



# ANNUAL REPORT 2015

PT, the nation's leading full-service energy company



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# ANNUAL REPORT 2015

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# MESSAGE FROM THE CHAIRMAN



Pol.Gen. Soontorn Saikwan

Chairman of the board of Directors

Independent Director

## Dear Shareholders,

The Board of Directors of the Company is committed to the principles of business ethics and good corporate governance by concerning about the benefits of all stakeholders. In 2015, the Company received the “very good” from the survey of Corporate Governance for the year 2015 which the survey was conducted by the Institute of Directors of Thailand (IOD). Moreover, the Company has also been certified as a member of the Collective Action Coalition (CAC) which the Company aims to enhance its organizational development to be on par with the international standards.

On the past year, the Company has developed and continued to grow because of the hard-working management and staff of the Company which is resulting in expanding petrol stations across the country, tank farms, convenient stores (PT Max Mart), and Punthai Coffee. Furthermore, the Company invests in many projects in order to add long-term value to the Company such as an investment in renewable energy and investment in logistics.

In addition, the Company continues to focus on organizational management by increasing efficiency and effectiveness such as managing inventory more efficiently. As a result, the Company can operate through many circumstances of the fluctuation of oil prices over the past. Moreover, the Company also focuses on cost management regularly which makes the performance of the past year to be more satisfied. The sale volumes increased by 21% YoY from 1,187 million liters to 2,237 million liters, and the profit also increased by 34% YoY from THB 487 million to THB 651 million.

Besides developing management regularly in order to achieve the Company’s goal, the Company also pays attention seriously to safety, social responsibility to society, community and the environment such as Providing fund continuously to the “Pradabos foundation” by donating THB 47 million for 3 years to help the less fortunate to have education, training, self-development, family, society, and nation. Moreover, the Company is also a member of Oil Industry Environmental Safety Group Association (IESG) which is the non – profit organization and the Petroleum Industry Cooperative Organization for Excellence in Safety and Environment.

In 2016, the Company plans to continue expanding its service stations across the country according to its goal which is 1-District-1-Station along with increasing the variety of products and services in the petrol stations and expanding the business to renewable energy business in order to achieve a leading provider of integrated energy business in the country.

Finally, on behalf of the Board of Directors of PTG Energy Public Company Limited, we would like to sincerely thank our shareholders, customers, partners, suppliers, financial institutions, government agencies and stakeholders for always support and trust in our Company which makes our Company to become successful during all these years. Moreover, I would also like to sincerely thank the management team and all 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

## Dear Shareholder,

The Audit Committee is appointed by the Board of Directors which consists of 3 independent and qualified directors with experience in legal, economy, management, financial and accounting fields. The members of the Audit Committee are: Mr. Supote Pitayapongpat, a Chairman of the Audit Committee, Mr. Thien Mekanontchai and Associate Professor Dr. Wanchai Rattanawong, a members of Audit Committee. All independent directors are qualified in accordance with the Charter of the Audit Committee.

In 2015, the Audit Committee held 9 meetings, with the meeting attendance summary as follows:

Audit Committee Members	No. of times present/total no. of meetings
1. Mr. Supote Pitayapongpat	9/9
2. Mr. Thien Mekanontchai	9/9
3. Associate Prof. Dr. Wanchai Rattanawong	9/9

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 2015, The Audit Committee reported on business performance and provided its decision on various matters, which could be summarized as follows:

## 1. Financial reports audit

The Audit Committee reviewed with the management and external auditors the quarterly and annual financial statements for the year 2015, 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. The Adequacy of Internal Control System and Internal Audit

To ensure that the Company's operation is conducted efficiently and effectively and achieve the targeted goal, the Audit Committee reviewed the audit result prepared by the internal audit unit and the auditor regarding the assessment of internal control system, improvement of management's performance according to the suggestions provided therein, and have had opinion that the Company's internal control is adequate and appropriate. Furthermore, the Audit Committee also assessed work performance of the Internal Audit Unit as well as consulted with the Internal Audit Executive on regular basis.

As for the internal audit, the Audit Committee reviewed the charter of the Audit Committee and the Charter of the Internal Audit Unit annually to ensure the consistence to



risks and current situation. The Audit Committee reviewed work performance of internal audit unit as set out in the approved annual schedule and found that the expected result and KPI were achieved. Also, the Audit Unit placed an importance to the development both on human and tools for audit to be consistent to universal standard of internal audit profession.

### **3. Review of the Related Transaction or the Transaction that may cause conflict of interest**

The Audit Committee reviewed the related transactions pursuant to law and regulations and regulations of the Stock Exchange of Thailand to ensure that the said transaction was not considered as related transaction or the transaction that may cause conflict of interest, and found that the transactions were conducted with reasonable ground, fairness, in accordance with general trading conditions, generating highest benefit and didn't caused the transfer of benefits, and the information of the transaction is completed and adequate.

### **4. Risk Management**

The Audit Committee reviewed the effectiveness and appropriateness of the risk management procedure on regular basis including gave advice for improvement to ensure that the Company's risk management is effective and appropriate. The consideration was made on internal and external factors basis and the impacts possibilities and the risk management is maintained properly. 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

### **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 the Auditor for year 2016 and recommendation to the Board of Directors.**

In 2015, The Audit Committee attended a meeting with the auditor without attendance of Management as to ask for opinion from the auditor regarding work performance and coordination with the relating parties from the Management. The Audit Committee is of the opinion that the Auditor is independent and his work performance is satisfactory. In regard to the selection and appointment of the auditor for year 2016, the Audit Committee has considered the work performance, scope of work and audit fee of the previous year by PricewaterhouseCoopers ABAS Co., Ltd. (PWC) and was satisfied with good performance and hence decided to use the same auditing company.

On this occasion, the Audit Committee has approved an audit fee of 3,018,125 baht for year 2016. The Audit Committee considered proposed past performance, scope, and the 2015 auditing fees from PricewaterhouseCoopers ABAS Co., Ltd. and found that the Company did not have any additional payment in audit fee.

On behalf of the Audit Committee



Mr. Supote Pitayapongpat  
Chairman of the Audit Committee

# Report of the Corporate Governance Committee

## Dear Shareholders,

PTG Energy Public Company Limited prioritizes and adheres to the “Good Corporate Governance” by taking it as a Company’s policy and mission in which executives and all employees shall comply to. Under the clear practice guideline, effectiveness and consistency to the standards, these will enable the business operation to run on foundation of corporate governance and transparency, and support in achievement of the sustainability as an ultimate goal.

To ensure the operation will conform to the guideline set forth, the Board of Director has appointed the Corporate Governance Committee consisting of 3 members namely as follows:

1. Mr. Supoj Pittayaphongpat  
Chairman of the Corporate Governance Committee
2. Mr. Tian Mekanonchai  
Corporate Governance Committee member
3. Assoc. Prof. Dr. Wanchai Rattanawong  
Corporate Governance Committee member
4. Mr. Rangsang Phuangprang  
Secretary of the Corporate Governance Committee

Corporate Governance Committee is assigned to formulate policies and practice guideline on corporate governance, supervise the implementation of related criteria to achieve the target effectively in line with standards and internal base foundation.

For year 2015 the Corporate Governance Committee held 3 meetings to analyze state of monitoring the operations relevant to good corporate governance, issue useful advices on related improvement, to meet the standards and conform to the various conditions alternation.

In this regard, the Committee has appointed the Corporate Governance Team to support and encourage all Company employees, to comply to the criteria relevant to the Good Corporate Governance and other policies linking to control of the relevance of the systems and measures to warrant the consistency. Members of the team recommended to the Corporate Governance Committee namely as follows:

1. Chief Executive Officer and President	Chairman of the Working Group
2. Executive Vice President	Working group
3. Executive of Corporate Secretary	Working group
4. Executive of the President Office	Working group
5. Executive of Sales Department	Working group
6. Executive of marketing and customer relations	Working group
7. Executive of Operations	Working group
8. Executive of quality and safety	Working group
9. Executive of Transportation Department	Working group
10. Executive of Finance and Accounting	Working group
11. Executive of Human Resources	Working group

12.	Executive of Information Technology	Working group
13.	Executive of Purchasing	Working group
14.	Executive of Station Management	Working group
15.	Executive of Minimart management	Working group
16.	Assistant Executive of the Company Secretary Office or the executive responsible for the Company Secretary Office	Secretary

For year 2015 the Corporate Governance Team held total 3 meetings to consider and issue opinions on different matters listed as follows:

1. To analyze work plan related to good corporate governance
2. To deliberate on policies, ethics and code of conduct related to good corporate governance.

The result of the Corporate Governance Committee's performance of year 2015 are as follows:

1. Certified as "A member of Private Sector Collective Action Coalition against Corruption : CAC" on 10 July 2015.

2. Ranked to Level 4 on the sustainability development on the topic of 'Anti-Corruption Progress Indicator' from Thaipat Institute (public organization).

3. The Company has been ranked as a 'Very Good' on Corporate Governance Report of Thai Listed Companies (CGR) of year 2015 by Thai Institute of Directors.

4. Received 99.25% from Quality Assessment of the General Meeting of shareholders year 2015 by Thai Investors Association (TIA)

5. 6 times hosted "Anti-Corruption Training Course" to employees and regularly joined different programs relevant to good corporate governance launched by external agencies as stated in the schedule.



(Mr. Supot Pittayaphongpat)

Chairman of the Corporate Governance Committee

# THE BOARD OF THE DIRECTORS



Mr. Pitak Ratchakitprakarn

Director

Executive Director

Chairman of the Risk Management Committee

President & Chief Executive Officer



Pol.Gen.Soonporn Saikwan  
Chairman of the board of Directors  
Independent Director



Mr.Thien Mekanontachai  
Director  
Audit Committee  
Corporate Governance Committee  
Independent Director



Mr.Supote Pitayapongpat  
Director  
Chairman of the Audit Committee  
Chairman of the Corporate  
Governance Committee  
Independent Director



Mrs.Chatkaew Gajaseni  
Director  
Executive Director



Mrs.Lertlak Nadtasomboon  
Director



Mr.Pongsak Vachirasakpanich  
Director  
Executive Director



Assoc.Prof.Dr.Wanchai  
Rattanawong  
Director  
Member of the Audit Committee  
Corporate Governance Committee  
Independent Director



Mr. Marit Nithiprateep  
Director



Mr.Rangsun Puangprang  
Director  
Executive Director  
Member of the Risk  
Management Committee  
Executive Vice President  
Company Secretary

# Financial Highlights

Statement of Financial Position of the Company and its subsidiaries as of 31 December 2013 to 2015 and Statement of Income, Statement of Cash Flows, and the significant financial ratios of the Company and its subsidiaries for the year ended 31 December 2013 to 2015

## The summary of Statement of Financial Position of the Company and its subsidiaries

Statement of Financial Position	2013		2014		2015	
	THB (mn)	%	THB (mn)	%	THB (mn)	%
<b>Current Assets</b>						
Cash and cash equivalents	515.63	8.69	313.40	4.75	293.38	3.76
Short-term investments	83.07	1.40	162.93	2.47	3.07	0.04
Trade and other receivables	388.21	6.54	506.28	7.68	556.30	7.13
Short-term loans to third party	-	-	-	-	1.00	0.01
Current portion of long-term loans to third party	0.18	0.00	0.78	0.01	0.78	0.01
Inventories	1,298.88	21.89	1,247.96	18.92	982.94	12.59
<b>Total current assets</b>	<b>2,285.97</b>	<b>38.52</b>	<b>2,231.35</b>	<b>33.83</b>	<b>1,837.47</b>	<b>23.54</b>
<b>Non-current assets</b>						
Deposits at a financial institution used as collateral	31.28	0.53	-	-	-	-
Long-term loans to third parties	3.10	0.05	4.12	0.06	3.34	0.04
Investment in a joint venture	-	-	-	-	354.48	4.54
Investment property	92.51	1.56	92.39	1.40	92.27	1.18
Property, plant and equipment	3,271.49	55.12	3,809.30	57.75	4,608.13	59.04
Prepaid leasehold right and land rental	202.62	3.41	390.52	5.92	821.17	10.52
Intangible assets	19.85	0.33	32.21	0.49	47.27	0.61
Other non-current assets	28.18	0.47	36.41	0.55	41.15	0.53
<b>Total non-current assets</b>	<b>3,649.03</b>	<b>61.48</b>	<b>4,364.95</b>	<b>66.17</b>	<b>5,967.81</b>	<b>74.46</b>
<b>Total assets</b>	<b>5,935.00</b>	<b>100.00</b>	<b>6,596.30</b>	<b>100.00</b>	<b>7,805.28</b>	<b>100.00</b>
<b>Current liabilities</b>						
Bank overdrafts from a financial institution	119.95	2.02	300.00	4.55	187.07	2.40
Trade and other payables	1,523.94	25.68	1,786.55	27.08	2,151.62	27.57
Current portion of long-term loans from a financial institution and finance lease	257.66	4.34	252.47	3.83	377.82	4.84
Income tax payable	7.16	0.12	63.54	0.96	89.26	1.14
<b>Total current liabilities</b>	<b>1,908.71</b>	<b>32.16</b>	<b>2,402.56</b>	<b>36.42</b>	<b>2,805.77</b>	<b>35.95</b>
<b>Non-current liabilities</b>						
Long-term loans from a financial institution and financial lease	743.57	12.53	487.61	7.39	879.24	11.26
Retirement benefit obligations	38.31	0.65	35.89	0.54	40.49	0.52
Deferred tax liabilities	33.79	0.57	41.07	0.62	48.03	0.61
Other non-current liabilities	22.18	0.37	30.28	0.46	30.84	0.40
<b>Total non-current liabilities</b>	<b>837.85</b>	<b>14.12</b>	<b>594.85</b>	<b>9.02</b>	<b>998.60</b>	<b>12.79</b>
<b>Total liabilities</b>	<b>2,746.56</b>	<b>46.28</b>	<b>2,997.41</b>	<b>45.44</b>	<b>3,804.37</b>	<b>48.74</b>
<b>Shareholders' equity</b>						
Issued and paid-up share capital	1,670.00	28.14	1,670.00	25.32	1,670.00	21.40
Premium on share capital	1,185.43	19.97	1,185.43	17.97	1,185.43	15.19
Retained earnings	332.92	5.61	743.38	11.27	1,145.38	14.67
Non-controlling interests	0.09	0.00	0.08	0.00	0.10	0.00
<b>Total shareholders' equity</b>	<b>3,188.44</b>	<b>53.72</b>	<b>3,598.89</b>	<b>54.56</b>	<b>4,000.91</b>	<b>51.26</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,935.00</b>	<b>100.00</b>	<b>6,596.30</b>	<b>100.00</b>	<b>7,805.28</b>	<b>100.00</b>



## The summary of Statement of Income of the Company and its subsidiaries

Statement of Income	2013		2014		2015	
	THB (mn)	%	THB (mn)	%	THB (mn)	%
Revenue from sales and services	47,716.26	100.00	55,123.59 <sup>1</sup>	100.00	53,677.75	100.00
Costs of sales and services	(45,434.34)	(95.22)	(52,036.65)	(94.40)	(49,723.85)	(92.63)
Gross profit	2,281.92	4.78	3,086.94	5.60	3,953.90	7.37
Revenue from assets for lease and other services	39.35	0.08	49.52	0.09	64.30	0.12
Other income	97.90	0.21	96.38	0.17	92.67	0.17
Selling expenses	(1,699.91)	(3.56)	(2,057.30)	(3.73)	(2,616.89)	(4.88)
Administrative expenses	(272.41)	(0.57)	(511.57)	(0.93)	(631.61)	(1.18)
Profit before finance costs and income tax	446.85	0.94	663.97	1.20	862.37	1.61
Finance costs	(54.03)	(0.11)	(46.12)	(0.08)	(45.33)	(0.08)
Share of profit from investments in a joint venture	-	-	-	-	4.99	0.01
Profit before income tax	392.82	0.82	617.85	1.12	822.03	1.53
Income tax	(80.49)	(0.17)	(131.08)	(0.24)	(171.29)	(0.32)
Profit for the year	312.33	0.65	486.77	0.88	650.74	1.21
- Owners of the parent	312.30		486.76		650.72	
- Non-controlling interests	0.03		0.01		0.02	

Remark : <sup>1</sup> Included petroleum product subsidies of Baht 22.84 million for the national retail oil price reduction announcement by the Energy Policy & Planning Office on August 28th, 2014.



## The summary of Statement of Cash Flows of the Company and its subsidiaries

Statement of Cash Flows	2013	2014	2015
Cash receipts from operating activities	605.21	1,438.26	2,079.68
Cash payments in investing activities	(1,187.38)	(1,472.63)	(2,071.45)
cash payments in financing activities	698.96	(167.86)	(28.25)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>116.79</b>	<b>(202.23)</b>	<b>(20.02)</b>
<b>Beginning balance</b>	<b>398.84</b>	<b>515.63</b>	<b>313.40</b>
<b>Ending balance</b>	<b>515.63</b>	<b>313.40</b>	<b>293.38</b>

## The summary of significant financial ratios of the Company and its subsidiaries

Financial Ratios		2013	2014	2015
<b>Liquidity Ratio</b>				
Current ratio	Times	1.20	0.93	0.65
Quick ratio	Times	0.52	0.41	0.30
Cash flows ratio	Times	0.33	0.67	0.80
Account receivable turnover	Times	364.80	481.50	590.64
Average collection period	Days	0.99	0.75	0.61
Inventory turnover	Times	42.05	40.85	44.55
Inventory days	Days	8.56	8.81	8.08
Account payable turnover	Times	38.21	35.17	29.57
Account payable days	Days	9.42	10.24	12.17
Cash Cycle	Days	0.13	(0.68)	(3.48)
<b>Profitability Ratio</b>				
Gross profit margin	%	4.78%	5.60%	7.37%
Operating profit margin	%	0.94%	1.20%	1.61%
Other profit margin	%	0.29%	0.26%	0.29%
Net profit margin	%	0.65%	0.88%	1.21%
Return on equity	%	13.70%	14.34%	17.13%
<b>Efficiency Ratio</b>				
Return on assets	%	6.36%	7.77%	9.04%
Return on fixed assets <sup>1</sup>	%	25.45%	29.02%	31.19%
Assets turnover	Times	9.74	8.82	7.48
<b>Financial Policy Ratio</b>				
Debt to equity ratio	Times	0.86	0.83	0.95
Interest coverage ratio	Times	13.93	33.64	49.98
Debt service coverage ratio	Times	0.33	0.78	0.83
Dividend payout ratio	%	94.57	80.12	98.24 <sup>2</sup>

Notes : <sup>1</sup> Return on fixed assets was calculated from property, plant and equipment, and prepaid leasehold right and land rental.

<sup>2</sup> To be proposed during AGM 2016 on 22 April 2016 to consider the dividend payment of fiscal year 2015 at 0.20 Baht per share



# General Information and Other Significant Information

## Company Information

<b>Name</b>	<b>: PTG Energy Public Company Limited</b>
Head office address	: 90 CyberWorld Tower A 33 <sup>rd</sup> Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Type of business	: <ol style="list-style-type: none"><li>1. Fuel retailing at petrol stations managed by the Company (COCO petrol stations).</li><li>2. Fuel wholesaling to<ol style="list-style-type: none"><li>1) dealers for sales at petrol stations managed by such dealers (DODO petrol stations)</li><li>2) Other petrol traders, and</li><li>3) Industrial operators that need fuel in business operations.</li></ol></li><li>3. Fuel logistics services</li></ol>
Registration no.	: 0107538000703
Telephone	: 0 2168 3377, 0 2168 3388
Facsimile	: 0 2168 3379, 0 2168 3389
Homepage	: <a href="http://www.ptgenergy.co.th">www.ptgenergy.co.th</a>
Amount and type of total shares issued and paid	: 1,670,000,000 ordinary shares (as of December 31, 2015)
Par value	: 1 Baht per share

## Investment Information (as of December 31, 2015)

<b>Name</b>	<b>: Petroleum Thai Corporation Co., Ltd.</b>
Head office address	: 90 CyberWorld Tower A 33 <sup>rd</sup> Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Type of business	: <ol style="list-style-type: none"><li>1. Fuel trader under Section 11</li><li>2. Minimart business at petrol stations</li></ol>
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, 2015)
Par value	: 73.33 Baht per share

**Name** : **Pyramid Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Alpine Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Empire Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Everest Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Andes Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Atlas Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **Olympus Oil Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **PTG Green Energy Co., Ltd. (Former name – Pyrenees Oil Co., Ltd.)**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310  
Type of business : Fuel trader under Section 10, Generate and distribute renewable energy  
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, 2015)  
Par value : 100 Baht per share

**Name** : **Punthai Coffee Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> 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, 2015)  
Par value : 100 Baht per share

**Name** : **PTG Logistics Co., Ltd.**  
Head office address : 90 CyberWorld Tower A 33<sup>rd</sup> Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310  
Type of business : Fuel, gas, and goods logistics services, including passenger transportation by land, sea, air both domestically and internationally  
Registration no. : 0105558135688  
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, 2015)  
Par value : 100 Baht per share

## References

Company secretary : Mr. Rangsun Puangprang  
Contact address : 90 CyberWorld Tower A 33<sup>rd</sup> Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310  
Telephone : 0 2168 3377, 0 2168 3388  
Facsimile : 0 2168 3379, 0 2168 3389  
Email : csp@pt.co.th

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 15<sup>th</sup> 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

# Awards of the Year



- The Company was ranked as a “Very Good”

in the Corporate Governance Report of Thai Listed Companies 2015 by the Thai Institute of Directors.



- The Company received a certificate of participation

in the private company group of anti-corruption to support the collaboration in anti-corruption under good corporate governance which is prepared by the Prevention and Suppression of Corruption Regime Centre (NCC).



- The Company received Investor Relations Awards 2015

the award given to the listed company that have outstanding investor relations with the market price of securities between 3,000-10,000 million baht. The award was organized by the Stock Exchange of Thailand.



- TIS certificate 9001-2552 (ISO 9001: 2008)

awarded to companies that have quality management system for the storage and distribution of oil products in the fuel tank under the certificate of ISO certification standards (MASCI).



- TIS certificate 17025-2548 (ISO/IEC 17025:2005)

is a certificate given to a testing laboratory which can test and/or calibrate. The certificate contained quality management and academic requirement which is the standard that can be applied to all corporate conducting testing or calibrating activity under the certification from Ministry of Industry, Industrial Standard Office.



- The Company received Honorable Fame for attending Oil spillage Cleaning Demonstration Activity Level 2

The activity demonstrated knowledge and understanding of basic cleaning of oil stain and usage of different equipment to clean the oil spillages. Oil Spillage Cleaning Demonstration Activity was hosted by Shell (Thailand) Co., Ltd. in collaboration with Environment Conservation Group of Oil Industry.



- The Company received a certificate of Safety Workplace on occasion of the “Celebration of the 60th Birthday of HRH Princess Sirindhorn in April 2015”

The certificate was acclaimed for the oil depots and gas station which were operated under scope of requirement to prevent accident and disease from work, as well as to create sustainability for safety workplace, by the Ministry



of Labor. There were total 4 oil depots and 7 gas stations acclaimed for the certificates, as followings

1. Pakthongchai Oil Depots, Nakhon Ratchasima
2. Phitsanulok Oil Depot, Phitsanulok
3. Lampang Oil Depot, Lampang
4. Nakhon Sawan Oil Depot, Nakhon Sawan
5. Non Soong 2 Oil Depot Branch
6. Sikhio 1 Petrol Station
7. Wang Nam Khio Petrol Station
8. Pak Chong Petrol Station
9. Soon Nern 2 Petrol Station
10. Singburi Branch
11. Bang Rachan 2 Branch



- The Company received Honorable Fame for the Clean Toilet for Tourism.

The certificate was given to company that have outstanding toilet, in total 117 petrol stations, by the Tourism and Sports Ministry and the Department of Public Health.



- The Company received a certificate for White Factory.

The certificate was given to the company that conducted activity to enhance knowledge, understanding to prevent and remedy the drug and extended the result to communities surrounding. Campaign were hosted by Welfare and Labor Protection Department where 15 petrol stations were acclaimed namely as follows.

1. Mook Dahan 1,2,3 petrol station
2. Dong Luang Petrol Station
3. Huaybong 1, 2 petrol station
4. Pra Puttabath 1, 2 petrol station
5. Nong Khae petrol station
6. Wiharndaeng petrol station
7. Baan Mor petrol station
8. Saraburi 1,2,3 petrol station



- The Company received honorable fame for Khao Yoi Petrol Station

after passing the assessment of Public Toilet Standard which the criteria were (Healthy : H) , (Accessibility : A) , ( Safety : S). The assessment was conducted by Phetburi Public Health Department, Ministry of Labor.



# Company Overview

## 1. Vision, Objectives, Goals, and Company Business Strategy

PTG Energy Public Company Limited (“the Company” or “PTG”) was established on 21 March 1988 under the name of Paktai Chueplerng Company Limited which later registered a change of name to PTG Energy Public Company Limited on 20 December 2011 to be a leader of integrated energy business provider of the country with the sustainable growth in order to satisfy trading partners, employees and service users. The Company also continuously adheres to the principles of good corporate governance as well as social and environmental responsibilities. According to the survey result of corporate governance of listed companies for the year 2015 by the Thai Institute of Directors (IOD), the Company was scored “very good” on the corporate governance level. In addition, the Company was certified as an alliance of Collective Action Coalition of the Private Sector Against Corruption. The Company is aware of the importance of good corporate governance and aims to further increase its standard.

### Vision

“PT, the nation’s leading full-service energy company.”

### 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’s objective is to expand its business operation to other related energy businesses to improve its capability in order to meet the future demand for energy. The Company focuses on creating sustainable energy stability along with the economic, social and environmental developments by

focusing on the roles to promote the efficient use of energy and enhancing the quality of life of population. By the end of 2014, the Company invested in Palm Complex project engaging in biodiesel business (B100) produced from palm oil, the main ingredient of diesel fuel. Moreover, the Company is interested in ethanol business produced from molasses and cassava, which is also the renewable energy that supports sustainable self-efficiency in accordance 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, in line with the Company’s policy, 1-District-1-Station, 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 expanded more than 204 COCO stations in 2015.

Moreover, the Company also employs a strategy to efficiently manage its operating cost through Company-owned logistics system, which utilizes its fleet of 353 tanker trucks, and its network of 9 tank farms, located throughout the country, and also strengthens its logistics system by forming new alliances, 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 clear policies 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, to participate in the work and problem solving, 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 and our managers, 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.

## 2. Significant changes and major development

### 2015

- The Company was ranked as a “Very Good” in the Corporate Governance Report of Thai Listed Companies 2015 by the Thai Institute of Directors.
- The Company received a certificate of participation in the private company group of anti-corruption to support the collaboration in anti-corruption under good corporate governance which is prepared by the Prevention and Suppression of Corruption Regiment Centre (NCC).

- The Company received Investor Relations Awards 2015 – the award given to the listed company that have outstanding investor relations with the market price of securities between 3,000–10,000 million baht. The award was organized by the Stock Exchange of Thailand.
- The Company paid for the investment of joint venture with Tha Chang (Bang Saphan) Palm Oil Company Limited (which later changed the name to PPP Green Complex Company Limited (“PPP”) at the amount of 349.80 million THB in accordance with the joint venture agreement in Palm Complex project, which was signed in November 2014 and amended in December 2014.
- The Company and the joint venture partner, PPP Green Complex Company Limited, signed a contract to purchase machinery and equipment used in the production of Palm Company project.
- The Company began to provide LPG service stations for LPG consumers to receive quality and standardized products and services.
- The subsidiary registered a change of name from Pyrenees Oil Company Limited (“PRN”) to PTG Green Energy Company Limited (“PTGGE”).
- The subsidiary, PTG Logistics Company Limited (“PTGLG”), was established with the paid-up capital of 1 million THB, divided into 10,000 shares with 100 THB per share. The objective is to transport, load and unload fuel, gas and petroleum product as well as other products including passengers by land, sea and air for both domestic and international transportations.
- The Company signed a 7-year contract for 250 billion THB to trade oil with Thai Oil Public Company Limited from 2015 to 2021 in order to build confidence and stability in efficient product supply in accordance with the policy to expand service stations in the future.
- The Company has the resolution proposed to the Extraordinary General Meeting regarding 32.01% shareholding in AMA Marine Company Limited after



the approval of the Company's Board of Directors. AMA Marine Company Limited engages in liquid transportation service by both sea and land in which the Company foresees the efficiency and opportunity in the future growth of logistics business.

- The Company has the resolution proposed to the Extraordinary General Meeting regarding debenture issuance at the amount not exceeding 4,000 million THB to support the Company and its subsidiaries' business operations and expansions.
- The Company acquired 9.55% shares of FPT engaging in the pipeline business as the Company focused on the potential of fast and safe oil unloading as well as the future improvement.
- The Company expanded its 222 PT service stations comprising of 204 COCO stations and 18 DODO stations. As a result, at the end of the year, the Company had 1,150 PT service stations in total with the increasing Max Card members up to 3.8 million members as of 31 December 2015. Furthermore, there are totally 56 E20 gasohol stations.

## 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. holding 30% equity stake.
- 2) PTG Energy Public Company Limited holding 40% equity stake.
- 3) R&D Kasetpattana Co., Ltd. holding 10% equity stake.

In this regard, the project construction will commence in Q1/2015 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 renovating and improving two large-scaled petrol stations with modernity and 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 with a turnover of 10 ML per month. 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 with a turnover of 7 ML per month or 84 ML per year on average. 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, Uthaitani, 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. Great emphasis is placed on training for employees both on operative and administrative level in order to enhance their potential both through hard skills and soft skills. This year, the human resources development comprised:

1. Establishing a training center in Panus 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 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 operating 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 Max Card holders is expected to have reached 2.4 million. The Company has gathered consumer data from the CRM system and analyzed consumer behavior for each person 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

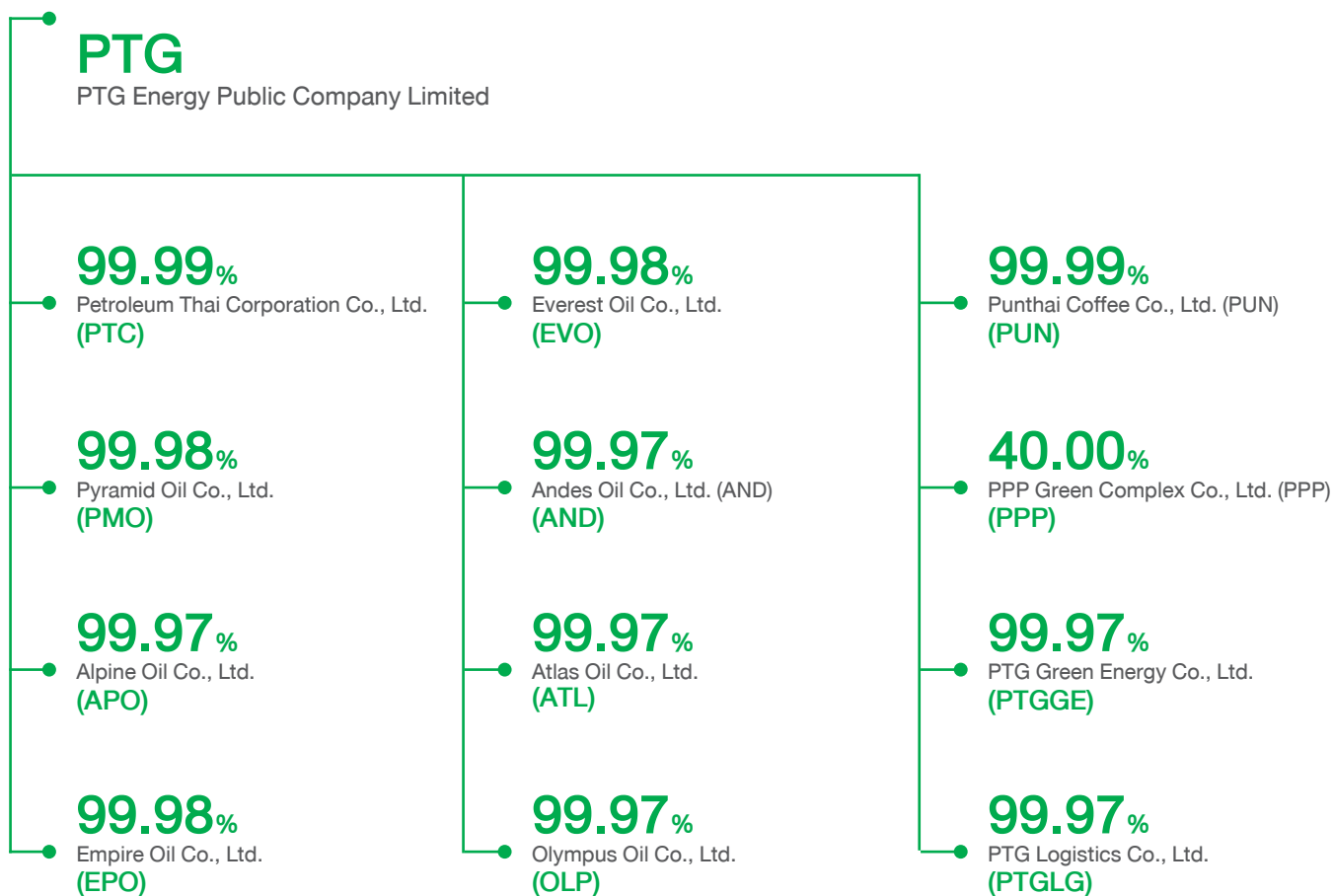
- The Office of the Securities and Exchange Commission approved the Company to offer 420 million ordinary shares at a price of Baht 3.90 each, by offering not more than 33.40 million shares to the Company's and its Subsidiaries' directors, executives and employees, and offering 386.60 million shares 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 7 Northern provinces, namely Chiang Rai, Phayao, Uttaradit, Nan, Phitsanulok, Sukhothai and Phrae. It would be commercially opened in January 2014.

## 3. 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 convenience stores, under PT Max Mart brand, and coffee shops, under Punthai Coffee brand, at PT petrol stations to provide convenience and meet the demand of the consumers. Moreover, the Company has renewable energy business, manufacturing and distribution of Biodiesel (B100) and cooking oil.





## Nature of Business Operations of the Company and Subsidiaries

Company	Type of Business	Shareholding
PTG Energy Public Company Limited (PTG)	<ul style="list-style-type: none"> <li>Retail oil service stations under the PT brand with the management of the Company</li> <li>Wholesale oil to: <ul style="list-style-type: none"> <li>Other oil traders</li> <li>Distributors of oil companies to distribute to gas stations under their own management.</li> <li>Industry operators requiring the oil fuel to run their businesses.</li> </ul> </li> </ul>	-
Petroleum Thai Corporation Co., Ltd. (PTC)	<ul style="list-style-type: none"> <li>Oil trader under Section 11</li> <li>Convenience stores in gas stations</li> </ul>	99.99
Pyramid Oil Co., Ltd. (PMO)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.98
Alpine Oil Co., Ltd. (APO)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.97
Empire Oil Co., Ltd. (EPO)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.98
Everest Oil Co., Ltd. (EVO)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.98
Andes Oil Co., Ltd. (AND)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.97
Atlas Oil Co., Ltd. (ATL)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.97
Olympus Oil Co., Ltd. (OLP)	<ul style="list-style-type: none"> <li>Oil trader under Section 10</li> </ul>	99.97
PTG Green Energy Co., Ltd. (PTGGE)	<ul style="list-style-type: none"> <li>Oil trader under Section 10 / Generate and distribute renewable energy</li> </ul>	99.97
Punthai Coffee Co., Ltd. (PUN)	<ul style="list-style-type: none"> <li>Coffee shop under the name of “Punthai Coffee”</li> </ul>	99.99
PTG Logistics Co., Ltd. (PTGLG)	<ul style="list-style-type: none"> <li>Logistics business to transport, load and unload fuel, gas and petroleum product as well as other products including passengers by land, sea and air for both domestic and international transportations.</li> </ul>	99.97
PPP Green Complex Co., Ltd. (PPP)	<ul style="list-style-type: none"> <li>Integrated palm oil manufacturer and seller since planting palms used in the production process until taking palm oil to produce biodiesel (B100) as well as cooking oil</li> </ul>	40.00

# 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.

In addition, the Company owned 9 tank farms with the total capacity of 200.52 million liters located throughout the country for stocking at each of the fuel transported from Thai Oil prior to further distribution to the Company’s petrol stations or its customers in fuel wholesaling business and the industrial sector in order to increase transportation efficiency, shorten delivery time, and reduce transportation cost. Moreover, the Company frequently inspects its product to ensure product quality.

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

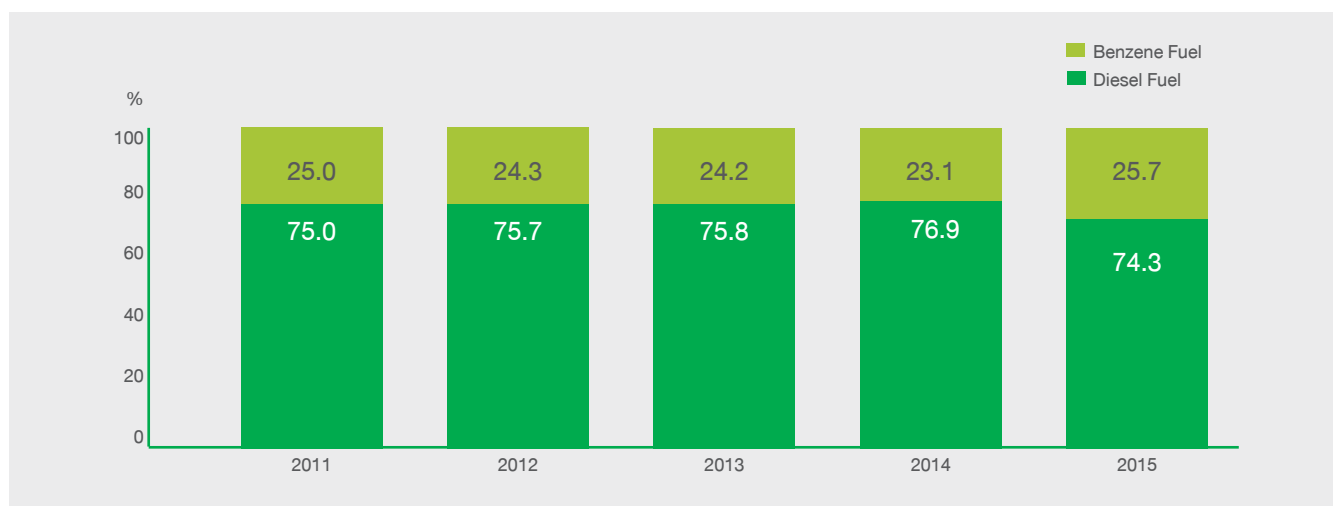
### 1) Fuel Products

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

- 1.1) Diesel, which is high-speed diesel fuel (here in after called “diesel fuel”);
- 1.2) 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 user of cars 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 engine powered.

## Sales proportions of diesel fuel and benzene fuel from 2011 – 2015



## 2) Non-fuel Products

Apart from fuel sales, the Company sells daily-use consumer goods via convenience stores, PT Mart and PT Max Mart, in PT petrol stations, as well as provides premium coffee via Punthai Coffee shops, and also sells a variety of lubricating oils, provides spaces for rent 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

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

#### 1.1) 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.

- **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. 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 85% of fuel sold at PT petrol stations are 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 unqualified 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 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.ptgenergy.co.th](http://www.ptgenergy.co.th)) and Facebook ([www.facebook.com/ptstation](https://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 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.

### 1.2) Fuel wholesaling to the Company's dealers

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 appoint 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 and seller of fuel 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 are land owners and wish 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.

- **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 be the Company's dealer. In addition, business development staff have made incessant effort to locate operations with the potential of becoming COCO petrol stations. Some petrol station operators, with whom business development staff met, 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 supports in various forms. The Company provides its dealers with materials and accessories for station revamping, 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.

## Number of Petrol Stations by Types





## Number Petrol Stations by Region at the end of 2013 – 2015

### COCO stations

Region	2013		2014		2015	
	Stations	%	Stations	%	Stations	%
1. Greater Bangkok area	52	9.4	73	9.8	91	9.7
2. Northern region	113	20.5	114	15.3	128	13.7
3. Central region	55	10.0	116	15.6	172	18.4
4. Northeastern region	214	38.8	258	34.7	297	31.7
5. Eastern region	51	9.3	58	7.8	63	6.7
6. Western region	38	6.9	53	7.1	72	7.7
7. Southern region	28	5.1	71	9.6	113	12.1
Total	551	100.0	743	100.0	936	100.0

### DODO stations

Region	2013		2014		2015	
	Stations	%	Stations	%	Stations	%
1. Greater Bangkok area	13	6.9	13	6.3	13	6.1
2. Northern region	32	17.0	28	13.5	29	13.5
3. Central region	21	11.2	36	17.3	35	16.4
4. Northeastern region	74	39.4	78	37.5	82	38.3
5. Eastern region	10	5.3	12	5.8	13	6.1
6. Western region	14	7.4	14	6.7	13	6.1
7. Southern region	24	12.8	27	13.0	29	13.5
Total	188	100.0	208	100.0	214	100.0

## 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 trademarks 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 be the Company’s dealers, sales staff are assigned

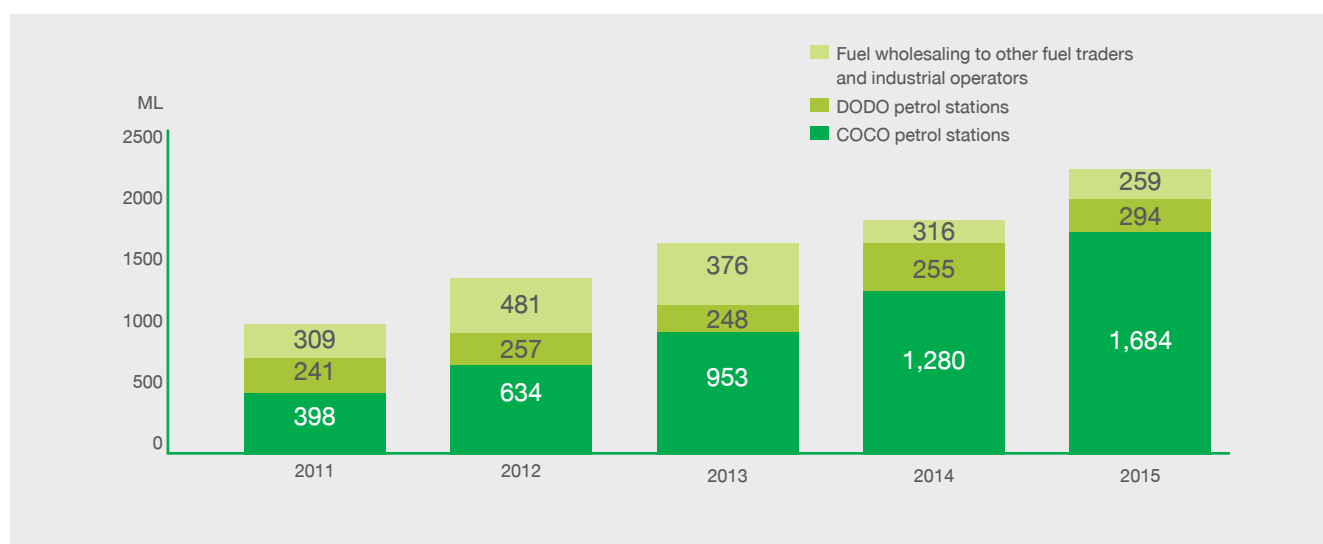
to regularly gather information on fuel retailers and wholesalers as well as industrial operators in their respective responsible areas, in order to look for retailers, wholesalers and industrial operators who make regular purchases or have high volume of consumption.

- **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.

## Sales Volume of Fuel Trading Businesses

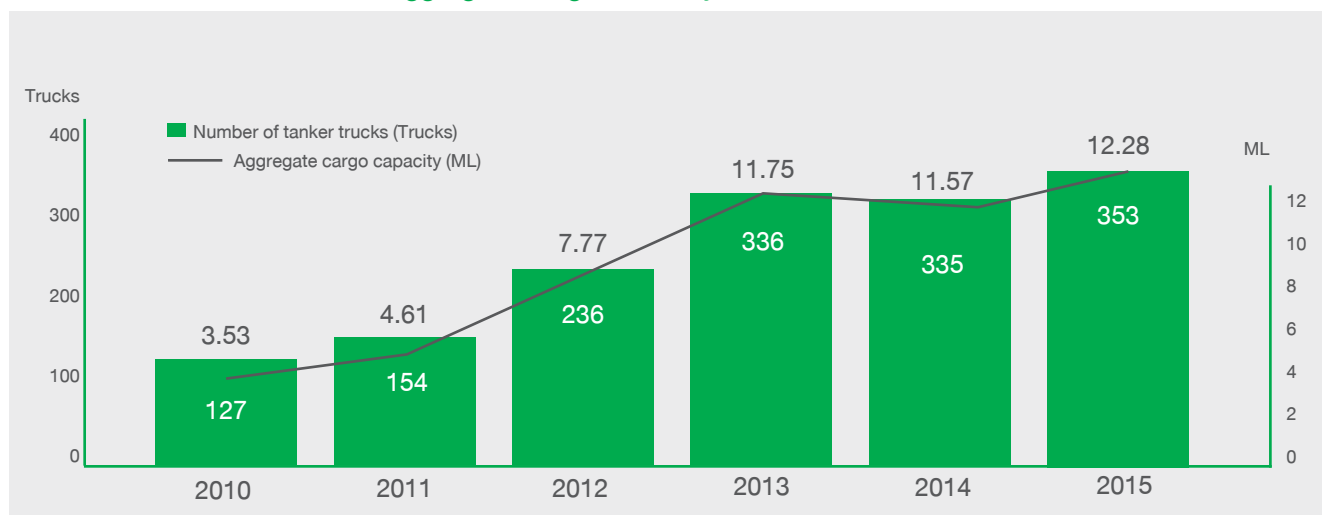


### 3) Fuel Logistics Business

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. Tankers of the Company can be divided into 2 groups: 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"). These truck fleets are responsible for distributing fuel products to COCO stations, wholesalers, and for managing the inventories internally. The size of the fleet has been growing correspondingly with the growth in fuel sales revenues and the increasing number of PT petrol stations over the past period.



#### Number of Tanker Trucks and Aggregate Cargo Capacity at the end of 2010 – 2015



- **Characteristics of Customers and Target Group**

PTC and subsidiaries as fuel traders under Section 10.

- 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 inclusive of 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.

#### 4) Gas Sales at PT Petrol Stations

The Company operates gas LPG sales business at PT petrol stations in which were owned and operated by the Company, or the so-called COCO petrol stations which was operated under the management of Petroleum Thai Corporation Co., Ltd. (PTC), the Company's subsidiary. The Company expects to provide the quality service to the LPG automobile users in standard service stations on par with petrol stations. The Company launched its LPG retailing in

2015 and as of 2015, the Company had 21 LPG stations, 13 out of 21 are the standalone stations, while the rest are located in petrol stations.

- **Characteristics of Customers and Target Group**

Target customers for LPG retailing via the Company's service stations are LPG automobile users in the vicinity of LPG stations, namely:-

- 1) Transport service providers and manufacturers using vehicles for goods transport, which are located in communities surrounding service stations or often go by LPG stations;
- 2) People using automobiles in their daily life, who reside in communities surrounding LPG stations.

The Company focuses on selling fuel to target customers, since they regularly need LPG combine with Benzene in their daily life or work.

- **Distribution Channels**

The Company has been increasing the number of LPG stations for a wider distribution channel to reach more target customers throughout Thailand. The Company pursues LPG station expansion through various natures of investments, in which it may buy or rent LPG 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, location of PT stations and other petrol and LPG 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 LPG to customers to establish confidence in and satisfaction of PT petrol stations' products and services. LPG product sold in PT service



stations was acquired directly from reliable Section 7 standard service traders registered by the Department of Energy Business. In this case, the service providers will deliver LPQ directly to all service stations nationwide. In relation to marketing and public relations, the Company engages in sales promotion activities for the customer to receive services and privileges as in petrol stations, including giving away of drinking water or other sales promotion items for an indicated purchase value. Another is PT membership program, where customers applying for PT 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.ptgenergy.co.th](http://www.ptgenergy.co.th)) and Facebook ([www.facebook.com/ptstation](http://www.facebook.com/ptstation)) for disclosing corporate information and publicizing its marketing activities to customers and the general public.

#### 5) 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”) both in COCO and DODO stations.

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 facilitate 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 changed its minimart’s management direction to effectively develop the operations and to better respond to the customers’ needs. In this regard, the Company has refurbished all PT Marts into PT Max Mart to enhance sales potential by restructuring the stores and modernizing them with more attractive appeals and cleanliness. The Company expects to complete this process by the end of 2016. In addition, the Company has a strategy in increasing its minimart to cover 10% of its total petrol stations.

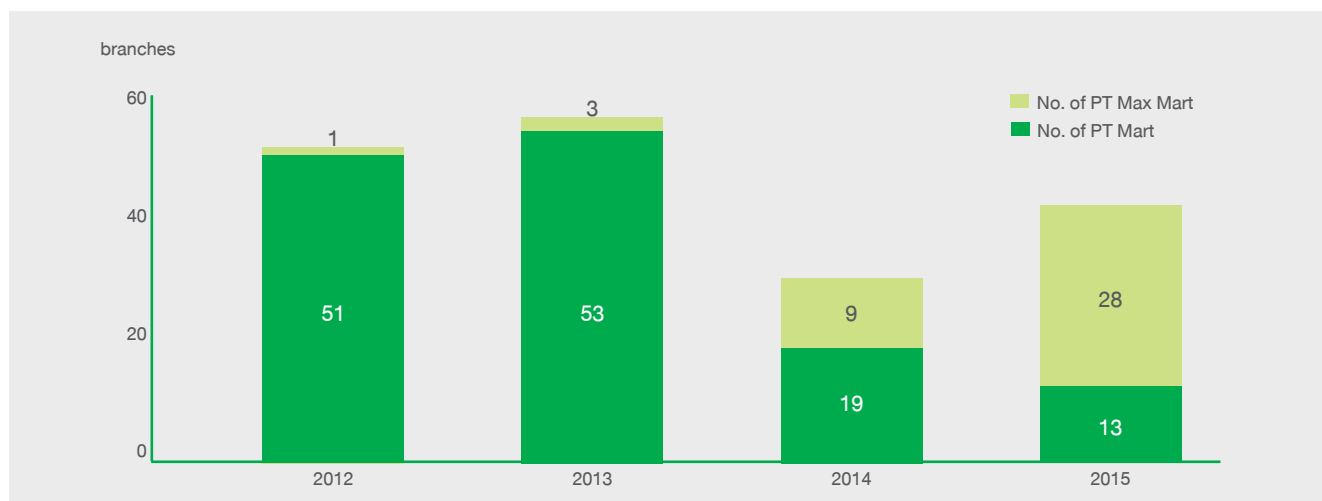
- **Characteristics of Customers and Target Group**

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.

- **Distribution Channels**

Number of PT Mart and Max Mart Stores displays in the graph below:

**Number of PT Mart and PT Max Mart Stores**



- **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.

#### 6) Sales of Other Products and Services

Other revenues of the Company are partly from providing oil storage services for other fuel traders. Also, 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 and etc., for their business operations.

### Revenue Structure of the Company and Subsidiaries from 2013-2015

Revenue Structure		2013		2014		2015	
Business	Operated by	MB	%	MB	%	MB	%
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	29,283.82	61.2	38,506.66	69.7	40,475.73	75.2
1.2) Revenue from fuel wholesaling through the Company's dealers (DODO petrol stations)	PTG and subsidiaries (accept PTC)	7,463.17	15.6	7,513.06	13.6	6,828.44	12.7
2. Revenue from fuel wholesaling to other fuel traders and industrial operators	PTG and subsidiaries (accept PTC)	10,697.48	22.4	8,694.91	15.7	5,864.88	10.9
3. Revenue from LPG retailing through the Company's LPG stations (COCO LPG stations)	PTC	-	-	-	-	43.35	0.1
4. Revenue from fuel logistics business	PTG	11.25	0.0	35.87	0.1	46.35	0.1
5. Revenue from minimart business at PT petrol stations	PTC and PUN	194.97	0.4	242.47	0.4	271.61	0.5
6. Other revenues*	PTG and subsidiaries	202.81	0.4	276.53	0.5	304.36	0.5
<b>Total revenues</b>		<b>47,853.51</b>	<b>100.0</b>	<b>55,269.49</b>	<b>100.0</b>	<b>53,834.72</b>	<b>100.0</b>

Notes : \* Other revenues consist of 1) revenue from fuel storage for other fuel traders 2) revenue from automobile lubricating oils 3) property rental and 4) revenue from special items such as subsidy for decline in oil prices.

## Industry Review

### Domestic Petrol Refinery

At the end of 2015, there were a total of 7 large-scale commercial oil refinery operators in Thailand shown in the table below:

#### Crude refining capacities, daily oil refining volumes and refinery utilization rates at the end of 2015

Unit: 1,000 barrels/day	Crude Refining Capacity	Daily Oil Refining Volume	Refinery Utilization Rate (%)
Thai Oil	275.00	312.77	113.73
Star	165.00	182.10	110.36
Bangchak	120.00	112.81	94.01
IRPC	215.00	188.57	87.71
ESSO	177.00	142.14	80.31
PTTGC	280.00	193.29	69.03
Fang	2.50	0.68	27.12
<b>Total</b>	<b>1,234.50</b>	<b>1,132.36</b>	<b>90.48</b>

Source : Energy Policy and Planning Office, Ministry of Energy

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 0.94 million barrels in 2011 to 1.1 million barrels in 2015. The perpetual higher demand for oil spurs more investment efforts for greater refining capacity among oil refinery operators. At present, the refinery utilization is at 90.48%.

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

- 1) Diesel fuel
- 2) Benzene fuel
- 3) Fuel oil
- 4) Aviation fuel
- 5) Kerosene.

Fuel obtained from crude refinery are 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 2011 to 2015 are as follows:





	2011	2012	2013	2014	2015
<b>Diesel fuel</b>					
Production volume (million liters)	23,098.60	25,124.62	25,024.52	23,404.09	26,322.59
Domestic sales volume (million liters)	19,192.15	20,564.63	20,891.93	21,065.36	21,366.38
Ratio of sales volume to production volume (%)	83.10	81.90	83.50	90.00	81.20
<b>Benzene fuel</b>					
Production volume (million liters)	8,325.89	9,150.10	9,831.92	9,886.47	11,151.17
Domestic sales volume (million liters)	7,331.14	7,704.96	8,233.03	8,567.19	9,714.01
Ratio of sales volume to production volume (%)	88.10	84.20	83.70	86.70	87.10
<b>Fuel oil</b>					
Production volume (million liters)	5,815.80	6,138.11	5,911.17	5,644.33	5,694.09
Domestic sales volume (million liters)	2,455.93	2,363.34	2,154.90	2,073.59	1,898.23
Ratio of sales volume to production volume (%)	42.20	38.50	36.50	36.70	33.30
<b>Aviation fuel</b>					
Production volume (million liters)	6,292.73	5,857.77	6,227.33	6,602.34	6,778.77
Domestic sales volume (million liters)	5,076.52	5,091.40	5,562.40	5,513.08	6,033.44
Ratio of sales volume to production volume (%)	80.70	86.90	89.30	83.50	89.00
<b>Kerosene</b>					
Production volume (million liters)	151.80	75.86	687.11	1,091.64	1,348.04
Domestic sales volume (million liters)	12.97	13.44	10.99	10.77	10.60
Ratio of sales volume to production volume (%)	8.50	17.70	1.60	1.00	0.80
<b>Total products</b>					
Production volume (million liters)	43,684.82	46,346.46	47,682.05	46,628.87	51,294.66
Domestic sales volume (million liters)	34,068.71	35,737.77	36,853.25	37,229.99	39,022.66
Ratio of sales volume to production volume (%)	78.00	77.10	77.30	79.80	76.10

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 2011 to 2015 are shown below.

	2011		2012		2013		2014		2015	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
<b>Diesel fuel</b>										
Petrol stations	11,448.10	59.60	11,992.83	58.30	12,331.58	59.00	12,689.46	60.20	13,634.62	63.70
Transportation	663.11	3.50	750.76	3.70	779.99	3.70	783.29	3.70	572.78	2.70
Industries	921.41	4.80	1,083.18	5.30	1,112.13	5.30	1,153.56	5.50	1,293.64	6.10
Electricity generation	32.15	0.20	50.33	0.20	135.16	0.70	53.47	0.30	10.73	0.10
Government and state enterprises	521.58	2.70	577.14	2.80	525.49	2.50	512.27	2.40	536.77	2.50
Others	2,136.90	11.10	2,319.11	11.30	2,280.33	10.90	2,133.65	10.10	1,662.20	7.80
Fuel traders under Section 10	3,468.90	18.10	3,791.28	18.40	3,727.25	17.80	3,739.66	17.80	3,655.64	17.10
<b>Total volume</b>	<b>19,192.15</b>	<b>100.00</b>	<b>20,564.63</b>	<b>100.00</b>	<b>20,891.93</b>	<b>100.00</b>	<b>21,065.36</b>	<b>100.00</b>	<b>21,366.38</b>	<b>100.00</b>
<b>Benzene fuel</b>										
Petrol stations	5,897.01	80.40	6,273.10	81.40	6,769.42	82.20	7,167.13	83.70	8,177.92	84.80
Transportation	-	-	-	-	-	-	-	-	-	-
Industries	30.97	0.40	33.47	0.40	31.33	0.40	26.35	0.30	31.38	0.30
Electricity generation	25.07	0.30	56.95	0.70	48.96	0.60	41.38	0.50	43.57	0.50
Government and state enterprises	44.86	0.60	44.78	0.60	44.08	0.50	43.77	0.50	43.80	0.50
Others	470.12	6.40	437.86	5.70	473.97	5.80	456.27	5.30	411.76	4.30
Fuel traders under Section 10										
<b>Total volume</b>	<b>863.12</b>	<b>11.80</b>	<b>6,846.15</b>	<b>11.10</b>	<b>865.27</b>	<b>10.50</b>	<b>832.28</b>	<b>9.70</b>	<b>922.54</b>	<b>9.60</b>
<b>ปริมาณรวมทั้งสิ้น</b>	<b>7,331.14</b>	<b>100.0</b>	<b>7,704.96</b>	<b>100.0</b>	<b>8,233.03</b>	<b>100.00</b>	<b>8,567.19</b>	<b>100.00</b>	<b>9,630.98</b>	<b>100.00</b>

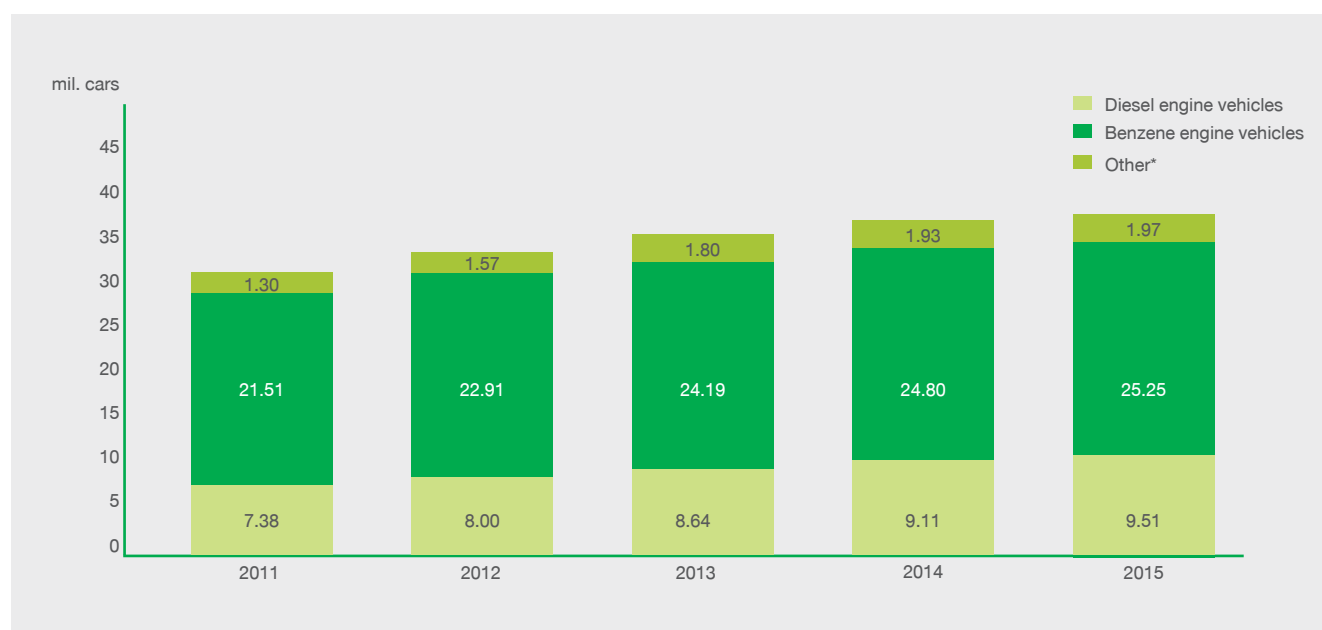
Source : Department of Energy Business, Ministry of Energy

### 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. According to the Department of Land Transport, total registered vehicles can divide into 2 groups, Diesel-engine vehicles and Benzene-engine vehicles. Number of Diesel-engine

vehicles increased from 7.38 million cars in 2011 to 9.51 million cars in 2015, or up by CAGR 6.54%. On the other hand, Benzene-engine vehicles increased from 21.51 million cars in 2011 to 25.25 million cars in 2015, or up by CAGR 4.09%. In this regard, petrol service station business can increase its sales volume from consistently increasing in number of new cars.

### Number of vehicles registered with the Department of Land Transport at the end of 2011 – 2015



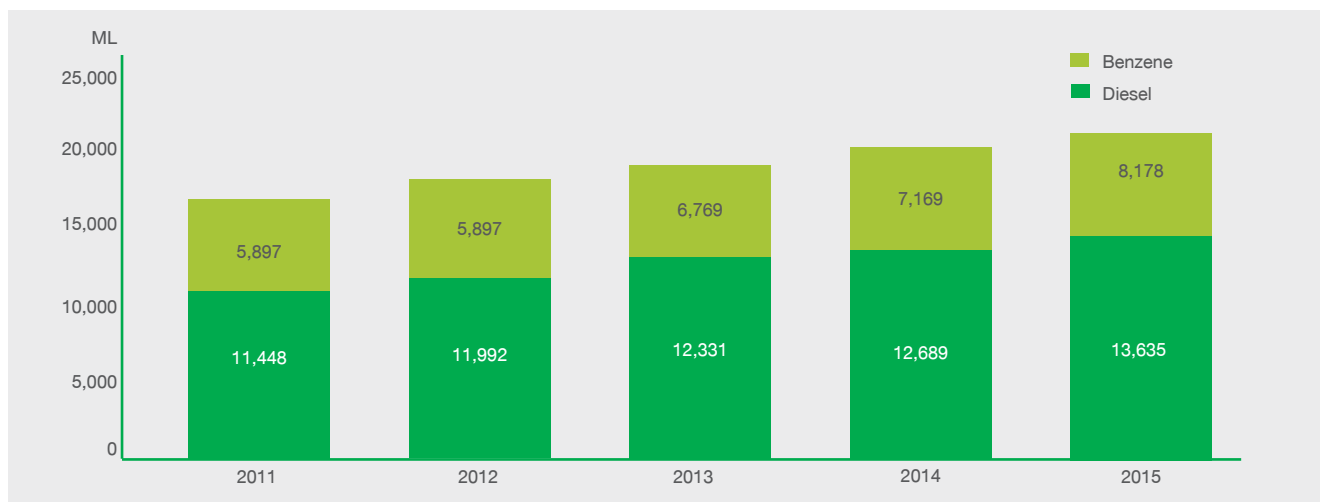
Notes : \*Other fuel consumption, such as LPG, CNG, Electrical, Hybrid, Others

Source : Department of Land Transport

In addition, most Benzene and Diesel products are sold through petrol service stations. According to the Department of Energy Business, the Diesel and Benzene consumption in 2015 increased by 7.46% and 14.07% YoY, respectively.



## Benzene and Diesel Volumes through Fuel Service Stations in Thailand

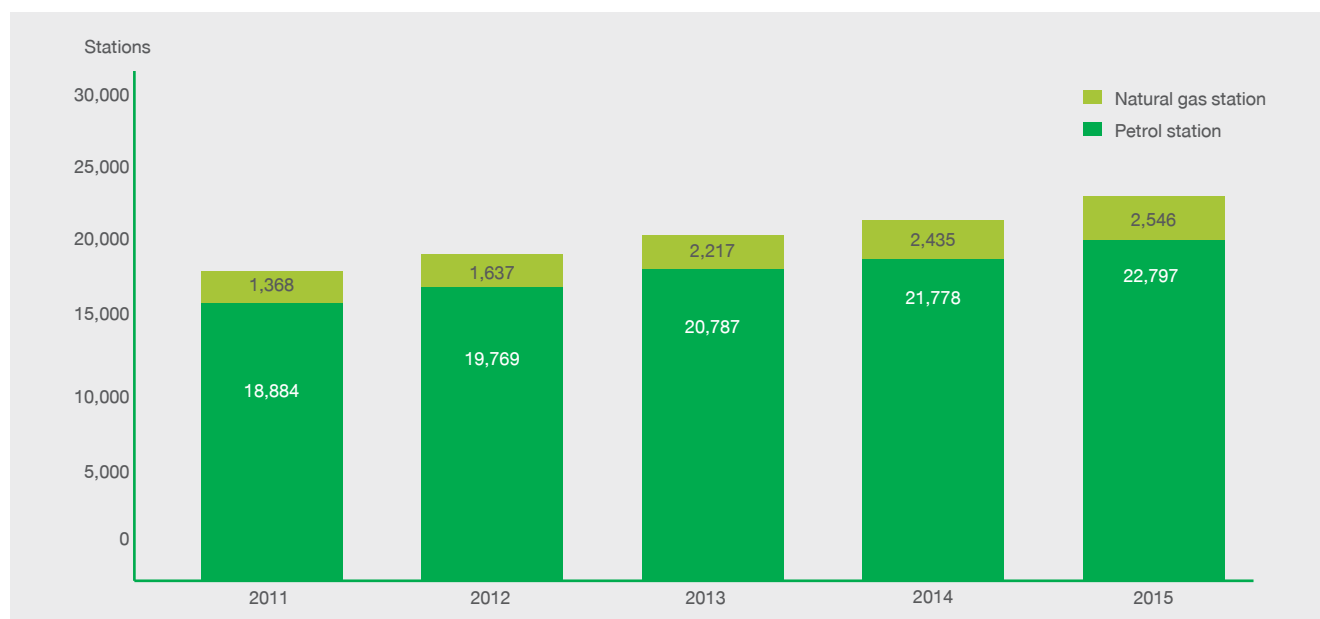


Source: Department of Land Transport

## 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; Petrol station and Natural gas stations.

## The Proportion of Petrol Stations and Natural Gas Stations



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 2011 to 2015 is shown below.

	2011		2012		2013		2014		2015	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
1) PTT	9,686.19	36.50	10,072.54	35.60	10,683.97	36.60	10,986.04	37.00	11,813.71	37.30
2) ESSO	3,801.58	14.30	4,373.59	15.50	4,540.82	15.60	4,239.04	14.30	4,518.58	14.30
3) Bangchak	3,032.05	11.40	3,481.56	12.30	3,861.94	13.30	3,893.57	13.10	4,305.65	13.60
4) Shell	3,114.09	11.70	3,246.54	11.50	3,099.34	10.60	3,453.29	11.70	3,586.73	11.30
5) Chevron	2,366.86	8.90	2,511.58	8.90	2,228.86	7.70	2,406.28	8.10	2,417.88	7.60
6) IRPC	2,004.93	7.60	2,032.27	7.20	2,072.99	7.10	1,764.18	6.00	1,894.24	6.00
7) Thaioil <sup>3/</sup>	996.05	3.80	1,396.17	4.90	1,470.48	5.00	1,656.03	5.60	1,970.10	6.20
8) Susco <sup>2/</sup>	244.25	0.90	522.82	1.80	428.28	1.50	436.47	1.50	465.44	1.50
9) Petronas <sup>2/</sup>	355.23	1.30	-	-	-	-	-	-	-	-
10) Company <sup>1/</sup>	129.23	0.60	177.51	0.70	254.22	0.90	333.62	1.10	358.76	1.10
11) Others	792.83	3.00	455.02	1.60	484.06	1.70	467.77	1.60	303.84	1.10

Notes : <sup>1/</sup> 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 948.05 million liters in 2011, to 1,372.54 million liters in 2012, to 1,577.50 million liters in 2013, and to 1,850.95 million liters in 2014, and to 2,237.23 million liters in 2015.

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

<sup>3/</sup> 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.

Source : Department of Energy Business, Ministry of Energy

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 2013 to 2015 is shown below.



### The number of service stations in Thailand

Unit: Stations	2013		2014		2015	
	Number	%	Number	%	Number	%
PTT <sup>1/</sup>	1,610	7.0	1,652	6.9	1,725	6.8
PTG <sup>2/</sup>	743	3.2	951	3.9	1,150	4.5
Bangchak	1,074	4.7	1,070	4.4	1,072	4.2
ESSO	516	2.2	511	2.0	534	2.1
Shell	515	2.2	489	2.1	491	1.9
Chevron	366	1.6	359	1.5	362	1.4
Susco <sup>3/</sup>	220	0.7	218	0.7	217	0.9
Others	17,960	78.4	18,963	78.5	19,792	78.2
<b>Total<sup>4/</sup></b>	<b>23,004</b>	<b>100.0</b>	<b>24,213</b>	<b>100.0</b>	<b>25,343</b>	<b>100.0</b>

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

<sup>2/</sup> 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 filing registration with the Department.

<sup>3/</sup> Included Susco Dealers (former Petronas) which is operated under Susco Group

<sup>4/</sup> The number of of petrol stations of some fuel traders in the table above consists of both petrol and natural gas stations.

Source : Department of Energy Business, Ministry of Energy

## Supply and Storage of Products

### 1. 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 2014 and 2015 accounted for 94.3% and 84.4% 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 jobbers

if the terms and prices offered by jobbers are significantly better than those by Thai Oil.

## 2. Supply of LPG Products

The Company orders LPG product from a reliable Section 7 standard service trader registered by the Department of Energy Business. In this case, the service provide will deliver LPQ directly to all service stations nationwide.

## 3. 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 (ML)
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 <sup>1/</sup>	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
<b>Total</b>		<b>200.52</b>

Notes : <sup>1/</sup> 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 urgent demand for fuel since the fuel is transported to and stored at its tank farms, readily available for delivery.
- 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, so as to reach the target customers in each area more efficiently.

## 4. 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 PT 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 PT 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.



The Company assigns the distribution center to serve as the center for receiving purchase orders from all convenience stores for the benefit of efficient inventory management and merchandise distribution.

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 PT 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 submit 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. Sales 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.

### 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 are 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.



# Direction of Business Development

With its strong growth, PTG Energy Public Company Limited has become one of Thailand's leading energy companies. We carry out business operations with stability, good corporate governance and social responsibility, emphasizing the importance of boosting staff's potential, knowledge and ability in order that the Company continuously improves. We are determined to become a leader in the comprehensive energy business and win the hearts of Thai people.

The Company aims at raising the value of operations, along with social and environmental development on a sustainable basis. We have continuously and rapidly increased quality service stations so that consumers around the country get access to products and services of the same standards. We started with the increase of service stations on secondary roads before reaching main roads in provincial areas. The higher number of stations have clearly contributed to the rise in sales and revenues. Besides, the income of each of the old stations is soaring every year, reflecting the Company's ability to reach out to new groups of customers. In order to increase the number of customers even further, this year, the Company is opening new branches in the Bangkok Metropolitan Region so as to create familiarity with the brand among city residents.

The Company is determined to improve further the quality of PT service stations in order to provide consumers with solutions and choices.

The Company is interested to invest in energy-related businesses with alternative energy in particular. Early this year, we invested in the 'palm complex' operation, which offers the complete processing of palm oil. It is also Thailand's first operation that includes all manufacturing processes at one stop, from the extraction of fresh palm fruits to the production of biodiesel. Extraction product will be refined to diesel or cooking oil. The alternative oil production supports the government's measures to help farmers and alleviates the country's reliance on crude oil imports. The technology applied to the production means that biodiesel and cooking oil that we produce will possess quality equivalent to European standards. Not only will the investment in the palm complex operation boost incomes, but it will also diversify risks of sole business operation and reinforce the Company's stability. The Company plans to invest in the production of ethanol, which will be used as an ingredient in petrol.





The Company aims to enhance profits through operations at an acceptable level of risks. Therefore, we are also interested in operations of biomass and biofuel power plants, which are expected to generate stable revenues, have low level of external risks, and supports the expected demand rise in electricity use in the future. The Company's plans to invest in a variety of businesses are aimed at preventing risks of uncertain incomes, which used to rely solely on oil operation and could cause operating results to get fluctuate. Our operations are aimed to create stability of energy and provide solutions to all forms of demands in the energy industry.

In addition, the Company realizes and emphasizes the roles that staff members of each and every department, level plays in our operations and organizational development. Aspiring to be a leader in the country's comprehensive energy business, we help our staff members to continuously enhance their knowledge, skills and ability to work effectively through activities, which are designed in line with the Company's systematic development and work process. These activities are conducted also in order to instill complete knowledge and ability in our staff regarding their responsibilities. We support their advancement in their individual career fields. The development plans are detailed as follows:

1) All new staff members are provided with basic training sessions related to operations, so that they understand the work process and abide by it accordingly with safety and in accordance with the Company's standards and regulations.

2) Staff is trained about safety and security issues in order to create a sense of safety. Safety at work and risk prevention is reviewed on a regular basis.

3) We arrange training sessions on specific areas in order to elevate staff's skills. They include provision training, the training program for service station management trainees, communication and persuasive skill training in order to boost success in sales, and training of five service skills so as to win the hearts of customers. These training sessions are aimed at boosting work efficiencies and effectiveness in each and every department.

4) We arrange practical activities with focuses on management and work process in order to raise work efficiencies and promote continued development. These activities include Kaizen and the opinion session.

– Kaizen

is "self-improvement" on a regular basis. It improves our staff's work process in order to develop the efficiencies of themselves and of their departments. This aims to maximize effectiveness and reduce work load and costs.

– The opinion session

allows all staff members to present their ideas aiming to improve current work even further and reduce wastes that occur during the work process, namely the reduction of wastes and non-productive time, which will promote work efficiencies and effectiveness. The session allows every staff member to express their opinions, even though those opinions may not involve their own duties.

The Company is well aware of the importance of 'Creating PTG Way' in order to strengthen the organizational culture in the same direction. This will help drive the organization to success. The Company aims at business operations that will achieve sustainable growth, at organizational improvement, and at the continuous boost of staff's potentials. We welcome endless business opportunities, because they will drive us to achieve the goal, which is to become a leader in the country's comprehensive energy business.

# Risk Factors

The following statements entail significant risk factors that can have adverse effects on the Company. 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.

## **1. 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 inventory, 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. In addition, the Company has 88% of total sales volume from service stations. Demand for 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.

## **2. Risks from recruiting capable employees to match with corporate growth**

According to PTG Energy Group's vision, the Company commits to develop the Company to operate the business to achieve sustainable growth in order to be a leading provider of integrated energy business in the country. The Company has expanded its business rapidly by investing in new businesses. The Company also operates business through the investment in other relating energy businesses as well as expanding existing businesses, so the Company is able to adapt and expand its business appropriately. As a result, the Company has to prepare adequate employees, and the Company needs to promote personnel development in order to support the existing and new businesses, as well as to replace retiring executives.

Therefore, if the Company does not prepare employees who are professional and have special experience to meet the Company's need, it will affect the businesses including achievement of the Company's long-term goals.

However, the Company recognizes the importance of all employees in the Company and the business operations. The Company promotes the policy to treat all employees equally and fairly. The appointment, transfer as well as punishment of employees must act in a fair, transparent, and proper manner in order to ensure the work flow and job security of the employees. The Company also focuses on developing human resources by providing special training courses which are related to the growth strategy of the Company. Moreover, the Company encourages employees to develop their knowledge and skills so that they will have special skills and become experts. The Company also encourages employees to exchange knowledge and experience from those who are experts from generation to generation in order to preserve those knowledge because they are the key factors for operating the business. In addition, the Company conducts surveys about employee engagement and satisfaction to the Company every year, and the Company gathers all results to summarize the factors that influence engagement and satisfaction. The Company then tries to find a way to improve human resource management system, environment, and safety at work place, etc. in order to enhance employees' engagement and satisfaction to the Company.

### **3. Risks from the substandard service quality and inefficient petrol station management**

The Company reduces the risk from the substandard service quality and inefficient petrol station management through various mechanisms especially from the recruitment of petrol station staff. The Company focuses on personnel residing in the vicinity of the petrol stations by publishing job advertisements posted at petrol stations nearby the new PT petrol stations as well as encourages 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 which can help reduce the turnover rate of the Company. Moreover, the Company has prepared a plan for recruiting petrol station staffs in advance in accordance with the expansion of the petrol stations in the

future. The Company has provided training sessions within the petrol station which will be trained by experienced staffs who have good work experiences in order to maximize the customers' satisfaction. 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 instead so that the management of the new petrol stations is as efficient as that of the existing ones. Therefore, the commitment to develop, improve the quality of the management of petrol stations, and the process of recruitment in order to support the expansion of numerous COCO stations each year are important mechanisms to improve the Company to achieve its goals in the management professionally and meet the customers' satisfaction.

### **4. Risks from the inability to acquire locations for expansion of petrol stations**

From the past year, the Company has been investing to expand the number of PT petrol stations to cover all areas in each province across the country in order to meet the customers' needs. The Company has also developed a new operation by operating PT petrol stations with convenience stores and coffee shops for potential stations in order to make the customers to feel more comfortable. However, due to the reduction of crude oil prices, the demand of oil, and the marketing costs of selling petrol will be increased. Moreover, according to government policies, the government reduces oil reserves by 6 percent to 1 percent for helping the Company to reduce the raw materials storage costs which can make the investment in a petrol station to be more interesting, and it will affect other operators to continue expanding the petrol station as well. As a result, there are numerous petrol stations locating in the same area while the customers are limited. This can be the cause of the increasing competition in terms of price and service. From these factors, the Company can have risks from inability to acquire locations for expansion of petrol stations. The Company has reduced the risks from inability to acquire locations for expansion of PT petrol stations by appointing the business development to search for stations that have the potential to operate gas and petrol in order to rent space by dividing staffs according to the space. In order to reach

its potential area as a target is “One District One Station”, the business development needs to visit all potential stations. The Company has implemented GIS system in order to increase the effectiveness of the search. The GIS system has been developed for use within the Company in gathering all data of petrol and gas stations across the country in order to analyze the potential area and its location.

The Company also has set the standard of opening petrol stations in order to serve as a framework for business development to gather important information such as the amount of fuel products sold each month, revenue from rental space for petrol station, revenue from services within petrol station area, customers who buy petrol and gas in those petrol stations. After that, the business development will summarize and send to the Committee to consider. The Committee will consider the feasibility of the project based on previous sale, the budget for improvement in order to make the petrol station that will be leased to compete with others. The Committee will also consider renting costs and the potential sales that will occur in the future. After the Committee agrees to expand the new petrol station, the Company will proceed to the next step which is renting those areas.

## 5. 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.

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 20 years, and had signed long-term sales and purchase agreement with 7 years of contract on 29 June 2015. Additionally, 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.

Description	2012	2013	2014	2015
Volume of fuel purchased from Thai Oil (million liters)	1,350.28	1,540.97	1,761.88	1,944.62
Percentage of total purchase volume (%)	98.40	97.68	94.27	84.39





## Volume of Fuel Exports

Unit : Million Liters

Description	2012	2013	2014	2015
<b>Thai Oil</b>				
Diesel	753.42	528.77	217.30	809.35
Benzene	132.38	478.29	343.62	569.15
<b>All Refinery Operator in Thailand</b>				
Diesel	5,371.34	4,874.31	4,316.87	6,143.53
Benzene <sup>1/</sup>	1,569.27	1,659.96	1,257.70	1,442.60

Note : <sup>1/</sup> Include Benzene and Benzene Octane 91, which is the majority of Benzene exports

Source : Department of Energy Business

In 2015, the volumes of diesel and benzene sold by the Company and its subsidiaries increased from those in 2014 by 239.21 million liters and 147.08 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.

## 6. Risks from Accidents and Incidents at Tank Farms

The Company has currently invested in 9 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 and Chum Phon Tank Farm.

In addition, the Company focuses on continuing to practice emergency plans annually in order to make employees as well as internal and external support agencies involved to be ready for emergency situations that may occur in any forms. Moreover, there are 6 tank farms including Chumphon tank farm, Mae Klong tank farm, Khon Kaen tank farm, Lampang tank farm, Saraburi tank farm, and Pak Thong Chai tank farm. The Company received ISO9001: 2008 certification for quality management system for a scope, receiving, storage, and distribution of oil products in the fuel depot. The Company is currently preparing another 3 tank farms in order to achieve more certifications.

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.

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

The Company aims to expand its operations into other relating energy businesses in order to add values and sustainable growth of the Company. The Company has a

policy to invest in new businesses in both an own project and joint venture projects such as palm oil business, Ethanol business, and electricity business, but the returns on the investment in new businesses may not meet the target because of several factors including the changes in laws related to the government and other agencies' projects, or the changes in raw material prices, construction costs which may affect the new business in many forms such as the construction or project management costs may be increased more than the estimating budget. This may not worth to invest, or the new projects may be completed late which are the negative impact on revenue because such projects cannot generate cash flow back into the Company as planned.

The Company conducts risk analysis in order to reduce the risks of those factors by conducting researches about a possibility to invest in new projects, and analyzing the laws, government policy, and risks that might affect the projects such as tax risk, marketing risk, supplying raw materials, machinery, equipment, and contractors risk, risk affecting the occupational health of workers, and the impact on the environment as well as other factors in order to ensure that the investment in the new projects can operate effectively and achieve their goals.

In addition, the Company sets a working group including senior executives and experts in various fields in order to consider the investment of new businesses of the Company as well as to track the performance of the investment and monitor the changes of various factors which will affect the returns on investment. Moreover, they have to solve all problems quickly and efficiently to make the Company to be ensured that the limited investments can maximize benefit effectively.



# Enterprise Internal Control and Risk Management

PTG Energy Public Company Limited realizes the importance of regular assessment of its internal control system, which covers all activities and is sufficient and suitable for business operation in order to maximize efficiencies and effectiveness of the operation, the use of resources and the maintenance of assets. Our accounting system and financial reports are accurate and reliable. We strictly abide by business operation-related laws, principles and regulations. The Audit Committee evaluates and examines the internal control and its efficiencies annually, based on the Committee of Sponsoring Organizations of the Tread Way Commission (COSO)'s international criteria of the internal control adequacy. It was agreed at the Board of Directors' second meeting this year, which took place on 25 February 2016, that the Company's internal control is sufficient and suitable for the size of operation and its current condition. The evaluation results are as the following.

## 1. Control Environment

The Company has good internal control environment. The directors, executives and all level of staff members hold on to honesty and morality. The Audit Committee work absolutely independently from the management division. The Company's organizational structure is drawn in accordance with the chain of commands, and responsibilities are assigned according to the job description. The key performance indicators are specified in order to assess employees' performance. To enhance knowledge and skills among staff members at all levels, the Company arranges training sessions on a regular basis. The activities we run to support the control environment are as the following.

- The Company, which holds on to integrity and morality, has published its own Code of Conduct, based on the Stock Exchange of Thailand's standards, to be applied among executives and employees. We believe in work ethics and carry out the operation with

honesty. We have a set of prohibitions in order to avoid conflicts of interest within the enterprise. We prohibit all corruption acts, which cause damages to the Company. The regulations and penalties are clearly conveyed for everyone's acknowledgement. Work performance is followed up and evaluated so that immediate actions can be taken in case of corruption-related problems that may affect the Company and problems originated from the disobedience of integrity and morality principles.

- The Audit Committee work absolutely independently from the management division and is in charge of overseeing the Company's internal control on a regular basis. We set clear, measurable operating goals, which are reviewed in order to make sure that they are realistic and legal. Every year, the Audit Committee review and amend the Charter of the Audit Committee, which is used as the operating guideline and conveyed to the Company's divisions so that they correctly understand the committee's roles and responsibilities. The Audit Committee selects knowledgeable individuals who have skills beneficial for the Company's operation to join the committee. They must also be able to work absolutely independently while effectively overseeing the improvement and internal control.

- 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.

- 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.
- 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. In addition, the Company facilitates the employee to understand and the benefits from Internal Control system.

## 2. Risk Assessment

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

- 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.

- 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, financial, 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.
- 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.
- 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

The Company arranges sufficient, suitable control activities, which are coherent with our risk management. The activities are aimed at preventing and minimizing any possible damages, and helping to apply the implemented control measures to operation on a regular basis. We also evaluate the efficiencies and the risk prevention degree of the control measures when applied to real practice. If the existing control policies have been proven not enough, the Company issues new measures to replace them, in order that the operation remains systematic and effective. Our control activities include the following.

- Control measures that minimize risks of missing the Company's objectives to an acceptable level of risks. The measures tackle existing risks and eventually eliminate them. The measures, which are imposed in writing, covers appropriately various aspects of work and clearly specify work scopes, duties and responsibilities, and a hierarchy of executives in order to prevent corruption. Under the measures, responsibilities are divided into three areas: the approval process, accounting and information technology, and asset monitoring and maintenance, which are all separated to allow examination among one another. Information about major shareholders, directors, executives and other related individuals is collected and updated to facilitate the examination of activities among one another and activities that may spur a conflict of interest. Transactions are also tracked for a longer period of time so as to make sure that they abide by the agreed conditions throughout the commitment period with the Company. Internal control is varied at all levels in the organization.
- Develop and deploy selected information technology (IT) - based control activities to pave the way for the IT system to fulfill the Company's objectives. We specify the connection between the use of information technology during the work and the supervision of IT operation. We also specify the safety control and the control process over infrastructure and over the acquisition, development and maintenance of IT in order to maintain its proper condition.

- 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

The Company realizes the importance of information and communication, both at internal and external levels, and thus encourages and provides support for the continuous development of the systems so that information is collected with accuracy and used at its best efficiencies. We emphasize the protection and storage of the Company's vital information. Information technology is an important tool for the Company's operation, as it helps directors and executives make decisions based on sufficient accurate, reliable information.

- 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.

- 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.
- 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

Our follow-up and assessment of internal control cover all areas of operation, including finance and accounting, work, and obedience of laws and regulations, because these may have substantial effects on the Company's operation. The evaluation allows related divisions to solve mistakes in order to minimize their impacts on operation or get rid of the mistakes completely.

- The Company focuses on monitoring and assessing 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).

- 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.

The Audit Committee has appointed Ms. Sumaree Panniyom as the Head of Internal Audit 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. Therefore, the Audit Committee has deemed that she is suitable to act in internal audit duties. The Audit Committee retains the authority for the appointment, transfer, removal or lay off, as well as compensation determination and adjustment in order to ensure that the internal audit is acting independently.

## Risk Management

PTG Energy Group is committed to adding values for its organization and stakeholders as well as managing the enterprise to achieve sustainable growth. However, the Company is constantly faced with various risks all the time, thus the Company has recognized the importance of risk management in order to achieve its objectives which is consistent with good corporate governance. The Company, therefore, has set its guidelines for risk management as practical guidelines for managers and all employees as follows:

- Executives and all employees are responsible for risk management by following the roles, duties, responsibilities, and risk management processes defining in risk management manual.
- Executives and all employees must report the risk assessment and prioritize in accordance with the Company's risk management manual, and they also provide a way to manage risks. The authority will be the one who manage the risks. This report must be presented to the superiors.
- To define risk management process in a systematic way and manage the risks affecting the achievement of the Company's objectives with regard to performance along with good internal control, transparency, integrity, accountability and suitability so that the risks will be at the level that the Company can accept which will help the Company to operate the risk management to be the same direction.
- To set guidelines to prevent and reduce risks in order to avoid damage or unexpected loss affecting business and to make stakeholders to be more confident.
- Executives and all employees must apply the principles of risk management which is consistent with good corporate governance to perform as a part of their daily work for the enterprise, department, and process in order to maximize the opportunity and reduce uncertainty in the overall operation of the Company.
- When executives and employees see or know about any risks that may affect the Company, they have to report that risks to involved people immediately in order to further handling.

- To promote and encourage the risk management to be a culture of the Company by informing all to be aware of the importance of the risk management
- The Board of Directors, Management, and Risk Management Committee insist to promote the continuous risk management process to be effective.

The Risk Management Committee will consistently audit and review the appropriateness of the risk management policies at least 1 time a year in order to ensure that the content of risk management policy is consistent with its objectives and strategies.

## Head of Internal Audit

The Audit Committee has appointed Ms. Sumaree Panniyom as the Head of Internal Audit 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, for her performance of the internal audit duties. Therefore, the Audit Committee has deemed that she is suitable to act in internal audit duties. The Audit Committee retains the authority for the appointment, transfer, removal or lay off, as well as compensation determination and adjustment in order to ensure that the internal audit is acting independently.

Name : Miss Sumaree Panniyom

Position : Assistant to Executive – Internal Audit

## Education

- Bachelor of Business Administration Program (BBA) in Accounting – Rajamangala University of Technology
- Master of Business Administration (MBA) in Management – Phranakhon Si Ayutthaya Rajabhat University
- Internal Audit Certificate Program (IACP) Class 10 certified by Federation of Accounting Professions

- Internal Audit Program: Prepared Course for Certified Internal Auditor (Pre – CIA) Class 19 on January 23, 2010–July 18, 2010 certified by Faculty of Commerce and Accountancy, Chulalongkorn University

### Work Experiences

- Assistant Director – Internal Audit Department: PTG Energy Public Company Limited
- Assistant Manager – Internal Audit Department: Central Pattana Public Company Limited
- IT Security Audit: BankThai Public Company Limited
- Finance and Accounting Officer – Financial Department: M Water Company Limited

### Training Courses : organized by

1. Thailand Institute of Directors (IOD)
  - “Anti-Corruption : The Practical Guide (ACPG)” Class 4/2013
  - “How to Develop a Risk Management Plan” Class 8/2015
  - “Successful Formulation & Execution Strategy (SFE)” Class 24/2015
  - “Ethical Leadership Program (ELP)” Class 1/2015
  - “Risk Management Committee Program (RMP)” Class 3/2014

2. The Institute of Internal Auditors of Thailand (IIAT)
  - “Certified Internal Auditor”
  - “Tools and Techniques for the Audit Manager”
  - “Operational Auditing”
  - “Compliance and Compliance Audit”
  - “Fraud Audit”
  - “Ethical Audit”
3. Federation of Accounting Professions
  - “COSO 2013”
  - “COSO-ERM”
  - “Risk Identification”
  - “Integrated Audit”
  - “Special Considerations in Auditing Financial Instruments”
  - “Internal Auditing Certificate Program (IACP) Class 10”
  - “Business Management for Internal Audit Class 2”
  - “Fraud Audit”
  - “IT Audit”
4. Other Institutions
  - “7 Habits” by PacRim Group”
  - “Introduction to ISO 9001 : 2000”
  - “Safety Committee”
  - “Microsoft Project 2003”

# Securities Information and Shareholders

## 1. Securities Information

As of December 31, 2015, 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.

## 2. Shareholders

Major shareholders of the Company as of December 31, 2015 can be summarized as follows:

Top 10 Major Shareholders <sup>1/</sup>		No. of shares	%
1. Ratchakitprakarn Family <sup>2/</sup>		562,083,134	33.66
- Mr. Pitak	Ratchakitprakarn	129,865,734	7.78
- Mr. Pipat	Ratchakitprakarn	77,763,400	4.66
- Ms. Pakjira	Ratchakitprakarn	71,402,500	4.28
- Mrs. Kotchakorn	Piboondhamasak	4,031,600	0.24
- Mrs. Chatkaew	Gajaseni	34,069,000	2.04
- Ms. Lapat-on	Gajaseni	60,330,400	3.61
- Mr. Khemmapope	Gajaseni	396,100	0.02
- Mr. Sahadchai	Gajaseni	307,300	0.02
- Ms. Chantawarat	Chandrasardula	183,917,100	11.01
2. Mr. Sakanan	Wijitthanarak	267,854,300	16.04
3. Vachirasakpanich Family <sup>3/</sup>		149,140,000	8.93
- Mr. Veerasak	Vachirasakpanich	48,830,000	2.92
- Mr. Pongsak	Vachirasakpanich	100,300,000	6.01
- Mrs. Sakuna	Pitaksit	10,000	0.00
4. Nadtasomboon Family <sup>4/</sup>		81,498,540	4.88
- Mrs. Lertlak	Nadtasomboon	77,849,140	4.66
- Mr. Kamolake	Thosakul	3,085,000	0.18
- Mr. Thanavit	Thosakul	564,400	0.03
5. Mr. Pracha	Dumrongsutthipong	58,647,700	3.51
6. The Hong Kong and Shanghai Banking Corporation Limited, Fund Services Department		51,931,100	3.11
7. Mr. Paniang	Pongsatha	50,000,000	2.99
8. Mrs. Pennapa	Pongsuraphan	25,500,400	1.53
9. Pooshutvanitshakul Family <sup>5/</sup>		26,742,874	1.60
- Mr. Choosak	Pooshutvanitshakul	12,121,900	0.73
- Mr. Sunthorn	Rachakijprakan	3,240,000	0.19
- Mr. Techat	Pooshutvanitshakul	5,000,000	0.30
- Ms. Poonya	Pooshutvanitshakul	5,000,000	0.30
- Mr. Pisan	Ratchakitprakarn	895,700	0.05
- Mrs. Sukwasa	Pooshutvanitshakul	485,274	0.03
10. Mr. Pichai	Vichakaphan	19,821,600	1.19
Total shares held by Top 10 Major Shareholders		1,293,219,558	77.44
Total shares		1,670,000,000	100.00



Notes :

<sup>1/</sup> 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.

<sup>2/</sup> 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. Kotchakorn Piboondhamasak, elder sister of Mr. Pitak Ratchakitprakarn;
- 5) Mrs. Chatkaew Gajaseni, the Company's director, Executive Director, Risk Management Committee, and elder sister of Mr. Pitak Ratchakitprakarn;
- 6) Ms. Lapat-orn Gajaseni, daughter of Mrs. Chatkaew Gajaseni;
- 7) Mr. Khemmapope Gajaseni, son of Mrs. Chatkaew Gajaseni;
- 8) Mr. Sahadchai Gajaseni, son of Mrs. Chatkaew Gajaseni; and,
- 9) Ms. Chantawarat Chandrasardula, spouse of Mr. Pitak Ratchakitprakarn.

<sup>3/</sup> Vachirasakpanich Family comprises:

- 1) Mr. Pongsak Vachirasakpanich, the Company's Director and Executive Director;
- 2) Mr. Veerasak Vachirasakpanich, father of Mr. Pongsak Vachirasakpanich; and,
- 3) Mrs. Sakuna Pitaksit, younger sister of Mr. Pongsak Vachirasakpanich.

<sup>4/</sup> Nadtasomboon Family comprises:

- 1) Mrs. Lertlak Nadtasomboon, the Company's Director;
- 2) Mr. Kamolake Thosakul, younger brother of Mrs. Lertlak Nadtasomboon; and
- 3) Mr. Thanavit Thosakul, younger brother of Mrs. Lertlak Nadtasomboon.

<sup>5/</sup> Pooshutvanitshakul Family comprises:

- 1) Mrs. Sukwasa Pooshutvanitshakul, Executive of Procurement;
- 2) Mr. Choosak Pooshutvanitshakul, spouse of Mrs. Sukwasa Pooshutvanitshakul;
- 3) Mr. Sunthorn Rachakijprakan, father of Mrs. Sukwasa Pooshutvanitshakul;
- 4) Mr. Techat Pooshutvanitshakul, son of Mrs. Sukwasa Pooshutvanitshakul;
- 5) Ms. Poonya Pooshutvanitshakul, daughter of Mrs. Sukwasa Pooshutvanitshakul; and
- 6) Mr. Pisan Ratchakitprakarn, younger brother of Mrs. Sukwasa Pooshutvanitshakul.



# Dividend Policy

## 1. 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.

## 2. Dividend Policy of Subsidiaries

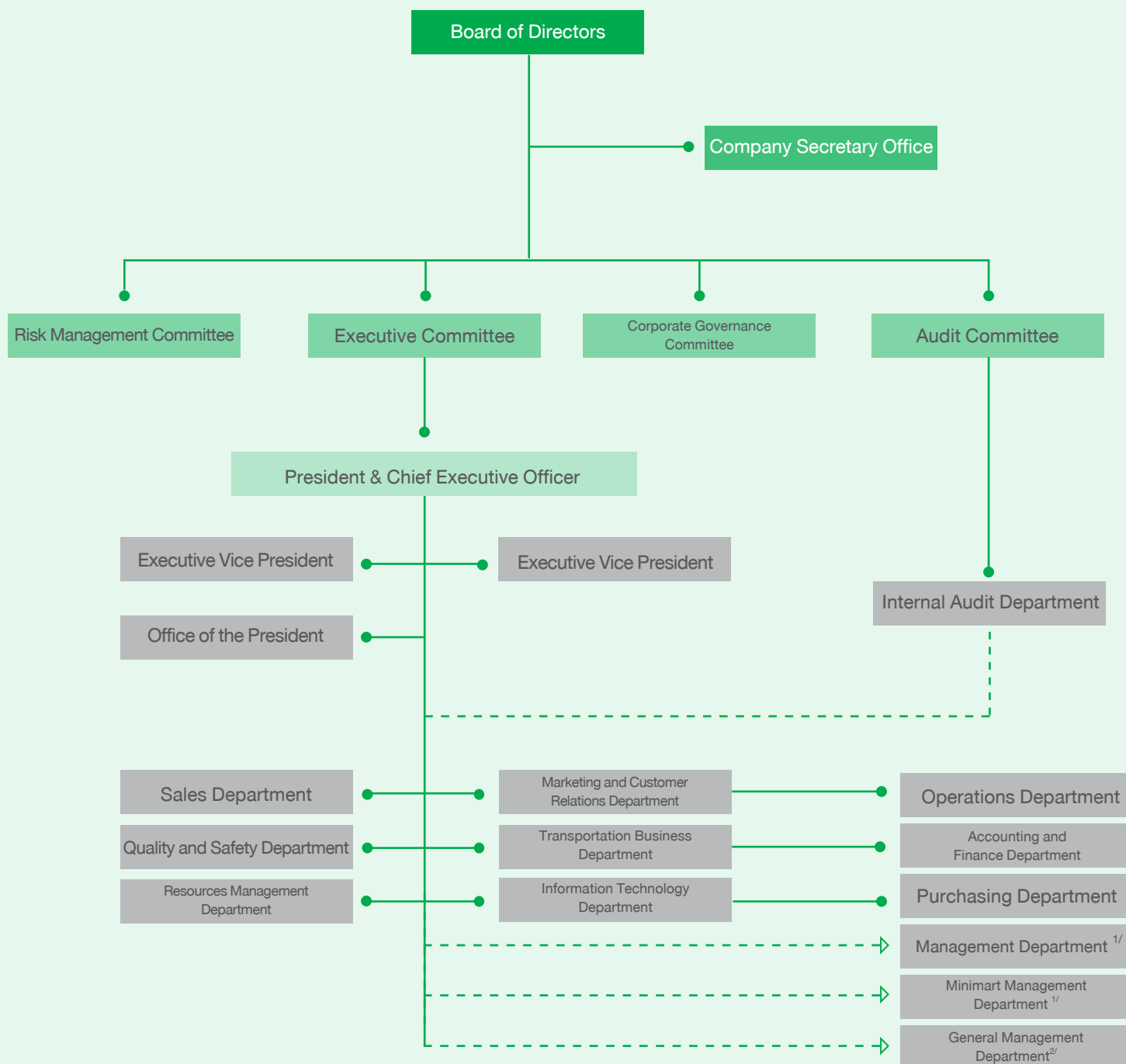
PTC, a subsidiary operating fuel retailing business via the petrol stations, and Punthai Coffee, a subsidiary operating coffee shop business at the Company's petrol stations, have a policy to pay dividends to shareholders at the rate of no less than 30% of net profit according to the separate financial 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



- Notes :
- <sup>1/</sup> Station Management Department and Minimart Management Department are business units of PTC, a subsidiary in which the Company holds a 99.99% stake.
  - <sup>2/</sup> General Management Department are business units of PUN, a subsidiary in which the Company holds a 99.99% stake. The Company supervises management and day-to-day operations of these units like they are its own business units.

## Board of Directors

The Company's Board of Directors comprises 10 directors:

- Non-Executive Directors	Number of Directors / 8	Total Number of Directors / 10	80 %
- Executive Directors	Number of Directors / 2	Total Number of Directors / 10	20 %
- Independent Directors	Number of Directors / 4	Total Number of Directors / 10	40 %

## Members of the Board of Directors as of 31 December 2015

Name			Position(s)
1.	Police General Soontorn Saikwan		Chairman of the Board of Directors and Independent Director
2.	Mr. Thien Mekanontchai		Director, Member of the Audit Committee, Corporate Governance Director, and Independent Director
3.	Mr. Supote Pitayapongpat		Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee, and Independent Director
4.	Mr. Pitak Ratchakitprakarn <sup>1/</sup>		Director, Executive Director, Chairman of Risk Management, and President and Chief Executive Director
5.	Mrs. Chatkaew Gajaseni <sup>2/</sup>		Director and Member of the Executive Committee
6.	Mrs. Lertlak Nadtasomboon		Director
7.	Mr. Pongsak Vachirasakpanich <sup>2/</sup>		Director and Member of the Executive Committee
8.	Assoc. Prof. Dr. Wanchai Rattanawong		Director, Member of the Audit Committee, Corporate Governance Director, and Independent Director
9.	Mr. Mani Nitiprateep <sup>3/</sup>		Member of the Audit Committee
10.	Mr. Rangsun Puangprang <sup>4/</sup>		Director and Member of the Executive Committee

Notes : <sup>1/</sup> Authorized director of the Company

<sup>2/</sup> Non-Executive Director who has experience related to the Company's business

<sup>3/</sup> Appointed from the Board of Directors meeting no. 8/2015 on 4 November 2015, which effective from 5 November 2015 onwards

<sup>4/</sup> Authorized director of the Company, serve as the secretary to the Board of Directors, and the Secretary to the Corporate Governance

Committee

## Director Resignation during fiscal year 2015

Name			Position	The Resignation Date
1.	1. Mr. Sakanan Wijitthanarak		Director The Chairman of the Executive Committee	Effective from 13 October 2015 onwards
2.	2. Mr. Rangsun Puangprang		The Company Secretary	Effective from 30 November 2015 onwards

## Board of Directors Structure

1. The Board of Directors consist of the number of directors, which is specified by the shareholders meeting, shall not be less than 5 directors. Moreover, the Board of Directors at least 3 directors or one-third of the total directors, whichever is higher, shall be independent directors who possess qualification as specified by the requirement of the office of Securities and Exchange Commission and Stock Exchange of Thailand (“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. The Company Secretary is appointed by the Board of Directors, which can be the Executive Vice President or other person, that the Board of Directors deems appropriate, to assist in the arrangements for the Board meetings, e.g. confirming schedules, preparing agenda items, sending meeting notices together with supporting documents, etc. Under the first paragraph of Section 89/15 and 89/16 of the Securities and Exchange Act of 1992 (as amended)

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, sub-committees and the Chief Executive Officer and President so that the scope of their operational responsibilities can be clearly defined.

## 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.

## Voting rights

A majority votes by Members of the Board determines that each member of the Board having one vote. In the event where the votes on both sides are equal, the Chairperson will have a second vote to judge the resolution. A director that may have conflict of interest on a particular matter must not participate in consideration of the particular issue.

## To hold director position in other companies

Upon approval from the Board, directors may hold directorship in maximum 5 listed companies under the policies and practice of directorship of other companies.

## Approval Authority of the Board of Directors

The Board prepares criteria of approval with the following objectives.

1. To decentralize management including the power to make decisions, performing duties precisely, quickly and with clear manner.
2. To acknowledge staff of their scope of duties and responsibilities related to professional assignments.
3. To allow staff to apply approval criteria as a guideline for assignments for the particular matters.





**The approval criteria include:**

1. Policy and plan
2. Finance, accounting
3. Human Resource
4. Procurement, purchase, outsourcing
5. Marketing
6. Administration and general tasks

**Board of Directors Meetings**

1. 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 5 business 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 no less than 5 business days prior to the meeting date.

2. At the Board of Directors meetings, at least half of the members must be present in order to constitute a quorum.

3. If the Chairman is unable to attend the meeting or is unable to execute his duties, the remaining members of the Board shall elect one director to chair the meeting.

4. The Board of Directors may invite Committees (such as the Executive Committee, Audit Committee, Risk Management Committee, and Corporate Governance Committee) or the Management or other related person or individuals who agreed to participate in the particular agenda and inquire as needed and appropriate.

5. The Board of Director shall take into account as a policy, that non-executive committee hosts a meeting to discuss managerial issues without attendance of the Management where the result of the meeting shall be reported to the Chairman of Executive Officer and President.

6. The Company Secretary is responsible to record and prepare the minutes of the meeting as well as supplementary documents, submit documents to the Board prior to the meeting, supervise legal matters and regulations what the Board shall acknowledge, oversee the Board's performance and coordinate to ensure the compliance to the resolution of the Board.



### The Board of Director Meeting Attendance Summary

	Name	The Board of Directors		The Board of Directors Non-Executive <sup>1/</sup>		The Executive Committee	The Audit Committee	Corporate Governance Committee	Risk Management Committee	AGM <sup>4/</sup>
1.	Police General	11/11	Soontorn Saikwan	1/1	-	-	-	-	-	1/1
2.	Mr. Thien	7/11	Mekanontchai	1/1	-	-	9/9	2/3	-	1/1
3.	Mr. Supote	11/11	Pitayapongpat	1/1	-	-	9/9	3/3	-	1/1
4.	Mr. Pitak	11/11	Ratchakitprakarn <sup>2/</sup>	-	12/12	-	-	-	4/4	1/1
5.	Mrs. Chatkaew	11/11	Gajaseni	1/1	11/12	-	-	-	-	1/1
6.	Mrs. Lertlak	11/11	Nadtasomboon	1/1	-	-	-	-	-	1/1
7.	Mr. Pongsak	11/11	Vachirasakpanich	1/1	12/12	-	-	-	-	1/1
8.	Assoc. Prof. Dr. Wanchai	9/11	Rattanawong	1/1	-	-	9/9	3/3	-	1/1
9.	Mr. Manit	3/11	Nitiprateep <sup>3/</sup>	1/1	-	-	-	-	-	-
10.	Mr. Rangsun	11/11	Puangprang <sup>2/</sup>	-	12/12	-	-	-	3/4	1/1

Note

: <sup>1/</sup> The meeting held on 4 November 2015 has been processed without attendance of executive committee, for the purpose that the attendee can express their opinion independently. The director who did not attend the meeting were Mr. Pitak Ratchakitprakarn and Mr. Rangsan Phuangprang. The informal meetings were held regularly (as necessary) to discuss different matters where 80% of total directors were non-executive committee.

<sup>2/</sup> The director number 4 and 10 are the Executives

<sup>3/</sup> Appointed from the Board of Directors meeting no. 8/2015 on 4 November 2015, which effective from 5 November 2015 onwards

<sup>4/</sup> AGM was held on 24 April 2015



## Report of changes in shareholding by the Directors

		Ordinary Shares: PTG Energy Public Company Limited (Number of shares) <sup>1/</sup>		
Name		As of 1 January 2015 <sup>2/</sup>	As of 31 December 2015 <sup>3/</sup>	Increase/ (Decrease) During the fiscal year
1. Police General Soontorn	Saikwan	-	-	-
2. Mr. Thien	Mekanontchai	-	-	-
3. Mr. Supote	Pitayapongpat	100,000	100,000	-
4. Mr. Pitak	Ratchakitprakarn	129,260,634	129,865,734	605,100
5. Mrs. Chatkaew	Gajaseni <sup>4/</sup>	33,969,000	34,069,000	100,000
6. Mrs. Lertlak	Nadtasomboon	77,849,140	77,849,140	-
7. Mr. Pongsak	Vachirasakpanich <sup>4/</sup>	10,300,000	100,300,000	90,000,000
8. Assoc. Prof. Dr. Wanchai	Rattanawong	-	6,000	6,000
9. Mr. Manit	Nitiprateep <sup>5/</sup>	(Had not taken the position)	100,000	-
10. Mr. Rangsun	Puangprang	510,200	510,200	-

Note : <sup>1/</sup> Number of shares held by spouse and children under the age of 20

<sup>2/</sup> Book closing date as of 30 December 2014

<sup>3/</sup> Book closing date as of 30 December 2015

<sup>4/</sup> Non-Executive Director with experience in a related business with the Company

<sup>5/</sup> Appointed from the Board of Directors meeting no. 8/2015 on 4 November 2015, which effective from 5 November 2015 onwards

## Executives

### Executives as of 31 December 2015

Names		Positions
1. Ms. Natthisa	Pongtaranont	Executive Vice President
2. Mrs. Sukwasa	Pooshutvanitshakul	Executive of Procurement Department
3. Mr. Thatree	Kerdboonsong	Executive of the Office of the President
4. Mr. Surasak	Songvorakulpan	Executive of the Office of the President Acting Executive of Human Resources Department
5. Mr. Chaitas	Wanchai	Executive of Station Management Department
6. Flt. Lt. Satta	Suparp	Executive of Information Technology Department
7. Mr. Suwatchai	Pitakwongsaporn	Executive of Sales Department
8. Ms. Nalinthip	Keawampai	Executive of Marketing and Customer Relations Department
9. Mrs. Wipa	Boonpalit	Executive of the Office of the President

Note : Excluding 2 Executive Directors: Mr. Pitak Ratchakitprakarn and Mr. Rangsun Puangprang

## Report of changes in shareholding by the Executives

Name		Ordinary Shares: PTG Energy Public Company Limited (Number of shares) <sup>1/</sup>		
		As of 1 January 2015 <sup>2/</sup>	As of 31 December 2015 <sup>3/</sup>	Increase/ (Decrease) During the fiscal year
1. Ms. Natthisa	Pongtaranont	320,600	463,000	142,400
2. Mrs. Sukwasa	Pooshutvanitshakul	31,865,174	22,607,174	(9,258,000)
3. Mr. Thatree	Kerdboonsong	344,113	344,113	-
4. Mr. Surasak	Songvorakulpan	346,964	346,964	-
5. Mr. Chaitas	Wanchai	48,031	190,031	142,000
6. Flt. Lt. Satta	Suparp	312,100	312,100	-
7. Mr. Suwatchai	Pitakwongsaporn	1,085,000	1,315,000	230,000
8. Ms. Nalinthip	Keawampai <sup>4/</sup>	(Had not resumed the appointment)	-	-
9. Mrs. Wipa	Boonpalit <sup>5/</sup>	(Had not resumed the appointment)	-	-

Note : <sup>1/</sup> Number of shares held by spouse and children under the age of 20

<sup>2/</sup> Book closing date as of 30 December 2014

<sup>3/</sup> Book closing date as of 30 December 2015

<sup>4/</sup> Took the position on 16 July 2015

<sup>5/</sup> Took the position on 1 October 2015

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

The Board of Directors' meeting no. 11/2015 on 22 December 2015 resolved to specify the scope of authorities and responsibilities of Chief Executive Officer and President 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 and represent the Company in dealing with external firms.

- 5) Formulate practice guideline, anti-corruption measures and procedures; communicate to and support employees at all levels including relating parties; acknowledge and understand policies and practice guideline, anti-corruption measures and procedures; support and encourage the company group to deploy policy, practice guideline, anti-corruption measures and procedures as appropriate; bring opinion or advice of the Board of Directors and committee into practice; review the relevance of the measures and procedures to ensure consistency to changes of business, regulations, rules and law provisions; report the audit result as per anti-corruption measures to the Corporate Governance at least one time per quarter or as considered appropriate; have the power to undertake any action related to anti-corruption in all aspects.
- 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.

Chief Executive Officer and President are responsible for review of succession plan, improvement, changes of succession plan and creating development procedures for leaders of different levels in response to the future growth and preparation in case the executive is unable to perform his duties.

### Orientation for new directors

The Board of Directors has approved the new orientation by using the guidelines of the Stock Exchange of Thailand as follows:

1. The matters in which the Company shall comply to the law
2. Memorandum and Articles of Association
3. Scope of duties and responsibilities of the Board and Committee
4. Minutes of the Board's meeting and meeting schedule

5. Policy on Corporate Governance
6. Control of internal information
7. Risk policy
8. Internal control
9. Connected transaction (Conflict of Interest)
10. Code of Conduct
11. Whistle Blowing
12. Legal conflicts
13. Report of improvement and compliance to corporate governance

### The Board of Directors Secretary and the Company Secretary

The Board of Directors has appointed Mr. Rangsun Puangprang to be the secretary to the Board of Directors and to the Company to assist the Board of Directors in the arrangements for the Board meetings, e.g. confirming schedules, preparing agenda items, sending meeting notices together with supporting documents, etc. Under the first paragraph of Section 89/15 and 89/16 of the Securities and Exchange Act of 1992 (as amended), the Company Secretary is also responsible for 1) preparing and safekeeping a register of directors, meeting notices, minutes of the Board of Directors meetings and of shareholders meetings, annual reports, giving advice in relation to laws and regulations the directors need to know, supporting activities of the Board of Directors, and coordinating to ensure compliance with the Board's resolutions, 2) safekeeping reports on interests filed by directors or executives, and 3) performing any other actions as specified by the Capital Market Supervisory Board.

## Remuneration for Directors and Executives

### Monetary Remuneration

Remuneration for the Board of Directors

The Annual General Meeting of Shareholders for the year 2015, which was held on 24 April 2015, approved the remuneration for the Directors as follows:

### The Board of Directors

Remuneration	2015
<b>1. Monthly Remuneration</b>	
1.1 Chairman	THB 60,000 per month
1.2 Director	THB 40,000 per person per month
<b>2. Meeting Allowance</b>	
2.1 Chairman	THB 10,000 per time
2.2 Director	THB 10,000 per person per time * only the attendees
<b>3. Traveling Expenses</b>	Reimburse only actual traveling expenses * accept commuting in Bangkok and vicinity
<b>4. ค่าตอบแทนพิเศษ หรือโบนัส</b>	
4.1 Chairman	Will receive an additional 25% of the special remuneration or bonus entitles to the directors.
4.2 Director	Will receive the special compensation or bonus at the same rate similar to other companies in the same industry  In this regard, the total amount of special compensation and bonus of Chairman and Directors would not be over THB 15,000,000 per year

### The Executive Directors

Remuneration	2015
<b>1. Monthly Remuneration</b>	
1.1 Chairman	THB 40,000 per month
1.2 Director	THB 20,000 per person per month
<b>2. Meeting Allowance</b>	
2.1 Chairman	THB 10,000 per meeting
2.2 Director	THB 10,000 per person per meeting *only the attendees
<b>3. Traveling Expenses</b>	Reimburse only actual traveling expenses * except commuting in Bangkok and vicinity

## The Audit Committee

Remuneration	2015
<b>1. Monthly Remuneration</b>	
1.1 Chairman	THB 40,000 per month
1.2 Director	THB 30,000 per person per month
<b>2. Meeting Allowance</b>	
2.1 Chairman	THB 10,000 per meeting
2.2 Director	THB 10,000 per person per meeting
	* only the attendees
<b>3. Traveling Expenses</b>	
	Reimburse only actual traveling expenses
	* except commuting in Bangkok and vicinity

## The Corporate Governance Committee

Remuneration	2015
<b>1. Monthly Remuneration</b>	
1.1 Chairman	THB 12,500 per meeting
1.2 Director	THB 10,000 per person per meeting
	*only the attendees



**In 2014 and 2015, the Company paid remuneration to the Board of Directors as follows:**

	Name Unit: Baht	2015							2014						
		Monthly Remuneration	Meeting Allowance- BoD	Meeting Allowance- Executive Committee	Meeting Allowance- Audit Committee	Meeting Allowance- CG Committee	Bonus <sup>6/</sup>	Total	Monthly Remuneration	Meeting Allowance- BoD	Meeting Allowance- Executive Committee <sup>7/</sup>	Meeting Allowance- Audit Committee	Total		
1.	Police General Soontorn Saikwan <sup>1/</sup>	720,000.00	110,000	-	-	-	287,286.39	1,117,286.39	896,000	100,000	-	30,000	1,026,000		
2.	Mr. Thien Mekanontchai	840,000.00	70,000	-	90,000	20,000	229,829.11	1,249,829.11	840,000	100,000	-	70,000	1,010,000		
3.	Mr. Supote Pitayapongpat <sup>2/</sup>	960,000.00	110,000	-	90,000	37,500	229,829.11	1,427,329.11	917,333	100,000	-	70,000	1,087,333		
4.	Mr. Sakanan Wijitthanarak <sup>3/</sup>	750,967.74.00	60,000	90,000	-	-	229,829.11	1,130,796.85	480,000	100,000	120,000	-	700,000		
5.	Mr. Pitak Ratchakitprakarn <sup>4/</sup>	720,000.00	110,000	120,000	-	-	229,829.11	1,179,829.11	480,000	100,000	120,000	-	700,000		
6.	Mrs. Chatkaew Gajasen	720,000.00	110,000	110,000	-	-	229,829.11	1,169,829.11	480,000	90,000	110,000	-	680,000		
7.	Mrs. Lertlak Nadtasomboon	480,000.00	110,000	-	-	-	229,829.11	819,829.11	480,000	90,000	-	-	570,000		
8.	Mr. Pongsak Vachirasakpanich	720,000.00	110,000	120,000	-	-	229,829.11	1,179,829.11	480,000	100,000	120,000	-	700,000		
9.	Assoc. Prof. Dr. Wanchai Rattanaawong	840,000.00	90,000	-	90,000	30,000	229,829.11	1,279,829.11	576,333	90,000	-	50,000	716,333		
10.	Mr. Manit Nitiprateep <sup>5/</sup>	74,666.67.00	30,000	-	-	-	-	104,666.67	-	-	-	-	-		
11.	Mr. Rangsun Puangprang <sup>6/</sup>	720,000.00	110,000	120,000	-	-	229,829.11	1,179,829.11	480,000	100,000	110,000	-	690,000		
<b>Total</b>		<b>7,545,634.41</b>	<b>1,020,000</b>	<b>560,000</b>	<b>270,000</b>	<b>87,500</b>	<b>2,355,748.38</b>	<b>11,838,882.79</b>	<b>6,109,666</b>	<b>970,000</b>	<b>580,000</b>	<b>220,000</b>	<b>7,879,666</b>		

Note : <sup>1/</sup> The Chairman of the Board of Director

<sup>2/</sup> The Chairman of Audit Committee and Corporate Governance

<sup>3/</sup> The Chairman of the Executive Committee (Resigned on 13 October 2015)

<sup>4/</sup> Excluding compensation as an Executive

<sup>5/</sup> Appointed from the Board of Directors meeting no. 8/2015 on 4 November 2015, effective 5 November 2015 onwards

<sup>6/</sup> Bonus for 2014 performance was paid on August 2015

<sup>7/</sup> Additional details which was not specified in 2014 report

## Remuneration for Executives

In 2014 and 2015, the Company paid remuneration to executives as follows:

Description	2015		2014	
	Number (persons)	Amount (Mil. Baht)	Number (persons)	Amount (Mil. Baht)
1) Salary, bonus and overtime pay	11	43.81	8	30.60
2) Meeting allowance and annual remuneration for Executive Director position <sup>1/</sup>	-	-	2	0.71
3) Other remunerations, i.e. provident fund contribution, <sup>2/</sup> social security fund contribution, and other welfare benefits	11	5.32	8	2.75
Total	11	49.13	8	34.06

Notes : <sup>1/</sup> Two Directors who also serve in the Executive Committee are Mr. Pitak Ratchakitprakarn and Mr. Rangsun Puangprang. The details in 2015 were listed in the Director Remuneration.

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

## Other Remuneration

In 2015, the Company paid for traveling expenses to the directors totaled THB 73,434.61.

## Personnel

### Number of Personnel

As of 31 December 2015 the Company and its subsidiaries (excluding directors and executives of the Company and its subsidiaries) had a total of 7,732 employees, 1,279 of which are the Company's employees and another 6,453 were the subsidiaries'. They could be categorized according to the following line functions:

Line Function	PTG	Subsidiaries
1. Internal Audit Department	52	-
2. Office of the President	31	7
3. Company Secretary Office	2	-
4. Sales Department	89	-
5. Marketing and Customer Relations Department	37	-
6. Operations Department	208	-
7. Quality and Safety Department	40	-
8. Transportation Business Department	612	-
9. Accounting and Finance Department	93	-
10. Human Resources Management Department	53	-
11. Information Technology Department	42	-
12. Purchasing Department	20	-
13. Station Management Department	-	6,154
14. Minimart Management Department	-	213
15. General Management Department	-	79
Total	1,279	6,453



## Remuneration for Employees

In 2014 and 2015, the Company paid remuneration to its employees (excluding directors and executives of the Company and its subsidiaries) as follows:

Description	2015		2014	
	Number (persons)	Amount (Mil. Baht)	Number (persons)	Amount (Mil. Baht)
1) Salary, bonus and overtime pay	7,732	1,031.15	6,184	770.62
2) Other remunerations, i.e. provident fund contribution, social security fund contribution, and other welfare benefits	7,732	81.97	6,184	66.43
Total	7,732	1,113.12	6,184	837.05

## 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, and 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 21.75 million in 2015.





# Directors and Executives of the Company

## Pol. Gen. Soontorn Saikwan

Chairman of the Board of Directors (25/05/12)

Independent Director (27/04/12)

71 Years

### Education

- Master of Arts in Political Science  
Ramkhamhaeng University

### Training

- DCP Program Association, class 201/2015  
Thai Institute of Directors
- MFM Program Association, class 9/2013  
Thai Institute of Directors
- MIA Program Association, class 15/2013  
Thai Institute of Directors
- MFR Program Association, class 18/2013  
Thai Institute of Directors
- MIR Program Association, class 14/2013  
Thai Institute of Directors
- ACP Program Association, class 42/2013  
Thai Institute of Directors
- DAP Program Association, class 41/2005  
Thai Institute of Directors
- National Defence Course,  
(NDC Certificate) , class 1993  
Thailand National Defence College

### Shareholding

Included spouse & children below 20 years old (%)  
-none-

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2013 – Present	Chairman of the Board of Directors Millcon Burapa Co., Ltd.
2013 – Present	Vice Chairman of the Board of Directors / Independent Director Millcon Steel PLC.
2012 – Present	Chairman of the Board of and Independent Director PTG Energy PLC.
2012 – 2014	Chairman of the Audit Committee PTG Energy PLC.
2008 – 2011	Selected Senator The Senate of Thailand
2007 – 2013	Chairman of the Board of Directors / Independent Director Millcon Steel PLC.
2005 – Present	Independent Director Vanachai Group PLC.

## Mr. Thien Mekanontachai

Director (25/05/12)

Audit Committee (25/05/12)

Corporate Governance Committee (13/11/14)

Independent Director (29/03/12)

75 Years

### Education

- M.S. in Mechanical Engineer  
North Dakota State University, USA

### Training

- DCP Program Association, class 202/2015  
Thai Institute of Directors
- MFM Program Association, class 9/2013  
Thai Institute of Directors
- MIA Program Association, class 14/2013  
Thai Institute of Directors
- MFR Program Association, class 17/2013  
Thai Institute of Directors
- MIR Program Association, class 14/2013  
Thai Institute of Directors
- ACP Program Association, class 42/2013  
Thai Institute of Directors
- DAP Program Association, class BJC/2004  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

-none-

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2014 – Present	Corporate Governance Committee PTG Energy PLC.
2012 – Present	Director / Independent Director / Audit Committee PTG Energy PLC.
2010 – Present	Chairman of the Board of Directors Quality Pineapple Products Co., Ltd.
2007 – Present	Chairman of the Board of Directors Chief Executive Committee Siam Food Products PLC.
2007 – Present	Chairman of the Board of Directors Eastern Seaboard PLC. Industrial Estate (Rayong)

## Mr. Supote Pitayapongpat

Director (25/05/12)

Chairman of the Audit Committee (13/05/14)

Chairman of the Corporate Governance Committee, (13/11/14)

Independent Director (25/05/12)

74 Years

### Education

- Bachelor in Accounting,  
Thammasat University
- Bachelor in Commerce,  
Thammasat University

### Training

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

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0006

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

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

## Mr. Pitak Ratchakitprakarn

Director (Authorized Director) (18/12/02)

Executive Director (25/05/12)

Chief Executive Officer (01/03/06)

Chairman of the Risk Management Committee, (25/05/12)

51 Years

### Education

- Master of Business Administration  
Prince of Songkla University
- Master of Science (Fishery) Kasetsart University

2012 – Present

Acting Director – Human Resources  
PTG Energy PLC.

2012 – Present

Chairman of Risk Management  
Committee / Executive Committee  
PTG Energy PLC.

### Training

- Chief Executive Program Association, class 20  
Capital Market Academy
- DCP Program Association, class 198/2014  
Thai Institute of Directors
- DAP Program Association, class 92/2011  
Thai Institute of Directors
- SFE Program Association, class 8/2010  
Thai Institute of Directors

2012 – Present

Chairman of the Board  
Pun Thai Coffee Co., Ltd.

2012 – Present

Chairman of the Board of Directors  
PTG Green Energy Co., Ltd.  
(Pyrenees Oil Co., Ltd.)

2011 – Present

Chairman of the Board of Directors  
Olympus Oil Co., Ltd.

2011 – Present

Chairman of the Board of Directors  
Atlas Oil Co., Ltd.

2011 – Present

Chairman of the Board of Directors  
Andise Oil Co., Ltd.

### Shareholding

Included spouse & children below 20 years old (%)

Self : 7.7764

2011 – Present

Chairman of the Board of Directors  
Everest Oil Co., Ltd.

2011 – Present

Chairman of the Board of Directors  
Empire Oil Co., Ltd.

### Relationship with Company's Executive(s)

Brother of Mrs. Chutkaew Kotchasenee

2009 – 2013

Acting for Vice President of Marketing  
PTG Energy PLC.

### Working Experience in the Past 5 Years

- 2015 – Present Chairman of the Board of  
PTG Logistics Co., Ltd.
- 2015 – Present Acting Director – Minimart Management  
Department Petroleum Thai Corporation  
Co., Ltd.
- 2015 – Present Acting Director – Quality and Safety  
Department Executive of Operations  
PTG Energy PLC.
- 2015 – Present Acting Director – Operation Department
- 2014 – Present Director  
PPP Green Complex Co., Ltd.
- 2014 – Present Acting Director – Logistics  
PTG Energy PLC.
- 2013 – Present Acting Director – Office of the President  
PTG Energy PLC.
- 2013 – 2014 Acting Director – Market Customer Relation  
PTG Energy PLC.

2009 – Present

Chairman of the Board of Directors  
Alpine Oil PLC.

2007 – Present

Chairman of the Board of Directors  
Pyramid Oil PLC.

2007 – Present

Chairman of the Board of Directors /  
Managing Director

Petroleum Thai Corporation PLC.

2007 – 2012

Chairman of the Board of Directors /  
Chief Executive Committee

PTG Energy PLC.

2006 – Present

Chief Executive Officer / President  
PTG Energy PLC.

2005 – 2013

Director RD Kasetpattana Co., Ltd.  
(R & D Kasetpattana Co., Ltd.)

2002 – Present

Director PTG Energy PLC.

1999 – Present

Director P & C Group Co., Ltd.

1999 – Present

Director Satun Aqua Marine Culture Co., Ltd.

1999 – Present

Director S.C.S. Capital Corporation Co., Ltd.

## Mrs. Chatkaew Gajaseni

Director (28/04/11)

Executive Director (25/05/12)

58 Years

### Education

- Master of Public Administration  
National Institute of Development Administration
- Master of Science (Environmental Science)  
Kasetsart University

2007 – Present

Director

Siam Bird's Nest Products Co., Ltd.

2005 – Present

Director / Manager

RD Kasetpattana Co., Ltd.

(R & D Kasetpattana Co., Ltd.)

2004 – Present

Director

Siam South Sea Bird's Nest Co., Ltd.

### Training

- DCP Program Association, class 198/2014  
Thai Institute of Directors
- DAP Program Association, class 92/2011  
Thai Institute of Directors

2003 – 2015

Director

P & C Aqus Marine Co., Ltd.

2000 – Present

Director / Managing Director

CK Five Trading Co., Ltd.

1999 – Present

Director

Satun Aqua Marine Feed Co., Ltd.

### Shareholding

Included spouse & children below 20 years old (%)

Self : 2.0401

1996 – Present

Director / Managing Director

N & C Minimart Co., Ltd.

1996 – Present

Director / Managing Director

KTP Petroleum Co., Ltd.

1993 – Present

Director

Odean Southern Center Co., Ltd.

### Relationship with Company's Executive(s)

Sister of Mr. Pitak Ratchakitprakarn

1993 – Present

Director / Managing Director

P & C Petroleum Co., Ltd.

1991 – Present

Director / Managing Director

P & C Group Co., Ltd.

1989 – Present

Director

Satun Aqua Marine Culture Co., Ltd.

### Working Experience in the Past 5 Years

- |  |   |
|--|---|
| <p>2014 – Present</p> <p>2013 – Present</p> <p>2013 – Present</p> <p>2012 – Present</p> <p>2012 – 2014</p> <p>2011 – Present</p> <p>2010 – Present</p> <p>2010 – Present</p> | <p>Director</p> <p>Paramount Oil Co., Ltd.</p> <p>Director</p> <p>P &amp; C Satun Pattana Co., Ltd.</p> <p>Director of Quality and Safety</p> <p>BK Trading Co., Ltd.</p> <p>Executive Director</p> <p>PTG Energy PLC.</p> <p>Director</p> <p>Geer Auto Car Co., Ltd.</p> <p>Director</p> <p>PTG Energy PLC.</p> <p>Director / Agency /</p> <p>Customer Relationship Marketing</p> <p>Jit Kaew Co., Ltd.</p> <p>Owner / Partner</p> <p>Customer Relationship Marketing</p> <p>Chut Thong Roongrueng Partnership</p> |
|--|---|

## Mrs. Lertlak Nadtasomboon

Director (18/01/07)

71 Years

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### Education

- Secondary Education Indrapichai School Surat Thani

### Training

- DCP Program Association, class 198/2014  
Thai Institute of Directors
- DAP Program Association, class 96/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 4.6616

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2007 – Present	Director PTG Energy PLC.
2003 – Present	Director Pubadin Co., Ltd.

## Mr. Pongsak Vachirasakpanich

Director (27/04/12)

Executive Director (27/05/12)

48 Years

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### Education

- Master of Business Administration (XMBA)  
Strategic Management Thammasat University

### Training

- DCP Program Association, class 197/2014  
Thai Institute of Directors
- DAP Program Association, class 96/2012  
Thai Institute of Directors
- MINI MBA Chulalongkorn University  
Bangkok Metropolitan Bank Public Company Limited
- Advance Certificate in Public Administration  
and Public Law, Class 6 King Prajadhipok's Institute

### Shareholding

Included spouse & children below 20 years old (%)

Self : 6.0060

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2014 – Present	Director PPP Green Complex Co., Ltd.
2012 – Present	Director / Executive Director PTG Energy PLC.
2010 – Present	Director Hi-Light Mansion Co., Ltd.
2006 – Present	Director Legal Brains Co.,Ltd.
2005 – Present	Director New Bang Pho Apartment Co., Ltd.
2003 – Present	Director Puriphat Property Co., Ltd.
2002 – Present	Managing Director P.S.V. Property Co., Ltd.



## Assoc. Prof. Dr. Wanchai Rattanawong

Director (24/04/14)

Member of the Audit Committee (24/04/14)

Corporate Governance Committee (13/11/14)

Independent Director (24/04/14)

52 Years

### Education

- Ph.D. (Manufacturing Engineering)  
Swinburne University of Technology,  
Melbourne, Australia
- M.Eng. (Computer Integrated Manufacturing)  
Swinburne University of Technology,  
Melbourne, Australia
- Master of Education (Physics) M.Ed. (Physics)  
Srinakharinwirot University (Prasarnmitr)

### Training

- DCP Program Association, class 201/2015  
Thai Institute of Directors
- DAP Program Association, class 110/2014  
Thai Institute of Directors
- AACP, class Association, class 16/2014
- Diploma, National Defence College,  
The National Defence Course class 2012  
National Defence College

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0004

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2014 – Present	Corporate Director/ Director/ Independent Director and Member of the Audit Committee PTG Energy PLC.
2012 – 2015	Dean, Faculty of Engineering University of the Thai Chamber of Commerce
2011 – Present	Director New Frontier Consultant Co.,Ltd.
2008 – 2011	Vice Rector–Planning and Development Department / Acting Director– Logistics Research Center University of the Thai Chamber of Commerce

## Mr. Manit Nithiprateep

Director (05/11/15)

60 Years

### Education

- Master of Economic  
(Industrial Economics and Economic Development)  
National Institute of Development Administration
- Bachelor of Economics (Economic Theory)  
Ramkhamhaeng University

### Training

- DAP Program Association, class 127/2016  
Thai Institute of Directors (During Training)
- Business Commissioning for Directors  
and Chief Executive of State Enterprise and Public,  
Class 12
- Top Executive Program in Commerce and Trade  
(TEPCOT) class 6
- Chief Executive program Capital Market Academy,  
Class 14

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0060

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Director PTG Energy PLC.
2013 – 2015	Principal Advisor on strategic Tax Administration The Excise Department
2011 – 2013	Vice–Dean The Excise Department
2007 – 2011	Director Bureau of Large Business Tax Administration
2002 – Present	Director Airport of Thailand PLC.
2002 – Present	Director Bangpakong Terminal PLC.
1994 – Present	Director / Member of the Audit Committee NEP Reality & Industry PLC.

## Mr. Rangsun Puangprang

Director (Authorized Director) (14/12/05)

Executive Director (25/05/12)

Risk Management Committee (03/12/13)

Executive Vice President (01/01/53)

Company Secretary (25/05/12)

50 Years

### Education

- Master of Business Administration National Institute of Development Administration	2013 – Present	Acting Director – Accounting and Finance Department PTG Energy PLC.
- Bachelor of Business Administration (Accounting) Second Class Honor, Ramkhamhaeng University	2013 – 2014	Acting Director – Minimart Management Department Petroleum Thai Corporation Co., Ltd.

### Training

- Strategic CFO in Capital Markets Program Association, class 1/2015	2013 – Present	Risk Management Committee PTG Energy PLC.
- CDC Program Association, class 9/2015 Thai Institute of Directors	2012 – 2013	Vice Chairman – Risk Management Committee PTG Energy PLC.
- DCP Program Association, class 197/2014 Thai Institute of Directors	2012 – Present	Director Punthai Coffee Co., Ltd.
- SFE Program Association, class 21/2014 Thai Institute of Directors	2012 – Present	Director PTG Green Energy Co., Ltd. (Pyrenees Oil Co., Ltd.)
- Technical Management and Risk Management	2012 – Present	Director Olympus Oil Co., Ltd.
- RCC Program Association, class 16/2013 Thai Institute of Directors	2011 – Present	Director Atlas Oil Co., Ltd.
- CRP Program Association, class 5/2013 Thai Institute of Directors	2011 – Present	Director Andise Oil Co., Ltd.
- BRP Program Association, class 10/2013 Thai Institute of Directors	2011 – 2015	Acting Director – Information Technology Department PTG Energy PLC.
- CSP Program Association, class 50/2013 Thai Institute of Directors	2011 – 2013	Acting Director – General Administration Department PTG Energy PLC.
- DAP Program Association, class 79/2009 Thai Institute of Directors	2011 – Present	Director Everest Oil Co., Ltd.
- Professional CFO, class 3/2009	2011 – Present	Director Empire Oil Co., Ltd.

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0306

2010 – Present  
Assistant Managing Director  
PTG Energy PLC.

2009 – Present  
Director  
Alpine Oil Co., Ltd.

### Relationship with Company's Executive(s)

-none-

2009 – Present  
Director  
Pyramid Oil Co., Ltd.

2006 – Present  
Director  
Petroleum Thai Corporation Co., Ltd.

### Working Experience in the Past 5 Years

2015 – Present      Director  
PTG Logistics Co., Ltd.

2006 – 2014  
Director  
Century Oil Co., Ltd.

2014 – Present      Director  
PPP Green Co., Ltd.

2005 – Present  
Director / Executive Director  
PTG Energy PLC.

## Miss Natthisa Pongtaranont

Executive Vice President (01/11/13)

Risk Management Committee (03/12/13)

56 Years

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### Education

- Master of Business Management  
La Vern University, USA

### Training

- SFE Program Association, class 21/2014  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0277

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2013 – Present	Risk Management Committee PTG Energy PLC.
2013 – Present	Executive Vice President PTG Energy PLC.
2011 – 2013	Chief Digital Officer Creative Juice \ G1 Limited

## Mrs. Sukwasa Pooshutvanitshakul

Risk Management Committee (25/05/13)

Executive of Procurement (01/10/13)

49 Years

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### Education

- Master of Business Administration (Money)  
National Institute of Development Administration

### Training

- SFE Program Association, class 16/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0291

spouse and children : 1.3247

### Relationship with Company's Executive(s)

Younger Cousin Mr. Pitak Ratchakitprakarn

### Working Experience in the Past 5 Years

2013 – Present	Executive of Procurement PTG Energy PLC.
2013 – 2013	Director of the Office of the President PTG Energy PLC.
2012 – Present	Risk Management Committee PTG Energy PLC.
2011 – 2011	Director Andise Oil Co., Ltd.
2011 – 2011	Director Atlas Oil Co., Ltd.
2007– 2013	Manager – Accounting and Finance Department PTG Energy PLC.

## Mr. Thatree Kerdboonsong

Risk Management Committee (25/05/12)

Executive of the Office of the President (01/09/13)

60 Years

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### Education

- Associate Degree in Mechanics  
Rajamangala University of Technology Isan  
(Nakorn Ratchasima)

### Training

- SFE Program Association, class 16/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0206

### Relationship with Company's Executive(s)

Spouse of Mrs. Chatkaew Gajaseni's Sister-in-law

### Working Experience in the Past 5 Years

2013 – Present	Executive of the Office of the President PTG Energy PLC.
2012 – Present	Risk Management Committee PTG Energy PLC.
2010 – 2014	Executive of Logistics PTG Energy PLC.

## Mr. Surasak Songvorakulpan

Risk Management Committee (25/05/12)

Executive of the Office of the President (01/01/15)

Acting Executive – Executive of Human Department (01/04/15)

50 Years

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### Education

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

### Training

- SFE Program Association, class 21/2014  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.0208

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Acting Executive – Executive of Human Department PTG Energy PLC.
2015 – Present	Executive of the Office of the President PTG Energy PLC.
2013 – 2014	Acting Executive – Quality and Safety Department PTG Energy PLC.
2012 – Present	Risk Management Committee PTG Energy PLC.
2012 – 2014	Executive – Operation Department PTG Energy PLC.
2010 – 2011	Executive Officer Petroleum Thai Corporation Co., Ltd.

## Mr. Chaitas Wanchai

Risk Management Committee (25/05/12)  
Executive of Station Management (01/09/13)  
47 Years

### Education

- Master of Science (Economics)  
Kasetsart University

### Training

- SFE Program Association, class 16/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)  
Self : 0.00209  
spouse and children : 0.0085%

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2009 – 2010	Acting Executive–Minimart Management Department Petroleum Thai Corporation Co., Ltd.
2013 – 2013	Acting Executive – Purchasing Department PTG Energy PLC.
2013 – Present	Executive – Station Management Department Petroleum Thai Corporation Co., Ltd.
2012 – Present	Risk Management Committee PTG Energy PLC.
2010 – 2012	Acting Executive – Retail Division Petroleum Thai Corporation Co., Ltd..

## Flt. Lt. Satta Suparp

Risk Management Committee (25/05/12)  
Executive of Information Technology Department (01/06/15)  
51 Years

### Education

- Master of Science (Computer Science)  
Chulalongkorn University

### Training

- SFE Program Association, class 16/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)  
Self : 0.0187

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Executive of Information Technology PTG Energy PLC.
2014 – 2015	Executive of Marketing and Customer Related PTG Energy PLC.
2013 – 2014	Executive of Marketing Customer Relation PTG Energy PLC.
2013 – 2013	Executive Officer of the Office of the President PTG Energy PLC.
2012 – 2013	Administrative Officer 10 In Office of the President PTG Energy PLC.
2011 – 2012	Administrative of Central Officer 10 In Office of the President PTG Energy PLC.
2011 – 2011	Administrative Officer 10 Central Administrative PTC Petroleum Thai Corporation Co., Ltd
2007 – 2011	Senior Manager – Policy & Planning PTG Energy PLC.

## Mr. Suwatchai Pithakwongsaporn

Risk Management Committee (25/05/12)

Executive of Sales (01/01/15)

43 Years

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### Education

- Master of Economic Kasetsart University

### Training

- SFE Program Association, class 16/2012  
Thai Institute of Directors

### Shareholding

Included spouse & children below 20 years old (%)

Self : 0.7870

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Executive of Sales PTG Energy PLC.
2013 – 2015	Senior Manager of Sales/ Manager of Sales / Senior Manager of Sales and Marketing / Senior Manager of Marketing PTG Energy PLC.
2012 – 2012	Administrative Officer 10 In Office of the President PTG Energy PLC.
2011 – 2012	Administrative Officer 10 In Office of the President PTG Energy PLC.
2011 – 2011	Acting for President of Marketing Senior Manager of Marketing PTG Energy PLC.

## Miss Nalinthip Kaewampai

Executive of Marketing and Customer Relation (16/07/15)

36 Years

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### Education

- Master Degree (Marketing) Malardalen University, Sweden

### Training

-none-

### Shareholding

Included spouse & children below 20 years old (%)

-none-

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Executive of Marketing and Customer Relation PTG Energy PLC.
2005 – 2015	Senior Vice Chairman Generali Life Assurance (Thailand) Co., Ltd

## Mrs. Wipa Boonpalit

Executive of Office of the President (01/10/15)

52 Years

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### Education

- Master Degree in EX-MBA  
(Money and Marketing)  
Sripatum University

### Training

-none-

### Shareholding

Included spouse & children below 20 years old (%)

-none-

### Relationship with Company's Executive(s)

-none-

### Working Experience in the Past 5 Years

2015 – Present	Executive of Office of the President PTG Energy PLC.
2015	General Manager Dream House (Thailand) Co., Ltd.
2013 – 2014	Chief Operating Officer Evolution Capital PLC.
2007 – 2013	Chief Operating Officer Mudman Co., Ltd

### Duty and Responsibility of the Company Secretary

At the Board of Directors meeting No. 5/2012 on 25 May 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 and 89/16 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.



Details of the Directors, Executives, those with governing authority, and related companies	Pol. Gen. Soontorn Saikwan	Mr. Thien Mekanontchai	Mr. Supote Pitayapongpat	Mr. Pitak Ratchakitprakarn	Mrs. Chatkaew Gajasen	Mrs. Lertlak Nadtasomboon	Mr. Pongsak Vachirasakpanich	Assoc. Prof. Dr. Wanchai Rattanawong	Mr. Mani Nitiprateep	Mr. Rangsun Puangprang	Ms. Natthisa Pongtaranont	Mrs. Sukwasa Pooshutvanitshakul	Mr. Thatree Kerdboonsong	Mr. Surasak Songvorakulpan	Mr. Chaitas Wanchai	Flt. Lt. Satta Suparp	Mr. Suwatchai Pitakwongsaporn	Ms. Nalinthip Keawampai	Mrs. Wipa Boonpalit
<b>Main Company</b>																			
PTG Energy PLC	X	/	/	/*	/	/	/	/		/	#	#	#	#	#	#	#	#	#
Subsidiaries																			
Petroleum Thai Corporation Co., Ltd.				X						/									
Pyramid Oil Co., Ltd.				X						/									
Alpine Oil Co., Ltd.				X						/									
Empire Oil Co., Ltd.				X						/									
Everest Oil Co., Ltd.				X						/									
Andes Oil Co., Ltd.				X						/									
Atlas Oil Co., Ltd.				X						/									
Olympus Oil Co., Ltd.				X						/									
PTG Green Energy Co., Ltd.				X						/									
Punthai Coffee Co., Ltd.				X						/									
PTG Logistics Co., Ltd.				X						/									
<b>Joint Venture</b>																			
PPP Green Complex Co., Ltd.				/			/			/									
(formerly "Tha Chang (Bang Saphan)																			
Palm Oil Co., Ltd.)																			
<b>Related Companies</b>																			
Millcon Burapha Co., Ltd.	X																		
Millcon Steel PLC	o																		
Vanachai Group PLC	/																		
Quality Pineapple Products Co., Ltd.		X																	
Siam Food Products PLC		X																	
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.		X																	
Siam-Best Trading Co., Ltd.			/																
Siam Bird's Nest Products Co., Ltd.				/															
S.C.S. Land Development Co., Ltd.				/															
Siam South Sea Bird's Nest Co., Ltd.				/	/														
Satun Aquamarine Culture Co., Ltd.				/	/														
RD Kasetpattana Co., Ltd.				/	/														

Details of the Directors, Executives, those with governing authority, and related companies	Pol. Gen. Soontorn Saikwan	Mr. Thien Mekanontchai	Mr. Supote Pitayapongpat	Mr. Pitak Ratchakitprakarn	Mrs. Chatkaew Gajasen	Mrs. Lertlak Nadtasomboon	Mr. Pongsak Vachirasakpanich	Assoc. Prof. Dr. Wanchai Rattanawong	Mr. Manit Nitiprateep	Mr. Rangsun Puangprang	Ms. Natthisa Pongtaranont	Mrs. Sukwasa Pooshutvanitshakul	Mr. Thatree Kerdboonsong	Mr. Surasak Songvorakulpan	Mr. Chaitas Wanchai	Flt. Lt. Satta Suparp	Mr. Suwatchai Pitakwongsaporn	Ms. Nalinthip Keawampai	Mrs. Wipa Boonpalit
B.K. Trading Co., Ltd.				/															
Gear Auto Car Co., Ltd.				/															
Jitkaew Co., Ltd.				/															
Chatthong Rungrueng Ordinary Partnership				/															
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.				/															
Paramount Oil Co., Ltd.				/															
P & C Group Co., Ltd.				/	/														
P & C Satun Pattana 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.							#												
New Frontier Consultant Co., Ltd.								/											
Airports of Thailand PCL									/										
Bangpakong Terminal PCL									/										
NEP Realty and Industry PCL									/										

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,
- 5) Responsibilities of the Board of Directors.

Details are as follows:

### Section 1 Right of Shareholders

The Company recognizes the importance of 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 Shareholders General Meeting of Shareholders

- 1) The Company provides an opportunity for shareholders to propose agendas for shareholders meeting, give their opinions, and made enquiries in advance.
- 2) 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.

3) 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.

4) The Company organizes the meeting at a location, which is convenient to attend with has adequate capacity to accommodate shareholders' attendance for their convenience.

5) The Company encourages all directors to attend the shareholders meeting, so that shareholders can ask relevant questions.

6) 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.

7) 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.

8) 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.

### 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). In this regards, the Directors and the top Executives is required to report to the Board of Directors or an appointed person on selling or buying the Company's shares 1 day earlier.

### Section 3 Roles of Stakeholders Consideration

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 system and its website ([www.ptgenergy.co.th](http://www.ptgenergy.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 in order to communicate with shareholders, investors, analysts, and related Government Agency.

### **Investor Relations**

The Company understands the importance of information communication, which is crucial to the decision-making of its investors, as well as strong relations between the Company and the investors. Thus, the Company 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 Security 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 conduct in accordance with the principles of good corporate governance by aligning IR's core values closely with those of the Company under the slogan, "swift communications, transparent information, service-minded, standing by investors." The IR Department contact information is as follows:

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

In 2015, the Company and the IR Department have facilitated various activities pertaining to the dissemination of business operations and relevant information for investors, shareholders, and related parties as summarized in the table below.

#### Summary of Investor Relations Department's activities in 2015

Activities	Frequency (times)
The Annual General Meeting to the Shareholders	1
Analyst Meeting	4
Meeting with the Executives (Company Visit)	48
Opportunity Day (hosted by SET)	4
Thailand Focus (hosted by SET)	2
Road Show	2
Conference Call	10
Information inquiry via e-mail and telephone	5-6 times per week
Press conference	1

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, sub-committees and the Chief Executive Officer and President so that the scope of their operational responsibilities can be clearly defined.

The Company Secretary is appointed to assist the Board of Directors in the arrangements for the Board meetings, e.g. confirming schedules, preparing agenda items, sending meeting notices together with supporting documents, etc. Under the first paragraph of Section 89/15 and 89/16 of the Securities and Exchange Act of 1992 (as amended), the Company Secretary is also responsible for 1) preparing and safekeeping a register of directors, meeting notices, minutes of the Board of Directors meetings and of shareholders meetings, annual reports, giving advice in relation to laws and regulations the directors need to know, supporting activities of the Board of Directors, and coordinating to ensure compliance with the Board's resolutions, 2) safekeeping reports on interests filed by directors or executives, and 3) performing any other actions as specified by the Capital Market Supervisory Board.

### Sub-Committees

The Board of Directors has set up subcommittees, i.e. Audit Committee, Executive Director Committee and Risk Management Committee to assist the Board of Directors in governance. Scope of duties and authorities of each committee shall be clearly defined in writing. These committees consist of directors with expertise, competency and extensive background in business, as well as fully qualified under Section 68 of the Public Limited Companies Act of 1992 (including amendments thereto) and other applicable notifications.

### Role, Duties, and Responsibilities of the Board of Directors

The Company's directors are obligated to comply with the SET's Code of Best Practices for directors of listed companies, and to understand and acquaint themselves with the entrusted roles, duties and responsibilities. Apart from that, they shall discharge their duties with integrity in accordance with the laws, the Company's objectives and articles of association including resolutions of shareholders meetings, taking into account the best interests of the Company and its shareholders. The Board of Directors plays a crucial role in considering and approving significant matters pertaining to the Company's operations such as vision, mission, financial strategies and targets, risks, action plans and budgets, as well as supervising and monitoring the management to ensure effective and efficient performance of the established policies and plans.

The Directors are required to hold Director position in no more than 5 listed companies. In order to comply with the policy, the Director shall receive the Board of Directors' approval before holding the Director position in other companies.

The Company's consideration to enter into transactions that may involve conflicts of interest shall rest on the best interests of the Company and its shareholders. To prevent conflicts of interest that may arise from entering into related transactions, persons related to or having interests in related transactions are required to report their relationship or connection therein, and are prohibited from considering, giving opinions on and approving such transactions. Price and conditions of the related transactions so considered shall be determined on an arms' length basis, and in compliance with the laws on securities and exchange as well as the relevant regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Additionally, the Audit Committee is responsible for considering and giving opinions on the related transactions, and proposing them to the Board of Directors. Details of related transactions shall be disclosed in the Company's annual report and the annual registration statement (Form 56-1) and annual report (Form 56-2) as well.

The Board of Directors places importance on the internal control. Accordingly, the Internal Control Division has been established to audit the internal control system for effectiveness and efficiency, thereby ensuring the Company that each unit has appropriate policies and procedures in tandem with a good internal control. The Internal Control Division shall prepare and submit pertinent reports directly to the Audit Committee.

In addition, the Board of Directors also attaches much significance to risk management. The Risk Management Committee has therefore been set up to assist the Board in formulating organization-wide risk management policy and framework for implementation by the management. The Risk Management Committee is responsible for reporting on any risks that may hamper the Company's business either at present or in the future, together with making recommendations or suggesting measures for managing said risks to an acceptable level. The Committee shall regularly report to the Board of Directors on the results of risk management policy and framework implementation by the executive management.

### 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 5 business 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.

Name		Course Details								
1.	Police General Soontorn	Saikwan	DAP	DCP	ACP	MIR	MFR	MIA	MFM	
2.	Mr. Thien	Mekanontchai	DAP	DCP	ACP	MIR	MFR	MIA	MFM	
3.	Mr. Supote	Pitayapongpat	DAP	DCP	ACP	MIR	MFR	MIA	MFM	
4.	Mr. Pitak	Ratchakitprakarn	DAP	DCP	SFE					
5.	Mrs. Chatkaew	Gajaseni	DAP	DCP						
6.	Mrs. Lertlak	Nadtasomboon	DAP	DCP						
7.	Mr. Pongsak	Vachirasakpanich	DAP	DCP						
8.	Assoc. Prof. Dr. Wanchai	Rattanawong	DAP	DCP	AACP					
9.	Mr. Mani	Nitiprateep	DAP							
10.	Mr. Rangsun	Puangprang	DAP	DCP	RCC	CSP	BRP	CRP	SFE	CDC
11.	Ms. Natthisa	Pongtaranont	SFE							
12.	Mrs. Sukwasa	Pooshutvanitshakul	SFE							
13.	Mr. Thatree	Kerdboonsong	SFE							
14.	Mr. Surasak	Songvorakulpan	SFE							
15.	Mr. Chaitas	Wanchai	SFE							
16.	Flt. Lt. Satta	Suparp	SFE							
17.	Mr. Suwatchai	Pitakwongsaporn	SFE							
18.	Ms. Nalinthip	Keawampai	-							
19.	Mrs. Wipa	Boonpalit	-							

## 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.

The Company’s Director Structure of PTG Energy Public Company Limited consists of committees as follows:

### 1. Board of Directors

The Board of Directors as of 31 December 2015

Name		Position
1)	Police General Soontorn Saikwan	Chairman of the Board of Directors
2)	Mr. Thien Mekanontchai	Director
3)	Mr. Supote Pitayapongpat	Director
4)	Mr. Pitak Ratchakitprakarn	Director
5)	Mrs. Chatkaew Gajaseni	Director
6)	Mrs. Lertlak Nadtasomboon	Director
7)	Mr. Pongsak Nadtasomboon	Director
8)	Assoc. Prof. Wanchai Rattanawong	Director
9)	Mr. Mani Nitiprateep	Director
10)	Mr. Rangsun Puangprang <sup>1/</sup>	Director

Note : <sup>1/</sup> The secretary to the Board of Directors



### Term of Office

1. At each Annual Ordinary General Meeting of Shareholders, one-third members of the Board shall resign. The director who holds longest term of office shall resign. The number of directors to retire, if there is a fraction of this number shall be the nearest figure to this one-third

2. The director who retire by rotation may be re-elected without considering as a default renewal.

3. In addition to due term of office, the directors may vacate the position upon following situations:

3.1 Death

3.2 Resignation

3.3 Unqualified or having prohibited character as stipulated by Public Company Limited Act. B.E. 2535 and Securities and Exchange Act. B.E. 2535 (including amendment).

3.4 Resigned by resolution of the shareholders' meeting

3.5 Resigned by virtue of the court order

4. In the event when the director position becomes vacant as a result of resignation other than term completion, the board of directors may appoint a qualified person who not possess prohibited characters as set out in the Public Company Limited Act B.E. 2535 (including amendment) as a replacement to fill that position only for the remaining term, unless the remaining period is shorter than two months.

5. Upon approval from the Board, directors may hold directorship in maximum 5 listed companies under the policies and practice of directorship of other companies.

### 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.



## Executive Committee

The Executive Committee as of 31 December 2015

Name			Position
1.	Mr. Pitak	Ratchakitprakarn	Member of the Executive Committee
2.	Mrs. Chatkaew	Gajaseni	Member of the Executive Committee
3.	Mrs. Lertlak	Nadtasomboon	Member of the Executive Committee
4.	Mr. Pongsak	Vachirasakpanich	Member of the Executive Committee
5.	Mr. Rangsun	Puangprang <sup>1/</sup>	Member of the Executive Committee

Note : \* During the BOD's meeting no. 11/2015 on 22 December, 2015, the Board has approved a reduction in the number of Directors from 5 to 4.  
\* Mr. Sakanan, Chairman of the BOD, had resigned on 13 October 2015. The Board is currently in the process of electing the new Chairman.  
<sup>1/</sup> Mr. Rangsun Puangprang resigned from the secretary to the Executive Committee on 30 November 2015. The Executive Committee is in an appointment process.

### Term of Office

- Terms of office for the Executive Committee is equal to the Directors' where the term completion is due together in the Annual General Meeting of shareholders.
- The Executive Committee who retire by rotation may be re-elected without considering as a default renewal.
- In addition to due term of office, the Executive Committee may vacate the position upon following situations:
  - Death
  - Resignation
  - Unqualified or having prohibited character as stipulated by Public Company Limited Act. B.E. 2535 and Securities and Exchange Act. B.E. 2535 (including amendment).
  - Resigned by resolution of the shareholders' meeting
  - Resigned by virtue of the court order

### Scope of Authority and Duties of the Executive Committee

- Consider the business plan and annual budget for proposing to the Board of Directors.
- 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.
- Consider and take action on key matters relating to the Company's operations.

- Consider and provide recommendations on projects of all types that are proposed to the Board of Directors.
- 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).
- 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.
- Consider matters that the Chief Executive Officer and President proposes to the Executive Committee for consent or approval.
- Approve recruitment, appointment, removal and transfer of senior employees at the senior executive vice president level or other equivalent positions.
- Approve matters concerning the Company's finances and assets in accordance with the approval criteria.
- Assign or advise the Chief Executive Officer and President to consider or perform any activities as the Committee deems appropriate.
- 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.

## Audit Committee

The Audit Committee as of 31 December 2015 consisted of:

Name		Position
1.	Mr. Supote Pitayapongpat <sup>1/</sup>	Chairman of the Audit Committee
2.	Mr. Thien Mekanontchai	Member of the Audit Committee
3.	Assoc. Prof. Wanchai Rattanawong	Member of the Audit Committee

Notes : <sup>1/</sup> 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, serves as the secretary to the Audit Committee.

## Term of Office

1. Terms of office for the Audit Committee is in accordance with Directors' term as set out in the Articles of Association.

2. The Audit Committee member who retire by rotation may be re-elected without considering as a default renewal.

3. The Audit Committee member who resigns prior to term completion must inform and submit the resignation letter in advance to the Company as well as clarify the reason of resignation.

4. In the event that the positions on the Board becomes vacant for some other reason than rotation, the Board of Directors may elect a qualified person as a replacement to fill that position only for the remaining term without delay. The new director will remain in his/her position only for the remaining term of the independent directors/he replaces.

5. The Audit Committee shall vacate the office when:

- (1) Term completion
- (2) Disqualified
- (3) Death
- (4) Resignation
- (5) Being removed
- (6) Being sentenced by final judgment or the legal order for imprisonment except the offenses committed by negligence or minor offense
- (7) Being incapacitated person or quasi-incompetent
- (8) Bankruptcy

## 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.

## Corporate Governance Committee

The Corporate Governance Committee as of 31 December 2015

	Name		Position
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, the Executive Vice President, serves as the secretary to the Corporate Governance Committee

### Term of Office

1. Terms of office for the Corporate Governance Committee is equal to the Directors' where the term completion is due together in the Annual General Meeting of shareholders.

2. The Corporate Governance Committee who retire by rotation may be re-elected without considering as a default renewal.

3. In addition to due term of office, the Corporate Governance Committee may vacate the position upon following situations:

- 3.1 Death
- 3.2 Resignation
- 3.3 Unqualified or having prohibited character as stipulated by Public Company Limited Act. B.E. 2535 and Securities and Exchange Act. B.E. 2535 (including amendment).
- 3.4 Resigned by resolution of the shareholders' meeting
- 3.5 Resigned by virtue of the court order

### 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 Good Corporate Governance policy, corporate social responsibility, morality, and business ethics.

3. Conduct an audit together with the management concerning the Company's operations according to Good Corporate Governance policy 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 operations procedure to follow the Good Corporate Governance policy, to be in accordance with the policies of the Group, as well as approve guidelines and related recommendations.

6. Appoint working panels or management division to consider any matters as the Corporate Governance Committee deems appropriate.

7. Consider the issues that may affect PTG Energy

## Risk Management Committee

The Risk Management Committee as of 31 December 2015

	Name		Position	Meeting Attendance
1.	Mr. Pitak	Ratchakitprakarn	Chairman of the Risk Management Committee	4/4
2.	Mr. Rangsun	Puangprang	Risk Management Committee	3/4
3.	Ms. Nattisa	Pongtaranont	Risk Management Committee	4/4
4.	Mrs. Sukwasa	Pooshutvanitshakul	Risk Management Committee	4/4
5.	Mr. Thatree	Kirdboonsong	Risk Management Committee	4/4
6.	Mr. Surasak	Songvorakulpan	Risk Management Committee	4/4
7.	Mr. Chaitas	Wanchai	Risk Management Committee	3/4
8.	Flt. Lt. Satta	Suparp	Risk Management Committee	3/4
9.	Mr. Suwatchai	Pitakwongsaporn	Risk Management Committee	2/4
10.	Mr. Chalong	Tiratraipusit	Risk Management Committee	3/4
11.	Mr. Nopparat	Chantanaves	Risk Management Committee	2/4
12.	Ms. Patchanok	Worasakyotin	Risk Management Committee	4/4
13.	Ms. Supapan	Mahasarakul	Risk Management Committee	4/4

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

## 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 Directors
5. Relations with Management
6. Director and Executive Development

Self-evaluation by the Directors consisted of:

1. Structure and Qualifications of the Directors
2. Meeting of the Directors
3. Roles and Responsibilities of the Directors

Evaluation scores in each category are given by:

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

The performance evaluation result for the Board of Directors in 2015 was shown below:

Committee Name	Evaluation by Committees (%)	Self- Evaluation by Directors (%)
The Board of Directors	95.88	100.00
The Executive Committee	100.00	100.00
The Audit Committee	100.00	100.00
The Corporate Governance Committee	93.33	100.00
The Risk Management Committee	69.30	70.60

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

### Self-evaluation of the Chief Executive Officer and President

The Board of Directors has arranged to put in place a performance evaluation of the Chief Executive Officer and President in order to regularly review the performance of the Chief Executive Officer and President at least once a year.

#### Section 1 Progress of the work plan

#### Section 2 Performance Evaluation consisted of:

- 2.1 Leadership
- 2.2 Strategy
- 2.3 Strategy Execution
- 2.4 Financial Planning and Performance
- 2.5 Relations with Management
- 2.6 External Relations
- 2.7 Management and Relations with Employees
- 2.8 Position Succession
- 2.9 Knowledge of Products and Services
- 2.10 Personal Attributes

#### Section 3 CEO Development

Evaluation scores in each category are given by:

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

The performance evaluation score for the Chief Executive Officer and President was 98.06% in 2015.

### Nomination and Appointment of Directors and Top Executives

#### 1. 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.

5) 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.

6) 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.

## 2. Nomination of Top Executives

The Board of Directors shall select and appoint Chief Executive Officer and President, formulate the scope of duties and responsibilities clearly. The Management is responsible to manage business operation of the Company to ensure the achievement to different policies.

## 3. 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. Business relationship as aforesaid in paragraph one, including normal trading for rent or property rent, transaction related to assets or service or provision or financial support by accepting for granting loan, guarantee, granting assets for debt security including other actions in similar approach which create liabilities between the Company and contractual parties, in the sum from thirty percent of the Company's tangible assets or from twenty million Baht, whichever is less. The business relationships mentioned in the first paragraph include ordinary course of business transactions, leasing out or taking lease of immovable assets, transactions related to assets and services, providing or receiving of financial assistance including lending, borrowing, guarantees, or pledging assets to secure debts or any other similar action, which result in the company or contractual parties incur debt burden that must be repaid to other party with values from 3% of net tangible assets or Baht 20 million, whichever is lower. The debt burden calculation shall account for the debt burden took place during 1 year period prior to the date of starting business relationship with the same person and shall adhere to the Notification of the Capital Market Supervision Board under the Rules on Connected Transactions, mutatis mutandis.

6. 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.

7. 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.

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

9. 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.

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

After 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.

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:

- (1) The nature of business relationship or professional services that makes such person lack the specified qualifications;
- (2) Reasons and necessity for retaining or appointing such person as an independent director;
- (3) Opinions of the Board of Directors regarding the proposal to appoint such person as an independent director.

#### 4. 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.

#### Monitoring the operations of its subsidiaries and associated companies

The Board of Directors' meeting no. 10/2557 held on 26 December 2014 appointed directors of PTG Energy PLC. to hold director position in PPP Green Complex Co., Ltd., a joint venture, (formerly named as Thachang Co., Ltd. (Bang Saphan) Palm Oil Co., Ltd., to assign power and duties and to supervise the joint ventures business operation to ensure the compliance to Company's objectives, articles of association and agreement made with partners. Directors who undertake directorship position in the joint venture are

1. Mr. Pongsak Vachirasakpanich
2. Mr. Pitak Ratchakitprakarn
3. Mr. Rangsun Puangprang

And the material transactions of the subsidiaries are reported to the Board of Directors on a quarter basis.

#### 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 Annual General Meeting to the Shareholder 2015 approved the appointment of 4 auditors, which the Audit Committee and the Board of Directors had considered regarding work performance, independence of the auditors,

and the audit fee. Therefore, PricewaterhouseCoopers ABAS Co., Ltd. (PWC) was appointed to be the Company's auditors for the year 2015 (the year ending on 31 December 2015)

1. Amornrat Permpoonvatanasuk  
C.P.A. (Thailand) No.4599
2. Prasit Yuengsrikul  
C.P.A. (Thailand) No.4174
3. Somchai Jinnovert  
C.P.A. (Thailand) No.3271
4. Vichien Khingmontri  
C.P.A. (Thailand) No.3977

The auditors mentioned above have neither relations nor any stake in the Company, subsidiaries, the Executives, major shareholders or other related person. Thus, the auditors are free to audit and express their opinions. Currently, Ms. Amornrat Permpoonvatanasuk has signed in the Financial Statements since 2014 while Mr. Prasit Yuengsrikul, Mr. Somchai Jinnovert, and Mr. Vichien Khingmontri have not signed in the Company's Financial Statements.

In addition, in the case that the assigned auditors are unable to perform the work, the audit company will provide other authorized auditors to perform the work instead and set the audit fee of 2,541,000 baht, which includes quarterly review of the Company's Financial Statements. The audit fee increased by 121,000 baht or 5% from last year due to higher number of transactions. The audit fee of the year 2015 is shown below:

The Audit Fee	2015	2014
Yearly Review (Baht)	2,068,500	1,870,000
Quarterly Review (Baht)	472,500	450,000
<b>Total</b>	<b>2,541,000</b>	<b>2,420,000</b>

# Anti-Corruption

The Company has signed in the manifestation of Collective Action Coalition Against Corruption in Private Section 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. The Board of Directors agreed to authorize the President and Chief Executive Officer in order to make necessary changes in Anti-Corruption Policy which had been approved to ensure that the policy is appropriate with the business of PTG Energy Public Company limited in every period. The details was shown below.

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 acquisitions, 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. PTG Green Energy Co., Ltd.
11. Punthai Coffee Co., Ltd.
12. PTG Logistics Co., Ltd.
13. Other legal entities to be established as subsidiaries or joint ventures of PTG Energy Public Company Limited in the future.

### 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 at least 1 time per quarter or appropriate duration. 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.

### Anti-Corruption Measures

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 or other appropriate channels, 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](http://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.

In addition, the Board of Directors' meeting no.7/2014 was held on 28 October 2014, the Board approved Pol. Gen. Soonthorn Saikwan to sign in the manifestation of Collective Action Coalition Against Corruption in Private Sector of Thailand.

In this regard, PTG Energy Public Company Limited was approved to as a member of Collective Action Coalition on 10 July 2015. In 2015, the Company provided training on Anti-Corruption to the employees of the Company group for a total of 6 times and promoted Anti-Corruption policy on the Company's Moodle system and the Company's website at [www.ptgenergy.co.th/investorrelations/goodcorporategovernance](http://www.ptgenergy.co.th/investorrelations/goodcorporategovernance).

# Corporate Social Responsibility

## Corporate Social Responsibility

The Company has defined its vision of “PT, the nation’s leading full-service energy company” and its three main missions as follows:

1. To create the utmost satisfaction for all partners, employees, and consumers;
2. To manage with professionalism and continuously improving services to generate revenue for and add value to the organization and all partners;
3. To be responsible and supportive of activities beneficial to the society and the environment.

In addition, the Company is determined to grow steadily by conducting its business with sustainability. Beside focusing on just the business growth itself, the Company is also emphatic about all its stakeholders as well as adhering to all rules and regulations together with social development and environmental stewardship. These are key elements contributing to sustainable organizational development. In this regard, the Company has carried out many activities related to Corporate Social Responsibility as follows,

## Responsibility to Customers

### Maximum Quality with Every Liter

Creating the highest level of satisfaction for the customers is one of the Company’s missions. This includes forging a long-lasting relationship with the customers. The Company is determined to provide premium quality products and high standard services by meeting the needs of each target group. Thus, all petroleum products sold at PT service stations only come from a refinery with the highest standard.

### Fuel Quality Inspection

The Company has a dedicated Quality Control Department, working at a fuel testing laboratory at 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 tanker all the way to the PT stations. In this regard, the Company has dispatched testing staff from the fuel oil testing laboratory to inspect fuel quality at its stations, using a mobile lab equipped with mandatory fuel testing equipment, to collect random samples during various processes as specified by the Company’s guidelines for further testing at the fuel testing laboratory. Thus, the testing laboratory staff can perform on-site quality tests at all PT stations without prior notice. This will ensure that PT customers will receive highest quality fuel that meets the Company’s standards.

### Full-liter Petrol Station

All of the Company’s petrol stations have been registered as part of the “full-liter petrol station program” conducted by the Department of Internal Trade, Ministry of Commerce, to uphold customers’ benefits as set out by Measurement Act of 1999 and to ensure that its customers receive full amount of petrol purchased through PT stations.

## Fair Treatment of Employees

Fully aware that all employees are crucial to corporate operations, the Company has a policy to treat employees equitably and fairly. Thus, employees’ appointment, transfer, remunerations and fringe benefits, as well as disciplinary actions shall be fair, transparent, and appropriate and justifiable. In addition, the Company is emphatic about employing individuals with disabilities as well as plans to open up some areas for beneficial use in the future.

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 providing scholarship for employees seeking knowledge and skills development outside the Company, which is geared toward continuous improvement of the Company. The Company also urges employees to provide

feedbacks and suggestions internally for improvement within each department. As for new employees, the Company also provides mentoring system in which the seasoned veterans will mentor the rookies.

In addition, the Company has delegated the Department of Employee Relations and Communications to maintain Employer-Employee relations, which leads to satisfactory productivity, motivation, and morale, by introducing some helpful tools created by Thailand Health Promotion Foundation, with the belief that happy employees equal higher productivity. In 2015, the Company supported various activities, including employees' fitness conditioning by renting out sports facilities, such as Badminton courts, for employees to use after work free of charge. The Company also held an annual sports day, encouraged participation in sports league, arranged for annual health check-up with more stringent inspections for those prone to higher risks, e.g. employees working with fuel and chemicals.



### Anti-Corruption

The Company was approved to become a member of Collective Action Coalition (CAC) on 10 July, 2015. In this regard, Directors, Executives, and all levels of employees within the Company are prohibited from engaging in or accepting any kind of fraud and corruption under any circumstances, and are required to strictly comply with the Anti-Corruption Policy. In addition, the Company also provided training on Anti-Corruption to its employees as well as promoted its Anti-Corruption policy on the Company's Moodle system and the Company's website. The Company arranged to have channels in which leads on fraud and corruption can be reported, 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 enable participation from all stakeholders in overseeing the Company's benefits more effectively. The policy and communication channels are disclosed on the Company's website at [www.ptgenergy.co.th](http://www.ptgenergy.co.th) under "Corporate Governance."

### Safety and Environment Responsibility

Realizing the utmost importance of safety and environmental impact, the Company strictly adheres to the requirements by law. 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. In this regard, the Company has created Operation Manual and Incident Prevention Manual as well as provided emergency response training for employees and other related parties via joint activities arranged through relevant agencies in order to ensure continuous transfer of emergency rescue knowledge related to petroleum products.

Through its previous operations, the Company has been certified by official entities related to the industry and the environment, as well as received numerous certifications for its service stations, safety, and environment. This includes the honorary Safe Workplace Project by her Her Royal Highness Princess Maha Chakri Sirindhorn, as well as for its participation in the White Workplace program created by the Department of Welfare and Labor Protection, and for becoming 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. The Company also regularly rehearsed its pollution mitigation action plan around its jetty at Mae Klong and Chumphon Tank Farms.

In addition, six (6) of the Company's tank farms have been certified for their quality management system under ISO 9001:2008 for receiving, storage, and distribution of fuel within the tank farm. In the meantime, three (3) other tank farms are under preparation for the certification process. Moreover, the Company also placed emphasis on road safety, especially during the holidays. Therefore, the Company has joined a road safety campaign with Nakhon Ratchasima Highway District 2 by providing travelers with refreshments along the highway near Lumtakong Km 85 in order to promote its continuous dedication to safety and environmental standards.



The Company also recognized the importance of energy efficiency. Thus, it entered into a joint venture investment of a full-circuit palm complex, which utilizes palm products to manufacture biodiesel additive in diesel fuel in order to reduce crude oil import from other countries as well as to support local palm growers in the country.

The Company has implemented other energy saving policy, including a switchover to LED lightbulbs from conventional bulbs so as to reduce electricity consumption, as well as setting air-conditioning system thermostat at appropriate temperatures.

### **Society and Community Development**

**Job Opportunity and Skill Development for the Community**  
The Company has continuously expanded its stations throughout the country. Its expansion target is to cover all the areas with 1-District-1-Station concept. In this regard, the Company placed great emphasis on hiring from the local area, so that prospective employees would have unparalleled understanding and provide appropriate care toward the local customers. At the end of 2015, the Company has employed 7,732 people of which 6,154 (80% of total employees) were from their respective local areas.





The Human Resources Department had set up hiring booths in various areas to provide more convenience for applicants. In addition, the Company also planned to promote local job opportunities by encouraging local SMEs in each area to set up shops and conduct their business at PT service stations. This is to enhance the potential in local entrepreneurs and to enhance economic growth within the communities.

## Education Development and Communities Relations

### 1. “PT Fills the Country with Jobs” project

The project has established in 2013, driven by the Company’s belief that having vocational knowledge can help people find jobs and advance in their career. In this regard, PT has supported “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 to build their career and to become upstanding 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 4 years in a row through various funding schemes as follows:

#### 1st Project (2013)

“Phra Dabos School and Phra Dabos on Tour Project,” PT supports the activities of 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 service stations throughout Thailand to set up their 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 areas all over Thailand.

In 2015, the Company continued “PT Fills the Country with Jobs: Year 3”. 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 satang per 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 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. “PT Volunteer” Project

The Company has always supported and contributed to community development activities in order to improvement the livelihood of those living in remote areas surrounding PT tank farms and service stations all throughout the country. PT employees’ participation was also encouraged to raise awareness and induce personal sacrifice toward public benefit. In 2015, the Company’s activities included:

“PT comes together and shares happiness with children in remote areas” activity was held at Piang Luang 3 School (Baan Muang E-Tong), Pra Taat Bo-ong Branch Classroom in Pee Lock Sub-District, Thong Pa Poom District, Kanchanaburi Province. The Company joined the Match Group, a working body for children and youth development, in their project to enhance the quality of life and share happiness for students in remote areas. This particular event was arranged on National Children’s Day, which included recreational activities and friendly sports competition and concluded with the Company awarding scholarship and stationery to the youth in the community.

“Holding hands with good people, PT takes you to the temple” activity was held at Huay Li Temple in Taling Sub-District, Muang District, Saraburi Province. A group of employees from the corporate office joined together with

Saraburi Tank Farm staff to help clean the temple and its areas to raise employees’ awareness in upholding the Buddhist’s religious values and to prepare the temple for conducting religious activities as well as ordination ceremony later on the Buddhist holy day.

“PT coral care, cultivates Thai eco system“ activity was held at the Marine Science Foundation in Samaesarn Sub-District, Sattahip District, Chonburi Province by a group employees from PTG Energy Group to revitalize coastal ecological system and return fertility to Thai ocean. This activity was aimed at promoting scientific knowledge and conservation methods conducted on-site through a field trip study about natural and marine conservation. This marine study activity was conducted through skin diving or riding glass-bottom boat, and natural resources conservation, e.g. planning coral reefs, releasing aquatic animals into the ocean, and visiting coastal fishery.

“PT cares about the elderly: Year 2” activity was held at Baan Kao Bor Kaew Nursing Home for the elderly, located in Nikom Kao Bor Kaew Sub-District, Nakorn Sawan Province, to give consolation and provide both physical and mental care to the elderly at the Nursing Home. This also encouraged PT’s employees to recognize the values and dignity of the elderly as well as the importance of family institution, which would help reduce the social problems resulting from negligence of the elderly.

“116 days, knitting wool to keep you warm” activity was held at Piang Luang 16 School, Baan Pitak Thai Classroom Branch in Tub Tao Sub-District, Chiang Rai Province, for knitting wool hats and scarfs for those affected by the cold climate in the remote areas. The activity took place starting on Mother’s Day and lasted until Father’s Day. The knitted items were donated to children and adults at Piang Luang 16 School. Recreational activities were also held; learning stationery, sports equipment, and scholarship were also awarded to the school to support its luncheon program for its students.

# Related Party Transactions

## Summary of Related Transactions between the Company and Persons with Potential Conflicts to Interest in 2014 and 2015

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 Conflicts of Interest	Relationship*
<p>1) P&amp;C Petroleum Co., Ltd. ("P&amp;C")</p> <p>P&amp;C registered its incorporation on 18 June 1993 to operate fuel retailing and wholesaling businesses. P&amp;C is one of the Company's dealers and jobber, buying or selling fuels with the Company.</p>	<ul style="list-style-type: none"> <li>- P&amp;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"> <li>• Mrs. Chatkaew Gajaseni (the Company's director), 20.92% of the issued and paid-up capital as of 31 December 2015;</li> <li>• Closed relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajaseni, 65.39% of the issued and paid-up capital as of 31 December 2015.</li> </ul> </li> <li>- The Company and P&amp;C have 1 joint director namely: Mrs. Chatkaew Gajaseni, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President &amp; Chief Executive Officer) and holds 2.04% of the Company's issued and paid-up capital.</li> </ul>
<p>2) KTP Petroleum Co., Ltd. ("KTP")</p> <p>KTP registered its incorporation on 5 September 1996 to operate fuel wholesaling business. KTP is a jobber buying and selling fuels with the Company.</p>	<ul style="list-style-type: none"> <li>- 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"> <li>• Mrs. Chatkaew Gajaseni (the Company's director), 15.70% of the issued and paid-up capital as of 31 December 2015;</li> <li>• Close relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajaseni, 49.05% of the issued and paid-up capital as of 31 December 2015;</li> <li>• P&amp;C, 25.00% of the issued and paid-up capital as of 31 December 2015.</li> </ul> </li> <li>- The Company and KTP have 1 joint director namely: Mrs. Chatkaew Gajaseni, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President &amp; Chief Executive Officer) and holds 2.04% of the Company's issued and paid-up capital.</li> </ul>
<p>3) Pubadin Co., Ltd. ("Pubadin")</p> <p>Pubadin registered its incorporation on 25 September 1992 to operate petrol station business. Pubadin is one of the Company's dealers.</p>	<ul style="list-style-type: none"> <li>- 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"> <li>• Mrs. Lertlak Nadtasomboon (the Company's director), 65.00% of the issued and paid-up capital as of 31 December 2015.</li> </ul> </li> <li>- 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.</li> </ul>



Person with Potential Conflicts of Interest	Relationship*
<p>4) Sansaran-Jai Co., Ltd. ("Sansaran-Jai") Sansaran-Jai registered its incorporation on 23 May 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"> <li>• Mrs. Natee (formerly "Natsarun") Ratchakitprakarn, a major shareholder of Sansaran-Jai (holding 25.00% of the issued and paid-up capital as of 31 December 2015), is Mr. Phiphat Ratchakitprakarn's spouse;</li> <li>• Mrs. Busakorn Anasuwana (formerly Trongsuesat), the director and a major shareholder of Sansaran-Jai (holding 36.67% of the issued and paid-up capital as of 31 December 2015), is a sister-in-law of Mr. Phiphat Ratchakitprakarn;</li> <li>• 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 as of 31 December 2015).</li> </ul>
<p>5) RD Kasetpattana Co., Ltd. ("RD") RD registered its incorporation on 5 April 2005 to operate palm cultivation and distribution business.</p>	<p>- RD is related to the Company for its directors and shareholders are related to the Company as follows:</p> <ul style="list-style-type: none"> <li>• Mr. Pitak Ratchakitprakarn is a director of the Company, holding 7.78% of the Company's share and holding 16.00% of RD share as of 31 December 2015;</li> <li>• Mrs. Chatkaew Gajasen is a director of the Company, holding 2.04% of the Company's share and is a director of the Company RD, holding 16.00% of RD share as of 31 December 2015.</li> </ul> <p>Notes: Ratchakitprakarn Family holds 33.66% of the Company's shares, Ratchakitprakarn Family directly and indirectly holds 100% of RD shares</p>
<p>6) A.M.A. Logistics Co., Ltd ("AMAL") AMAL registered its incorporation on 10 July 2014 to operate liquid products transportation service by tank truck.</p>	<p>- AMAL is a subsidiaries of AMA Marine Co., Ltd., which is a connected party of the Company, having a major shareholder and directors who are a close relative of directors and managements of the Company as follows;</p> <ul style="list-style-type: none"> <li>• Ratchakitprakarn Family</li> <li>• Gajasen Family</li> <li>• Phiboonthammasak Family</li> <li>• Pooshutvanitshakul Family</li> </ul>
<p>7) CK Five Trading Co., Ltd. ("CK5") CK registered its incorporation on 29 September 1993 to operate fuel retailing and wholesaling businesses.</p>	<p>- CK5 is related to the Company for its directors and shareholders are related to the Company as follows:</p> <ul style="list-style-type: none"> <li>• Mrs. Chatkaew Gajasen, Managing Director of CK5, holds 28.00% of the issued and paid-up capital as of 31 December 2015;</li> </ul> <p>- The Company and P&amp;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 &amp; Chief Executive Officer) and holds 2.04% of the Company's issued and paid-up capital.</p>
<p>8) Accele Logistic Co., Ltd. ("AL") AL registered its incorporation on 8 September 2014 to operate fuel liquid products transportation service by road.</p>	<p>- AL is related to the Company as the Company's directors are major shareholders in AL and close relatives of the Company's directors are the director of AL;</p> <ul style="list-style-type: none"> <li>• Mrs. Chatkaew Gajasen, the Company's director who holds 2.04% of the Company's issued and paid-up capital) and holds 23.00% of AL's issued and paid-up capital as of 31 December 2015;</li> <li>• Close relative of Mrs. Chatkaew Gajasen and Mr. Pitak Ratchakitprakarn holds 100.00% of AL's issued and paid-up capital as of 31 December 2015.</li> </ul>

Note : \*Shareholding in the Company is the proportion as of 31 December 2015

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
1. P&C Petroleum Co., Ltd. ("P&C")	Revenue from sales of goods	204.21	115.57	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.
	• By the Company	204.21	1.32	
	• By subsidiaries – The Company sells fuels wholesale to P&C, which is the Company's dealer.	-	114.25	
	Revenue from asset rental and other services	-	0.001	The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the service fee for renting EDC and other trading conditions given to P&C are set based on the same principles as to other dealers.
	• By the Company	-	0.001	
	• By subsidiaries	-	-	
	Revenue from promotional activities	1.06	0.001	The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	• By the Company	1.06	0.001	
	• By subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Other revenues			
	• By the Company	0.004	0.001	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide.
	• By subsidiaries	-	-	The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to P&C, and other trading conditions are set based on the same principles as to other dealers.
	Trade account receivable	1.74	1.04	- 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.
	• The Company	1.74	0.40	
	• Subsidiaries	-	0.64	
	- 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.			
	Cost of goods purchased	1,795.89	956.60	- 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 approximate to the trading conditions and wholesale prices offered by other jobbers in such area.
	• The Company	588.16	0.75	
	• Subsidiaries	1,207.73	955.85	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Trade account payable	19.30	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.
	• The Company	6.79	-	
	• Subsidiaries	12.51	19.08	
	- 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.			
2. KTP Petroleum Co., Ltd. ("KTP")	Revenue from sales of goods	39.23	33.26	- 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.
	• The Company	35.39	0.26	
	• Subsidiaries	3.84	33.00	
	- The Company sells fuels wholesale to KTP, which is the Company's dealer.			
	Income from asset rental and other services	-	0.001	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the renting EDC fee and other trading conditions given to KTP are set based on the same principles as to other dealers.
	• By the Company	-	0.001	
	• By the subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction	
		2015	2014		
	Revenue from promotional activities	0.20	0.001	-	The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	• By the Company	0.20	0.001		
	• By subsidiaries	-	-		
	Other revenues	0.001	-	-	The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to KTP, and other trading conditions are set based on the same principles as to other dealers.
	• By the Company	0.001	-		
	• By subsidiaries	-	-		
	Other revenues	0.27	0.19	-	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.
	• By the Company	0.27	0.06		
	• By subsidiaries	-	0.13		
	- KTP is liable for trade account payable incurred from fuel purchase from the Company under the payment terms agreed between the Company and KTP.				

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Cost of goods purchased	82.12	25.07	<ul style="list-style-type: none"> <li>- 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 terms are agreed between the Company and KTP, which are approximate to the trading conditions and wholesale prices offered by other jobbers in such area.</li> </ul>
	<ul style="list-style-type: none"> <li>• The Company</li> <li>• Subsidiaries               <ul style="list-style-type: none"> <li>- 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.</li> </ul> </li> </ul>	0.03	-	
		82.09	25.07	
3. Pubadin Co., Ltd. ("Pubadin")	Revenue from sales of goods	128.72	171.09	<ul style="list-style-type: none"> <li>- Fuel sales to Pubadin is conducted in a normal course of business operation of the Company in which the Company sells fuel whole-sale 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• By the Company</li> <li>• By subsidiaries               <ul style="list-style-type: none"> <li>- The Company and subsidiaries sell fuels wholesale to Pubadin, which is the Company's dealer.</li> </ul> </li> </ul>	128.72	171.09	
		-	-	



Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Revenue from asset rental	0.72	0.72	- The Company agrees to rent out one service to Pubadin to operate its business by stipulating that Pubadin must become one 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.
	<ul style="list-style-type: none"><li>By the Company</li><li>By subsidiaries<ul style="list-style-type: none"><li>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 and renting out spaces for business operations)</li></ul></li></ul>	0.72	0.72	
	Revenue from Transportation	0.68	0.69	- 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.
	<ul style="list-style-type: none"><li>By the Company</li><li>By subsidiaries<ul style="list-style-type: none"><li>The Company charges Pubadin transport and loading/unloading fees for each delivery of fuels to Pubadin.</li></ul></li></ul>	0.68	0.69	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Revenue from promotional activities	0.11	-	<p>The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.</p>
	• By the Company	0.11	-	
	• By subsidiaries	-	-	
	Other revenues	0.001	-	<p>The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to Pubadin, and other trading conditions are set based on the same principles as to other dealers.</p>
	• The Company	0.001	-	
	• Subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Land Rental Cost			
	• The Company	0.06	-	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, rent Pubadin space in its petrol station under PT brand to operate Punthai coffee shop. In this regard, the rental fee and conditions are set based on the agreement between the Company and Pubadin, are considered from the cost occurred.
	• Subsidiaries	-	-	
		0.06	-	
	Electricity Cost			
	• The Company	0.06	-	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, used the utility services in DODO stations (under PT brand which managed by Pubadin) to operate Punthai coffee shop. In this regard, the rate of utilities and conditions are set based on the agreement between the Company and Pubadin, and considered from the cost occurred.
	• Subsidiaries	-	-	
		0.06	-	
	Trade Account Receivable	5.11	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 which is conducted in a normal course of business.
	• The Company	5.11	4.32	
	• 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.			

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Accrued Revenue (Rents)	-	-	-
	• By the Company	-	-	-
	• Subsidiaries	-	-	-
				- Accrued revenue was from renting the land out. The Company sets a payment term with Pubadin based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record.
				-
				- As of 31 December 2015 and 31 December 2014, the Company did not have any accrued rent from Pubadin.
	Other Trade Account Payable (Accrued Expenses)	0.01	0.06	-
	• By the Company	-	-	-
4. Sansaran-Jai Co., Ltd. ("Sansaran-Jai")	• Subsidiaries	0.01	0.06	- Other trade account payable was the rental and utility expenses for Punthai Coffee Co., Ltd, a subsidiary of the Company. The payment term is conducted in a normal course of business which the Company have received from renting and using utilities as to other parties.
	Employee training expenses	-	0.58	-
	• The Company	-	0.06	- 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.
	• Subsidiaries	-	0.52	-
	- The Company pays Sansaran-Jai for accommodations, food and beverages for the Company's employees attending training courses.			- 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
	Land Rental Fee	-	0.04	-
	• By the Company	-	0.04	- The Company leases the space for fire training to train the staff for emergency prevention at petrol stations and depots. The rental fee and conditions are set based on the agreement between the Company and Sansaran-Jai.
	• Subsidiaries	-	-	-

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Other Expenses	-	0.002	- According to the staff training course, the subsidiaries have reserved rooms at Sansaran-Jai Resort. By the way, the service fee, foods and beverages are charged at the same rate as others.
	• By the Company	-	0.002	
	• Subsidiaries	-	-	
	Trade account payable	-	-	- The training expenses, rental fees, and other fees of subsidiaries
	• The Company	-	-	are under the payment conditions between the subsidiaries and
	• Subsidiaries	-	-	Sansaran-Jai.
	- The Company is liable for trade account payable incurred from receiving services from Sansaran-Jai according to an agreement with Sansaran-Jai.			
5. RD Kasetpattana Co., Ltd. ("RD")	Revenue from sales of goods	2.16	11.19	- Fuel sales to R&D is conducted in a normal course of business
	• The Company	-	-	operation of the Company in which the Subsidiaries sell fuel retail
	• Subsidiaries	2.16	11.19	to R&D for use in its operations. In this regard, the price and trading
	- Subsidiaries sells fuel retail to RD for use in operations.			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	0.06	0.13	- The Company grants RD a credit line based on such factors as
	• The Company	-	-	nature of business, financial status, operating performance,
	• Subsidiaries	0.06	0.13	duration as the Company's customer and payment record. The term of payment is conducted in a normal course of business.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
6. A.M.A. Logistics Co., Ltd ("AMAL")	Revenue from sales of goods	30.37	-	- Fuel sale to AMAL is conducted in a normal course of business. The Company sells fuels to AMAL, one of its customers, at a daily quantity ordered by AMAL at the price and under the trading conditions specified in the Appointment Agreement between the Company and AMAL. The price and trading conditions given to AMAL are set based on the same principles as to other transport customers.
	• The Company	-	-	
	• Subsidiaries	30.37	-	
	Trade Account Receivable	3.54	-	- The Company grants AMAL 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.
	• The Company	-	-	
	• Subsidiaries	3.54	-	
	Cost of Transportation (Petroleum Products)	113.13	-	- The Company hires AMAL to service petroleum transportation, between refinery and depots, as a normal course of the Company's business. The service fee is charged in line with the market rate.
	• The Company	113.13	-	
	• Subsidiaries	-	-	
	Trade Account Payable (Accrued Expenses)	6.85	-	- The Company receives a credit line from AMAL for fuel transportation service based on the payment term in a normal course of business that AMAL gives to its clients.
	• The Company	6.85	-	
	• Subsidiaries	-	-	
	- The Company is liable for trade account payable incurred from receiving services from AMAL according to an agreement with AMAL.			



Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
7. CK Five Trading Co., Ltd. ("CK5")	Income from sales of goods	50.07	-	- Fuel sale to CK5 is conducted in a normal course of business. The Company sells fuels wholesale to CK5, one of its dealers, in a daily quantity ordered by CK5 at the price and under the trading conditions specified in the Petroleum Dealer Appointment Agreement between the Company and CK5. The price and trading conditions given to CK5 are set based on the same principles as to other dealers.
	• The Company	50.07	-	
	• Subsidiaries	-	-	
	- The Company sells fuels wholesale to CK5, which is the Company's dealer.			
	Revenue from promotional activities	0.19	-	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	• The Company	0.19	-	
	• Subsidiaries	-	-	
	Other revenues	0.002	-	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC and trading condition are set based on the same principles as to other dealers.
	• The Company	0.002	-	
	• Subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2015	2014	
	Trade Account Receivable	2.08	-	- The Company grants RD 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 conducted in a normal course of business.
	• The Company	2.08	-	
	• Subsidiaries	-	-	
	- CK5 is liable for trade account payable incurred from fuel purchase from the Company under the payment terms followed a normal course of business.			
8. Accele Logistic Co., Ltd. ("AL")	Other revenues	0.22	-	- The Company buys fuel tanker trucks for the capacity of 45,000 liters and gradually sells fuel tanker trucks that has a longer service lifetime and lesser capacity, such as a 30,000-liter tanker truck. During the year of 2015, the Company sold fuel tanker trucks, capacity of 30,000 liters, to AL at the market price.
	• The Company	0.22	-	
	• Subsidiaries	-	-	
	- Gain on assets sold (Tank Trucks)			

Note : The transaction mentioned above is a normal business transaction and/or supporting business transaction which had been reviewed by the Audit Committee. The Company prepared a summary of related transaction report to present to the Audit Committee and the Board of Directors on a quarterly basis.

## The Procedures for Related Party Transaction Approval

According to the Board of Directors' resolutions No. 10/2555 on 26 November 2012 stating that in the case that the Company enters into the related party transaction with a person, who may have a conflict of interest, and related person, the Company has to follow the regulations of the Securities and Exchange Commission, rules, announcement, and orders from Capital Market Commission, the Stock Exchange of Thailand, and related partners, and appoint the Audit Committee to address the comments of transaction reasonableness, as well as the price and trading conditions of the transactions before submitting to the Board of Directors and/or the meeting of the shareholders. The stakeholders will not be able to participate in that transaction approval process. In addition, the Company and its subsidiaries can enter into a related party transaction, e.g. purchase or selling of goods, and/or receive or provide service, and/or entering into any transactions involving a normal course of business with Directors, Executives, and/or related party in the future. Therefore, the Board of Directors has set the policy for the Executive Directors to approve the transactions as follows:

1. The trading agreement is reasonable and would be conducted in the same situation with the bargaining power without the individual influence in the status as the Directors, Executives, or related person or

- (a) The transaction that the Company and/or subsidiaries purchase or sell goods or receive or provide services to other partners besides the Directors, the Executives, and/or the related person, or buyer or seller or providing services in the market. The products and services must have standard characteristics and prices, or the Company can find data regarding the products and services using the same standard in comparison with the transactions with Directors, Executives, and/or related person, and

- (b) The transaction that has price and trading conditions and other agreements similar to the Company's transactions and/or subsidiaries' transactions made with other entities.

The Company will prepare a related party transaction report to present to the Audit Committee and the Board of Directors on a quarterly basis.

## Policy or the trend of related party transaction in the future

The transactions, which may occur in the future, must be reviewed by the Audit Committee and/or the Board of Directors regarding the reason(s) for the transaction, prices, terms and conditions of the transaction according to a normal course of business practice. The Board of Directors must ensure that the company adheres to the rules and regulations of the Securities and Exchange Commission, rules, announcement, orders, or requirements of the Capital Market Supervisory Board, the Stock Exchange of Thailand, and related agencies. The Company must comply with the requirements of related party transactions disclosure, and/or the acquisition or disposition of assets of the Company or its subsidiaries, or associated companies including compliance with accounting standards as defined by the Federation of Accounting Professions.

If there is a connected transaction of the Company and its subsidiaries with a person who might have conflict of interests in the future, the Company will have the Audit Committee provide suggestion on the necessity of the transaction and the reasonable price for those transactions by considering the conditions, which must follow its normal business practices in the marketplace and must compare the price with other parties. In the case that the Audit Committee has no expertise in the transactions, the company must have an independent expert or an auditor of the Company comment on the transaction in order to implement the resolution from the Audit Committee and/or the Board of Directors and/or shareholders. In addition, the Company may disclose the related party transaction in the notes to the financial statements, which have been audited by the auditors of the Company, annual information discloser report (Form 56-1), and the annual report.

The Company has transactions with companies in the group and/or connected persons in a manner to carry out normal course of business and to support normal business and the provision of financial assistance or receiving financial assistance. This can be summarized as follows:

1. Buying or selling of fuel between the Company and persons who may have a conflict, or connected persons, in which the transaction is a normal business of the Company and its subsidiaries. The price and trading conditions or other agreements have the same characteristics, which are being sold to other entities or received from other oil traders.

2. Transportation services transaction and unloading of fuel between the Company, its subsidiaries, and persons who may have a conflict, or connected persons, which support a normal business operation of the Company and its subsidiaries. The costs and trading conditions or other terms are similar to those of other transportation costs. The cost of services must be determined by taking into account the cost of providing the service and reasonable profit rate.

3. Providing services and/or obtaining services related to the business operations among the Company, its subsidiaries and persons who may have

a conflict of interests, or connected persons which support a normal business transaction. The cost of services and trading conditions or other agreements are similar to those received and paid to other parties.

4. Rental or property lease, which is utilized in operations among the Company, its subsidiaries, and persons who may have a conflict of interests, which support a normal business operation. Rental price determination must take into account the cost of acquisition and the market price. The rental agreement and lease contract must be clearly identified and comparable with the rest of the industry.

5. Loans and inter-company loans among the Company and its subsidiaries must align with the liquidity management policy within the Company Group. In this regard, the interest on the aforementioned loans must be in line with the financial costs of the PTG group, which are issued by financial institutions.



# MANAGEMENT DISCUSSION AND ANALYSIS









# Management Discussion and Analysis

## 1. Management Discussion and Analysis 2015

PTG Energy PLC (“the Company”) continues to grow in order to add value to the organization. The Company remains the leader in the expansion of quality service stations nationwide. At the end of 2015, the Company ranks second in the number of service stations operating in Thailand with 1,150 service stations. Approximately 88% of total sales volume, an increase from 83% last year, was from retail channel in which the Company has been focusing on. In addition, the Company opened 21 LPG stations, which are standard and modernized with greater services to serve LPG users. Moreover, with PT Max Card, members can collect reward points by filling up with both petroleum and LPG products. Currently, there are 3.8 million PT Max Card members, more than the Company’s forecasted figure of 3.7 million members.

Continuous expansion in the number of service stations, combined with the drop in retail oil price from last year, resulted in higher fuel consumption, especially Benzene and Gasohol products. In year 2015, the Company had a total sales volume of 2,237 million liters, up by 21% YoY, slightly higher than Company’s forecast of 20% growth. Currently the Company’s sales volume mix between Diesel and Benzene is 74% and 26% respectively. The percentage of Benzene products sold increased by 34% from last year. This indicates that more passenger cars are starting to be aware and confident of the PT brand.

Due to a continuous drop in the oil price since the beginning of the year 2015, the revenue from sales and services decreased slightly by 2.6% YoY. However, because of effective supply chain management and the Government’s

policy in the restructuring of petroleum price structure, a higher gross profit of Baht 3,954 million, up by 29% YoY, was resulted. EBITDA was Baht 1,718 million, up by 33.1% YoY, in accordance with to the Company’s forecast. Moreover, net profit was Baht 651 million, up by 33.7% YoY. The Company’s earnings per share in 2015 was 0.39 Baht per share, up from 0.29 baht per share last year.

## Operating Performance Analysis

### Revenue from sales and services

In 2015, the Company’s revenue from sales and services was Baht 53,678 million which was attributed mainly to the oil business through fuel retailing under PT brand. However, due to the oil price fluctuation, the price of petroleum product decreased by 20% YoY. However, because of the increase in sales volume by 386 million liters, up by 21% YoY, a total of 2,237 million liters sold, resulted in just a slight decrease in revenue from sales and services by 3% YoY. The revenue from sales and services can be further segregated as follows:

- **Revenue from sales** was Baht 53,631 million, down by Baht 1,433 million or 3% YoY. The sales revenue accounted for 99.91% 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 sales of other products
- **Revenue from fuel sales** was Baht 53,212 million, down by Baht 1,502 million or 3% YoY which was due to the oil price fluctuation. Revenue from fuel sales, which is the main source of income, accounted for 99.22% of the sales revenue which also includes the sales of retail LPG which was introduced in year 2015. Moreover, the sales revenue can be distributed by the following sales channels.

Income through each sales channel	2013		2014		2015	
	MB	%	MB	%	MB	%
1. Revenue from fuel retailing through the Company's service stations (COCO stations)	29,284	61	38,507	70	40,476	76
2. Revenue from wholesaling to the Company's dealers (DODO stations)	7,463	16	7,513	14	6,828	13
3. Revenue from fuel wholesaling to other fuel traders and industrial operators	10,697	22	8,695	16	5,865	11
4. Revenue from fuel retailing through the Company's LPG stations (COCO stations)	-	-	-	-	43	0
Total revenue from fuel sales	47,444	100	54,715	100	53,212	100

The Company's revenue through the retail channel grows continuously. In year 2013, the Company retail fuel sales accounts for 77% of total fuel sales. In year 2015, this figure is at 89% of total fuel sales, which is in accordance with the Company's forecast where sales through the retail channel is prioritized. Moreover, in year 2015, the Company started to introduce 21 retail LPG stations through the Company's service stations ("COCO stations").

The revenue from sales of retail fuel sales and LPG sales is forecasted to increase continuously, especially though the Company's service stations COCO which the Company continues to increase. At the end of year 2015, the Company has a total of 936 COCO stations, up by 193 stations and 385 stations from 2014 and 2013, respectively.

The Company's revenue from fuel wholesaling through its dealers' stations ("DODO stations") declined due to the oil price fluctuation while sales volume continues to increase. By keeping this in mind, DODO station owners will be screened and receive appropriate training so to be able to keep provide quality service which is up to PT's standards

The Company's revenue from fuel wholesaling to other fuel traders and industrial operators is forecasted to decline due to price competition among fuel traders causing the gross profit margin to be quite low. However, the Company still continues to whole sale fuel to other fuel traders as long as the price remains within suitable trading range for both parties.

- **Revenue from sales of other products** was Baht 419 million, up by Baht 69 million, or 20% YoY. 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 service stations and Punthai Coffee Shops, and sales of lubricating oils for various types of engine as well as other products at PT service stations. In any case, the revenue from sales of other products was equal to 0.8% of total revenue from sales in 2015, up by 0.6% YoY. Nevertheless, the Company recognizes the potential in this revenue stream and has various plans to increase this revenue stream through increasing the variety of products which meets the needs of our target customers.

- **Revenue from services** amounted to Baht 46 million, up by Baht 10 million or 29% YoY. In this regard, the Company's revenue is mainly through fuel logistics services for fuel traders which wholesales fuel for other retailers, and industrial operators who do not have tanker trucks but wish to use the Company's services. In any case, the Company provides fuel logistics services to company PTC and other subsidiaries which are fuel traders under Section 10, where the revenue from fuel logistics services according to separate financial statements was Baht 981 million, up by Baht 168 million or 21% YoY.

- **Other revenues** The Company's other revenues amounted to Baht 157 million, up by Baht 11 million or 8% YoY. Significant revenues include revenue from asset rentals and other services consisting of fuel storage for other fuel traders at the Company's tank farms and from space rentals arisen from PTC's renting out spaces at COCO service stations to retail operators, such as coffee shops, restaurants, auto garages, etc., for other business operations. The Company also earned interest income from deposits at financial institutions and revenue from PT Max Card members who redeemed points.

### Cost of sales of goods and services

The Company's cost of sales of goods and services amounted to Baht 49,724 million, down by Baht 2,313 million or 4% YoY. The main contributing factor is from the decline in oil price. In this regard, the cost of sales of goods and services is made up of services as follow:

- **Cost of sales of goods** was Baht 49,698 million, down by Baht 2,319 million or 4% YoY. The cost of the sales of goods and services constitutes the main cost driver in the Company, and in this regard it can 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 Baht 49,348 million, down by Baht 2,359 million or 5% YoY. The cost of sales of fuel is still considered the main cost driver, accounting for Baht 49,312 million or 99.93% 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 fuel traders for further distribution in its fuel retailing and wholesaling business. Moreover, in year 2015 the Company has cost of sales of LPG which amounted to Baht 36 million or 0.07% of the total cost of sales for fuel. The Company will continue to increase in the number of service stations which will increase the cost of sales of fuel which will continue to increase with higher fuel sales volume in the future
- **Cost of sales of other products** amounted to Baht 350 million, up by Baht 41 million or 13% YoY. The main cost driver in the cost of sales of other products is from cost of products sold in convenience

stores at the Company's service stations. This amounts to 67% of the total cost of sales of other products, where another major cost driver in the cost of sales of other products is from the cost of lubricating oils for various types of engine and other automobile supplies. This amounts to 33% of the total cost of sales of other products. In any case, the cost of sales of other products will continue to increase with the increase of variety of products introduced.

- **Cost of services** was Baht 26 million, up by Baht 6 million or 30% YoY. The cost of services is made up of 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 statement, increase in line with an increase in services rendered to other outside parties. The Company's cost of fuel logistics services, according to the separate financial statements amounted to Baht 546 million, up by Baht 97 million or 21% YoY. This cost has a tendency to increase in line with the growth in fuel retailing and wholesaling businesses the Company provides. Nevertheless, with effective management of logistics system and Company Owned Company Operated (COCO) stations, the Company had more flexibility in effectively managing fuel stock.

### Gross profit

The Company's gross profit amounted to Baht 3,954 million, up by Baht 867 million or 28% YoY. The main contributing factor is from the increase in fuel sales and increase in marketing margin especially through the Company's COCO stations, resulting in a gross profit margin of 7.40%, up by 5.60% YoY.

### Selling and administrative expenses

The Company's selling and administrative expenses amounted to Baht 3,249 million, up by Baht 680 million or 27% YoY where the expenses has a tendency to increase with business growth. The Company expects the selling and administrative expenses to continue to grow with the increase in number of service stations, where the main components of the expenses are employee remuneration, amortized rental and leasehold right, depreciation expenses, and advertising and sales promotion expenses.

- **The employee remuneration** amounted to Baht 1,519 million, up by Baht 347 million or 30% YoY. Employee remuneration consists of salary, bonus, welfare benefit, contributions to social security fund, and compensation fund. The main contributing factor is from the increase in the number of employees to accommodate the Company's continuous business expansion in retail fuel sales and other related businesses. This is due to the Company's own supply chain management strategy which resulted in the increase in the number of employees in COCO petrol or LPG station staff and operational support staff within the organization to accommodate the Company's business expansion. In any case, the Company expects employee remuneration to increase with the expansion of the Company.

- **Amortized rentals and leasehold rights** amounted to Baht 492 million, up by Baht 171 million or 53% YoY due to the continuous increase in the number of COCO stations. Moreover, it is the Company's strategy to increase its number of COCO stations through renting service stations which are at favourable locations from proprietors with discontinuing business by signing long-term contracts. With the locations varying from service stations at main roads and secondary roads, in Bangkok or its perimeter provinces, it is also the Company's strategy to familiarize target car users with the PT brand. In any case, the Company has defined policies to control rental fees to be in an acceptable degree while effectively increasing the value of rented service stations.

- **Depreciation expenses** amounted to Baht 336 million, up by Baht 72 million or 27% YoY as a result of the Company's investment in the expansion of service stations and modernization of existing stations in accordance with the Company's strategy. It is also the Company's policy to invest in the ownership of service stations, tanker trucks, and tank farms in order to enable efficient management of supply chain cost where in year 2015 the Company has 936 COCO stations. This resulted in an increase in depreciation expenses in buildings, building renovations and equipments, where the Company believes that the

expenses will result in modernized and quality service stations under the PT brand .

- **Advertising and sales promotion expenses** amounted to Baht 223 million, down by Baht 36 million or 14% YoY, where the Company diversifies its advertising and sales promotion channels to optimize the effectiveness of each channel.

### Financial cost

The Company's financial cost amounted to Baht 45 million, down by Baht 0.8 million or 2% YoY. This is the result of the Company's careful selection of financial instruments to finance in Company's expenses while maintaining a suitable interest rate. The decrease in financial cost is also due to the Company's strategy to hold its investment in the increase in the number of tanker trucks to reflect optimized operation performance.

### Income tax

The Company's paid income tax amounted to Baht 171 million, up by Baht 40 million or 31% YoY. The income tax paid each year tends to increase as earnings before income tax increase year by year.

### Net profit

The Company's net profit amounted to Baht 651 million, up by Baht 164 million or 34% YoY. Net profit per share was 0.39 Baht per share, up from 0.29 Baht per share last year, due to the increase in fuel sales volume, especially through the COCO stations in which the gross profit margin is higher than that of the other sales channels. Coupled with the Company's increase in marketing margin because of the Government's policy in the restructuring of petroleum price structure to reflect real fuel prices, the Company's higher gross profit margin resulted in a net profit margin of 1.2%, up by 0.9% YoY.

### Financial position and significant financial ratios

The Company's reported total asset value amounted to Baht 7,805 million, total liabilities amounted to Baht 3,804 million, and shareholders' equity of Baht 4,001 million, increasing as a result of higher net profit YoY. The details of the Company's financial position analysis are as follow:





## Assets

The Company's reported total asset amounted to Baht 7,805 million, up by Baht 1,209 million or 18% YoY. The main contributing factor to the increase in total asset value is from land, buildings and equipment, prepaid rental and leasehold rights, and trade and other receivables, with details as follow:

- Land, buildings and equipment owned by the Company amounted to Baht 4,608 million, up by Baht 799 million or 21% YoY due to the increase in the number of COCO stations, which is in accordance with the growth target that the Company has set. The land, buildings and equipments includes 936 COCO service stations, 9 tank farms, and 353 tanker trucks to support continuous growth in sales volume and service stations.
- Leasehold rights and rental amounted to Baht 821 million, up by Baht 431 million or 110% YoY due to the Company's emphasis on renting quality service stations with business performance that the Company is confident of, from proprietors with discontinuing business by signing long-term contracts, with the locations varying from service stations at main roads and secondary roads, which is in accordance with the standards that the Company has specified. It is also the Company's strategy to increase the number of service stations in Bangkok or its perimeter provinces through renting to familiarize target car users with the PT brand
- Trade and other receivables amounted to Baht 354 million. This is due the Company going into a joint venture in company PPP Green Complex Limited to manufacture and distribute biodiesel (B100) to blend with diesel for fuel sales in service stations under the PT brand. This is also to promote the Government's policy which emphasizes on renewable energies.

In addition, the Company has decrease the amount of fuel reserve to be in accordance with the Government's policy, and with the decrease in oil prices the Company benefited by having a lesser working capital.

## Liabilities

The Company's reported total liabilities amounted to Baht 3,804 million, up by Baht 807 million or 27% YoY. The main contributing factor to the increase in total liabilities is from trade and other payables, and long-term loans for the expansion of businesses, with details as follow:

- Trade and other payables amounted to Baht 2,152 million, up by Baht 365 million or 20% YoY. The main contributing factor to trade payables arose from fuel purchases from Thai Oil, which increased in line with growing fuel sales volume. The Company expects the trade payables to go up in response to the expansion of fuel retailing and wholesaling business. Currently, the Company utilizes credit line for fuel purchase resulting in higher trade and other payables.
- Long-term loans amounted to Baht 495 million, which is an increase from the previous year. The Company applied for long-term loans from financial institutions for optimizing its capital investments, while emphasizing the importance of sourcing for appropriate source of financing and optimizing its investments within appropriate term periods

## Shareholder's equity

The Company's shareholder's equity (excluding non-controlling interests) amounted to Baht 4,001 million, up by Baht 402 million or 11% YoY. The main contributing factor to the increase in shareholders' equity is from the increase in the net profit. In this case, the Company had issued and paid-up capital of Baht 1,670 million, a share premium of Baht 1,185 million, and accumulated profit of Baht 1,145 million

## Suitability of capital structure

The Company's debt to equity ratio was 0.95 times, up from 0.83 times from the previous year. The Company plans to have its capital investments optimally restructured through application of long-term loans. The Company's interest-bearing debt to equity ratio was 0.36 times, up from 0.29 times from the previous year, which is at a low range which allows the Company to apply for more loans for the expansion of its businesses in the future.



## Liquidity

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

- Cash flow from operations amounted to Baht 2,080 million, up by Baht 641 million or 45% YoY. The Company still has a strong cash flow which continuously improves, with profit before corporate income tax amounted to Baht 822 million, up by Baht 204 million or 33% YoY. This is due to the investment for the expansion of the PT COCO stations and the recognition of the PT brand, resulting in higher sales of fuel, coupled with increasing of marketing margin.

Currently, the Company has an average holding period of 8.08 days, down from 8.81 days from the previous year, in which the Company maintains a relatively low fuel reserve to reduce the risk of fluctuation of fuel prices. Moreover, the Company has its own fleet of tanker trucks which allows flexibility in managing its supply chain. The Company has an average collection period of 0.61 day, down from 0.75 day from the previous year and has an average payment period of 12.17 days, up from 10.24 days from the previous year. This resulted in the Company to have a cash cycle of -3.48 day, up from -0.68 day from the previous year. This considered a very good figure as it indicates that the Company's inventory turnover and collection period is faster than its payment period to fuel traders, resulting in lower working capital reflecting effective management of capital.

- Cash flow from investment amounted to Baht 2,071 million, up by Baht 599 million or 41 % YoY. The Company has used its cash flow in investing activities which includes acquisition of leasehold rights and fixed assets as part of the Company's crucial strategy to expand its COCO stations. Moreover, the Company used cash flow from operation to invest in the joint venture in PPP Green Complex Co., Ltd.
- Cash flow from financing amounted to Baht 28 million, where the Company has short-term loans and loan repayment amounted to Baht 2,250 million and Baht 2,550 million, respectively, arising from fuel purchases as well as from the payment of financial

liabilities related to tanker trucks long-term leasing contracts which amounted to Baht 275 million, from long-term loans for capital investments restructuring which amounted to Baht 641 million, and from dividend payment to the shareholders of the Company which amounted to Baht 251 million.

## Significant financial ratios

### Current ratio

The Company has a current ratio of 0.65 times, down from 0.93 times from the previous year, due to the Company's internal cash flow from its operations to invest in the rapid expansion of service stations. In any case, the Company plans to have its capital investments optimally restructured through application of long-term loans.

### Return on Equity ratio

The Company has a return on equity ratio of 17.13%, up from 14.34% from the previous year. The main contributing factor to the increase in the return on equity ratio is from the increase in net profit, which indicates improvement in the performance of the Company

### Return on asset ratio

The Company has a return on asset ratio of 9.04%, up from 7.77% from the previous year. The increase in the return on asset ratio indicates consistent improvement in the performance of the Company, demonstrating the improvement in efficiency of the Company

### Interest Coverage Ratio

The Company has a interest coverage ratio of 49.98 times, up from 33.64 times from the previous year. The increase in the interest coverage ratio indicates that the Company is capable of paying off all of interest liabilities without affecting its financial liquidity.

### Debt to equity ratio

The Company has a debt to equity ratio of 0.95 times, up from 0.83 times from the previous year, and has an interest-bearing debt to equity ratio was 0.36 times, up from 0.29 times from the previous year, which is at a low range which allows the Company to apply for more loans for the expansion of its businesses in the future. An acceptable range of debt to equity ratio is between 1.0 to 2.0 times.

## Factors and influences possibly affecting operations or financial position in the future

### Marketing margin volatility

The Company has emphasized its investment in the ownership of tank farms in various areas throughout the country in effort to swiftly distribute fuels to customers, in a larger fleet of tanker trucks so that it can transport fuels to tank farms, service stations and delivery points for wholesale customers promptly and punctually, and also distribute fuels to retail customers in each area properly through PT COCO service stations. With investment in 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. Furthermore, with the Company's demand in the increasing of the number of employees to correspond to said fixed assets invested, personnel expenses are thus regarded as crucial selling and administrative expenses as well. These expenses do not vary with amount of fuel sales volume or revenue on fuel sold, thus if there are significantly decreases in fuel sales from the Company and its subsidiaries or if there are

decreases in the revenue due to government's fuel price control measures in the future, the operations of the Company and its subsidiaries might be affected.

Nevertheless, the Company believes that its average fuel sales volume per service station will continue to grow. Previously known only to a specific group of customers, with the modernization, active advertising and the introduction of the PT Max Card to promote sales in service stations, securities listing on the SET and the expansion of service stations in Bangkok and its perimeter provinces, the Company expects the service stations to acquire a wider brand awareness and higher average sales volume. As for risks on marketing margin, the Company believes 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.





## An aerial view of a dense city skyline, likely Tokyo, with numerous high-rise buildings. Overlaid on the image are various financial data points in red and green text, including stock prices and percentages, suggesting a focus on financial markets or real estate. The data points are scattered across the image, with some appearing in the foreground and others in the background. The overall scene is a mix of urban architecture and financial information.





# 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 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 2015, 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 2015, 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)

Certified Public Accountant (Thailand) No. 4599

PricewaterhouseCoopers ABAS Ltd.

Bangkok

25 February 2016



# PTG Energy Public Company Limited

## Statement of Financial Position

### As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
Notes	Baht	Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	293,382,564	313,394,602	26,151,162	72,723,843
Short-term investments - Available-for-sale	8	3,072,635	162,933,105	1,132,432	161,011,891
Trade and other receivables, net	9	556,297,898	506,285,215	638,076,480	439,072,587
Short-term loans to a third party		1,000,000	-	-	-
Short-term loans to related parties	31.5	-	-	1,220,791,063	1,020,685,363
Current portion of long-term loans to third parties		780,000	780,000	600,000	600,000
Current portion of a long-term loan to a related party	31.6	-	-	15,000,000	15,000,000
Inventories, net	10	982,941,182	1,247,957,075	267,192,577	551,813,280
<b>Total current assets</b>		<b>1,837,474,279</b>	<b>2,231,349,997</b>	<b>2,168,943,714</b>	<b>2,260,906,964</b>
<b>Non-current assets</b>					
Long-term loans to third parties, net		3,340,000	4,120,000	600,000	1,200,000
Long-term loan to a related party, net	31.6	-	-	25,000,000	40,000,000
Investments in subsidiaries	11	-	-	600,394,322	599,394,622
Investments in a joint venture	11	354,475,326	-	348,800,000	-
Investment property, net	12	92,268,027	92,391,470	98,902,242	99,025,685
Property, plant and equipment, net	13	4,608,129,647	3,809,301,874	2,027,429,602	1,836,471,514
Prepaid leasehold right and land rental, net	14	821,173,093	390,516,367	2,765,675	3,231,603
Intangible assets, net	15	47,263,838	32,214,721	40,061,875	24,508,924
Other non-current assets	16	41,154,344	36,405,134	5,109,579	2,352,488
<b>Total non-current assets</b>		<b>5,967,804,275</b>	<b>4,364,949,566</b>	<b>3,149,063,295</b>	<b>2,606,184,836</b>
<b>Total assets</b>		<b>7,805,278,554</b>	<b>6,596,299,563</b>	<b>5,318,007,009</b>	<b>4,867,091,800</b>

# PTG Energy Public Company Limited

## Statement of Financial Position

### As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts from a financial institution	17	187,067,839	-	-	-
Trade and other payables	18	2,151,616,447	1,786,549,928	575,709,689	604,568,793
Short-term loans from a financial institution	19	-	300,000,000	-	-
Short-term loans from related parties	31.7	-	-	228,328,400	80,620,000
Current portion of finance lease liabilities, net	20	263,507,620	252,470,156	262,186,162	250,896,525
Current portion of long-term loans from a financial institution	21.1	114,318,781	-	58,068,781	-
Income tax payable		89,262,868	63,539,507	-	-
<b>Total current liabilities</b>		<b>2,805,773,555</b>	<b>2,402,559,591</b>	<b>1,124,293,032</b>	<b>936,085,318</b>
<b>Non-current liabilities</b>					
Finance lease liabilities, net	20	383,860,736	487,611,336	381,254,166	483,279,987
Long-term loans from a financial institution, net	21.1	495,381,385	-	251,631,385	-
Retirement benefit obligations	22	40,487,446	35,886,426	31,198,879	27,918,430
Deferred tax liabilities, net	23	48,029,429	41,065,725	45,947,323	30,069,688
Other non-current liabilities	24	30,838,779	30,281,712	15,226,439	11,173,482
<b>Total non-current liabilities</b>		<b>998,597,775</b>	<b>594,845,199</b>	<b>725,258,192</b>	<b>552,441,587</b>
<b>Total liabilities</b>		<b>3,804,371,330</b>	<b>2,997,404,790</b>	<b>1,849,551,224</b>	<b>1,488,526,905</b>

# PTG Energy Public Company Limited

## Statement of Financial Position

### As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	25				
Authorised share capital					
- 1,670,000,000 ordinary shares at par value of Baht 1 each		1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Issued and paid-up share capital					
- 1,670,000,000 ordinary shares paid-up of Baht 1 each		1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Premium on share capital	25	1,185,430,000	1,185,430,000	1,185,430,000	1,185,430,000
Retained earnings					
Appropriated					
- Legal reserve	26	52,525,033	35,525,139	52,525,033	35,525,139
Unappropriated		1,092,139,190	707,857,190	560,487,588	487,610,486
Other components of shareholders' equity		720,740	(730)	13,164	(730)
Total equity attributable to owners of the parent		4,000,814,963	3,598,811,599	3,468,455,785	3,378,564,895
Non-controlling interests		92,261	83,174	-	-
Total shareholders' equity		4,000,907,224	3,598,894,773	3,468,455,785	3,378,564,895
Total liabilities and shareholders' equity		7,805,278,554	6,596,299,563	5,318,007,009	4,867,091,800

# PTG Energy Public Company Limited

## Statement of Income

### For the year ended 31 December 2015

	Notes	Consolidated		Company	
		Restated		Restated	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
Revenue from sales and services		53,677,749,661	55,100,756,179	9,285,814,289	10,453,609,120
Petroleum product subsidies		-	22,840,340	-	7,873,051
Costs of sales and services		(49,723,845,300)	(52,036,653,461)	(8,512,884,622)	(9,778,345,482)
<b>Gross profit</b>		<b>3,953,904,361</b>	<b>3,086,943,058</b>	<b>772,929,667</b>	<b>683,136,689</b>
Revenue from assets for lease and other services		64,296,613	49,516,375	361,079,003	266,010,621
Dividends income	11.2	-	-	183,839,655	157,180,585
Other income		92,674,628	96,381,898	115,203,772	127,954,207
Selling expenses		(2,616,887,547)	(2,057,300,568)	(606,468,123)	(564,315,664)
Administrative expenses		(631,612,997)	(511,571,378)	(397,850,417)	(271,041,329)
Finance costs		(45,332,724)	(46,120,292)	(50,719,607)	(47,910,346)
Share of profit from investments in a joint venture, net	11.1	4,986,739	-	-	-
<b>Profit before income tax</b>		<b>822,029,073</b>	<b>617,849,093</b>	<b>378,013,950</b>	<b>351,014,763</b>
Income tax	28	(171,287,983)	(131,083,166)	(38,016,062)	(38,345,900)
<b>Profit for the year</b>		<b>650,741,090</b>	<b>486,765,927</b>	<b>339,997,888</b>	<b>312,668,863</b>
<b>Profit attributable to:</b>					
Owners of the parent		650,721,958	486,754,459	339,997,888	312,668,863
Non-controlling interests		19,132	11,468	-	-
<b>Profit for the year</b>		<b>650,741,090</b>	<b>486,765,927</b>	<b>339,997,888</b>	<b>312,668,863</b>
<b>Earnings per share</b>					
Basic earnings per share	29	0.39	0.29	0.20	0.19

# PTG Energy Public Company Limited

## Statement of Comprehensive Income

### For the year ended 31 December 2015

	Notes	Consolidated		Company	
		Restated		Restated	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Profit for the year</b>		650,741,090	486,765,927	339,997,888	312,668,863
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
- Remeasurements of retirement benefit obligations, net of tax		1,059,936	7,281,268	379,108	3,782,394
Items that will be reclassified subsequently to profit or loss					
- Change in value of available-for-sale financial assets, net of tax	8	32,883	(75,862)	13,894	(75,862)
- Share of other comprehensive income of a joint venture, net of tax	11.1	688,587	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		1,781,406	7,205,406	393,002	3,706,532
<b>Total comprehensive income for the year</b>		<u>652,522,496</u>	<u>493,971,333</u>	<u>340,390,890</u>	<u>316,375,395</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		652,503,364	493,959,865	340,390,890	316,375,395
Non-controlling interests		19,132	11,468	-	-
<b>Total comprehensive income for the year</b>		<u>652,522,496</u>	<u>493,971,333</u>	<u>340,390,890</u>	<u>316,375,395</u>

# PTG Energy Public Company Limited

## Statement of Changes in Shareholders' Equity

### For the year ended 31 December 2015

Attributable to owners of the parent													Consolidated
Other components of shareholders' equity													
Other comprehensive income (expense)													
Retained earnings		Share of other comprehensive income of a joint venture		Total other components of shareholders' equity		Total owners of the parent		Non-controlling interests		Total shareholders' equity			
		Baht	Baht	Available-for-sale investments	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 January 2014													
Changes in shareholders' equity for the year													



# PTG Energy Public Company Limited

## Statement of Changes in Shareholders' Equity

### For the year ended 31 December 2015

	Notes	Company									
		Other components of shareholders' equity									
		Other comprehensive income (expense)									
		Retained earnings				Available-for-sale investments		Total other components of shareholders' equity		Total shareholders' equity	
Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated							Baht	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 January 2014											
	1,670,000,000	1,185,430,000	19,702,576	270,479,552		75,132		75,132		3,145,687,260	
Changes in shareholders' equity for the year											
Dividend paid	-	-	-	(83,497,760)		-		-		(83,497,760)	
Legal reserve	-	-	15,822,563	(15,822,563)		-		-		-	
Total comprehensive income (expense) for the year	-	-	-	316,451,257		(75,862)		(75,862)		316,375,395	
Closing balance as at 31 December 2014											
	1,670,000,000	1,185,430,000	35,525,139	487,610,486		(730)		(730)		3,378,564,895	
Opening balance as at 1 January 2015											
	1,670,000,000	1,185,430,000	35,525,139	487,610,486		(730)		(730)		3,378,564,895	
Changes in shareholders' equity for the year											
Dividend paid	-	-	-	(250,500,000)		-		-		(250,500,000)	
Legal reserve	-	-	16,999,894	(16,999,894)		-		-		-	
Total comprehensive income for the year	-	-	-	340,376,996		13,894		13,894		340,390,890	
Closing balance as at 31 December 2015											
	1,670,000,000	1,185,430,000	52,525,033	560,487,588		13,164		13,164		3,468,455,785	

# PTG Energy Public Company Limited

## Statement of Cash Flows

### For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015	Restated 2014	2015	Restated 2014
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax for the year		822,029,073	617,849,093	378,013,950	351,014,763
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		851,127,642	626,785,422	143,370,984	128,907,797
- Provision for decommissioning costs		89,349	193,115	41,963	126,312
- (Reversal) allowance for doubtful accounts		(1,567,880)	3,274,998	20,499	-
- Dividends received from subsidiaries	11.2	-	-	(183,839,655)	(157,180,585)
- Retirement benefit expenses		8,352,053	7,918,197	5,549,952	5,462,906
- Gains from retirement benefit obligations paid	22	-	(50,672)	-	(50,672)
- Gains on disposals of assets		(12,012,904)	(7,596,147)	(11,828,235)	(5,840,270)
- Loss on write-off of assets	13	9,715,790	6,922,505	485,570	440,094
- Gains on disposals of short-term investments		(910,620)	(2,658,381)	(910,620)	(2,658,381)
- Impairment charge of assets	13	1,578,621	1,626,824	-	-
- (Reversal) allowance for decrease in inventory value and obsolescence		(2,169,570)	8,265,083	(2,561,240)	6,968,064
- Interest income		(1,089,796)	(2,013,261)	(45,011,573)	(50,388,954)
- Interest expenses		45,327,969	46,120,292	50,714,852	47,910,346
- Gains from change in fair value of trading securities	8	-	(44,675)	-	(13,376)
- Share of profit from investments in a joint venture	11.1	(4,986,739)	-	-	-
Cash flows before changes in operating assets and liabilities		1,715,482,988	1,306,592,393	334,046,447	324,698,044
Changes in operating assets and liabilities:					
- Trade and other receivables		32,360,649	(50,175,482)	(262,874,789)	(128,563,735)
- Inventories		267,185,463	42,662,375	287,181,943	9,957,710
- Other non-current assets		(2,726,501)	(10,278,918)	(74,781)	(646,339)
- Trade and other payables		254,387,531	256,025,356	(19,338,539)	470,597,555
- Retirement benefit obligations paid		(2,425,990)	(1,190,287)	(2,425,990)	(624,233)
- Other non-current liabilities		467,718	5,943,460	4,010,994	2,268,631
Cash generated from operations		2,264,731,858	1,549,578,897	340,525,285	677,687,633
- Interest received		1,089,796	2,013,261	109,492,344	3,916,108
- Interest paid		(45,249,635)	(46,120,292)	(66,403,169)	(41,314,268)
- Income tax paid		(140,888,733)	(67,211,467)	(24,916,515)	(26,219,322)
<b>Net cash receipts from operating activities</b>		<b>2,079,683,286</b>	<b>1,438,260,399</b>	<b>358,697,945</b>	<b>614,070,151</b>
<b>Cash flows from investing activities</b>					
Deposits at a financial institution used as collateral		-	31,276,681	-	-
Payments for leasehold right and land rental	14	(937,265,120)	(538,148,956)	(252,000)	(412,000)
Proceeds from (payments of) short-term investments, net		160,803,973	(77,233,100)	160,803,973	(77,233,100)
Payments for purchases of property, plant and equipment		(957,430,328)	(885,952,519)	(161,165,534)	(206,617,512)
Proceeds from disposals of plant and equipment		35,807,636	13,937,356	33,431,670	11,658,084
Payments for purchases of intangible assets		(24,346,357)	(14,886,706)	(22,005,418)	(13,676,407)
Dividends received from subsidiaries	11.2	-	-	183,839,655	157,180,585
Payments of short-term loans to related parties	31.5	-	-	(14,766,829,700)	(10,258,035,000)
Proceeds from short-term loans to related parties	31.5	-	-	14,566,724,000	10,032,089,000
Proceeds from a long-term loan to a related party	31.6	-	-	15,000,000	15,000,000
Payments of a short-term loan to a third party		(1,000,000)	-	-	-
Payments of a long-term loan to a third party		-	(2,000,000)	-	(2,000,000)
Proceeds from a long-term loan to a third party		780,000	380,000	600,000	200,000
Acquisition of the investment in a joint venture	11.1	(348,800,000)	-	(348,800,000)	-
Incorporation of a new subsidiary	11.1	-	-	(999,700)	-
<b>Net cash payments in investing activities</b>		<b>(2,071,450,196)</b>	<b>(1,472,627,244)</b>	<b>(339,653,054)</b>	<b>(341,846,350)</b>

# PTG Energy Public Company Limited

## Statement of Cash Flows

### For the year ended 31 December 2015

	Notes	Consolidated		Company	
		Restated		Restated	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Cash flows from financing activities</b>					
Payments for finance leases		(274,503,088)	(264,402,142)	(272,526,138)	(262,717,158)
Proceeds from bank overdrafts from a financial institution, net		187,067,839	(119,947,712)	-	-
Proceeds from short-term loans from financial institutions		2,250,000,000	1,595,000,000	-	50,000,000
Payments of short-term loans from financial institutions		(2,550,000,000)	(1,295,000,000)	-	(50,000,000)
Proceeds from short-term loans from related parties	31.7	-	-	2,450,460,000	1,110,337,000
Payments of short-term loans from related parties	31.7	-	-	(2,302,751,600)	(1,029,917,000)
Proceeds from long-term loans from a financial institution		640,950,000	-	340,950,000	-
Payments of long-term loans from a financial institution		(31,249,834)	-	(31,249,834)	-
Dividends paid to shareholders	30	(250,500,000)	(83,497,760)	(250,500,000)	(83,497,760)
Proceeds from non-controlling interests					
for the paid-up subsidiary's share capital		300	-	-	-
Dividends paid to non-controlling interests of subsidiaries		(10,345)	(19,415)	-	-
<b>Net cash payments in financing activities</b>		<b>(28,245,128)</b>	<b>(167,867,029)</b>	<b>(65,617,572)</b>	<b>(265,794,918)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(20,012,038)</b>	<b>(202,233,874)</b>	<b>(46,572,681)</b>	<b>6,428,883</b>
Beginning balance		313,394,602	515,628,476	72,723,843	66,294,960
<b>Ending balance</b>		<b>293,382,564</b>	<b>313,394,602</b>	<b>26,151,162</b>	<b>72,723,843</b>
<b>Cash and cash equivalents are made up as follows:</b>					
- Cash on hand and deposits at financial institutions -					
maturities within three months		293,382,564	313,394,602	26,151,162	72,723,843
		<u>293,382,564</u>	<u>313,394,602</u>	<u>26,151,162</u>	<u>72,723,843</u>
<b>Non-cash transactions as at 31 December</b>					
- Purchases of property, plant and equipment by payables		139,764,166	28,474,712	11,388,593	4,509,841
- Purchases of property, plant and equipment under					
finance lease agreements		181,789,953	3,249,075	181,789,953	557,944
- Purchases of intangible assets by payables		3,354,800	4,043,600	3,305,500	4,015,500
- Disposals of plant and equipment by receivables		68,733	-	-	-

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

#### **1 General information**

PTG Energy Public Company Limited (the “Company”) is a public limited company, incorporated and resident 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, gas 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 25 February 2016.

#### **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.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

## 2 Accounting policies (continued)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”)

2.2.1 Accounting standards are effective for the accounting periods beginning on or after 1 January 2015 and adopted by the Group

a) Accounting standards with significant changes and have impact to the Group are as follows:

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

Commencing 1 January 2015, 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 TAS 19 (revised 2014) “Employee Benefits” (an information of accounting policy for employee benefits is described in Note 2.16). The adoption of the accounting standard has resulted in reclassification in the related consolidated and company statements of income, and comprehensive income for the year ended 31 December 2014 which is presented in Note 3.

b) Accounting standards with minor changes and do not have impact to the Group are as follows:

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 and 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

PTG Energy Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2015

2 Accounting policies (continued)

2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) (continued)

2.2.1 Accounting standards are effective for the accounting periods beginning on or after 1 January 2015 and adopted by the Group (continued)

b) Accounting standards with minor changes and do not have impact to the Group are as follows: (continued)

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 assets held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
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 TAS29
	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



# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

## 2 Accounting policies (continued)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) (continued)

2.2.2 Accounting standards are effective for accounting periods beginning on or after 1 January 2016 and are not early adopted by the Group

a) Accounting standards with significant changes:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

The Group’s management has been under the process of determining an impact from the aforementioned standards to the Group. Significant changes in those accounting standards are summarised as below.

TAS 16 (revised 2015) “Property, plant and equipment” clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015) “Employee benefits” is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015) “Related party disclosures” includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the ‘management entity’). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) “Separate financial statements” allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015) “Impairment of assets” is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) (continued)**

2.2.2 Accounting standards are effective for accounting periods beginning on or after 1 January 2016 and are not early adopted by the Group (continued)

a) Accounting standards with significant changes: (continued)

TAS 38 (revised 2015) “Intangible assets” is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015) “Investment property” clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TAS 41 “Agriculture” requires biological assets including agricultural produce, harvested product of the entity’s biological assets, to be measured at fair value less cost to sell. The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16.

TFRS 2 (revised 2015) “Share based payments” clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

TFRS 3 (revised 2015) “Business combinations” clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, ‘Financial instruments: Presentation’ (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 4 (revised 2015) “Insurance contracts” applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds.

TFRS 8 (revised 2015) “Operating segments” requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity’s assets when segment assets are reported to chief operating decision maker.

TFRS10 (revised 2015) “Consolidated financial statements” is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) “Disclosure of interests in other entities” introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015) “Fair value measurement” is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

TFRIC 21 “Levies”, the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37 (revised 2015). It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

## 2 Accounting policies (continued)

### 2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) (continued)

2.2.2 Accounting standards are effective for accounting periods beginning on or after 1 January 2016 and are not early adopted by the Group (continued)

b) Accounting standards with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies

PTG Energy Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2015

**2 Accounting policies (continued)**

**2.2 New financial reporting standards, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) (continued)**

2.2.2 Accounting standards are effective for accounting periods beginning on or after 1 January 2016 and are not early adopted by the Group (continued)

b) Accounting standards with minor changes and do not have impact to the Group are as follows: (continued)

TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

**2.3 Group accounting - investments in subsidiaries and investments in a joint venture**

**2.3.1 Subsidiaries**

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

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

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

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

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

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

### **2.3 Group accounting - investments in subsidiaries and investments in a joint venture (continued)**

#### **2.3.1 Subsidiaries (continued)**

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

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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 profit or loss.

A list of the Group's subsidiaries is shown in Note 11.

#### **2.3.2 Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid/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.

#### **2.3.3 Investments in a joint venture**

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. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

PTG Energy Public Company Limited  
Notes to the Consolidated and Company Financial Statements  
For the year ended 31 December 2015

**2 Accounting policies (continued)**

**2.3 Group accounting - investments in subsidiaries and investments in a joint venture (continued)**

**2.3.3 Investments in a joint venture (continued)**

An investment in a joint venture is accounted for using the equity method of accounting. Under the equity method of accounting, investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

In the Company's financial statements, investments in joint ventures are accounted for using the cost method less impairment. 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 investment in a joint venture 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 joint venture and the financial effects of the acquisitions of joint venture are shown in Note 11.

**2.4 Foreign currency translation**

**2.4.1 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 Company.

**2.4.2 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.



# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

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

### **2.4 Foreign currency translation (continued)**

#### **2.4.3 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.

### **2.5 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.

### **2.6 Investments**

Investments other than investments in subsidiaries and joint venture 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.

#### **2.6.1 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.

#### **2.6.2 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.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

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

### **2.6 Investments (continued)**

#### **2.6.3 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 other 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.

### **2.7 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.

### **2.8 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 Accounting policies (continued)**

**2.9 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 undetermined 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.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment (if any).

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.

**2.10 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.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

## 2 Accounting policies (continued)

### 2.10 Property, plant and equipment (continued)

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 and 20 years
Tools and equipment	5, 10, 20 and 40 years
Office furniture and equipment	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 2.12).

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.

### 2.11 Intangible assets

#### 2.11.1 Leasehold right

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over the lease period.

#### 2.11.2 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.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

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

### **2.12 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. 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.

### **2.13 Leases - where the Group 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.

### **2.14 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 Accounting policies (continued)**

**2.15 Current and deferred income taxes**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the 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.

**2.16 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.



# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

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

### **2.16 Employee benefits (continued)**

#### **2.16.1 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 and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

#### **2.16.2 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.

### **2.17 Provisions**

#### **2.17.1 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.

#### **2.17.2 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.

### **2.18 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 Accounting policies (continued)**

### **2.19 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.

### **2.20 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.

### **2.21 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.

### **2.22 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.

### **2.23 Segment reporting**

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

### 3 Changes in accounting policy

As aforementioned in Note 2.2, the Group has retrospectively applied the revised TAS 19, and the impact of changes on the consolidated and company statements of income and of comprehensive income for the year ended 31 December 2014 as follows.

	Consolidated			Company		
	As previously reported Baht	Reclassification Baht	After reclassification Baht	As previously reported Baht	Reclassification Baht	After reclassification Baht
<b>Statement of income</b>						
Other income	100,755,490	(4,373,592)	96,381,898	127,954,207	-	127,954,207
Selling expenses	(2,055,628,035)	(1,672,533)	(2,057,300,568)	(562,643,131)	(1,672,533)	(564,315,664)
Administrative expenses	(508,515,918)	(3,055,460)	(511,571,378)	(267,985,869)	(3,055,460)	(271,041,329)
Income tax	(132,903,483)	1,820,317	(131,083,166)	(39,291,499)	945,599	(38,345,900)
Profit for the year	494,047,195	(7,281,268)	486,765,927	316,451,257	(3,782,394)	312,668,863
Basic earnings per share	0.30	(0.01)	0.29	0.19	-	0.19
<b>Statement of comprehensive income</b>						
Item that will not be reclassified to profit or loss						
- Remeasurements of retirement benefit obligations	-	7,281,268	7,281,268	-	3,782,394	3,782,394
Other comprehensive income (expense) for the year, net of tax	(75,862)	7,281,268	7,205,406	(75,862)	3,782,394	3,706,532

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For the year ended 31 December 2015

**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 2015, 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 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. 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 Financial risk management (continued)****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, gas products, supplies and equipment for oil service stations and consumable products and transportation.

	<b>For the year ended 31 December 2015</b>		
	<b>Sales Baht</b>	<b>Transportation income Baht</b>	<b>Total Baht</b>
Revenue from sales and services	53,631,403,195	46,346,466	53,677,749,661
Costs of sales and services	(49,698,034,136)	(25,811,164)	(49,723,845,300)
Segment results	3,933,369,059	20,535,302	3,953,904,361
Other income			156,971,241
Selling expenses			(2,616,887,547)
Administrative expenses			(631,612,997)
Finance costs			(45,332,724)
Share of profit from investments in a joint venture, net			4,986,739
Profit before income tax			822,029,073
Income tax			(171,287,983)
Profit for the year			650,741,090
Other comprehensive income for the year			1,781,406
Total comprehensive income for the year			652,522,496

**6 Segment information - consolidated financial statements (continued)**

	For the year ended 31 December 2014 (Restated)		
	Sales Baht	Transportation income Baht	Total Baht
Revenue from sales and services	55,064,888,538	35,867,641	55,100,756,179
Petroleum product subsidies	22,840,340	-	22,840,340
Costs of sales and services	(52,016,772,235)	(19,881,226)	(52,036,653,461)
Segment results	3,070,956,643	15,986,415	3,086,943,058
Other income			145,898,273
Selling expenses			(2,057,300,568)
Administrative expenses			(511,571,378)
Finance costs			(46,120,292)
Profit before income tax			617,849,093
Income tax			(131,083,166)
Profit for the year			486,765,927
Other comprehensive income for the year			7,205,406
Total comprehensive income for the year			493,971,333

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 at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash on hand	167,597,702	166,270,683	560,000	654,327
Deposits at financial institutions				
- Current accounts	89,876,685	71,102,455	18,366,492	25,472,916
- Savings accounts	35,908,177	76,021,464	7,224,670	46,596,600
Total cash and cash equivalents	293,382,564	313,394,602	26,151,162	72,723,843

The deposits of the Group comprise deposits at local financial institutions. As at 31 December 2015, deposits at financial institutions bore interest at rates from 0.10% to 0.50% per annum (2014: 0.30% to 0.50% per annum).



**8 Short-term investments - Available-for-sale**

As at 31 December 2015, the summaries of short-term investments are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>Trading securities Baht</b>	<b>Available-for-sale securities Baht</b>	<b>Trading securities Baht</b>	<b>Available-for-sale securities Baht</b>
<b>As at 1 January 2014</b>				
Opening net book value	2,557,856	80,514,955	667,941	80,514,955
Additions	-	3,342,033,100	-	3,342,033,100
Disposals	-	(3,262,141,619)	-	(3,262,141,619)
Change in fair value of trading securities	44,675	-	13,376	-
Change in fair value of available-for-sale securities	-	(75,862)	-	(75,862)
Reclassification of trading securities to be available-for-sale securities	(2,602,531)	2,602,531	(681,317)	681,317
<b>As at 31 December 2014</b>	<b>-</b>	<b>162,933,105</b>	<b>-</b>	<b>161,011,891</b>
<b>As at 1 January 2015</b>				
Opening net book value	-	162,933,105	-	161,011,891
Additions	-	2,542,000,000	-	2,542,000,000
Disposals	-	(2,701,893,353)	-	(2,701,893,353)
Change in fair value of available-for-sale securities	-	32,883	-	13,894
<b>As at 31 December 2015</b>	<b>-</b>	<b>3,072,635</b>	<b>-</b>	<b>1,132,432</b>

The available-for-sale securities represent General Fixed Income Fund, a fair value by using quoted bid prices that are observable directly and referred to thaimutualfund.com (Level 2) as at 31 December 2015.

**9 Trade and other receivables, net**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade receivables	62,336,076	101,898,249	41,182,663	65,991,951
Trade receivables from related parties	12,795,660	4,735,144	413,518,902	91,842,607
Total trade receivables	75,131,736	106,633,393	454,701,565	157,834,558
<u>Less</u> Allowance for doubtful accounts	(9,496,864)	(9,516,246)	(6,277,849)	(6,257,350)
Trade receivables, net	65,634,872	97,117,147	448,423,716	151,577,208
Deposit for goods	16,350,819	-	7,024,122	-
Receivables from Petroleum product subsidies	-	23,037,207	-	8,069,918
Refundable value added tax	104,770,241	100,015,645	95,643,603	97,170,403
Current portion of prepaid leasehold right and land rental (Note 14)	274,508,335	193,771,614	549,927	549,927
Prepaid expenses	34,759,940	46,743,184	29,978,173	33,104,369
Accrued income	19,971,494	15,032,062	19,177,739	14,447,001
Amounts due from related parties	-	937,024	28,504,284	106,580,185
Receivables from capital reduction	-	-	-	13,597,778
Others	56,551,669	47,429,302	8,774,916	13,975,798
Total other receivables	506,912,498	426,966,038	189,652,764	287,495,379
<u>Less</u> Allowance for doubtful accounts	(16,249,472)	(17,797,970)	-	-
Other receivables, net	490,663,026	409,168,068	189,652,764	287,495,379
Trade and other receivables, net	556,297,898	506,285,215	638,076,480	439,072,587

Outstanding trade receivables are analysed by aging as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not overdue	50,322,280	72,970,549	438,460,544	136,711,956
Overdue below 3 months	13,942,657	22,776,755	9,500,166	14,865,252
Overdue 3 - 6 months	208,903	250,064	104,217	-
Overdue 6 - 12 months	375,923	151,776	340,958	-
Over 12 months	10,281,973	10,484,249	6,295,680	6,257,350
	75,131,736	106,633,393	454,701,565	157,834,558
<u>Less</u> Allowance for doubtful accounts	(9,496,864)	(9,516,246)	(6,277,849)	(6,257,350)
Trade receivables, net	65,634,872	97,117,147	448,423,716	151,577,208

**10 Inventories, net**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Petroleum products	818,127,729	1,148,840,121	224,634,312	529,290,326
Consumable goods	32,262,259	24,845,297	-	-
Gas products	2,157,254	-	-	-
Other products	57,311,812	49,192,506	20,949,488	25,022,754
Goods in transit	79,548,668	33,715,261	26,015,601	4,468,264
Total	989,407,722	1,256,593,185	271,599,401	558,781,344
Less Allowance for decrease in inventory value	(5,199,953)	(6,968,064)	(4,406,824)	(6,968,064)
Allowance for obsolescence	(1,266,587)	(1,668,046)	-	-
Inventories, net	982,941,182	1,247,957,075	267,192,577	551,813,280

The Group and the Company had the petroleum products with a value of Baht 200.01 million (2014 : Baht 255.69 million) and Baht 180.19 million (2014: Baht 255.69 million) respectively, which 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 1% of the total domestic purchase. As at 31 December 2015, petroleum products included minimum mandatory reserve amounting to Baht 68.13 million (2014: Reserve petroleum products at 6% amounting to Baht 460.43 million) which were net of allowance for decrease in inventory value.

**11 Investments in subsidiaries and a joint venture**

The amounts recognised in the statements of financial position are as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Investments in subsidiaries (Note 11.2)	-	-	600,394,322	599,394,622
Investments in a joint venture (Note 11.3)	354,475,326	-	348,800,000	-
	354,475,326	-	949,194,322	599,394,622

PTG Energy Public Company Limited

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**11 Investments in subsidiaries and a joint venture (continued)**

11.1 The movements of the investments in subsidiaries and a joint venture can be analysed as follows:

<b>For the years ended 31 December</b>	<b>Consolidated</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening book value	-	-
Acquisition of the investments in a joint venture	348,800,000	-
Share of profit from the investments in a joint venture, net	4,986,739	-
Share of other comprehensive income of a joint venture		
- Unrealised gains on investments in marketable securities		
- available-for-sale, net of income tax	688,587	-
Closing book value	354,475,326	-
<b>For the years ended 31 December</b>	<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening book value	599,394,622	599,394,622
Acquisition of the investments in a joint venture	348,800,000	-
Incorporation of a subsidiary	999,700	-
Closing book value	949,194,322	599,394,622

11.1.1 The movement of the investments in subsidiaries during the year ended 31 December 2015.

**Direct holding by the Company - A subsidiary**

***PTG Logistics Company Limited***

PTG Logistics Company Limited was incorporated in Thailand on 20 August 2015 by the Company. The Company holds 99.97% of its total registered share and fully paid for the share capital amounting to Baht 999.70 thousand on 20 August 2015.

# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

#### 11 Investments in subsidiaries and a joint venture (continued)

11.1 The movements of the investments in subsidiaries and a joint venture can be analysed as follows:  
(continued)

11.1.2 The movement of the investments in a joint venture during the year ended 31 December 2015.

##### **Direct holding by the Company - A joint venture**

***PPP Green Complex Company Limited*** (formerly “*Tha Chang (Bang Saphan) Palm Oil Company Limited*”)

On 8 December 2014, the Company entered into a Joint Venture Agreement with parties to invest in a palm oil product manufacturing and distribution business. The Company agreed to invest in the ordinary shares in PPP Green Complex Company Limited. As at 31 December 2014, the Company had invested in PPP Green Complex of Baht 1,000 equal to one share of total 280,000 shares.

On 26 January 2015, the Company acquired the additional issued ordinary shares of 348,799 shares at 1,000 Baht per share, totalling Baht 348.80 million. The Company holds 40% of total registered shares of PPP Green Complex Company Limited.

Under a Joint Venture Agreement, the Company agreed to purchase bio-diesel from PPP Green Complex Company Limited for an aggregate of not less than 30% of the total annual production at the average price as agreed in the agreement. The Company will provide supports and advices which will be beneficial to PPP Green Complex Company Limited's operations. The Company and PPP Green Complex Company Limited agree to jointly prepare and sign a bio-diesel sale agreement to set the conditions for its quality, quantity, and delivery times, etc. within 60 days from the completion of the oil plant construction.

As at 31 December 2015, PPP Green Complex Company Limited is under construction.

During the year of 2015, the Company had completely measured the fair value of net assets acquired of PPP Green Complex Company Limited with the measurement period for a business combination referred in TFRS 3 (Revised 2014) “Business Combinations”.

Details of the consideration paid and fair value of net assets acquired at the acquisition date are as follow:

	<b>Consolidated Baht</b>
Fair value of net assets acquired	353,295,112
Gain on a bargain purchase	(4,495,112)
Total purchase consideration	<u>348,800,000</u>

The Group recognised the gain on a bargain purchase as share of profit from investments in a joint venture in the statement of income.

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For the year ended 31 December 2015

111 **Investments in subsidiaries and a joint venture (continued)**

### 11.2 Investments in subsidiaries

The subsidiaries incorporated in Thailand are as follows:

Nature of business	Paid-up share capital				Proportion of ordinary shares directly held by parent (%)		Cost Method		Dividends for the year		Company
	2015	2014	Baht	Baht	2015	2014	2015	2014	2015	2014	
	Baht	Baht					Baht	Baht	Baht	Baht	
Petroleum Thai Corporation Co., Ltd.	469,980,000	469,980,000			99.99	99.99	586,397,022	586,397,022	149,998,700	85,999,255	
Pyramid Oil Co., Ltd.	1,000,000	1,000,000			99.98	99.98	999,800	999,800	1,099,780	9,598,080	
Alpine Oil Co., Ltd.	1,000,000	1,000,000			99.97	99.97	999,700	999,700	22,493,250	1,999,400	
Empire Oil Co., Ltd.	1,000,000	1,000,000			99.98	99.98	999,800	999,800	9,998,000	2,299,540	
Everest Oil Co., Ltd.	1,000,000	1,000,000			99.98	99.98	999,800	999,800	-	14,997,000	
Andes Oil Co., Ltd.	1,000,000	1,000,000			99.97	99.97	999,700	999,700	-	12,296,310	
Atlas Oil Co., Ltd.	1,000,000	1,000,000			99.97	99.97	999,700	999,700	249,925	29,991,000	
PTG Green Energy Co., Ltd.											
(formerly "Pyrenees Oil Co., Ltd.")	1,000,000	1,000,000			99.97	99.97	999,700	999,700	-	-	
Olympus Oil Co., Ltd.	1,000,000	1,000,000			99.97	99.97	999,700	999,700	-	-	
Punthai Coffee Co., Ltd.	5,000,000	5,000,000			99.99	99.99	4,999,700	4,999,700	-	-	
PTG Logistics Co., Ltd.	1,000,000	-			99.97	-	999,700	-	-	-	
							600,394,322	599,394,622	183,839,655	157,180,585	

All subsidiaries undertaking are included in the consolidation. The proportion of the voting rights in the subsidiaries undertaking held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest for the year is Baht 19,132. The non-controlling interest in respect of all subsidiaries is not material.



# PTG Energy Public Company Limited

## Notes to the Consolidated and Company Financial Statements

### For the year ended 31 December 2015

#### 11 Investments in subsidiaries and a joint venture (continued)

##### 11.3 Investments in a joint venture

The joint venture has share capital consisting solely of ordinary shares, which is held directly by the Group. The details of the investments in a joint venture which incorporated in Thailand are as follows:

##### *PPP Green Complex Company Limited ("PPP Green")*

PPP Green is a joint venture between the Company and Thachang Green Energy Company Limited and R&D Kasetpattana Company Limited. PPP Green operates in a palm oil product manufacturing and distribution business. PPP Green is a strategic partnership for the Group, decreasing its liabilities and risks in supplying raw materials for diesel's oil production process. The Company has a 40% interest in PPP Green. PPP Green is a private company and there is no quoted market price available for its shares.

Summarised financial information for investments in a joint venture

Set out below is the summarised financial information for PPP Green Complex Company Limited which is accounted for using the equity method.

##### **Summarised statement of financial position as at 31 December 2015**

	<b>Baht</b>
<b>Current assets</b>	
Cash and cash equivalents	42,433,116
Other current assets	226,994,278
<b>Total current assets</b>	<b>269,427,394</b>
<b>Non-current assets</b>	<b>631,048,612</b>
<b>Total assets</b>	<b>900,476,006</b>
<b>Current liabilities</b>	
Financial liabilities	5,532,059
Other current liabilities	4,635,284
<b>Total current liabilities</b>	<b>10,167,343</b>
<b>Non-current liabilities</b>	<b>4,120,349</b>
<b>Total liabilities</b>	<b>14,287,692</b>
<b>Net assets</b>	<b>886,188,314</b>

PTG Energy Public Company Limited

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**11 Investments in subsidiaries and a joint venture (continued)**

**11.3 Investments in a joint venture (continued)**

**Summarised statement of comprehensive income for the year ended 31 December 2015**

	<b>Baht</b>
Other income	9,798,468
Operating expenses	(9,186,064)
<b>Profit from operations</b>	<b>612,404</b>
Income tax	(17,675)
<b>Post-tax profit from operations</b>	<b>594,729</b>
<b>Other comprehensive income</b>	<b>1,721,468</b>
<b>Total comprehensive income</b>	<b>2,316,197</b>

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

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in a joint venture.

	<b>2015 Baht</b>
<b>Summarised financial information</b>	
<b>Opening net assets as at 26 January</b>	883,237,780
Profit for the period from 26 January to 31 December	1,229,066
Other comprehensive income from 26 January to 31 December	1,721,468
<b>Closing net assets as at 31 December</b>	<b>886,188,314</b>
Interest in a joint venture (40%)	354,475,326
<b>Carrying value</b>	<b>354,475,326</b>

**12 Investment property, net**

	<b>Consolidated</b>		
	<b>Land and land improvement Baht</b>	<b>Building and building improvement Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2014</b>			
Cost	119,089,625	50,854,700	169,944,325
<u>Less</u> Accumulated depreciation	-	(38,807,564)	(38,807,564)
Provision for impairment	(29,106,818)	(9,514,928)	(38,621,746)
Net book value	89,982,807	2,532,208	92,515,015
<b>For the year ended 31 December 2014</b>			
Opening net book value	89,982,807	2,532,208	92,515,015
Depreciation charge	-	(123,545)	(123,545)
Closing net book value	89,982,807	2,408,663	92,391,470
<b>As at 31 December 2014</b>			
Cost	119,089,625	50,854,700	169,944,325
<u>Less</u> Accumulated depreciation	-	(38,931,109)	(38,931,109)
Provision for impairment	(29,106,818)	(9,514,928)	(38,621,746)
Net book value	89,982,807	2,408,663	92,391,470
<b>For the year ended 31 December 2015</b>			
Opening net book value	89,982,807	2,408,663	92,391,470
Depreciation charge	-	(123,443)	(123,443)
Closing net book value	89,982,807	2,285,220	92,268,027
<b>As at 31 December 2015</b>			
Cost	119,089,625	50,854,700	169,944,325
<u>Less</u> Accumulated depreciation	-	(39,054,552)	(39,054,552)
Provision for impairment	(29,106,818)	(9,514,928)	(38,621,746)
Net book value	89,982,807	2,285,220	92,268,027

PTG Energy Public Company Limited

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**12 Investment property, net (continued)**

	<b>Company</b>		
	<b>Land and land improvement Baht</b>	<b>Building and building improvement Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2014</b>			
Cost	124,168,185	50,854,700	175,022,885
<u>Less</u> Accumulated depreciation	-	(38,807,564)	(38,807,564)
Provision for impairment	(27,551,163)	(9,514,928)	(37,066,091)
Net book value	<u>96,617,022</u>	<u>2,532,208</u>	<u>99,149,230</u>
<b>For the year ended 31 December 2014</b>			
Opening net book value	96,617,022	2,532,208	99,149,230
Depreciation charge	-	(123,545)	(123,545)
Closing net book value	<u>96,617,022</u>	<u>2,408,663</u>	<u>99,025,685</u>
<b>As at 31 December 2014</b>			
Cost	124,168,185	50,854,700	175,022,885
<u>Less</u> Accumulated depreciation	-	(38,931,109)	(38,931,109)
Provision for impairment	(27,551,163)	(9,514,928)	(37,066,091)
Net book value	<u>96,617,022</u>	<u>2,408,663</u>	<u>99,025,685</u>
<b>For the year ended 31 December 2015</b>			
Opening net book value	96,617,022	2,408,663	99,025,685
Depreciation charge	-	(123,443)	(123,443)
Closing net book value	<u>96,617,022</u>	<u>2,285,220</u>	<u>98,902,242</u>
<b>As at 31 December 2015</b>			
Cost	124,168,185	50,854,700	175,022,885
<u>Less</u> Accumulated depreciation	-	(39,054,552)	(39,054,552)
Provision for impairment	(27,551,163)	(9,514,928)	(37,066,091)
Net book value	<u>96,617,022</u>	<u>2,285,220</u>	<u>98,902,242</u>

As at 31 December 2015, 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 (2014: Baht 17.77 million).

As at 31 December 2015, investment property of the Group and the Company had fair value amount of Baht 176.42 million and Baht 307.80 million, respectively (2014: 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	Building and building improvement Baht	Tools and equipment Baht	Office furniture, fixture and equipment Baht	Vehicles Baht	Construction in progress Baht
						Total Baht
<b>As at 1 January 2014</b>						
Cost	428,313,147	1,219,419,446	1,554,331,247	68,625,408	1,598,316,425	5,014,054,432
Less Accumulated depreciation	-	(523,253,795)	(831,921,880)	(36,221,845)	(334,468,597)	(1,725,866,117)
Provision for impairment	(15,133,647)	-	(1,569,087)	-	-	(16,702,734)
Net book value	413,179,500	696,165,651	720,840,280	32,403,563	1,263,847,828	3,271,485,581
<b>For the year ended 31 December 2014</b>						
Opening net book value	413,179,500	696,165,651	720,840,280	32,403,563	1,263,847,828	3,271,485,581
Additions	101,739,770	76,702,866	309,169,326	22,857,912	11,503,940	893,707,362
Disposals, net	-	(1,771,568)	(2,648,982)	(362,109)	(1,558,550)	(6,341,209)
Write off, net	(610,778)	(5,185,450)	(1,074,904)	(21,040)	(30,333)	(6,922,505)
Transfer in (out)	-	185,751,011	24,674,437	240,070	557,944	-
Reclassification	8,352,000	(8,352,000)	-	-	-	-
Depreciation charge	-	(82,765,392)	(156,061,594)	(12,525,500)	(89,648,045)	(341,000,531)
Impairment charge	-	(501,789)	(993,599)	(131,436)	-	(1,626,824)
Closing net book value	522,660,492	860,043,329	893,904,964	42,461,460	1,184,672,784	3,809,301,874
<b>As at 31 December 2014</b>						
Cost	537,794,139	1,461,607,406	1,881,046,817	90,202,266	1,590,194,592	5,866,404,065
Less Accumulated depreciation	-	(601,062,288)	(984,579,167)	(47,609,370)	(405,521,808)	(2,038,772,633)
Provision for impairment	(15,133,647)	(501,789)	(2,562,686)	(131,436)	-	(18,329,558)
Net book value	522,660,492	860,043,329	893,904,964	42,461,460	1,184,672,784	3,809,301,874

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13 Property, plant and equipment, net (continued)

	Consolidated				
	Land and land improvement Baht	Building and building improvement Baht	Tools and equipment Baht	Office furniture, fixture and equipment Baht	Vehicles Baht
					Construction in progress Baht
					Total Baht
<b>For the year ended 31 December 2015</b>					
Opening net book value	522,660,492	860,043,329	893,904,964	42,461,460	1,184,672,784
Additions	8,645,685	71,207,407	356,154,179	21,447,609	193,081,343
Disposals, net	-	(1,962,081)	(3,020,542)	(48,433)	(18,832,409)
Write off, net	(203,760)	(7,691,054)	(1,749,895)	(64,049)	(7,032)
Transfer in (out)	132,400	421,286,946	60,930,051	1,120,537	-
Depreciation charge	-	(111,072,755)	(195,344,984)	(14,433,257)	(95,673,090)
Impairment charge	-	(1,459,119)	(119,502)	-	-
Closing net book value	531,234,817	1,230,352,673	1,110,754,271	50,483,867	1,263,241,596
					422,062,423
					4,608,129,647
<b>As at 31 December 2015</b>					
Cost	546,368,464	1,938,327,516	2,271,295,991	110,208,034	1,691,186,684
Less Accumulated depreciation	-	(706,013,935)	(1,157,859,532)	(59,592,731)	(427,945,088)
Provision for impairment	(15,133,647)	(1,960,908)	(2,682,188)	(131,436)	-
Net book value	531,234,817	1,230,352,673	1,110,754,271	50,483,867	1,263,241,596
					422,062,423
					4,608,129,647



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

	Office furniture, fixture and equipment					Vehicles		Construction in progress		Total Baht		Company
	Land and land improvement Baht	Building and building improvement Baht	Tools and equipment Baht		Office furniture, fixture and equipment Baht		Vehicles Baht		Construction in progress Baht		Total Baht	
<b>As at 1 January 2014</b>												
Cost	215,686,127	297,827,980	802,265,157		18,826,808		1,561,197,810		4,446,000		2,900,249,882	
Less Accumulated depreciation	-	(215,996,565)	(592,788,166)		(11,842,879)		(316,474,106)		-		(1,137,101,716)	
Provision for impairment	-	-	(1,569,087)		-		-		-		(1,569,087)	
Net book value	215,686,127	81,831,415	207,907,904		6,983,929		1,244,723,704		4,446,000		1,761,579,079	
<b>For the year ended 31 December 2014</b>												
Opening net book value	215,686,127	81,831,415	207,907,904		6,983,929		1,244,723,704		4,446,000		1,761,579,079	
Additions	94,061,300	33,590,663	24,301,623		16,259,264		4,977,808		32,562,391		205,753,049	
Disposals, net	-	(1,713,831)	(2,545,446)		-		(1,558,537)		-		(5,817,814)	
Write off, net	-	(270,809)	(155,637)		(13,648)		-		-		(440,094)	
Transfer in (out)	-	15,353,257	9,007,428		94,600		557,944		(25,013,229)		-	
Depreciation charge	-	(9,820,685)	(25,437,677)		(4,337,868)		(85,006,476)		-		(124,602,706)	
Closing net book value	309,747,427	118,970,010	213,078,195		18,986,277		1,163,694,443		11,995,162		1,836,471,514	
<b>As at 31 December 2014</b>												
Cost	309,747,427	343,945,195	831,826,999		34,786,994		1,549,042,039		11,995,162		3,081,343,816	
Less Accumulated depreciation	-	(224,975,185)	(617,179,717)		(15,800,717)		(385,347,596)		-		(1,243,303,215)	
Provision for impairment	-	-	(1,569,087)		-		-		-		(1,569,087)	
Net book value	309,747,427	118,970,010	213,078,195		18,986,277		1,163,694,443		11,995,162		1,836,471,514	

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

	Land and land improvement	Building and building improvement	Tools and equipment	Office furniture, fixture and equipment	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2015</b>							
Opening net book value	309,747,427	118,970,010	213,078,195	18,986,277	1,163,694,443	11,995,162	1,836,471,514
Additions	417,750	31,362,187	24,505,924	8,657,398	187,092,842	97,798,138	349,834,239
Disposals, net	-	(1,962,081)	(1,938,572)	(7,860)	(17,694,922)	-	(21,603,435)
Write off, net	(203,760)	(28,016)	(217,582)	(29,180)	(7,032)	-	(485,570)
Transfer in (out)	-	28,364,164	6,839,841	125,300	-	(35,329,305)	-
Depreciation charge	-	(15,385,974)	(24,976,484)	(5,853,754)	(90,570,934)	-	(136,787,146)
Closing net book value	309,961,417	161,320,290	217,291,322	21,878,181	1,242,514,397	74,463,995	2,027,429,602
<b>As at 31 December 2015</b>							
Cost	309,961,417	398,974,922	850,364,352	41,908,798	1,650,115,517	74,463,995	3,325,789,001
Less Accumulated depreciation	-	(237,654,632)	(631,503,943)	(20,030,617)	(407,601,120)	-	(1,296,790,312)
Provision for impairment	-	-	(1,569,087)	-	-	-	(1,569,087)
Net book value	309,961,417	161,320,290	217,291,322	21,878,181	1,242,514,397	74,463,995	2,027,429,602

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

During the year of 2015, additions of the Group and the Company included Baht 181.79 million (2014 : Baht 3.25 million) and Baht 181.79 million (2014: Baht 0.56 million), respectively assets leased under finance leases (where the Group and the Company are the lessee) and the Group and the Company had no disposal (2014: disposals of the Group the Company included Baht 0.59 million) assets sold under finance leases (where the Group and the Company are the lessor).

Leased assets included above, where the Group and the Company are the lessee under finance leases, comprise of vehicles as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cost - capitalised finance leases	1,344,437,428	1,353,741,488	1,337,859,037	1,344,331,574
<u>Less</u> Accumulated depreciation	(222,940,919)	(208,200,913)	(221,901,223)	(207,061,355)
Net book value	<u>1,121,496,509</u>	<u>1,145,540,575</u>	<u>1,115,957,814</u>	<u>1,137,270,219</u>

**14 Prepaid leasehold right and land rental, net**

	Consolidated Baht	Company Baht
<b>For the year ended 31 December 2014</b>		
Opening book value	325,233,860	4,498,651
Payments for prepaid leasehold right and land rental	538,148,956	412,000
Amortisation of prepaid leasehold right and land rental	(279,094,835)	(1,129,121)
Total	584,287,981	3,781,530
<u>Less</u> Current portion of prepaid leasehold right and land rental (Note 9)	(193,771,614)	(549,927)
Closing net book value	<u>390,516,367</u>	<u>3,231,603</u>
<b>For the year ended 31 December 2015</b>		
Opening book value	584,287,981	3,781,530
Payments for prepaid leasehold right and land rental	937,265,120	252,000
Amortisation of prepaid leasehold right and land rental	(425,871,673)	(717,928)
Total	1,095,681,428	3,315,602
<u>Less</u> Current portion of prepaid leasehold right and land rental (Note 9)	(274,508,335)	(549,927)
Closing net book value	<u>821,173,093</u>	<u>2,765,675</u>

**15 Intangible assets, net**

	<b>Consolidated</b>		
	<b>Computer software Baht</b>	<b>Software in progress Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2014</b>			
Cost	19,520,579	8,319,750	27,840,329
<u>Less</u> Accumulated amortisation	(7,989,403)	-	(7,989,403)
Net book value	<u>11,531,176</u>	<u>8,319,750</u>	<u>19,850,926</u>
<b>For the year ended 31 December 2014</b>			
Opening net book value	11,531,176	8,319,750	19,850,926
Additions	4,691,556	14,238,750	18,930,306
Transfer in (out)	15,097,500	(15,097,500)	-
Amortisation charge	(6,566,511)	-	(6,566,511)
Closing net book value	<u>24,753,721</u>	<u>7,461,000</u>	<u>32,214,721</u>
<b>As at 31 December 2014</b>			
Cost	39,309,635	7,461,000	46,770,635
<u>Less</u> Accumulated amortisation	(14,555,914)	-	(14,555,914)
Net book value	<u>24,753,721</u>	<u>7,461,000</u>	<u>32,214,721</u>
<b>For the year ended 31 December 2015</b>			
Opening net book value	24,753,721	7,461,000	32,214,721
Additions	20,885,427	2,772,130	23,657,557
Transfer in (out)	8,254,080	(8,254,080)	-
Amortisation charge	(8,608,440)	-	(8,608,440)
Closing net book value	<u>45,284,788</u>	<u>1,979,050</u>	<u>47,263,838</u>
<b>As at 31 December 2015</b>			
Cost	68,449,142	1,979,050	70,428,192
<u>Less</u> Accumulated amortisation	(23,164,354)	-	(23,164,354)
Net book value	<u>45,284,788</u>	<u>1,979,050</u>	<u>47,263,838</u>

**15 Intangible assets, net (continued)**

	<b>Company</b>		
	<b>Computer software Baht</b>	<b>Software in progress Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2014</b>			
Cost	2,484,797	8,319,750	10,804,547
<u>Less</u> Accumulated amortisation	(935,105)	-	(935,105)
Net book value	1,549,692	8,319,750	9,869,442
<b>For the year ended 31 December 2014</b>			
Opening net book value	1,549,692	8,319,750	9,869,442
Additions	3,453,157	14,238,750	17,691,907
Transfer in (out)	15,097,500	(15,097,500)	-
Amortisation charge	(3,052,425)	-	(3,052,425)
Closing net book value	17,047,924	7,461,000	24,508,924
<b>As at 31 December 2014</b>			
Cost	21,035,454	7,461,000	28,496,454
<u>Less</u> Accumulated amortisation	(3,987,530)	-	(3,987,530)
Net book value	17,047,924	7,461,000	24,508,924
<b>For the year ended 31 December 2015</b>			
Opening net book value	17,047,924	7,461,000	24,508,924
Additions	18,523,288	2,772,130	21,295,418
Transfer in (out)	8,254,080	(8,254,080)	-
Amortisation charge	(5,742,467)	-	(5,742,467)
Closing net book value	38,082,825	1,979,050	40,061,875
<b>As at 31 December 2015</b>			
Cost	47,812,822	1,979,050	49,791,872
<u>Less</u> Accumulated amortisation	(9,729,997)	-	(9,729,997)
Net book value	38,082,825	1,979,050	40,061,875

**16 Other non-current assets**

	<b>Consolidated</b>		<b>Company</b>	
<b>As at 31 December</b>	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Deposits	31,123,340	28,296,191	2,396,510	2,321,730
Prepaid withholding tax	2,488,910	110,702	2,374,916	-
Prepaid corporate income tax	7,542,094	7,997,241	338,153	29,758
General investment	-	1,000	-	1,000
Total other non-current assets	41,154,344	36,405,134	5,109,579	2,352,488

**17 Bank overdrafts from a financial institution**

As at 31 December 2015, bank overdrafts from a financial institution represented the bank overdrafts of a subsidiary which were unsecured and bore interest at the rate of MOR minus 5.4% per annum. The Company subsequently repaid on 6 January 2016.

**18 Trade and other payables**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade payables	1,597,435,608	1,478,282,448	391,516,964	470,994,205
Other payables	150,611,370	91,194,592	47,848,818	37,935,141
Trade payables to related parties	26,149,601	19,077,680	15,803,068	4,307,764
Amounts due to related parties	9,098	58,792	13,573,084	22,915,829
Deferred revenue:				
- Customer loyalty programmes	39,449,325	24,861,424	-	551,400
Accrued expenses	337,961,445	173,074,992	106,967,755	67,864,454
Total trade and other payables	<u>2,151,616,447</u>	<u>1,786,549,928</u>	<u>575,709,689</u>	<u>604,568,793</u>

During the year of 2015, the Group and the Company recognised deferred revenue from the customer loyalty programmes amounting to Baht 108.21 million and Baht 1.24 million, respectively (2014: The Group and the Company 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 93.63 million (2014: Baht 59.55 million). The Company realised revenue from redemption of petroleum products amounting to Baht 1.79 million (2014: nil).

**19 Short-term loans from a financial institution**

As at 31 December 2015, the Group and the Company had no short-term loan from a financial institution (2014: the Group had promissory notes amounting to Baht 300 million).



**20 Finance lease liabilities, net**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Within 1 year	286,588,154	281,182,716	285,114,241	279,372,009
Over 1 year but less than 3 years	342,682,620	431,368,718	340,056,117	428,004,067
Over 3 years but less than 5 years	59,475,205	82,894,788	59,374,484	81,641,479
	688,745,979	795,446,222	684,544,842	789,017,555
<u>Less</u> Future interest paid of finance lease liabilities	(41,377,623)	(55,364,730)	(41,104,514)	(54,841,043)
Present value of finance lease liabilities, net	647,368,356	740,081,492	643,440,328	734,176,512

Finance lease liabilities excluded future interest paid are as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Finance lease liabilities, net	647,368,356	740,081,492	643,440,328	734,176,512
<u>Less</u> Current portion of finance lease liabilities, net	(263,507,620)	(252,470,156)	(262,186,162)	(250,896,525)
	383,860,736	487,611,336	381,254,166	483,279,987

The fair value of finance lease liabilities approximated their carrying amount.

**21 Long-term loans from a financial institution**

21.1 The long-term loans from a financial institution are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current portion of long-term loans from a financial institution	114,318,781	-	58,068,781	-
Long-term loans from a financial institution, net	495,381,385	-	251,631,385	-
Total long-term loans from a financial institution	609,700,166	-	309,700,166	-

The fair value of long-term loans from a financial institution approximated their carrying amount, as the impact of discounting is not significant.

**21 Long-term loans from a financial institution (continued)**

21.1 The long-term loans from a financial institution are as follows: (continued)

**Long-term loans from a financial institution of the Group**

The Group had long-term loans denominated in Thai Baht with a local financial institution which were unsecured amounting to Baht 609.70 million as follows:

<b>Number</b>	<b>Outstanding balance as at 31 December 2015 (Baht)</b>	<b>Interest rate per annum</b>	<b>Principal repayment term</b>	<b>Interest payment period</b>
1	214,177,778	THBFIX (3M) plus 3%	On the first day of the month	On the first day of the month
2	95,522,388	THBFIX (3M) plus 3%	On the first day of the month	On the first day of the month
3	300,000,000	THBFIX (3M) plus 3%	On the first day of the month	On the first day of the month
Total	<u>609,700,166</u>			

**Long-term loans from a financial institution of the Company**

The Company had long-term loans denominated in Thai Baht with a local financial institution which were unsecured amounting to Baht 309.70 million as follows:

<b>Number</b>	<b>Outstanding balance as at 31 December 2015 (Baht)</b>	<b>Interest rate per annum</b>	<b>Principal repayment term</b>	<b>Interest payment period</b>
1	214,177,778	THBFIX (3M) plus 3%	On the first day of the month	On the first day of the month
2	95,522,388	THBFIX (3M) plus 3%	On the first day of the month	On the first day of the month
Total	<u>309,700,166</u>			

The Group is required to comply with conditions as specified in the long-term loan agreement.

21.2 The interest rate exposure on the long-term loans from a financial institution

The interest rate exposure on the long-term loans from a financial institution of the Group and the Company is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Long-term loans from a financial institution - at floating rate	609,700,166	-	309,700,166	-
Total long-term loans from a financial institution	<u>609,700,166</u>	<u>-</u>	<u>309,700,166</u>	<u>-</u>

**21 Long-term loans from a financial institution (continued)**

21.3 Maturity of long-term loans from a financial institution is as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Within 1 year	114,318,781	-	58,068,781	-
Later than 1 year and not later than 5 years	457,275,124	-	232,275,124	-
Later than 5 years	38,106,261	-	19,356,261	-
Total long-term loans from a financial institution	609,700,166	-	309,700,166	-

## 21.4 Credit facilities

As at 31 December 2015, the Group had available credit facilities from a financial institution amounting to Baht 59.05 million.

**22 Retirement benefit obligations**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Statement of financial position	40,487,446	35,886,426	31,198,879	27,918,430
Profit charge included in operating profit (Restated)	-	(50,672)	-	(50,672)
Remeasurements of retirement benefit obligations (Restated)	(1,325,043)	(9,101,584)	(473,885)	(4,727,992)

The Group provides for post-employment benefits, payable to employees under the labour laws applicable in Thailand.

**22 Retirement benefit obligations (continued)**

The movements in the defined benefit obligation over the year are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
As at 1 January	35,886,426	38,310,772	27,918,430	23,283,538
Current service cost	7,312,017	6,766,877	4,716,292	4,551,638
Interest expense	1,040,036	1,151,320	833,660	911,268
	<u>44,238,479</u>	<u>46,228,969</u>	<u>33,468,382</u>	<u>28,746,444</u>
Remeasurements:				
Gains from change in demographic assumptions	(6,506,433)	(1,001,725)	(5,899,141)	(4,891,255)
(Gains) loss from change in financial assumptions	6,055,492	(1,246,147)	4,935,010	(997,104)
Experience (gains) loss	(874,102)	(6,853,712)	490,246	1,160,367
	<u>(1,325,043)</u>	<u>(9,101,584)</u>	<u>(473,885)</u>	<u>(4,727,992)</u>
Transfer from a subsidiary	-	-	630,372	4,574,883
Payments from plans:				
Benefit payments	<u>(2,425,990)</u>	<u>(1,240,959)</u>	<u>(2,425,990)</u>	<u>(674,905)</u>
As at 31 December	<u>40,487,446</u>	<u>35,886,426</u>	<u>31,198,879</u>	<u>27,918,430</u>

During the year of 2015, 32 staff of a subsidiary were transferred to the Company (2014: 191 staff). The Company is responsible for retirement benefit obligations of these staff.

**22 Retirement benefit obligations (continued)**

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

As at 31 December	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Discount rate	2.97 - 4.03	3.94 - 4.53	2.97	3.94
Salary growth rate	2.00 - 6.00	5.00	2.00 - 6.00	5.00
Turnover rate	0.00 - 50.00	0.00 - 69.00	0.00 - 29.00	0.00 - 18.00
Pre-retirement mortality rate	0.06 - 1.66	0.06 - 1.66	0.06 - 1.66	0.08 - 1.66

Consolidated			
Impact on defined benefit obligation			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 7.73% - 18.03%	Increase by 8.60% - 22.28%
Salary growth rate	1.00%	Increase by 7.69% - 21.60%	Decrease by 7.05% - 17.88%
Life expectancy	1 Year	Increase by 0.76% - 1.13%	Decrease by 0.75% - 1.11%

Company			
Impact on defined benefit obligation			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 7.73%	Increase by 8.60%
Salary growth rate	1.00%	Increase by 7.69%	Decrease by 7.05%
Life expectancy	1 Year	Increase by 0.76%	Decrease by 0.75%

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

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

The weighted average durations of the Group's defined benefit obligation are between 25.02 years and 32.74 years and those of the Company's defined benefit obligation are 25.02 years.

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**23 Deferred income taxes**

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

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	4,055,906	2,034,017	-	216,328
Deferred tax assets to be recovered after more than 12 months	32,455,235	27,728,841	13,409,924	12,464,049
	<u>36,511,141</u>	<u>29,762,858</u>	<u>13,409,924</u>	<u>12,680,377</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(26,332,196)	(28,296,261)	(24,048,111)	(25,517,920)
Deferred tax liabilities to be settled after more than 12 months	(58,208,374)	(42,532,322)	(35,309,136)	(17,232,145)
	<u>(84,540,570)</u>	<u>(70,828,583)</u>	<u>(59,357,247)</u>	<u>(42,750,065)</u>
<b>Deferred income taxes, net</b>	<u>(48,029,429)</u>	<u>(41,065,725)</u>	<u>(45,947,323)</u>	<u>(30,069,688)</u>

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

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
As at 1 January	(41,065,725)	(33,785,907)	(30,069,688)	(19,050,840)
Charged to profit or loss (Note 28)	(6,698,597)	(5,459,502)	(15,782,858)	(10,073,250)
Charged to other comprehensive income	(265,107)	(1,820,316)	(94,777)	(945,598)
As at 31 December	<u>(48,029,429)</u>	<u>(41,065,725)</u>	<u>(45,947,323)</u>	<u>(30,069,688)</u>



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**23 Deferred income taxes (continued)**

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

	Consolidated				
	Allowance for doubtful accounts Baht	Provision for impairment of investment properties - land Baht	Provision for impairment Baht	Provisions Baht	Others Baht
					Total Baht
<b>Deferred tax assets</b>					
As at 1 January 2015	5,338,778	5,932,033	3,352,094	7,843,062	7,296,891
Charged/(credited) to profit or loss	(297,568)	-	315,385	(399,205)	7,394,778
Credited to other comprehensive income	-	-	-	(265,107)	-
As at 31 December 2015	5,041,210	5,932,033	3,667,479	7,178,750	14,691,669
					36,511,141
<b>As at 1 January 2014</b>	4,658,778	5,932,033	3,026,729	7,662,154	4,141,246
Charged to profit or loss	680,000	-	325,365	2,001,224	3,155,645
Credited to other comprehensive income	-	-	-	(1,820,316)	-
As at 31 December 2014	5,338,778	5,932,033	3,352,094	7,843,062	7,296,891
					29,762,858

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**23 Deferred income taxes (continued)**

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

	Station renovation expenditure Baht	Finance leases Baht	Others Baht	Total Baht
				<b>Consolidated</b>
<b>Deferred tax liabilities</b>				
As at 1 January 2015	(28,078,518)	(28,012,281)	(14,737,784)	(70,828,583)
Charged/(credited) to profit or loss	2,895,195	(10,030,304)	(6,576,878)	(13,711,987)
As at 31 December 2015	(25,183,323)	(38,042,585)	(21,314,662)	(84,540,570)
 As at 1 January 2014	(28,737,597)	(18,081,992)	(12,387,258)	(59,206,847)
Charged/(credited) to profit or loss	659,079	(9,930,289)	(2,350,526)	(11,621,736)
As at 31 December 2014	(28,078,518)	(28,012,281)	(14,737,784)	(70,828,583)

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**23 Deferred income taxes (continued)**

The movement in deferred 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			
	Allowance for doubtful accounts Baht	Provision for impairment of investment properties - land Baht	Provisions Baht	Others Baht
				Total Baht
<b>Deferred tax assets</b>				
As at 1 January 2015	1,251,470	5,510,233	5,808,394	12,680,377
Charged/(credited) to profit or loss	4,100	-	(443,457)	824,324
Credited to other comprehensive income	-	-	(94,777)	(94,777)
As at 31 December 2015	1,255,570	5,510,233	5,270,160	13,409,924
<b>Deferred tax liabilities</b>				
As at 1 January 2014	1,251,470	5,510,233	4,656,707	11,418,410
Charged to profit or loss	-	-	2,097,285	2,207,565
Credited to other comprehensive income	-	-	(945,598)	(945,598)
As at 31 December 2014	1,251,470	5,510,233	5,808,394	12,680,377

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**23 Deferred income taxes (continued)**

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

	<b>Company</b>	
	<b>Finance leases Baht</b>	<b>Others Baht</b>
	<b>Total Baht</b>	
<b>Deferred tax liabilities</b>		
As at 1 January 2015	(28,012,281)	(14,737,784)
Charged to profit or loss	(10,030,304)	(6,576,878)
As at 31 December 2015	(38,042,585)	(21,314,662)
As at 1 January 2014	(18,081,992)	(12,387,258)
Charged to profit or loss	(9,930,289)	(2,350,526)
As at 31 December 2014	(28,012,281)	(14,737,784)

Deferred tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of Baht 8.52 million (2014: Baht 4.29 million) in respect of losses amounting to Baht 42.59 million (2014: Baht 21.43 million) that can be carried forward against future taxable income. Losses amounting to Baht 42.59 million expire during 2017 to 2020 (2014: Baht 21.43 million expire during 2017 to in 2019).

**24 Other non-current liabilities**

	<b>Consolidated</b>		<b>Company</b>	
<b>As at 31 December</b>	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Deposits received from customers for purchase	16,136,745	10,235,980	1,873,755	182,209
Retention from franchisees	12,439,021	10,119,572	12,298,833	9,979,385
Decommissioning provision	2,246,784	2,157,435	1,053,851	1,011,888
Other non-current liabilities	16,229	7,768,725	-	-
<b>Total other non-current liabilities</b>	<b>30,838,779</b>	<b>30,281,712</b>	<b>15,226,439</b>	<b>11,173,482</b>

**25 Share capital and premium on share**

	<b>Number of shares Shares</b>	<b>Ordinary shares Baht</b>	<b>Share premium Baht</b>	<b>Total Baht</b>
At 31 December 2015 and 2014	1,670,000,000	1,670,000,000	1,185,430,000	2,855,430,000

The total number of authorised ordinary shares is 1,670,000,000 shares with a par value of Baht 1 per share. All issued shares are fully paid.

**26 Legal reserve**

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	35,525,139	19,702,576	35,525,139	19,702,576
Appropriation during the year	16,999,894	15,822,563	16,999,894	15,822,563
Closing balance	52,525,033	35,525,139	52,525,033	35,525,139

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.

**27 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at net profit:

For the years ended 31 December	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
Changes in inventories	265,015,893	50,927,458	284,620,703	16,925,774
Depreciation and amortisation of assets	425,255,969	347,690,587	142,653,056	127,778,676
Amortisation of prepaid leasehold right and land rental (Note 14)	425,871,673	279,094,835	717,928	1,129,121
Repair and maintenance expenses	91,351,906	74,444,131	12,791,287	5,090,466
Retirement benefit expenses (Note 22)	8,352,053	7,918,197	5,549,952	5,462,906
Staff costs	1,563,653,167	1,216,120,723	609,967,234	482,649,644
Advertising and promotion expenses	223,091,336	259,021,853	112,787,342	156,232,939

**28 Income taxes**

For the years ended 31 December	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
Current tax	164,589,386	125,623,664	22,233,204	28,272,650
Deferred tax (Note 23)	6,698,597	5,459,502	15,782,858	10,073,250
Total income taxes	171,287,983	131,083,166	38,016,062	38,345,900

**28 Income taxes (continued)**

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

For the years ended 31 December	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
Profit before tax	822,029,073	617,849,093	378,013,950	351,014,763
Tax calculated at a tax rate of	20	20	20	20
The result of the accounting profit multiplied by the income tax rate	164,405,815	123,569,819	75,602,790	70,202,953
Tax effect of:				
Income not subject to tax	(3,833,749)	(3,419,466)	(38,785,273)	(34,830,584)
Expenses not deductible for tax purpose	6,483,242	8,059,528	1,198,545	2,973,531
Tax losses for the year for which no deferred income tax assets was recognised	4,232,675	2,873,285	-	-
Income taxes	171,287,983	131,083,166	38,016,062	38,345,900

The weighted average applicable tax rate for the Group and the Company were 20.84% and 10.06%, respectively (2014: 21.22% and 10.92%, respectively).

**29 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.

	Consolidated		Company	
	2015	Restated 2014	2015	Restated 2014
Net profit attributable to owners of the parent (Baht)	650,721,958	486,754,459	339,997,888	312,668,863
Weighted average number of ordinary share in issue (Shares)	1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Basic earnings per share (Baht)	0.39	0.29	0.20	0.19

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2015 and 2014.

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### For the year ended 31 December 2015

#### 30 Dividends

At the Annual General Shareholders' Meeting dated 24 April 2015, the shareholders approved the payment of dividends in respect of the operating results for the period of 2014 for 1,670 million shares at Baht 0.15 per share, totalling Baht 250.50 million. These dividends were paid to shareholders on 14 May 2015.

#### 31 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 33.37% and 16.04% of the Company's shares, respectively. The Company's remaining shares are widely held.

The information on the Company's subsidiaries and a joint venture 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:

##### 31.1 Revenue from sales and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Sales				
- Subsidiaries	-	-	1,291,000,181	245,815,210
- Other related parties	456,308,827	331,114,855	419,946,836	172,674,904
Transportation income				
- Subsidiaries	-	-	934,171,908	776,792,549
- Other related parties	676,850	692,935	676,850	692,935

Selling prices for subsidiaries and other related parties are closed to market prices and the credit terms are closed to credit terms for other customers.



**31 Related party transactions (continued)****31.2 Other income and expenses**

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue from rental and other services				
- Subsidiaries	-	-	164,456,244	145,190,134
- Other related parties	720,000	722,300	720,000	722,300
Management income				
- Subsidiaries	-	-	169,838,503	103,311,310
Other income				
- Subsidiaries	-	-	1,682,328	2,821,762
- Other related parties	223,649	-	223,649	-
Interest income				
- Subsidiaries	-	-	44,143,093	49,632,606
Purchases of goods				
- Subsidiaries	-	-	65,437,154	81,888,691
- Other related parties	1,878,009,299	981,667,436	588,182,559	752,299
Transportation expenses				
- Other related parties	113,134,463	-	113,134,463	-
Training expenses				
- Subsidiaries	-	-	-	3,056
- Other related parties	-	583,467	-	57,196
Rental expenses				
- Other related parties	60,000	66,000	-	36,000
Utility expenses				
- Subsidiaries	-	-	2,237,231	1,482,780
- Other related parties	62,576	28,792	-	-
Promotion expenses				
- Subsidiaries	-	-	72,122	710,973
Interest expenses				
- Subsidiaries	-	-	11,086,471	6,596,078
Fuel expenses				
- Subsidiaries	-	-	3,951,909	-
Other expenses				
- Subsidiaries	-	-	160,600	21,708
- Other related parties	-	2,430	-	-

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.

**31 Related party transactions (continued)****31.3 Trade receivables from and trade payables to related parties**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade receivables				
- Subsidiaries	-	-	404,324,221	88,000,061
- Other related parties	12,795,660	4,735,144	9,194,681	3,842,546

Outstanding trade receivables from related parties are analysed by aging as follows:

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not overdue	12,292,648	4,731,328	413,134,135	91,838,791
Overdue below 3 months	503,012	3,816	384,767	3,816
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	12,795,660	4,735,144	413,518,902	91,842,607

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade payables				
- Subsidiaries	-	-	2,154,437	4,307,764
- Other related parties	26,149,601	19,077,680	13,648,631	-

**31.4 Amounts due from and amounts due to related parties**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Amounts due from related parties				
- Subsidiaries	-	-	11,546,357	37,802,240
- Other related parties	-	937,024	-	937,024
Amounts due to related parties				
- Subsidiaries	-	-	11,676,697	5,252,790
- Other related parties	9,098	58,792	-	-

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**31 Related party transactions (continued)**

**31.5 Short-term loans to related parties and related interests**

The movements of short-term loans to subsidiaries can be analysed as follows:

<b>For the years ended 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening balance	-	-	1,020,685,363	794,739,363
Loans advanced during the year	-	-	14,766,829,700	10,258,035,000
Loan repayments received during the year	-	-	(14,566,724,000)	(10,032,089,000)
Closing balance	-	-	1,220,791,063	1,020,685,363

<b>As at 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Interest receivables				
- Subsidiaries	-	-	16,957,927	81,438,699
	-	-	16,957,927	81,438,699

<b>For the years ended 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Interest income				
- Subsidiaries	-	-	41,935,135	46,472,846
	-	-	41,935,135	46,472,846

The Company entered into short-term loan agreements with subsidiaries to provide the subsidiaries a total credit facility not exceeding Baht 1,400 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 payment of interest shall be paid at call.

**31 Related party transactions (continued)****31.6 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 years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	-	-	55,000,000	70,000,000
Loan repayments received during the year	-	-	(15,000,000)	(15,000,000)
Closing balance	-	-	40,000,000	55,000,000
<u>Less</u> Current portion of a long-term loan to a related party	-	-	(15,000,000)	(15,000,000)
Long-term loan to a related party, net	-	-	25,000,000	40,000,000

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest income	-	-	2,207,958	3,159,760
- A subsidiary	-	-	2,207,958	3,159,760

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 payment of interest is to be made on monthly basis. The maturity date shall be on 28 December 2018.

The fair value of a long-term loan to a related party equal their carrying amount, as the impact of discounting is not significant.

**31.7 Short-term loans from related parties and related interests**

The movements of short-term loans from subsidiaries can be analysed as follows:

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	-	-	80,620,000	200,000
Loans advanced during the year	-	-	2,450,460,000	1,110,337,000
Repayments of loans during the year	-	-	(2,302,751,600)	(1,029,917,000)
Closing balance	-	-	228,328,400	80,620,000

**31 Related party transactions (continued)****31.7 Short-term loans from related parties and related interests (continued)**

As at 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest payables				
- Subsidiaries	-	-	1,896,387	17,663,039
	-	-	1,896,387	17,663,039
For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest expenses				
- Subsidiaries	-	-	11,086,471	6,596,078
	-	-	11,086,471	6,596,078

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 payment of interest shall be paid at call.

**31.8 Directors and managements remuneration**

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term employee benefits	59,170,497	44,929,801	56,634,859	42,717,709
Post employee benefits	5,264,726	3,810,859	4,917,939	3,692,923
Total directors and managements remuneration	64,435,223	48,740,660	61,552,798	46,410,632

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**32 Commitments and significant agreements**

**32.1 Commitments**

**Capital commitments**

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Property, plant and equipment	75,926,166	35,400,553	17,423,067	14,071,779
	<u>75,926,166</u>	<u>35,400,553</u>	<u>17,423,067</u>	<u>14,071,779</u>

**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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Not later than 1 year	455,578,597	219,871,801	21,226,936	17,719,331
Later than 1 year but not later than 5 years	1,272,389,929	662,784,370	42,310,622	41,406,295
Later than 5 years	2,456,606,074	1,041,098,672	20,277,750	17,151,750
	<u>4,184,574,600</u>	<u>1,923,754,843</u>	<u>83,815,308</u>	<u>76,277,376</u>

**Commitments under letters of guarantee**

As at 31 December 2015, 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 1,210.80 million and Baht 201.76 million, respectively.

**32.2 Credit facilities**

As at 31 December 2015, the Group and the Company had the available credit facilities from financial institutions amounting to Baht 4,426.35 million and Baht 35 million, respectively. The Group's credit facilities excluded the amount of Baht 712.90 million which the Group had requested the financial institutions to approve the waiving of a debt covenant. The financial institutions reviewed this matter and allowed this on 12 February 2016 and 23 February 2016.

**32.3 Significant agreement**

*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.

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**33 Events after the reporting period**

**33.1 Long-term debentures**

At the Extraordinary General Shareholders' Meeting no. 1/2016 dated 15 January 2016, the shareholders approved the issue and offering of debentures not exceeding Baht 4,000 million. The objective is to use this for business operations and future business expansion.

On 16 February 2016, the Company issued and offered debentures which have a tenor of three years and not exceeding Baht 1,500 million to investors and financial institutions. The debentures bore interest at the rate of 4.25% per annum; and interest payments are to be made every 3 months.

**33.2 Investment**

a) AMA Marine Company Limited

At the Extraordinary General Shareholders' Meeting no. 1/2016 dated 15 January 2016, the shareholders approved a subsidiary to acquire of 518,000 newly-issued ordinary shares of AMA Marine Company Limited at the price of Baht 1,200 per share, totalling Baht 621.60 million which represents 32.01% of the total issued shares after increase in AMA Marine Company Limited's share capital.

b) Fuel Pipeline Transportation Limited

On 19 January 2016, a subsidiary acquired Baht 4.98 million ordinary shares of Fuel Pipeline Transportation Limited at Baht 80 per share, totalling Baht 398.35 million. The Company now holds 9.55% of the total shares in Fuel Pipeline Transportation Limited.

**33.3 Increase in a subsidiary's capital**

On 23 February 2016, a subsidiary called for paid-up share capital at Baht 100 per share for 3.99 million shares, totalling Baht 399 million. The Company fully paid for the additional share capital.





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