Governance Committee has been set up for the purpose for supporting the works of the Board of Directors in overseeing that the Principle of Good Corporate Governance is being followed, supporting and ensuring that it is continuously implemented following discrete and effective guidelines in accordance with the international guidelines, which will enable the business operations to be carried out legally, transparently, and sustainably.

The Corporate Governance Committee As of December 31, 2014,

Name	Position	Meeting Attendance
1. Mr. Supote Pitayapongpat	Chairman of the Corporate Governance Committee	-
2. Mr. Thien Mekanontchai	Member of the Audit Committee, and independent director	-
3. Assoc. Prof. Wanchai Rattanawong	Member of the Audit Committee, and independent director	-

Note: Mr. Rangsun Puangprang serves as the secretary to the Corporate Governance Committee

Scope of Authority and Duties of the Corporate Governance Committee

1. Consider and make recommendations regarding the framework of Good Corporate Governance and Corporate Social Responsibility to ensure that it is appropriate for the structure of PTG Energy Group, as well as make adjustments to ensure agreement with the international guidelines and present to the board of directors for approval.
2. Give advice, suggestions, as well as recommendations to the management division concerning any operations according to the Principle of Good Corporate Governance, corporate social responsibility, morality, and business ethics.
3. Conduct an audit together with the management concerning the Company's operations according to the Principle of Good Corporate Governance and Corporate Social Responsibility as determined by the Corporate Governance Committee and disclosed in the annual report. If any matters are failed to be carried out accordingly, such matters must be notified with sufficient reasons given.
4. Consider and provide recommendations on policy framework, implementation plan, and development guidelines on corporate social responsibility aspect with good standard and sustainability.
5. Formulate relevant policies related to operations, following the Principle of Good Corporate Governance, to be in accordance with the policies of the Group, as well as approve guidelines and related recommendations.
6. Consider and take action on key matters relating to corporate governance and corporate social responsibility.
7. Oversee and monitor that the Company's operational results comply with Principle of Good Corporate Governance according to policies determined by the Corporate Governance Committee, as well continuously present the progress to the board of directors.
8. Appoint working panels or management division to consider any matters as the Corporate Governance Committee deems appropriate.
9. Consider and propose matters the Corporate Governance Committee deemed appropriate to be notified to the Board of Directors for acknowledgement, consent, or approval.
10. Consider any other matters or perform any other duties as assigned by the Board of Directors.



Nomination and Appointment of Directors and Top Executives

Nomination of Directors

The Company has not set up a nomination committee for selecting nominees for director and executive positions. Therefore, the Board of Directors shall consider and select persons with experiences and abilities pertinent to the Company's business as well as required qualifications and without legally-prohibited characteristics, and subsequently propose the selected nominees to the shareholders meeting for appointment as directors in accordance with the criteria and procedures specified in the Company's articles of associations, which could be summarized as follows:

- 1) The Board of Directors consists of at least 5 directors, and at least half of the total number of directors shall reside in the Kingdom of Thailand. The Company's directors shall possess qualifications as specified by the laws and not less than 3 directors or one-third of the total number of directors, whichever is higher, shall be independent directors who possess qualifications as specified by the requirements of the Office of the SEC and the SET.
- 2) The Board of Directors elects a director as the Chairman of the Board, provided that the elected director shall be an independent director.
- 3) Directors shall not be a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership, operate any business or become a director of a private company or other company operating business of the same nature as and in competition with that of the Company, unless they have notified the shareholders meeting of this matter prior to the resolution for appointment.

4) In considering director appointment, the shareholders meeting shall elect the Company's directors by a majority of votes according to the following criteria and procedures:

- (1) Each shareholder shall have one vote for one share.
- (2) Shareholders shall cast their votes to elect directors on an individual basis.
- (3) Persons receiving the highest votes in descending order shall be elected as the Company's directors in a number of directors required or to be elected at a given meeting. In the event of a tie for the last opening, causing the number of persons elected to exceed the number required or to be elected at such time, the chairman of the meeting shall have a casting vote.
- (4) At every annual general meeting of shareholders, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number closest to one-third shall apply. The directors retiring in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, the directors having served longest in the office shall retire. The directors retired by rotation may be elected.
- (5) Any director wishing to resign from office shall submit a resignation letter to the Company. The resignation shall be effective on the date the letter reaches the Company. Such director may also notify the Registrar of his/her resignation.

7) In case an office of a director falls vacant for reasons other than by rotation, the Board of Directors shall appoint a person with required qualifications and without legally-prohibited characteristics as a replacement director at the next Board of Directors meeting, except that the remaining term of the former director is less than 2 months. The replacement director shall retain office only for the remaining term of his/her predecessor. The Board of Directors' resolution for appointment of the replacement director shall represent a vote of not less than three-fourth of the number of the remaining directors.

8) The shareholders meeting may resolve to remove any director from office before his/her term expires as a result of retirement by rotation, by a vote of not less than three-fourth of the number of shareholders attending the meeting and entitled to vote, and with an aggregate number of shares not less than half of the number of shares held by the shareholders attending the meeting and entitled to vote.



Nomination of Independent Directors

The Company has a policy to appoint independent directors in a number not less than one-third of the total directors, yet not less than 3 persons. In nominating persons for independent directors, the Board of Directors shall jointly select qualified persons based on knowledge, abilities, past experiences and other appropriate qualities, including required qualifications and prohibited characteristics according to the Public Limited Companies Act, Securities and Exchange Act., notifications of the Capital Market Supervisory Board along with relevant notifications, regulations and/or rules. The Board of Directors shall subsequently propose selected persons to the shareholders meeting for approval to the appointment thereof. Qualifications of independent directors are as follows:

1) Holding shares not exceeding 1% of the total shares with voting rights of the Company, its parent company, subsidiary, affiliate, the Company's major shareholders or controlling persons, including shares held by related persons of such independent director.

2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child of the executive, major shareholder, controlling person or person to be nominated as executive or controlling person of the Company or its subsidiary.

4) Having no business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company in the manner which may impede his/her independent discretion; and neither being nor used to be a significant shareholder (holding more than 10% of the total shares with voting rights of the Company, including those held by related persons), or a controlling person of those having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not be



a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

6) Neither being nor used to be a professional service provider of any kind, including legal or financial advisor, who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company; and not being a significant shareholder, controlling person or partner of such professional service provider, unless the foregoing status has ended for not less than 2 years.

7) Not being a director appointed as a representative of the Company's directors, major shareholder or shareholder who is related to major shareholder.

8) Not operating any business of the same nature as and in competition with that of the Company or its subsidiary to a significant extent; or not being a significant partner in a partnership, or an executive director, employee, staff or advisor who receives salary or a shareholder holding more than 1% of the total shares with voting rights of any other

company that operates any business of the same nature as and in competition with that of the Company or its subsidiary to a significant extent.

9) Not having any other characteristics that make him/her incapable of giving independent opinions on the Company's business operations.

10) An independent director being appointed with qualifications as stated in 1) to 9) above may be assigned by the Board of Director to make decisions on business operations of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company, provided that it is in the manner of collective decision where such independent director shall not be regarded as an executive director.

11) In case an independent director involves or used to involve in a business relationship or provision of professional services for a consideration exceeding the amount specified in 4) and 6) above, he/she shall be granted a relaxation thereof if the Board of Directors has considered, based on Section 89/7 of the Securities and Exchange Act of 1992, and opined that the appointment of such person does not affect his/her performance and independent opinions. The notice of shareholders meeting shall disclose in the agenda on appointment of independent director the following information:

(a) The nature of business relationship or professional services that makes such person lack the specified qualifications;

(b) Reasons and necessity for retaining or appointing such person as an independent director;

(c) Opinions of the Board of Directors regarding the proposal to appoint such person as an independent director.

Nomination of Audit Committee Members

The Company has a policy to appoint the Audit Committee, which consists of at least 3 members. In this regard, the Company shall select independent directors to be members of the Audit Committee, and subsequently propose such nominees to the Board of Directors meeting or shareholders meeting for approval. Apart from basic qualifications, the independent directors sitting in the Audit Committee shall possess additional qualifications as follows:-

1) Not being a director assigned by the Board of Directors to make decisions on the business of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company.

2) Not being a director of its parent company, subsidiary or same-level subsidiary which are listed companies.

3) Having sufficient knowledge and experiences to perform duties as a member of the Audit Committee, provided that at least one of the members has sufficient knowledge and experiences to review the reliability of financial statements.

Use of Inside Information

The Company puts great emphasis on overseeing and prohibiting its directors, executives and employees from using non-public material inside information for personal gain or for the interests of persons related to them, as well as from trading the Company's securities. Accordingly, the Company has laid down guidelines preventing exploitation of inside information by the directors, executives and employees as follows:

1) Directors, executives, and employees at all levels are prohibited from disclosing confidential and/or inside information of the Company to non-related parties or persons.



2) Directors, executives, and employees at all levels are prohibited from utilizing confidential and/or inside information of the Company for their own or any other persons' direct or indirect interests of personal gain or for the interests of any other persons, either directly or indirectly and no matter whether they receive any benefits in return.

3) Directors, executives, and employees at all levels being aware of the Company's non-public operating results or inside information that may affect the price of the Company's securities are prohibited from buying or selling the Company's securities until said information is released to the public. This prohibition shall apply to spouses and minor children of such persons. Violation of this regulation shall be regarded as a serious and legally punishable offence.

4) Directors and executives shall understand and acquaint themselves with the duty to report their securities holding and the holding of securities by their spouse and minor children, including changes thereof, to the Office of the SEC in pursuant to Section 59, as well as with penalty provisions in pursuant to the Securities and Exchange Act of 1992 (as amended) and the regulations of the Stock Exchange of Thailand.

5) The Company has established disciplinary actions against any persons utilizing or disclosing the Company's inside information to the extent that may damage the Company. The disciplinary actions shall be considered and taken as appropriate to the case, which include verbal warning, written warning, probation as well as termination of directors, executives or employees by means of dismissal, deposition or discharge, as the case maybe.

As such, the Company will review the details and compliance with the rules governing the use of sensitive data and preservation of confidentiality within the organization, at least once a year, to comply with the legal regulations that will be defined in each period.

Audit Fee

The Company and subsidiaries have paid audit fee and non-audit fee to PricewaterhouseCoopers ABAS Limited, which is the audit firm for the year 2014, and to other persons or businesses related to the external auditors or the office of the external auditors, as follows:

(Unit : million baht)

Recipient	Audit Fee	Non-audit Fee
Audit firm of the Company and subsidiaries	2.42	-
Other persons or businesses related to the external auditors or the office of the external auditors	-	-

PricewaterhouseCoopers ABAS Limited and auditors bear no relationship with or interest to the Company, its subsidiaries, directors, major shareholders, or any entities related to said persons.





Corporate Social Responsibility: **CSR**



Corporate Social Responsibility: CSR

Corporate Social Responsibility (CSR) is one of the Company's main key missions, which is to be responsible and accountable to the welfare of the society and the environment. The business operations are conducted with the corporate social responsibility toward the society and stakeholders in order to achieve an outstanding social stewardship in which the Company solemnly emphasizes. In this regard, the Company has complied with the requirements of the law and regulations involved in order to uphold all the Stakeholders' rights.

Treatment of Employees

Fully aware that all employees are crucial to corporate operations, the Company has a policy to treat employees equitably and fairly. Employee appointment, transfer, remunerations, and fringe benefits, as well as disciplinary actions shall be fair, transparent, and appropriate for individual employee dependent on his/her knowledge, competence, and past performance.

The Company encourages continuous development of employee capabilities and skills by offering up-to-date training courses suitable for future business expansion, as well as supporting enhancement of employee's knowledge and skills, which are geared toward continuous improvement of the Company.

In addition, the Company has also delegated the Department of Employee Relations and Communications as a mediator in maintaining employer-employee relationships, which leads to satisfactory productivity, motivation, as well as morale. More importantly, problem prevention and solutions are ensured for each individual employee, thus creating a freely interactive information exchange opportunity for all employees, encouraging understanding, and establishing strong employee relationships and labor relations simultaneously, by introducing some helpful tools created by Thailand Health Promotion Foundation, with the belief that happy employees equal higher productivity. Thus, the Company has created many Happy Workplace activities to bring happiness to all levels of employees for sustainable life management. The Happy Workplace activities include:

- Kicking Off "2015 Company's Goals and Direction Campaign" by the CEO & President in order to promote unidirectional understanding.
- PTG's volunteer programs providing support through community service activities, which are conscientious and beneficial to society by promoting unity, persistence, and social welfare benefits.
- Fitness programs and anti-drug activities.



Thai Traditional and Cultural Activities



The Company values strong relations between its petrol stations nationwide and the surrounding community. In this regard, the Company has considered hiring employees who reside in the vicinity of the stations in order to create job opportunities for the local communities.

Treatment of Customers

The Company focuses on strengthen customer satisfaction by delivering quality products that meet their demand; disclosing complete and up-to-date information of products and services without misleading them, namely details of each fuel type and various promotions and special privileges for customers; honoring contracts, agreements, or conditions made with the customers on a transparent and equitable basis. Confidentiality of customers shall be preserved at all times, and not be exploited for personal gain or for the interests of other related parties. The Company has exhibited its virtues through the following activities:

Full-liter Petrol Station Program

All of the Company's petrol stations have been entered into the "full-liter petrol station program" conducted the Department of Internal Trade, Ministry of Commerce, to uphold consumers' benefits as set out by the Measurement Act of 1999 and to ensure that its customers receive full amount of petrol purchased through PT stations



Fuel Quality Inspection

The Company focus on providing the utmost satisfactory for its customers, namely in the quality of its products, thus it has built a fuel oil testing laboratory at its Mae Klong Tank Farm to inspect the quality of petrol randomly retrieved during its operating process, starting from a tanker truck prior to its delivery to an oil tank all the way to the PT petrol stations. In this matter, the Company has dispatched testing staff from the fuel oil testing laboratory to inspect fuel quality at PT stations, using a mobile lab equipped with mandatory fuel testing equipment, and collect random samples during various processes as specified by the Company's guidelines for further testing at the fuel oil testing laboratory. Thus, the testing laboratory staff can perform on-site quality tests at all PT petrol stations without prior notice. This will ensure that PT customers will receive quality fuel that meets the standards.



Operational Safety, Health, Security, and Environment

The company focuses on sustainably coexisting with the community, society, and the environment by recognizing its role and responsibility toward them. Thus, it is determined to continuously review the policies surrounding safety operations, health, security, and the environment to invariably control and assess employees' and relevant parties' performance in relation to the aforementioned matters effectively and efficiently as appropriate to changing circumstances. Thus, the Company may ensure workplace safety, good physical health, and mental health for its employees, along with their awareness of and responsibility to communities in line with the mindset, derived from the Company's policies governing operational safety, health, security, and environment, as follows:

1. determining to put in place an organization-wide quality management to deliver goods and services exactly as stipulated by the regulations to increase customers' satisfaction and meet their expectations;
2. determining to manage occupational safety, health, and environment in compliance with the laws, regulations, and international standards that the organization applies to accident prevention, injuries, and illnesses of the workers;
3. determining to improve work process to be efficient and continuously effective;
4. managing the organization with the social responsibility by preventing and reducing the effects of environmental problems and promoting the quality of life of its employees, communities, and other stakeholders.

The Company complies with the local laws and exercises appropriate discretion in each locality with regard to social responsibility toward occupational safety, health, security, and work environment. Every year the Company assigns the Security and Environment Division to establish an action plan consisting of several CSR projects and activities such as follows:

Oil Spill Response Drill



The Company places high value on the preparation of personnel and equipment to prevent oil leakage into the water (Oil Spill Response) to be used during the incident of accidental oil spill, which may happen and pose threats to the environment and communities surrounding the oil tank farms. The Company, therefore, cooperates with external parties, such as Committees of Coastal Oil Tank Farms, to rehearse the action plan and the eradication of pollution around oil transfer harbor.

Fire Drill and Evacuation Plan Rehearsal



Safety and Environment Division coordinated with PTG's oil tank branches, PT petrol stations, and external parties, such as hospitals, municipal fire departments, and local police stations, in the rehearsal of fire suppression and evacuation plan to prepare relevant personnel and fire extinguishing equipment for the fire incident should it happen.

Fire Extinguishing Training for Students Project



Because PTG's businesses, including oil tanks, oil stations, and oil transportation, all involve flammable objects that, if not handled properly, may lead to a fire accident. By providing appropriate knowledge to the surrounding communities, their confidence in the Company can be better vested. This project is set up with the main purpose of providing knowledge to school students and college students about fire incident through the demonstration of fire suppression and evacuation plan at oil tank farms. When the training sessions are finished, the attendants will communicate with local residents and their parents to ensure confidence in PTG's management and business operations in general. This year, three training sessions have been organized at Song-Khwa Technical College, Muang District, Phitsanu Lok Province; Samutsakhon Technical College, Muang District, Samut Songkram Province; and Sriracha Technological College, Sriracha District, Chonburi Province.

Safety Week



The Company is well aware of the importance of creating safety culture in the organization and uses the strategies to share useful knowledge for the benefit of the general society, as well as create safety awareness to its employees and the communities. Attendants consist of the Company's employees from the Mae Klong Tank Farm, Samutsongkhram Province; Wat Sathatham School; Samutsongkhram Technical College; and villages around Bang Ja Krong municipality. The event focuses on providing knowledge and advices to the attendants. Administered every year with the cooperation between the Company and other units in the community, the event comprises of several booths as follows:

- Booth from the Quality and Safety Department
- Safety products exhibition booths from various companies
- Hospitals, health centers, and first-aid training booths
- Car check-up booth from Samutsongkhram Technical College, Samutsongkhram Province
- Booths from governmental entities, such as Social Security Office, and Samutsongkhram Province Welfare, and Labor Protection Office



Other activities

The Company puts in place the procedures to monitor the operation of employees related to transportation work, such as drivers, petrol station workers, and tank farm personnel, by conducting alcohol and drug tests in order to prevent work-related accidents. This activity is a part of Drug-Free Workplace Project.



The Company has a high regard for efficient operation of employees in every level. In 2014, the Company gave awards to four outstanding truck drivers who had maintained superior driving standards by having zero accident in the past 10 years. The awards were given to praise and recognize the employees who value safety and have high social awareness. As accidents bring loss to both the Company and the society, the Company executives gave commemorative certificates and financial rewards to these outstanding employees as encouragement and incentives for other employees.



The Company has been a member of the Oil Industry Environmental Safety Group Association (IESG) since 2005, which is a non-profit organization formed from the cooperation of the Oil Industry Group for environmental safety excellence, in which the Company has consistently participated in the activities of the association for the benefits of skills and knowledge development of the personnel and improvement of measures in accident prevention and oil spill response. This also includes conducting training seminars to provide knowledge to the Disaster Prevention and Mitigation Center associated with oil and chemical tankers.

Activities for Society and Environmental Benefits

1 National Programs

The Company is driven by the inspiration stating, “Wherever there are Thais, PT will be there to be number one in their hearts all over the country.” This inspiration sets the foundation of PTG’s corporate social responsibility framework, which is

“We exist to inspire and support those who desire to learn to have an opportunity to learn, so they can live in the changing world securely and sustainably.”

The project “PT Fills Jobs in the Country” made its start in 2013, driven by the Company’s belief that having vocational knowledge can help people find jobs and advance in their profession better than expected. With the concept that incorporates social and environmental awareness into the business process and the desire to give back to the society, PT is resolute to help create jobs for Thai people through its support of “Phra Dabos Foundation,” a public charity that serves His Majesty the King’s initiatives by helping those who lack access to education to have vocational skills in their career and become good citizens.

In addition, to ensure that the project “PT Fills Jobs in the Country” is continuously and completely carried out, the Company has set up a plan to support Phra Dabos Foundation for the next 3 years through various funding schemes as follows:

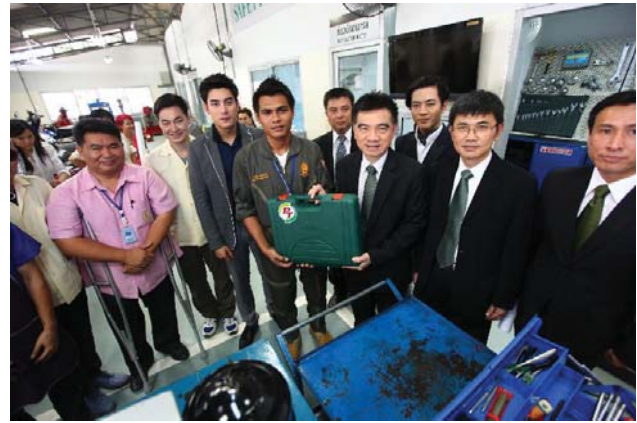
1st Project (2013) “Phra Dabos School and Phra Dabos on Tour Project,” PT supports the activities and the advertising of Phra Dabos Foundation to help those in need of knowledge and vocations.

2nd Project (2014) “Luk Phra Dabos Project,” PT supports tools and the first set of equipment to participants of the project to start their career.

3rd Project (2015) “Luk Phra Dabos SME Project,” PT supports the training of SME business planning to participants of the project.

4th Project (2016) “PT Luk Phra Dabos Shop,” PT gives Luk Phra Dabos (students of Phra Dabos Foundation) the rights and opportunities to use the area in PT oil stations throughout Thailand to set up stores and automobile repair shops.

5th Project (2017) “Phra Dabos School (PT),” PT supports the expansion of Phra Dabos Schools, vocational knowledge distribution centers, to cover the area all over Thailand.



In 2014 the Company continued “PT Fills Jobs in the Country: Year 2.” The activity plan this year focused on providing equipment and learning material that the foundation needed for its curriculum. Most of the equipment needed were basic equipment used in each profession. Also, the Company created an opportunity for customers to contribute to the foundation by arranging a campaign in which every 5 stang/liter from the sales of petrol would be donated to the foundation. The Campaign, running for two months from August to September 2014, was warmly welcomed by PT’s customers and successfully generated more than Baht 13 Million of customers’ contribution, along with PT’s additional donation, totaling Baht 15 Million of donation. This donation was presented to the Her Royal Highness Princess Maha Chakri Sirindhorn for the benefit of Phra Dabos. Through the donation of learning material and scholarships, PT and its customers took great pride in concrete contribution to the fund that gave opportunities to students of the Phra Dabos Foundation.

2 Activities for the Community and Environment

Aside from projects on the national level, the Company also emphasizes on other CSR activities covering other aspects, including education, society, and environment, to establish good relationships with and increase the confidence of the communities surrounding the Company's oil tank farms and petrol stations and the society in general. Strong relationship with the communities and the society will lead to sustainability of the business.

Education

The Company has long put great priority in education through knowledge sharing and other supports especially for the children who live in the remote area around PT's tank farms and petrol stations throughout the country. With the awareness that many children lack access to educational opportunity, the Company arranges to have education assistance for these children by directly requesting information from the Office of Basic Education Commission (OBEC) in the particular province to select the most appropriate candidate communities to receive assistance.

PT Confederate Activity - Sharing to Children in Remote Regions



This activity was held on National Children's Day at Baan Meung-Song-Tor School, Thong Pha Phum District, Kanchanaburi Province, as part of the joint effort between PT and the Project "Living Standard Enhancement and Happiness Sharing for Children in Remote Region" by Match Group, a group of volunteers for children development. The event consisted of many recreational and sport-for-relationship-building activities. The Company also provided scholarships to the school to increase the students' educational opportunity.

Furthermore, PT's oil stations also gave away "Smart Children's Bag" to children around PT's oil stations who visited the stations on National Children Day. Comprised of stationary tools, including notebooks and pencils, and the stickers of Maximus Robot, the bags would help enhance children's creativity and learning ability by allowing them to note down their observation of their surroundings.

"PT, We Just Give" Activity.



This activity was organized at Wat Hua Yang (Rut Rad NuKraw) School in Ta Chanuan Sub-District, Manorom District, Chainat Province, in which recreational and sports day activities were conducted to strengthen relations between students, parents, and Company's volunteers. Luncheon was provided along with donations in educational funding, school supplies, and sports equipment.

Care for Society

The Company places high values on participation in social development along with its ordinary business conduct. Therefore, it continues several philanthropic activities for people in the society. It also encourages its employees to participate in such activities in order to ingrain the awareness and the mindset of self-sacrifice for the benefit of the society into the employees' minds.

"Caring for the Elders" Activity



This activity was held at Chalerm Rachagumari Nursing Home for Elders (Sponsored by Luang-por Pern) located in Wat Sumroang District, Nakorn Chai Sri District, Nakorn Pathom Province, to give consolation and provide both physical and mental care to the elders at the Nursing Home. This also encouraged PT's employees to recognize the values and dignity of the elders as well as the importance of family institution, which would help reduce the social problems resulting from negligence of the elderly.

"Food for Children" Activity



The Company recognizes the issue of abandoned children and orphans as another major problem for Thai society; thus, it has taken part in providing these children with monetary support and essential donations, namely rice, dried food products, kitchen equipment, school supplies, and consumable products to Wat Boad Woradit Orphanage in Pah Moke District, Angtong province in order to promote awareness of the problems resulting from teenage pregnancy and the importance of providing care and education to young children.

"Leave the City for the Temples" Activity

The Company joined Sam-Chuk Community in the activity to clean the areas around the main hall and meditation pavilions in Toong Samakkeetham Temple, Nong-Pak-Nag Subdistrict, Sam Chuk District, Suphan Buri Province, to prepare the place for the activity during Buddhist Lent Festival, during which villagers and students from many universities would organize the project "No Alcohol during Buddhist Lent" and orientation programs in the temple's area.



“PT Volunteers to Clean the Temple” Activity



The Company is determined to preserve Buddhism, Thailand's national religion and the spiritual anchor of Thai people. Thus, it arranged an activity for people to make merits, listen to Buddhist teachings, and clean the temple at Tam-Mongkol Temple (Khao-Talu), Jorm Bueng District, Ratchaburi Province, to wake the volunteering spirit in doing altruistic activity for the society, to refine the minds, and to embed the morals in its employees, leading to their working with a conscientious mind.

“Don't Drive Drunk” Campaign



Songkran Festival is generally the period with high records of road accidents. The main cause of which is drunk driving. As such, PT joined efforts, to reduce road accidents with “Don't Drive Drunk” Campaign, with Civil Defense Volunteer Center, Bang Saphan Noi District, Prachuap Khiri Khan Province, to raise drivers' awareness of safe road usage by administering rest areas to facilitate commuters and allow drivers to take a break from driving. PT also provided drinking water for travelers who were traveling back to their hometown or to tourist destinations under the slogan “Don't Drive Drowsy: Get Free Water.”

Environmental Activities

PT focuses on harmonious and sustainable coexistence with community, society, and environment. Seeing the importance of natural resources and realizing that it is everyone's responsibility to preserve the environment, PT creates several environmental responsibility activities in an attempt to preserve nature.

“Walk in the Mud, Grow the Forest” Activity



Environmental problem is becoming more severe these days, especially in mangrove forests that are facing serious crises as the lives of aquatic animals dwelling in the area and using mangrove to raise their offspring are alarmingly harmed. In response, PT initiated the “Walk in the Mud, Grow the Forest” Activity at Mangrove Conservation Center, Klong-koan District, Samutsongkhram Province, to restore destroyed forest and, at the same time, instill the awareness of natural resource preservation into the mind-set of PT's employees.

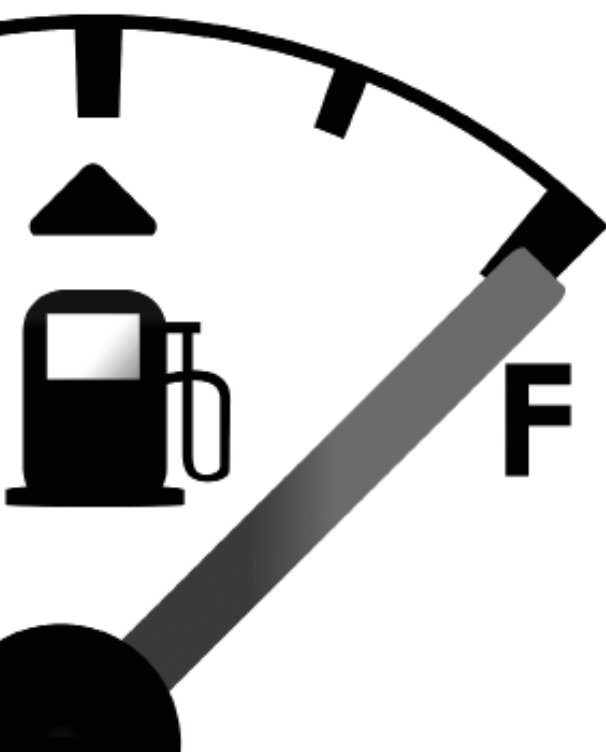
“Follow the King, Build A Dike” Activity



Realizing that saving the ecological system is quintessential, PT follows His Majesty the King's footsteps in preserving upstream forest. During its research, the Company found out that there had been floods in the area of Tha-yang District, Petchburi Province almost every year. In some years, the inundation was so severe that many houses and properties were destroyed. As a result, PT initiated the task force to build a dike at the 5th Forest Ranger Service Center in Kaeng Krachan National Park, Nong Ya Plong District, Petchburi Province, to slow down water stream and increase soil absorption. This not only reduced the destructive power of the rapidly-flowing water streams, but also elevated soil moisture content supporting natural diversity in the ecological system of the upstream forest. Building dikes is one way to restore the health of the upstream forest and bring back the fertility of nature and richness of the earth.



Internal Control
and Risk
Management



Internal Control

PTG Energy Public Company Limited places steady emphasis on internal control by implementing a thorough system sufficient for all activities and suitable for business undertaking, so as to achieve enhanced efficiency and effectiveness in operations, resources utilization and asset stewardship, accurate and credible accounting and financial reporting system, along with the strict compliance with the governing laws, rules and regulations. The Board of Directors has assigned the Audit Committee to annually review the Company's internal control, using the criteria for assessing the adequacy of internal control set by the internationally recognized Committee of Sponsoring Organizations of the Treadway Commission (COSO). In this regard, the Board of Directors meeting no.1/2015 on February 24, 2015 has concluded that the Company's internal control system is sufficient and suitable for the scale of business and its current circumstances. The assessment results can be summarized as follows:

1

Control Environment

The Company has a good internal control environment conducive to efficient and effective business operations. The Board of Directors and all levels of management have fostered a corporate culture of business ethics and integrity together with management in the following areas:

1.1 The Company adherence to the values of integrity and ethics.

The Company has adopted a written Code of Conduct, which lays down the basis of integrity and ethics in operations as well as prohibition of conduct that may lead to conflict of interest and corruption damaging the organization, and has informed all staff of such guidelines and penalty. Monitoring and assessment of compliance therewith are carried out such that an immediate action can be taken in case of any non-conformity to the rules relating to integrity and ethics.

1.2 The Board of Directors is independent from the influence of the management and responsible for the oversight and improvement of internal control function. The Company defines the roles and duties of the Board of Directors as: to be clearly segregated from those of the management, with validity according to the law and its Charter; to take responsibility for overseeing the formulation of clear and measurable business goals; and, to serve as guidance with knowledge and expertise beneficial to the Company business, along with complete independence in the discharge of duties as well as the supervision over development and practices in relation to corporate internal control.

1.3 Appropriate structures of the line of reporting and line of command are established to enforce corporate objectives under the oversight of the Board of Directors. The Company has formulated the organizational structure that contributes to such achievements, together with segregation of duties in order to enable a check and balance. In this regard, the internal control unit reports directly to the Audit Committee under a well-defined line of reporting. In setting the line of reporting within the Company, appropriateness of duties, responsibilities, and communications are taken into account.

1.4 The Company is determined to motivate, develop, and retain competent personnel. A policy to develop and retain capable personnel has been pursued and reviewed regularly. Furthermore, the performance assessment and reward system has been arranged and communicated throughout the organization. The Company also has processes for recruiting, developing, and retaining all executives and employees, accompanied by the measure to promptly address a lack of skilled personnel in accordance with the succession plan for significant positions.

1.5 Empowerment of personnel with duty and responsibility to carry out internal control tasks toward achievement of corporate objectives. The Board of Directors and executives have therefore communicated the imperative for all personnel to be responsible for the internal control mission. The internal control processes may be amended as necessary. Additionally, the Company has laid out particular key performance indicators, proper incentives, motivation assessment, and constant rewarding that are in connection with successful conformity with internal control criteria, yet with care not to put each personnel under excessive pressure.

2 Risk Assessment

The Company focuses on pursuing its risk management policies and processes as follows:

2.1 Set adequately clear objectives, so that risks relating to corporate goal achievement can be identified and assessed. The Company has complied with the generally accepted accounting standards by ensuring that its financial reports contain all transactions, reveal the Company's rights or obligations accurately, and disclose proper values of entries as well as complete and correct information. Material content of the financial reports has been determined by taking into consideration such important factors as the report users, size of transactions and business outlook, thus enabling them to

reflect the actual business activities of the Company. The Board of Directors or the Risk Management Committee shall approve and disseminate the policy to all employees for acknowledgement and practice, making such policy a part of the corporate culture.

2.2 Comprehensively identify and analyze all risks that can affect the achievement of the enterprise goals. The Company has identified all risks that can affect the Company business and analyzed both internal and external factors, covering strategic risks, operations, reporting, regulatory compliance, and information technology. Executives of all levels have taken part in the risk management and assessment, by considering risk possibility and potential consequences. Due actions shall be taken according to the established risk management measures, including acceptance, reduction, avoidance or risk sharing.

2.3 Explore the possibility of corruption. In assessing the risk toward achievement of corporate goals, the Company has evaluated the possibility of corruption of all forms. Operational targets have been carefully reviewed in order to ensure that incentives and remunerations for employees are appropriate and do not, by any means, instigate misconducts among the staff.

2.4 Be able to identify and assess changes that can affect the internal control system. The Company has assessed the changes of external factors, business pattern, and corporate leaders that may impact its operations, internal control, and financial reports. In addition, it has formulated sufficient responsive measures to cope with such changes.

3 Control Activities

To facilitate the systematic and efficient business operations as well as to prevent and mitigate any detrimental risks possibly arisen from its business activities, the Company has laid down control measures as follows:

3.1 Provide control measures to mitigate the risks hindering achievement of corporate objectives to an acceptable level. Put into writing and applied to all level of personnel, the Company's control measures are suited for associated risks and corporate characteristics and appropriately cover all processes. The scope, duties, and hierarchy of management approval are clearly defined in order to enhance anti-corruption efficacy. Duties and responsibilities in 3 areas of work, i.e. approval, recording of accounts and information, and asset custody and



stewardship, are completely segregated so as to maintain a good check and balance. Information regarding major shareholders, directors, executives, including connected persons is compiled, not only for official updates but also for the benefit of reviewing related transactions and conflict-of-interest transactions. Long-term transactions are monitored to ensure counterparties' compliance with the agreed terms throughout the binding period.

3.2 Support achievement of objectives via the use of technology in selecting and developing general control activities. The Company has established the correlation between the use of information technology in its operating procedures and the general control of information system, by attaining appropriate controls of infrastructure, safety, as well as the acquisition, development, and maintenance of technological systems.

3.3 Carry out control activities via policies defining expectations and procedures in order to successfully put the adopted policies into practice. The Company has a stringent policy to monitor compliance with procedures in the approval of transactions of major shareholders, directors, executives or their related persons, in an effort to prevent unfair advantage or exploitation of corporate benefits for personal gain. Additionally, approvals shall be considered by persons having no conflicts of interest in said transactions, by taking into account the best interests of the Company. Operations of subsidiaries or associated companies are also monitored. Internal control policies and procedures shall be implemented at an appropriate time, encompassing correction process for operational errors. These policies and procedures shall be reviewed on a regular basis to ensure consistent applicability.

4

Information & Communication System

The Company places emphasis on both internal & external information and communication systems, which are regarded as crucial tools in business operations. Decisions by the Board of Directors and the management therefore rest on sufficient, accurate, and reliable information.

4.1 Promote actualization of the internal control mission via relevant quality information. The Company has identified quality information, to be sought internally and externally based on costs and benefits, pertinent to and necessary for its operations. This aims to provide the Board of Directors with important information sufficient for decision making. Minutes of the Board of Directors meeting contain enough details that can be used as documentation for subsequent assessment of directors' reasonable performance. All book-keeping documents are kept and well-organized according to categories.

4.2 Information on internal control objectives, responsibilities, and other matters essential to the internal control success is communicated within the organization. The Company has built an efficient intra-organizational communication that supports the internal control activities. Important information has been regularly reported to the Board of Directors, who can also request to review any transactions. Besides, a whistleblower mechanism is set up for internal parties to safely and anonymously report information or complaint against fraud or corruption in the organization.

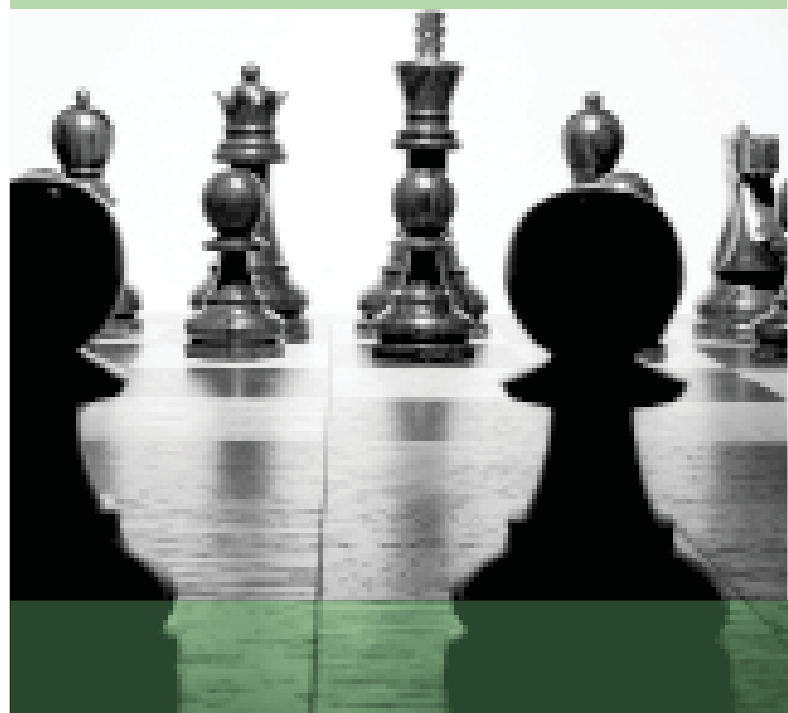
4.3 The Company has communicated with external parties regarding issues that may affect the internal control system. To support internal control activities, the Company has established a process to communicate corporate information with external stakeholders efficiently through appropriate communication channels and means, such as Investor Relations office, Call Center, and special communication channel or a secret channel, for external parties (whistleblower) to safely and anonymously report information or complaint against fraud or corruption in the organization.

5 Monitoring Activities

The Company has devised performance monitoring and assessment processes to ensure that the total internal control system is efficient and responsive to the perpetual changes.

5.1 The Company monitors and assesses its internal control in order to ensure that the internal control activities are carried out thoroughly and appropriately. Thus, it has established a process to monitor compliance with the business ethics as well as to monitor executives and employees' conducts that may lead to conflicts of interest. Audits of compliance with the internal control system are also arranged, either by self-assessment or assessment by external auditors, the frequency of which suits the organizational changes. The internal audit results shall be reported directly to the Audit Committee. Meanwhile, the internal auditors are encouraged to perform according to the International Standards for the Professional Practice of Internal Auditing (IIA).

5.2 The Company assesses and communicates, in a timely manner, the flaws in internal control system with responsible persons including senior executives and the Board of Directors, as it deems appropriate. The Company has assessed the internal control system and communicated any flaws therein. Corrective actions shall be taken promptly in the event that the actual result differs significantly from the target. In case serious corruption is committed or suspected, or there is a legal violation, such incident must be reported to the Board of Director immediately. The Company must also report any material errors, together with plausible solutions and progress of correction to the Board of Directors and the Audit Committee for further consideration in due time.



Risk Management

PTG Energy Group is committed to adding values for its organization and shareholders, as well as managing the enterprise to achieve sustainable growth. But, amidst its business undertaking, the Company is constantly faced with various risks, thus to ensure the achievement of aforementioned objectives, the Company recognizes the importance of risk management consistent with good corporate governance principles. The Company, therefore, has set out its guidelines for risk management as follows.

1. The commitment of the executives to provide a risk management system by putting place the policy requiring executives to provide information regarding the risk in decision-making, management, and etc.
2. A unidirectional process and understanding of risk and risk management. A policy framework and risk management elements must be provided with a clear explanation so that the usage and by the executives and employees are in line
3. The change management process must notify the executives and all employees of the changes, as well as the benefits to be gained by the organization and individuals from such change.
4. Continuous risk management process is an ongoing application of the risk management processes across the organization.



5. Communication, learning, effective training, clear clarification of employees' responsibility toward risk management will help bring about acceptance and success in the development of risk management.

6. Assessment of risk management is based on key performance indicators that are set on the organizational and divisional levels.

7. Risk management is supported through a training process. All employees are trained to enhance their understanding of the responsibility for risk management by integrating risk management into the individual's responsibility.

8. The risk management tracking process and the appropriate procedures tracking the risk management are determined to ensure that the risks are at an acceptable level by the organization.

The Board duly and continuously recognizes the importance of organizational risk management. Thus, risk management is tracked within the organization and risks are systematically audited at the organizational level to ensure that the Company is able to cope with potential business risks quickly and effectively. In this regard, the Risk Management Committee will audit and consistently review the appropriateness of the risk management policies consistently in order to reach the objectives of the organization to achieve sustainable growth.

Head of Internal Audit Division

The Audit Committee has appointed Ms. Sumaree Pan-niyom as the Head of Internal Audit Division who has more than 15 years of experience in Internal Audit field, and has graduated from the Internal Audit Certificate Program (IACP), as well as has attended many certified courses related to Internal Audit. In addition, she has a thorough understanding in the company business operation and has received utmost satisfactory remarks, from the Head of Internal Audit Division, for her performance of the internal audit duties. Therefore, the Audit Committee has deemed that she is suitable to act as Head of Internal Audit Division. The Audit Committee retains the authority for the appointment, removal, transfer of Head of the Internal Audit Division.



Related Transactions

Summaries of Related Transactions between the Company and Persons with Potential Conflicts of Interest in 2013 and 2014

The Company and subsidiaries had entered into related transactions with persons with potential conflicts of interest (as defined by the notification regarding issuance and offering of securities), relationships of which could be summarized as follows:

Person with Potential Conflict of Interest	Relationship*
<p>1) P & C Petroleum Co., Ltd. ("P&C")</p> <p>P&C registered its incorporation on June 18, 1993 to operate fuel retailing and wholesaling businesses. P&C is one of the Company's dealers and a jobber buying or selling fuels with the Company.</p>	<ul style="list-style-type: none"> - P&C is related to the Company for its shares are held by the Company's related persons, as follows: <ul style="list-style-type: none"> o Mrs. Chatkaew Gajasen (the Company's director), 20.92% of the issued and paid-up capital; o Close relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajasen, 58.85% of the issued and paid-up capital. - The Company and P&C have 1 joint director namely: Mrs. Chatkaew Gajasen, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President & Chief Executive Officer) and holds 2.03% of the Company's issued and paid-up capital.
<p>2) KTP Petroleum Co., Ltd. ("KTP")</p> <p>KTP registered its incorporation on September 5, 1996 to operate fuel wholesaling business. KTP is a jobber buying and selling fuels with the Company.</p>	<ul style="list-style-type: none"> - KTP is related to the Company for its shares are held by the Company's related persons as follows: <ul style="list-style-type: none"> o Mrs. Chatkaew Gajasen (the Company's director), 15.69% of the issued and paid-up capital; o Close relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajasen, 33.35% of the issued and paid-up capital; o P&C, 25.00% of the issued and paid-up capital. - The Company and P&C have 1 joint director namely: Mrs. Chatkaew Gajasen, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President & Chief Executive Officer) and holds 2.03% of the Company's issued and paid-up capital.
<p>3) Pubadin Co., Ltd. ("Pubadin")</p> <p>Pubadin registered its incorporation on September 25, 1992 to operate petrol station business. Pubadin is one of the Company's dealers.</p>	<ul style="list-style-type: none"> - Pubadin is related to the Company for its shares are held by the Company's related person as follows: <ul style="list-style-type: none"> o Mrs. Lertlak Nadtasomboon (the Company's director), 65.00% of the issued and paid-up capital. - The Company and Pubadin has 1 joint director namely: Mrs. Lertlak Nadtasomboon, who holds 4.66% of the Company's issued and paid-up capital.

Person with Potential Conflict of Interest	Relationship*
<p>4) Sansaran-Jai Co., Ltd. ("Sansaran-Jai")</p> <p>Sansaran-Jai registered its incorporation on May 23, 2003 to operate accommodation (resort) business in Saraburi province.</p>	<p>- Sansaran-Jai is related to the Company for its directors and shareholders are related to the Company as follows:</p> <ul style="list-style-type: none"> o Mrs. Natee (formerly "Natsarun") Ratchakitprakarn, a major shareholder of Sansaran-Jai (holding 25.00% of the issued and paid-up capital), is Mr. Phiphat Ratchakitprakarn's spouse; o Mrs. Busakorn Trongsuesat, the director and a major shareholder of Sansaran-Jai (holding 36.67% of the issued and paid-up capital), is a sister-in-law of Mr. Phiphat Ratchakitprakarn who had been the Company's director until March 29, 2012; o Mrs. Arporn Noodang, the director of Sansaran-Jai, is a sister-in-law of Mr. Phiphat Ratchakitprakarn (holding 6.67% of the issued and paid-up capital).
<p>5) R & D Kasetpattana Co., Ltd. ("R&D")</p> <p>R&D registered its incorporation on 5 April 2005 to operate palm cultivation and distribution business.</p>	<p>R&D is related to the Company for its directors and shareholders are related to the Company as follows:</p> <ol style="list-style-type: none"> 1) Mr. Pitak Ratchakitprakarn is a director of the Company, holding 7.74% of the Company's share as of December 31, 2014, and holding 16% of R&D share as of December 31, 2014; 2) Mrs. Chatkaew Gajaseni is a director of the Company, holding 2.03% of the Company's share as of December 31, 2014, and is a director of the Company R&D, holding 16% of R&D share as of December 31, 2004. <p>Notes : Ratchakitprakarn Family holds 16.71% of the Company's shares; Ratchakitprakarn Family holds 100% of R&D shares.</p>

Notes : *Shareholding in the Company is the proportion as of December 31, 2014

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
1. P & C Petroleum Co., Ltd. ("P&C")	Income from sales of goods o By the Company o By subsidiaries - The Company sells fuels wholesale to P&C, which is the Company's dealer.	68.33 - 68.33	115.57 1.32 114.25	- Fuel sale to P&C is conducted in a normal course of business. The Company sells fuels to P&C, one of its dealers, at a daily quantity ordered by P&C at the price and under the trading conditions specified in the Dealer Appointment Agreement between the Company and P&C. The price and trading conditions given to P&C are set based on the same principles as to other dealers.
	Income from asset rental and other services o sold by the Company o sold by Subsidiaries	- - -	0.001 0.001 -	-
	Trade account receivable o The Company o Subsidiaries P&C is liable for trade account payable incurred from fuel purchase from the Company under the payment terms agreed between the Company and P&C.	0.35 - 0.35	1.04 0.40 0.64	- The Company grants P&C a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 7 days. In this regard, the trade account receivable in the amount of 1.31 M Baht at the end of 2011 and 0.93 M Baht at the end of Sept. 2012 incurred from a credit line granted to P&C within the term of payment agreed upon between P&C and the Company.
	Cost of goods purchased o By the Company o By subsidiaries - The Company and subsidiaries purchase fuels from P&C for sales at PT petrol stations operated by PTC (COCO petrol stations) and to the Company's dealers in the lower South.	1,135.74 249.15 886.59	956.60 0.75 955.85	- The Company needs to buy fuels from jobbers for sales to customers operating fuel retailing and wholesaling businesses in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in the said area. The Company is therefore unable to purchase fuels from Thai Oil, and transport of fuels from other Thai Oil tank farms or other distribution facilities is not worthwhile. - The sales price and trading conditions are as specified in the Fuel Supply Agreement between the Company and P&C, which are as

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
				proximate to the trading conditions and wholesale prices offered by other jobbers in such area.
	Trade account payable o The Company o Subsidiaries - The Company is liable for trade account payable incurred from fuel purchase from P&C under the payment terms agreed between the Company and P&C.	26.79 - 26.79	19.08 - 19.08	- The Company receives a credit line from P&C for purchase of fuels for further distribution in the lower South. The credit term granted by P&C is 7 days according to the Fuel Supply Agreement between the Company and P&C.
2. KTP Petroleum Co., Ltd. ("KTP")	Revenue from sales of goods o By the Company o By subsidiaries - The Company sells fuels wholesale to KTP, which is the Company's dealer.	8.00 - 8.00	33.26 0.26 33.00	- Fuel sale to KTP is conducted in a normal course of business. The Company sells fuels wholesale to KTP, one of its dealers, in a daily quantity ordered by KTP at the price and under the trading conditions specified in the Petroleum Dealer Appointment Agreement between the Company and KTP. The price and trading conditions given to KTP are set based on the same principles as to other dealers.
	Income from asset rental and other services o sold by the Company o sold by Subsidiaries	- - -	0.001 0.001 -	-
	Trade account receivable o The Company o Subsidiaries - KTP is liable for trade account payable incurred from fuel purchase from the Company under the payment terms agreed between the Company and KTP	0.58 - 0.58	0.19 0.06 0.13	- The Company grants KTP a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 7 days.

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
	<p>Cost of goods purchased</p> <ul style="list-style-type: none"> o By the Company o By subsidiaries - Apart from P&C, the Company and subsidiaries also purchase fuels from KTP for sales at PT petrol stations operated by PTC (COCO petrol stations) and to the Company's dealers in the lower South. 	<p>146.79</p> <p>146.79</p> <p>-</p>	<p>25.07</p> <p>-</p> <p>25.07</p>	<p>- The Company needs to buy fuels from jobbers for sales to customers operating fuel retailing and wholesaling businesses in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in the said area. The Company is therefore unable to purchase fuels from Thai Oil, and transport of fuels from other Thai Oil tank farms or other distribution facilities is not worthwhile.</p> <p>- The sales price and trading conditions are of the same nature as those agreed with P&C (KTP is a company under P&C group), and are approximate to the wholesale prices offered by other jobbers in such area.</p>
3. Pubadin Co., Ltd. ("Pubadin")	<p>Income from sales of goods</p> <ul style="list-style-type: none"> o By the Company o By subsidiaries - The Company and subsidiaries sell fuels wholesale to Pubadin, which is the Company's dealer. 	<p>187.22</p> <p>113.58</p> <p>73.64</p>	<p>171.09</p> <p>171.09</p> <p>-</p>	<p>- Fuel sales to Pubadin is conducted in a normal course of business operation of the Company in which the Company sells fuel wholesale to Pubadin, one of its dealers, at a daily quantity ordered by Pubadin at the price and under the trading conditions specified in the Dealer Appointment Agreement between the Company and Pubadin. The price and trading conditions given to Pubadin are set based on the same principles as to other dealers.</p>
	<p>Income from asset rental</p> <ul style="list-style-type: none"> o Renting out by the Company o Renting out by subsidiaries - The Company receives petrol station rental from Pubadin under the terms and conditions specified in the Petrol Station Rental Agreement between the Company and Pubadin (details are disclosed in Part 2, No. 5 re operating assets, No. 5.2.2 significant agreements on renting 	<p>0.72</p> <p>0.72</p> <p>-</p>	<p>0.72</p> <p>0.72</p> <p>-</p>	<p>- The Company agrees to rent out one service to Pubadin to operate its business by stipulating that Pubadin must become one of the Company's dealers. According to the Service Station Rental Agreement and the Petroleum Dealer Appointment Agreement between the Company and Pubadin, Pubadin is required to buy fuel at no less than the minimum amount specified in the agreement. Thus, aside from the monthly rental fee received, the Company also makes profits from selling fuel to Pubadin as one of its dealers. In this regard, the Company considers the rental fee based on expected income and various risks by making a comparison between operating the station on its own and allowing a dealer to operate the station.</p>

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
	and renting out spaces for business operations)			<p>- The Company agrees that target customer groups in such area are mostly industrial operators who would like long-term line of credit. If the Company operated the service station in said area, it would have to maintain higher working capital than operating in other areas. In addition, the Company would also bear a risk from debt collection from each of its customers. While agreeing to let Pubadin rent out the station, in which the Company sells fuel to Pubadin, eliminates said debt collection risk.</p>
	Transport Fee Income o By the Company o By Subsidiaries - The Company charges Pubadin transport and loading/unloading fees for each delivery of fuels to Pubadin.	- - -	0.69 0.69 -	<p>- In selling fuel to Pubadin, the Company also provides fuel transport service for each transaction as Pubadin has no tanker trucks of its own. Pubadin, therefore, hires the Company's fuel transport services. The fees charged by the company are based on market rates and are of the same rates charged to customers in general. The fees vary according to the distance of delivery.</p> <p>The Audit Committee opines that the transaction is reasonable as it is a normal business transaction where the price and trading conditions are set based on general trading conditions.</p>
	Land Rental Fee o The Company o Subsidiaries	- - -	0.03 - 0.03	-
	Electricity Cost o The Company o Subsidiaries	- - -	0.03 - 0.03	-

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
	Trade Account Receivable o The Company o Subsidiaries - Pubadin is liable for trade account payable incurred from fuel purchase from the Company and subsidiaries under the payment terms agreed between the Company and Pubadin.	5.25 0.37 4.88	4.32 4.32 -	The Company grants Pubadin a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 30 days in 2011 and 20 days in 2012. In this regard, the trade account receivable in the amount of 9.41 M Baht at the end of 2011 and 3.79 M Baht at the end of Sept. 2012 incurred from fuel sales to Pubadin within the term of payment agreed upon between Pubadin and the Company.
	Accrued Income (Rent) o The Company o Subsidiaries	- - -	- - -	-
	Other Trade Account Payable (Accrued Expenses) o The Company o Subsidiaries	- - -	0.06 - 0.06	-
4. Sansaran-Jai Co., Ltd. ("Sansaran-Jai")	Employee training expenses o The Company o Subsidiaries - The Company pays Sansaran-Jai for accommodations, food and beverages for the Company's employees attending training courses.	- - -	0.58 0.06 0.52	<p>- To enable employees to operate properly and efficiently, the Company organizes training courses for new and existing employees so that they gain understanding of work and develop skills necessary for operations. Therefore, the Company has established a training center at Nong Khae tank farm, Saraburi province and regularly arranges training courses for employees.</p> <p>- Having to arrange accommodations for its employees who attend each training course, the Company has accordingly reserved rooms at Sansaran-Jai Resort because it is not far from the training center and its service fees are approximate to those of other resorts nearby.</p>

Person with Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2013	2014	
				- The Audit Committee opines that the transaction is reasonable as the Company needs to provide employees with regular trainings so that they could perform their tasks properly and efficiently. Meanwhile, it is a normal business transaction where the price and trading conditions are set based on general trading conditions.
	Land Rental Fee o The Company o Subsidiaries	- - -	0.04 0.04 -	-
	Other Expenses o The Company o Subsidiaries	- - -	0.002 - 0.002	-
	Trade account payable o The Company o Subsidiaries - The Company is liable for trade account payable incurred from receiving services from Sansaran-Jai according to an agreement with Sansaran-Jai.			-
5. R & D Kasetpattana Co., Ltd. "R&D"	Income from sales of goods o By the Company o By Subsidiaries - Subsidiaries sells fuel retail to R&D for use in operations.	11.19 - 11.19	- - -	- Fuel sales to R&D is conducted in a normal course of business operation of the Company in which the Subsidiaries sell fuel retail to R&D for use in its operations. In this regard, the price and trading conditions are specified according to Petroleum Sales Agreement, upon which the Company and R&D agree, based on the same conditions given to other customers.
	Trade Account Receivable o The Company o Subsidiaries	- - -	0.13 - 0.13	-

MANAGEMENT DISCUSSION AND ANALYSIS



Management Discussion and Analysis

1. Management Discussion and Analysis 2014

In 2014, the Company is still determined to add more petrol stations, under the Company's standards. This is to ensure that its customers are served with high quality products and services, as well as to meet an increasing energy demand. Despite a slow economic growth in 2014, due to uncertainty in the political situations in the first half of 2014 coupled with the world oil price drop in Q4/2014, the Company continued to expand its business following its five-year station expansion plan. At the end of 2014, the Company had 951 stations covering 53% of all the Amphur (districts) in Thailand. In this regard, in 2014, the total fuel sales volume was 1,850.95 million liters, up by 273.44 million liters or 17.33% from last year. Moreover, the Company also increased its service channels and reached out to new customers by modernizing two service station rest areas, at Bang Saphan Noi in Prachuap Khiri Khan province and at Manorom in Chainat province, to provide full-service facilities for its consumers. The community mall area will start operating by mid-2015.

The Company's revenue from sales and services was at 55,100.76 million Baht, up by 7,384.50 million Baht or 15.48% from the previous year, attributing to continuous sales growth through PT service stations. As a result, PTG Energy Group's a net profit in 2014 was 494.05 million Baht, up by 181.72 million Baht or 58.18% from the previous year. The Company's earnings per share in 2014 were 0.30 Baht per share, up from 0.21 Baht per share in the previous year.

Operating Performance Analysis

Revenue from sales and services

In 2014, the Company's revenue from sales and services totaled 55,100.76 million Baht, up by 7,384.50 million baht or 15.48% year-on-year. The main factor that boosts the revenue from sales and services is the continual sales growth in petroleum products, which is the core business of the Company. The revenue from sales and services can be further segregated as follows:

Revenue from sales was 55,064.89 million Baht, up by 7,359.88 million Baht or 15.43% year-on-year. The sales revenue accounted for 99.93% of the total revenue from sales and services. In this regard, the sales revenue can be categorized into 2 main groups: revenue from fuel sales and revenue from other products.

• **Revenue from fuel sales** was 54,714.63 million Baht, up by 7,270.15 million Baht or 15.32% year-on-year, comprising of 1,850.95 million liters of fuel sold, up by 273.44 million liters or 17.33% year-on-year. Revenue from fuel sales, which is the main source of income, accounted for 99.36% of the sales revenue and can be distributed by the following sales channels:

Income through each sales channel	2014		2013		2012	
	MB	%	MB	%	MB	%
1. Revenue from fuel retailing through the Company's petrol stations (COCO stations)	38,506.66	70.38	29,283.82	61.72	19,728.41	47.63
2. Revenue from wholesaling to the Company's dealers (DODO stations)	7,513.06	13.73	7,463.17	15.73	8,064.67	19.47
3. Revenue from fuel wholesaling to other fuel traders and industrial operators	8,694.91	15.89	10,697.48	22.55	13,629.46	32.90
Total revenue from fuel sales	54,714.63	100.00	47,444.48	100.0	41,422.53	100.0

In 2014, the majority of the Company's revenue from fuel sales was from fuel retailing through the Company's petrol stations ("COCO" stations) totaling 38,506.66 million Baht or 70.38% of the revenue from fuel sales in 2014. In this case, the revenue from fuel retailing through COCO stations has a tendency to grow due to the Company's continual focus in expansion of COCO stations over the past period. At the end of 2014, the Company had a total of 743 COCO stations, up by 192 stations and 346 stations from 2013 and 2012, respectively.

Moreover, the Company's revenue from fuel wholesaling through its dealers' stations ("DODO stations") was 7,513.06 million Baht or 13.73% of the total revenue from fuel sales in 2014. However, this portion of the sales revenue through DODO stations is declining as the gross profit margin on wholesaling through DODO stations is lower than that from retailing through COCO stations. In this regard, the Company places particular emphasis on selecting its dealers to ensure that the products and services rendered at PT petrol stations shall be of the same standards nationwide.

The Company earned revenue from fuel wholesaling to other fuel traders and industrial operators of 8,694.91 million Baht or 15.89% of the total revenue from fuel sales and the portion of revenue through this channel is declining due to a decline in quantity of fuel sold to these traders. The main reason is from price competition among fuel traders causing the gross profit margin to be quite low. However, the Company still continues to wholesale fuel to other fuel traders as long as that the price remains within a suitable trading range for both parties.

- **Revenue from sales of other products** was 350.26 million Baht, up from last year by 89.72 million Baht or 34.44%. In this regard, the Company's revenue is derived from sales of other products related to fuel retailing and wholesaling businesses, which include sales of consumer goods via convenience stores at PT petrol stations and Punthai Coffee Shops, and sales of lubricating oils for various types of engine as well as other products at PT petrol stations. In any case, the revenue from sales of other products was equal to 0.64% of total revenue from sales in 2014. Nevertheless, the Company recognizes the potential in this revenue stream and has various plans to increase this revenue in the future.

Revenue from services amounted to 35.87 million Baht, up by 24.62 million Baht or 218.87%, which is equal to 0.07% of the total revenue from sales and services. In this regard, the Company had revenue from fuel logistics services, which continued to increase in line with the growing fuel retailing and wholesaling businesses. When considering the revenue according to the consolidated financial statements, it is recognized only for the services rendered to other outside parties, i.e. fuel transportation and loading services provided to fuel wholesalers who have no tanker trucks of their own and request for the Company's logistics services. However, in 2014, the Company had revenue from fuel logistics services, according to the separate financial statements, of 812.66 million Baht, up by 147.61 million Baht or 22.20%. The revenue from fuel logistics services according to the separate financial statements is much higher than that of the consolidated statements because the Company focuses on providing the services to PTC and subsidiaries those are fuel traders under Section 10.

Other revenues

The Company's other revenues totaled 150.27 million Baht, up by 13.02 million Baht or 9.49% year-on-year. Other significant revenues included revenue from asset rentals and other services consisted of revenue from fuel storage services for keeping fuel of other fuel traders at the Company's tanks farms and revenue from space rentals arisen from PTC's renting out spaces at COCO petrol stations to retail operators, such as coffee shops, restaurants, auto garages, etc., for their business operations. The Company also earned interest income from deposits at financial institutions.



Cost of sales of goods and services

The Company's cost of sales of goods and services amounted to 52,036.65 million Baht, up by 6,602.31 million Baht or 14.53% year-on-year. The major cost driver is from increasing fuel sales volume. In this regard, the cost of sales of goods and services is made up of cost of sales of goods and sales of services as follows:

Cost of sales of goods was 52,016.77 million Baht, up from last year by 6,588.68 million Baht or 14.50% in which the cost of sales of goods is equal to 99.96% the total cost of sales of goods of services constituting the core businesses of the Company. In this regard, the cost of sales of goods could be divided into 2 groups, namely cost of sales of fuel and cost of sales of other products.

- Cost of sales of fuel amounted to 51,707.30 million Baht, up from last year by 6,518.20 million Baht or 14.42%. The cost of fuel sales is considered the main cost accounting for 99.41% of the cost of sales of goods in which the majority of the Company's fuel is purchased from Thai Oil and a small portion from other traders for further distribution in its fuel retailing and wholesaling businesses. Moreover, the Company has recorded a continual increase in the cost fuel sales attributing to an increase in fuel sales volume of 17.33% year-on-year. The cost of fuel sales will continue to increase with higher fuel sales volume in the future.

- Cost of sales of other products amounted to 309.47 million Baht, up by 70.48 million Baht or 29.49% year-on-year. Moreover, the cost of other significant goods, including cost of consumer goods sold via convenience stores at PT petrol stations, tends to increase with the increasing quantity of consumer goods sold via the convenience stores.

Cost of services amounted to 19.88 million Baht, up from last year by 13.63 million Baht or 218.10%. The cost of services is attributed to cost of fuel logistics services comprising of fuel cost for tanker trucks, depreciation of tanker trucks and component parts, and tanker trucks insurance. In this regard, the cost of fuel logistics services according to the consolidated financial statements increased in line with an increase in services rendered to other outside parties. However, in 2014, the Company's cost of fuel logistics services according to the separate financial statements amounted to 450.45 million Baht, up from last year by 80.93 million Baht or 21.90%. This cost has a tendency to increase further in line with the growth in fuel retailing and wholesaling businesses of the Company as it provides more fuel logistics and loading services to PTC and subsidiaries those are traders under Section 10.

Gross profit

In 2014, the Company had a gross profit of 3,086.94 million Baht, up from last year by 805.02 million Baht or 35.28%. The main contributing factor is the growth in fuel retailing business especially through the Company's COCO stations, resulting in a gross profit margin of 5.60%, up from 4.78% in the previous year.

Selling and administrative expenses

The Company's selling and administrative expenses totaled 2,564.14 million Baht, up from last year by 591.83 million Baht or 30.01%, or calculated as selling and administrative expenses per liter of 1.39 Baht per liter, up from 1.25 Baht per liter in the previous year. In this regard, the selling and administrative expenses of the Company was on an upward trend due to business growth during the past period. The main components of the expenses are employee remuneration, amortized rental and leasehold right, depreciation expenses, and advertising and sales promotion expenses.

- Employee remuneration amounted to 1,167.13 million Baht, up from last year by 222.75 million Baht or 23.59%. The employee remuneration consists of salary, bonus, welfare benefits, and contributions to social security fund and compensation fund. A major factor of increasing employee remuneration is attributed to the Company's intense investments in the increase of PT COCO petrol stations requiring the Company to hire more petrol station staff as well as tank farm personnel. In addition, the Company also added more operational support staff within the organization to accommodate the Company's business expansion in the future. Thus, employee remuneration becomes a significant portion of selling and administrative expenses, in which it accounted for 45.52% of the selling and administrative expenses, a drop from 47.88% in the previous year. In this regard, employee remuneration to total revenue was equal to 2.11%, up from 1.97% in the previous year.



- Amortized rentals and leasehold right amounted to 321.05 million Baht, up from the previous by 106.74 million Baht or 49.80%, due to a continual increase in the number of COCO stations. The Company still adheres to the strategy of renting quality petrol stations meeting the standards specified by the Company from proprietors with discontinuing business by signing a long-term contract. Amortized rentals and leasehold rights accounted for 12.52% of selling and administrative expenses, up from 10.87 in the previous year. In this regard, amortized rentals and leasehold rights to total revenue was equal to 0.58%, up from 0.45% in the previous year.

- Depreciation expenses amounted to 264.10 million Baht, up from last year by 97.76 million Baht or 58.77%, as a result of the Company's investment in the expansion of petrol stations, modernization of existing stations, and acquisition of new tank farms. The Company has a policy to invest in the ownership of petrol stations, tanker trucks, and tank farms in order to enable efficient management of supply chain cost and management of sufficient fuel reserve amount for distributing to each target customers and proper to the current working capital. As a result, the Company has land, building, and equipment as one of its main assets, in which depreciation accounted for 10.30% of total selling and administrative expenses, up from 8.43% in the previous year. In this regard, depreciation expenses to total revenue was equal to 0.48%, up from 0.35% in the previous year.

- Advertising and sales promotion expenses amounted to 259.02 million Baht, up from last year by 30.52 million Baht or 13.36%, mainly from PT station image-enhancing advertising and sales promotion campaign expenses in the Company's fuel retailing business in order to reach new target customers and add to existing number of members. The advertising and sales promotion expenses accounted for 10.10% of total advertising and sales promotion expenses, a drop from 11.59% in the previous year. In this regard, the advertising and sales promotion expenses to total revenue was equal to 0.47%, the same as last year. The Company expects that this expense will remain stable about 0.50% of total revenue in the future.

Financial cost

The Company's financial cost amounted to 46.12 million Baht, a drop from last year by 7.92 million Baht or 14.65%, due to lower financial contract liabilities from ending tanker truck long-term rental contracts and the postponement of investment in new tanker trucks, coupled with internal operations adjustment and a lack of additional long-term liabilities.

Income tax

The Company paid income tax of 132.90 million Baht, up from last year by 52.41 million Baht or 65.11%. The income tax paid each year tends to increase as the new profit improves.

Net profit

The Company had a net profit of 494.05 million Baht, up from last year by 181.72 million Baht or 58.18%. Net profit per share was 0.30 Baht per share, up from 0.21 Baht per share in the previous year, due to increasing fuel sales volume, especially through Company-owned petrol stations in which the gross profit margin is higher than that of the other sales channels. Thus, the Company's higher gross profit margin, coupled with more efficient management of cost of sales of goods and logistics services, resulted in a net profit margin of 0.89%, up from 0.65% in the previous year.

Financial Position and Significant Financial Ratios

The Company has an increasing strength in its financial position with total assets of 6,596.30 million Baht, total liabilities of 2,997.40 million Baht, and shareholders' equity of 3,598.90 million Baht, increasing as a result of higher net profit year-on-year. The details of the Company's financial position analysis are as follows:

Assets

As of the end of 2014, the Company reported total assets of 6,596.30 million Baht, up from last year by 661.30 million Baht or 11.14%. The main contributing factors to increasing assets were from land, buildings, equipment, prepaid rental and leasehold rights, and trade and other receivables. In this regard, the Company emphasizes ownership of petrol stations, tank farms, and tanker trucks in order to completely control and efficiently manage its supply chain including fuel logistics operations, fuel storage and reserves, and fuel distribution to its target customers. Such asset ownership results in a high level of non-current assets, which accounted for 66.17%, up from 61.48% year-on-year.



• **Land, buildings, and equipment** owned by the Company as of the end of 2014 amounted to 3,809.30 million Baht, up by 537.82 million Baht or 16.44% year-on-year. Land, buildings, and equipment significant to the Company included COCO petrol stations, tank farms, and tanker trucks. Currently, the Company owns 743 COCO stations nationwide, a total of 9 tank farms serving the petrol stations, as well as a total of 335 tanker trucks to transport fuel.

• **Prepaid leasehold rights and rental** amounted to 390.52 million Baht, up by 187.89 million Baht or 92.73% year-on-year, as the Company places great emphasis on renting quality petrol stations meeting the standards specified by the Company from landlords with discontinuing business, as well as switching over to long-term contracts in the case that the Company is uncertain of potential business performance via a COCO station in such area.

• **Trade and other receivables** amounted to 506.29 million Baht, up by 118.08 million Baht or 30.42% year-on-year. Trade account receivable of the Company and subsidiaries incurred from credit line granted by the Company constituting pending receivables at the end of period. In this regard, cash is mainly used in fuel retailing business via Company-owned stations in which customers pay instantly per purchase, while sales are mostly made through lines of credit in fuel wholesaling business to the Company's dealers, other fuel traders, and industrial operators. In any case, the proportion of overdue account receivable is continually decreasing and is quite low when compared to the revenue from retailing and wholesaling of the Company and subsidiaries.

Details of trade receivables by aging period are as follows:

Trade receivables by aging period	31 December 2014 (audited)		31 December 2013 (audited)		31 December 2012 (audited)	
	MB	%	MB	%	MB	%
Current	77.12	72.32	87.18	71.26	69.11	49.62
Less than 3 months	22.78	21.36	22.66	18.52	55.79	40.06
Over 3 months but less than 6 months	0.00	0.00	0.01	0.01	0.30	0.22
Over 6 months but less than 12 months	0.00	0.00	0.20	0.16	0.96	0.69
Over 12 months	6.74	6.32	12.28	10.04	13.11	9.41
Total	106.63	100.00	122.33	100.00	139.27	100.00
<u>Less</u> : Allowance for doubtful accounts	(9.52)	(8.92)	(10.82)	(8.85)	(12.16)	(8.73)
Net trade receivables	97.12	91.08	111.51	91.15	127.11	91.27

In addition, the Company had other receivables amounted to 426.97 million Baht, up by 137.05 million Baht or 47.27% year-on-year. Other receivables of the Company and subsidiaries were from business operations, such as 1-year prepaid leasehold rights and rentals, good deposits, prepaid expenses, Revenue Department receivable, and Fuel Fund subsidiaries receivables. The main factors contributing to higher receivable amount were prepaid leasehold rights and rentals that expired within the year and other prepaid expenses as the Company made more advance payments for rentals of new petrol stations.

Liabilities

The Company had total liabilities at end of year 2014 of 2,997.40 million Baht, up by 250.85 million Baht or 9.13% year-on-year. The main factors were increasing current liabilities from trade and other payables, overdrafts, and short-term loans from the expansion of fuel retailing and wholesaling businesses. The current liabilities accounted for 80.15%, up from 69.49% in the previous year.

- **Trade and other payables** amounted to 1,786.55 million Baht, up by 262.61 million Baht or 17.23% year-on-year. In this regard, trade account payables of the Company and subsidiaries totaled 1,570.60 million Baht, up by 226.63 million Baht or 16.86% year-on-year. The majority of the trade payables arose from fuel purchases from Thai Oil, which increased in line with growing fuel sales volume, thus Thai Oil has continuously raised the credit line for the Company's fuel purchase so as to match the purchase orders of the Company and subsidiaries. The Company expects the trade payables to go up in response to the expansion of fuel retailing and wholesaling business. Currently, the Company is utilizing the maximum credit line resulting in higher trade payable amount. Aside from the trade payables, the Company had other payables of 216.36 million Baht, up by 36.39 million Baht or 20.22% year-on-year. In this regard, other payables include amounts received in advance and accrued expenses from business operations.

- **Borrowings from financial institutions** consist of overdrafts (O/D), short-term loans, and financial lease liabilities. The Company's borrowings from financial institutions totaled 1,040.08 million Baht, a drop of 81.10 million Baht or 7.23% year-on-year. The major factors causing the borrowings from financial institutions to decrease were a drop in financial lease liabilities, ending of long-term tanker truck leasing contracts, and more efficient management of fuel logistics system allowing the postponement of new tanker truck purchases. In any case, the Company had increasing overdrafts and short-

term loans from financial institutions due to purchases of fuel reserves for distribution to users during New Year holidays.

Shareholders' equity

At the end of 2014, the Company had shareholders' equity (excluding non-controlling interests) of 3,598.81 million Baht. The year-on-year increment was a result of increasing net profit. In this case, the Company had issued and paid-up capital of 1,670.00 million Baht, a share premium of 1,185.43 million Baht, and accumulated profit of 743.38 million Baht.

Suitability of capital structure

At 2014 year-end, the Company's Debt to Equity ratio was 0.83 times, decreased from 0.86 times as at 2013 year-end, despite the continual investment in the expansion of PT COCO petrol stations. In this regard, interest-bearing Debt to Equity ratio was relatively low at 0.29 times, placing the Company in good credit standing for taking future loans if needed to expand its business. An acceptable range of Debt to Equity ratio is between 1.0 to 2.0 times.

Liquidity

The Company has cash flow from operations, cash flow from investment, and cash flow from financing as follows:

- **Cash flow from operations** in 2014, the Company had a net cash flow from operations totaling 1,438.26 million Baht, up by 833.05 million Baht or 137.65% year-on-year. In this regard, the major factor influencing higher cash flow from operations is the net profit in which the Company's profit before corporate income tax amounted to 626.95 million Baht, up by 234.13 million Baht or 59.60% year-on-year, from the investment to expand PT COCO stations and modernization of existing stations, resulting in higher sales of fuel.

Furthermore, internal management, including the investment in ownership of tank farms nationwide and its own fleet of tanker trucks, enables the Company to efficiently manage its fuel reserve. Currently, the Company has an average holding period of 8.73 days, about equal to that of the previous year, in which the Company maintains a relatively low fuel reserve to reduce the risk in fluctuation of fuel price. The Company has an average collection period of 0.75 day, which declined from 0.99 day in 2013. And, it has an average payment period of 10.29 days, which increased from 9.42 days in 2013. On account of aforementioned practice, the Company has an extremely low cash cycle of -0.81 day, which further

decreased from 0.08 day in 2013. This indicates that the Company has fast inventory turnover and short collection period, resulting in lower working capital.

- **Cash flow from investment** in 2014, the Company had a net cash flow from investment totaling 1,472.63 million Baht, up by 285.25 million Baht or 24.02% year-on-year. The Company has used its cash flow in investing activities constantly in which most of the increasing investing cash flow is used for acquisition of leasehold rights and non-current assets as part of the Company's crucial strategy to expand its COCO stations.

- **Cash flow from financing** in 2014, the Company has a net cash flow from financing totaling 167.87 million Baht. In this regard, the Company has short-term loans and loan repayment amounted to 1,595.00 million Baht and 1,295.00 million Baht, respectively, arising from fuel purchases, as well as from the payment of financial liabilities related to tanker trucks long-term leasing contracts, amounted to 264.40 million Baht, and from dividend payment to the shareholders of the Company in the amount of 83.50 million Baht.

Significant Financial Ratios

The Company is in good financial standing with a current ratio of 0.93 times, a slight drop from 1.20 times in 2013, as a result of the Company's use of internal cash flow from its operations to invest in the rapid expansion of petrol station, along with increasing current liabilities from increasing trade and other payables in fuel purchases. In this regard, the Company had relatively low Debt to Equity and interest-bearing Debt to Equity ratios, permitting the Company to take additional loans as needed.

In addition, the Company's interest coverage ratio was 33.64 times, up from 14.12 times in 2013. This indicates that the Company is capable of paying off all of interest liabilities without affecting its financial liquidity. The Company's Debt to Equity ratio was 0.83 times, decreased from 0.86 times in 2013. The interest-bearing Debt to Equity ratio was relatively low at 0.29 times, placing the Company in good financial standing to take future loans if necessary for expanding its business. An acceptable range of Debt to Equity ratio is between 1.0 to 2.0 times.

In addition, Return on Equity was 14.56%, up from last year at 13.70%, and Return on Assets was 7.88%, up from last year at 6.36%. This indicates that the Company is continuously growing with a more efficient operation.

2. Factors and Influences Possibly Affecting Operations or Financial Position in the Future

Marketing margin volatility

The Company has focused on investing in the ownership of tank farms in various areas throughout the country in effort to swiftly distribute fuels to customers. It has also owned a large tanker fleet so that it can transport fuels to tank farms, petrol stations and delivery points for wholesale customers promptly and punctually, and also distribute fuels to retail customers in each area properly. With investment in such fixed assets, however, the Company has incurred higher amortized rentals and leasehold rights, utilities expenses, depreciation and repairing expenses, which are significant selling and administrative expenses. Besides, as the Company needs more staff corresponding to said fixed assets, personnel expenses are thus regarded as crucial selling and administrative expenses as well. Hence, if the fuel sales volume or the marketing margin on fuel sales of the Company and subsidiaries decrease significantly due to government's fuel price control measures in the future, the Company's and subsidiaries' operations might be affected.

Nevertheless, the Company is of the opinion that its average fuel sales volume per petrol station could still grow. Though previously known among specific group of customers, the modernization, active advertising of petrol station image, sales promotion through PT Max Card membership, as well as the securities listing on the SET are expected to help the Company's petrol stations acquire a wider brand awareness and higher average sales volume. As for risks on marketing margin, the Company views that the effects, if any, would be only short-term. If the government sees the necessity for price control in the long term, it needs to cushion fuel retailers and wholesalers from adverse impacts on their abilities to distribute fuels to general users by issuing such measures as the reduction of Oil Fuel Fund contribution rate, the provision of subsidy from Oil Fuel Fund for operators, etc. Following the support measures of the government, the marketing margin should resume its appropriate level.

Report of the Board of Directors' Responsibility for Financial Statements

The Company's Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and all financial information disclosed in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, using appropriate accounting policies applied consistently and with adequate disclosure of important information in the notes to the financial statements in order to provide the shareholders and general investors with reliable and adequate information of financial status.

In this regard, the Board of Directors has appointed the Audit Committee, comprising skilled independent directors, to review the quality of the financial statements and to assess the internal control system. The Audit Committee's Report regarding these matters has been presented in this Annual Report.

The Board of Directors views that the Company's internal control system can assure that the Company's financial statements have reflected its financial status and operating performance accurately in all material aspects.



Pol. Gen. Soontorn Saikwan
Chairman of the Board of Directors



AUDITOR'S REPORT

To the Shareholders and the Board of Directors of PTG Energy Public Company Limited

I have audited the accompanying consolidated and company financial statements of PTG Energy Public Company Limited and its subsidiaries and of PTG Energy Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

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 judgment, 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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of PTG Energy Public Company Limited and its subsidiaries and of PTG Energy Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Amornrat Pearmpoonvatanasuk
Certied Public Accountant (Thailand) No. 4599
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2015

FINANCIAL STATEMENTS





PTG ENERGY PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
31 DECEMBER 2014



PTG Energy Public Company Limited and Subsidiaries

Statement of Financial Position

As of 31 December 2014 and 2013

		Consolidated				Company	
		Restated 31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	1 January 2013 Baht'000	31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	Restated 1 January 2013 Baht'000
Assets	Notes						
Current assets							
Cash and cash equivalents	7	313,395	515,628	398,837	72,724	66,295	185,542
Short-term investments	8	162,933	83,073	1,788	161,011	81,183	161
Trade and other receivables, net	9	506,285	388,209	277,714	439,073	259,711	451,668
Short-term loans to related parties	29.5	-	-		1,020,685	794,739	168,190
Current portion of long-term loans to third parties		780	180	180	600	-	-
Current portion of a long-term loan to a related party	29.6	-	-	-	15,000	15,000	15,000
Inventories, net	10	1,247,957	1,298,885	861,759	551,813	568,739	318,590
Total current assets		2,231,350	2,285,975	1,540,278	2,260,906	1,785,667	1,139,151

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Financial Position

As of 31 December 2014 and 2013

	Notes	Consolidated				Company	
		Restated 31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	1 January 2013 Baht'000	31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	Restated 1 January 2013 Baht'000
Non-current assets							
Deposits at a financial institution used as collateral		-	31,277	31,570	-	-	975
Investments in subsidiaries	11	-	-	-	599,395	599,395	599,395
Long-term loans to third parties, net		4,120	3,100	3,280	1,200	-	-
Long-term loan to a related party, net	29.6	-	-	-	40,000	55,000	70,000
Investment property, net	12	93,391	92,515	89,983	99,025	99,149	96,278
Property, plant and equipment, net	13	3,809,302	3,271,486	2,089,382	1,836,472	1,761,579	1,161,291
Prepaid leasehold right and rental, net	14	390,516	220,625	110,848	3,232	3,698	4,164
Intangible assets, net	15	32,315	19,851	12,133	24,509	9,869	920
Other non-current assets	16	36,405	28,169	12,572	2,353	3,760	1,150
Total non-current assets		4,364,949	3,649,023	2,349,768	2,606,186	2,532,450	1,934,173
Total assets		6,596,299	5,934,998	3,890,046	4,867,092	4,318,117	3,073,324

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Financial Position

As of 31 December 2014 and 2013

		Consolidated				Company	
		Restated 31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	1 January 2013 Baht'000	31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	Restated 1 January 2013 Baht'000
Notes							
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts from a financial institution		-	119,948	158,842	-	-	34,881
Short-term loans from a financial institution		17 300,000	-	250,000	-	-	150,000
Trade and other payables		18 1,786,549	1,523,938	1,086,790	604,569	125,667	148,576
Short-term loans from related parties		29.7 -	-	-	80,620	200	335,796
Current portion of finance lease liabilities, net		19 252,470	257,661	131,291	250,897	256,383	130,647
Current portion of long-term loans from financial institutions		-	-	60,000	-	-	60,000
Income tax payable		63,540	7,159	39,225	-	-	10,575
Total current liabilities		2,402,559	1,908,706	1,726,148	936,086	382,250	870,475
Non - Current liabilities							
Finance lease liabilities, net		19 487,611	743,573	451,660	483,280	739,953	450,388
Long-term loans from financial institutions, net		-	-	273,750	-	-	273,750
Retirement benefit obligations		20 35,886	38,311	33,567	27,918	23,283	21,666
Deferred tax liabilities, net		21 41,066	33,786	14,046	30,070	19,051	3,675
Other non-current liabilities		22 30,282	22,181	20,055	11,174	7,893	7,236
Total non-current liabilities		594,845	837,851	793,078	552,442	790,180	756,715
Total liabilities		2,997,404	2,746,557	2,519,226	1,488,528	1,172,430	1,627,190

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Financial Position

As of 31 December 2014 and 2013

Statement of Financial Position							Consolidated			Company	
As of 31 December 2014 and 2013								Restated 31 December 2014 Baht'000	1 January 2013 Baht'000	Restated 31 December 2013 Baht'000	Restated 1 January 2013 Baht'000
							Notes	Restated 31 December 2014 Baht'000	Restated 31 December 2013 Baht'000	1 January 2013 Baht'000	Restated 31 December 2014 Baht'000
Liabilities and shareholders' equity (continued)											
Shareholders' equity											
Share capital							23				
Authorised share capital											
- 1,670,000,000 ordinary shares at par value of Baht 1 each								1,670,000	1,670,000	1,670,000	1,670,000
Issued and paid-up share capital											
- 1,670,000,000 ordinary shares paid-up of Baht 1 each								1,670,000	1,670,000	-	-
- 1,250,000,000 ordinary shares paid-up of Baht 1 each								-	-	1,250,000	-
Premium on share capital							23	1,185,430	1,185,430	-	1,185,430
Retained earnings											
Appropriated											
- Legal reserve							24	35,525	19,703	9,991	35,525
Unappropriated								707,858	313,142	110,754	487,610
Other components of shareholders' equity								(1)	75	-	(1)
Total equity attributable to owners of the parent								3,598,812	3,188,350	1,370,745	3,378,564
Non-controlling interests								83	91	75	-
Total shareholders' equity								3,598,895	3,188,441	1,370,820	3,378,564
Total liabilities and shareholders' equity								6,596,299	5,934,998	3,890,046	4,867,092

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Income		Consolidated			Company	
As of 31 December 2014 and 2013		Notes	2014 Baht'000	Restated 2013 Baht'000	2014 Baht'000	Restated 2013 Baht'000
Revenue from sales and services			55,100,756	47,716,261	10,453,609	8,032,581
Petroleum product subsidies			22,840	-	7,873	-
Costs of sales and services			(52,036,653)	(45,434,341)	(9,778,345)	(7,512,527)
Gross profit			3,086,943	2,281,920	683,137	520,054
Revenue from assets for lease and other services			49,516	39,348	266,011	132,189
Dividends received	11		-	-	157,180	69,884
Other income			100,755	97,903	127,954	101,343
Selling expenses			(2,055,628)	(1,699,910)	(562,643)	(407,372)
Administrative expenses			(508,515)	(272,408)	(267,986)	(130,788)
Finance costs			(46,120)	(54,035)	(47,910)	(61,293)
Profit before income tax			626,951	392,818	355,743	224,017
Income tax	26		(132,904)	(80,492)	(39,292)	(29,774)
Profit for the year			494,036	312,326	316,451	194,243
Profit attributable to:						
Owners of the parent			494,036	312,295	316,451	194,243
Non-controlling interests			11	31	-	-
Profit for the year			494,047	312,326	316,451	194,243
Earnings per share (Baht)						
Basic earnings per share	27		0.30	0.21	0.19	0.13

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Comprehensive Income

As of 31 December 2014 and 2013

	Notes	Consolidated		Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Profit for the year		494,047	312,326	316,451	194,243
Other comprehensive income					
Unrealised gains (losses) on investments					
in marketable securities available-for-sale, net of tax		(76)	75	(76)	75
Other comprehensive income (expense) for the year, net of tax		(76)	75	(76)	75
Total comprehensive income for the year		493,971	312,401	316,375	194,318
Total comprehensive income attributable to:					
Owners of the parent		493,960	312,370	316,375	194,318
Non-controlling interests		11	31	-	-
Total comprehensive income for the year		493,971	312,401	316,375	194,318

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Changes in Shareholders' Equity

For the year ended on 31 December 2014

Statement of Changes in Shareholders' Equity										Consolidated		
Other components of shareholders' equity												
	Notes	Retained earnings					Attributable to owners of the parent		Total owners of the parent Baht'000		Non-con-trolling interests Baht'000	Total shareholders' equity Baht'000
		Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Legal reserve Baht'000	Unappropri-ated Baht'000	Available-for-sale investments Baht'000	Total other components of shareholders' equity Baht'000	Other comprehensive income (expense)				
Opening balance as at 1 January 2013		1,250,000	-	9,991	110,754	-	-	1,370,745	75	1,370,820		
Changes in shareholders' equity for the year												
Paid-up during the year		420,000	1,185,430	-	-	-	-	1,605,430	-	1,605,430		
Total comprehensive income for the year		-	-	-	312,295	75	75	312,370	31	312,401		
Dividend paid	28	-	-	-	(100,195)	-	-	(100,195)	(15)	(100,210)		
Legal reserve	24	-	-	9,712	(9,712)	-	-	-	-	-		
Closing balance as at 31 December 20		1,670,000	1,185,430	19,703	313,142	75	75	3,188,350	91	3,188,441		
Opening balance as at 1 January 2014		1,670,000	1,185,430	19,703	313,142	75	75	3,188,350	91	3,188,441		
Changes in shareholders' equity for the year												
Total comprehensive income (expense) for the year		-	-	-	494,036	(76)	(76)	493,960	11	493,971		
Dividend paid	28	-	-	-	(83,498)	-	-	(83,498)	(19)	(83,517)		
Legal reserve	24	-	-	15,822	(15,822)	-	-	-	-	-		
Closing balance as of 31 December 2014		1,670,000	1,185,430	35,525	707,858	(1)	(1)	3,598,812	83	3,598,895		

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

Statement of Changes in Shareholders' Equity							Company	
		Retained earnings			Other components of shareholders' equity		Total	
					Other comprehensive income (expense)			
Notes	Total other components of shareholders' equity Baht'000	Premium on share capital Baht'000	Legal reserve Baht'000	Unappropriated Baht'000	Total other components of shareholders' equity Baht'000	Total other components of shareholders' equity Baht'000	shareholders' equity Baht'000	
	1,250,000	-	9,991	186,143	-	-	1,446,134	
	420,000	1,185,430	-	-	-	-	1,605,430	
	-	-	-	194,243	75	75	194,318	
	-	-	-	(100,195)	-	-	(100,195)	
	-	-	9,712	(9,712)	-	-	-	
	1,670,000	1,185,430	19,703	270,479	75	75	3,145,687	
	1,670,000	1,185,430	19,703	270,479	75	75	3,145,687	
	-	-	-	316,451	(76)	(76)	316,375	
28	-	-	-	(83,498)	-	-	(83,498)	
24	-	-	15,822	(15,822)	-	-	-	
	1,670,000	1,185,430	35,525	487,610	(1)	(1)	3,378,564	

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended 31 December 2014 and 2013

	Notes	Consolidated			Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000	2013 Baht'000
Cash flows from operating activities						
Profit before income tax for the year		626,951	392,818	355,743	224,017	
Adjustments to reconcile profit before income tax to net cash provided by operations:						
- Depreciation and amortisation	25	626,786	409,776	128,907	98,486	
- Provision for decommissioning costs		193	-	127	-	
- Reversal and allowance for doubtful accounts		3,274	(1,338)	-	(10)	
- Dividends received	11	-	-	(157,180)	(69,884)	
- Retirement benefit expenses		7,918	7,131	5,463	3,555	
- Actuarial gains	20	(9,152)	-	(4,780)	-	
- Gains on disposals and write-off of assets		(674)	(10,628)	(5,401)	(10,676)	
- Gains on disposals of short-term investments		(2,658)	(9,930)	(2,658)	(9,805)	
- Impairment charge of assets		1,627	536	-	1,090	
- Allowance for decrease in inventory value and obsolescence		8,265	371	6,968	-	
- Interest income		(2,013)	(1,729)	(50,388)	(34,181)	
- Interest expenses		46,120	54,035	47,910	61,293	
- Gains from change in fair value of trading securities	8	(45)	(1,680)	(13)	(1,542)	
Cash flows before changes in operating assets and liabilities		1,306,592	839,362	324,698	262,343	

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended 31 December 2014 and 2013

	Notes	Consolidated			Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000	
Changes in operating assets and liabilities:						
- Trade and other receivables		(50,176)	(71,558)	(128,565)	221,946	
- Inventories		42,663	(437,497)	9,958	(250,149)	
- Other non-current assets		(10,279)	(5,631)	(646)	(526)	
- Trade and other payables		256,025	436,586	470,596	(38,428)	
- Retirement benefit obligations paid	20	(1,191)	(2,387)	(624)	(1,939)	
- Other non-current liabilities		5,944	2,126	2,269	657	
Cash generated from operations		1,549,578	761,001	677,686	193,904	
- Interest received		2,013	1,729	3,916	4,453	
- Interest paid		(46,120)	(54,740)	(41,314)	(52,591)	
- Income tax paid		(67,211)	(102,784)	(26,219)	(27,056)	
Net cash receipts from operating activities		1,438,260	605,206	614,069	118,710	

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended 31 December 2014 and 2013

	Notes	Consolidated			Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000	
Cash flows from investing activities						
Proceeds from deposits at a financial institution used as collateral		31,277	293	-	975	
Payments for leasehold right and land rental	14	(538,149)	(307,495)	(412)	-	
Payments of short-term investments, net		(77,233)	(69,600)	(77,233)	(69,600)	
Payments for purchases of property, plant and equipment		(885,953)	(815,665)	(206,617)	(102,511)	
Proceeds from disposals of assets		13,938	16,147	11,659	15,892	
Payments for purchases of intangible assets		(14,886)	(11,238)	(13,676)	(9,348)	
Dividends received	11	-	-	157,180	69,884	
Payments of short-term loans to related parties	29.5	-	-	(10,258,035)	(9,170,626)	
Proceeds from short-term loans to related parties	29.5	-	-	10,032,089	8,544,077	
Proceeds from a long-term loan to a related party	29.6	-	-	15,000	15,000	
Payments of a long-term loan to a third party		(2,000)	-	(2,000)	-	
Proceeds from short-term loans to third parties		380	180	200	-	
Net cash payments in investing activities		(1,472,626)	(1,187,378)	(341,845)	(706,257)	

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended 31 December 2014 and 2013

	Notes	Consolidated			Company	
		2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000	
Cash flows from financing activities						
Payments on finance leases		(264,402)	(183,613)	(262,717)	(182,708)	
Payments of bank overdrafts from a financial institution, net		(119,948)	(38,894)	-	(34,881)	
Proceeds from short-term loans from a financial institution		1,595,000	1,529,500	50,000	880,000	
Payments of short-term loans from a financial institution		(1,295,000)	(1,779,500)	(50,000)	(1,030,000)	
Proceeds from short-term loans from related parties	29.7	-	-	1,110,337	3,263,109	
Payments of short-term loans from related parties	29.7	-	-	(1,029,917)	(3,598,705)	
Payments of long-term loans from financial institutions		-	(333,750)	-	(333,750)	
Proceeds from paid-up of ordinary shares		-	1,605,430	-	1,605,430	
Dividends paid to Group shareholders	28	(83,498)	(100,195)	(83,498)	(100,195)	
Dividends paid to Non-controlling interests of subsidiaries		(19)	(15)	-	-	
Net cash receipts from (payments in) financing activities		(167,867)	698,963	(265,795)	468,300	
Net increase (decrease) in cash and cash equivalents		(202,233)	116,791	6,429	(119,247)	
Beginning balance as of 1 January		515,628	398,837	66,295	185,542	
Ending balance as of 31 December		313,395	515,628	72,724	66,295	

The notes to the consolidated and company financial statements are an integral part of these financial statements.

PTG Energy Public Company Limited and Subsidiaries

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2014 and 2013

1 General information

PTG Energy Public Company Limited (the “Company”) is a public limited company, incorporated and located in Thailand. The address of its registered office is 90, Cyber World Tower A Building, 33rd Floor, Ratchadapisek Road, Huay Kwang, Bangkok.

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

The Group engages in business of trading of petroleum products, supplies and equipment for oil service station and consumable products and transportation.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 24 February 2015.

2 Accounting policies

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

2.1 Basis for preparation

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

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

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

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

shall prevail.

2.2 Revised accounting standards, revised financial reporting standards, and interpretations (collectively “the accounting standards”) which are effective for the periods beginning on or after 1 January 2014 and adopted by the Group

Accounting Standards	Topics
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share - Based Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 Financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs



Commencing 1 January 2014, the Group has applied the aforementioned accounting standards. The application of those accounting standards does not have significant impact to the financial statements being presented except the adoption of TFRIC 13 “Customer loyalty programmes” (an information of accounting policy for customer loyalty programmes is described in Note 2.23). The Group has retrospectively applied this interpretation. The adoption of the interpretation has resulted in reclassification of major revenue in consolidated statement of income for the year ended 31 December 2013 which is presented in Note 3.1.

2.3 Revised accounting standards, financial reporting standards, revised financial reporting standards, interpretation and revised interpretations (collectively “the accounting standards”) which are effective for the periods beginning on or after 1 January 2015 and not yet adopted by the Group before the effective date

2.3.1 The new and revised accounting standards with significant changes are as follows:

Accounting Standards	Topics
TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14	(revised 2014) TAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

The Group’s management is in the process of assessing the impacts of those accounting standards. Significant changes in those accounting standards are summarised below.

- TAS 1 (revised 2014), the key change is that a requirement for entities to group items presented in “other comprehensive income” (“OCI”) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The revised accounting standard does not address which items are presented in OCI.

- TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

- TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed “remeasurements” and will be recognised immediately in “other comprehensive income” (“OCI”). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment. Unvested benefits will no longer be spread over a future-service period.

- TAS 27 (revised 2014), the amendments are to change its name from “Consolidated and separate financial statements” to “Separate financial statements” and to specify the accounting treatment and disclosure of information for investments in subsidiaries, interests in joint ventures and investment in associates whenever the entity prepares the separate financial statements.

- TAS 28 (revised 2014), the amendment is to change its name from “Investments in associates” to “Investments in associates and joint ventures” and to specify the accounting treatment for investments in associates and joint ventures. In addition the revised accounting standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
- TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.
- TFRS 10 defined the principles of control which shall replace the principles of control and consolidation under TAS 27 (revised 2009) “Consolidated and separate financial statements”. This accounting standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns.
- TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties’ exposure in relation to the arrangement. When the parties’ exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting.
- TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs.
- TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.
- TFRIC 20 (revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine.

2.3.2 Financial reporting standards with minor changes are as follows:

Accounting Standards	Topics
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments

Accounting Standards**Topics**

TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

2.4 New financial reporting standard which is effective on 1 January 2016

TFRS 4 (revised 2014)	Insurance contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.5 Group accounting – investments in subsidiaries**2.5.1 Investments in subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between group companies are eliminated. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the statement of income.

A list of the Group's subsidiaries are shown in Note 11.

2.5.2 Transactions with non-controlling interests

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

When the Group ceases to have control, any retained interest in the former subsidiary is re-measured at its fair value, with the change in carrying amount recognised in the statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest. In addition, any amounts previously recognised in the statement of comprehensive income in respect of the former subsidiary are accounted for in the statement of income as if the Group had directly disposed of the related assets or liabilities.

2.6 Foreign currency translation

2.6.1 Functional and presentation currency

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

2.6.2 Transactions and balances

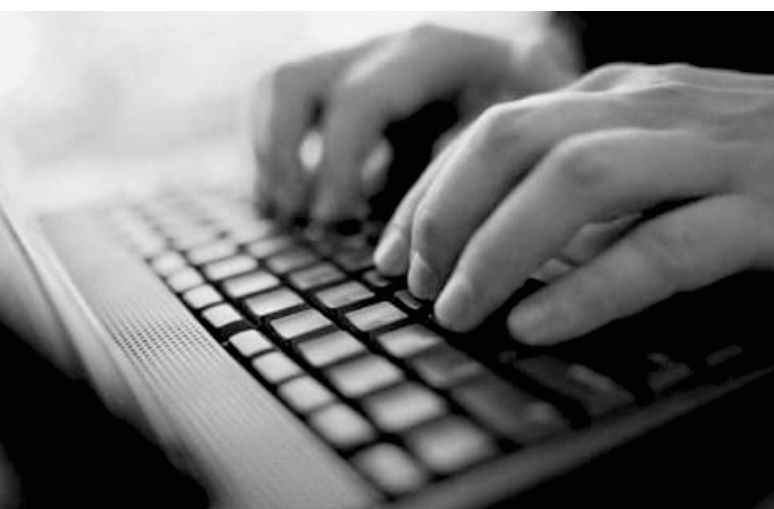
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

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

2.6.3 Group companies

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

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



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

2.7 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits at financial institutions and other short-term highly liquid investments with original maturities of three months or less. In the consolidated and company statement of financial position, bank overdrafts are shown in current liabilities.

2.8 Investments

Investments other than investments in subsidiaries are classified into three categories: trading investments, available-for-sale investments and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

2.8.1 Trading investments

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

2.8.2 Available-for-sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

2.8.3 General investment

Investment in non-marketable equity security is classified as general investment.

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

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of

business on the statement of financial position date by reference to a published price. The unrealised gains and losses of trading investments are recognised in the statement of income. The unrealised gains and losses of available for sale investments are recognised in the statement of comprehensive income.

General investment is carried at cost less impairment loss.

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

2.9 Trade receivables

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

2.10 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined under the following methods:

Petroleum products	Moving average method
Consumable products	Weighted average method
Other products	Weighted average method

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.11 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land and land improvement and building and building improvement held for a currently undeter-

mined future use. The Group has not determined that it will use the land and land improvement and building and building improvement as owner-occupied property or as capital appreciation.

Land and land improvement are not depreciated. Depreciation on building and building improvement is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives which is 10 - 40 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

2.12 Property, plant, and equipment

An item of property, plant and equipment is stated at cost less any accumulated depreciation and any accumulated allowance for decrease in value. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which the branch incurs either when the item is acquired or as a consequence of having used the item during a particular period.

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

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, except for land which is considered to have an indefinite life to their residual values over their estimated useful life, as follows:

Building	10, 20, and 40 years
Building improvement	5, 10, and 20 years
Tools and equipment	5, 10, 20, and 40 years
Office furniture and equipment	3, 5, and 10 years
Vehicles	5 and 10 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.14).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other (losses) gains - net in the statement of income.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as expenses in the statement of income.

2.13 Intangible assets

2.13.1 Leasehold right

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over the lease period.

2.13.2 Computer software licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

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

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

2.14 Impairment of assets

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



2.15 Leases – where a Group company is the lessee

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

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

2.16 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the statement of income over the period of the borrowings.

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

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

2.17 Current and deferred income taxes

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

is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of reporting period. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The principal temporary differences arise from stations renovation expenditure and finance leases.

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

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

2.18 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation, etc.

2.18.1 Defined benefit plan - retirement benefits

The Group provides for post-employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised in the statement of income in the period to which they relate. The costs associated with providing these benefits are charged to the statement of income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

2.18.2 Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.19 Provisions

2.19.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

2.19.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the building improvement. The recognised provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the building improvement.

2.20 Share capital

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

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the services performed to date as a percentage of total services to be performed.

Rental income is recognised according to accrual basis.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.22 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of income, as petroleum product subsidies within income item, over the period necessary to match them with the costs that they are intended to compensate.

2.23 Customer loyalty programmes

Where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.

The Group has traded the products and services to customers with the customer loyalty programmes which is the cumulative points from refill of petroleum products and purchase of food and beverage and redeem as petroleum products or other commodities in next time without any payment. The customer loyalty programmes is measured at fair value.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Segment reporting

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

3 Changes in accounting policy and reclassification

3.1 Changes in accounting policy and reclassification

As aforementioned in Note 2.2, this is the first time that the Group applies TFRIC 13. The Group has retrospectively applied this interpretation and the impact of changes on the consolidated statement of income as follows:

Consolidated statement of income

Revenue from sales and services

Other income

Selling expenses

For the year ended 31 December 2013		
As previously reported Baht' 000	Increase (decrease) Baht' 000	After restated Baht' 000
47,694,194	22,067	47,716,261
123,370	(25,467)	97,903
1,684,521	(3,400)	1,681,121



3.2 Reclassification

The effects of reclassification to the consolidated and company statements of financial position as at 31 December 2013 and 1 January 2013 and the consolidated and company statements of income for the year ended 31 December 2013, are presented as follows:

	Consolidated			Company		
	As previously reported Baht'000	Reclassification Baht'000	After reclassification Baht'000	As previously reported Baht'000	Reclassification Baht'000	After reclassification Baht'000
Cash and cash equivalents	515,541	87	515,628	-	-	-
Trade and other receivables, net	387,495	714	388,209	258,910	801	259,711
Short-term loans to related parties	-	-	-	864,739	(70,000)	794,739
Current portion of long-term loans to third parties	-	180	180	-	-	-
Current portion of a long-term loan to a related party	-	-	-	-	15,000	15,000
Long-term loans to third parties, net	3,280	(180)	3,100	-	-	-
Long-term loan to a related party, net	-	-	-	-	55,000	55,000
Prepaid leasehold right and land rental, net	203,426	(801)	202,625	4,499	(801)	3,698
Deferred tax assets, net	36,155	(36,155)	-	22,153	(22,153)	-
Deferred tax liabilities, net	(69,941)	36,155	(33,786)	(41,204)	22,153	(19,051)

Statement of financial position as at 31 December 2013

Cash and cash equivalents

Trade and other receivables, net

Short-term loans to related parties

Current portion of long-term loans to third parties

Current portion of a long-term loan to a related party

Long-term loans to third parties, net

Long-term loan to a related party, net

Prepaid leasehold right and land rental, net

Deferred tax assets, net

Deferred tax liabilities, net

- Trade and other receivables, net
- Short-term loans to related parties
- Current portion of long-term loans to third parties
- Current portion of a long-term loan to a related party
- Long-term loans to third parties, net
- Long-term loan to a related party, net
- Prepaid leasehold right and land rental, net
- Deferred tax assets, net
- Deferred tax liabilities, net

Costs of sales and services
Selling expenses
Administrative expenses
Finance costs

Consolidated				Company	
As previously reported Baht'000	Reclassification Baht'000	After reclassification Baht'000	As previously reported Baht'000	Reclassification Baht'000	After reclassification Baht'000
277,164	550	277,714	451,118	550	451,668
-	-	-	253,190	(85,000)	168,190
-	180	180	-	-	-
-	-	-	-	15,000	15,000
3,460	(180)	3,280	-	-	-
-	-	-	-	70,000	70,000
111,398	(550)	110,848	4,714	(550)	4,164
25,481	(25,481)	-	18,201	(18,201)	-
(39,527)	25,481	(14,046)	(21,876)	18,201	(3,675)
45,435,193	(852)	45,434,341	-	-	-
1,684,521	15,389	1,699,910	406,903	469	407,372
279,273	(6,865)	272,408	120,281	10,507	130,788
65,107	(11,072)	54,035	72,269	(10,976)	61,293

4 Critical accounting estimates, assumptions, and judgements

Accounting estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During 2014, the Group did not make any critical estimates, assumptions and judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Financial risk management

The Group's activities expose it to a variety of financial risks, which include market risk (including market prices for petroleum products risk and interest rate risk), credit risk, liquidity risk, and capital risk.

5.1 Market risk

(a) Market prices for petroleum products risk

The Group's financial results can be significantly affected from time to time by volatility and cyclical movement in the market prices for petroleum products that are not predictable. Given its large size and the long-term nature of its business, the Group expects that this risk will be moderated over time.

(b) Interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The interest rate risk arises from borrowings with those issued at variable interest rates exposing the Group to cash flow interest rate risk. The Group continually optimises the mix in its borrowing facilities to maximise financing flexibility whilst minimising financing cost.

5.2 Credit risk

Credit risk is managed on a Group basis. Credit risk primarily arises from credit exposures to wholesale and retail trade customers, including outstanding receivables and committed transactions. Credit risk in respect of balances outstanding with related parties has been assessed to be low due to the overall strength of the Group.

For trade customers, risk evaluations are performed internally which include reviews of financial positions, business success indicators, past experience and other factors. Individual risk limits are set based on the resultant internal ratings in accordance with limits set by the management. Risk categories are established for individual customers based on internal credit guidelines ranging from very low to very high risk. The risk categories are intended to reflect the risk of payment default by a customer and are similar to the rating scales established by external rating agencies.

5.3 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserve of cash and cash equivalents and maintaining number of committed credit facilities from banks. The Group reviews requirements for future cash flows through the completion of an annual finance plan review. The finance plan review is completed for the forthcoming year to ensure that estimates of future requirements are analysed such that appropriate facilities can be made available.

Liquidity risk may also arise if customers are not able to settle obligations to the Group within the normal credit term. To manage this risk, the Group periodically assesses financial viability of customers and may require certain customers to provide bank guarantees or other similar instruments.

5.4 Capital risk

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In the future, the Group may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Group completes a finance plan which seeks to establish positions for the current and future years' dividend projections.

6 Segment information – consolidated financial statements

The Group has two segments report which comprises of sales of petroleum products, supplies and equipment for oil service stations and consumable products and transportation.

For the year ended 31 December 2014			
	Sales Baht'000	Transportation income Baht'000	Total Baht'000
Revenue from sales and services	55,064,889	35,867	55,100,756
Petroleum product subsidies	22,840	-	22,840
Costs of sales and services	(52,016,772)	(19,881)	(52,036,653)
Segment results	3,070,957	15,986	3,086,943
Other income			150,271
Selling expenses			(2,055,628)
Administrative expenses			(508,515)
Finance costs			(46,120)
Profit before income tax			626,951
Income tax			(132,904)
Profit for the year			494,047
Other comprehensive expense for the year			(76)
Total comprehensive income for the year			493,971

For the year ended 31 December 2014 (Restated)			
	Sales Baht'000	Transportation income Baht'000	Total Baht'000
Revenue from sales and services	47,705,013	11,248	47,716,261
Costs of sales and services	(45,428,091)	(6,250)	(45,434,341)
Segment results	2,276,922	4,998	2,281,920
Other income			137,251
Selling expenses			(1,699,910)
Administrative expenses			(272,408)
Finance costs			(54,035)
Profit before income tax			392,818
Income tax			(80,492)
Profit for the year			312,326
Other comprehensive income for the year			75
Total comprehensive income for the year			312,401

The Group generates revenue from sales and services by utilising the assets located in Thailand and all sales are originated in Thailand. There is no customer who generates significant revenue to the Group.

7 Cash and cash equivalents

As of 31 December	Consolidated Restated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Cash on hand	166,271	151,646	654	1,782
Deposits at financial institutions				
- Current accounts	71,102	126,278	25,473	4,247
- Savings accounts	76,022	237,704	46,597	60,266
Total cash and cash equivalents	313,395	515,628	72,724	66,295

The deposits at financial institutions of the Group comprise deposits at local financial institutions. As at 31 December 2014, deposits at financial institutions bore interest at rates from 0.30% to 0.50% per annum (as at 31 December 2013: 0.40% to 0.63% per annum).

8 Short-term investments

As at 31 December 2014, the summaries of short-term investments are as follows:

As of 1 January 2013

Opening net book value	
Additions	
Disposals	
Change in fair value of trading securities	
Change in fair value of available-for-sale securities	

As of 31 December 2013

As of 1 January 2014

Opening net book value	
Additions	
Disposals	
Change in fair value of trading securities	
Change in fair value of available-for-sale securities	
Reclassification of trading securities to be available-for-sale securities	

As of 31 December 2014

Consolidated Available for-sale		Company Available for-sale	
securities Baht'000	securities Baht'000	securities Baht'000	securities Baht'000
1,788	-	161	-
3,120,000	5,022,000	2,441,000	5,022,000
(3,120,910)	(4,941,560)	(2,442,035)	(4,941,560)
1,680	-	1,542	-
-	75	-	75
2,558	80,515	668	80,515
2,558	80,515	668	80,515
-	3,342,033	-	3,342,033
-	(3,262,142)	-	(3,262,142)
45	-	13	-
-	(76)	-	(76)
(2,603)	2,603	(681)	681
-	162,933	-	161,011

The available-for-sale securities represent General Fixed Income Fund.

As of 31 December 2014, the Group and the Company reclassified trading securities to be available-for-sale securities by using fair value at transferred date and immediately recognised the difference between book and fair value in the statement of income.

9 Trade and other receivables, net

As of 31 December	Consolidated Restated		Company Restated	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Trade receivables	101,898	116,515	65,992	17,527
Trade receivables from related parties	4,735	5,819	91,843	74,141
Total trade receivables	106,633	122,334	157,835	91,668
Less Allowance for doubtful accounts	(9,516)	(10,822)	(6,257)	(6,257)
Trade receivables, net	97,117	111,512	151,578	85,411
Deposit for goods	-	1,975	-	1,975
Receivables from Petroleum product subsidies	23,037	-	8,070	-
Refundable value added tax	100,016	78,253	97,170	69,858
Current portion of prepaid leasehold right and land rental (Note 14)	193,772	122,609	550	801
Prepaid expenses	51,993	38,632	38,354	26,681
Accrued income	15,032	11,333	14,447	10,175
Amounts due from related parties	937	368	106,580	47,232
Receivables from capital reduction	-	-	13,598	13,598
Others	42,178	36,744	8,726	3,980
Total other receivables	426,965	289,914	287,495	174,300
Less Allowance for doubtful accounts	(17,797)	(13,217)	-	-
Other receivables, net	409,168	276,697	287,495	174,300
Trade and other receivables, net	506,285	388,209	439,073	259,711

Outstanding trade receivables are analysed by aging as follows:

As of 31 December	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Not overdue	77,119	87,181	136,713	83,263
Overdue below 3 months	22,777	22,661	14,865	2,148
Overdue 3 - 6 months	-	10	-	-
Overdue 6 - 12 months	-	198	-	-
Over 12 months	6,737	12,284	6,257	6,257
	106,633	122,334	57,835	91,668
Less Allowance for doubtful accounts	(9,516)	(10,822)	(6,257)	(6,257)
Trade receivables, net	97,117	111,512	151,578	85,411

10 Inventories, net

As of 31 December

Petroleum products
Consumable goods
Other products
Goods in transit
Total
Less Allowance for decrease in inventory value
Allowance for obsolescence
Inventories, net

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
1,148,840	1,224,484	529,290	546,313
24,845	31,416	-	-
49,193	43,319	25,023	22,389
33,715	37	4,468	37
1,256,593	1,299,256	558,781	568,739
(6,968)	-	(6,968)	-
(1,668)	(371)	-	-
1,247,957	1,298,885	551,813	568,739

Petroleum products with a value of Baht 255.69 million (2013: nil) are carried at net realisable value, this being lower than cost.

According to the Ministry of Energy's regulations, the Company is required to reserve petroleum products at 6% of the total domestic purchase. As of 31 December 2014, petroleum products included minimum mandatory reserve amounting to Baht 460.43 million (2013: Baht 464.19 million) which were net of allowance for decrease in inventory value.

11 Investments in subsidiaries

As of 31 December

Investments in subsidiaries
Less Allowance for impairment
Investments in subsidiaries

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
-	-	599,395	599,395
-	-	-	-
-	-	599,395	599,395

Company									
	Business	Paid-up share capital		Portion of Investment (%)		Cost Method		Dividends for the year	
		2014 Baht'000	2013 Baht'000	2014	2013	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Petroleum Thai Corporation Co., Ltd.	Service stations	439,980	439,980	99.99	99.99	586,395	586,395	85,999	12,000
Pyramid Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.98	99.98	1,000	1,000	9,598	3,500
Alpine Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.97	99.97	1,000	1,000	1,999	5,498
Empire Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.98	99.98	1,000	1,000	2,300	500
Everest Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.98	99.98	1,000	1,000	14,997	12,497
Andes Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.97	99.97	1,000	1,000	12,296	20,194
Atlant Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.97	99.97	1,000	1,000	29,991	15,695
Pyrenees Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Olympus Oil Co., Ltd.	Trading of petroleum products	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Punthai Coffee Co., Ltd.	Trading of food and beverage	5,000	5,000	99.99	99.99	5,000	5,000	-	-
						599,395	599,395	157,180	69,884

The investments in subsidiaries remain unchanged from 2013.

12 Investment property, net

As of 1 January 2013

Cost	
Less Accumulated depreciation	
Provision for impairment	
Net book value	

For the year ended 31 December 2013

Opening net book value	
Transfer from property, plant and equipment, net	
Impairment charge	
Closing net book value	

As of 31 December 2013

Cost	
Less Accumulated depreciation	
Provision for impairment	
Net book value	

For the year ended 31 December 2014

Opening net book value	
Depreciation charge	
Closing net book value	

As of 31 December 2014

Cost	
Less Accumulated depreciation	
Provision for impairment	
Net book value	

Consolidated		
Land and land improvement Baht'000	Building and building improvement Baht'000	Total Baht'000
118,553	34,259	152,812
-	(24,744)	(24,744)
(28,570)	(9,515)	(38,085)
89,983	-	89,983
89,983	-	9,983
536	2,532	3,068
(536)	-	(536)
89,983	2,532	92,515
119,089	50,855	169,944
-	(38,808)	(38,808)
(29,106)	(9,515)	(38,621)
89,983	2,532	92,515
89,983	2,532	92,515
-	(124)	(124)
89,983	2,408	92,391
119,089	50,855	169,944
-	(38,932)	(38,932)
(29,106)	(9,515)	(38,621)
89,983	2,408	92,391

As of 1 January 2013

Cost	122,739
Less Accumulated depreciation	-
Provision for impairment	(26,461)
Net book value	96,278

For the year ended 31 December 2013

Opening net book value	96,278
Transfer from property, plant and equipment, net	1,429
Impairment charge	(1,090)
Closing net book value	96,617

As of 31 December 2013

Cost	124,168
Less Accumulated depreciation	-
Provision for impairment	(27,551)
Net book value	96,617

For the year ended 31 December 2014

Opening net book value	96,617
Depreciation charge	-
Closing net book value	96,617

As of 31 December 2014

Cost	124,168
Less Accumulated depreciation	-
Provision for impairment	(27,551)
Net book value	96,617

Consolidated		
Land and land improvement Baht'000	Building and building improvement Baht'000	Total Baht'000
122,739	34,259	156,998
-	(24,744)	(24,744)
(26,461)	(9,515)	(35,976)
96,278	-	96,278
96,278	-	96,278
1,429	2,532	3,961
(1,090)	-	(1,090)
96,617	2,532	99,149
124,168	50,855	175,023
-	(38,808)	(38,808)
(27,551)	(9,515)	(37,066)
96,617	2,532	99,149
96,617	2,532	99,149
-	(124)	(124)
96,617	2,408	99,025
124,168	50,855	175,023
-	(38,932)	(38,932)
(27,551)	(9,515)	(37,066)
96,617	2,408	99,025

As of 31 December 2014, a part of investment property (land) of Baht 17.77 million in the company financial statements was leased by its subsidiary for using in its operation (2013: Baht 17.77 million).

As of 31 December 2014, investment property of the Group and the Company had fair value amount of Baht 128.62 million and Baht 114.84 million, respectively (2013: Baht 128.62 million and Baht 114.84 million, respectively) which were revalued by the independent valuer.

13

Property, plant and equipment, net

Consolidated							
	Land and land improvement Baht'000	Building and building improvement Baht'000	Tools and equipment Baht'000	Office furniture, xture and equipment Baht'000	Vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
As of 1 January 2013							
Cost	406,764	922,786	1,229,773	55,870	1,021,796	13,398	13,398
<u>Less</u> Accumulated depreciation	-	(497,856)	(723,933)	(27,980)	(294,534)	-	-
Provision for impairment	(15,133)	-	(1,569)	-	-	-	-
Net book value	391,631	424,930	504,271	27,890	727,262	13,398	13,398
For the year ended 31 December 2013							
Opening net book value	391,631	424,930	504,271	27,890	727,262	13,398	13,398
Additions	21,051	107,974	295,590	14,933	611,917	367,337	367,337
Disposals, net	-	-	(79)	(62)	(5,101)	-	-
Write off, net	-	(73)	(47)	(46)	-	-	-
Transfer in (out)	497	202,827	30,421	(1,127)	-	(235,686)	(235,686)
Depreciation charge	-	(39,492)	(109,316)	(9,184)	(70,230)	-	-
Closing net book value	413,179	696,166	720,840	32,404	1,263,848	145,049	145,049
As of 31 December 2013							
Cost	428,312	1,219,419	1,554,331	68,625	1,598,316	145,049	145,049
<u>Less</u> Accumulated depreciation	-	(523,253)	(831,922)	(36,221)	(334,468)	-	-
Provision for impairment	(15,133)	-	(1,569)	-	-	-	-
Net book value	413,179	696,166	720,840	32,404	1,263,848	145,049	145,049

Consolidated							
	Land and land improvement Baht'000	Building and building improvement Baht'000	Tools and equipment Baht'000	Office furniture, fixture and equipment Baht'000	Vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2014							
Opening net book value	413,179	696,166	720,840	32,404	1,263,848	145,049	3,271,486
Additions	101,739	76,703	309,171	22,857	11,504	371,734	893,708
Disposals, net	-	(1,772)	(2,649)	(362)	(1,558)	-	(6,341)
Write off, net	(611)	(5,186)	(1,075)	(21)	(30)	-	(6,923)
Transfer in (out)	-	185,751	24,675	240	558	(211,224)	-
Reclassification	8,352	(8,352)	-	-	-	-	-
Impairment charge	-	(502)	(994)	(131)	-	-	(1,627)
Depreciation charge	-	(82,765)	(156,062)	(12,526)	(89,648)	-	(341,001)
Closing net book value	522,659	860,043	893,906	42,461	1,184,674	305,559	3,809,302
As of 31 December 2014							
Cost	537,792	1,461,607	1,881,048	90,202	1,590,195	305,559	5,866,403
Less Accumulated depreciation	-	(601,062)	(984,579)	(47,610)	(405,521)	-	(2,038,772)
Provision for impairment	(15,133)	(502)	(2,563)	(131)	-	-	(18,329)
Net book value	522,659	860,043	893,906	42,461	1,184,674	305,559	3,809,302

Consolidated							
	Land and land improvement Baht'000	Building and building improvement Baht'000	Tools and equipment Baht'000	Office furniture, fixture and equipment Baht'000	Vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
As of 1 January 2013							
Cost	209,750	282,474	742,701	16,687	993,332	1,447	2,246,391
<u>Less</u> Accumulated depreciation	-	(221,291)	(572,137)	(10,135)	(279,968)	-	(1,083,531)
Provision for impairment	-	-	(1,569)	-	-	-	(1,569)
Net book value	209,750	61,183	168,995	6,552	713,364	1,447	1,161,291
For the year ended 31 December 2013							
Opening net book value	209,750	61,183	168,995	6,552	713,364	1,447	1,161,291
Additions	6,751	30,625	52,644	2,509	602,941	11,867	707,337
Disposals, net	-	-	-	-	(5,101)	-	(5,101)
Write off, net	-	-	-	(4)	-	-	(4)
Transfer in (out)	(815)	(1,207)	6,929	-	-	(8,868)	(3,961)
Depreciation charge	-	(8,770)	(20,660)	(2,073)	(66,480)	-	(97,983)
Closing net book value	215,686	81,831	207,908	6,984	1,244,724	4,446	1,761,579
As of 31 December 2013							
Cost	215,686	297,828	802,265	18,827	1,561,198	4,446	2,900,250
<u>Less</u> Accumulated depreciation	-	(215,997)	(592,788)	(11,843)	(316,474)	-	(1,137,102)
Provision for impairment	-	-	(1,569)	-	-	-	(1,569)
Net book value	215,686	81,831	207,908	6,984	1,244,724	4,446	1,761,579

Consolidated							
	Land and land improvement Baht'000	Building and building improvement Baht'000	Tools and equipment Baht'000	Office furniture, fixture and equipment Baht'000	Vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2014							
Opening net book value	215,686	81,831	207,908	6,984	1,244,724	4,446	1,761,579
Additions	94,061	33,591	24,302	16,259	4,978	32,562	205,753
Disposals, net	-	(1,713)	(2,545)	-	(1,559)	-	(5,817)
Write off, net	-	(271)	(156)	(14)	-	-	(441)
Transfer in (out)	-	15,353	9,007	95	558	(25,013)	-
Depreciation charge	-	(9,820)	(25,438)	(4,338)	(85,006)	-	(124,602)
Closing net book value	309,747	118,971	213,078	18,986	1,163,695	11,995	1,836,472
As of 31 December 2014							
Cost	309,747	343,945	831,827	34,787	1,549,042	11,995	3,081,343
Less Accumulated depreciation	-	(224,974)	(617,180)	(15,801)	(385,347)	-	(1,243,302)
Provision for impairment	-	-	(1,569)	-	-	-	(1,569)
Net book value	309,747	118,971	213,078	18,986	1,163,695	11,995	1,836,472

Additions include Baht 3.25 million (2013: Baht 601.90 million) assets leased under finance leases (where the Group is the lessee) and disposals include Baht 0.59 million assets sold under finance leases (where the Group is the lessor).

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise of vehicles as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
As of 31 December				
Cost - capitalised finance leases	1,353,741	1,344,751	1,344,331	1,338,032
Less Accumulated depreciation	(208,200)	(123,952)	(207,061)	(123,392)
Net book value	1,145,541	1,220,799	1,137,270	1,214,640

During the year 2014, the Group released mortgages of all property, plant and equipment that were previously mortgaged and pledged as collateral for credit facilities with financial institutions.

14 Prepaid leasehold right and land rental, net

For the year ended 31 December 2013 (restated)

Opening book value	195,884	4,714
Payments for prepaid leasehold right and land rental	307,495	-
Amortisation of prepaid leasehold right and land rental	(178,145)	(215)
Total	325,234	4,499
Less Current portion of prepaid leasehold right and land rental (Note 9)	(122,609)	(801)
Closing net book value	202,625	3,698

For the year ended 31 December 2014

Opening book value	325,234	4,499
Payments for prepaid leasehold right and land rental	538,149	412
Amortisation of prepaid leasehold right and land rental	(279,095)	(1,129)
Total	584,288	3,782
Less Current portion of prepaid leasehold right and land rental (Note 9)	(193,772)	(550)
Closing net book value	390,516	3,232

Consolidated	Company
2014 Baht'000	2013 Baht'000
195,884	4,714
307,495	-
(178,145)	(215)
325,234	4,499
(122,609)	(801)
202,625	3,698
325,234	4,499
538,149	412
(279,095)	(1,129)
584,288	3,782
(193,772)	(550)
390,516	3,232

15 Intangible assets, net

As of 1 January 2013

Cost
Less Accumulated amortisation

Net book value

For the year ended 31 December 2013

Opening net book value
Additions
Write off, net
Amortisation charge

Closing net book value

As of 31 December 2013

Cost
Less Accumulated amortisation

Net book value

For the year ended 31 December 2014

Opening net book value
Additions
Transfer in (out)
Amortisation charge

Closing net book value

As of 31 December 2014

Cost
Less Accumulated amortisation

Net book value

Consolidated		
Computer software Baht'000	Software in progress Baht'000	Total Baht'000
16,777	-	16,777
(4,644)	-	(4,644)
12,133	-	12,133
12,133	-	12,133
2,918	8,320	11,238
(111)	-	(111)
(3,409)	-	(3,409)
11,531	8,320	19,851
19,520	8,320	27,840
(7,989)	-	(7,989)
11,531	8,320	19,851
11,531	8,320	19,851
4,691	14,239	18,930
15,098	(15,098)	-
(6,566)	-	(6,566)
24,754	7,461	32,215
39,309	7,461	46,770
(14,555)	-	(14,555)
24,754	7,461	32,215

As of 1 January 2013

Cost
Less Accumulated amortisation

Net book value

For the year ended 31 December 2013

Opening net book value
Additions
Write off, net
Amortisation charge

Closing net book value

As of 31 December 2013

Cost
Less Accumulated amortisation

Net book value

For the year ended 31 December 2014

Opening net book value
Additions
Transfer in (out)
Amortisation charge

Closing net book value

As of 31 December 2014

Cost
Less Accumulated amortisation

Net book value

Company		
Computer software Baht'000	Software in progress Baht'000	Total Baht'000
1,631	-	1,631
(711)	-	(711)
920	-	920
920	-	920
1,028	8,320	9,348
(111)	-	(111)
(288)	-	(288)
1,549	8,320	9,869
2,484	8,320	10,804
(935)	-	(935)
1,549	8,320	9,869
1,549	8,320	9,869
3,453	14,239	17,692
15,098	(15,098)	-
(3,052)	-	(3,052)
17,048	7,461	24,509
21,035	7,461	28,496
(3,987)	-	(3,987)
17,048	7,461	24,509

16 Other non-current assets

As of 31 December

Deposits
Prepaid withholding tax
Prepaid corporate income tax
General investment
Total other non-current assets

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
28,296	18,122	2,322	1,677
111	544	-	-
7,997	9,503	30	2,083
1	-	1	-
36,405	28,169	2,353	3,760

17 Short-term loans from a financial institution

As of 31 December 2014, short-term loans from a financial institution represented promissory notes of a subsidiary amounting to Baht 300 million, which were unsecured and bore interest at the rate of 2.65% per annum.

18 Trade and other payables

As of 31 December

Trade and other payables
Trade payables to related parties
Amounts due to related parties
Deferred revenue : - Customer loyalty programmes
Accrued expenses
Total trade and other payables

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
1,569,477	1,343,895	508,930	61,479
19,077	26,789	4,308	599
59	-	22,916	11,245
24,861	17,235	551	-
173,075	136,019	67,864	52,344
1,786,549	1,523,938	604,569	125,667

During the year of 2014, the Group and the Company recognised deferred revenue from the customer loyalty programmes amounting to Baht 67.17 million and Baht 0.55 million, respectively and the Group realised revenue from redemption of petroleum products or other commodities amounting to Baht 59.55 million. The Company did not realise revenue from redemption of petroleum products or other commodities during the year.

19 Finance lease liabilities, net

As of 31 December

Within 1 year
Over 1 year but less than 3 years
Over 3 years but less than 5 years
Less Future interest paid of finance lease liabilities
Present value of finance lease liabilities, net

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
281,183	298,830	279,372	297,472
431,369	533,303	428,004	530,837
82,894	265,898	81,642	264,340
795,446	1,098,031	789,018	1,092,649
(55,365)	(96,797)	(54,841)	(96,313)
740,081	1,001,234	734,177	996,336

Finance lease liabilities excluded future interest paid are as follows:

As of 31 December

Finance lease liabilities, net
Less Current portion of finance lease liabilities, net

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
740,081	1,001,234	734,177	996,336
(252,470)	(257,661)	(250,897)	(256,383)
487,611	743,573	483,280	739,953

20 Retirement benefit obligations

The movement in the retirement benefit obligations over the year are as follows:

Opening balance
Current service cost
Interest cost
Actuarial gains
Retirement benefit paid
Transfer from a subsidiary
Closing balance

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
38,311	33,567	23,283	21,667
6,767	5,952	4,552	2,807
1,151	1,179	911	748
(9,152)	-	(4,780)	-
(1,191)	(2,387)	(624)	(1,939)
-	-	4,576	-
35,886	38,311	27,918	23,283

During the year of 2014, 191 staff of a subsidiary were transferred to the Company. The Company is responsible for retirement benefit obligations of these staff.

Actuarial gains are changed in the present value of the defined benefit obligation resulting from demographic assumption changes and financial assumption changes.

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

	Consolidated		Company	
	2014 %	2013 %	2014 %	2013 %
As of 31 December				
Discount rate	3.94 - 4.53	3.53 - 3.62	3.94	3.53
Salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0.00 - 69.00	0.00 - 63.00	0.00 - 18.00	0.00 - 21.00
Pre-retirement mortality rate	0.06 - 1.66	0.06 - 1.66	0.08 - 1.66	0.08 - 1.66

21 Deferred income taxes

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

	Consolidated		Company	
		Restated		Restated
As of 31 December	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	-	-
Deferred tax assets to be recovered after more than 12 months	29,764	25,421	12,679	11,418
	29,764	25,421	12,679	11,418
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled after more than 12 months	(70,830)	(59,207)	(42,749)	(30,469)
	(70,830)	(59,207)	(42,749)	(30,469)
Deferred income taxes, net	(41,066)	(33,786)	(30,070)	(19,051)

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

	Consolidated		Company	
		Restated		Restated
As of 31 December	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
On 1 January	(33,786)	(14,046)	(19,051)	(3,675)
Charged/(credited) to profit or loss	(7,280)	(19,740)	(11,019)	(15,376)
On 31 December	(41,066)	(33,786)	(30,070)	(19,051)

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

	Company				
	At 1 January 2013 Baht'000	Charged/ (credited) to profit or loss Baht'000	At 31 December 2013 Baht'000	Charged/ (credited) to profit or loss Baht'000	At 31 December 2014 Baht'000
Deferred tax assets					
Allowance for doubtful accounts	4,823	(164)	4,659	680	5,339
Provision for impairment of investment properties - land	5,714	218	5,932	-	5,932
Provision for impairment of land	3,027	-	3,027	325	3,352
Provisions	4,336	3,326	7,662	182	7,844
Others	392	3,749	4,141	3,156	7,297
Deferred tax assets	18,292	7,129	25,421	4,343	29,764
Deferred tax liabilities					
Station renovation expenditure	(17,652)	(11,086)	(28,738)	658	(28,080)
Finance leases	(8,940)	(9,142)	(18,082)	(9,930)	(28,012)
Others	(5,746)	(6,641)	(12,387)	(2,351)	(14,738)
Deferred tax liabilities	(32,338)	(26,869)	(59,207)	(11,623)	(70,830)

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

	Company				
	At 1 January 2013 Baht'000	Charged/ (credited) to profit or loss Baht'000	At 31 December 2013 Baht'000	Charged/ (credited) to profit or loss Baht'000	At 31 December 2014 Baht'000
Deferred tax assets					
Allowance for doubtful accounts	1,253	(2)	1,251	-	1,251
Provision for impairment of investment properties - land	5,292	218	5,510	-	5,510
Provisions	4,333	324	4,657	1,151	5,808
Others	133	(133)	-	110	110
Deferred tax assets	11,011	407	11,418	1,261	12,679
Deferred tax liabilities					
Finance lease	(8,940)	(9,142)	(18,082)	(9,930)	(28,012)
Others	(5,746)	(6,641)	(12,387)	(2,350)	(14,737)
Deferred tax liabilities	(14,686)	(15,783)	(30,469)	(12,280)	(42,749)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The subsidiaries have unrecognised tax losses of Baht 4.29 million (2013: Baht 1.41 million) to carry forward against future taxable income, these tax losses will expire in 2019.

22 Other non-current liabilities

As of 31 December	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Deposits received from customers for purchase	10,236	8,402	182	-
Retention from franchisees	10,120	8,032	9,980	7,892
Decommissioning provision	2,157	-	1,012	-
Other non-current liabilities	7,769	5,747	-	1
Total other non-current liabilities	30,282	22,181	11,174	7,893

23 Share capital and premium on share

On 31 December 2014 and 2013

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
1,670,000	1,670,000	1,185,430	2,855,430

The total number of authorised ordinary shares is 1,670,000,000 shares (2013: 1,670,000,000 shares) with a par value of Baht 1 per share (2013: Baht 1 per share). All issued shares are fully paid.

24 Legal reserve

For the year ended 31 December

Opening balance
Appropriation during the year
Closing balance

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
19,703	9,991	19,703	9,991
15,822	9,712	15,822	9,712
35,525	19,703	35,525	19,703

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

25 Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at net profit:

For the year ended 31 December

Changes in inventories
Depreciation and amortisation
of assets (Note 12, 13 and 15)
Amortisation of prepaid leasehold
right and land rental (Note 14)
Repair and maintenance expenses
Retirement benefit expenses
(Note 20)
Staff costs
Advertising and promotion expenses

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
50,928	(437,126)	16,926	(250,149)
347,691	231,631	127,778	98,271
279,095	178,145	1,129	215
74,444	49,498	5,090	5,345
7,918	7,131	5,463	3,555
1,211,393	982,600	477,922	287,258
259,022	228,503	156,233	113,307

26 Income taxes

For the year ended 31 December

Current tax
Deferred tax
Total income taxes

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
125,624	60,752	28,273	14,398
7,280	19,740	11,019	15,376
132,904	80,492	39,292	29,774

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

For the year ended 31 December

Profit before tax
Tax calculated at a tax rate of
The result of the accounting profit multiplied by the income tax rate
Tax effect of:
Income not subject to tax
Expenses not deductible for tax purpose
Tax losses for the year for which no deferred income tax assets was recognised
Income taxes

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
626,951	392,818	355,743	224,017
20%	20%	20%	20%
125,390	78,564	71,149	44,803
(3,419)	(2,677)	(34,831)	(16,551)
8,060	3,362	2,974	1,522
2,873	1,243	-	-
132,904	80,492	39,292	29,774

The weighted average applicable tax rate for the Group and the Company were 21.20% and 11.05%, respectively (2013 : 20.49% and 13.29%, respectively).

27 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares issued and paid-up during the year.

For the year ended 31 December

Net profit attributable to owners of the parent (Baht'000)
Weighted average number of ordinary share in issue (Shares'000)
Basic earnings per share (Baht)

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
494,036	312,295	316,451	194,243
1,670,000	1,495,000	1,670,000	1,495,000
0.30	0.21	0.19	0.13

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2014 and 2013, so no diluted earnings per share is presented.

28 Dividends

At the Annual General Shareholders' Meeting of 2013 dated 24 April 2014, the shareholders approved the payment of dividends in respect of the operating results for the last three-month period of 2013 for 1,670 million shares at Baht 0.05 per share, totalling Baht 83.50 million. These dividends were paid to shareholders on 15 May 2014.

The shareholders acknowledged the payments of interim dividends in respect of operating results for the first nine-month period of 2013 for 1,670 million shares at Baht 0.06 per share, totalling Baht 100.20 million. These dividends were paid to shareholders on 27 December 2013.

29 Related party transactions

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

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

The major shareholders of the Company are Ratchakitprakarn Family and Wijitthanarak Family, holding 32.96% and 18.46% of the Company's shares, respectively. The Company's remaining shares are widely held.

The information on the Company's subsidiaries is provided in Note 11.

Other related parties are the parties of which their shareholders are intimate of the Company's directors or of which the Company's director is their shareholder.

The following material transactions are carried out with related parties:

29.1 Revenue from sales and services

For the year ended 31 December

Sales

- Subsidiaries
- Other related parties

Transportation income

- Subsidiaries
- Other related parties

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
-	-	245,815	2,188,436
331,115	263,546	172,675	113,579
-	-	776,793	653,798
693	-	693	-



29.2 Other income and expenses (continued)

For the year ended 31 December

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Revenue from rental and other services				
- Subsidiaries	-	-	145,190	117,009
- Other related parties	722	720	722	720
Management income				
- Subsidiaries	-	-	103,311	-
Other income				
- Subsidiaries	-	-	2,822	-
Interest income				
- Subsidiaries	-	-	49,633	33,632
Purchases of goods				
- Subsidiaries	-	-	81,889	10,386
- Other related parties	981,667	1,282,537	752	395,941
Training expenses				
- Subsidiaries	-	-	3	44
- Other related parties	583	-	57	-
Rental expenses				
- Other related parties	66	-	36	-
Utility expenses				
- Subsidiaries	-	-	1,483	1,426
- Other related parties	29	-	-	-

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Promotion expenses				
- Subsidiaries	-	-	711	479
Interest expenses				
- Subsidiaries	-	-	6,596	10,166
Other expenses				
- Subsidiaries	-	-	22	1,713
- Other related parties	2	-	-	-

The above transactions with related parties were carried out as indicating in the agreements except purchases of goods which the selling prices are closed to market prices.

29.3 Trade receivables from and trade payables to related parties

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
On 31 December				
Trade receivables				
- Subsidiaries	-	-	88,000	73,773
- Other related parties	4,735	5,819	3,843	368

Outstanding trade receivables from related parties as at 31 December 2014 and 2013 can be analysed as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
On 31 December				
Not overdue	4,731	5,819	91,839	74,141
Overdue below 3 months	4	-	4	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	4,735	5,819	91,843	74,141

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Trade payables				
- Subsidiaries	-	-	4,308	599
- Other related parties	19,077	26,789	-	-

29.4 Amounts due from and amounts due to related parties

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
On 31 December				
Amounts due from related parties				
- Subsidiaries	-	-	37,802	25,496
- Other related parties	937	368	937	368
Amounts due to related parties				
- Subsidiaries	-	-	5,253	178
- Other related parties	59	-	-	-

29.5 Short-term loans to related parties and related interests

The movements of short-term loans to subsidiaries can be analysed as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
For the year ended 31 December				
Opening balance	-	-	794,739	168,190
Loans advanced during the year	-	-	10,258,035	9,170,626
Loan repayments received during the year	-	-	(10,032,089)	(8,544,077)
Closing balance	-	-	1,020,685	794,739

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
On 31 December				
Interest receivables				
- Subsidiaries	-	-	81,439	34,966
	-	-	81,439	34,966

For the year ended 31 December

Interest receivables

- Subsidiaries

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
-	-	46,473	29,727
-	-	46,473	29,727

The Company entered into short-term loan agreements with subsidiaries to provide the subsidiaries a total credit facility not exceeding Baht 700 million. The short-term loans denominated in Thai Baht are unsecured, bearing interest at the rate of MLR minus a certain margin per annum. The repayment of principal and interest shall be paid at call.

29.6 Long-term loan to a related party and related interests

The movement of a long-term loan to a subsidiary can be analysed as follows:

For the year ended 31 December

Opening balance

Loan repayments received during the year

Closing balance

Less Current portion of
a long-term loan to
a related party

Long-term loan to a related
party, net

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
-	-	70,000	85,000
-	-	(15,000)	(15,000)
-	-	55,000	70,000
-	-	(15,000)	(15,000)
-	-	40,000	55,000

For the year ended 31 December

Interest receivables

- Subsidiaries

Consolidated		Company	
2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
-	-	3,160	3,905
-	-	3,160	3,905

On 29 December 2011, the Company entered into a long-term loan agreement with a subsidiary to provide a subsidiary a total credit facility not exceeding Baht 100 million. A long-term loan denominated in Thai Baht is unsecured, bearing interest at the rates of 5% per first three years and MLR minus a certain margin onwards. The repayment of principal and interest is to be made on monthly basis. The maturity date shall be on 28 December 2018.

29.7 Short-term loans from related parties and related interests

The movements of short-term loans from subsidiaries can be analysed as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
For the year ended 31 December				
Opening balance	-	-	200	335,796
Loans advanced during the year	-	-	1,110,337	3,263,109
Repayments of loans during the year	-	-	(1,029,917)	(3,598,705)
Closing balance	-	-	80,620	200

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
For the year ended 31 December				
Interest payables				
- Subsidiaries	-	-	17,663	11,067
	-	-	17,663	11,067

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
For the year ended 31 December				
Interest expenses				
- Subsidiaries	-	-	6,596	10,166
	-	-	6,596	10,166

The Company entered into short-term loans with subsidiaries to obtain a total credit facility not exceeding Baht 200 million. The short-term loans denominated in Thai Baht are unsecured, bearing the interest at the rate of MLR minus a certain margin per annum. The repayment of principal and interest shall be paid at call.

29.8 Directors and managements remuneration

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
For the year ended 31 December				
Short-term employee benefits	44,930	31,091	42,718	28,963
Post employee benefits	3,811	2,720	3,693	2,606
Total directors and managements remuneration	48,741	33,811	46,411	31,569

30 Commitments and significant agreements

30.1 Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Property, plant and equipment	35,401	11,864	14,072	-
	35,401	11,864	14,072	-

Operating lease commitments – where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases for land, building and construction and for office rental are as follows:

	Consolidated		Company	
	2014 Baht'000	2013 Baht'000	2014 Baht'000	2013 Baht'000
Not later than 1 year	219,872	159,639	17,719	5,842
Later than 1 year but not later than 5 years	662,784	377,016	41,406	23,829
Later than 5 years	1,041,099	401,058	17,152	23,686
	1,923,755	937,713	76,277	53,357

Commitments under letters of guarantee

As of 31 December 2014, the Group and the Company had commitments under letters of guarantee with financial institutions for sale and purchase agreements with suppliers and other purposes for totalling Baht 1,210.11 million and Baht 201.61 million, respectively. During the year 2014, the Group released mortgaged and pledged property, plant, parts of fixed assets (Note 13) and a fixed deposit which were used as collateral for credit facilities from financial institutions.

30.2 Credit facilities

As of 31 December 2014, the Group and the Company had the available credit facilities from financial institutions amounting to Baht 4,060.38 million and Baht 30 million, respectively.

30.3 Significant agreement

(a) Sale and Purchase Agreements

The Group entered into Sale and Purchase Agreements (“the agreements”) with suppliers. The suppliers agreed to provide the Group with gasoline; product type and price are stated in the agreements. The agreements have been effective since the signing date and can be extended with the conditions being mutually agreed by the parties.

(b) Joint Venture Agreement

On 8 December 2014, the Company entered into a Joint Venture Agreement with parties to invest in a palm oil products manufacturing and distribution business. The Company agreed to invest in the ordinary shares in PPP Green Complex Company Limited (formerly Tha Chang (Bang Saphan) Palm Oil Company Limited). As of 31 December 2014, the Company had invested in PPP Green Complex of Baht 1,000 equal to one share of total 280,000 shares.

31 Post statement of financial position event

On 26 January 2015, the Company paid PPP Green Complex Company Limited (formerly Tha Chang (Bang Saphan) Palm Oil Company Limited) for 348,799 shares at Baht 1,000 per share, totalling Baht 349 million according to a Joint Venture Agreement in the palm oil products manufacturing and distribution business. The investment proportion is 40% of total share capital.

The background of the entire page is a vibrant green. Overlaid on this are several large, concentric, curved white lines that sweep across the frame from the bottom left towards the top right. Interspersed among these white lines are a few thinner, curved lines in a lighter shade of green and one distinct curved line in red, adding visual interest and a sense of motion to the design.

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