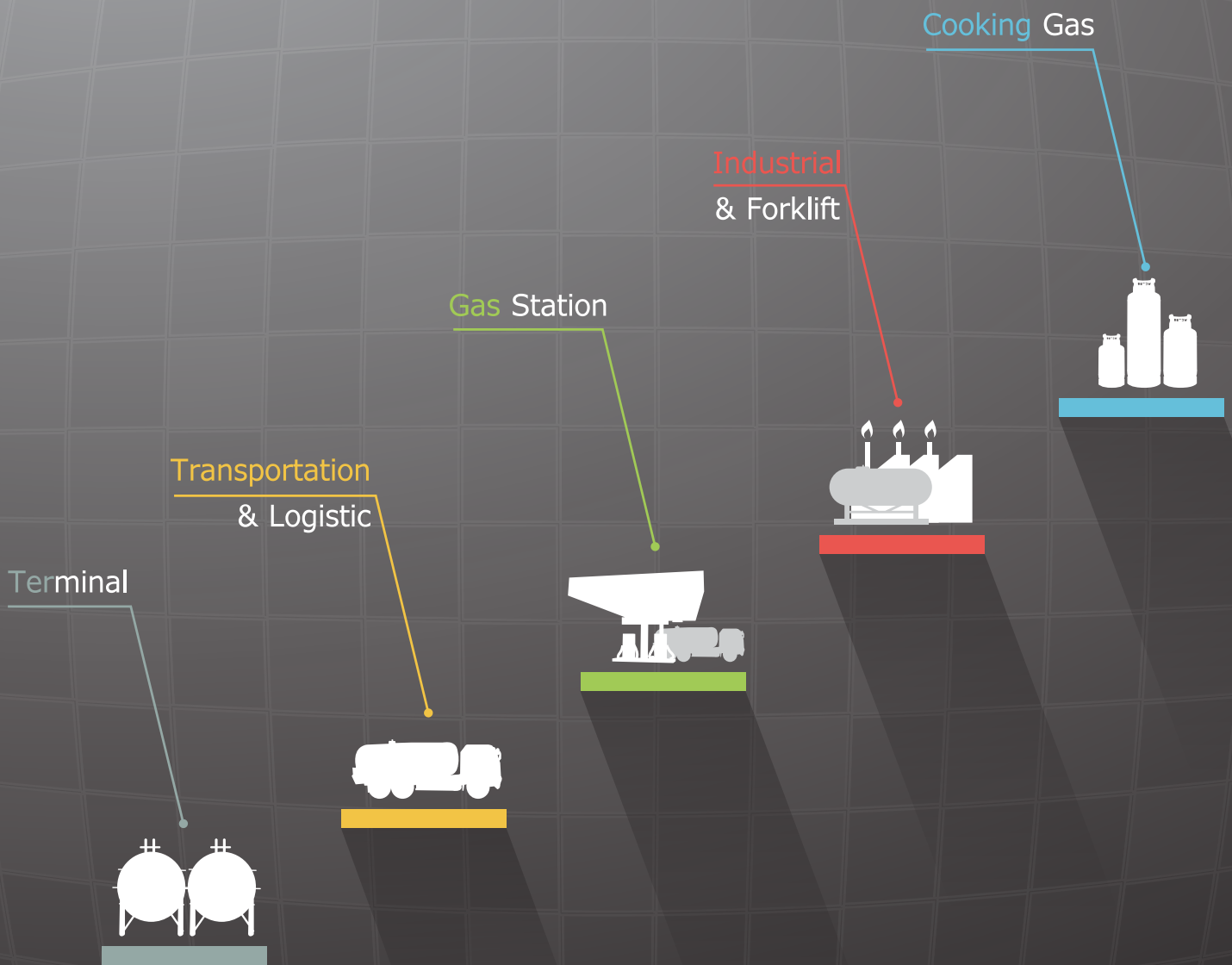




WP ENERGY PUBLIC COMPANY LIMITED



Annual Report 2015

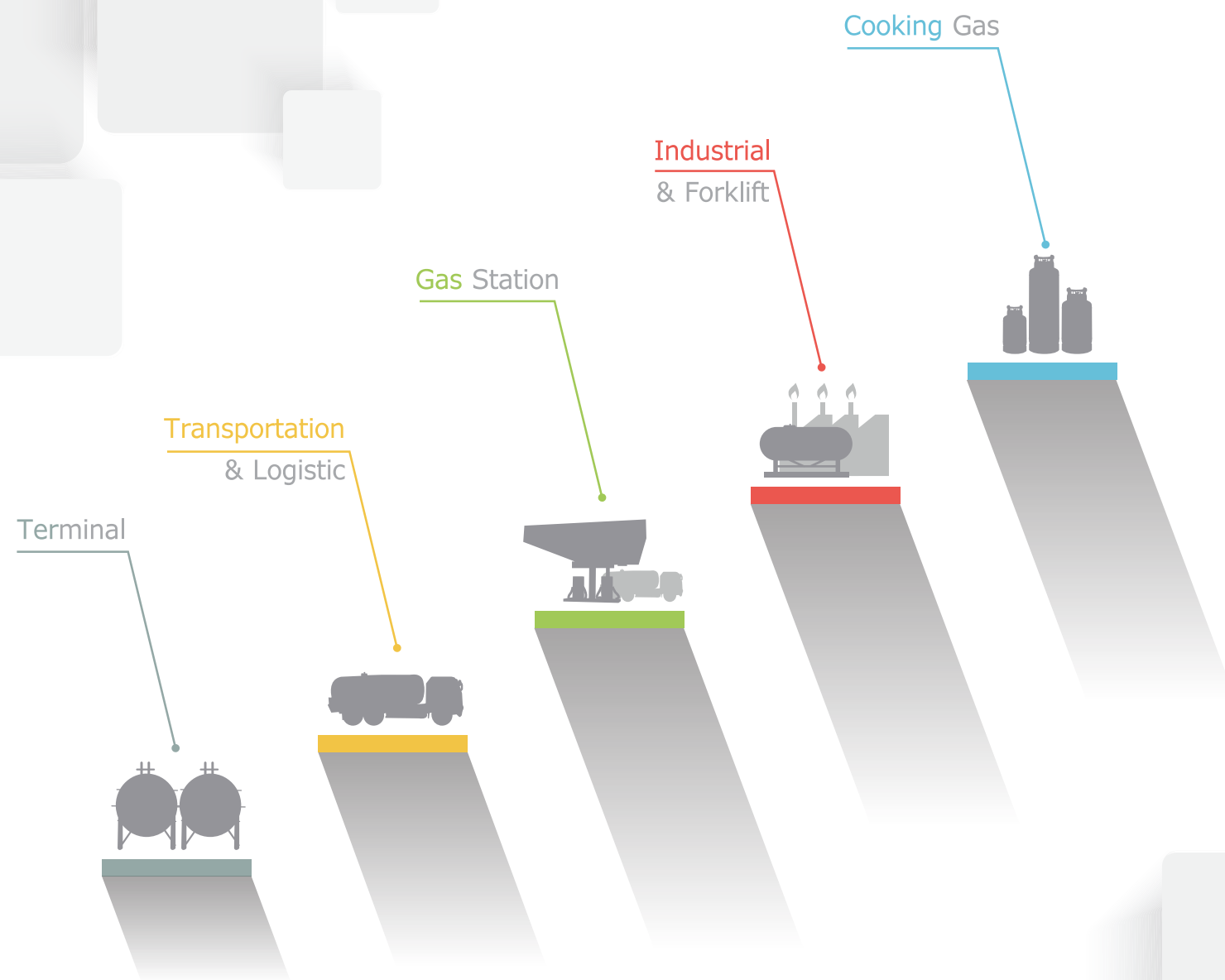
# Content

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WP ENERGY PUBLIC COMPANY LIMITED



## Vision

WP Energy Public Company Limited aims for being the leader of Liquefied Petroleum Gas (LPG) trading business of the country and simultaneously ongoing development of organizational potentiality in order to advance towards integrated energy business operation and give precedence to stakeholders.

## Mission

- Continuously develop organization for effective business.
- Give precedence to reinforcement of personnel to be quality.
- Responsible for community, society and environment.
- Manage works with emphasis on good governance principle in accordance with international standard.

“ Our success would have  
never been possible  
without greatest support  
from our stakeholders ”



**Chulchit Bunyaketu**

Chairman of the Board of Directors  
WP Energy Public Company Limited



## Message from Chairman of the Board of Directors

Dear All Shareholders,

The year of 2015 has continued to be the challenging year of both World Economy and World Energy Industry Circumstance which both supply and demand have been severely fluctuated, affecting the continuous reduction of oil price, especially in the latter half of the year consistently until present.

WP Energy Public Company Limited had passed the first year of operation through the business consolidation with the basis of commitment in developing the Company's business to be more progressive perpetually. Furthermore, although in 2015, the Company has encountered with the challenge of many surrounded circumstances resulting in the Company's business performance such as the fluctuated oil price crisis and the higher competition condition in the market. Consequently, the Company has rapidly adjusted ourselves in both Strategy and Management for handling the possible situations throughout the whole year and confronting the happening of challenges. However, with the utmost harmony of all executives and employees, the Company could finally implement the satisfactory business performance.

Additionally, the Company has unceasingly realized the significance of Corporate Social Responsibility (CSR) through the emphasis of attention in society, community and environment along with the business development as the foundation of sustainable healthy organization development.

Consequently, all happenings of success have been surely occurred by the support from concerned parties and I, on behalf of the Board of Directors including Executives and employees; would like to present my appreciation to all stakeholders who have always provided the good support and trustfulness to the Company. Please be confirmed that the Company shall focus on the organization development under the principle of good corporate governance to enable the organization to be more progressive steadily.



“ We put high effort to  
build more integrated  
business for best  
customer experience ”



**Kanoksakdi Bhinsaeng**

Chief Executive Officer

WP Energy Public Company Limited



## Message from Chief Executive Officer

Dear All Shareholders,

Even though WP Energy Public Company Limited had just stepped passing through the business consolidation in previous year and has faced the World oil price crisis and the higher competition of the market, the Company's business operation performance has been considered in the level of satisfaction and also possessed the market share as the Number 2 in liquefied petroleum gas (LPG) business.

The strategy of business operation has been planned with the focus on the energy business expansion in domestic and abroad, as well, the construction and the expansion of LPG Storage including the launch of the first LPG service station with modern look under the brand of "World Gas" in Ratchaburi Province have been implemented to support the domestic business expansion as stated in the Company's target of integrated business development to response the customers' requirements in every sectors.

In addition, the Company has been studying the direction of business expansion into Asian Economy Community (AEC) through the high confidence that the Company's human resources, experience in LPG business operation more than 30 years, the effective logistics system and the capability of LPG procurement by such significant factors are in full readiness, resulting in the Company's competency of potential business expansion into Asian Economy Community (AEC) market with the prompt competition in international trading business.

The Company would like to show our gratitude to all shareholders, joint ventures, business partners, employees and related parties in supporting our operations with good cooperation. Along with this, please kindly be assured that the Company shall perform the business with the utmost carefulness by concerning on the maximum benefits of all stakeholders and cherishing the good governance in order to generate the highest gratification for all concerned parties endlessly.



# Significant Changes and Development of previous year : 2015



## Significant Changes and Development of previous year : 2015

“ WP Energy Public Company Limited (“Company”) was established under the amalgamation of limited companies between World Gas (Thailand) Company Limited and Picnic Corporation Public Company Limited according to the Public Limited Companies Act B.E. 2535 (A.D.1992) and amended. It was registered its official amalgamation and incorporation on November 24, 2014 and had acquired the assets, liabilities, rights, duties, and responsibilities of the two companies as a result of such legislation. At present, the Company has registered capital of Baht 2,760,565,700 divided into 2,760,565,700 common shares in total and paid Baht 2,760,565,700 as of December 31, 2015.

The Company is principally engaged in trading of liquefied petroleum gas (LPG) under the trademark of “World Gas” by focusing on business potentials from upstream and extending its potentials of distribution in covering all business sectors, including LPG service stations, gas filling plants, gas stores, commercial sector and industrial sector. Also, to be the leader of the country’s liquefied petroleum gas (LPG) business is the Company’s target.

### Significant Development in 2015

#### ■ Constructing and Completing Gas Storages

In 2015, the Company had constructed 2 additional Storages of LPG : one located at Bangpakong Industrial Estate Phase 2, Bangpakong District, Chachoengsao Province and another located at Ban Haet District, Khon Kaen Province; and has obtained LPG Storage License from the Department of Energy Business (DOEB) on December, 2015 and January 8, 2016 respectively. Presently there are 5 Gas Storage as follows:

No.	LPG Storage	Capacity ( Tons )	Maximum gas supply rate (Tons per day )	No. of gas nozzles (Pieces/Units)
1	Bangpakong Gas Storage Bangpakong District, Chachoengsao Province			
	Phase 1	2,780	3,600	10
	Phase 2	2,000	3,072	8
2	Ban Haet Gas Storage Ban Haet District, Khon Kaen Province	2,057	2,880	6
3	Bang Chakreng Gas Storage Muang Samutsongkram District, Samutsongkram Province	1,870	1,800	6
4	Hang Chat Gas Storage Hang Chat District, Lampang Province	222	1,080	3
5	Tha Phara Gas Storage Muang District, Khon Kaen Province	60	360	1
	Total	8,989	12,792	34

#### ■ Acquisition of Assets from Gas Service Stations

The Company had made acquisition of assets from 2 gas service stations which are Wangmanow service station located at Pak Tho, Rajburi Province as of June 12, 2015 and Bangkaew Service Station located at Bangkaew District, Samutsongkram Province as of October 21, 2015 under our own operation management.



# Board of Directors



1. Chulchit Bunyaketu
2. Kanoksakdi Bhinsaeng

Chairman of The Board / Independent Director  
Director / Chairman of the Executive Committee /  
Chief Executive Officer

3. Chatchaval Jiaravanon
4. Nopporn Koakietaveechai
5. Chomkamol Poompanmoung
6. Niskorn Tadthiemrom

Director / Executive Director  
Independent Director / Audit Committee  
Director / Executive Director / Remuneration and Committee  
Chairman of the Audit Committee / Independent Director



7. Sa-nga Ratanachartchuchai
8. Bowon Vongsinudom
9. Aiyawatt Srivaddhanaprabha
10. Ronasit Poomma
11. Miss Soithip Trisuddhi

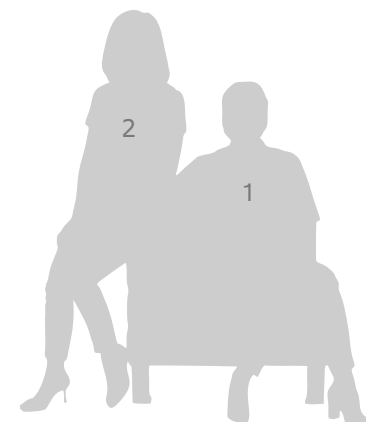
Director/ Executive Director/  
Remuneration and Nomination Committee  
Director / Independent Director  
Director  
Director  
Independent Director / Audit Committee Member /  
Chairman of Nomination and Remuneration Committee



# Executives



1. Chomkamol Poompanmoung  
Deputy Chief Executive Officer - Operations
2. Phairunya Supitux  
Deputy Chief Executive Officer ; Planning and Corporate Support



# General Information





<b>Name of the Company</b>	WP Energy Public Company Limited
<b>Symbol</b>	WP
<b>Website</b>	www.wp-energy.co.th
<b>The Company's Registrations No.</b>	0107557000403
<b>Authorized Capital</b>	2,760,565,700 บาท
<b>Establish Dated</b>	24 November 2014
<b>Type of Business</b>	Engagement of LPG trading business
<b>Total of Employees</b>	458
<b>Location of Headquarter</b>	No. 1 East Water Building, 15th Floor, Vibhavadi Rangsit 5, Vibhavadi Rangsit Road, Chom phon Sub-district, Chatuchak District, Bangkok 10900

**Branch Location**

<b>Branch no. 1</b>	115 Moo 16 Bangpakong sub-district, Bangpakong district, Chachoengsao province.
<b>Branch no. 2</b>	458/12 Moo 4, Naklua sub-district, Banglamung district, Chonburi province.
<b>Branch no. 3</b>	55 Moo 3 Phahonyothin road Klongnueng sub-district, Klongluang district, Pathum Thani province.
<b>Branch no. 4</b>	3/2 Moo 2 Behind Jaroonrat temple Lane, Bypass Rd., Huaykapi sub-district, Muang Chonburi district, Chonburi province.
<b>Branch no. 5</b>	11 Bangna - Trad 2 Lane, Bangna, Bangkok.
<b>Branch no. 6</b>	85 Moo 4 LatLumKaeo sub-district, Latlumkaeo district, Pathum Thani province.
<b>Branch no. 7</b>	500 Bang Khae road, Bang Khae sub-district, Bang Khae district, Bangkok province.
<b>Branch no. 8</b>	10/2 Moo1 Soi WatNamDaeng, Srinakarin Rd., Bangkaew sub-district, Bang Phli district, Samutprakan province.
<b>Branch no. 9</b>	60/2 Moo 1 Bangpai Pattana Rd., Bangpai sub-district, Muang Nonthaburi district, Nonthaburi province.
<b>Branch no. 10</b>	226 Moo 17Mittraphap Rd., Ta Phra sub-district, Amuang KhonKaen district, KhonKaen province.
<b>Branch no. 11</b>	640 Soi Suk Sawat26, Bangpakok, Ratburana, Bangkok.
<b>Branch no. 12</b>	286 Moo 1 Bang Chakreng sub-district, Muang SamutSongkhram district, Samutsongkhram province.
<b>Branch no. 13</b>	73/1 Moo 10 Viang Tan sub-district, Hang Chat district, Lampang province.
<b>Branch no. 14</b>	111 Moo 1 Wang Manao sub-district. Paktho district, Ratchaburi province.
<b>Branch no. 15</b>	101 Moo 10 Ban Heat, Ban Heat district, Khon Kaen province.

**Reference Persons**

<b>Security Registrar</b>	Thailand Security Depository Company 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel : 0 2009-9000 Fax : 0 2009-9991
<b>Auditor</b>	PricewaterhouseCoopers ABAS Company Limited 179/74-80 Bangkok City Tower, 15th Floor, south Sathon Road Thung Maha Mek Sub-district, Sathon District, Bangkok Tel : 0 2344-1000

# Nature of Business Nature

**Business Engagement of Each Product Line****Overview of Business Engagement for Domestic Sales of Liquefied Petroleum Gas**

The Company's market share based on sales volume for 2015 was around 20.39% (Year 2014: 18.63%) whereas public sector has announced the policy of continuous price flotation of Liquefied Petroleum Gas ("LPG" or "LPG Gas").

**1. Product Characteristic**

The Company's product is Liquefied Petroleum Gas (LPG) and the distribution is classified into 2 channels as follows.

**1.1 Wholesale**

It is the distribution to LPG service station, industrial factory, LPG filling plant, LPG store and Commercial Customer Group. The Company classifies the distribution of LPG into 2 natures as follows.

1. Bulk Distribution. It is distributed to the part of LPG service stations as the commission agents of the Company and large-sized industrial factories with necessity to use large quantity of LPG.
2. Gas cylinder Distribution. At present, total filling sizes of the Company's gas cylinder are 4 sizes consisting of 4 kilogram, 13.5 kilogram, 15 kilogram, and 48 kilogram, resulting in the Company's ability to properly respond usability demand of each customer group. The distribution can be additionally divided into 2 sub-ways as follows.
  - Direct Distribution to Gas Store and Commercial Customer Group. According to such way, the Company will fill LPG into gas cylinders at 10 gas filling plants operated by the Company and then further delivered to the aforesaid customer group.
  - LPG Distribution to LPG Filling Plant which is the business partner of the Company. Such filling plant will receive LPG from the Company and fill LPG into the Company's gas cylinder. After that, it will be distributed to the store and commercial customer group.

Table of Each Size of Gas Cylinder of the Company as at 31 December 2015. The detail has been as follows.

Size of Gas Cylinder	4 Kilogram	13.5 Kilogram	15 Kilogram	48 Kilogram	Total
Number (Gas cylinders)	1,656,101	624,384	3,144,902	352,684	5,778,071
Proportion (%)	29%	11%	54%	6%	100%

#### LPG Filling Procedure for the Company's Distribution

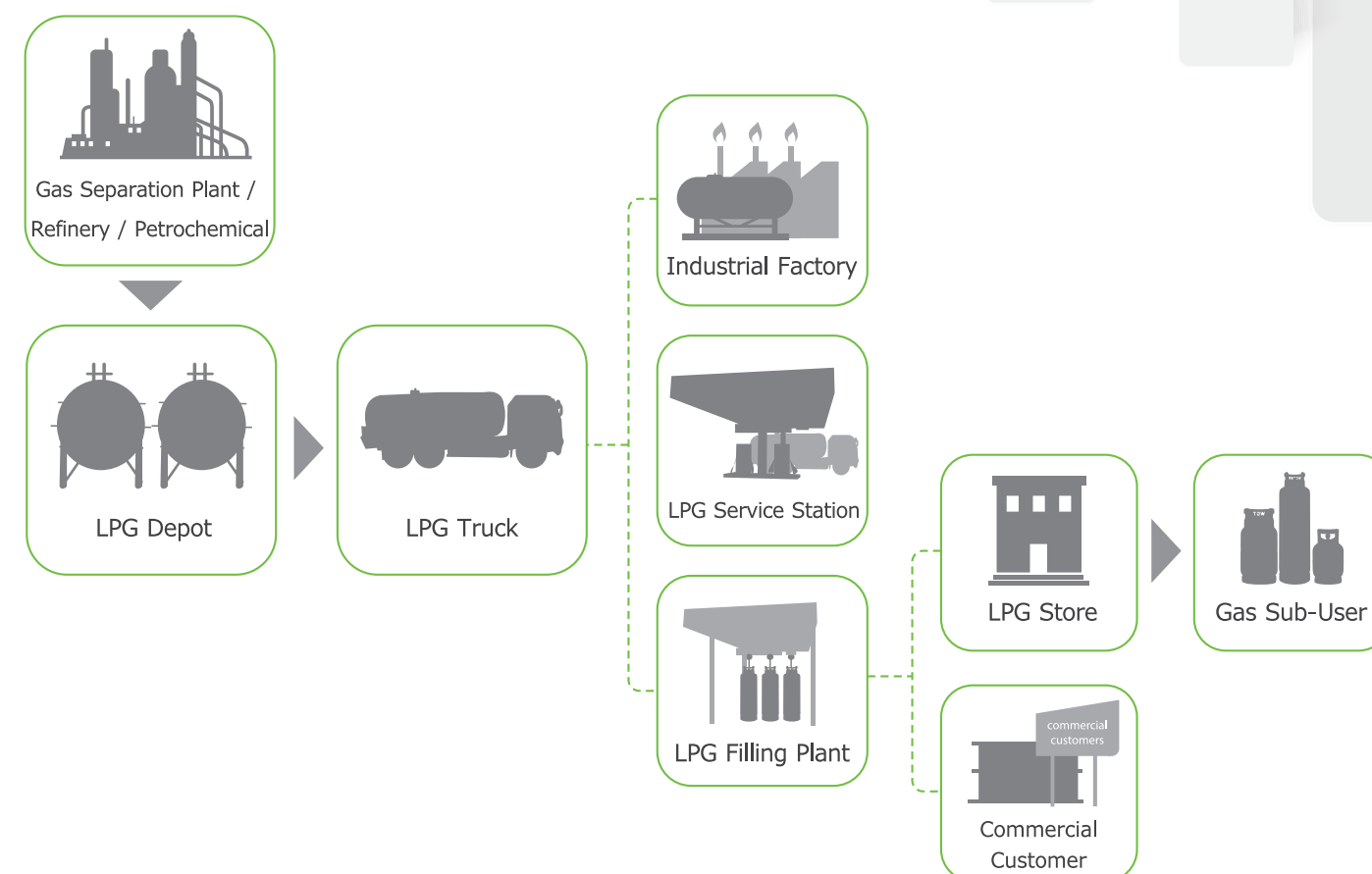
The Company currently runs fully-integrated trading business of LPG by the way that the Company receives LPG shipped by sea and by gas truck from the manufacturer. According to shipment from the manufacturer, the Company stores it at its gas depot before loading gas into gas transport vehicle for transportation to its customer. According to gas by truck carried from the manufacturer, it will directly be delivered to customer without requirement for suspension of goods at gas depot. The gas is loaded into gas transport vehicle and then the Company delivers it to LPG service station which is its commission agent and which is operated by the Company, and large-sized industrial factory. Another part is delivered to LPG filling plant (both of the part which is operated by the Company and the part which is the Company's business partner) for filling into gas cylinders of the Company.

Moreover, the Company has had 10 LPG filling plants which are operated by the company and has also done the business with approximately 139 LPG filling plants of its business partners for filling under "World Gas" trademark nationwide. Most of them are in the Western Region, the Eastern Region and the Central Region. In engagement of LPG filling plant business, the gas filling plant shall hold Commission License (Packaging License) from the dealer of Section 7 so that it can legally fill LPG under trademark of the dealer of Section 7. If the plant desires to serve in filling LPG for other brands, it shall be consented from the dealer of Section 7 held for license by that filling plant. It shall also hold Building Construction License from Department of Energy Business, and shall be located in industrial zone permitted by the government. The Company is not the operator in part of LPG gas store and LPG service station apart from the aforesaid in Point 1.2.2.

However, most of the Company's LPG transportations by land have been operated by EAGLE which is the Company's subsidiary and the LPG carrier in accordance with Section 12 of Fuel Trade Act B.E. 2543 (2000). The number of LPG carriers for the Group of Companies has been as follows.

Type of Transport Vehicles	Number of Vehicles (vehicles )	Loading Capacity (vehicles)
Truck Tractor	48	15
10-Wheeled Truck	64	8

The Company's procedure to fill domestic LPG for distribution can be summarized as follows.



## 1.2 Retail

In 2015, the Company and its subsidiary (WP GAS) entered to purchase assets of 2 petroleum gas service stations consisting of Wang Manao Service Station at Wang Manao Sub-district, Pak Tho District, Ratchaburi Province, which has been started to be opened for operation since 12 June 2015, and Bangkiao Service Station at Bangkiao Sub-district, Mueang District, Samut Songkhram Province, which has been started to be opened for operation since 21 October 2015. However, the Company directly distributes LPG to consumers in the form of automobile fuel through sales in liter via the LPG Dispensing Machine.

## 2. LPG Depot

At present, the Company has had total of 5 LPG depots as follows.

No.	LPG Depot	Capacity Size ( Tons )	Maximum Payment Rate ( Tons per Day )	Number of Gas Diffusers ( Diffusers )
1.	Bang Pakong LPG Depot Bang Pakong District, Chachoengsao Province Phase 1	2,780	3,600	10
	Phase 2	2,000	3,072	8
2.	Ban Haet LPG Depot Ban Haet District, Khon Kaen Province	2,057	2,880	6
3.	Bang Chakreng LPG Depot Mueang Samut Songkhram District, Samut Songkhram Province	1,870	1,800	6
4.	Hang Chat LPG Depot Hang Chat District, Lampang Province	222	1,080	3
5.	Tha Phra LPG Depot Mueang District, Khon Kaen Province	60	360	1
	Total	8,989	12,792	34

In 2015, the Company completed construction of 2 additional LPG gas depots including Bang Pakong LPG Depot, Phase 2 with capacity size of 1,873.64 tons, and Ban Haet LPG Depot with capacity size of 2,009.68 tons. However, the number of LPG dispensers at Bang Chakreng LPG Depot has been increased previously from 6 dispensers to be additionally extended for 8 dispensers, totaling to 14 dispensers for potentiality of adequate LPG distribution and ability to support customers from every national segment.

## 3. Market and Competitive Condition

### 3.1 Marketing and Service Strategy

At present, all LPG trading entrepreneurs in Thailand use domestic raw material with the same quality level. The gas cylinders used for gas filling are produced from just few factories in Thailand. Therefore, it could be summarized that the products of all dealers of Section 7 are almost indifferent. Nevertheless, this industry has not focused on price competition but focused on competition of marketing and service strategy.

The overview of the Company's marketing policy includes orientation of product distribution to customer group of small to medium-sized LPG service stations which are the most numerous number of customer groups and are easily accessed together with market expansion in part of commercial customers and industrial factories with high usage demand of LPG. The purpose is to create

the Company's firm customer network, resulting in its ability to sustainably increase sales volume in long term. The detail of marketing and service strategy for each type of the Company customer groups has included the following.

#### ■ LPG Service Station

With LPG demand quantity of the customers in this sector, the quantity has still been high. The top market share of the Company for sales has been LPG service station. The Company therefore has highly given the precedence to this group of customers so that the Company can motivate this group of customers to trust on use of service with the Company as the first alternative. Then, the Company has also given the precedence to service both in punctual delivery, accuracy of each time of delivered quantity, as well as polite service from all staffs in the organization.

In addition, in 2015, the Company and its subsidiary (WP GAS) entered to purchase the assets of 2 petroleum gas service stations in the Western Region, consisting of Wang Manao Service Station at Wang Manao Sub-district, Pak Tho District, Ratchaburi Province; and Bangkako Service Station at Bangkako Sub-district, Mueang District, Samut Songkhram Province.

With advantage of location of LPG depots, the Company's large-sized LPG depots are located at the Western Region, the Eastern Region, and Northeast Region. In addition, LPG depot in the Western Region is also the only gas depot in such area. Hence, the Company can oversee its customers in surrounding areas more convenient and rapid than other competitors. For sustainable maintenance of good relationship with customers, the Company has entered to oversee and provide assistance and facilitation in various fields such as painting and decorating service station to be new, making it more remarkable, orderly, and safe. Moreover, the Company will find the opportunity to enter to familiarize with new customers to increase its market share in the future.

#### ■ Commercial Customers

Due to today's product sales of the Company to several major commercial customers, and good relationship of the Company with other various large-sized commercial customer groups, in accompany with most of commercial customer group which are the customers with high usage demand of LPG, the Company therefore has foreseen the opportunity and has had the policy of customer base expansion in such group, particularly customer groups having networks of shopping center, restaurant, hotel and/or hospital with good relationship with the Company and without use of the Company's products. The Company has the policy to motivate such commercial customer group to trust and change to use services with the Company by high standard service provision such as punctual delivery of product and quantity accuracy as well as polite service from all in-house officers.

### ■ Gas Filling Plant

As LPG cylinders of the Company under “World Gas” trademark are recognized and popular for consumers, and the Company also has different sizes of LPG cylinders to fulfill the demand as proper for the users, there have been the persons who are interested in entry to invest as the LPG compressing and filling agents under “World Gas” trademark all the time, resulting in the broad and continuous expansion of the Company’s product distribution into the consumers. The Company provides services in the areas of technical assistance, consideration on business feasibility of LPG filling plant construction, legal safety inspection, as well as assistances in finding LPG stores, and regular arrangement of training to LPG filling staffs for knowledge and understanding in the use of LPG and method for safe use of LPG of LPG filling staffs and entrepreneurs.

### ■ Gas Shop

Apart from the Company’s emphasis on the standard of each LPG cylinder which is required for certification according to the standard determined by Department of Energy Business as well as repair standard of LPG cylinder under the Company’s attempt for development and improvement to ceaselessly have higher quality in order to create maximum satisfaction to the consumers, another thing that the Company equally gives the precedence is to build good relationship with gas stores under “World Gas” trademark whereas the Company assists in providing data related to news and matters of law as well as advises about request of Gas Accumulation License from local agencies where those stores are located.

### ■ Industrial Factory

For industrial factory customer group, the Company has standard of product and service supply corresponding to customer demand for fulfillment and purveys punctual transportation under the Company’s emphasis on customer safety and effective after-sales service as well as emphasis on the Company’s good image building.

## 3.2 Nature of Customer Groups and Distribution Channel

According to the Company’s LPG trading business, its customers are distributed under “World Gas” trademark and they are classified into below major groups.

- 1) Gas Service Station Group such as gas station which is opened for sales of LPG to automobiles in type that use LPG as fuel.
- 2) Commercial Customer Group such as shopping center, restaurant, hotel and hospital that use LPG as fuel in cooking.

- 3) Gas Filling Plant Group such as sub-industrial entrepreneur that performs the duty as the agent of LPG filling into gas cylinder with “World Gas” trademark for product distribution to gas stores. After that, gas stores will further sell to household or commercial customer group whereas the Company is the owner of such trademark.
- 4) Gas Shop Group such as the entrepreneur that receives gas cylinder with “World Gas” trademark and filled with LPG from gas filling plant and further sold to household or commercial customer groups whereas the Company is the owner of such trademark.
- 5) Industrial Factory Plant Group that uses LPG as fuel such as manufacturer group of ceramics and sanitary ware parts, and industry required for use of thermal energy in manufacturing products at fixed temperature.

**Table of the Company’s Sales Volume Proportion as at 31 December 2015**

Customer Group	Proportion (%)
1. Gas Service Station	<b>41.80</b>
2. Commercial Customer	<b>3.55</b>
3. Gas Filling Plant	<b>32.15</b>
4. Gas Store	<b>3.63</b>
5. Industrial Factory	<b>7.35</b>
6. Supply Sales and Others	<b>11.52</b>
<b>Total</b>	<b>100.00</b>

Commercial customer group, gas filling plant group, gas store group, and industrial factory group that use large quantity of LPG often monthly order LPG in advance. In part of service station group and industrial factory group that use not much quantity of LPG often weekly buy LPG in advance. The Company delivers LPG to its customers using both transportation companies which are the Company’s subsidiary (namely EAGLE) and the external transportation company as the service providers.



**Table of Proportion of the Company's Revenue from Sales under Customer Classification as at 31 December 2015**

Type of Customer	Revenue (Million Baht)	Proportion (%)
Service Station	9,884.24	42.32
Commercial Customer	926.77	3.97
Gas Filling Plant	7,394.32	31.66
Gas Shop	867.44	3.71
Industrial Factory	1,747.23	7.48
Supply Sales and Others	2,538.70	10.86
Total	23,358.70	100.00

### 3.3 Industrial Condition

In LPG industry, business activities are classified into 3 levels as follows.

1. Upstream Industry The entrepreneur performs its duty to survey and drill oil and natural gas from natural sources for storage and delivery to the intermediate entrepreneurs for use as raw materials in refinery and separation process of product types to be proper for usability or delivery to the entrepreneurs of the power plants and domestic industries that are mostly conveyed by pipes.
2. Intermediate Industry The intermediate entrepreneur performs its duty to separate gas into different types as well as configure gas to be proper for the customer demand. The gas derived from this step is derived from several manufacturing sources in energy industry such as oil refinery, gas separation plant and petrochemical plant. Most of gas obtained is cooking gas for industry use and household use.
3. Downstream Industry (Distribution) The entrepreneur performs its duty to store, fill and distribute gas received from intermediate producer or imported from foreign countries to different types of customers groups.

### Trading Business of Liquefied Petroleum Gas in Thailand

Liquefied Petroleum Gas (LPG) means the combination of any or several liquid carbon dioxide in type of propane, isobutene, normal butane, or butylene. It is the petroleum product derived from natural gas separation process and refining process of raw oil. The gas is compressed in liquid condition under high pressure and transformed into gas when pressure is reduced. LPG is mostly used as cooking fuel, vehicle fuel, and manufacturing fuel in industrial factory. Generally, this LPG is often as gas or cooking gas. In part of business and industrial sector, it is known in the name of ““(L P GAS)” or “LPG”.

In the past, Thailand produced LPG sufficient for domestic usage demand of LPG and the remaining was available for export to abroad. In 2006, Thailand produced LPG for 4,186 million kilogram with 3,671 million kilogram for domestic consumption and 278 million kilogram for export without import of LPG in such period of time.

In 2010-2011, oil price increased more until usage demand of LPG as automobile fuel increased in the same way and the use of LPG as petrochemical raw material considerably increased from 2010, increasing from 1,282 million kilogram to be 1,500 million kilogram, increasing up to 16.82%. This affected the entrepreneurs to adjust LPG selling plan to be increased according to domestic production quantity of LPG. Thus, it has been insufficient with LPG quantity according to LPG selling plan of the entrepreneurs, resulting in the import requirement of Thailand for LPG in the years of 2010, 2011, 2012, 2013 and 2014 for 1,591 million kilogram, 1,437 million kilogram, 1,730 million kilogram, 1,949 million kilogram, and 2,032 million kilogram, respectively.

For 2015, the quantity of gas import decreased to be remained just 1,370 million kilogram due to ability to increase in domestic production capacity of LPG up to 5,513 million kilogram more than year 2014 to 20% when compared with the increased domestic sales for just 3% from 2014. Therefore, the remaining quantity for export to abroad was up to 26 million kilogram which was the export quantity increased from 2014.

### Table of LPG Supply and Distribution

(Union: Million Kilogram)						
Year	2010	2011	2012	2013	2014	2015
Production	4,416	5,422	5,686	5,447	5,506	5,513
Import	1,593	1,524	1,730	1,972	2,099	1,370
Domestic Sales	5,987	6,890	7,386	7,526	7,515	6,695
Export	25	16	10	6	10	36

Source: Department of Energy Business, Ministry of Energy

[http://www.doeb.go.th/v5/info\\_sum\\_import\\_export\\_fuel.php](http://www.doeb.go.th/v5/info_sum_import_export_fuel.php)

Most of LPG domestically produced is derived from production process of 2 major industries in similar proportions including natural gas separating industry and oil raw refining industry. In addition, some parts of LPG are derived from other petrochemical industries in the nature of by-product whereas the detail of LPG manufacturing sources is shown in below Table.

**Table of LPG Domestic Production Quantity under Production Source Classification**

(Unit: Million Kilogram)								
	2012		2013		2014		2015	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Natural Gas Separation Plant	3,716	66.35	3,524	65.70	3,651	66.31	3,593	65.17
Raw Oil Refinery	1,970	34.65	1,923	35.30	1,855	33.69	1,920	34.83
Other Petrochemical Plant	-	-	-	-	-	-	-	-
Total	5,686	100.00	5,447	100.00	5,506	100.00	5,513	100.00

Source : Energy Policy and Planning Office, Ministry of Energy ( <http://www.eppo.go.th/info/index.html>)

#### Utilization of LPG

The usage demand of LPG for the whole nation in the period of 2015 was 6,695 million kilogram whereas usage demand of LPG was mostly usage demand of petrochemical raw material for 34% of total usage demand quantity of LPG. The secondary was the usage demand in household sector, use of fuel in automobiles and use in industrial sector for 31.27%, 25.86% and 8.87% of total usage demand quantity of LPG, respectively.

The rate for usage demand of LPG in the period of 2015 decreased from 2014 equaling to 10.91% due to the main cause derived from decrease in usage demand of LPG in petrochemical raw material sector for 17.99% and decrease in service station sector for 12.31%.

**Table of LPG Domestic Usage Demand under Economic Section Classification**

(Unit: Million Kilogram)						
	2013		2014		2015	
	Quantity	%	Quantity	%	Quantity	%
Household	2,409	32.01	2,188	29.51	2,094	31.27
Industry	602	8.00	577	7.78	594	8.87
Service Station	1,775	23.58	1,974	26.63	1,731	25.86
Petrochemical Raw Material	2,739	36.39	2,776	36.08	2,277	34.00
Total	7,526	100.00	7,515	100.00	6,695	100.00
Changing Rate compared from the same period of the previous year (%)	1.90%		-0.15%		-10.91%	

Source : Department of Business Energy, Ministry of Energy

([http://www.doeb.go.th/v5/info\\_supply\\_provincefuel](http://www.doeb.go.th/v5/info_supply_provincefuel))

#### Competition and Market Share

At present, there has been total of 18 LPG dealers of Thailand with market share based on sales quantity as follows.

**Table of Sales Quantity and Market Share of LPG Dealer**

(Unit: Million Kilogram)						
Name of Entrepreneurs	2013		2014		2015	
	Quantity	%	Quantity	%	Quantity	%
1 PTT Public Company Limited	2,024	36.25	2,087	37.00	1,684	35.61
2 Esso (Thailand) Public Company Limited	35	0.63	29	0.52	26	0.55
3 Bangchak Petroleum Public Company Limited	6	0.10	7	0.13	8	0.17
4 Unique Gas and Petrochemicals Public Company Limited	599	10.73	579	10.26	554	11.71
5 WG*	818	14.65	665	11.80	-	-
6 Sang Thong Gas Drum Company Limited	74	1.33	62	1.10	46	0.98
7 PICN**	257	4.60	282	4.99	-	-
8 Siam Gas and Petrochemicals Public Company Limited	604	10.82	542	9.62	485	10.26
9 WP Energy Public Company Limited***	-	-	104	1.84	964	20.39
10 Takuni Group Public Company Limited	56	1.00	55	0.98	49	1.03
11 Palang Assawin Company Limited	134	2.40	138	2.44	111	2.35
12 PAP Gas and Oil Company Limited	180	3.22	202	3.59	166	3.52
13 United Gas Company Limited	23	0.40	42	0.75	33	0.69
14 Orchid Gas (Thailand) Company Limited	112	2.00	120	2.13	121	2.55
15 Uno Gas Company Limited	48	0.86	64	1.14	43	0.91
16 SCG Chemicals Company Limited	483	8.66	492	8.72	293	6.19
17 NS Gas LPG Company Limited	55	0.99	73	1.29	61	1.28
18 Thai Gas Corporation Company Limited	76	1.36	96	1.70	85	1.80
Total	5,584	100.00	5,639	100.00	4,729	100.00

Source : Department of Business Energy, Ministry of Energy

([http://www.doeb.go.th/v5/info\\_supply\\_provincefuel.php](http://www.doeb.go.th/v5/info_supply_provincefuel.php))

Remark : Year 2014

\*,\*\* WG,PICN was total quantity from 1 January 2014 – 23 November 2014 before merger.

\*\*\* WP Energy Company Limited was total quantity from 24 November 2014 after merger.

LPG business in Thailand has declined in 2015 due to situation of continuous decrease in world oil price and the change of some entrepreneurs to use alternative energy with cheaper cost than LPG. It was expected that in 2016, LPG business will likely tend to be steady according to decelerating world economic situation and quite varied world oil price situation. However, the Company has planned the import and export of LPG for LPG business expansion to neighboring countries with numerous usage demand of LPG in part of household sector and industrial sector.

In the past, LPG price structure of Thailand has been completely controlled by the government whether the control on LPG retail price, LPG wholesale price and compensation of LPG transportation cost between 5 LPG depots of PTT Public Company Limited (“PTT”) consisting of Lampang, Nakhon Sawan, Khon Kaen, Surat Thani and Hat Yai (the determination for compensation rate of LPG transportation cost from refinery or gas separation plant to all 5 PTT LPG depots will be different based on route, distance and transportation means. Such compensation rate will be changed based on the Announcement of National Energy Policy Council, Energy Policy and Planning Office, Ministry of Energy).

Later, the government had the policy for complete cancellation of LPG price control and LPG price floatation starting from cancellation of LPG retail price control on 1 November 2001. However, LPG wholesale priced has still been controlled. However, the government has assigned Department of Internal Trade as the regulating agency of LPG retail price particularly LPG for household use since it is the controlled product with necessity to people living without control of LPG retail price for use as automobile fuel and for industrial use.

On 4 February 2016, Energy Policy and Planning Office (“EPPO”) cancelled the compensation of LPG transportation cost from refinery or gas separation plant to 5 LPG depots of PTT Public Company Limited (“PTT”) including Lampang, Khon Kaen, Nakhon Sawan, Surat Thani, and Songkhla, resulting in unequal LPG retail price at 5 PTT depots that are different based on route, distance and means of transportation. The increasing rate is different from Ex LPG depot retail price at Bangkok Metropolitan Region, Western Region and Eastern Region.

**Current LPG Price Structure can be classified into 3 parts as follows.**

#### 1) LPG Price Produced in the Kingdom or LPG Price Imported for Use in the Kingdom

EPPO consented according to the resolution of National Energy Policy Council No. 5/2015 on 7 January 2015, on the following pricing of cost price from manufacturing source and supply source.

1. Pricing LPG produced from natural gas separation plant at the price level of 498 USD per ton.
2. Pricing LPG produced from fuel refinery and aromatic plant as world market price (CP) minus 20 USD per ton.
3. Pricing imported LPG as world market price (CP) plus 85 USD per ton whereas CP = Announced Petromin Price at Ras Tanura, Saudi Arabia, of that month, is the ratio between Propane and Butane at 60:40.

However, cost price from manufacturing source and supply source will be changed every month under review of cost price from manufacturing source and supply source in every 3 months.

The calculation criteria of Ex Refinery Price which is the initial purchase price of LPG is determined. Cost from manufacturing source and supply source (natural gas separation plant, fuel oil refinery, aromatic plant, and import) is weighted average based on average manufacturing and supply quantity for 3 retroactive months to the extend of the reporting of Department of Energy Business at the weighted average exchange rate sold by the commercial bank to the general customer which has been previously announced by Bank of Thailand. However, the manufacturing quantity of gas from fuel oil refinery and aromatic plant excluding self-use as fuel and in part of import will cover particularly the quantity of LPG imported for domestic use as fuel only.

#### Calculation Criteria of Ex Refinery Price which is the weighted average initial purchase price of LPG

##### (LPG Pool)

$$\text{LPG (Pool)} = \frac{(\text{LPGGSP} \times \text{QGSP}) + (\text{LPGRef} \times \text{QRef}) + (\text{LPGIm} \times \text{QIm})}{\text{QTotal}}$$

LPG (Pool)	is Weighted Average LPG Price (USD per Ton and Baht per Kilogram) announced as monthly price.
LPGGSP	is the price of LPG manufactured from natural gas separation plant (USD per Ton and Baht per Kilogram).
LPGRef	is the price of LPG produced from fuel oil refinery and aromatic plant (USD per Ton and Baht per Kilogram).
QGSP	is the average manufacturing quantity of LPG from natural gas separation plant (Thousand Tons per Month) in 3 months equaling to the report from Department of Energy Business.
QRef	is the average manufacturing quantity of LPG from fuel oil refinery and aromatic plant excluding self-use as fuel (Thousand Tons per Month) in 3 months to the extend of the reporting of Department of Energy Business.
QIm	is average quantity of LPG imported for domestic use as fuel (Thousand Tons per Month) in 3 months to the extend of the reporting of Department of Energy Business.
QTotal	is total supply quantity equaling to QGSP + QRef+ QIm (Thousand Tons per Month)

However, the weighted average exchange rate the bank sold to general customer which has been announced by Bank of Thailand in previous month (Baht per USD) has been applied.

Oil fund is the mechanism of management of Ex Refinery Price which is the initial purchase price of LPG to be the same price whereas the manufacturer or the supplier of LPG with higher cost than Ex Refinery Price which is the initial purchase price of LPG that is paid for compensation. On the other hand, the manufacturer or the supplier of LPG with cost lower than Ex Refinery Price which is the initial purchase price of LPG shall remit money into oil fund based manufacturing and supply quantity. The Energy Fund Administration Institute (Public Organization) has been assigned to further execution.

Later, on 2 February 2015, EPPO announced the price of LPG manufactured in the Kingdom or the price of imported LPG based on new LPG price structure according to the resolution of the National Energy Policy Council on Pricing Cost Price from Manufacturing Source and Supply Source, to be increased from 13.6863 Baht per Kilogram to be 19.3228 Baht per Kilogram.

## 2) Ex Refinery LPG Wholesale Price

In pricing Ex Refinery LPG Wholesale Price, the calculation formula is specified referring gas price manufactured in the Kingdom or price of LPG imported for use in the Kingdom according to Point 1) and added with tax and related expenses as follows.

$$\text{Ex Refinery LPG Wholesale Price} = (\text{Price of LPG Manufactured in the Kingdom or Price of LPG Imported for Use in the Kingdom}) + \text{Excise Tax} + \text{Municipality Tax} + \text{Oil Fund} + \text{VAT}$$

Previously, EPPO has controlled Ex Refinery Wholesale Price before VAT according to such formula to be equal to 12.4569 Baht per Kilogram using oil fund as the mechanism of price control. It was to say that if the price of LPG produced in the Kingdom or imported price of LPG used in the Kingdom according to Point 1) is increased, the government shall use oil fund for compensation so that Ex Refinery LPG Wholesale Price is equal to the price determined by the government.

Later, on 1 February 2007, the government assigned oil fund to cancel the compensation of Ex Refinery LPG Wholesale Price and to collect money into oil fund in adequate level for compensation of LPG transportation cost to all 5 LPG depots of PTT, resulting in increase in LPG wholesale price from what has ever been priced to be fixed at 12.4569 Baht per kilogram to be 13.6863 Baht per kilogram.

On 2 February 2015, the National Energy Policy Council restructured LPG price under calculation of the price of LPG manufactured in the Kingdom or price of LPG imported for use in the Kingdom based on the calculation criteria of Ex Refinery Price (LPG Pool) according to Point 1) and the calculation criteria of money remittance into oil fund whereas:

$$\text{Rate of Money Remittance into Oil Fund} = \text{Weighted Average LPG Price} - \text{Cost from Manufacturing Source or Supply Source}$$

From restructuring of new LPG price above from 2 February 2015, LPG wholesale price has been increased from 13.6863 Baht per kilogram to be 19.3228 Baht per kilogram and oil fund of which the dealers of Section 7 shall deliver to public sector for 5.640 Baht per kilogram has been cancelled and it has been taken to be included in Ex Refinery Wholesale Price. However, the new price has been restructured as follows.

1. Initial purchase price of LPG is determined for all sectors to be in the same level to build equality to all sectors.
2. The price increasingly reflects the supply cost when LPG manufacturer increase more production, affecting decrease in LPG import and decrease in initial price of LPG in every sector accordingly. This will cause indifference of LPG price in Thailand from neighboring countries.

EPPO is the issuer of the announcement of National Energy Policy Council about the changing price in each month within the first 5 working days of that month. According to today's announcement of the latest change on 4 February 2016, Ex Refinery LPG Wholesale Price was 15.7060 Baht per kilogram excluding VAT.



**Table of Comparison on Ex Refinery LPG Wholesale Price Prior- and Post-Cancellation of Subsidary by Oil fund**

Ex Refinery LPG Wholesale Price ( Baht per Kilogram )			
	Prior-Cancellation of Subsidy by Oil Fund (29 Nov 07)	Post-Cancellation of Subsidy by Oil Fund (25 Dec 09)	Ex Refinery LPG Wholesale Price as at 31 Dec 2015
<b>1) Ex Refinery Price or Ex Gas Separation Plant Price or Imported Price</b>			
<b>Excise Tax ( 1 )</b>	2.1700	2.1700	2.1700
<b>Municipality Tax ( 2 )</b>	0.2170	0.2170	0.2170
<b>Oil Fund ( 3 )</b>	(0.8265)	0.1781	(1.3170)
<b>Ex Refinery Wholesale Price before VAT</b>	12.4569	13.6863	17.5751
<b>VAT (4)</b>	0.8720	0.9580	1.2303
<b>2) Ex Refinery Wholesale Price including VAT</b>	13.3289	14.6443	18.8054

Source : Energy Policy and Planning Office, Ministry of Energy

Remark :

- Excise tax is specified to be fixed rate at 2.1700 Baht per kilogram.
- Municipality tax is equal to 10.00% of excise tax.
- Compensation of oil fund is line with the Announcement of National Energy Policy Council on Pricing, Rate of Money Remittance into Oil Fund, and Compensation Rate for LPG produced in the Kingdom and imported for use in the Kingdom, Rate of Money Remittance into Oil Fund and Compensation Rate for Gas Delivered to Gas Depot, and Rate of Money Remittance into Oil Fund for LPG Exported from the Kingdom.
- VAT of Ex Refinery LPG Wholesale Price is equal to 7.00% of Ex Refinery LPG Wholesale Price.
- On 4 March 2016, Ex Refinery Wholesale Price Prior-VAT was decreased to be 15.7060 Baht per Kilogram.

However, on 3 February 2016, the Announcement of National Energy Policy Council Issue No. 6, B.E. 2016 on Pricing, อัตราเงินส่งเข้ากองทุน and Compensation Rate for Gas Produced in the Kingdom or Imported for Use in the Kingdom, อัตราเงินส่งเข้ากองทุน and Compensation Rate for Gas Delivered to Gas Depot. Unequal gas prices at upcountry gas depots prior-VAT has been specified and compensation rate of transportation for gas delivered to upcountry PTT depot has been cancelled, resulting in the combination of LPG Wholesale Price in each country of PTT depot with transportation cost in LPG price. This has affected Ex Upcountry PTT Depot LPG Wholes Price to be different and it has been effective from 4 February 2016 under below LPG pricing (excluding VAT).

- Ex Refinery Whole Price 15.7060 Baht per Kilogram
- Ex Chon Buri Gas Depot Gas Selling Price 15.7060 Baht per Kilogram
- Ex Nakhon Sawan Gas Depot Gas Selling Price 16.7160 Baht per Kilogram
- Ex Lampang Gas Depot Gas Selling Price 17.7160 Baht per Kilogram
- Ex Khon Kaen Gas Depot Gas Selling Price 17.1090 Baht per Kilogram
- Ex Surat Thani Gas Depot Gas Selling Price 16.0417 Baht per Kilogram
- Ex Songkhla Gas Depot Gas Selling Price 16.0621 Baht per Kilogram

### 3) LPG Retail Price

In pricing of LPG retail price, the calculation formula is determined referring from wholesale price of LPG.

**Retail Price of LPG = Ex-Works Refinery Wholesale Price + Marketing Margin + VAT of Marketing Margin**

**Sample for Calculation of LPG Pricing Structure as at 31 December 2015**

	LPG Selling Price	
	Baht per Kilogram	%
1) Ex Refinery Price or Ex Gas Separation Plant Price, or Imported Price	16.5051	74.05
Excise Tax (1)	2.1700	9.74
Municipality Tax (2)	0.2170	0.97
Oil Fund (3)	(1.3170)	(5.91)
Ex Refinery Wholesale Price before VAT	17.5751	
VAT (4)	1.2303	5.52
2) Ex Refinery Wholesale Price including VAT	18.8054	
Marketing Margin (5)	3.2566	14.61
VAT+Marketing Margin	0.2280	1.02
3) Retail Price of Gas	22.29	100.00

Source : Energy Policy and Planning Office, Ministry of Energy

Remark :

- Excise tax is specified to be fixed rate at 2.1700 Baht per kilogram.
- Municipality tax is equal to 10.00% of excise tax.
- Compensation of oil fund is line with the Announcement of National Energy Policy Council on Pricing, Money Remittance into Fund and Compensation Rate for LPG produced in the Kingdom and imported for use in the Kingdom, Money Remittance into Fund and Compensation Rate for Gas Delivered to Gas Depot, and Money Remittance into Fund for LPG Exported from the Kingdom.
- VAT of Ex Refinery LPG Wholesale Price is equal to 7.00% of Ex Refinery LPG Wholesale Price.
- Marketing margin is specified as fixed rate at 3.2566 Baht per kilogram.
- Value added tax is equal to 7% of marketing margin.

In addition, the government has also considered that LPG used as cooking gas is the goods necessary for people living. The cooking gas therefore has been determined to be controlled goods, resulting in the requirement of consent from Department of Internal Trade, Ministry of Commerce for each time of change in selling price of cooking gas while non-control of the government on retail price of LPG used for automobile fuel and industrial use.

**4) Competition in LPG Trade Industry**

LPG trading business is the somewhat high competitive business since several entrepreneurs and small entrepreneurs can find the channels for continuous increase in marketing proportion as shown in Table of Distribution Quantity and Market Share of LPG Dealers. However, it has been resulted from the past several years that LPG trading business has been the business with quite high growth due to the continuous growth of Thailand LPG usage demand quantity both in industrial sector and for household consumption. The major cause has been from the campaign of the government and private organization in the issue of alternative energy of coal and oil. Therefore, entrepreneurs with interest to entry to engage LPG trading business have additionally increased.

However, it was believed that competitive condition will be not much high in the future since today's LPG trading business PG has been the business with quite complicated barrier to entry for business doing, affecting the inability of the new entrepreneur which is interested in the business to enter for business operation. The detail of such condition includes the following.

(a) It is the business that requires use of certain amount of capital since LPG dealer shall be granted for Oil Dealer License pursuant to Section 6 of Fuel Act B.E. 2521 (1978) from the Ministry of Commerce. At present, it has been changed to be the oil dealer pursuant to Section 7 of Fuel Trade Act B.E. 2543 (2000) under below qualification requirement.

- Registered capital of 50 million Baht and over is required.
- Working capital of 100 million Baht and over is required.
- Gas depot and annual trade volume (the quantity of import in the Kingdom, purchase, refinery, production or acquisition in one year) more than 50,000 metric ton are required.
- Its own trademark is required.

(b) It is the business that requires to obtain customer confidence. It takes a period of time to build customer confidence since LPG trading business is the business of which product is indifferent. Therefore, the entrepreneur shall be competitive with marketing and service to motivate its customer reliance on use of its products. The entrepreneur shall have knowledge and understanding in its customer and have impressive service such as rapid delivery, technical service, and maintenance service of LPG cylinders.

(c) It has been possible that the foreign entrepreneur has foreseen the potential of Thailand as the center of transportation system in Indochina region. The foreign entrepreneur therefore has started to enter to operate the business in Thailand since 2001. The said operation has been the significant

variable causing severe competition in gas trading business in the future since these world manufacturers and traders have had many capitals and technologies superior than the entrepreneurs in Thailand. However, the foreign entrepreneurs have not yet had business experiences and relation with gas dealers in Thailand and that may be the factor causing difficulty of business operation.

#### 4. Supply of Products

##### 4.1 Liquefied Petroleum Gas

The Company supplies Liquefied Petroleum Gas for sales from 3 manufacturing sources as follows.

1. Gas Separation Plant. The production capacity has been estimated into the proportion of 52.20% of total domestic production quantity and import. At present, total 6 gas separation plants are located at Rayong Province for 5 plants and located at Surat Thani Province for 1 plant.
2. Oil Refinery. The production capacity is around 27.90% of total domestic production quantity and import. The refineries consist of Thai Oil Public Company Limited, PTT Global Chemical Public Company Limited, Star Petroleum Refining Public Company Limited, Bangchak Petroleum Public Company Limited, Esso (Thailand) Public Company Limited, and IRPC Public Company Limited.
3. Import by PTT. It has been estimated to be around 19.90% of total domestic production quantity and import. The Company has yearly made Sales Contract with the manufacturer and the existing company is mostly prioritized for contractual renewal in each year upon notification for 2-3 months in advance prior-the expiry of the contract.

However, the major manufacturers of LPG of which the Company has purchased from (calculated from LPG quantity as at 31 December 2015) have consisted of PTT, Thai Oil, Esso, Chevron, Bangchak, and IRPC, estimated into the proportion of 65.52%, 22.61%, 6.78%, 4.88%, 0.13% and 0.08%, respectively.

##### 4.2 Gas cylinder

The Company can supply the gas cylinders used for LPG containing from domestic producers. In addition, the Company's policy is to increase number of gas cylinders for the Company through consideration from production system and certainty of delivery period for customer confidence on its products. Moreover, the gas cylinder manufacturers also have similar production standard, resulting in nearly indifferent quality standard used in gas containing for the whole industry.

For the period of 2015 ended 31 December 2015, the Company has used the service of total of 2 gas cylinder manufacturers including Sahamitr Pressure Container Public Company Limited and Metal Mate Company Limited, with ordering volume estimated to be the proportion of 70% and 30%, respectively.

Moreover, for accident prevention that may occur with the user of LPG, the condition of the gas cylinder with 5 years and 10 years useful life shall be tested. The oil trader in Section 7 of Oil Trade Act B.E. 2543 (2000) who is the owner of the gas cylinder shall be responsible for employment expense of external company to inspect the gas cylinder condition.



# Analysis and Explanation of the Management

## Analysis and Explanation of the Management

### Overall Operation and Financial Position

The analysis and explanation of the overall operation for the year 2015 shown below used data from consolidated financial statements for the year ended 31 December 2015 and virtual consolidated financial data for the year ended 31 December 2014 and 31 December 2013.

### 1. Overall Operation

**Table 1: Revenue Structure of the Company and its Subsidiaries under Revenue Classification**

(Unit : Million Baht)	For the Year Ended 31 December 2015		For the Year Ended 31 December 2014		For the Year Ended 31 December 2013	
	Revenue	% of Revenue	Revenue	% of Revenue	Million Baht	% of Revenue
Revenue from Sales of LPG	21,707	98.64	21,487	95.50	19,589	96.94
Revenue from Transportation Service Charge	171	0.78	176*	0.78	194*	0.96
Other Revenue	128	0.58	837*	3.72	424*	2.10
<b>Total Revenues</b>	<b>22,006</b>	<b>100.00</b>	<b>22,500</b>	<b>100.00</b>	<b>20,207</b>	<b>100.00</b>

\*The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of table of virtual consolidated financial data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

### Revenues

The main revenues of the Group of Companies have been derived from sales of LPG estimated to be the proportion of 98.64% of total revenues. The secondary has included revenue from transportation service charge estimated to be the proportion of 0.78% of total revenues and other revenues estimated to be the proportion of 0.58% of total revenues. The following can be analyzed.

1) The Company's revenue from sales of LPG in 2015 was 21,707 million Baht, increasing for 220 million Baht or increasing for 1.02% from 2014. In 2015, total sales quantity of LPG reduced from 1,139,729 tons in 2014 to be 1,089,593 tons. The major causes were derived from the situation of continuous decrease in world oil price, affecting decrease in quantity of gas users and change in more use of oil with cheaper price, affecting the entire LPG industrial market in accompany with economic recession and market condition with competition in higher price. Nevertheless, in part of selling price, the



finding indicated that average selling price of 2015 was higher than of 2014 due to the increase in LPG price from the end of 2014 until the midyear period of 2015 as the result from adjustment of money remittance rate of oil fund (the Company has had duty to collect money and remit into fund from sales of LPG from its customers to be remitted into the fund pursuant to the Announcement of the National Energy Policy Council whereas this collected money was presented to be included in revenue from sales). However, such money collection has been announced to be cancelled since 2 February 2015 onwards. Therefore, it has been unnecessary for remittance of such money from that date whereas the rate used for collection of that fund has been included into the market price of LPG.

From such aspect, even though total sales quantity will be reduced but since the overall average selling price of 2015 was higher than 2014, it resulted in higher revenue from sales of LPG of the Company in 2015 than in 2014. In overview, the direction of the Company's market share in 2015 improved whereas market share increased from 20.93% in December 2014 to be 22.26% in December 2015 as shown in below Table.

**Table of Monthly Market Share of WP Energy Public Company Limited from December 2014 to December 2015**

Month	Market Share of the Company <sup>1</sup> (%)
December 2014	20.93
January 2015	20.85
February 2015	21.32
March 2015	21.46
April 2015	21.35
May 2015	21.37
June 2015	22.18
July 2015	22.07
August 2015	22.13
September 2015	22.66
October 2015	22.49
November 2015	22.26
December 2015	22.26

<sup>1</sup> Data from Department of Energy Business ended 31 December 2015

From above Table, the finding indicated the overview of the Company's market share in 2015 had improved direction whereas market share increased from 20.93% in December 2014 to be 22.26% in December 2015, particularly in automobile sector that the Company's market share of automobile increased from 23.59% in December 2014 to be 28.25% in December 2015. The Company's market share in industrial sector and cooking sector in 2015 was not much indifferent from 2014.

In addition, the Company has planned to expand its customer base for increasing use of LPG to support the continuous growth under emphasis on accessible services to all customer groups and depot coverage; and also executed the marketing policy in the Company's overview such as fully-integrated business operation starting from supply of quality LPG, rapid transportation, fair price and good service. The Company has given the precedence to all sectors with purpose to create its customer networks to be secure, resulting in the Company's ability to sustainably increase sales volume in long run. According to last year policy, it was deemed to be rather successful. The Company's total market shares were the second rank of the nationwide LPG dealers (referring from Table of Sales Quantity and Market Share of LPG Dealers in Item Marketing and Competitive Condition under Topic of Nature of Business Engagement).

The proportion of revenue from sales of LPG of the Company under customer classification has been shown in below Table.

**Table of Proportion of Revenue from Sales of WP Energy Public Company Limited under Customer Classification for the Year Ended 31 December**

Type of Customers	Year 2015 (Million Baht)	Proportion (%)	Year 2014 (Million Baht)	Proportion (%)
Gas Service Station	9,141	42.11	9,444	43.95
Commercial Customer	866	3.99	854	3.97
Gas Filling Plant	6,871	31.65	6,875	32.00
Gas Store	803	3.70	867	4.04
Industrial Factory	1,632	7.52	2,162	10.06
Supply Sales and Others	2,394	11.03	1,285	5.98
<b>Total</b>	<b>21,707</b>	<b>100.00</b>	<b>21,487</b>	<b>100.00</b>

2) Revenue from transportation service charge for the year 2015 was 171 million Baht, decreasing from 2014 for 5 million Baht or decreasing for 2.84%. The major cause was due to

considerable cheap price of oil, resulting in the Company's decrease in transportation cost according to reduced cost.

3) Other revenues of the Company for 2015 were 128 million Baht, decreasing from 2014 for 709 million Baht, or decreasing for 84.70%. The major cause was due to in 2014, revenue from compromise with Asset Millennium Company Limited for 550 million Baht and other reduced revenues from other transportation costs since from the beginning of the year 2015, some parts of customers have changed their policies to receive their goods by themselves. In addition, the transportation cost has been considerably decreased in consistency with decreased cost of oil fuel.

In 2015, other revenues not derived from main business operation were 16 million Baht. The major cause was due to money returned from lawsuit recovered by the Company.

**Table 2: Expense Structure of the Company**

(Unit : Million Baht)	For the Year Ended 31 December 2015	For the Year Ended 31 December 2014	For the Year Ended 31 December 2013
	Amount	Amount	Amount
Cost of Sales of LPG	20,857	20,734*	18,747*
Cost of Transportation Services	143	151*	181*
Selling Expenses	295	428*	576*
Administrative Expenses	592	542	754
Other Expenses	3	20	84
<b>Total Expenses</b>	<b>21,890</b>	<b>21,875</b>	<b>20,342</b>

\*The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of Table of Virtual Consolidated Financial Data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

### Expenses

1. Cost of Sales of LPG is shown in below Table.

(Unit : Million Baht)	For the Year Ended 31 December 2015	For the Year Ended 31 December 2014	For the Year Ended 31 December 2013
	Amount	Amount	Amount
Cost of Sales of LPG	20,857	20,734*	18,747*
Revenue from Sales of LPG	21,707	21,487	19,589
Proportion of Cost of Sales of LPG Compared with Revenue from Sales of LPG	96.08%	96.49%	95.70%
Gross Profit Margin from Sales of LPG	3.92%	3.51%	4.30%

\*The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of Table of Virtual Consolidated Financial Data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

According to cost of sales of LPG which is the main business of the Company, the cost of sales of LPG for the accounting period of the year 2015 was 20,857 million Baht or 96.08% of revenue from sales of LPG, increasing around 123 million Baht or 0.59% when compared with the year 2014. Increased cost of sales of LPG in 2015 was in the same direction of increase in revenue from sales of LPG and decrease in sales quantity in 2015. However, with announcement of continuous increase in rate of money remittance into oil fund in 2014 until 2015, such oil fund has been included in cost of sales of LPG, resulting in the proportion of cost of sales of LPG when compared with revenue from sales of LPG of the year 2015 which was not much different from 2014. However, the finding indicated that gross profit margin of sales of LPG increased from 3.51% to be 3.92% as the result from the cheaper rate of transportation cost. Moreover, the Company has managed cost to be more effective, resulting in the proportion of increase in cost below increase in sales volume.

## 2. Cost of Transportation Services has been presented in below Table.

(Unit : Million Baht)	For the Year Ended 31 December 2015	For the Year Ended 31 December 2014	For the Year Ended 31 December 2013
	Amount	Amount	Amount
Cost of Transportation Services	143	151*	181*
Revenue from Transportation Service Charge	171	176*	194*
Proportion of Cost of Transportation Service Compared with Revenue from Transportation Service Charge	83.63%	85.79%	93.30%
Gross Profit Margin of Transportation Service	16.37%	14.21%	6.70%

\*The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of Table of Virtual Consolidated Financial Data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

Cost of transportation services for the accounting year of 2015 was 143 million Baht or 83.63% of revenue from transportation service charge. It was seen that the cost of transportation services decreased for 8 million Baht or decrease for 5.30% when compared with year 2014 which was in the same direction with decrease in revenue from transportation service charge. However, gross profit margin of transportation services was more improved than in 2014 for 2.16%. The major cause was derived from considerable cheaper cost of oil, resulting in the ability of the Group of Companies to save expenses in this part.

## 3. Selling Expenses

Selling expenses of the Group of Companies for the accounting period of the year 2015 were 295 million Baht or around 1.35% of total revenue (excluding other revenues). Selling expenses of the year 2015 decreased from 2014 for 133 million Baht or decreased for 31.07%. The major cause was derived from the Company's money disbursement planning in effective marketing activity doing with emphasis on advertising directly accessible to consumer group target and cut of unnecessary part of advertising part, resulting in decrease in advising fee in 2015 from 2014. In addition, in part of employee-related expense in 2015, it decreased from 2014 due to the Company's more effective human resource allocation including decrease in transportation costs for transportation to the customers of the Group of Companies in 2015 from 2014 due to cheaper rate of transportation cost from decrease in oil price.

## 4. Administrative Expenses

The Company's administrative expenses for the accounting year period of 2015 were 592 million Baht or around 2.71% of total revenues (excluding other revenues). Administrative expenses of the year 2015 increased from 2014 for 50 million Baht or increased for 9.23%. The major cause was from increase in professional fee from the Company's preparedness for reentry to trade in the Stock Exchange as well as provision of reserve for the expense related to litigated lawsuit.

## 5. Other Expenses

Other expenses for the accounting year period of 2015 were 3 million Baht or 0.01% of total revenue (excluding other revenues). Other expenses decreased for 17 million Baht or decreased for 85% when compared with the year 2014. The major cause was due to decrease in the financial cost of the Company since several financial leases expired during 2015.

Table 3: Profit and Profit Margin of the Company

	For the Year Ended 31 December 2015		For the Year Ended 31 December 2014		For the Year Ended 31 December 2013	
	Amount (Million Baht)	Profit Margin (%)	Amount (Million Baht)	Profit Margin (%)	Amount (Million Baht)	Profit Margin (%)
Gross Profit	877	4.01	778*	3.59	855*	4.32
Net Profit (Loss)	101	0.46	623	2.77	(136)	0.67
Net Profit (Loss)	77 <sup>1</sup>	0.35	58 <sup>1</sup>	0.26	(301) <sup>1</sup>	1.49

<sup>1</sup>excluding revenue not derived from main business operation.

\*The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of Table of Virtual Consolidated Financial Data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

**Profit**

Gross profit margin and net profit margin in 2015 slightly increased when compared with 2014. The major cause was derived from cheaper rate of transportation cost from decrease in oil price in accompany with more effective cost management of the Group of Companies, and their emphasis on control of expenses, cut of unnecessary expenses and control of quality services for customer base retention and domination of market share to be further the second rank in LPG trading market.

## 2. Financial Status and Liquidity

### 2.1 Financial Position

	Consolidated Financial Statements			
	2015		2014	
	Audited		Audited	
	Million Baht	%	Million Baht	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	493.96	9.30%	838.04	14.51%
Account Receivables and other Receivables	992.81	18.68%	1,031.00	17.86%
Inventory	147.80	2.78%	113.62	1.97%
Other Current Assets	5.51	0.10%	5.77	0.10%
<b>Total Current Assets</b>	<b>1,640.08</b>	<b>30.86%</b>	<b>1,988.43</b>	<b>34.44%</b>
<b>Non-Current Assets</b>				
Financial Institution Deposit with Guarantee Obligation	696.12	13.10%	768.04	13.30%
Reserve for Debt Repayment	121.35	2.28%	206.27	3.57%
Other Long-Term Investments	48.29	0.91%	48.28	0.84%
Estate for Investment	66.29	1.25%	66.29	1.15%
Property, Plant and Equipment	2,567.35	48.32%	2,471.51	42.80%
Goodwill	33.49	0.63%	24.30	0.42%
Intangible Assets	12.15	0.23%	13.15	0.23%
Prepaid Rent	69.91	1.32%	76.65	1.33%
Deferred Income Tax Asset	4.33	0.08%	1.36	0.02%
Other Non-Current Assets	54.09	1.02%	109.64	1.90%
<b>Total Non-Current Assets</b>	<b>3,673.37</b>	<b>69.14%</b>	<b>3,785.49</b>	<b>65.56%</b>
<b>Total Assets</b>	<b>5,313.45</b>	<b>100.00%</b>	<b>5,773.92</b>	<b>100.00%</b>

	Consolidated Financial Statements			
	2014		2014	
	Audited		Audited	
	Million Baht	%	Million Baht	%
<b>Liabilities and Shareholders' Equity</b>				
<b>Current Liabilities</b>				
Account Payable and other Payables	1,178.97	22.19%	1,760.38	30.49%
Liabilities of Financial Lease within one year maturity	6.03	0.11%	10.53	0.18%
Long-Term Loan Portion within one year maturity	29.22	0.55%	2.41	0.04%
VAT Payable	34.32	0.65%	60.63	1.05%
Corporate Income Tax Payable	5.16	0.10%	2.46	0.04%
Provision of Short-Term Liabilities	213.60	4.02%	198.13	3.43%
Other Current Liabilities	11.85	0.22%	8.92	0.15%
<b>Total Current Liabilities</b>	<b>1,479.15</b>	<b>27.84%</b>	<b>2,043.46</b>	<b>35.38%</b>
<b>Non-Current Liabilities</b>				
Liabilities Waiting for Money Allocation According to Rehabilitation Plan	121.35	2.28%	206.28	3.57%
Liabilities of Financial Lease	7.73	0.15%	12.88	0.23%
Long-Term Loan from Financial Institution	62.71	1.18%	5.46	0.09%
Obligation of Employee Benefit	19.30	0.36%	24.51	0.43%
Deposit Received	3,122.23	58.76%	3,064.54	53.08%
Deferred Income Tax Liabilities	20.52	0.39%	26.86	0.47%
Other Non-Current Liabilities	0.52	0.01%	8.79	0.15%
<b>Total Non-Current Liabilities</b>	<b>3,354.36</b>	<b>63.13%</b>	<b>3,349.32</b>	<b>58.02%</b>
<b>Total Liabilities</b>	<b>4,833.51</b>	<b>90.97%</b>	<b>5,392.78</b>	<b>93.40%</b>



	Consolidate Financial Statements			
	2015		2014	
	Audited		Audited	
	Million Baht	%	Million Baht	%
<b>Liabilities and Equity (Continued)</b>				
<b>Equity</b>				
Share Capital				
Authorized Capital	2,760.57	51.95%	2,760.57	47.81%
Issued and Paid-Up Capital	2,760.57	51.95%	2,760.57	47.81%
Premium on Ordinary Shares	2,657.62	50.02%	2,657.62	46.03%
Capital Surplus from LPG Selling Price	532.00	10.01%	532.00	9.21%
Retained Earnings				
Appropriated – Legal Reserve	33.91	0.64%	33.91	0.59%
Accumulated Loss	(5,504.19)	-103.59%	(5,602.98)	-97.04%
<b>Total of Holding Company Portion</b>	<b>479.91</b>	<b>9.03%</b>	<b>381.12</b>	<b>6.60%</b>
Non-Control Power Gain and Loss	0.03	0.00%	0.02	0.00%
<b>Total Shareholders' Equity</b>	<b>479.94</b>	<b>9.03%</b>	<b>381.14</b>	<b>6.60%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,313.45</b>	<b>100.00%</b>	<b>5,773.92</b>	<b>100.00%</b>

### Assets

Total assets of the Group of Companies as at 31 December 2015 were 5,313 million Baht, decreasing from the end of 2014 for 461 million Baht or decreasing for 8%.

### **Current Assets**

#### **1) Cash and Cash Equivalents**

As at 31 December 2015, cash and cash equivalents of the Group of Companies were 494 million Baht, decreasing from the end of 2014 for 344 million Baht since in 2015, the Group of Companies used cash in investment of continuous business expansion in the Project of LPG Depot Construction at Ban Haet District, Khon Kaen Province; and at Bangpakong District, Chachoengsao Province, Phase 2; and entered to purchase assets in 2 Gas Service Stations at Wang Manao Sub-district, Pak Tho District, Ratchaburi Province; and Bangkiao Sub-district, Mueang Samut Songkhram District, Samut Songkhram Province.

## **2) Account Receivables and Other Receivables**

As at 31 December 2015, account receivables and other receivables – net of the Company and its subsidiaries were 993 million Baht, decreasing from the end of 2014 for 38 million Baht, or decreasing for 4% under classification of below details.

	Consolidated Financial Statements			
	2015		2014	
	Million Baht	%	Million Baht	%
Account Receivables – Other Business (Net)	927	93%	950	92%
Other Receivables (Net)	66	7%	81	8%
<b>Total Account Receivables and Other Receivables (Net)</b>	<b>993</b>	<b>100%</b>	<b>1,031</b>	<b>100%</b>

Detail of Aging Analysis on Account Receivables - Other Businesses has been as follows.

	Consolidated Financial Statements			
	2015		2015	
	Million Baht	Million Baht	Million Baht	Million Baht
Not yet due	892	85%	898	85%
Outstanding Payment for not over than 3 months	42	4%	50	5%
Over than 3 months but not over than 6 months	5	0%	1	0%
Over than 6 months but not over than 12 months	1	0%	3	0%
Over than 12 months	110	11%	108	10%
<b>Total Account Receivables</b>	<b>1,050</b>	<b>100%</b>	<b>1,060</b>	<b>100%</b>
Less Allowance for Doubtful Accounts	(123)		(110)	
<b>Account Receivables - Net</b>	<b>927</b>		<b>950</b>	

As at 31 December 2015, account receivables were not yet due receivables for 85%. The remaining part was the overdue receivables. However, the Group of Companies' policy of allowance for doubtful accounts after consideration on provision of allowance for doubtful accounts was totaled to 123 million Baht. It was expected that it has been adequate according to indebtedness expected to be uncollectible from debtors.

### 3) Inventory

Inventory of the Group of Companies has included LPG in form of finished goods. The Company's inventory as at 31 December 2015 was 148 million Baht, increasing for 34 million Baht or increasing for 30% from the end of 2014. The cause of increase in the Company's inventory was due to more expensive price for cost of inventory of the year 2015 than 2014 since such inventory included money remitted into oil fund from the government's announcement of the cancellation on money remittance into oil fund since 2 February 2015 while in 2014, money remitted into oil fund has yet been excluded as the cost of inventory.

#### Non-Current Assets

##### 1) Bank Deposit with Guarantee Obligation

Most of bank deposits with guarantee obligation have been in cash for guarantee on issuance of letters of guarantee with its business partners as at 31 December 2015 were 696 million Baht, decreasing for 72 million Baht or decreasing for 9% from 2014 due to the change of the Group of Companies in guarantee condition whereas other assets can be used for guarantee instead.

##### 2) Property, Plant and Equipment

As at 31 December 2015, property, plant and equipment – net for the Group of Companies was 2,567 million Baht, increasing for 95 million Baht or increasing for 4% from 2014. Property, plant and equipment and public utility system increased in total of 60 million Baht. The major cause was due to the purchase of assets in 2 gas service stations at Wang Manao Sub-district, Pak Tho District, Ratchaburi Province, and Bangkhaeo Sub-district, Mueang Samut Songkhram District, Samut Songkhram Province. Moreover, the increasing assets under construction were 244 million Baht since the Company has constructed the Project of Gas Depot at Ban Haet District, Khon Kaen Province, and at Bang Pakong District, Chachoengsao Province, Phase 2.

The detail based on type of fixed assets can be classified into the following.

	As at 31-Dec-15	As at 31-Dec-14
<b>Fixed Assets</b>		
<b>Consisting of</b>		
Property	360	322
Plant and Public Utility System	714	692
Gas and Equipment Depot	692	688
Machinery and Equipment in Factory	242	307
Small-Sized Gas Cylinder	3,647	3,611
Furniture and Fixtures and Office Equipment	102	146
Vehicle	538	559
Asset under Construction	455	211
<b>Total Fixed Assets</b>	<b>6,750</b>	<b>6,536</b>
Less Accumulated Depreciation	(3,529)	(3,376)
Less Allowance for Impairment	(406)	(440)
Less Allowance for Lost Asset	(248)	(248)
<b>Total Property, Plant and Equipment – Net</b>	<b>2,567</b>	<b>2,472</b>

#### Liabilities

The Group of Companies' liabilities as at 31 December 2015 were 4,833 million Baht, decreasing from the end of the year 2014 for 560 million Baht or decreasing for 10%.

##### 1) Account Payable and Other Payables

As at 31 December 2015, the Group of Companies' account payables and other payables were 1,179 million Baht, decreasing from the end of the year for 581 million Baht or decreasing for 33%. The detail of account payables and other payables has been as follows.

	Consolidated Financial Statements			
	2015		2014	
	Million Baht	%	Million Baht	%
Account Payables – Outsider	953	81%	730	41%
Payables of Person or Related Businesses	-	0%	-	0%
Other Payables	128	11%	957	55%
Accrued Expenses	84	7%	59	3%
Advanced Money Received	14	1%	14	1%
	<b>1,179</b>	<b>100%</b>	<b>1,760</b>	<b>100%</b>

Most of account payables of the Group of Companies were payables of LPG cost. Account payables in 2015 increased from 2014 for 223 million Baht or increased for 30.5% due to the restructuring of LPG price by the National Energy Policy Council since 2 February 2015 through combination of oil fund with LPG price and cancellation of money remittance into oil fund, resulting in increase in amount of account payables as at 31 December 2015. While in 2014, the money has still remitted into oil fund separately from LPG price. Such total debt was presented in other liabilities, causing significant decrease in other payables in 2015 from the end of year 2014 for 829 million Baht.

## 2) Long-Term Loan from Financial Institution

As at 31 December 2015, long-term loan from financial institution for the Group of Companies was 92 million Baht since in 2015, the Group of Companies borrowed money from a financial institution for use as construction fund of new gas storage-distribution depot. Such depot has been expected to be finished in the beginning of 2016.

## Equity

As at 31 December 2015, the Company's total equity was 480 million Baht consisting of issued and paid-up ordinary shares for 2,761 million Baht (2,760,565,700 ordinary shares at par value of 1 Baht per share), premium on ordinary shares for 2,657 million Baht, capital surplus from LPG selling price for 532 million Baht, legal reserve for 34 million Baht and accumulated loss for 5,504 million Baht.

Capital surplus from LPG selling price was derived from adjustment of financial statements for 2004 and 2005 in addition from what has been specified in the directive of SEC. The Company wrote off margin of selling price sold to gas filling plant group that has had closed relationship and has not been under the same condition as it has been sold to general customers for 532 million Baht from income

statement to be recorded as capital surplus from LPG selling price and presented under “Statement of Change in Shareholders’ Equity”. Such margin has been considered as subsidy the Company received from the shareholders through that gas filling plant group.

## Summary of Significant Financial Ratio

Table 4: Significant Financial Ratio of the Company

	As at 31 December 2015	As at 31 December 2014
<b>Liquidity Ratio</b>		
Current Ratio Times	1.11	0.97
Quick Ratio Times	1.01	0.91
Account Receivable Turnover Times	20.74	20.43
Inventory Turnover Times	160.66	183.82
Receivable Turnover Times	24.96	28.60
Average Collection Period Days	17.36	17.62
Average Holding Period Days	2.24	1.96
Debt Payback Period Days	14.42	12.59
Cash Cycle Days	5.18	6.99
<b>Profitability Ratio</b>		
Gross Profit Margin %	4.01	3.59
Other Profit Margins %	0.11	2.51
Net Profit Margin %	0.46	2.77
Net Profit Margin <sup>1</sup> %	0.35	0.26
Return on Equity %	23.38	163.56
Return on Equity <sup>1</sup> %	17.84	15.23
<b>Operating Efficiency Ratio</b>		
Return on Assets %	2.14	11.13
Return on Assets <sup>1</sup> %	1.71	1.33
Total Asset Turnover Times	3.97	3.90
<b>Financial Policy Ratio</b>		
Debt to Equity Ratio Times	10.07	14.15
Interest Bearing Debt to Equity Ratio Times	0.22	0.08

<sup>1</sup>It was calculated from net profit excluding revenue not derived from main business engagement such as revenue from damage received from compromise for sales of disputed shares in the litigated case between the Company and AMC and others for 565 million Baht in 2014 and revenue from recovery of the litigated case and others for 23.83 million Baht in 2015.

\*The significant financial ratio of the Company for the year 2014 shown in above Table used data from consolidated financial statements for the year ended 31 December 2014 in part related to statement of consolidated financial position and used virtual consolidated financial data for the year ended 31 December 2014 in part related to virtual consolidated income statement.

Meaning and Formula of Financial Ratio Calculation

Current Ratio (Times)	=	Current Assets / Current Liabilities
Quick Ratio (Times)	=	(Cash and Bank Deposit + Marketable Securities + Account Receivables) / Current Liabilities
Account Receivable Turnover (Times)	=	Net Sales / (Account Receivables before Allowance for Doubtful Accounts + Notes Receivable-Trade) (Average)
Inventory Turnover (Times)	=	Cost of Sales / Inventory (Average)
Receivable Turnover (Times)	=	Purchase or Cost of Sales / (Account Payable +Notes Payable-Trade) (Average)
Average Collection Period (Days)	=	360 / Account Receivable Turnover
Average Holding Period (Days)	=	360 / Inventory Turnover
Average Debt Payback (Days)	=	360 / Payable Turnover
Cash Cycle (Days)	=	Collection Period + Holding Period - Debt Payback Period
Gross Profit Margin (%)	=	Gross Profit Margin / Net Sales
Other Profit Margins (%)	=	Non-Operating Profit / Total Revenues
Net Profit Margin (%)	=	Net Profit / Total Revenues
Return on Equity (%)	=	Net Profit / Equity (Average)
Return on Assets (%)	=	Net Profit / Total Assets (Average)
Total Asset Turnover (%)	=	Total Revenues / Total Assets (Average)
Debt to Equity Ratio (Times)	=	Total Debt / Equity
Interest Bearing Debt to Equity Ratio (Times)	=	Interest Bearing Debt / Equity

# Risk Factors





## Risk Factors

### Risks that are related to LPG business engagement in Thailand.

#### Risk from Governmental Policy

##### **Floating Gas Price Policy**

According to the National Social and Economic Development Plan, it has stipulated the cancellation on fuel oil product price control in order to create fair and free competitions. Nowadays, LPG has just been single product controlled by the Government. Nevertheless, from 1 November 2001 onwards, Energy Policy and Planning Office has applied “semi-floating” price system and had the directive to cancel LPG retail price control. The Government has still maintained the control of price at Refinery /price at Gas Separation Plant/LPG Import Price and LPG Wholesale Price at Gas Storage Warehouse of PTT. In part of LPG retail price, the Government by Department of Internal Trade has still controlled in order to support in part of household sector since it has foreseen that LPG used as Liquid Propane Gas which has been essential for consumer living. If the trader of Section 7 intends to adjust selling price, it shall request for consent from Department of Internal Trade, Ministry of Commerce while retail price of LPG used for fuel in gas station sector and industrial sector has been uncontrolled.

In the future, if the Government completely cancels LPG price control, it may affect the Company’s overall operation and competitiveness since LPG distribution price will reflect actual cost and vary according to price mechanism in world market and domestic market. If LPG distribution price decreases, the Company may earn lowered profit. By the time, if LPG distribution price increases, it may affect the Company to earn better turnover.

If LPG distribution price increases, it may affect the consumers to turn to consume other alternative energies which are cheaper. The adjustment of consumer behavior in alternative term will often affect the turnover of the Company and other traders of Section 7.

##### **Policy of Liquid Propane Gas Distribution Liberalization**

Trade liberalization according to World Trade Organization Agreement may cause the major world entrepreneurs from abroad or domestic traders which have been prepared both in term of capital and technology for entry to operate Liquid Propane Gas businesses in Thailand where is used as the base in market opening into neighboring countries in Indochina region due to suitability of Thailand in the area of

location, transportation and public utility system. This will result in more severe competitions in this business.

However, the foreign entrepreneurs or domestic entrepreneurs may confront with unfamiliarity with market situation, non-experience in LPG trading business, relation with LPG trader and domestic business network which have been significant factors affecting marketing success. Moreover, there must be the investment in great quantity of gas tanks used in marketing.

##### **Policy of Environmental and Consumer Protection**

The Government may legislate additional laws in part of safety enhancement to LPG users as well as campaign in environmental preservation issue, possibly affecting the Company’s future operating cost and profit. The Company on behalf of LPG trading entrepreneur has realized on such significance and then has formulated the policy in development and improvement of product quality to be continually safe. Moreover, the Company’s LPG Storage Warehouse and each LPG tank of the Company shall be granted for safety standard as required by governmental sector and regularly inspected from governmental sector and related agencies. The Company has been confident that its standards of products and product storage warehouses as well as LPG tanks have currently been acceptable both from the agencies of government sector and consumers. In addition, the Company has attempted to manage its costs to be effective all the time, resulting in no impact from this risk issue toward the Company.

##### **Policy of Alternative Fuel Consumption Promotion**

The Government has promoted on Natural Gas (NGV) for Vehicle Project by defining as national energy policy requiring the increasing natural gas consumption in transportation sector for alleviation of trouble due to expensive oil price and possible occurrence for LPG shortage in household sector, resulting from more continuous demand of LPG consumption in transport sector. This may cause the requirement of Thailand to import more LPG from abroad while Thailand can manufacture NGV by itself, as well as air pollution problem. Thus, Natural Gas (NGV) for Vehicle Project has been carried on for promotion and furtherance to consume more NGV in the vehicles. At present, Thailand has had 476 NGV Filling Stations. In addition, the Government has targeted to increase number of NGV Service Stations in the future to support the increase of number of NGV-fuelled vehicles in the future. According to the expansion of the number of NGV-fuelled vehicles, the Government has had the modification project of taxi and cars of government sector by firstly starting from Bangkok Mass Transit Bus and Bangkok

collecting trucks. After that, the number will be continually expanded to other groups of cars. This may cause decrease in the quantity of LPG consumption and affect the Company's turnover.

Nevertheless, since the property of natural gas which is light in weight and must be compressed until having high pressure, therefore, it requires big area to support such compression, resulting in the use of natural gas with high cost due to the requirement to import equipment from abroad. Each time of NGV filling takes long time when compared with LPG filling. In addition, the number of NGV Service Stations has been considerably fewer than LPG Service Stations.

The increase in number of NGV Filling Station to be extensive throughout the areas has been difficult things for doing due to the factor of high investment in construction of each service station. Moreover, the steel thickness of the containers used to fill NGV shall be thicker than LPG, causing high cost of transportation. Therefore, the Company believed that even though NGV itself will be cheaper, it cannot be efficiently the alternative energy for LPG. The quantity of LPG consumption thus will not be much affected from NGV promotion policy of the Government.

#### **Risk from Increase of LPG Trader According to Section 7 of Fuel Oil Trading Act B.E. 2543 (2000)**

Nowadays, there have been just few major entrepreneurs in LPG trading industry, resulting in the opportunity of the entry of more new entrepreneurs in the industry by request for registration with Department of Business Development, Ministry of Commerce to be the trader according to Section 7. The entry of new entrepreneurs will cause more competitions in the industry and may affect the Company's overall operation and market shares in the future. Nevertheless, the entry as the new LPG trader according to Section 7 of Fuel Oil Trading Act B.E. 2543 (2000) shall be qualified with condition as stipulated by Ministry of Commerce such as the requirement of 50 million Bah and over for authorized capital, 100 million Baht for minimum working capital, requirement of LPG warehouse availability for legal reserve of 1% of the trading quantity in 1 year period. It is necessary to use large amount of capital to build warehouse/rent warehouse for storage of gas as required by legal provision. In addition, it has defined that within one year period, annual LPG trading quantity shall be available (quantity that is imported into the Kingdom, bought, refined, manufactured or acquired in one year) for more than 50,000 tons with its own trademark. Then, it is essential to use capital and take time in making its own trademark to be acceptable by consumers. If the trader of Section 7 requires marketing of gas tank for household

sector, it shall use large amount of capital in thorough tank distribution into consumers. Such condition is the limitation of opportunity for entry into this industry of new entrepreneurs.

#### **Risk on Product Safety**

As the Company's product which is gas tank. Inside the tank is filled with LPG gas and it is regarded as the flammable substance and may be hazardous in case of inaccurate usability. For prevention of such event, the Ministry of Industry has defined the standard of LPG tank and periodical quality inspection of LPG tank with requirement that the manufacturer of LPG tanks shall be legally responsible if LPG tanks explode. However, normally, LPG explosion often occurs from other parts of equipment which are not LPG tanks since LPG tank manufacturers have accurate safety testing process of tank and valve from production process according to standard of Ministry of Industry (TISI) determined by the Office of Thai Industrial Standards Institute. LPG filling plants as the Company's business partners have always inspected the tanks before filling LPG for general users. When the life of LPG tank is 5 years, the gas filling plants will take it for thorough inspection for Hydro Test of Tank and Expansion Test of Tank Metal by the Company every time before recycle for filling gas. When the life of tank is 10 years, the filling plant will take it for thorough re-inspection according to the process stipulated by the Department again and also do Hot Work before recycle. If the tank is not passed the test, the Company cannot take such tank to recycle for gas filling and must continually destroy and discard.

In the aspect of other additional equipment fixed with gas tank such as burner, etc., most of them are not the Company's products and the Company shall be irresponsible for legal safety. However, if the accident is caused from the explosion of such equipment, it may indirectly affect the Company's reputation. Nevertheless, the Company's products have safety standard according to international principle. In the past, the products under original trademark of the Company like PICNI and WGH have never anyway confronted with explosive accidents. At present, the Company's policy has been to increase Tank Color Repair Center, to supervise and inspect the quality of gas tank to increasingly meet the industrial standard so that the Company is assured that it has quite low risk in the issue of product safety.

### **Risk in LPG Transport**

The company has had the subsidiary operating the LPG Transport Service Business such as EAGLE. During transportation, it may cause accident or unexpected event leading to loss, and may affect the Company's reputation and operation. However, EAGLE has been granted for license as the LPG carrier from Department of Energy Business. The vehicles used in LPG transport have been granted for licenses and regularly inspected from Department of Land Transport. In addition, all drivers have also been granted for licenses from Department of Energy Business in order to ensure that EAGLE has complied with the regulation of government sector that strictly performs and controls for property and life safety. Moreover, EAGLE has insured all LPG transport vehicles with its purpose to abate impact on the Company in case of occurrence on such accident or unexpected event as least as possible.

### **Environmental Risk**

The nature of the Company's business operation is related to activity that may cause harm to health and environment. If the accident, force majeure or operating error occurs, it may significantly affect stakeholders, the Company's investment plan and overall operation as well as the Company's image both in short term and long term.

However, the Company will define environmental, safety and occupational health policy as the mission framework from the beginning in investment planning, determining work method, creation of safety culture, prevention and abatement of environmental impact toward stakeholders and increase in energy consumption efficiency. The worthwhile energy consumption is for sustainable growth as well as communication with the related persons for thorough acknowledgement, for accurate comprehension in the way of managerial risk as well as preventive measure to control production process that the Company will operate in the future.

### **Risk Related to Allegation of PNM. Tr.**

Before company amalgamation of PICNI and WG, allegation was informed from the Operating Suppression of Offenses on Fuel ( "PNM. Tr." ) about LPG Transport Invoice in the offence for issuance of Fuel Oil Transport Invoice by incomplete and inaccurate transaction entry according to the Announcement of Department of Energy Business issued according to Section 30 of Fuel Oil Act B.E. 2543 (2000) with punishment for not over than 200,000 Baht per Transport Invoice.

Nevertheless, from legal status audit of legal consulting firm, it had the opinion that there has been low risk for such case that both companies will lose the case and be fined in maximum rate of penalty or fined in high rate due to incomplete entry of transaction in non-substantial part. Today, the public prosecutor returned the case back to PNM. Police to investigate to find additional evidence and may not anticipate that the public prosecutor will order to sue or not to sue such lawsuit.

### **Risk related to lawsuit of PICNI ex-executive**

Prior-company amalgamation, Mr. Suriya Lapvisuthisin, the PICNI ex-executive, was incriminated from the Office of SEC from the case that Mr. Suriya Lapvisulthisin and the group mutually cheated, embezzled money and shares of WG which have been PICNI's assets, causing damage to PICNI. At present, it was under proceeding of lawsuit inquest by Department of Special Investigation (DSI).

However, from the audit of legal status by legal consulting firm, it had the opinion that such case has not affected the company amalgamation with low risk that the court finding in such related lawsuit will have any impacts on the Company since it has been the lawsuit proceeding with the PICNI ex-executive in the offence of mutual cheating and embezzlement of money and shares of WG which have been PICNI's assets, causing damage to PICNI. PICNI has been the injured party in such lawsuit anyway without being the accused or the plaintiff in such lawsuit. In case that any lawsuit proceeding or claim for damages is final from such ex-executive, aforesaid execution will be proceeded the execution toward personal properties of the ex-executive.



# Internal Control

## Internal Control

The Board of Directors gives the precedence to arrange adequate and efficient internal control for acceptable risk. However, it shall be proper for business operating environment under supervision of internal control system referring the framework of practical guideline for internal control of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) that determine the necessary and main five elements of internal control consisting of internal control, risk assessment, working control, data communication and information system and monitoring system, etc.

- The Audit Committee is appointed to perform the verification for adequate and effective internal control system of the Company according to the charter of the Audit Committee; and to report verification result to the shareholders for acknowledgement in Annual Report.
- The executive's duty is to pass on the governance-related guideline determined by the Board of Directors to the staffs for practice in accordance with the policy and cultivate the staffs to have discipline in compliance with the internal control-related requirement.
- All levels of staffs shall strictly comply with rules and regulations and any directives under internal control system.

The Board of Directors assessed the internal control of the Company by inquiry of data from the management about the operation based on guideline and suggestion for development of internal control and it was concluded that from assessment of the Company's internal control system in 5 different elements consisting of internal control, risk assessment, working control, data communication and information system, and monitoring system, the Board of Directors deemed that internal control system of the Company has been adequate and proper for the Company's environment.

### 1. Internal Audit Work Unit

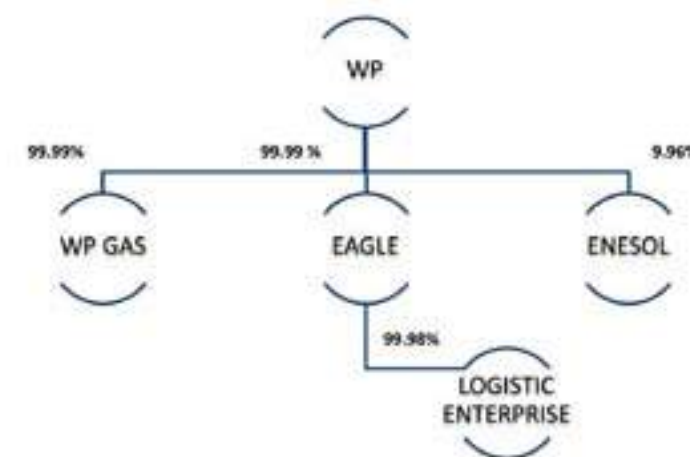
The Board of Directors' Meeting No. 6/2015 on 13 August 2015 resolved to employ Unique Advisor Company Limited ("Unique") to perform the duty of independent internal auditor of the Company by appointing Mr. Kosol Yamleemul, the position of Managing Director of Unique to be mainly responsible for function of the Company's independent internal auditor. However, the Audit Committee considered the qualification of Unique and Mr. Kosol Yaemleemul, and deemed that it has been appropriate enough for such function due to independence and working experience in internal audit in the same nature of business/industry as the Company. In addition, for continuity of the Company's internal control system audit that has just transcended from the merger of the Company, the persons who have knowledge and understanding about the Company's business operation shall be required for continuity in complete auditing all areas of internal control system.

The independent auditor performs duty in assessment of adequacy and appropriateness of control system for working process and work system inside the Company and affiliated company as well as the activities that the Company outsources to perform in lieu of it. The independent auditor shall be the person who is independent and directly reports to the Audit Committee and is the independent director of the Company. However, the independent internal auditor is irrelevant to operating work of the Company.

The detail of scope, duty and responsibility in brief has been as follows.

- (1) Annual audit plan is prepared.
- (2) Audit is for confidence that the operation is in line with the Company's target with method of assessment and increase in effectiveness of risk management and corporate control and governance.
- (3) The nature and scope of counseling work is in line with the agreement mutually made with the service user. The internal auditor can advise in order to ensure that the existing or newly prepared process of risk management, control and governance is effective and efficient enough or can advise on design of such process.
- (4) The auditor shall consider on corruption and give precedence to the high risky issue, leading to corruption as well as indication of existing weakness of control. The auditor shall preliminarily investigate about the issue that may be corrupted upon request from the Audit Committee and/or from Chief Executive Officer and Director and General Manager. The management is responsible for protection, search, investigation and punishment for corruption act.
- (5) Request for audit as special case is the audit of transaction which is not in annual audit plan upon special request from the management and/or the Audit Committee.

## Shareholding Structure of the Group of Companies



(Information as at 31 December 2015)

(Million Bath)

Company	Nature of Business	Authorized Capital	Paid-up Authorized Capital	Proportion of the Company's Shareholder (%)
<b>บริษัทย่อย</b>				
EAGLE	Eagle Intertrans Co.,Ltd. LPG Land Transport Service Business	84	84	99.99
WP GAS	WP Gas Co., Ltd. Gas Station	1	1	99.99
LOGISTIC ENTERPRISE	Logistic Enterprise Co., Ltd. Renting Out Business of Small Transport Vehicle	1	1	99.98
ENESOL	Enesol Co., Ltd. Manufacture and Distribution Business of Electric Current and Thermal Energy	484	484	9.96

### Significant Change of Shareholding Structure in 2015

- On 22 July 2015, WP Gas Company Limited of which the shareholding of the Company is 99.99% was established.
- Previously, the Company held 19.92% of shares in ENESOL Company Limited but the number of shares of the Company was decreased due to the increase in capital of ENESOL Company Limited. On 6 November 2015, the Company filed to the court to revoke the resolution of the General Meeting of ENESOL Company Limited and revoke the registration according to special resolution for capital increase due to the reasons that ENESOL Company Limited did not deliver Invitation to the Extraordinary Meeting No. 1/2015 on 20 October 2015 to the Company, resulting in the Company's inability to attend the meeting for exercise of right supposed to have in this time; and the content of Invitation to the Meeting and Meeting Minutes was incomplete due to lack of special resolution prior-meeting for capital increase. At this moment, it has been under legal proceedings.

# Revenue Structure

## Structure of Revenue of the Company and its Subsidiaries under Revenue Classification

(Unit : Million Baht)	For the Year Ended 31 December 2015*		For the Year Ended 31 December 2014*		For the Year Ended 31 December 2013*	
	Revenue	(%)	Revenue	(%)	Revenue	(%)
Revenue from Sales of LPG	21,707	98.64	21,487	95.50	19,589	96.94
Revenue from Transportation Service Charge	171	0.78	176*	0.78	194*	0.96
Other Revenues	128	0.58	837*	3.72	424*	2.10
<b>Total Revenues</b>	<b>22,006</b>	<b>100.00</b>	<b>22,500</b>	<b>100.00</b>	<b>20,207</b>	<b>100.00</b>

\* The figures in virtual income statement in part of revenue from transportation service charge, other revenues, cost of sales of LPG, cost of transportation services, and selling expenses of the year 2014 and 2013 have been reclassified for consistency with classification in 2015. The explanation has been presented in significant financial data in part of table of virtual consolidated financial data in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

However, other revenues of the year 2015 have consisted of the following.

Other Revenues	As Presented in Consolidated Income Statement (Million Baht)	Exclude Transaction Not Derived from Main Business (Million Baht)
Revenue from Service Charge and Transportation Cost	63	63
Revenue from Cylinder Repair Cost	3	3
Revenue from Toll Service Fee	1	1
Revenue from Rent	11	11
Revenue from Deposit	2	2
Revenue from Sales of Valve	1	1
Revenue from Profit for Sales of Asset	8	8
Interest Income	19	19
Revenue from Recovery of Litigation	11	-
Revenue from Refund of Provident Fund in Part of the Company	2	2
Profit from Bargaining of Purchase Price	4	-
Revenue from Indemnity	1	-
Other Revenues	2	2
<b>Total Other Revenues of the Year 2015</b>	<b>128</b>	<b>112</b>

## Table of Proportion of Sales Quantity of WP Energy Public Company Limited for the Year Ended 31 December 2015 and 2014

Group of Customers	Proportion of Year 2015 (%)	Proportion of Year 2014 (%)
1. Auto Gas Station	42.11	43.95
2. Commercial Customer	3.99	3.97
3. Gas Filling Plant	31.65	32.00
4. Gas Shop	3.70	4.04
5. Industrial Factory	7.52	10.06
6. Supply Sales and Others	11.03	5.98
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Commercial Customer Group, Gas Filling Plant Group, Gas Shop Group, and Industrial Factory Group using large quantity of LPG often monthly order LPG in advance. In part of Service Station Group and Industrial Factory Group using not much quantity of LPG, they will often weekly order LPG in advance. The Company will deliver LPG to its customers using transportation companies both of its subsidiary (EAGLE) and the companies which are the external carriers as the service providers.

## Table of Proportion of Revenue from Sales of WP Energy Public Company Limited under Customer Classification for the Year Ended 31 December 2015 and 2014

Type of Customers	Revenue (Million Baht)	Proportion (%)	Revenue (Million Baht)	Proportion (%)
Auto Gas Station	9,141	42.11	9,444	43.95
Commercial Customer	866	3.99	854	3.97
Gas Filling Plant	6,871	31.65	6,875	32.00
Gas Shop	803	3.70	867	4.04
Industrial Factory	1,632	7.52	2,162	10.06
Supply Sales and Others	2,394	11.03	1,285	5.98
<b>Total</b>	<b>21,707</b>	<b>100.00</b>	<b>21,487</b>	<b>100.00</b>



# Inter-Transactions

Inter-transactions between the Company and the related business for 2015 have been presented referring from the report of financial data for the year ended 31 December 2015 as follows.

Name of Companies	Nature of Relationship	Related Transactions	For the Year Ended 31 December 2015
(Million Baht)			
1. EAGLE	It is the subsidiary. The Company holds 99.99% of shares and has joint-directors with the Company. The executive of the Company is the director.	Revenue from Income Statement	
		Interest Received	1.40
		Other Revenues	2.53
		Expenses	208.40
		Transaction from Statement of Financial Position	
		Account Receivables and Other Receivables	0.21
		Short-Term Loan	60.00
		Account Payables and Other Payables	11.49
		Renting Security	0.57
2. LOGISTIC ENTERPRISE	It is the subsidiary of EAGLE whereas EAGLE holds 99.98% of shares and has joint-directors with the Company. The executive of the Company is the director.	Transaction from Income Statement	
		Revenue from Loan Guarantee Fee	0.07
		Rent Expense	13.42
3. WP GAS	It is the subsidiary of which the Company holds 99.99% of shares and has joint-directors with the Company. The executive of the Company is the director.	Revenue from Income Statement	
		Revenue from Sales	6.84
		Interest Received	0.54
		Other Revenues	0.18
		Revenue from Statement of Financial Position	
		Account Receivables and Other Receivables	17.69
		Short-Term Loan	50.00

## Necessity and Reasonability

1. The objective for entry to do the transaction with EAGLE is that EAGLE performs its duty as the carrier of the Company's product to be delivered to the Company's customers. This is the normal business operation. The Company's service usage volume served from EAGLE is consistent with the Company's demand and business operation. However, the nature of price and condition served from EAGLE is line with what is agreed in the contract whereas price and condition has been similar to transaction doing with outsiders without the objective of inter-transfer of benefits or having any special transactions.

2. The Company has had 2 inter-transactions with LOGISTIC ENTERPRISE including 1) revenue from loan guarantee fee for purchase of gas transport vehicle and 2) rent expense of gas transport vehicle. However, the price and condition for both inter-transactions has been similar to transaction doing with outsiders without the objective of inter-transfer of benefits or having any special transactions.

3. The Company has had 2 inter-transactions with WP GAS including 1) revenue from sales of LPG, and 2) revenue from interest received and managerial fee. However, the price and condition for both inter-transactions has been similar to transaction doing with outsiders without the objective of inter-transfer of benefits or having any special transactions.

# Shareholder and Securities Information

## ● The Company's Securities

The Company has had authorized capital and issued and paid-up capital as follows.

Authorized Capital : 2,760,565,700 Baht consisting of 2,760,565,700 ordinary shares at par value Of 1 Baht per share

Issued and Paid-Up Capital: 2,760,565,700 Baht consisting of 2,760,565,700 ordinary shares at par value of 1 Baht per share

### Agreement of Shareholders

-None-

## ● Shareholders

**Name list of major shareholders** (par value at 1 Baht per share)

(Information as at 25 March 2015)

No.	Name / Surname	Number of Shares	% of Total Shares
1	Mr. Aiyawatt Srivaddhanaprabha	514,390,822	18.63%
2	Mr. Pisarn Panichawong	412,540,823	14.94%
3	Mr. Watchai Vilailuck	410,483,877	14.87%
4	Poompanmuang Family Group <sup>1</sup>	214,392,684	7.77%
	Mr. Pisarn Poompanmuang	194,072,901	7.03%
	Ms. Chomkamol Poompanmoung	20,319,783	0.74%
5	Jiaravanon Family Group <sup>1</sup>	201,248,901	7.29%
	Mr. Chatchaval Jiaravanon	201,228,371	7.29%
	Mr. Pongthep Jiaravanon	20,530	0.00%
6	Pongpanit Family Group <sup>1</sup>	143,512,358	5.20%
	Mr. Watcharis Pongpanit	85,800,390	3.11%
	Miss Monlada Pongpanit	57,200,260	2.07%
	Pol.Maj.Gen. Uthit Pongpanit	505,579	0.02%
	Mrs. Viriya Pongpanit	6,129	0.0002%
7	Jungrunreangkit Family Group <sup>1</sup>	103,760,859	3.76%
	Mr.Thanathorn Jungrunreangkit	102,568,586	3.72%
	Mr. Komol Jungrunreangkit	1,192,273	0.04%
8	VP Bank AG	102,878,165	3.73%
9	Mr. Thanintorn Worakulsatien	71,492,660	2.59%
10	Mr. Somchai Bencharongkul	51,439,083	1.86%

<sup>1</sup> It has been the information disclosure for reflection of family relationships of shareholder groups. Such individual groups have not been anyway classified as the shareholder groups having behaviors within the scope of Concert Party.

# Dividend Payment Policy

## WP Energy Public Company Limited

The Company's dividend payment policy is to determine the payment for not less than 30% of net profit after deduction of all taxes and capital reserves of the Company as required by law and the Company. However, such dividend payment depends on investment plan, necessity and other appropriateness in the future. The Company may determine to pay dividend in the rate less than above determined rate if it is necessary for the Company to use such amount of net profit for the Company's operating expansion.

## Dividend Payment Policy of Its Subsidiaries

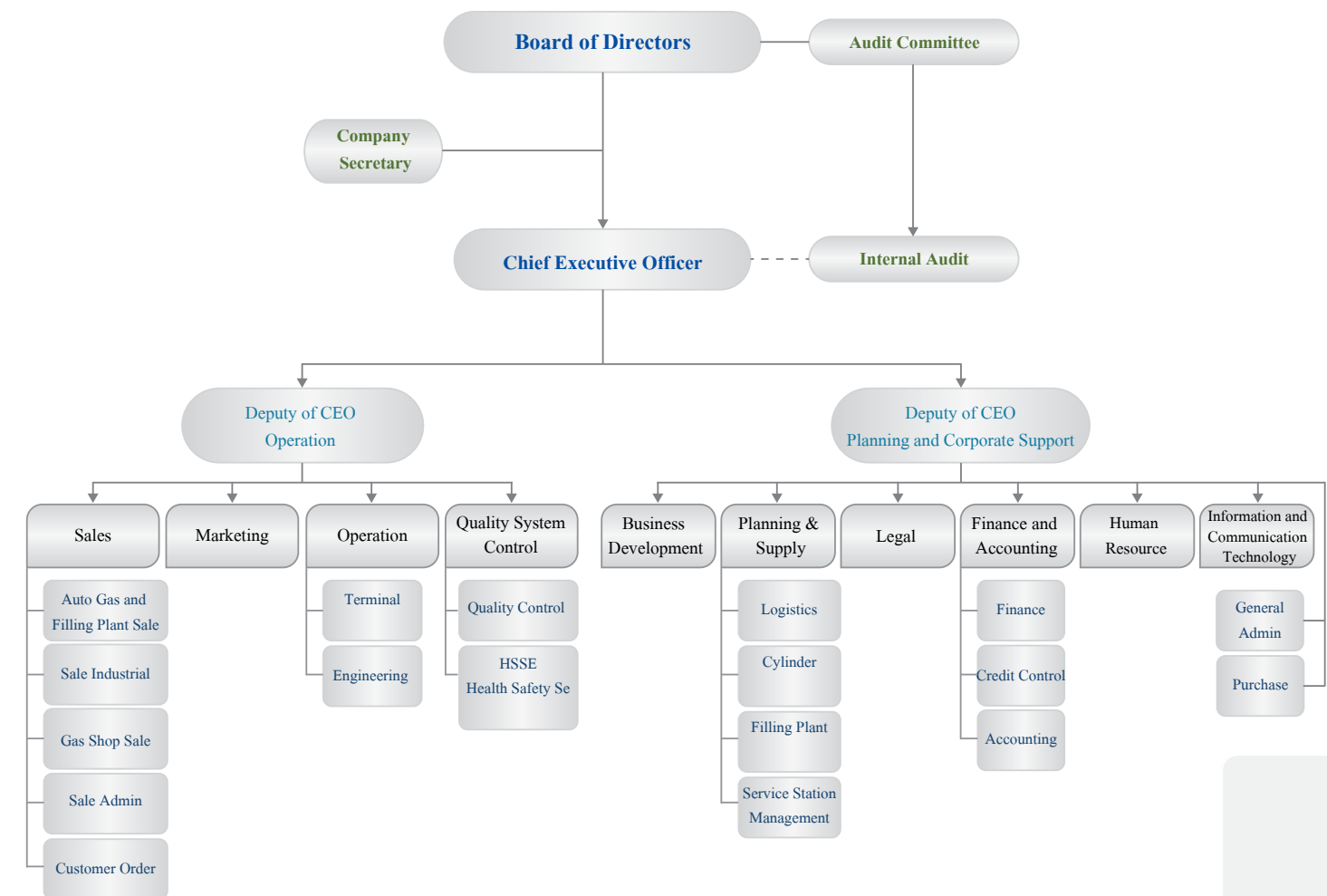
The Board of Directors shall consider consenting and proposing dividend payment policy of its subsidiaries to the Meeting of Shareholders of each company for consideration on approval in each year. The dividend payment will be considered from investment plan according to other necessity and appropriateness such as adequacy of cash flow of its subsidiaries after deduction of required legal reserve.

# Management Structure

## Management Structure

### Organization Structure (as of November 13, 2015)

With the purpose of driving the organization's management to be consistent with and achieve the success in accordance with the targeted direction of business operation in the future and to enable organization to fully support the development, the organizational management structure has been consolidated effective from November 13, 2015.





**The Board of Directors****1. The Board of Directors****1.1 The Board of Directors incumbent as of December 31, 2015 as follows :**

Name	Position	Appointment Date
1. Mr. Chulchit Bunyaketu	Chairman of the Board of Directors / Independent Director	November 24, 2014
2. Mrs. Niskorn Tadthiemrom	Chairman of Audit Committee / Independent Director	November 24, 2014
3. Mr. Kanoksakdi Bhinsaeng	Director / Chairman of Executive Committee	November 24, 2014
4. Mrs. Soithip Trisuddhi	Chairman of Nomination and Remuneration Committee / member of Audit Committee / Independent Director	October 27, 2015
5. Mr. Bowon Vongsinudom	Director / Independent Director	October 27, 2015
6. Miss Chomkamol Poompanmoung	Director / member of Nomination and Remuneration Committee	November 24, 2014
7. Mr. Aiyawatt Srivaddhanaprabha	Director	November 24, 2014
8. Mr. Chatchaval Jiaravanon	Director / member of Executive Committee	November 24, 2014
9. Mr. Sa-Nga Ratanachartchuchai	Director / member of Executive Committee / member of Nomination and Remuneration Committee	November 24, 2014
10. Mr. Ronasit Poomma	Director	November 24, 2014
11. MR. Nopporn Koakietaveechai	Member of Audit Committee / Independent Director	November 24, 2014

- Directors resigned during the year 2015 are listed as follows :

Name	Position	Resignation Date
1. Pol. Gen. Phatcharavat Wongsuwan	Chairman of Nomination and Remuneration Committees / member of Audit Committee / Independent Director	September 10, 2015
2. Mr. Pisarn Poompanmuang	Director	October 27, 2015

**1.2 Authorized Directors**

According to the Certificate of Registration regarding Public Company Limited Act under Department of Business Development, Ministry of Commerce as of December 3, 2015; the authorized directors who can sign for binding the company are anyone of Mr. Aiyawatt Srivaddhanaprabha or Mr. Kanoksakdi Bhinsaeng or Mr. Sa-Nga Ratanachartchuchai to sign with either Miss Chomkamol Poompanmoung or Mr. Ronasit Poomma, totally two persons.

**1.3 Composition and Qualification of the Board of Directors**

According to the Company's regulation, the Board of Directors shall consist of not fewer 5 (five) Directors, provided that at least half (1/2) of all Directors shall reside in Thailand. They are not subject to be the Company's shareholders. The Board of Directors' qualifications shall comply with and without any incompatibility to the Public Company Limited Act and the Securities and Exchange Act as well as have wide range of knowledge, competency, expertise, experience, good vision, morality and integrity together the sufficient dedication time for the benefits of the Company's operation.

Composition and Qualification of the Board of Directors shall comply with the Company's regulations and related laws, the Board of Directors should have knowledge and experience beneficial for the Company. In 2015, there were eleven (11) Directors in the Board of Directors which is the appropriate balance for the Company's scale and business type:

- (1) Nine (9) non-executive Directors
- (2) Two (2) Executive Directors : Chief Executive Officer (CEO) and Deputy Chief Executive Officer, Operations
- (3) Five (5) Independent Directors (more than two-third (2/3) of the Board of Directors as stated by the Company's regulations)

#### 1.4 Appointment / Dismissal of Directors of the Company

According to the Company's Articles of Association, appointment / dismissal of the Company's director can be summarized as follows:

##### Appointment of Directors of the Company

1. The Company's shareholders are entitled to elect the Directors. The Nomination and Remuneration Committee shall select qualified persons for being the Directors to the Board before presenting to the Shareholders' Meeting.

The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

- (1) Each shareholder shall have one vote on each share
- (2) In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
- (3) The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

2. The Chairman of the Board of Directors shall be appointed by a resolution of the Board of Directors from among the Directors. Subject to the Board's approval, the Chairman shall appoint one or more directors as Vice Chairman, who has responsibilities as assigned by the Chairman according to the Company's Articles of Association.

3. In case of vacancy by any reason other than term expiration, the Board shall elect qualified person who has not any incompatibility to the Public Limited Companies Act and the Securities and Exchange Act for replacement and attend the next meeting, provided that the resolution shall have the votes of no less than three quarters (3/4) of the number of Board. Except in the case that such director has less than 2 months term, the replacement shall be a director in the same period as the balance term of the replaced director.

#### Dismissal of Directors of the Company

1. In every Annual General Meeting of Shareholders, the directors of one third (1/3) of the number of Board shall be dismissed. In the case that is unable to divide the number into 3 parts, the directors shall be dismissed in the number mostly close to one third (1/3). Dismissed directors can be re-appointed at any time. In the first two years after the Company's registration, the dismissal shall be done by drawing lots. After that the director who has longest term shall be dismissed.

2. In addition to dismissal by term expiration, the director shall also be dismissed by death, or resignation, or not qualified, or having any incompatibility to the Public Limited Companies Act and the Securities and Exchange Act.

3. The Shareholders' Meeting has rights to remove any director from the office before the expiration of his term of office by having votes of no less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be no less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

4. Any director who requires resigning from being the director shall subject to a resignation form submission.

#### 1.5 Authority and Responsibilities of the Board of Directors

- (1) Provide reliable accounting system, financial statement, and audit, including efficient and effective internal audit.
- (2) Consider risk factors that may happen, then set up complete risk management guideline; supervise the management for arranging effective risk management system or procedures and searching for business opportunity from such risk; including providing sufficient and efficient internal control and internal audit.
- (3) Control for financial statements preparation at the end of fiscal year and sign to certify such financial statements before submitting for the approval of the Annual General Meeting of Shareholders.
- (4) Consider selection and appoint of appropriate auditor and remuneration according to the proposal of Audit Committee before submitting for the approval of the Annual General Meeting of Shareholders.
- (5) Monitor and solve conflict interests, including relevant list; focus on key transaction to maximize benefits of shareholders and stakeholders.
- (6) Has authorization to approve for entering into an agreement, investment, and/or any transaction relating to normal business operation, including other operations those

support normal business that is subjected to general trading condition, based on the budget approved by the Board of Directors' Meeting or up to the limit amount specified in authorization and operation regulations

- (7) Has authorization in payment for investment or any operation, borrowing, or loan application from financial institute, providing loan, including being a guarantor in normal business with unlimited amount, subjecting to the Company's regulation and related law or rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (8) Set up evaluation regarding compliance with good corporate governance and code of conduct at least once a year.
- (9) Set up appropriate, transparent, and fair nomination process for all management.
- (10) Focus on social and environment responsibilities and enhance good living of Thai society sustainably.

The following responsibilities of the Board of Directors require approval from shareholders meeting: requirement by laws

- Making connected transaction and receipt or sale of key assets according to law and Notification of the Capital Market Supervisory Board.
- Sales or transfers of whole or important parts of the Company business to other
- Prepare, amend, or terminate whole or a part of rental business; authorize any person to manage the Company's business or merge the business for sharing of profit and loss.
- Addition or amendments to Company's Memorandum and Articles of Association
- Increase or decrease the Company's capital
- Issuance of debentures
- Out of business/ Merger
- Announce annual dividend
- Any business required by law/ the Company's Articles of Association to be received the resolution of the Shareholders' Meeting.

The Board of Directors is entitled to give authorization and/or assign other person to perform some task for the Board, provided that such authorization or sub authorization shall be under the scope specified in the power of attorney and/or comply with rules, regulations, or command of the Board of Directors and/or the Company. However, the authorization shall not be in the way that make the Board of Directors or the attorney is entitled to approve any transaction that may have some conflict (having the

definition as Notification of the Securities and Exchange Commission or the Capital Market Supervisory Board), conflict of interest, or benefit, or may have any other conflict of interest with the Company or the subsidiaries, except the transaction that is complied with the policy and procedures approved by the Meeting of Shareholders or the Board of Directors.

## 2. Independent Directors

According to the Company's regulations, the Board of Directors shall consist of Independent Directors not fewer than one-third (1/3) of all Directors by at least three (3) of them are qualified by knowledge, competency and independency in relation to the notification of the Capital Market Commission and the definition of Independent Director by the Board of Directors as follows:

Independent Directors shall be the Directors who work independently from principal shareholders or major group of shareholders and the Company's Executives, they shall have authorization to provide their advice and comments liberally as assigned mission on protection of shareholders and stakeholders' benefits equally.

## 3. Sub Committees

In order to succeed the good corporate governance, the Board of Directors has appointed three (3) sub committees which are Audit Committee, Nomination and Remuneration Committee and Executive Committee. They are appointed to perform their duties of consideration and scrutinization for the Company's significant operations, especially related to the caution and effectiveness, then present their comments to the Board of Directors. All sub committees are below listed by name and position as of December 31, 2015:

### 3.1 Audit Committee

	Name	Position
1.	Mrs. Niskorn Tadthiemrom	Chairman
2.	Mrs. Soithip Trisuddhi*	Member
3.	Mr. Nopporn Koakietaveechai	Member

\*The successor of Pol. Gen. Phatcharavat Wongsuwan as of October 27, 2015.

The Company's regulations has determined that the composition of Audit Committee should have at least 3 Independent Directors and the above mentioned Directors are all Independent Directors who are qualified according to the notification of the Capital Market Supervisory Board with at least one



(1) member of Audit Committee should have knowledge of Accounting and Finance. In addition, the Board of Directors has also approved the Charter of Audit Directors regulating composition, qualifications, tenure and terms of duties as following details:

Terms for Audit Committee members are valid for 3 (three) years, where 1 (one) year is considered from the year of Annual General Meeting of Shareholders that has appointment to the following year, and any individual can be reelected or re-appointed.

#### **Roles and Responsibilities of the Audit Committee**

- (1) Review for accuracy and sufficiency of financial report of the Company.
- (2) Ensure that the Company has appropriate, efficient, and effective internal control system and internal audit system; ensure independency of internal auditor; including approval of appointment, remove, dismissal of the head of internal audit or any other department that is responsible for internal audit activities.
- (3) Ensure that the Company complies with the Securities and Exchange Act, the regulations of Stock Exchange of Thailand, or any related laws.
- (4) Selection and propose appointment of any independent person to perform a task as an auditor, including design his/her compensation, and attend the meeting with the auditor at least one a year.
- (5) Consider about information disclosure in case there is any relating transaction or a transaction may have conflict of interest to be complied with law and regulations of the regulations of Stock Exchange of Thailand. This to ensure that the transaction is reasonable and cause ultimate benefits for the Company.
- (6) Prepare a report of the Audit Committee by disclosing in the Company's annual report that shall be signed by chairman of the Audit Committee and consist of the following details;
  - (a) Opinion about correctness, completion, and reliability of the financial reports
  - (b) Opinion about sufficiency of internal control
  - (c) Opinion about compliance with the Securities and Exchange Act, the regulations of Stock Exchange of Thailand, or any related laws.
  - (d) Opinion about appropriateness of the auditor
  - (e) Opinion about a transaction that may have conflict of interest
  - (f) Number of meeting with the Audit Committee and attendance of each member
  - (g) Opinion or observation that the Audit Committee obtains from their performance according to Charter.
  - (h) Other transaction that is deemed to be known by shareholders and other people under the scope of roles and responsibilities assigned by the Board of Directors

- (7) Review key risk management of the Company to be linked with internal control
- (8) Review and propose correction, scope, rules, and responsibilities of the Audit Committee to be correspondence with current situation.
- (9) Perform any other tasks assigned by the Board of Directors under agreement of Audit Committee, provided that the Audit Committee has direct responsibilities in the task to the Board of Directors and the Board of Directors still have the responsibilities to third party.
- (10) In case the Audit Committee found or doubt that there is any of the following item, which may have material impact on the company's financial status and performance, the Audit Committee shall report to the Board of Directors for making correction in suitable time as the Audit Committee consider appropriate.
  - (a) Conflict of interest
  - (b) Corruption or any material negligence in internal control system
  - (c) Infringement of the Securities and Exchange Act, the regulations of Stock Exchange of Thailand, or any related laws.

In 2015, there were totally 8 meetings of Audit Committee to perform their duties in line with the terms of authority and responsibilities as mentioned in its Charter and the assignment of the Board of Directors.

#### **3.2 Nomination and Remuneration Committee**

	<b>Name</b>	<b>Position</b>
<b>1.</b>	Mrs. Soithip Trisuddhi**	Chairman
<b>2.</b>	Miss Chomkamol Poompanmoung	Member
<b>3.</b>	Mr. Sa-Nga Ratanachartchuchai	Member

\*\* The successor of Pol. Gen. Patcharavat Wongsuwan as of October 27, 2015.

Terms for Nomination and Remuneration Committee members are valid for 3 (three) years, where 1 (one) year is considered from the year of Annual General Meeting of Shareholders that has appointment to the following year, and any individual can be reelected or re-appointed.

Roles and Responsibilities of Nomination and Remuneration Committee

- (1) Recruitment of suitable person for being director or chief executive officer or executive when has a vacancy or expiration of term, then propose to the Board of Directors or the Shareholders' Meeting for election, as the case may be. The recruitment shall be made by considering of the directors' composition, competency, experience, number of companies that such person on board, and conflict of interest.
- (2) Prepare the list of suitable person in advance and/or when there is any vacancy of director or chief executive officer.
- (3) Request for opinion from the Board of Directors and/or chief executive officer (if any) to be used in recruitment process, then propose to the Meeting of the Board of Directors or Shareholder, as the case maybe, for consideration of election.
- (4) Set performance appraisal form for chairman, director, specific committee, and chief executive officer
- (5) Consider qualified directors to be specific committee and chairman, then propose to the Board of Directors for appointment when there is any vacancy or propose any development of specific director to the Board of Directors when deem as appropriate.
- (6) Consider remuneration for the Board of Directors and specific committee based on fair and reasonable rules, procedures, and structure according to their performance, the Company's performance, industry guideline, and their roles and responsibilities, then propose to the shareholders' meeting for approval.
- (7) Consider remuneration for chief executive officer and salary structure of the executive based on fair and reasonable rules, procedures, and structure. In case of the remuneration of chief executive officer, it shall be considered upon responsibilities and annual performance. Then, it will be proposed to the Board of Directors for approval.
- (8) Review the regulations regarding the Nomination and Remuneration Committee to ensure appropriateness, including policy and procedure of remuneration and benefits set up for the director, chief executive officer, and executives.
- (9) Making performance appraisal of Nomination and Remuneration Committee and provide performance report for the Board of Directors, then disclose to Shareholder annually.
- (10) Perform other tasks assigned by the Board of Directors in relation to nomination of directors and chief executive officer.

In 2015, there were 2 meeting of Nomination and Remuneration Committee to perform duties as assigned.

### 3.3 Executives Committee

	Name	Position
1.	Mr. Kanoksakdi Bhinsaeng	Chairman
2.	Mr. Chatchaval Jiaravanon	Member
3.	Miss Chomkamol Poompanmoung	Member
4.	Mr. Sa-Nga Ratanachartchuchai	Member

In order that the Company can smoothly operate business and has effective performance as well as follow the policy settled by the Board of Directors and shareholders. The Board of Directors has appointed Executive Committees who are full of appropriate knowledge, competency and experience without any incompatibility to the law. Chief Executive Officer shall automatically be a member of Executive Committee by position and the Term of Executive Committee shall be valid for three (3) years, where one (1) year is considered from the year of Annual General Meeting of Shareholders that has appointment to the following year and any individual can be reelected or reappointed.

Roles and responsibilities of the Executives Committee are as follows:

- (1) Review business plan and annual budget before presenting to the Board of Directors
- (2) Develop financial policy of the Company and determine investment policy according to the Company's policy
- (3) Consider and proceed key issue that relates to the Company's operation
- (4) Consider, review, and suggest any work proposed to the Board of Directors
- (5) Consider other topics assigned by the Board of Directors

In 2015, there were 14 meeting of Executive Committee to perform duties as assigned.

**3.4 Name list of the Company’s Executives according to the Organizational Structure as of November 13, 2015**

	Name	Position
1.	Mr. Kanoksakdi Bhinsaeng	Chief Executive Officer
2.	Miss Chomkamol Poompanmoung	Deputy Chief Executive Officer, Operations
3.	Miss Phairunya Supitux	Deputy Chief Executive Officer, Planning and Corporate Support
4.	Mr. Chumpol Lilitsuwan	Director of Planning and Supply
5.	Mr. Noppavong Omathikul	Director of Accounting and Finance

For the effective corporate management, the Board of Directors has appointed executives for related departments including Chairman of Chief Executive Officer authorizing and taking responsibilities in the Company’s business management according to the policy, planning and budget approved by the Board of Directors as well as being the top management of Officers, Deputy Chief Executive Officer, Operations Management and Deputy Chief Executive Officer, Corporate Planning and Management who shall be responsible in their own related management to achieve the settled target in line with strategy.

The Executives shall not have any default history regarding;

- (1) Being accused or proceed in criminal case by an authorized party because unfair action regarding securities or future trading, or fault or corruption operation.
- (2) Being in the period of prohibition by an authorized party to be an executive.
- (3) Has been subjected to final jurisdiction according to sub-clause (1) above or fined from making fault according to sub-clause (1) above.

**Roles and Responsibilities of Chief Executive Officer**

- (1) Perform task assigned by the Board of Director according to the Company’s Articles of Association.
- (2) Has authorization in issuance, amendment, addition, and modification of command, regulations, records, and work regulations of the Company to make all employees work in accordance with its policy, benefits, and work disciplines
- (3) Has authorization in action and present as the Company’s representative to third party in relevant business that has benefit to the Company.
- (4) Approve for appointment of consultancy in any activities that are important for the Company’s operation.
- (5) Being an attorney of the Company to manage the Company’s business to be in accordance with the objectives, article of association, rules, regulations, command, the resolutions of shareholders’ meeting, and the resolution of the Board of Directors’ meeting
- (6) Being an authorized person to direct, contact, order, proceed, including sign in any transaction, agreement, document, command, notification, or any letter used for the government sector, State Enterprises, and third party; including perform any necessary and reasonable action to complete the above activities.
- (7) Has authorization to sub authorize and/or assign other person to work for them, provided that such sub authorization and/or assignment shall be under the scope written in the power of attorney and/or comply with rule, article of association, or command of the Company’s director, or director.
- (8) Has authorization to approve expenses occurred in normal business, such as purchase of asset, investment, and any other transaction for benefits of the Company, such authorization is for general commercial transaction with the limited amount for operation and the Authority Delegation but not more than the amount approved by the Board of Directors.
- (9) Performing other tasks assigned timely by the Executives Committee or the Board of Directors.



### 3.5 Company Secretary

In order to comply with the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/15 and Section 89/16, in the meeting of the Board of Directors as of December 29, 2014, the appointment of Miss Thichaya Vasuthararat as Company Secretary had been approved and effective from January 5, 2015.

The followings are duties and responsibilities assigned:

1. Preparing and maintaining the following documents:
  - (a) Director profile
  - (b) Notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting
  - (c) Notice and minutes of shareholders meeting
  - (d) Other important documents
2. Maintaining directors and management's report on conflict of interest
3. Submitting the report according to section 89/14 of the Securities and Exchange Act B.E. 2535 (A.D.1992) (include revision version) prepared by Human Resource Committee to the President and Chairman of the Audit Committee within 7 working days after receipt of the report.
4. Control information disclosure and report according to rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
5. Promote and support good governance of business, including performance of management and employees of the Company and its subsidiaries to conform to laws, rules, and regulations of the alliances.
6. Arrange meetings for Board of Directors, Committees and Shareholders according to the Articles of Association.
7. Govern the Company and the Committees for correspondence performance and in accordance with related law and regulations, including all resolutions of the Board's meeting, shareholder's meeting, and good corporate governance.
8. Support arrangement of training courses or seminars for directors and/or executives in any topic relating to performance of directors and specific director
9. Report any amendment of rules and regulations to the directors and/or management
10. Prepare performance appraisal of the Board of Directors

11. Perform any other task assigned by the Company or the Board of Directors, including other activities required by the Capital Market Supervisory Board.

### 3.6 Remuneration of Directors and Executives

#### ● Remuneration of Directors

The Board of Directors has set the guideline for remuneration for the Board of Directors with fairness by the consideration and review of Nomination and Remuneration Committee with the appropriateness of the Company's circumstance. Presently, all members in sub committees which are Audit Committee, Executive Committee and Nomination and Remuneration Committee have been not remunerated.

Additionally, remuneration of Directors should be obtained the approval from the Annual General Meeting of Shareholders and in the Annual General Meeting of Shareholders in 2015 as of April 30, 2015, the following remuneration ratio for Directors had been approved:

#### Remuneration of Directors in 2015

The Board of Directors	Monthly Remuneration
<b>Chairman of the Board of Directors</b>	73,500.00
<b>Chairman of the Audit Committee</b>	73,500.00
<b>Directors (non-management)</b>	42,000.00
<b>Directors (management)</b>	21,000.00

Remarks:

- 1) Only monthly remuneration without meeting allowance are compensated to directors.
- 2) No bonus to be compensated to directors for the Company's operations in 2015.

**Summary of remuneration of directors as individual basis in 2015**

Director Name list		Monthly Remuneration (THB)
1	Mr. Chulchit Bunyaketu	882,000
2	Mrs. Niskorn Tadthiemrom	882,000
3	Mr. Kanoksakdi Bhinsaeng	252,000
4	Mrs. Soithip Trisuddhi **	84,000
5	Mr. Chatchaval Jiaravanon	504,000
6	Mr. Bowon Vongsinudom **	84,000
7	Mr. Sa-Nga Ratanachartchuchai	504,000
8	Mr. Aiyawatt Srivaddhanaprabha	504,000
9	Miss Chomkamol Poompanmoung *	252,000
10	Mr. Ronasit Poomma	504,000
11	MR. Nopporn Koakietaveechai	504,000

**Directors resigned during the year and compensated for the remuneration in 2015**

1	Pol. Gen. Phatcharavat Wongsuwan***	378,000
2	Mr. Pisarn Poompanmuang ***	420,000
<b>Grand Total</b>		<b>5,754,000</b>

Remarks: \* Remuneration shall be compensated to Directors only, excluding Executives.

\*\* Mrs. Soithip Trisuddhi has been appointed as Independent Director as of October 27, 2015.

Mr. Bowon Vongsinudom has been appointed as Independent Director as of October 27, 2015.

\*\*\* Pol. Gen. Phatcharavat Wongsuwan had resigned from September 10, 2015.  
Mr. Pisarn Poompanmuang had resigned from October 27, 2015.

**3.7 Remuneration of Executives**

In 2015, the total amount of remuneration that the company paid to Executives is THB 16,750,347

**3.8 Employees**

- Numbers of Employees

As of 31 December 2015, the total number of the company's employees is 458

- Employee Remuneration (Excluding Executives)

As of 31 December 2015, the total amount of remuneration that the company paid to Employees (excluding Executives) is THB 168,274,454

**3.9 Employee Management Policy**

To continue the management as strategic plan and assigned target, Human Resources Management has been planned to support the Company's driven, therefore organizational and human resources management has been focused to build up the sustainable strength for organization through the adjustment of organizational structure to be compatible with the context of the Company's business operation in the future, for example building up the Department to take care of business development including the manpower management for the utmost effectiveness and benefits of organization. Above and beyond, the improvement on working process and decentralization has also been implemented to reinforce internal operational management.

The Company has continuously improved indispensable Basic Human Resources Management System such as Key Performance Indicators System for motivating employees to plan their working in order to develop themselves and organization with the concrete assessable performance. Besides the operational improvement, the Company has also shaped organizational culture and values in keeping with the Company way under the concept of “CLIP” consisting of

C = Collaboration

It is meant the cooperation between Team Work and Coordination or it can be concluded as “the cooperation, the coordination as uniting together, non-redundancy of jobs, and assisting each other for smooth operations with harmony and effectiveness to support and comply with the corporate's goal.

L = Loyalty

It is the loyalty towards organization as well as the heart and faith in organization leading a sense of pride in our organization.

I = Integrity

It is the consistency in trustworthiness, virtue, honesty, pure mind and non-cheating to yourself and the others. The “Integrity” is also meant good behavior, rightful behavior, forthright and sincere behavior with non-cheating and non-fraud. People who are agreed as being honest are required by 5 Truths below:

- (1) **Truth for working** : Do everything with seriousness by focusing on the actual success and benefits for individual or society
- (2) **Truth for duty**: Seriously work for assignment which is called as duty, work for work, work with best effort, attentiveness, no negligence, no evasion which is the avoidance of duty performance, and pay attention to the duty in order to achieve good successful result.
- (3) **Truth for words**: Say the truth and keep words by really doing as serious speaking.
- (4) **Truth for people** : Sincerity towards concerned people, friends, colleagues and superiors, this is called “Being loyalty” while sincerity towards benefactors is called “Being grateful”
- (5) **Truth for virtue** : intentionally behave in virtue only as a habit and having morals consisting of modesty (shame on demerit and immorality) and conscience (fear of demerit and immorality)

P= Proactive

Its meaning is to work under advanced designated plan with details, carefulness, own recognition and responsibility by being able to response external motivation through own viewpoint and value which will not be fallen in surrounded influence and external situation that force the unwilling action. Also, it is included being conscious, not getting stuck on problems but being responsive with consciousness. Subsequently, proactive working people should have following attitudes:

- Being optimistic
- Preference of being “Giver” to “Taker”
- Everything can be possible
- Thinking that “Tomorrow” is better than “Today”

Above expectations are what the Company would like to enable all employees to realize in co-working with the objective of happy working society, resulting in the further progress of the Company.

# Attachment 1

## Profiles of Directors and Executives management of the Company



**Mr. Chulchit Bunyaketu**

Age 73 Years Old

Chairman of The Board / Independent Director

- ▶ **Office Holding Date :** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Bachelor of Law, Faculty of Political Science, Chulalongkorn University
  - M.A. Political Science, Kent State University, United States of America
  - Advance Diploma, Public Administration, Exeter University, UK
  - National Defense College of Thailand, the Joint State-Private Sector Course, Class 335
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program (DAP) Class 38/2005
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** 2 businesses
  - Director Total Access Communication Public Company Limited
  - Director Bangkok Mass Transit System Public Company Limited
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 2 businesses
  - Chairman of The Board DTAC Tri Net Co., Ltd.
  - Advisor, King power Group of Companies
- ▶ **Retroactive Work Experience (5 Years)**

2004 – Feb 2016	Deputy Chief of Executive Officer King Power International Company Limited
2013-2014	Chairman of The Board Picnic Corporation Public Company Limited
1998 – 2003	Managing Director Thai Oil Company Limited
1998 - 2003	Managing Director Thai Oil Power Company Limited
1994	Deputy Director Thai Oil Company Limited
1997	Advisor to Board Director of Broadcasting Directing Board, Royal Thai Army Radio & Television
- ▶ **Number of Holding Shares:** None
- ▶ **Family Relationship between Director and Executive:** None

**Mrs. Niskorn Tadthiemrom**

Age 68 Year Old

Chairman of the Audit Committee /  
Independent Director

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Master of Business Administration, University of Wisconsin , U.S.A
  - Bachelor's Degree, Faculty of Economics Chulalongkorn University (Second Class Honor)
  - Diploma of National Defence college of Thailand, Class 14
- ▶ **Director Course Training from Thai Institute of Director (IOD)**
  - Director Certificate Program (DCP) 120/2009
  - Audit Committee and Continuing Development Program (ACP) 27/2009
  - Role of the Chairman Program (RCP) 24/2010
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 1 แห่ง
  - Audit Committee University of Phayao
- ▶ **Retroactive Work Experience (5 Years)**

2010 –Present	Audit Committee University of Phayao
2013-2014	Director Picnic Corporation Pcl.
2014	Chairman of Audit Committee Picnic Corporation Pcl.
2011-2012	Procurement Scrutinize Government Savings Bank
2009-2011	Committee Chairman of Audit Committee/ Nomination Committee/ Performance Criteria and KPI Committee East Water Resources Development and Management Pcl.
2009 - 2010	Director and Secretary of Committee of Internal Audit, Fiscal and Accounting Management Study Thai Red Cross
- ▶ **Shareholder Proportion:** None
- ▶ **Family Relationship between Director and Executive:** None



## Mr. Kanoksakdi Bhinsaeng

Age 59 Year

Director / Chairman of the Executive Committee /  
Chief Executive Officer

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Honorary Doctorate of Philosophy General Administration Department (2014) Ramkhamhaeng University
  - Master of Public Administration, Sripatum University
  - Bachelor of Arts (Political Science)
  - Diploma of The Joint State - Private Sector Course (NDC), Class 14, National Defence College
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program (DAP) class 73/2008
  - Director Certification Program (DCP) class106/2008
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** 1 business
  - Chairman of the Board, Siamraj Pcl.
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 5 businesses
  - Managing Director Buriram United Co., Ltd
  - Advisor Chiang Mai Construction Co., Ltd.
  - Advisor Affiliated Company of Nok's Group
  - Advisor ,Benjamas-suvarnabhumi Co., Ltd.
  - Chairman, Big Crane and Equipment Rentals Co., Ltd.
- ▶ **Retroactive Work Experience (5 Years)**

2002 - Present	Advisor Chiang Mai Construction Co., Ltd.
2006- Present	Advisor Affiliated Company of Nok's Group
2009 – Present	Managing Director Provincial Electricity Authority - Buriram United F.C. Co., Ltd.
2013-Present	Advisor of Association Thai Polo Association
2012-Present	Managing Director Buriram United Co., Ltd
2011-2014	Director Picnic Corporation Pcl.
2014	Audit Committee Picnic Corporation Pcl.
- ▶ **Number of Holding Shares :** None
- ▶ **Family Relationship between Director and Executive:** None



## Miss Soithip Trisuddhi

Age 61 Years Old

Independent Director / Audit Committee Member /  
Chairman of Nomination and Remuneration Committee

- ▶ **Office Holding Date:** 27 October 2015
- ▶ **Educational Background/Training Record**
  - Faculty of Liberal Arts, Thammasat University
  - Bachelor of Laws, Thammasat University
  - Master of Arts Program, Thammasat University
  - Graduate Diploma Program in Public Law Class 6, Thammasat University
  - Leadership Program, Class 28, Office of the Civil Service Commission (NorBorSor. 28)
  - National Defence College of Thailand Program, Class 45 (NDC 45)
  - Judicial Administration for Executives Program, Class 9 (BorYorSor. 9)
  - Politics and Governance in Democratic Systems for Executives Program, Class 10 (PorPorRor. 10)
  - Executives Program, Capital Market Academy, Class 15
  - Business and Industrial Development and Investment Council for Executives Program (IBID 1)
  - Judgment and Administration for Executives Program (BorYorPor.5)
  - Politics and Governance in Democratic Systems for Directors and Executives of State Enterprise and Public Organization Program (PDI)  
Class 1 organized by King Prajadhipok's Institute (Public Director Institute)
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Certificate Program (DCP) Course, Class 88/2007
  - Audit Committee Program (ACP) Course, Class 26/2009
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 1 business
  - Director of Thai Smile Company Limited

- ▶

Office Holding in Other Significant Organization/Special Activities : 1 business

-

Member of National Reform Steering Assembly
- ▶

Retroactive Work Experience (5 years)

-

2014 – August 2015 Permanent Secretary, Ministry of Transport

-

2011 Director-General, Industrial Estate Authority of Thailand (IEAT)

-

2011 – 2013 Chairman of the Board, State Railway of Thailand (SRT)

-

2009 – 2011 Chairman of the Board, Expressway Authority of Thailand (EXAT)

-

2008 – 2009 Director, Expressway Authority of Thailand (EXAT)

-

2008 – June 2012 Director, Mass Rapid Transit Authority of Thailand (MRTA)

-

June 2008 – July 2012 Director, Office of Transport and Traffic Policy and Planning (OTP)

-

2007 – 2009 Director, Tourism Authority of Thailand (TAT)

-

2007 Director, Civil Aviation Training Center (CATC)

-

2006 Director, Airports of Thailand Plc. (AOT)

-

2006 Director, Mass Rapid Transit Authority of Thailand (MRTA)

-

2004 – 2005 Director, Bangkok Mass Tran sit Authority (BMTA)

-

2002 – 2008 Inspector General, Ministry of Transport
- ▶

Number of Shareholding:

None
- ▶

Family Relationship Between Director and Executive:

None



Mr. Bowon Vongsinudom

Age 62 Year Old  
Director / Independent Director

- ▶

Office Holding Date:

27 October 2015
- ▶

Educational Background/Training Record

-

Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

-

Master of Engineering (Chemical Engineering), Chulalongkorn University

-

Bachelor of Engineering (Chemical Engineering), Chulalongkorn University

-

Diploma of The Joint State - Private Sector Course (NDC), Class 17, National Defence College
- ▶

Director Course Training from Thai Institute of Directors (IOD)

-

Director Accreditation Program (DAP) Course, Class 76/2008

-

Director Certification Program (DCP) Course, Class 209/2015
- ▶

Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:

2 businesses

-

Chairman of the Board, Thai British Security Printing Public Company Limited

-

Independent Director and Audit Committee Member, Suthakan Public Company Limited
- ▶

Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:

3 businesses

-

Chairman of the Board, PTT Phenol Company Limited

-

The Board’s Member, Metropolitan Waterworks Authority

-

Independent Director and Audit Committee Member, ASEAN Potash Chaiyaphum Public Company Limited
- ▶

Retroactive Work Experience (5 Years)

2013 –2014

Chief Executive Officer and President, PTT Global Chemical Public Company Limited

2011 –2013

President, PTT Global Chemical Public Company Limited

2011 – 2014

Director, PTT Global Chemical Public Company Limited

2010 – 2011

Chief Executive Officer and President and Acting for Senior Executive Vice President, Operations PTT Aromatics and Refining Public Company Limited

2009 - 2010

Senior Executive Vice President, Operations; and Acting for Executive Vice President, Commercial Plan and Business Development PTT Aromatics and Refining Public Company Limited
- ▶

Shareholding Proportion:

None
- ▶

Family Relationship Between Director and Executive:

None



**Mr. Sa-nga Ratanachartchuchai**

Age 56Years Old

Director/ Executive Director/

Remunerationand Nomination Committee

- ▶ **Office Holding Date:** 27 November 2014
- ▶ **Educational Background/Training Record**
  - Bachelor in Faculty of Law, Thammasat University
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 4๙๙๓
  - DirectorS.W.N. Intertrade Company Limited
  - DirectorLogistic Enterprise Company Limited
  - Director Eagle Intertrans Company Limited
  - Director WP GAS Company Limited
- ▶ **Retroactive Work Experience (5 Years)**

2013 -2014	Director Pinic Corporation Public Company Limited
2009 - 2013	DirectorWorld Gas (Thailand) Company Limited
- ▶ **Number of Holding shares:** None
- ▶ **Family Relationship Between Director and Executive:** None

**Mr. Chatchaval Jiaravanon**

Age 52 Years Old

Director / Executive Director

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Bachelor's Degree, Business Administration, University of Southern California, United States of America
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program (DAP) Class 71/2008
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** 4 businesses
  - Director and Managing Director, True Corporation Public Company Limited
  - Director, AEON Thana Sinsap (Thailand) Public Company Limited
  - Director and Audit Committee, Ticon Industrial Connection Public Company Limited
  - Director , Financia Syrus Securities Public Company Limited
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 7 businesses
  - Chairman of The Board Thaikodama Company Limited
  - Chairman of Executive Board True Multimedia Company Limited
  - President and Chief Executive Officer Telecom Holding Company Limited
  - Director Ecco Auto Part (Thailand) Company Limited
  - Board of Associate Director Charoen Pokphand Group Company Limited Lt d.
  - Director CPPC Company Limited
  - Director WP GAS Company Limited
- ▶ **Work Experience in 5 years Retroactive Period**

2013 - 2014	Director Pinic Corporation Public Company Limited
2010-2013	Director Amanah Leasing Public Company Limited
2009-2013	Chairman of the Board Asia Credit Securities Co., Ltd.
- ▶ **Number of Holding Shares:** 201,228,371 (Shareholding Proportion 7.289%)
- ▶ **Family Relationship between Director and Executive:** None



Miss Chomkamol Poompanmoung

Age 33 Year Old  
Director / Executive Director / Remuneration and  
Committee/ Deputy Chief Executive Officer - Operations

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - BA Business and Administration (Pass), University of Kent at Canterbury , UK
  - BA Economics and Business Administration (1<sup>st</sup> Class Honors) Hannings, UK
  - MSc International Marketing (Merit) University of Surrey, UK
  - MA Politics, Governance and Democracy (Pass), Royal Holloway, University of London
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Certification Program (DCP) Class 193 / 2014
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 2 businesses
  - President Eagle Intertrans Co, ltd.
  - Director WP Gas Co. ltd.
- ▶ **Retroactive Work Experience (5 Years)**

2014	Acting for Chief Executive Officer , World Gas (Thailand) Co., Ltd.
2012-2014	Deputy Chief Executive Officer , World Gas (Thailand) Co., Ltd.
2009-2012	Senior Officer of Strategic Planning/Financial Officer, PTT Green Energy (Thailand) Co., Ltd.
- ▶ **Shareholding Proportion:** 20,319,783 (Shareholding Proportion 0.736%)
- ▶ **Family Relationship between Director and Executive**

She has the relative relationship with Mr. Pisarn Poompanmuang but has not been anyway classified as the person having behavior within the scope of Concert Party.



Mr. Aiyawatt Srivaddhanaprabha

Age 30 Year Old  
Director

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Honorary Degree Faculty of Business Administration De Monfort University
  - Bachelor of Business Administration Bangkok University (International Program)
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand::** 1 business
  - Chief Executive Officer Group of Companies King Power Company Limited
- ▶ **Retroactive Work Experience (5 Years)**

2009 – 2015	Assistant Chairman of the Board Group of Companies King Power Company Limited
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- ▶ **Number of Holding shares:** 514,390,822 (Shareholding Proportion18.63%)
- ▶ **Family Relationship Between Director and Executive:** None

## Profiles of Directors Executives management of the Company and Company Secretary : Attachment 1

**Mr. Ronasit Poomma**

Age 31 Years Old

Director

- ▶ **Office Holding Date :** 24 November 2014
- ▶ **Educational Background/Training Record**
  - MSc Management, Brunel University, UK
  - Bachelor of Pharmacy program, Silapakorn University
- ▶ **Director Course Training from Thai Institute of Directors (IOD) :** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand :** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Retroactive Work Experience (5 Years)**

2011-2014	Director Pinic Corporation Public Company Limited
2011-2014	Director Pinic International Company Limited
2012-2014	Acting for Managing Director Pinic Corporation Public Company Limited
2009 - 2011	General Manager World Siam Group Company Limited

**Number of Holding Shares:** 6,205,881 Shares (Shareholding Proportion 0.22%)

**Family Relationship Between Director and Executive:** None

## Profiles of Directors Executives management of the Company and Company Secretary : Attachment 1

**Mr. Nopporn Koakietaveechai**

Age 36 Years Old

Independent Director / Audit Committee

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Master of Business Administration (MBA) in Finance Major, Pace University, United States of America
  - Bachelor of Engineering, Chulalongkorn University
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Retroactive Work Experience (5 Years)**

2015 – Present	Senior Finance Officer , PTT Global Chemical Public Company Limited
2014	Director, World Gas (Thailand) Company Limited
2008 – 2014	Finance and Accounting Department Manager ,Thai Summit Autoparts Industry Company Limited
- ▶ **Shareholding Proportion:** None
- ▶ **Family Relationship Between Director and Executive:** None



## Profiles of Directors Executives management of the Company and Company Secretary : Attachment 1



Mr. Pisarn Poompanmuang

Age 65 Years Old

Director

- ▶ **Office Holding Date:** 24 November 2014 (Resignation date on 27 October 2015)
- ▶ **Educational Background/Training Record**
  - Bachelor's Degree in Industrial Electrical Technology, King Monkut's University of Technology North Bangkok
  - Japanese Government Scholarship for Apparatus Construction Care and Maintenance of Medical Equipment
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - None
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 3 businesses
  - Chairman of the Board Eagle Intertrans Company Limited
  - Chairman of the Board Logistic Enterprise Company Limited
  - Director WP Gas Company Limited
- ▶ **Retroactive Work Experience (5 Years)**

2014	Chairman of the Board, World Gas (Thailand) Co., Ltd.
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- ▶ **Number of holding shares:** 194,072,901 (Shareholding Proportion 7.03%)
- ▶ **Family Relationship between Director and Executive**

She has the relative relationship with Miss Chomkamol Poompanmoung but has not been anyway classified as the person having behavior within the scope of Concert Party.

## Profiles of Directors Executives management of the Company and Company Secretary : Attachment 1

Pol.Gen. PatcharawatWongsuwan

Age 66Years Old

Independent Director/Audit Committee/  
Chairman of Remuneration and Nomination

- ▶ **Office Holding Date:** 24 November 2014 (Resignation Date: 10 September2015)
- ▶ **Educational Background/Training Record**

Police Cadet (Pol.Cdt.),Batch 25

Master of Arts (Social Development), Kasetsart University

National Defense of State, Private and Politics Sector Course , Class 2
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which not are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Retroactive Work Experience (5 Years)**

The Past	- Independent Director/Audit Committee Member Dynasty Ceramic Public Company Limited
	- Chairman of the Board Pinic Corporation Public Company Limited
	- Royal Thai PoliceCommander (performing in coordination with Ministry of Interior)
	Royal Thai police
	- Public Security Police Commander, Royal Thai Police
	- Assistant Commissioner – General, Royal Thai Police
	- Deputy Commissioner – General, Royal Thai Police
	- Commissioner – General, Royal Thai Police
	- Member of National Legislative Assembly , Royal Thai Police
- ▶ **Number of Holding shares:** None
- ▶ **Family Relationship Between Director and Executive:** None



Miss Phairunya Supitux

Age 40 Years Old

Deputy Chief Executive Officer ;  
Planning and Corporate Support

► **Office Holding Date:** 24 November 2014

► **Educational Background/Training Record**

- Master of Professional Accounting- International program, Thammasat University
- Bachelor of Business & Administration – Accounting Major, Assumption University

► **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None

► **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** 2 businesses

- Deputy Managing Director Eagle Intertrans Company Limited
- Director Eagle Intertrans Company Limited

► **Retroactive Work Experience (5 Years)**

2014	Deputy Chief Executive Offer Corporate Management and Planning Officer , World Gas (Thailand) Co., Ltd
2014	Acting for Corporate Support Department Manager, World Gas (Thailand) Co., Ltd.
2010 –2013	Chief, Accounting & Tax,PTT Green Energy (Thailand) Co., Ltd.
2008 -2010	Accounting Manager,Sawasdee Shop Co., Ltd.
2002-2008	Senior Audit Assistant, PricewaterhouseCoopers ABAS Ltd.

► **Shareholding Proportion:** None

► **Family Relationship between Director and Executive:** None



Mr. Chumpol Lilitsuwan

Age 48 Years Old

Director of Planning and Procurement Department

► **Office Holding Date:** 24 November 2014

► **Educational Background/Training Record**

- Bachelor of Business Administration in Finance Program, University of the Thai Chamber of Commerce
- Master of Business Administration in Business Administration Program, University of the Thai Chamber of Commerce

► **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None

► **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** None

► **Retroactive Work Experience (5 Years)**

2014	Acting for Planning and Procurement Department Manager, World Gas (Thailand) Co., Ltd
2012 - 2014	Deputy Managing Director of Warehouse Operations and Product Procurement Functional Line Picnic Corporation Pcl..

► **Shareholding Proportion:** None

► **Family Relationship between Director and Executive:** None

**Mr. Noppavong Omathikul**

Age 37 Years Old

Director of Finance and Accounting Department

- ▶ **Office Holding Date:** 24 November 2014
- ▶ **Educational Background/Training Record**
  - Bachelor's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Retroactive Work Experience (5 Years)**

2014	Finance Department Manager, World Gas (Thailand) Co., Ltd
2011 - 2014	Senior Manager Price Waterhouse Cooper ABAS Co., Ltd.
- ▶ **Shareholding Proportion:** None
- ▶ **Family Relationship between Director and Executive:** None

**Miss Thichaya Vasutharat**

Age 37 Years Old

Company Secretary

- ▶ **Office Holding Date:** 5 January 2015
- ▶ **Educational Background/Training Record**
  - Bachelor of Communication Arts, University of the Thai Chamber of Commerce
- ▶ **Director Course Training from Thai Institute of Directors (IOD)**
  - Company Secretary Program, Class 34/ 2010
  - Board Reporting Program, Class 20/2010
  - Effective Minutes Taking, Class 22/ 2012
- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:** None
- ▶ **Retroactive Work Experience (5 Years)**

2014	Senior Stakeholder officer	PT Az Zhara Plantation , Indonesia
2011-2014	Senior Compliance Officer	PTT Green Energy (Thailand) Co., Ltd.
- ▶ **Shareholding Proportion:** None
- ▶ **Family Relationship between Director and Executive:** None



**Table Indicating position Holding of Director (As at 31 December 2015)**

No.	Name List	WP	Subsidiaries			Related Companies
			EAGLE	LOGISTIC	WP GAS	ENESOL
1	Mr. Chulchit Bunyaketu	▲				
2	Mrs. Nisakorn Tadthiemrom	●				
3	Mrs. Soithip Trisuddhi	●				
4	Mr. Bowon Vongsinudom	●				
5	Mr. Kanoksakdi Bhinsaeng	● ■			▲	
6	Mr. Chatchaval Jiaravanon	●			●	
7	Mr. Sa-nga Ratanachartchuchai	●	●	●	●	
8	Mr. Aiyawatt Srivaddhanaprabha	●				
9	Miss Chomkamol Poompanmoung	● ■	■		●	
10	Mr. Ronasit Poomma	●				
11	Mr. Nopporn Koakietaveechai	●				
12	Mr. Pisarn Poompanmuang (resigned on 27 October 2015)	●	●		●	
13	Pol.Gen. Phatcharavat Wongsuwan (resigned on 10 September 2015)	●				

Remark: ▲ = Chairman of the Board    ● = Director    ■ = Executive

WP = WP Energy Public Company Limited

Subsidiaries

EAGLE = Eagle Intertrans Company Limited

LOGISTIC = Logistic Enterprise Company Limited

WP GAS = WP Gas Company Limited

Related Companies ENESOL = Enesol Company Limited

## Attachmen 2

Detail of the Directors of Subsidiaries and  
Related Companies

## Detail of Directors of the Subsidiaries and Related Companies Attachment 2

Table Indicating position Holding of Executive (As at 31 December 2015)

No.	Name List	WP	Subsidiaries			Related Companies
			EAGLE	LOGISTIC	WP GAS	ENESOL
1	Mr. Kanoksakdi Bhinsaeng	● ■			▲	
2	Miss Chomkamol Poompanmoung	● ■	■		●	
3	Miss Phairunya Supitux	■	● ■			
4	Mr. Chumpol Lilitsuwan	■				
5	Mr. Noppavong Omathikul	■				

Remark: ▲ = Chairman of the Board ● = Director ■ = Executive

WP = WP Energy Public Company Limited

Subsidiaries

EAGLE = Eagle Intertrans Company Limited

LOGISTIC = Logistic Enterprise Company Limited

WP GAS = WP Gas Company Limited

Related Company

ENESOL = Enesol Company Limited

## Detail of Directors of the Subsidiaries and Related Companies Attachment 2

Details on the Directors of Subsidiaries with the Company's Shareholding  
more than 99% (as at 31 December 2015)

No.	Name List	WP	Subsidiaries		
			EAGLE	LOGISTIC	WP GAS
1	Mr. Kanoksakdi Bhinsaeng	● ■			▲
2	Mr. Sa-nga Ratanachartchuchai	●	●	●	●
3	Mr. Chatchaval Jiaravanon				●
3	Miss Chomkamol Poompanmoung	● ■	■		●
4	Miss Phairunya Supitux	■	● ■		
5	Mr. Pisarn Poompanmuang		▲	▲	●
6	Mr. Yongyos Puengtham			●	

Remark: ▲ = Chairman of the Board ● = Director ■ = Executive

WP = WP Energy Public Company Limited

Subsidiaries

EAGLE = Eagle Intertrans Company Limited

LOGISTIC = Logistic Enterprise Company Limited

WP GAS = WP Gas Company Limited

# Attachment 3

## Detail of Internal Audit (Outsource)

**Mr. Kosol Yamleemul**

**Internal Audit (Outsource)**

**Managing Director, Unique Advisor Company Limited**

- ▶ **Appoint Date:** 13 August 2015
- ▶ **Educational Background/Training Record**
  - Master of Science in Information Technology for Business, Chulalongkorn University
  - Bachelor Degree in Finance and Accounting, Thammasat University
  - Federation of Accounting Professions (FAP)
    - Thai Financial Reporting Standards (TFRS), Accounting Standards, Auditing Standards (continuous training)
    - Internal Audit Workshop (continuous training)
    - Auditor’s Report (continuous training)
    - COSO 2013 (2014)
    - Taxation and planning (various)
    - IT Audit (various)
  - Kasetsart University
    - Certificate for Business Advisor CBA-KU#14 (2013)
    - Certificate of Real Estate Entrepreneur (CRE-KU (2014)
  - Tax Auditor Association
    - Pro Tax Planning (2012 -2013)
  - Other Core trainings
    - International Audit Training, Risk Based Audit, Audit Methodology and Software Tools
    - Advanced COSO ERM
    - Soft skill and Marketing courses
- ▶ **Retroactive Work Experience (5 Years)**
  - Internal Audit and Business Consulting
    - 2013 – present     Managing Director - Unique Advisor Company Limited
    - 2000 – 2013       Director - Grant Thornton Limited
  - External Audit
    - 2000 – 2013       Director - Grant Thornton Limited
    - 2001 – 2003       International Audit Manager (Secondment Program)  
Grant Thornton LLP, Seattle Office, USA
    - 1995 – 1999       Senior Manager - PriceWaterhouseCoopers ABAS Limited
    - 1992 – 1994       Assistant Auditor – SGV Na Thalang Co., Ltd.



Management Accounting

- 1994 – 1995      Senior Manager – Distar Electric Corporation Plc.

- ▶ **Holding Office of Director/Executive in Other Businesses which are the Listed Company in the Stock Exchange of Thailand:**   None
- ▶ **Holding Office of Director/Executive in Other Businesses which are not the Listed Company in the Stock Exchange of Thailand:**   1 Company
  - Managing Director, Unique Advisor Company Limited
- ▶ **Shareholding Proportion:**      None
- ▶ **Family Relationship Between Director and Executive:**   None

# Corporate Governance



## Corporate Governance

### Corporate Governance Principle

The Board of Directors of the Company has extremely concerned on the significance of the business operation under the Code of Best Practices which shall enable the company group to be the effective organization of business operation with both good management and ethical responsibility, hence, the company has applied the Principle of Good Corporate Governance for the company's operation guideline and for the benefits of the Company's business operations as well as for the strengthening of management's transparency and effectiveness. Furthermore, since the Board of Directors of the company has focused on the importance of thorough and cautious management in order to create the shareholders and stakeholders' confidence towards the company's business operation for the effectiveness and utmost benefits of the company, accordingly, the company had decided to appoint three (3) sub-committees to closely govern the specified businesses such as Audit Committee, Nomination and Remuneration Committee and Executive Committee, all sub-committees shall be responsible in consideration and screening every business operations in specific scope according to their duty and responsibility assigned by the Board of Directors of the company.

### Composition and qualifications of the Sub Committee

Each Sub Committee has the following roles and responsibilities

#### Audit Committee

The Audit Committee is appointed from not fewer than 3 independent directors with at least 1 director who has accounting/financial knowledge and has qualification required by the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee shall be responsible for verify and review reliability of financial statements, examine and govern to ensure that the Company has internal control and internal audit system, ensure that risk management relate to internal control system appropriately and effectively.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed from at least 3 members of the Board of Directors with at least 1 director who is an independent director. The Nomination and Remuneration Committee shall be responsible for selection of suitable person for being proposed as the Board of Directors or chief executive officer or executives. The nomination shall have efficient and transparent criteria to get competent person for supporting the Company's business. The Committee shall also consider remuneration for the Board of Directors and chief executive officer by setting reasonable and fair procedures those can be benchmarked with similar or comparable industry for proposing to the Meeting of the Board of Directors or shareholders.

### Executives Committee

The Executives Committee is appointed by the Board of Directors, consisting of 4 directors. The Executives Committee has major roles and responsibilities in performing according to the Company's strategy, policy, and procedure. The Committee also has authorization to govern the Company's business by reviewing business plan and annual budget before presenting to the Board of Directors, setting investment policy and direct it to be in accordance with the Company's policy, considering and operation key issues relating to the Company's operation, reviewing and suggesting all activities those are proposed to the Board of Directors

### Nomination of director and executives

#### (1) Nomination of director

When there is any vacancy of the Board, the Nomination and Remuneration Committee shall recruit and select a qualified person by considering knowledge, competency, and expertise those will be benefits to the Company, together with considering opportunity to cause conflict of interest. The Nomination and Remuneration Committee shall perform the task according to details shown in Article: Roles and responsibilities of the Nomination and Remuneration Committee.

In case of term expiration of director, election of replacement shall be subjected to the approval of the Annual General Meeting of Shareholders regarding the most votes of attended and authorized shareholders. The criteria and procedures of election are as follows:

The Nomination and Remuneration Committee shall consider the list of qualified persons who are suitable for being the Company's directors, then propose to the Board of Directors for review before presenting for the approval of the Annual General Meeting of Shareholders before election. However, any shareholders are entitled to offer the list of person to be the Company's director.

In case number of listed persons is less than number of required directors, all name lists shall be proposes to the Annual General Meeting of Shareholders for election. The director shall be the one who receive the most votes.

In case number of listed persons is more than number of required directors, the shareholders shall vote for the persons who will be listed in election. The director shall be the one who receive the most votes. To elect director for replacement of vacancy in the case other than term expiration, the Board of Directors may elect by referring the votes of not fewer than third forth (3/4) of number of directors who still on board. The replacement shall work at the same period as pending term of the resigned director.

## (2) Nomination of chief of executive officer

Regarding nomination of chief executive officer, the Nomination and Remuneration Committee shall consider a person who has skill, experience, professional, and specification in variety fields those are necessary and can maximize benefits to the Company, together with considering opportunity to cause conflict of interest to the Company. The nomination shall be subjected to the Board of Directors' approval.

## (3) Nomination of executives

The Chief Executive Officer shall be authorized to consider appointing the persons who have knowledge, competency, and experience in the Company's business to be the Company's executives, and then report to the Board of Directors. Except in the case of any position higher than vice chairman, it shall be subjected to the Board of Directors' approval. In addition, appointment of executives who works for auditing shall be subjected to the Audit Committee's approval.

## Controlling of internal information

The Company has the policy to make all management aware of their responsibilities to report the Company's securities holding of them, their spouse, and their children who have not attain the majority,

including report the change of securities holding to the Securities and Exchange Commission according to Section 59 and penalty of Section 275 of the Securities and Exchange Act B.E. 2535 (A.D.1992).

In addition, the Company has the policy to prohibit any directors or executives using internal information that have essence information of the Company that is not disclosed to public for their or others' benefit, including prohibition of trading the Company's securities. As a result, the directors, executives, or employees who work for the department that know internal information should avoid trading the Company's securities in the period of 1 month prior to publishing the financial statements.

## Good corporate governance for the listed company

The Company's operation of 2014 according to good corporate governance for the listed company can be summarized as follows:

## Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders to receive the Company's information correctly, completely, sufficiently, timely, and equitably for making decision. Thus, the Board of Directors has the following policy

1. Not later than 14 (fourteen) days prior to the meeting date, the Company shall deliver the Notice of the Ordinary General Meeting of Shareholders together with all relating information specifying objective and reason, including the directors' opinion in every agenda so that the shareholders can study complete information. In the case that any shareholders are unable to attend the meeting, the Company allows the shareholder authorizing any independent director or any person attend the meeting for him/her by using a proxy form attached with the Notice of the Ordinary General Meeting of Shareholders.
2. The Company shall facilitate all shareholders equitably regarding meeting attention, either for appropriate location or time schedule.
3. The shareholders' meeting shall consider and vote each agenda consequentially without changing any key information or adding more agenda without prior notice. The shareholders shall have similar right to review the Company's performance, including asking, sharing opinion and suggestion. The related directors and executives shall attend the meeting to answer the question.

4. The Company shall increase information disclosure channel for the shareholders via the Company's website, especially for the Notice of the Ordinary General Meeting of Shareholders that should be published prior to the meeting date for downloading.
5. The Company shall have the policy to require all directors attending the meeting for answering the shareholders' questions promptly.
6. The Company shall provide full, correct, quick, and transparent minutes of meeting of which contained summary of questions and answers during the meeting for the shareholders' review. In addition, the Company also record video as well as posed the minutes of meeting on the Company's website for verification, including sending to the Stock Exchange of Thailand within 14 days after the meeting date.
7. The Company shall facilitate the shareholders by depositing dividend payment (if any) to their bank account so that the shareholders shall receive the dividend payment on time and avoid the problem of damage, loss, or late delivery of check.

#### **The Equitable Treatment of Shareholders**

The Company determines to treat all shareholders equitably. Thus, the Board of Directors has the following policy

1. The Company shall send the Notice of the Ordinary General Meeting of Shareholders together with all related information to the shareholders not less than 14 days prior to the meeting date for their studying.
2. The Company shall study how to allow minor shareholders propose director list or additional agenda before the meeting date.
3. The Company shall facilitate the shareholder who is unable to attend the meeting by allow authorizing other person or allow at least 1 independent director attend and vote for him/her by notifying the name of independent director in the Notice of the Ordinary General Meeting of Shareholders.
4. The Company shall provide equitable treatment to either major shareholders or minor shareholders, either Thai shareholders or foreign shareholders.

#### **Role of Stakeholders**

The Company recognizes and aware rights of all groups of its stakeholders regardless of whether they are internal stakeholders such as shareholders and employees of the Company, or external stakeholders such as customers, suppliers, creditors, competitors, government sector, and other department including nearby community. Resulting from supports of all stakeholders, the Company can create competitiveness and profits those are deemed as long term value of the Company. Thus, the Company has the following policy

##### 1. Policies and Working Practices toward Employees

The Company aware that the employees are key success factor of the Company with high value. Thus, the Company has the policy to provide fair treatment to all employees, regarding compensation, appointment, transfer, including competency development. To comply with the policy, the Company has the following practices;

- Perform to employees politely and respect in each individual
- Provide fair compensation and establish provident fund for employees, including focusing on take good care of employees' welfare
- Take care of working environment to be safe for employees' life and property
- Appoint transfer, including award and punish employees honestly and based on the employee's knowledge, competency, and appropriateness.
- Place importance on knowledge and skill development by provide opportunity completely and regularly for professional performance
- Listen to opinion and suggestion based on knowledge and professional of employees
- Comply strictly with related laws and regulations.

##### 2. Policies and Working Practices toward Shareholders

The Company always recognizes that all shareholders are the business owner and the Company has responsibility to create added value to the shareholders in long term. Thus, the Company determines the following guidelines for the directors, executives, and employees.



- Perform duties honestly and make decision on any activity based on professional practices carefully, cautiously, and fairly regardless of whether they are major or minor shareholders for maximum benefits of all shareholders
- Present the Company's status, performance, financial statements, accounting report, and other reports regularly, completely, and accurately.
- Notify all shareholders equitably about the Company's future trend, either in positive and negative side, by using possibility basis together with supported information and sufficient reason.
- Do not take any profits for themselves and other third party by using any information of the Company that has not been disclosed publicly or perform any other action that can cause conflict of interest.

### 3. Policies and Working Practices toward customers

The Company always recognizes the importance of customers, then determines the follow policies;

- Service customers politely and enthusiastically with sincerity, willingness, intention, and care as well as taking care of the customer, together with quick, accurate, and reliable actions.
- Keep customers' information secret without using it for their own or related persons' benefits
- Provide correct, sufficient, and timely information about service to customers without any hype that make customers misunderstand about service quality or conditions.
- Provide suggestion about the Company's service procedures efficiently for the ultimate benefits of customers

### 4. Policies and Working Practices toward suppliers and/or creditors

The Company set the policies as a guideline for the employees to provide fair and honest treatment to all suppliers and/or creditors together with considering the Company's maximum benefits. All employees shall perform their tasks to provide fair return, avoid any situation that may cause conflict of interest, and make discussion with good faith to keep good business relationship by following below practices

- Do not request, receipt, or payment of any dishonest benefits from/to the suppliers and/or creditor.
- In case there is any request, receipt, or payment of any dishonest benefits, the employees shall inform such details to the suppliers and/or creditor, then cooperate among them to discuss about fair and quick solution.
- Comply with agreed condition strictly, in case unable to comply with any condition, the Company shall notify the creditors in advance for common discussion to find the solution

### 5. Policies and Working Practices toward competitors

The Company has the policies to competitors that the Company shall not make infringement of secret or finding the defraud way to know trade secret of the competitors. The key policies are set as follows;

- Comply with good competition practices
- Do not attempt finding trade secret of competitors by using defraud or inappropriate method.
- Do not damage the competitors' reputation by making bad accuse.

### 6. Policies and Working Practices toward society/community

The Company has the policies to operate the businesses those provide benefits to economy and society, including strive for being good population and comply with related laws and regulation completely. The Company shall also focus on enhancement and development of society and community quality as well as development of the Company's growth.

### 7. Environmental policy

The Company has the policies to support any activities those can enhance quality, occupational health, and environment, including maintain working environment to be safe for either employees' life or properties.

## Disclosure and Transparency

The Board of Directors has the policies to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business showing actual financial performance and future of the Company's business.

The Board of Directors strives to strictly control all operations to be complied with related laws, rules, and regulations those are relating with disclosure and transparency. The Company shall publish the information on the Company's website in both languages, Thai and English, including via mass media, SET's Communication system to ensure that the shareholders and related persons shall equitably receive the Company's information. In addition, the Company shall update information according to the guidelines and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

## Roles and Responsibilities of the Board of Directors

The Board of Directors shall be responsible for the shareholders about the Company's operation and governing the business to meet the target based on the procedures those can maximize the Shareholders' benefits while still concern about all stakeholders' benefits.

The Board of Directors has the roles and responsibilities to comply with law, objectives, and the Company's Articles of Association with integrity and take good care of the Shareholders' and Stakeholders' benefits, either in short-term or long-term; and to ensure that the Company operates the business in the way that can maximize the Shareholders' and the Stakeholders' benefits. Moreover, the Board of Directors shall supervise for preparation of vision, mission, target, policy, operation guideline, strategic plan, action plan, and annual budget of the Company. The Board of Directors shall also share the opinion to make clear understanding about business overview before approval, then monitor operation management to meet the target by complying with the guideline of the Stock Exchange of Thailand and the Securities and Exchange Commission.

## Internal Control

The Board of Directors shall set the complete internal control for the company, including financial and operation, by complying with related laws, regulations, and procedures. The Board shall also provide monitoring and balancing systems those are sufficient for property protection; set up written authorization procedures, management' sand employees' responsibilities. The Company shall establish internal control department that can work independently to verify all operations to be in accordance with the procedures, including assessment of sufficient control of each department.

## Control for internal information usage

The Board of Directors recognizes the importance of good corporate governance. To bring transparency and protect conflict of interest occurred by using undisclosed internal information, the Company has set the policy to control usage of internal information as follows;

- a) Provide knowledge to the directors, executives, and management team, who take care of accounting or financial activities and work in the position not lower than division manager, about their responsibility to present the portfolio of directors and the portfolio of spouse and children who have not attained majority to the Securities and Exchange Commission according to Section 59 and sanction according to Section 275 of the Securities and Exchange Act B.E. 2535 (A.D. 1992)
- b) Determine that the directors, executives, and management team, who take care of accounting or financial activities and work in the position not lower than division manager, shall prepare and submit the portfolio of directors and the portfolio of spouse and children who have not attained majority by passing through the Company Secretary before submission to the Securities and Exchange Commission. The portfolio shall be submitted within 30 days after the appointment date. Report of security holding changes shall be submitted within 3 days after the date of purchase, sale, transfer, or receipt of transfer the securities.
- c) Determine that the directors, executives, and management team, who take care of accounting or financial activities and work in the position not lower than division manager, including all related operators who know any information that has material impact to securities price change, shall stop trading the Company's securities before disclosure of financial statements or financial status or the Company status until such information is disclosed publicly. The Company shall notify the above persons to stop trading in writing at least 30 days prior to the disclosure date and ask them to

wait for 24 hours after the disclosure date and not to reveal such key information to other third party.

- d) Determine disciplinary action for the persons who use internal information for their own benefits by starting from written warning, cutting of wage, temporary suspension without pay, or dismissal. The penalty shall be considered from intension and seriousness of such mistake.

#### Roles and Responsibilities of the Board of Directors

The Company determines that the directors shall comply with good practices for the directors in listed company according to the guideline of the Stock Exchange of Thailand. The directors shall understand and aware of their roles and responsibilities; perform their tasks according to laws, the Company's objectives and Articles of Association, the Shareholders' Meeting resolution, the Committee Charter, and Corporate Governance Policy honestly by focusing on The Company's and the Shareholders' benefits. The Board of Directors shall set the policy of business goal, business plan, and budget, including direct the management to conform to determined action plan and budget efficiently and effectively for the maximum benefits of the Company and the Shareholders.

#### The Board of Directors' Meeting

The Company shall comply with rules of the Board of Directors' Meeting according to the Public Company Act B.E. 2535 (A.D. 1992) (including its revision version), including the Company's Articles of Association. The Company shall set the Board of Directors' Meeting schedule, agenda and notify each director in advance by sending the meeting documents to the directors at least 7 days prior to the Meeting date.

Number of the Board of Directors' Meeting shall be in accordance with roles and responsibilities of the Board and the Company's business operation but not fewer than 3 times a month.

#### Remuneration

The Directors' remuneration shall be approved by the Shareholders' Meeting, then set as a policy. The criteria of consideration are as follows;

- a) The Company's performance in comparison with the directors' remuneration of listed company where perform the similar type and size of business.
- b) Experience, roles, duties, and scope of responsibilities of each director

- c) Benefits those the Company may receive from each director
- d) The determined remuneration must be able to attract the qualified director who is suitable for necessity and situation of the Company

#### Annual Report of the Board of Directors

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with policy that is referred regularly and carefully. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements. The financial statements have been audited and commented independently by the authorized auditors.

In addition, the Company shall set the policy to support awareness of good corporate governance as follows;

#### **Anti-Corruption Policy**

The Company shall perform the business by giving importance on anti-corruption, hold ethics and conduct, transparent management, and responsible for all stakeholders. The Company also set good practices for the directors, management, and employees in the Business Ethics and Employees' Code of Conduct those are a part in "Good Corporate Governance" of the Company.

Corruption means "Actions or negligence of actions in performing according to duties or use the authority dishonestly; infringement of law, ethics, regulations, or policies of the Company to find dishonest benefits in any form, such as request, receipt, offer or provide any property or any other benefits to a government officer or any third party who operate business with the Company"

The Company set the Anti-Corruption Policy to be used as guidelines as follows;

- The directors, executives, and employees shall not act or support performing corruption in any case and shall comply with anti-corruption measure strictly.
- The Board of Directors, executives, and all employees shall comply with anti-corruption policy in any form, directly or indirectly, including avoid any relation with corruption issue whether offer, promise, request, require, giver or receive of bribes, and avoid any actions or behaviour that may be implied as corruption in the business operation area.

- The Company shall communicate and publish internally and externally to enhance understand and cooperation to prevent any person from doing corruption to the Company.
- The Company shall establish clear procedures and run risk assessment of corruption, including setting follow up and review procedure periodically in accordance with change of business and related laws.
- The Company shall provide fair treatment and protect the employees who refuse to do corruption or notify related corruption action to the Company via determined channels. However, if any employee does the corruption, he/she shall be subjected to discussion according to the Company's discipline. Moreover, such person shall be subjected to penalty by law in case such action is illegal.
- Whenever an employee find any action that is suspected to be corruption, he/she must notify the supervisor or assigned party.
- Build up the organization culture standing for honesty and fairness, and provide training for the employee to make them perform their duty honestly and prompt to use principle and ethics in good corporate governance policy as guidelines in operation strictly.
- Any actions in relation to anti-corruption policy shall follow the regulations in the Code of Conduct, Good Corporate Governance, including related regulations and work instruction of the Company, together with any practices considered as reasonable by the Company. To comply with this policy, the Board of Directors, executives, and all employees shall be careful of the following issues;
  - a) Giving or receiving any reward, party, and expenses caused by giving or receiving of souvenir or welcome party shall be complied with the Company's procedures.
  - b) Giving or receiving the donation or supporting money shall be proceeded transparently according to law, together with following up the performance report from the receiver by comparing to the objective.
  - c) For business relationship and procurement, they are prohibited to receive bribe. All procurement, business operation, and contact shall be proceeded transparently, honestly, verifiably under law and related regulations.
  - d) Do not use the Company's capital or resource for supporting political activities of any parties.

In addition, the Company shall concern about fairness and protection without any degradation, punishment, or cause negative result to the employee who refuse doing corruption, although such action may cause the Company loss its business. The Company shall also give the importance to communication and make clear understanding to all stakeholders about performing according to the anti-corruption policy.

### **Connected Transaction Policy**

#### **Approval Measures and Procedures of connected transaction**

Entering into connected transaction or related transaction of the Company shall comply with the regulations of the Securities and Exchange Act and the Notification of the Securities and Exchange Commission No. Tor Jor 21/2551 Re: Rules on Entering into Connected Transactions, which refers to the Notification of the Securities and Exchange Commission Re: Information Disclosure and the performance of listed company in connected transaction, including other related rules of the Securities and Exchange Commission and/or the Stock Exchange of Thailand. In addition, the Company shall also comply with the regulations about disclosure of connected transaction in the Notes of Financial Statement those are reviewed by the Company, presented in the Company's Annual Report and the Annual Information Disclosure (56-1)

In case the law requires the Company to receive approval from the Meeting of the Board of Directors or the Shareholders before entering any connected transaction. The Company shall arrange to have the Audit Committee review and provide opinion about such transaction. All opinions of the Audit Committee shall be proposed to the Meeting of the Board of Directors of the Shareholders, as the case maybe, to ensure that such transaction can make maximum benefits to the Company.

In case there is any connected transaction between the Company and/or the Subsidiaries and other party who may have conflict of interest in the future, the Audit Committee shall share opinion about necessity of entering into transaction and appropriateness of price. The Audit Committee shall consider the term and condition in accordance with normal business operation in the industry and/or compare with third parties price and/or use price or condition of similar transaction of a third party and/or present that such transaction has reasonable or fair pricing or conditions. However, if the Audit Committee has not expertise in consideration on any connected transaction, the Company shall have an independent expert or an auditor provide opinion on such connected transaction to be reference in consideration of the Board of



Directors, the Audit Committee, and/or the shareholders, as the case maybe, subjecting to consideration of necessity and reasonable of the connected transaction.

The shareholders who have conflict of interest or benefits on the connected transaction shall not have any right to approve such connected transaction. This to ensure that there is not any removing or transferring of the connected transaction's benefits from the Company to the shareholders, although it is the transaction that makes maximum profits to all shareholders.

Officially, the management shall be entitled to approve any transaction of with the condition similar to other transition entered into by other person and have the negotiation power that is free from the power of management who is a director, or executive, or related person. The Company shall prepare summary report of such transaction to present in next Board of Directors' Meeting.

#### **Policy on Connected Transaction**

1. The Directors and Executives of the Company shall prepare the report of their or other related persons' conflicts interest report to notify the Company so that the Company has information for internal use to perform according to the regulations about connected transaction.
2. In case the Company enters into any agreement or any connected transaction with the Subsidiaries, joint venture, other related company and/or third party, the Company shall consider necessity and appropriateness in entering into the agreement based on the Company's benefit. The pricing shall be calculated at fair price based on general conditions used for other customers and third party (Arm's Length Basis) that shall be fair, reasonable, and create maximum benefits to the Company and all shareholders. Without such pricing, the Company shall benchmark the price of connected transaction with third party's product or service price under close or similar condition or refer to the price received from the independent assessor hired by the Company to ensure that the price is reasonable and cause maximum profit to the Company and all shareholders.
3. The Company shall provide financial support to the subsidiaries and joint venture, such as working capital in term of loan, guaranteed loan, carefully to maintain maximum profits of the group. The Company shall charge some fee to the group, such as interest or guarantee fee at market price on the transaction date.

4. In case the connected transaction has value that requires the shareholders' approval, the shareholders who have benefits are entitled to attend the Shareholders' Meeting for being counted as an attendee but cannot give the vote. Counting of the vote for approval of connected transaction shall not consider the portion of the shareholders who have conflict of interest, thus there is no problem for the Meeting and the vote.
5. The directors or executive who has conflict of interest in any agenda shall not have right in voting and cannot attend the meeting that arranges for approval such issue.

If there is any connected transaction taken in the future, the Company shall comply with the Securities and Exchange Act, rules, notifications, command, or regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. However, entering into such connected transaction shall not be moving or transferring of the benefits between the Company and the Company's shareholders, although the transaction shall be done based on consideration of maximum benefits of the Company and all shareholders.

In the case that the connected transaction occurs regularly and expected that it is going to occur continuously in the future, the Company shall operate according to rules and procedures of general trading and referring to appropriate, fair, and verifiable price and conditions. In addition, entering into such transaction shall conform to principles of any agreement with general trading condition approved by the Board of Directors' Meeting. By this matter, the management shall prepare summary of transaction to report in the Audit Committee's Meeting annually.

To reveal of the Company's connected transaction, it shall be performed according to laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and in accordance with accounting standard or related persons of the Federation of Accounting Professions.

### Preventive Policy towards the Conflict of Interest

In order to notify the Company's intention on the awareness of the importance in the prevention of the conflict of interest and the utmost benefits of the company and shareholders, the followings are the policy and practice:

Prohibiting directors, executives and employees of the company to utilize the opportunity or information of the company to take benefits for themselves or operate the similar business to compete with the company.

Any decisions of staff in every levels in operating business activities are extremely required to act for the ultimate benefits of the company only; and deemed as the duty of staff in every levels to avoid the involvement in finance or relationship with other people outside the company which will affect the company losing benefits or cause the conflict of honesty or benefit or obstruct the effective working operation. Anyone involving in or relating to the regarding transaction must disclose the information related to that conflict of interest to the company for acknowledgement towards his/her own relationship or relation in such transaction and must not take part in the consideration and approval of such transaction. If it is the transaction between each other that may happen the conflict of interest, the Board of Directors of the company must proceed according to the written measurement and process of approval for transaction between each other.

### Investment Policy and Operation Governance Policy of Subsidiaries

The Company has focused and emphasized on the investment of potential business which is capable for growing and creating the good returns from the investment relevant to liquefied petroleum gas (LPG) which is the core business of the Company by focusing on the business expansion or the increasing of company's productivity in various areas.

The Company has policy of investment in the business which can support and promote the core business of the company through the possibility of purchasing shares or relevant business.

The Company may consider to invest in other business which is not related to the core business of the company in the future, as well, the investment must be in compliance with the appropriateness of the business condition and the company's strategic plan.

In consideration of investment in any project of the company, the company shall make feasibility study of the project and consider many relevant factors as reference such as the risk of investment in the project, the tendency of business expansion, the creation of value added, the worthiness of the project, the increasing of competitive capability for the company, etc. Moreover, the company shall always prepare the company's advisors (or advisors from outside, depending on situation) to consider the investment of such project before making investment and the investment plan shall be proposed to the Board of Directors of the company for consideration and recommendation in order to diminish the possible risk of investment.

In case of investment with other people, the Company shall verify for sure that the partner of investment is qualified with appropriateness, trustfulness and past records or behavior of non-fraud or non-cheating.

In case that it is necessary to preventing any risk or making insurance of investment, the Company shall prepare the prevention of risk or the insurance as appropriate.

The investment of the company shall be implemented as similar as making transaction with outsider (Arm's Length Basis) by having verification and preventing the possible conflict of interest in such investment every time.

The approval of the company's investment has to be complied with the Notification of the Capital Market Supervisory Board RE: Acquisition and Disposition of Assets and the Notification of the Stock Exchange of Thailand RE: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004.



# Sustainable Business

## Development along with Society and Environment



The Company commits to operate the business under Good Corporate Governance with integrity as well as strictly take responsibility in society, community, environment, stakeholders and all parties involved with the Company.

The Company has realized on the significance of Social coexistence and intended to participate and share the responsibility in all stakeholders of all areas where its business has been operated by enhancing the quality of life for community and society as well as supporting the development of life all around such as proving scholarship for education and sports, revenues generation into community through job creation, provision of LNG for cooking to schools in the area. Furthermore, the Company has also emphasized on safety standard which is well acknowledged that any company whose business is selling LPG should be trustful and confident in the maximum safety. Therefore, the Company has the policy to strictly operate the business under the law, regulations, standards and rules as well as has confirmed all entrepreneurs to operate their business under the same principles. As well, the Company has usually organized the training of disaster knowledge and prevention taught by the officials from the Department of Business for all entrepreneurs including gas filling staffs.

Since the Company has realized the significance of CSR which is one of important factors for its sustainable success, then CSR has been set in its mission and activities for society has been organized continuously every year.



## Guideline of the Company's participation in CSR for every aspects is as follows



### Guideline of the Company's participation in CSR for every aspects is as follows:

#### 1. Responsibility towards communities and Support of Education

As education is the essential basis of human capability development and the tools leading life into successful path of both career and self-reliance as well as education can also make communities stronger. Then, the Company has realized of the meaning of education as the foundation of development for quality of life and revenue generation circulation. Consequently, the Company has supported and promoted scholarships for children and youth, whose behavior is good, study hard yet lack of money, without any commitments in order to enable Thai children and youth to obtain education, grow up with capability and become the key power for country's advanced development in the future.

#### Examples of the Company's activities for society implemented in previous year

The Company had implemented various kinds of activities for society as following summary:

- Training all LPG filling staff
- Training gas store controllers and LPG transporters
- Training particular personnel who are in charge of gas utilization sites
- Training on basic fire fighting
- Training on fire drill and fire evacuation
- Implementing under the cooperation from government agencies and local authorities on the project of Annual Exercise on Disaster Prevention and Mitigation at the Company's Bangpakong Gas Storage, Bangpakong Sub-district, Bangpakong District, Chachoengsao Province.
- Organizing National Children Day together with all communities surrounded the Company's Gas Storages .
- Supporting Annual Event of Pheekud Temple, Bang Chakreng District.
- Providing educational equipment and scholarship to Petchburi Panyanukool School and Thammikwittaya School
- "Term Im Yim Un" Project by providing scholarship including educational equipment, sports equipment and required instrument to Ban Haet Community School and Prachapattana Ban Haet, Khon Kaen Province
- Supporting LNG for cooking foods to deficient schools in the surrounding area of Gas Storages throughout the year.



#### 2. Responsibility towards environment

##### (1) Promotion of Environment Conservative

The Company has focused on promoting employees and business partners to participate in natural resources conservative, revive and take care natural resources to be maintained in perfect condition as well as build up the awareness of sustainable resources conservative. As a result, the project of "WP Walk Rally for society" is organized with the objective to encourage every sectors participating in natural conservative and raise awareness of truly making benefit for society by means of asking employees and business partners to plant mangrove forest at The Sirindhorn International Environmental Park for revival and development of mangrove forest and beach forest environment and restoration of dwellings for various kinds of animals back to the original perfect condition.

##### (2) Measures to prevent effects towards environment

Besides the Company has put emphasis on the importance of the safety for employees, customers, partners and surrounded communities, the prevention of effects towards environment which may be happened is also concerned by starting from receiving products from manufacturers until the packing process in closed system and non-impact towards environment. The inspection by the Department of Energy Business is also acted straightforwardly. For the Company's gas storage, it has strictly followed environmental law.

#### 3. Corporate Governance and Ethical Practices

The Company has operated business according to related laws and regulations with transparency, disclosure of sensitive information, auditability, practices based on good governance policy under the awareness of benefits for shareholders, employees, communities and society, partners and all stakeholders.

The Company is willing to develop and improve continuously in order to operate the business under the principles of good governance with integrity as well as extremely participate in the responsibility towards society, community, environment, stakeholders and all parties involved with the Company. These are the sustainable and significant criterions for the growth of the Company and the motivation of many projects to achieve the target under the support from concerned parties.



# Report of Audit Committee

The Audit Committee of WP Energy Public Company Limited is consisted of expert independent directors who have been appointed from the Board of Directors. All three (3) directors are qualified according to the standard of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, all name list is shown below:

1. Mrs. Niskorn Tadthiemrom Chairman of Audit Committee
2. Mrs. Soithip Trisuddhi Member of Audit Committee
3. Mr. Nopporn Koakietaveechai Member of Audit Committee

The Audit Committee had performed its duty with independent function according to the scope and authority assigned from the Board of Directors and its charter complied with the requirements of the Stock Exchange of Thailand in governance on internal control system and the Company's transparent business operation to be legally consistent with its policy and without the conflict of interest. From January 1, 2015 to December 31, 2015, there were totally 8 meetings implemented by the Audit Committee.

The summary of its significant operation is as follows:

## 1. Verification of Financial Reports

The Audit Committee had verified the 2015 Annual Financial Reports in order to assure that the Company's Financial Reports has been accurately prepared consistent with the standard of Thai Financial Reports complied with International Accounting Standard by complete and adequate disclosure of key information. Furthermore, the clarification from executives and the report of Auditor in relation to the key information in preparation of financial reports had been listened. As well, the meeting with auditor without the presence of executives had been implemented in order to hear the liberal opinion of verification on financial reports. Finally, auditor had certified all financial reports without any conditions and significant notices.

Therefore, the Audit Committee had the opinion that the 2015 Annual Financial Reports of the Company has been accurate and trustful in materiality according to the Financial Report Standard with adequate disclosure of information.

## 2. Verification on Internal Control System and Internal Audit System

The Audit Committee had verified the adequacy of the Company's internal control system according to internal control guideline in various areas to supplement with the auditor's opinion recommended to the executives to apply it for more effective development of internal control system.

Unique Advisor Company Limited has been procured to perform internal audit duty for the Company's internal audit system due to its independence and high experience of internal audit operations in the same business/industry as the Company.

The Audit Committee had opinion that in overall, the Company focuses on the importance of adequate and proper internal control system and internal audit system in line with auditor's opinion that there is none of materiality defects affecting to the Company's financial statements.

## 3. Verification of the Company's Compliance with Law Relevant to the Company's Business

The Audit Committee had verified the compliance with the laws relevant to the Company's significant business activities and deemed that no substantial issue on non-compliance with the Law of Securities and Exchange or requirements of the Stock Exchange of Thailand and related laws has been occurred.

## 4. Connected Transactions or Transactions which may have conflict of Interest

The Audit Committee had acknowledged the report from Management on doing connected transactions and transactions which may have the conflict of interest according to the stipulation of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand for execution of the listed company, and found that the Company has complied with the relevant laws and requirements.

## 5. Nomination of Auditor and Remuneration

The Audit Committee had considered the auditors' qualification, competency and previous performance quality as well as the continuity of audit with the appropriate audit fee rate, then resolved to appoint the following auditors for another term:

- 1) Mr. Kajornkriat Aroonpirodkul Certified Public Accountant No. 3445 and/or
- 2) Mr. Pisit Tangthanakul Certified Public Accountant No. 4095 and/or
- 3) Mrs. Nataporn Pan-Udom Certified Public Accountant No. 3430

On behalf of PriceWaterhouse Coopers ABAS Company Limited ("PWC") as the Company's auditor for the year of 2016. Any person is assigned to perform audit and express opinion on the Company's Financial Statements. The audit fee has been proposed for not over 5,500,000 Baht (Five Million Five Hundred Thousand Baht net excluding other related expenditures) and has been proposed to the Board of Directors for approval consideration before proposing to the Annual General Meeting of Shareholders to appoint Waterhouse Coopers ABAS Company Limited as the Company's auditor for another term.



- Niskorn Tadthiemrom -  
Chairman of Audit Committee

# Report of the Board of Directors' Responsibility on Financial Report

## Report of the Board of Directors' Responsibility on Financial Report

The Board of Directors of WP Energy Public Company Limited shall take responsibility in the Consolidated Financial Statements and the Financial Statements in Annual Report of the Company and its subsidiaries. Aforementioned Financial Statements had been arranged according to the standard of the Generally Accepted Accounting Principles through the selection of appropriate accounting policy, cautious discretion and reasonable estimation for preparation as well as appropriate disclosure of information in Notes to Financial Statements for presenting the accuracy and transparency of financial status, business performance and cash flow beneficial for all shareholders and general investors. All Financial Statements had been passed for the audit by the certified Auditor from PricewaterhouseCoopers ABAS Ltd. and the Company has fully provided the good support of information and all related documents to enable the Auditor to audit and express opinions according to the Auditing Standard.

The Company has realized the duties and responsibilities in preparing effective Financial Report, therefore, the risk management system, the internal control system of operations and related information technology (IT) system as well as appropriate and effective internal audit and governance have been provided and maintained in order to assure that the accounting information is accurate, complete and adequate; as materiality ; for maintaining the Company's property, risk protection and corruption prevention or irregular operation.

The Board of Directors has appointed the Audit Committee consisting of Independent Directors to govern and verify the reliability and accuracy of all Financial Statements, assess internal control system, implement internal audit and risk management system as well as consider the appropriate and complete disclosure of correlated data whereas the opinion of the Audit Committee has already been presented in Annual Report.

As above-mentioned governance and practice, the Board of Directors had provided the opinion that the Company's overall internal control system is effective and appropriate as well as can build up the reasonable confidence that the Consolidated Financial Statements and the Financial Statements in Annual Report of WP Energy Public Company Limited and its subsidiaries for the year ended as at December 31, 2015 have been declared with accuracy and trustfulness according to the standard of the Generally Accepted Accounting Principles and related laws and regulations in all respects.



- Chulchit Bunyaketu -

Chairman of the Board of Directors



- Kanoksakdi Bhinsaeng -

Chief Executive Officer



# Auditor's Report

## AUDITOR'S REPORT

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

I have audited the accompanying financial statements of WP Energy Public Company Limited and its subsidiaries and of WP 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 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 WP Energy Public Company Limited and its subsidiaries and of WP Energy Public Company Limited as at 31 December 2015, and the consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Emphasis of Matter*

I draw attention to Note 39 to the financial statements which describes the uncertainty relating to the outcome of the litigations.



Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
24 February 2016



# FINANCIAL STATEMENTS

WP ENERGY PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2015



## AUDITOR'S REPORT

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

I have audited the accompanying financial statements of WP Energy Public Company Limited and its subsidiaries and of WP 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 comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other notes.

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Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
24 February 2016

**WP Energy Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2015**

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	493,961,047	838,036,942	361,520,864	788,537,543
Trade and other receivables	8	992,809,619	1,030,995,737	982,476,606	988,186,864
Account receivable from agreement of debt restructuring	9	-	-	-	-
Construction contracts work in progress	11	-	-	-	-
Short-term loans to related parties	36.4	-	-	110,000,000	100,000,000
Inventories	12	147,804,872	113,617,712	147,652,289	113,617,712
Other current assets		5,514,868	5,765,096	5,455,530	5,258,939
Total current assets		1,640,090,406	1,988,415,487	1,607,105,289	1,995,601,058
Non-current assets					
Restricted cash	38.2	696,121,945	768,045,253	696,121,945	758,045,253
Reserve account for debt payment	13	121,349,673	206,281,351	121,349,673	206,281,351
Investments in subsidiaries	14	-	-	261,149,085	260,149,105
Other long-term investments	15	48,288,500	48,288,500	48,209,000	48,209,000
Investment properties	16	66,287,469	66,287,469	66,287,469	66,287,469
Property, plant and equipment	17	2,567,350,981	2,471,508,600	2,318,142,329	2,176,813,962
Goodwill	18	33,494,192	24,304,592	9,189,600	-
Intangible assets	19	12,146,592	13,154,738	10,769,608	11,955,766
Prepaid rents	20	69,912,315	76,654,502	69,912,315	76,654,502
Deferred tax assets	21	4,326,770	1,362,251	3,412,568	-
Other non-current assets	22	54,084,330	109,641,751	53,365,993	107,903,392
Total non-current assets		3,673,362,767	3,785,529,007	3,657,909,585	3,712,299,800
Total assets		5,313,453,173	5,773,944,494	5,265,014,874	5,707,900,858

Director \_\_\_\_\_ Director \_\_\_\_\_

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

**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2015**

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	23	1,178,971,554	1,760,384,705	1,158,357,624	1,749,385,200
Current portion of finance lease liabilities	24.1	6,030,723	10,526,969	1,957,812	1,818,896
Current portion of long-term borrowing	24.2	29,221,421	2,410,902	27,616,500	-
Value added tax payable		34,318,458	60,628,208	34,283,961	60,599,787
Accrued income tax expense		5,157,373	2,461,137	4,946,838	-
Short-term provisions	25	213,596,573	198,134,467	213,596,573	198,134,467
Other current liabilities		11,851,490	8,923,399	11,797,663	11,385,224
Total current liabilities		1,479,147,592	2,043,469,787	1,452,556,971	2,021,323,574
Non-current liabilities					
Creditors under the debt restructuring	13	121,349,673	206,281,351	121,349,673	206,281,351
Finance lease liabilities	24.1	7,728,506	12,883,883	3,939,918	5,897,730
Long-term borrowings	24.2	62,710,616	5,462,977	60,982,750	-
Employee benefit obligations	26	19,303,060	24,514,239	15,170,432	20,759,696
Deposits received	27	3,122,232,416	3,064,542,525	3,122,232,416	3,064,542,525
Deferred tax liabilities	21	20,524,635	26,857,711	-	-
Other non-current liabilities		520,015	8,793,777	-	-
Total non-current liabilities		3,354,368,921	3,349,336,463	3,323,675,189	3,297,481,302
Total liabilities		4,833,516,513	5,392,806,250	4,776,232,160	5,318,804,876

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



**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2015**

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity (Cont'd)</b>					
<b>Shareholders' equity</b>					
Share capital	28				
Authorised share capital					
2,760,565,700 ordinary shares, at					
par value of Baht 1 each		<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,760,565,700</u>
Issued and paid-up share capital					
2,760,565,700 ordinary shares, paid-up					
of Baht 1 each		2,760,565,700	2,760,565,700	2,760,565,700	2,760,565,700
Share premium	28	2,657,619,957	2,657,619,957	2,657,619,957	2,657,619,957
Premium on LPG selling price	30	532,000,000	532,000,000	532,000,000	532,000,000
Retained earnings					
Appropriated - legal reserve	29	33,910,000	33,910,000	33,910,000	33,910,000
Deficits		<u>(5,504,185,921)</u>	<u>(5,602,981,765)</u>	<u>(5,495,312,943)</u>	<u>(5,594,999,675)</u>
<b>Equity attributable to owners of the parent</b>		479,909,736	381,113,892	488,782,714	389,095,982
Non-controlling interests		<u>26,924</u>	<u>24,352</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>479,936,660</u>	<u>381,138,244</u>	<u>488,782,714</u>	<u>389,095,982</u>
<b>Total liabilities and shareholders' equity</b>		<u>5,313,453,173</u>	<u>5,773,944,494</u>	<u>5,265,014,874</u>	<u>5,707,900,858</u>

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

**WP Energy Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2015**

		Consolidated		Company	
		For the period from 24 November 2014 (date of incorporation) to 31 December	For the period from 24 November 2014 (date of incorporation) to 31 December	For the period from 24 November 2014 (date of incorporation) to 31 December	For the period from 24 November 2014 (date of incorporation) to 31 December
	Notes	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Revenue</b>					
Revenue from sales		21,707,295,790	2,333,816,469	21,706,369,073	2,333,816,469
Revenue from services		<u>170,746,539</u>	<u>10,085,292</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>		<u>21,878,042,329</u>	<u>2,343,901,761</u>	<u>21,706,369,073</u>	<u>2,333,816,469</u>
<b>Cost</b>					
Cost of sales		(20,857,218,444)	(2,260,570,764)	(20,870,342,769)	(2,260,570,764)
Cost of providing services		<u>(143,384,484)</u>	<u>(8,249,822)</u>	<u>-</u>	<u>-</u>
<b>Total costs</b>	32	<u>(21,000,602,928)</u>	<u>(2,268,820,586)</u>	<u>(20,870,342,769)</u>	<u>(2,260,570,764)</u>
<b>Gross profit</b>		877,439,401	75,081,175	836,026,304	73,245,705
Other income	31	128,454,117	13,893,850	124,819,407	11,811,207
Selling expenses	32	(294,959,818)	(35,485,716)	(294,641,993)	(36,512,517)
Administrative expenses	32	(592,219,779)	(59,394,915)	(549,630,689)	(57,036,129)
Finance costs		<u>(2,527,836)</u>	<u>(397,456)</u>	<u>(972,667)</u>	<u>(51,073)</u>
<b>Profit (loss) before income tax expense</b>		116,186,085	(6,303,062)	115,600,362	(8,542,807)
Income tax expense	33	<u>(15,543,904)</u>	<u>(2,332,047)</u>	<u>(14,110,395)</u>	<u>-</u>
<b>Net profit (loss) for the year/period</b>		<u>100,642,181</u>	<u>(8,635,109)</u>	<u>101,489,967</u>	<u>(8,542,807)</u>
<b>Other comprehensive income (expense):</b>					
Item that will not be reclassified to profit or loss:					
Remeasurements of post - employment benefit obligations		<u>(1,843,765)</u>	<u>(2,252,434)</u>	<u>(1,803,235)</u>	<u>(2,080,362)</u>
<b>Total comprehensive income (expense) for the year/period</b>		<u>98,798,416</u>	<u>(10,887,543)</u>	<u>99,686,732</u>	<u>(10,623,169)</u>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		100,639,609	(8,635,166)	101,489,967	(8,542,807)
Non-controlling interests		<u>2,572</u>	<u>57</u>	<u>-</u>	<u>-</u>
		<u>100,642,181</u>	<u>(8,635,109)</u>	<u>101,489,967</u>	<u>(8,542,807)</u>

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

**WP Energy Public Company Limited**  
**Statements of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2015**

	Note	Consolidated		Company	
		For the period from 24 November 2014 (date of incorporation) to 31 December		For the period from 24 November 2014 (date of incorporation) to 31 December	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		98,795,844	(10,887,600)	99,686,732	(10,623,169)
Non-controlling interests		2,572	57	-	-
		<u>98,798,416</u>	<u>(10,887,543)</u>	<u>99,686,732</u>	<u>(10,623,169)</u>
<b>Earnings per share</b>					
Basic earnings per share	34	<u>0.0365</u>	<u>(0.0031)</u>	<u>0.0368</u>	<u>(0.0031)</u>

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

**WP Energy Public Company Limited**  
**Statements of Changes in Shareholders' Equity**  
**For the year ended 31 December 2015**

	Consolidated						
	Attributable to owners of the parent						
	Retained earnings						Total shareholders' equity Baht
	Issued and paid-up share capital Baht	Premium on LPG selling price Baht	Legal reserve Baht	Deficits Baht	Total owners of the parent Baht	Non-controlling interests Baht	
<b>Opening balance at 24 November 2014</b>	2,760,565,700	2,657,619,957	33,910,000	(5,592,094,165)	392,001,492	24,295	392,025,787
Total comprehensive expense for the period	-	-	-	(10,887,600)	(10,887,600)	57	(10,887,543)
<b>Closing balance at 31 December 2014</b>	<u>2,760,565,700</u>	<u>2,657,619,957</u>	<u>33,910,000</u>	<u>(5,602,981,765)</u>	<u>381,113,892</u>	<u>24,352</u>	<u>381,138,244</u>
<b>Opening balance at 1 January 2015</b>	2,760,565,700	2,657,619,957	33,910,000	(5,602,981,765)	381,113,892	24,352	381,138,244
Total comprehensive income for the year	-	-	-	98,795,844	98,795,844	2,572	98,798,416
<b>Closing balance at 31 December 2015</b>	<u>2,760,565,700</u>	<u>2,657,619,957</u>	<u>33,910,000</u>	<u>(5,504,185,921)</u>	<u>479,909,736</u>	<u>26,924</u>	<u>479,936,660</u>

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

WP Energy Public Company Limited  
Statements of Changes in Shareholders' Equity  
For the year ended 31 December 2015

	Company			
	Issued and paid-up share capital	Share premium	Premium on LPG selling price	Retained earnings
	Baht	Baht	Baht	Legal reserve Baht
				Deficits Baht
				Total shareholders' equity Baht
<b>Opening balance at 24 November 2014</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000
Total comprehensive expense for the period	-	-	-	(10,623,169)
<b>Closing balance at 31 December 2014</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000
<b>Opening balance at 1 January 2015</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000
Total comprehensive income for the year	-	-	-	99,686,732
<b>Closing balance at 31 December 2015</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000
				(5,495,312,943)
				488,782,714

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

WP Energy Public Company Limited  
Statements of Cash Flows  
For the year ended 31 December 2015

	Notes	Consolidated		Company	
		For the period from 24 November 2014 (date of incorporation) to 31 December 2015		For the period from 24 November 2014 (date of incorporation) to 31 December 2014	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax expense		116,186,085	(6,303,062)	115,600,362	(8,542,807)
Adjustments for					
Depreciation	17	287,222,759	28,708,304	208,256,364	20,949,680
Amortisation	19	1,534,226	155,606	1,281,958	133,380
Gain from disposal of equipment		(8,388,471)	-	(5,563,313)	-
Bad debt and doubtful debts		16,411,508	2,299,623	6,027,646	1,906,391
Interest income		(18,668,122)	(2,199,549)	(20,356,082)	(2,243,627)
Finance costs		2,527,836	397,456	972,667	51,073
Provisions	25	15,462,106	80,408	15,462,106	80,408
Employee benefit obligations		3,703,549	(563,501)	2,813,094	(1,031,229)
Gain on bargain purchase	35	(4,100,000)	-	-	-
		411,891,476	22,575,285	324,494,802	11,303,269
Changes in working capital					
- Trade and other receivables		26,777,522	23,587,242	4,154,014	46,191,507
- Inventories		(34,187,160)	(11,383,751)	(34,034,577)	(11,383,751)
- Other current assets		250,228	(1,380,037)	(196,591)	(1,777,504)
- Restricted cash		71,923,308	109,589,747	61,923,308	109,589,747
- Prepaid rents		6,742,187	(1,914,784)	6,742,187	(1,914,784)
- Other non-current assets		55,557,421	57,842,150	54,537,399	53,303,670
- Trade and other payables		(659,509,929)	(252,242,960)	(669,124,354)	(269,614,465)
- Value added tax payable		(26,309,750)	20,450,838	(26,315,826)	20,442,376
- Other current liabilities		2,928,088	(6,226,953)	412,440	(6,161,235)
- Deposits received		57,689,891	(11,053,435)	57,689,891	(11,053,435)
- Employee benefit obligations		(10,758,493)	(854,318)	(10,205,593)	(662,834)
- Other non-current liabilities		(8,273,762)	(60,000)	-	(60,000)
Cash flows used in operating activities		(105,278,973)	(51,070,976)	(229,922,900)	(61,797,439)
<u>Less</u> Interest paid		(2,424,031)	(386,649)	(868,862)	(40,266)
Income tax paid		(22,145,262)	(5,517,918)	(12,576,124)	-
Net cash used in operating activities		(129,848,266)	(56,975,543)	(243,367,886)	(61,837,705)

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



**WP Energy Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2015**

		<b>Consolidated</b>		<b>Company</b>	
		<b>For the period from 24 November 2014 (date of incorporation) to 31 December</b>		<b>For the period from 24 November 2014 (date of incorporation) to 31 December</b>	
	<b>Notes</b>	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Cash flow from investing activities</b>					
Cash payment for investments in subsidiaries	14.1	-	-	(999,980)	-
Cash received from short-term loan to related party	36.4	-	-	40,000,000	-
Cash payment for short-term loan to related party	36.4	-	-	(50,000,000)	-
Cash payment for acquiring business	35	(64,000,000)	-	(36,000,000)	-
Purchase of property, plant and equipment		(251,830,780)	(60,260,605)	(245,543,030)	(59,429,454)
Purchase of intangible assets		(526,080)	-	(95,800)	-
Cash received from disposal of equipment		14,057,484	-	6,324,983	-
Interest received		13,665,213	987,277	15,884,680	588,156
Net cash flows used in investing activities		(288,634,163)	(59,273,328)	(270,429,147)	(58,841,298)
<b>Cash flow from financing activities</b>					
Repayments to finance lease liabilities		(9,651,624)	(3,549,859)	(1,818,896)	(178,985)
Cash received from borrowing from financial institution	24.2	95,561,890	-	95,561,890	-
Repayment to borrowing from financial institution	24.2	(11,503,732)	(193,861)	(6,962,640)	-
Net cash flows from (used in) financing activities		74,406,534	(3,743,720)	86,780,354	(178,985)
<b>Net decrease in cash and cash equivalents</b>		(344,075,895)	(119,992,591)	(427,016,679)	(120,857,988)
Cash and cash equivalents at beginning of the year/period		838,036,942	958,029,533	788,537,543	909,395,531
<b>Cash and cash equivalents at end of year/period</b>		<u>493,961,047</u>	<u>838,036,942</u>	<u>361,520,864</u>	<u>788,537,543</u>
<b>Significant non-cash transactions</b>					
Payable arising from purchases of equipment		77,992,972	7,023,983	77,992,972	7,023,983

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

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

## 1 General information

WP Energy Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

1 East Water Buildings 15<sup>th</sup> Floor, Soi Viphavadee 5, Viphavadee Road, Chom Phon sub district, Chatuchak district, 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 principal activities of the Group are trading of Liquefied Petroleum Gas (LPG), and transportation of oil, gas, and chemical substances.

ON 24 November 2014, WP Energy Public Company Limited was registered as the amalgamated company between Picnic Corporation Public Company Limited (“PICNIC”) and World Gas (Thailand) Co., Ltd. (“WG”) under the Public Limited Companies ACT, B.E. 2535. As the amalgamated company, the Company will carry all the property, obligations, rights, duties and the businesses and liabilities, including litigations and commitments of PICNIC and WG. The amalgamation resulted in the dissolution of PICNIC and WG since 23 November 2014. When referred to as the “Company” in the financial statements, it includes PICNIC and WG.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 24 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 have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards**

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

- a) Revised accounting standards which are effective on 1 January 2015 and are relevant to the Group:

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 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

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Group.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Group.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)

- a) Revised accounting standards which are effective on 1 January 2015 and are relevant to the Group: (Cont'd)

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures.

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the Group are 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 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
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 3 (revised 2014)	Business combinations
TFRS 8 (revised 2014)	Operating segments
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
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which have a significant impact to the Group:

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
TFRS 3 (revised 2015)	Business combinations
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

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) 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.

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.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)

a) Financial reporting standards, which have a significant impact to the Group: (Cont'd)

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 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.

TFRS 10 (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) 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).

b) Financial reporting 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 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
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 11 (revised 2015)	Joint arrangements
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

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows: (Cont'd)

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 10 (revised 2015)	Interim financial reporting and impairment
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 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers

**2.3 Group Accounting - Investments in subsidiaries**

**(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 either at fair value or 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-measured 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.



**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.3 Group Accounting - Investments in subsidiaries (Cont'd)**

**(1) Subsidiaries (Cont'd)**

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 separated 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.

**(2) Transactions and 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 and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

**(3) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

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**2 Accounting policies (Cont'd)**

**2.4 Foreign currency translation**

**(a) 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 consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

**2.5 Cash and cash equivalents**

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**2.6 Trade accounts receivable**

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables 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 receivable 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.

**2.7 Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is determined by the 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 variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.8 Investments**

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) 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.

- (1) 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) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) 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.
- (4) Investments in non-marketable equity securities are classified as general investments.

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 the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

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

General investments are 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 income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

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**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.9 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

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

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

Land is not depreciated.

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

**2.10 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Small-sized gas cylinders which are circulating and utilising by customers in their households or premises are presented at cost less accumulated depreciation and provision for lost assets. The Company has arranged for the independent appraiser to assess the quantity of gas cylinders circulating and being stored in consumers' households or premises. A provision is provided for lost assets in accordance with the appraised quantities. The appraisal will be conducted annually and when the lost assets quantity is ascertained, the lost cylinders will be written-off.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Buildings and infrastructures	10 - 30 Years
Terminals and gas storage tanks	10 - 15 Years
Machinery and equipment	10 - 20 Years
Small-sized gas cylinders	20 Years
Furniture, fixtures and office equipment	3, 5 Years
Vehicles	5 Years

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.10 Property, plant and equipment (Cont'd)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains - net" in profit or loss.

**2.11 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

**2.12 Prepaid rent**

Prepaid rent are initially recorded at cost and amortised on straight-line basis over the period of rent around 12 - 30 years.

**2.13 Intangible assets**

**2.13.1 Trademarks**

Trademarks for Liquefied petroleum Gas (LPG) trading is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 20 years.

**2.13.2 Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

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**2 Accounting policies (Cont'd)**

**2.14 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.15 Leases - where a Group company is the lessee**

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 profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment 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 finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

**2.16 Leases - where a Group company is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.17 Troubled debt restructuring - Company is the debtor**

When the Group transfers its assets or equities in settlement of its debts as part of the debt restructuring, the excess of the carrying amount of the payable settled (including accrued interest, unamortised premium or discount, finance charges or issue costs) over the fair value of the assets or equities transferred to the lender is recognised as a gain on restructuring.

Legal fees and other direct costs incurred in transferring equities are deducted from the amount recorded for that equity. All other direct costs incurred to effect the debt restructuring are deducted to arrive at the gain on restructuring. If no gain on restructuring is recognised other direct costs incurred are included in expenses for the period.

Where the debt restructuring involves modification of terms of payables, the Group accounts for the effects of the restructuring prospectively from the time of restructuring and does not change the carrying amount of the payable at the time of the restructuring unless the carrying amount exceeds the total undiscounted future cash payment specified by the new terms. If it does exceed the total undiscounted future cash payment, the carrying amount of the payable is reduced to the amount equal to the total undiscounted future cash payments specified by the new terms and a gain on restructuring is recognised in the profit or loss insofar as the amount is determinable.

**2.18 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 end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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.

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 arising from investments in subsidiaries and associates, 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

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.19 Employee benefits**

**2.19.1 Provident fund**

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee - administered fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which the contributions relate.

**2.19.2 Retirement benefit**

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement 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. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using [market yield of high-quality corporate bonds /market yield of government bonds] that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

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.

**2.19.3 Termination benefit**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.



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**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.20 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.21 Deposits received**

Deposits received in respect of small-sized gas cylinders are recognised as a liability in accordance with the Announcement of the Consumer Protection Committee dated 7 December 1999 regulating the issuance of deposit receipt and refund for the consumer of LPG, commencing 15 February 2000.

**2.22 Share Capital**

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transact costs and the related income tax effects, is included in equity attributable to the company's equity holders.

**2.23 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. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised using the effective interest method.

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

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**Notes to the Financial statements**  
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**2 Accounting policies (Cont'd)**

**2.24 Segment reporting**

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

**3 Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

**3.1.1 Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets.

**3.1.2 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

**3.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**3 Financial risk management (Cont'd)**

**3.2 Fair value estimation**

The analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 16 for disclosures of the investment property that are measured at fair value and see Note 24.2 for disclosures of the long-term borrowing that are measured at fair value.

**4 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

**4.1 Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of assets

The Company tests whether property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with its accounting policy in Note 2.14. The recoverable amounts of cash-generating units have been determined based on the higher of an asset's fair value less costs to sell and value in use. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

(b) Post-retirement benefits

The present value of the post-retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 26.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

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**4 Critical accounting estimates and judgements (Cont'd)**

**4.1 Critical accounting estimates and assumptions**

(c) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 18).

(d) Provision for lost assets-small-sized gas cylinders

Management estimates provision for lost gas cylinders based on the quantities appraised by independent appraiser. The appraised quantities do not represent the exact quantities of the gas cylinders but they are assessed based on an appraisal methodology applied representing the management's best estimate of the quantities of the lost cylinders. Management will arrange for the appraisal to take place annually to obtain confidence in the estimate of the provision amount.

(e) Provision for deposits received for small-sized gas cylinders

Management estimates provision for deposits for small-sized gas cylinders circulating and being stored in consumers' households and premises, based on the gas cylinder quantities appraised by independent appraiser. Management believes that the liabilities, taken into accounts of such provision, are stated prudently and conservatively.

**5 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**6 Segment information**

Financial statement classified by business segment is as follows:

	<b>For the year ended 31 December 2015</b>		
	<b>Sale of LPG Baht</b>	<b>Transportation Baht</b>	<b>Consolidated Baht</b>
Revenues from operation	21,714,135,404	391,456,938	22,105,592,342
Inter-segment revenue	(6,839,614)	(220,710,399)	(227,550,013)
Total revenue	21,707,295,790	170,746,539	21,878,042,329
Segment result	214,433,234	(224,173,430)	(9,740,196)
Other income			128,454,117
Finance cost			(2,527,836)
Profit before income tax expense			116,186,085
Income tax expense			(15,543,904)
Net profit			100,642,181
Property, plant and equipment	2,350,243,980	217,107,001	2,567,350,981
Intangible assets	11,048,392	1,098,200	12,146,592
Other assets	2,579,345,250	121,116,158	2,700,461,408
Goodwill	9,189,600	24,304,592	33,494,192
Consolidated total assets			5,313,453,173

	<b>For the period from 24 November 2014 to 31 December 2014</b>		
	<b>Sale of LPG Baht</b>	<b>Transportation Baht</b>	<b>Consolidated Baht</b>
Revenues from operation	2,333,816,469	33,068,486	2,366,884,955
Inter-segment revenue	-	(22,983,194)	(22,983,194)
Total revenue	2,333,816,469	10,085,292	2,343,901,761
Segment result	(19,207,409)	(592,047)	(19,799,456)
Other income			13,893,850
Finance cost			(397,456)
Loss before income tax expense			(6,303,062)
Income tax expense			(2,332,047)
Net loss			(8,635,109)
Property, plant and equipment	2,176,813,961	294,694,639	2,471,508,600
Intangible assets	11,955,766	1,198,972	13,154,738
Other assets	3,158,394,371	106,582,193	3,264,976,564
Goodwill	-	24,304,592	24,304,592
Consolidated total assets			5,773,944,494

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Cash on hand	1,219,056	583,771	426,457	192,168
Cash at bank	492,741,991	837,453,171	361,094,407	788,345,375
	493,961,047	838,036,942	361,520,864	788,537,543

The effective interest rate on cash at bank was 0.13% to 0.75% (2014: 0.13% to 1.25%).

**8 Trade and other receivables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Trade receivables - third parties	1,049,715,043	1,060,172,844	1,019,859,459	1,039,691,912
<u>Less</u> Allowance for doubtful debt	(111,516,814)	(110,290,023)	(111,078,433)	(109,131,052)
Trade receivables, net	938,198,229	949,882,821	908,781,026	930,560,860
Trade accounts receivable under investigation (Note 10)	1,791,703,531	1,792,626,341	1,791,703,531	1,792,626,341
<u>Less</u> Allowance for doubtful debt	(1,791,703,531)	(1,792,626,341)	(1,791,703,531)	(1,792,626,341)
Trade accounts receivable under investigation, net	-	-	-	-
Other receivables under investigation (Note 10)	623,790,294	623,790,294	623,790,294	623,790,294
<u>Less</u> Allowance for doubtful debt	(623,790,294)	(623,790,294)	(623,790,294)	(623,790,294)
Other receivables under investigation, net	-	-	-	-
Advance payments to related party (Note 36.3)	-	-	16,100,000	-
Other receivables from sub-contractors	40,620,237	40,620,237	40,620,237	40,620,237
Other receivables	19,735,593	34,340,634	31,434,898	28,537,326
Withholding tax receivable	18,538,440	18,357,166	11,575,923	11,562,896
Interest receivable	23,197,985	17,881,151	16,426,666	11,970,597
Advance payments	5,241,570	5,392,550	4,644,703	5,220,269
Prepaid expenses	53,798,718	55,132,549	48,309,854	50,326,050
<u>Less</u> Allowance for doubtful debt	(106,521,153)	(90,611,371)	(95,416,701)	(90,611,371)
Other receivables, net	54,611,390	81,112,916	73,695,580	57,626,004
Total trade and other receivables, net	992,809,619	1,030,995,737	982,476,606	988,186,864

**Other receivables from sub-contractors**

During 2010, trade accounts payable from engineering business exercised their right to receive payment under the rehabilitation plan. As at 31 December 2011, the Company has found that some payables that the Official Custodian approved and ordered the Company to settle according to the rehabilitation plan were actually payables for sub-contractor who is also Company's debtor. The Company, therefore recorded the amounts paid on behalf of sub-contractors as other receivable of Baht 40.62 million and has taken steps to recover the amounts owed to the Company. Further details are disclosed in Note 10. The Company has made the full allowance for these doubtful accounts.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**8 Trade and other receivables (Cont'd)**

Outstanding trade accounts receivable as at 31 December 2015 and 2014, can be analysed 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>
<b>Trade account receivables</b>				
Current	891,680,686	897,782,739	869,069,062	886,274,367
Overdue less than 3 months	42,058,791	50,290,664	36,371,368	43,868,813
Overdue 3 months but less than 6 months	4,548,991	888,549	4,548,991	888,549
Overdue 6 months but less than 12 months	541,746	2,896,065	299,085	345,356
Overdue over 12 months	110,884,829	108,314,827	109,570,953	108,314,827
Total trade account receivables	1,049,715,043	1,060,172,844	1,019,859,459	1,039,691,912
<u>Less</u> Allowance for doubtful	(111,516,814)	(110,290,023)	(111,078,433)	(109,131,052)
Trade account receivables, net	<u>938,198,229</u>	<u>949,882,821</u>	<u>908,781,026</u>	<u>930,560,860</u>

**9 Account receivable from agreement of debt restructuring**

	<b>Consolidated and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>
Principal	254,339,757	254,339,757
Interest receivable	15,218,340	15,218,340
Total	269,558,097	269,558,097
<u>Less</u> Allowance for doubtful debt	(269,558,097)	(269,558,097)
Account receivable from agreement of debt restructuring, net	<u>-</u>	<u>-</u>

As of 25 December 2006, the Company consented to a debt restructuring with a customer to settle amounts owed over a three year period ending in September 2009 with interest at 8% per annum.

The customer has defaulted on the terms of the debt restructuring agreement and on 25 June 2007, the Company filed a civil claim to recover the amounts owed. Representatives of the defendant have filed a request with the court to discharge the case since the defendant is under the Central Bankruptcy Court process. The Company has filed to request for debt settlement as the 7<sup>th</sup> creditor in the bankruptcy case. The Company is currently awaiting for the Receiver's order of collection. Additionally, the Company has filed a criminal claim against this customer. On 20 March 2012, the Civil Court has sentenced the defendant to be guilty and punished. Defendant No. 2 was sentenced with a term of imprisonment without suspension. Later on 17 December 2013, the Appeal Court reversed the judgment only in the section concerning the imprisonment of Defendant No. 2 by suspending the punishment. The Company therefore petitioned against the judgment of the Appeal Court on 27 January 2014 and the case was passed on to the Supreme Court for further order.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**10 Items under investigation**

Balances outstanding as at 31 December 2015 and 2014, resulting from asset and liability transactions which are currently being investigated by the Group were as follows:

	<b>Consolidated and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>
<b>Assets under investigation</b>		
Accounts receivable	1,791,703,531	1,792,626,341
Other receivable	623,790,294	623,790,294
Total	2,415,493,825	2,416,416,635
<u>Less</u> Allowance for doubtful	(2,415,493,825)	(2,416,416,635)
<b>Assets under investigation, net</b>	<u>-</u>	<u>-</u>

**Assets under investigation**

Non-performing trade accounts receivable

During 2015 and 2014, the Company conducted a review of each debtors balances for overall accuracy and existence, contacted to obtain debt negotiation or to enter into negotiated settlements with the debtors, taken debt collection action according to legal procedures as well as claimed against the former management and/or other relevant parties during the time of those transactions occurred. As at 31 December 2015 and 2014, non-performing trade accounts receivable of Baht 1,791.70 million and Baht 1,792.63 million, respectively, can be analysed according to the progressive actions as follows:

	<b>Consolidated and Company</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Debtors being sentenced by the court and under enforcement of judgement for debt settlement</b>				
- Liquefied Petroleum Gas (LPG) trading	1,000,076,519		1,000,999,329	
- Engineering business	38,751,135	1,038,827,654	38,751,135	1,039,750,464
<b>Debtors being filed a complaint to the court and under inspection by the official custodian</b>				
- Liquefied Petroleum Gas (LPG) trading	9,210,985		9,210,985	
- Oil trading	734,755,084		734,755,084	
- Engineering business	8,909,808	752,875,877	8,909,808	752,875,877
<b>Total non-performing trade accounts receivable as at 31 December</b>	<u>1,791,703,531</u>		<u>1,792,626,341</u>	



**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**10 Items under investigation (Cont'd)**

**Assets under investigation (Cont'd)**

Non-performing trade accounts receivable (Cont'd)

The group of trade accounts receivable being sentenced by the court and under enforcement for debt settlement amounting to Baht 1,038.83 million consists of the case that lawsuits filed with the delivery of judgment by the court and that the Company is currently under the assets inspection for enforcement of judgment; case that has been filed for bankruptcy and was ordered for absolute receivership as there is no assets for enforcement of judgment and is currently under inspecting by the Official Custodian. There are also trade accounts receivable of Baht 752.88 million that the Company is investigating facts in order to file lawsuits against former directors incurring the debt in negligence in performing their duties and causing damages to the Company and dishonestly manipulating the assets of the Company. From the investigation, certain members of former Board of Directors were ordered being bankrupted persons, causing difficulty to claim for compensation from these persons. Furthermore, the Company was unable to identity persons whom the former Board of Directors had transferred the Company's assets to.

Due from directors (Included in "other receivable")

In 2011, the Company has investigated a transaction, which included land rights of Baht 3.16 million transferred to the Company in 2008. This transaction was transacted fraudulently by former directors of the Company with the intention to offset fraudulently appraised land values against trade accounts receivable of Baht 124.38 million. The management has filed the claim against the former directors to the Department of Special Investigation ("DSI"). Currently, the case is under the investigation by official of DSI.

Advance payments for constructions (Included in "other receivable")

In 2005, payments were made by the Company to certain suppliers and contractors of Baht 465.76 million relating to the purchase of bulk cylinders contracts and a construction contract. The Company has terminated bulk cylinder purchase contracts and demanded refund of the advanced payments since a counter party was unable to deliver the bulk cylinders in accordance with the terms of the contracts. There was no performance by the supplier under the construction contract. Allowance for doubtful accounts has been made in respect of these balances. This receivable has been filed for bankruptcy and was ordered for absolute receivership as there is no assets for enforcement of judgment. Directors of the receivable has fled and are under arrest warrant.

On 16 June 2009, DSI made an allegation against Mr. Theeratchanon Lapvisutisin, a former director of the Company, alleging that he had acted with accomplices in preparing forgery purchase documents in respect of bulk cylinders for falsifying accounting records and transferring money from the Company in the form of advance payments for bulk cylinders. The case is currently under the process of collecting evidence by public prosecutor before further proceeding.

Receivable from sale of investment (Included in "other receivable")

There was receivable from sale of investment Baht 36.80 million from the sale in 2006 of investment in associate, Teledata Marine Solution, Bangladesh (formerly "Summit Surma Petroleum Co., Ltd."), a company incorporated in Bangladesh, to Teledata Marine Solution Limited, a company incorporated in India. The Company has been unable to collect this amount and has made full allowance for doubtful accounts in this respect. The Company investigated the transactions and is taking actions to recover the amounts.

However, the management has not found any evidence to clearly identify the legal title over the investments and has preliminarily concluded that Teledata Marine Solution Limited, Bangladesh was established by former management for transferring money from the Company for the benefits of unknown persons during that time. On 29 March 2013, the Board of Directors' meeting has approved the current management to file the claim against the former management to DSI. The legal section is currently collecting evidence to be filed with DSI.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**10 Items under investigation (Cont'd)**

**Assets under investigation (Cont'd)**

Purchase of small-sized gas cylinders

During 2003 - 2005, the Company recorded the purchase of Baht 2,236.08 million purchases of small-sized gas cylinders from a supplier which had net book value before allowance for impairment loss as at 31 December 2011 of Baht 1,427.62 million. The Revenue Department has conducted an examination and determined that this supplier did not have the capacity to produce such large amounts of gas cylinders. Therefore, the Revenue Department concluded that there were no actual purchases from such supplier.

On 17 August 2009, DSI made an allegation against Mr. Theeratchanon and Miss Supaporn Lapvisutisin, the former directors of the Company during that periods alleging that they had acted with accomplices in preparing false purchase documents in respect of small-sized gas cylinders from Saengthongthai Bucket Manufacturing Co., Ltd. for accounting records in 2004 and transferring money from the Company.

As at 31 December 2011, the management has concluded that these purchase transactions were irregular and has made full allowance for impairment loss in respect of these small-sized gas cylinders.

During 2012, the management has gathered all relevant evidences and additionally investigated grounds for these transactions and found that there were no actual purchases from Saengthongthai Bucket Manufacturing Co., Ltd. At the Board of Directors' meeting on 27 November 2012, the Board has approved the current management to file lawsuit against former management to DSI.

Deposits received for small-sized gas cylinders

As at 31 December 2013, the Company had deposit of Baht 37.81 million received for small-sized gas cylinders from individuals of which the management has investigated according to the names as shown in deposit receipts and preliminarily found that certain individuals had never engaged in the liquefied petroleum gas (LPG) business and never entered into purchase transactions of small-sized gas cylinders with the Company, which the Company's management considered these transactions might not be in the normal course of business. At the Board of Director's meeting on 29 March 2013, the Board has approved the current management to process to investigate the transactions.

**11 Construction contracts work in progress**

	<b>Consolidated and Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>
Construction contracts work in progress	34,069,487	34,069,487
<u>Less</u> Allowance for doubtful	(34,069,487)	(34,069,487)
Construction contracts work in progress, net	-	-

**WP Energy Public Company Limited**  
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**12 Inventories**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Finished goods	147,804,872	113,617,712	147,652,289	113,617,712
Inventories recognised as an expense in cost of sales of goods	19,969,601,813	1,695,057,172	19,962,839,544	1,695,057,172

**13 Reserve account for debt payment and creditors under the debt restructuring**

In 2015 and 2014, reserve account for debt payment is cash at bank for the purpose to pay to creditors under the debt restructuring of Baht 121.35 million and Baht 206.28 million, respectively. The Company did not pay to these creditors as on due date because orders to pay to them have not finalised.

**14 Investments in subsidiaries**
**14.1 Movements of investments in subsidiaries**

	Company	
	2015 Baht	2014 Baht
Opening net book amount	260,149,105	260,149,105
Acquisitions	999,980	-
Ending net book amount	261,149,085	260,149,105

At the Board of Directors' meeting held on 25 June 2015, the meeting approved the establishment of WP Gas Company Limited, incorporated in Thailand to operate as the property management of gas station and filling plant of the Group, with the registered capital of Baht 1,000,000. The Group subscribed 99.99% of total registered shares of WP Gas Company Limited. WP Gas Company Limited completed the registration on 22 July 2015.

**14.2 Principal subsidiaries**

The group had the following subsidiaries at 31 December 2015

**Group and Company**

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the group (%)	Proportion of shares held by non-controlling interests (%)
<b>Subsidiaries</b>					
Eagle Intertrans Company Limited	Thailand	Transportation of gas	99.99	-	0.01
WP Gas Co., Ltd.	Thailand	Sale of gas	99.99	-	0.01
<b>Subsidiary of Eagle Intertrans Company Limited</b>					
Logistic Enterprise Company Limited	Thailand	Leasing of vehicle	-	99.98	0.02

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**
**14 Investments in subsidiaries (Cont'd)**
**14.2 Principal subsidiaries (Cont'd)**

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in preference shares of subsidiary undertaking included in the group.

The total non-controlling interest for the year is Baht 2,572, of which Baht 1,576, Baht 630 and Baht 366 are for Eagle Intertrans Company Limited, Logistic Enterprise Company Limited and WP Gas Company Limited, respectively, which is not material.

**15 Other long-term investments**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	48,288,500	48,288,500	48,209,000	48,209,000
Changes in values of investments	-	-	-	-
Closing balance	48,288,500	48,288,500	48,209,000	48,209,000

Other long-term investments represent investment in Enesol Co., Ltd, and Picnic Marine Co., Ltd, which the Company owns 9.96% and 1.07% interest in their registered capitals, respectively (2014: 19.92% and 1.07%, respectively). These investments are classified as general investments.

**Enesol Co., Ltd.**

In 2007, PICNIC sold its investment of 1,200,000 shares in Enesol Co., Ltd. ("Enesol") to Capital Engineering Network Public Company Limited (formerly "Eastern Wire Public Company Limited"), of which PICNIC could collect payment for 1,090,910 shares and transferred title to the buyer already. However, PICNIC was unable to transfer title to the remaining 109,090 shares as such shares had been seized by the Legal Execution Department for the purpose of executing payment to a creditor and such creditor have already exercised their right to receive payment under the rehabilitation plan. Presently, the Official Custodian had approved and ordered PICNIC to repay debts as instructed in the rehabilitation plan. PICNIC will regain ownership of such shares upon successful completion of the rehabilitated plan.

On 27 February 2014, PICNIC filed a complaint with the court for dismissal of the withholding of the remaining 109,090 shares and to return to the Company and on 24 June 2014, the Court issued a writ of execution to regain the shares from seizure. The creditor already received payment under the rehabilitation plan and there is no legal right afterwards.

On 6 November 2015, the Company filed a complaint with the Court for the purpose of withdrawal the resolution from Enesol's Extraordinary General Meeting and the registration of new shares, owing that Enesol did not send the invitation of Extraordinary General Meeting 1/2015, held by Enesol on 20 October 2015, to the Company. The result is that the Company did not attend the Meeting and could not be able to exercise shareholder's voting rights. In addition, the invitation and the minutes of meeting included no pre-resolution in relation to the increase in registered share capital. The case is currently under the Court's proceeding.

		Consolidated													
		Terminals and gas storage		Machinery and equipment		Small-sized gas cylinders		Furniture, fixtures and equipment		Motor vehicle		Construction in progress		Total Baht	
		Building and infrastructures	gas storage tank	equipment											
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 24 November 2014</b>															
Cost		322,058,848	691,583,349	688,393,226	306,931,316	3,606,066,512	146,527,047	575,583,006	169,962,569	575,583,006	169,962,569	575,583,006	169,962,569	6,507,105,873	
Less: Accumulated depreciation		-	(253,035,784)	(517,765,837)	(187,849,418)	(1,986,332,294)	(127,009,206)	(292,853,520)	-	(292,853,520)	-	(292,853,520)	-	(3,364,846,059)	
Provision for impairment		(33,847,950)	(315,971,076)	(54,645,456)	(35,173,468)	-	-	(1,172,726)	-	(1,172,726)	-	(1,172,726)	-	(440,810,676)	
Provision for lost assets		-	-	-	-	(247,845,506)	-	-	-	-	-	-	-	(247,845,506)	
Net book value		288,210,898	122,576,489	115,981,933	83,908,430	1,371,888,712	19,517,841	281,556,760	169,962,569	281,556,760	169,962,569	281,556,760	169,962,569	2,453,603,632	
<b>For the period from 24 November 2014 to 31 December 2014</b>															
Opening net book value		288,210,898	122,576,489	115,981,933	83,908,430	1,371,888,712	19,517,841	281,556,760	169,962,569	281,556,760	169,962,569	281,556,760	169,962,569	2,453,603,632	
Additions		-	325,000	-	-	4,964,070	177,453	176,938	43,498,260	176,938	43,498,260	176,938	43,498,260	49,141,721	
Transfer in/out		-	-	-	-	-	(21)	221,572	(2,750,000)	221,572	(2,750,000)	221,572	(2,750,000)	(2,528,449)	
Depreciation charge		-	(2,558,356)	(3,183,764)	(2,096,420)	(12,029,020)	(973,721)	(7,867,023)	-	(7,867,023)	-	-	-	(28,708,304)	
Closing net book value		288,210,898	120,343,133	112,798,169	81,812,010	1,364,823,762	18,721,552	274,088,247	210,710,829	274,088,247	210,710,829	274,088,247	210,710,829	2,471,508,600	
<b>At 31 December 2014</b>															
Cost		322,058,848	691,908,349	688,393,226	306,931,316	3,611,030,582	146,294,689	559,117,959	210,710,829	559,117,959	210,710,829	559,117,959	210,710,829	6,536,445,798	
Less: Accumulated depreciation		-	(255,594,140)	(520,949,601)	(189,945,838)	(1,998,361,314)	(127,573,137)	(283,856,986)	-	(283,856,986)	-	(283,856,986)	-	(3,376,281,016)	
Provision for impairment		(33,847,950)	(315,971,076)	(54,645,456)	(35,173,468)	-	-	(1,172,726)	-	(1,172,726)	-	(1,172,726)	-	(440,810,676)	
Provision for lost assets		-	-	-	-	(247,845,506)	-	-	-	-	-	-	-	(247,845,506)	
Closing net book value		288,210,898	120,343,133	112,798,169	81,812,010	1,364,823,762	18,721,552	274,088,247	210,710,829	274,088,247	210,710,829	274,088,247	210,710,829	2,471,508,600	





17 Property, plant and equipment (Cont'd)

	Company								
	Land Baht	Building and infrastructures Baht	Terminals and gas storage tank Baht	Machinery and equipment Baht	Small-sized gas cylinders Baht	Furniture, fixtures and equipment Baht	Motor vehicle Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2015									
Opening net book value	270,152,032	117,820,339	112,798,169	81,812,010	1,364,823,762	15,618,863	5,646,023	208,142,764	2,176,813,962
Additions	13,862,660	11,694,937	1,858,500	10,511,581	57,837,247	1,611,771	-	262,289,705	359,666,401
Disposals, net	-	(3)	(11)	(258)	(704,098)	(57,299)	(1)	-	(761,670)
Transfer in/out	5,000,000	1,774,050	-	1,089,692	-	16,257	1	(17,200,000)	(9,320,000)
Reclassify	-	-	-	-	-	(1,172,726)	1,172,726	-	-
Depreciation charge	-	(32,110,821)	(39,814,884)	(12,468,416)	(113,806,403)	(7,424,816)	(2,631,024)	-	(208,256,364)
Closing net book value	289,014,692	99,178,502	74,841,774	80,944,609	1,308,150,508	8,592,050	4,187,725	453,232,469	2,318,142,329
At 31 December 2015									
Cost	322,862,642	699,453,542	689,620,549	240,217,566	3,647,059,658	91,251,804	19,594,018	453,232,469	6,163,292,248
Less Accumulated depreciation	-	(284,303,964)	(560,133,319)	(159,272,957)	(2,091,063,644)	(81,669,912)	(15,406,293)	-	(3,191,850,089)
Provision for impairment	(33,847,950)	(315,971,076)	(54,645,456)	-	-	(989,842)	-	-	(405,454,324)
Provision for lost assets	-	-	-	-	(247,845,506)	-	-	-	(247,845,506)
Closing net book value	289,014,692	99,178,502	74,841,774	80,944,609	1,308,150,508	8,592,050	4,187,725	453,232,469	2,318,142,329

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17 Property, plant and equipment (Cont'd)

Land and equipment of Baht 141.04 million has been pledged as security for borrowings (Note 24).

As at 31 December 2015, the gross amount of the Consolidated and Company's fully depreciated property, plant and equipment that was still in use are amounting to Baht 1,663.82 million and Baht 1,470.78 million, respectively (2014: Baht 1,580.84 million and Baht 1,475.49 million, respectively).

Depreciation has been charged into the following categories of expenses:

	Consolidated		Company	
	For the period from 24 November 2014 to 31 December 2015 Baht	For the period from 24 November 2014 to 31 December 2014 Baht	For the period from 24 November 2014 to 31 December 2015 Baht	For the period from 24 November 2014 to 31 December 2014 Baht
Cost of sale	268,962,000	26,839,998	192,671,507	19,237,946
Administrative expenses	18,260,759	1,868,306	15,584,857	1,711,734
	<u>287,222,759</u>	<u>28,708,304</u>	<u>208,256,364</u>	<u>20,949,680</u>

Equipment includes Baht 105,775,312 (2014: Baht 127,905,159) assets acquired using under finance leases (where the Group is the lessee) and disposals include Baht 24,740,000 (2014: Nil) of assets under finance leases (where the Group is the lessor).

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cost - capitalised finance leases	105,775,312	127,905,159	11,212,000	11,212,000
Less: Accumulated depreciation	(75,855,043)	(77,152,908)	(7,206,676)	(4,958,305)
Net book amount	<u>29,920,269</u>	<u>50,752,251</u>	<u>4,005,324</u>	<u>6,253,695</u>

Small-sized gas cylinders

In 2014, the Company has arranged for an independent appraiser to appraise the quantities of gas cylinders on 31 October 2014. An additional provision of Baht 174.79 million is recognised as a result. (2015: no additional provision is made).

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**18 Goodwill**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Opening amount</b>				
Cost	24,304,592	24,304,592	-	-
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	24,304,592	24,304,592	-	-
<b>Year ended 31 December</b>				
Opening net book amount	24,304,592	24,304,592	-	-
Acquisition of business (Note 35)	9,189,600	-	9,189,600	-
Closing net book amount	33,494,192	24,304,592	9,189,600	-
<b>At 31 December</b>				
Cost	33,494,192	24,304,592	9,189,600	-
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	33,494,192	24,304,592	9,189,600	-

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below.

	2015		
	Transportation Baht	Gas station Baht	Total Baht
Goodwill allocation	24,304,592	9,189,600	33,494,192
	2014		
	Transportation Baht	Gas station Baht	Total Baht
Goodwill allocation	24,304,592	-	24,304,592

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Transportation	Gas Station
Gross margin <sup>1</sup>	16.19%	20.40%
Growth rate <sup>2</sup>	3.00%	3.00%
Discount rate <sup>3</sup>	14.18%	10.65%

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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**19 Intangible assets**

	Consolidated			
	Trademarks Baht	Computer software Baht	Computer software under installation Baht	Total Baht
<b>As at 24 November 2014</b>				
Cost	300,000,000	37,426,146	1,728,404	339,154,550
<u>Less</u> Accumulated amortisation	(71,277,544)	(25,844,206)	-	(97,121,750)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	11,581,940	1,728,404	13,310,344
<b>For the period from 24 November 2014 to 31 December 2014</b>				
Opening net book amount	-	11,581,940	1,728,404	13,310,344
Amortisation charge	-	(155,606)	-	(155,606)
Closing net book amount	-	11,426,334	1,728,404	13,154,738
<b>As at 31 December 2014</b>				
Cost	300,000,000	37,426,146	1,728,404	339,154,550
<u>Less</u> Accumulated amortisation	(71,277,544)	(25,999,812)	-	(97,277,356)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	11,426,334	1,728,404	13,154,738
<b>For the year ended 31 December 2015</b>				
Opening net book amount	-	11,426,334	1,728,404	13,154,738
Addition	-	447,835	78,245	526,080
Amortisation charge	-	(1,534,226)	-	(1,534,226)
Closing net book amount	-	10,339,943	1,806,649	12,146,592
<b>As at 31 December 2015</b>				
Cost	300,000,000	37,873,981	1,806,649	339,680,630
<u>Less</u> Accumulated amortisation	(71,277,544)	(27,534,038)	-	(98,811,582)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	10,339,943	1,806,649	12,146,592

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
**For the year ended 31 December 2015**

**19 Intangible assets (Cont'd)**

	Company			Total Baht
	Trademarks Baht	Computer software Baht	Computer software under installation Baht	
<b>As at 24 November 2014</b>				
Cost	300,000,000	35,842,984	1,054,304	336,897,288
<u>Less</u> Accumulated amortisation	(71,277,544)	(24,808,142)	-	(96,085,686)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	11,034,842	1,054,304	12,089,146
<b>For the period from 24 November 2014 to 31 December 2014</b>				
Opening net book amount	-	11,034,842	1,054,304	12,089,146
Amortisation charge	-	(133,380)	-	(133,380)
Closing net book amount	-	10,901,462	1,054,304	11,955,766
<b>As at 31 December 2014</b>				
Cost	300,000,000	35,842,984	1,054,304	336,897,288
<u>Less</u> Accumulated amortisation	(71,277,544)	(24,941,522)	-	(96,219,066)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	10,901,462	1,054,304	11,955,766
<b>For the year ended 31 December 2015</b>				
Opening net book amount	-	10,901,462	1,054,304	11,955,766
Addition	-	95,800	-	95,800
Amortisation charge	-	(1,281,958)	-	(1,281,958)
Closing net book amount	-	9,715,304	1,054,304	10,769,608
<b>As at 31 December 2015</b>				
Cost	300,000,000	35,938,784	1,054,304	336,993,088
<u>Less</u> Accumulated amortisation	(71,277,544)	(26,223,480)	-	(97,501,024)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	9,715,304	1,054,304	10,769,608

Amortisation of computer software is included in administrative expenses.

Intangible assets include trademarks in respect of assets acquired from purchase of Liquefied Petroleum Gas (LPG) trading business in 2003. The Company has made full allowance for impairment as it has incurred operating losses for many years.

**WP Energy Public Company Limited**  
**Notes to the Financial statements**  
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**20 Prepaid rents**

	Consolidated and Company Baht
<b>As at 24 November 2014</b>	
Cost	136,739,145
<u>Less</u> Accumulated amortisation	(63,499,199)
Allowance for decrease in value	(1,250,228)
Net book amount	71,989,718
<b>For the period from 24 November 2014 to 31 December 2014</b>	
Opening net book amount	71,989,718
Additions	2,750,000
Transfer	2,750,000
Amortisation charge	(835,216)
Closing net book amount	76,654,502
<b>As at 31 December 2014</b>	
Cost	142,239,145
<u>Less</u> Accumulated amortisation	(64,334,415)
Allowance for decrease in value	(1,250,228)
Net book amount	76,654,502
<b>For the year ended 31 December 2015</b>	
Opening net book amount	76,654,502
Additions	1,350,000
Amortisation charge	(8,092,187)
Closing net book amount	69,912,315
<b>As at 31 December 2015</b>	
Cost	143,589,145
<u>Less</u> Accumulated amortisation	(72,426,602)
Allowance for decrease in value	(1,250,228)
Net book amount	69,912,315

**WP Energy Public Company Limited**  
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**21 Deferred income tax**

The analysis of deferred tax assets and deferred tax liabilities 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>
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	4,844,937	1,362,251	3,412,568	-
	<u>4,844,937</u>	<u>1,362,251</u>	<u>3,412,568</u>	<u>-</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(5,814,909)	(5,814,909)	-	-
Deferred tax liabilities to be settled after more than 12 months	(15,227,893)	(21,042,802)	-	-
	<u>(21,042,802)</u>	<u>(26,857,711)</u>	<u>-</u>	<u>-</u>
<b>Deferred tax, net</b>	<u>(16,197,865)</u>	<u>(25,495,460)</u>	<u>3,412,568</u>	<u>-</u>

The gross movement and the deferred income tax account is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the period from 24 November 2014 to 31 December 2015</b>	<b>For the period from 24 November 2014 to 31 December 2014</b>	<b>For the period from 24 November 2014 to 31 December 2015</b>	<b>For the period from 24 November 2014 to 31 December 2014</b>
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening balance	(25,495,460)	(26,220,194)	-	-
Charged to profit or loss (Note 33)	9,297,595	724,734	3,412,568	-
At 31 December	<u>(16,197,865)</u>	<u>(25,495,460)</u>	<u>3,412,568</u>	<u>-</u>

The movement in deferred tax assets and liabilities during the period is as follows:

	<b>Consolidated</b>		
	<b>At 24 November 2014</b>	<b>Charged/(credited) to the income statement</b>	<b>At 31 December 2014</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>			
Allowance for doubtful account	153,148	78,646	231,794
Provision for accrued interest	379,548	-	379,548
Provision for employee benefit obligations	598,690	152,219	750,909
	<u>1,131,386</u>	<u>230,865</u>	<u>1,362,251</u>
<b>Deferred tax liabilities</b>			
Revaluation of assets	(27,351,580)	493,869	(26,857,711)
	<u>(27,351,580)</u>	<u>493,869</u>	<u>(26,857,711)</u>

**WP Energy Public Company Limited**  
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**21 Deferred income tax (Cont'd)**

	<b>Consolidated</b>		
	<b>At 1 January 2015</b>	<b>Charged/(credited) to the income statement</b>	<b>At 31 December 2015</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>			
Allowance for doubtful account	231,794	(5,499)	226,295
Provision for accrued interest	379,548	-	379,548
Finance leases	-	378,482	378,482
Provision for employee benefit obligations	750,909	3,109,703	3,860,612
	<u>1,362,251</u>	<u>3,482,686</u>	<u>4,844,937</u>
<b>Deferred tax liabilities</b>			
Revaluation of assets	(26,857,711)	5,814,909	(21,042,802)
	<u>(26,857,711)</u>	<u>5,814,909</u>	<u>(21,042,802)</u>
	<b>Company</b>		
	<b>At 1 January 2015</b>	<b>Charged/(credited) to the income statement</b>	<b>At 31 December 2015</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>			
Finance leases	-	378,482	378,482
Provision for employee benefit obligations	-	3,034,086	3,034,086
	<u>-</u>	<u>3,412,568</u>	<u>3,412,568</u>

Presentation in the statements of financial position 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>
Deferred income tax assets	4,326,770	1,362,251	3,412,568	-
Deferred income tax liabilities	(20,524,635)	(26,857,711)	-	-
Deferred income tax, net	<u>(16,197,865)</u>	<u>(25,495,460)</u>	<u>3,412,568</u>	<u>-</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.



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**22 Other non - current assets**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deposit for assignment of debt	50,000,000	50,000,000	50,000,000	50,000,000
Other deposits	36,017,210	38,198,320	35,298,873	36,459,961
Advances payment	20,000,000	20,000,000	20,000,000	20,000,000
Cash appropriated by Courts	9,281,401	9,281,400	9,281,401	9,281,400
Cash guarantee for purchasing LPG	-	58,000,000	-	58,000,000
Others	8,785,719	4,162,031	8,785,719	4,162,031
	124,084,330	179,641,751	123,365,993	177,903,392
<u>Less</u> Allowance for doubtful accounts	(70,000,000)	(70,000,000)	(70,000,000)	(70,000,000)
	54,084,330	109,641,751	53,365,993	107,903,392

Deposit for assignment of debt is cash paid to Asset Million Co., Ltd., (“AMC”) as a deposit to be given to a financial institution creditor for transfer of its right to receive Baht 413.59 million from the Company to AMC. However, the transfer has not been completed and the Company has claimed against AMC for return of the deposit. On 30 May 2014, the Official Custodian had ordered to dispose of the case due to the Court order to release the Company from the rehabilitation plan and the power of the Official Custodian expired after such order. The Company may have to proceed against AMC or negotiate for settlement with AMC afterwards. A full provision has been made for this deposit.

Cash appropriated by Courts represented cash that was seized by the Legal Execution Department amounting to Baht 9.28 million for the purpose of executing payment to creditors. Such creditors exercised their right to receive payment and were paid under the rehabilitation plan. However, due to the fact that the Creditor did not deduct the garnishment amount of Baht 9.28 million from the amount to be collected, the Company therefore filed a complaint with the court in order to request for the garnishment and the shares of Enasol Co., Ltd. to be returned to the Company. The Court issued an order to cancel the appropriation of such cash on 12 May 2014.

On 9 June 2008, the Company transferred cash of Baht 20 million to one of the security company for investment in the Stock Exchange. However, the security company did not arrange for such investment for the Company. Consequently on 4 June 2009, the Company filed the lawsuit against the security company for refund of the money. This case is still under the consideration of the Court and has not yet been finalised. However, the Company has provided full provision for this advance payments.

**23 Trade and other payable**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts payable - third parties	952,647,924	730,200,802	939,312,601	716,658,101
Amount due to related parties	-	-	11,367,699	12,462,507
Other payable	127,520,119	956,588,145	122,872,609	953,388,389
Accrued expenses	84,538,797	59,327,731	70,580,185	52,651,673
Advances received	14,264,714	14,268,027	14,224,530	14,224,530
	1,178,971,554	1,760,384,705	1,158,357,624	1,749,385,200

**WP Energy Public Company Limited**  
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**24 Borrowings**

**24.1 Finance lease liabilities**

Finance lease liabilities - minimum lease payment:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	7,045,199	9,473,722	2,133,237	2,133,238
Later than 1 year but not later than 5 years	8,059,026	16,873,278	3,981,363	6,114,600
	15,104,225	26,347,000	6,114,600	8,247,838
<u>Less</u> Future finance charges on finance leases	(1,344,996)	(2,936,148)	(216,870)	(531,212)
Present value of finance lease liabilities	13,759,229	23,410,852	5,897,730	7,716,626

The present value of finance lease liabilities is due as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	6,030,723	10,526,969	1,957,812	1,818,896
Later than 1 year but not later than 5 years	7,728,506	12,883,883	3,939,918	5,897,730
	13,759,229	23,410,852	5,897,730	7,716,626

**24.2 Long-term borrowing**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current portion of long-term borrowing	29,221,421	2,410,902	27,616,500	-
Long-term borrowing payable between 1 to 5 years but not later than 5 years	62,710,616	5,462,977	60,982,750	-
	91,932,037	7,873,879	88,599,250	-

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**24 Borrowings (Cont'd)**

**24.2 Long-term borrowing (Cont'd)**

The carrying amounts and fair values of certain long-term borrowing are as follows:

	Consolidated			
	Carrying amount		Fair value	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Long-term bank borrowing	91,932,037	7,873,879	81,135,796	6,787,158
	Company			
	Carrying amount		Fair value	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Long-term bank borrowing	88,599,250	-	78,106,508	-

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.53% (2014: 7.56%) and are within level 2 of the fair value hierarchy.

Long-term borrowing is collateralised by pledge of land and equipment amounting to Baht 141.04 million (Note 17).

Movements in long-term borrowings are analysed as follows:

For year ended 31 December	Consolidated	Company
	2015 Baht	2015 Baht
Opening net book amount	7,873,879	-
Addition	95,561,890	95,561,890
Repayment	(11,503,732)	(6,962,640)
Closing net book amount	91,932,037	88,599,250

**24.3 Interest rate**

The interest rate of finance lease liability and borrowings are at floating rates.

The effective interest rates at the statement of financial position date are as follows:

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Long-term borrowing	MLR - 1, MRR + 0.5, MLR	MLR - 1, MRR + 0.5 MLR	MLR	-
Finance lease liability			5.01 - 5.07	5.01 - 5.07

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**25 Short-term provisions**

	Consolidated and Company 2015 Baht	Consolidated and Company 2014 Baht
<b>Provisions for tax assessments</b>		
Opening amount	198,134,467	198,054,059
Additional provisions	15,462,106	80,408
As at 31 December	213,596,573	198,134,467

**Provisions for tax assessments**

- The Revenue Department has assessed additional VAT in relation to the rental of LPG terminal facility at Bang-Ja-Greng, that the rent should have included equipment during 2007 to 2009. The additional VAT including penalties and surcharges until 15 February 2012 was amounting to Baht 98.36 million. The Company has estimated tax liability of VAT, including the penalties and surcharges until 31 December 2015 amounting to Baht 118.44 million (2014: Baht 106.83 million).
- The Revenue Department has assessed additional VAT in relation to the rental of LPG terminal facility at Bang-Ja-Greng, that the rent should have included equipments during 2010. The additional VAT including penalties and surcharges was amounting to Baht 3.09 million.
- The Revenue Department has assessed specific business tax for 2010 and related penalties and surcharges until 15 January 2016 on various cases of Baht 3.91 million. The Company has provided for the assessment at full amount in 2015.
- As at 31 December 2015, the Company has provision for non-refundable input VAT amounting to Baht 83.36 million (2014: Baht 82.56 million). Such input VAT was derived from purchases for the construction of the LPG terminal at Bang-Ja-Greng, which was intended to be used for the Company's operation, which is consider as "subjected to VAT" transaction. However, later the Company leased those assets to World Gas (Thailand) Co., Ltd. for a period of 3 years. The lease is considered as "non-VAT" transaction. Therefore, those input VAT might not be refundable.
- The Revenue Department has assessed for stamp duties amounting to Baht 1.38 million on the following transactions occurred in 2007:
  - Loans to certain parties
  - Sold investments in subsidiaries
  - Leased assets at Lampang

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**25 Short-term provisions (Cont'd)**

**Provisions for tax assessments (Cont'd)**

- f) The Revenue Department has assessed specific business tax for 2007 to 2009 and related penalties and surcharges until 15 February 2012 on various cases of Baht 11.52 million as described below. However, the Revenue Department offset prepaid withholding income tax with assessed specific business tax amounted to Baht 4.17 million. Thus, as at 31 December 2015, the management has provisions for penalties and surcharges of Baht 8.75 million (2014: Baht 7.34 million).

The assessment of specific business tax are from the following matters:

- The Company has paid advanced payment for a contractor in respect of bulk gas cylinder project. However, the project was terminated. The Company has received partial repayments from such advance and written off the remaining amounts. The Revenue Department has interpreted this transaction as loan to a contractor and demand the Company to pay specific business tax on loan plus interest.
- The Company did not follow the requirements in the Revenue Code when writing off certain receivables. Therefore, the Revenue Department has assessed additional specific business tax on this matter.
- The Revenue Department has assessed additional specific business tax on writing off loans to certain parties.
- The Revenue Department has assessed additional specific business tax on loan to a company without interest.

**26 Employee benefit obligation**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Liability in the statement of financial position, representing fair value of the obligation	19,303,060	24,514,239	15,170,432	20,759,696
Profit or loss charge included in operating profit for Post-employment benefits	3,703,549	(563,501)	2,813,094	(1,031,229)
Remeasurement for:				
Post-employment benefits	1,843,765	2,252,434	1,803,235	2,080,362

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on member's length of service and their salary in the final years leading up to retirement.

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**26 Employee benefit obligation (Cont'd)**

The movement in the defined benefit obligation over the period/year is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	24,514,239	23,679,624	20,759,696	20,373,397
Current service costs	2,722,979	623,534	1,982,706	226,338
Interest expense	980,570	156,640	830,388	86,108
Reversal of service cost	-	(1,343,675)	-	(1,343,675)
	28,217,788	23,116,123	23,572,790	19,342,168
Remeasurements:				
Loss from change in financial assumptions	1,843,765	2,252,434	1,803,235	2,080,362
Benefits payment	(10,758,493)	(854,318)	(10,205,593)	(662,834)
Closing balance	19,303,060	24,514,239	15,170,432	20,759,696

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Discount rate	4.00	4.00	4.00	4.00
Future salary increases	4.88 - 5.50	5.50 - 5.90	5.50	5.90

The sensitivity analysis for each significant assumption disclosed are as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 12%	Increase by 14%
Salary growth rate	1%	Increase by 33%	Decrease by 11%

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 pension liability 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.

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**26 Employee benefit obligation (Cont'd)**

Through its defined benefit retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in government bond yields will increase plan liabilities.

Inflation risk Some pension obligations of the Group are linked to inflation, and higher inflation will lead to higher liabilities.

The weighted average duration of the defined benefit obligation is 22.31 years.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated				Total Baht
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	
At 31 December 2015					
Post employment benefits	700,799	1,153,436	2,638,645	129,451,837	133,944,717

	Company				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2015					
Post employment benefits	620,201	930,421	1,226,939	98,428,585	101,206,146

**27 Deposits received**

	Consolidated and Company	
	2015 Baht	2014 Baht
Deposits received for small-sized gas cylinders	1,841,092,336	1,781,815,316
Deposits received for rental small-sized gas cylinders	265,869,879	265,869,879
Provision for deposits received for small-sized gas cylinders	1,015,270,201	1,016,857,330
	<u>3,122,232,416</u>	<u>3,064,542,525</u>

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**27 Deposits received (Cont'd)**

Deposit received for small-sized gas cylinders

During 2012, the Company and SCT (Vietnam) Gas Company Limited had prepared sufficient information relating to the quantum of deposits received and identify the parties from whom the deposits have been received for small-sized gas cylinders. As at 31 December 2013, the Company had deposit of Baht 37.81 million received for small-sized gas cylinders from individuals of which the management has investigated according to the names as shown in deposit receipts and preliminarily found that certain individuals had never engaged in the liquefied petroleum gas (LPG) business and never entered into purchase transactions of small-sized gas cylinders with the Company, which the Company's management considered these transactions might not be normal course of business.

At the Board of Directors' meeting on 29 March 2013, the Board has approved the current management to process to investigating the transactions. In addition, as at 31 December 2013, there was no sufficient appropriate evidence regarding the deposits received for small-sized gas cylinders of the Company amounted to Baht 346.59 million since the evidence on deposits received had been lost and the management already reported to the police about missing documents.

Deposit received for rental small-sized gas cylinders

During 2004, the Company entered into small-sized gas cylinder rental agreements with total contract value of Baht 900 million with a group of gas filling station customers. The Company recorded rental income from these customers for 3 years while the small-sized cylinders were recorded as assets and depreciated over a period of 20 years. The rental agreements stipulated that these customers were to purchase gas only from the Company. During 2004 to 2005, most of the Company's revenue was generated from gas sales and small-sized gas cylinder rental with this group of customers.

On 11 May 2005, the Securities and Exchange Commission (SEC) issued letter concerning the amendment of 2004 financial statements. The Company consequently changed its recording of revenues from rental of small-sized gas cylinders to the group of 10 gas fillers with which the Company has a close relationship to record such receipts as deposits, in accordance with the instructions of the SEC. DSI also adopted this matter as a case as per details in Note 39.3.

Provision for deposits received for small-sized gas cylinders

During 2014, a full provision for liabilities in respect of deposits has been made basing on the quantities of gas cylinders in circulation and being utilised by consumers as reported by the independent appraiser, in order that quantities per deposits equal to quantities per the appraisal report.

**28 Share capital**

	Number of shares authorised Shares	Number of shares issued and paid-up Shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 24 November 2014	2,760,565,700	2,760,565,700	2,760,565,700	2,657,619,957	5,418,185,657
Issue of shares	-	-	-	-	-
At 31 December 2014	<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,657,619,957</u>	<u>5,418,185,657</u>
At 1 January 2015	2,760,565,700	2,760,565,700	2,760,565,700	2,657,619,957	5,418,185,657
Issue of shares	-	-	-	-	-
At 31 December 2015	<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,760,565,700</u>	<u>2,657,619,957</u>	<u>5,418,185,657</u>



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**29 Legal reserve**

	<b>Consolidated and Company</b>	
	<b>For the year ended 31 December 2015 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2014 Baht</b>
Opening balance	33,910,000	33,910,000
Appropriation during the period	-	-
Closing balance	<u>33,910,000</u>	<u>33,910,000</u>

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 (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**30 Premium on LPG selling price**

Premium on LPG selling price derived from the adjustments to the financial statements for the year ended 31 December 2004 and 2005 in addition to those stipulated in the SEC order. In this regards, the Company transferred the differences of the LPG selling price that sold to the group of gas filling companies which had close relationship with the Company and were not under the same terms of payment as sales made to other customers amounted of Baht 532 million from the statement of income. These differences were reclassified as premium on LPG selling price and were presented under “statement of changes in shareholder’s equity” being deemed as financial support received from its shareholders via the group of gas filling companies.

**31 Other income**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the period from 24 November 2014 to 31 December 2015 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2014 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2015 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2014 Baht</b>
Transportation income	62,743,518	6,450,744	62,743,518	6,450,744
Interest income	18,668,122	2,199,549	20,356,082	2,243,627
Rental income	11,169,652	831,249	10,724,532	831,249
Through put fee	1,128,990	1,124,372	1,128,990	1,124,372
Other income	34,743,835	3,287,936	29,866,285	1,161,215
	<u>128,454,117</u>	<u>13,893,850</u>	<u>124,819,407</u>	<u>11,811,207</u>

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**32 Expense by nature**

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the period from 24 November 2014 to 31 December 2015 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2014 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2015 Baht</b>	<b>For the period from 24 November 2014 to 31 December 2014 Baht</b>
<b>Included in cost of sales of goods and rendering of service:</b>				
Cost of finished goods purchased	19,996,874,120	1,658,161,867	19,996,874,120	1,658,161,867
Changes in inventories of finished goods	34,187,159	(11,383,752)	34,034,577	(11,383,752)
Oil fund	466,842,226	564,303,194	466,842,226	564,303,194
Depreciation	268,962,000	26,839,998	192,671,507	19,237,946
Cylinders repairing costs	49,001,583	4,483,126	49,001,584	4,483,126
Gas filling expenses	35,709,732	3,918,957	35,709,732	3,918,957
Freight	33,314,025	7,407,444	66,552,944	7,407,444
Others	115,712,083	15,089,752	28,656,079	14,441,982
	<u>21,000,602,928</u>	<u>2,268,820,586</u>	<u>20,870,342,769</u>	<u>2,260,570,764</u>
<b>Included in selling expenses:</b>				
Transportation expenses	222,256,330	25,292,880	222,256,330	25,292,880
Sales promotion expenses	46,769,604	6,491,961	46,451,779	6,491,961
Employee benefit expenses	18,833,160	3,053,446	18,833,160	3,053,446
Others	7,100,724	647,429	7,100,724	1,674,230
	<u>294,959,818</u>	<u>35,485,716</u>	<u>294,641,993</u>	<u>36,512,517</u>
<b>Included in administrative expenses:</b>				
Service fee for LPG reserve	175,757,700	18,115,999	175,757,700	18,115,999
Employee benefit expenses	123,124,392	15,491,724	101,512,842	14,196,070
Rental and service fees	49,734,986	5,378,555	48,447,157	5,089,889
Tax fines and penalties	48,664,664	-	48,664,664	-
Professional fees	39,155,627	3,424,306	38,023,583	3,280,910
Bank charge and other fees	31,103,946	5,079,290	30,938,169	4,681,628
Depreciation	18,260,759	1,868,306	15,584,857	1,711,734
Security and safety expense	14,863,309	1,488,260	14,189,000	1,488,260
Insurance expense	14,466,371	1,118,310	14,466,371	1,118,310
Amortisation	1,413,820	133,380	1,281,958	133,380
Reversal of bad debt and doubtful debts expense	(293,318)	(2,032,306)	(11,397,770)	(2,032,306)
Others	75,967,523	9,329,091	72,162,158	9,252,255
	<u>592,219,779</u>	<u>59,394,915</u>	<u>549,630,689</u>	<u>57,036,129</u>

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**33 Income tax expense**

	Consolidated		Company	
	For the period from 24 November 2014 to 31 December		For the period from 24 November 2014 to 31 December	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current tax	24,841,499	3,056,781	17,522,963	-
Deferred tax	(9,297,595)	(724,734)	(3,412,568)	-
<b>Total tax expense</b>	<b>15,543,904</b>	<b>2,332,047</b>	<b>14,110,395</b>	<b>-</b>

The tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated		Company	
	For the period from 24 November 2014 to 31 December		For the period from 24 November 2014 to 31 December	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Profit (loss) before income tax expense	116,186,085	(6,303,062)	115,600,362	(8,542,807)
Tax calculated at a tax rate of 20% (2014: 20%)	23,237,217	(1,260,612)	23,120,072	(1,708,561)
Tax effect of:				
Income subject to tax	2,298,120	257,887	2,298,120	257,887
Income not subject to tax	(884,955)	(39,839)	-	(39,839)
Expense not deducted for tax purpose	(3,986,240)	769,389	(6,466,109)	479,614
Expense deducted at greater amount	(165,128)	(104,449)	(72,969)	(6,441)
Adjustment in respect of prior period	(46,176)	1,708,827	-	-
Effect of difference tax rates in which the entity operates	(195,000)	17,919	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	(3,482,686)	(493,869)	(3,412,568)	-
Tax losses for which no deferred tax asset was recognised	-	1,476,794	-	1,017,340
Utilisation of previously unrecognised tax losses	(1,231,248)	-	(1,356,151)	-
<b>Tax charge</b>	<b>15,543,904</b>	<b>2,332,047</b>	<b>14,110,395</b>	<b>-</b>

The weighted average applicable tax rate was 13.38% (2014: 37.00%).

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**34 Earnings (losses) per share**

Basic earnings (losses) per share is calculated by dividing the net profit (loss) attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	For the period from 24 November 2014 to 31 December		For the period from 24 November 2014 to 31 December	
	2015	2014	2015	2014
Net profit (loss) attributable ordinary shareholders of the company (Baht)	100,639,609	(8,635,166)	101,489,967	(8,542,807)
Weighted average number of ordinary shares (Shares)	2,760,565,700	2,760,565,700	2,760,565,700	2,760,565,700
Basic earnings (losses) per share (Baht per share)	0.0365	(0.0031)	0.0368	(0.0031)

There are no potential dilutive ordinary shares in issue for the year ended 2015.

**35 Business acquisitions**

**Gear Autogas Limited Partnership**

On 2 June 2015, the Company acquired property plant and equipment for a total consideration of Baht 36 million from Gear Autogas Limited Partnership, which is incorporated in Thailand, and is the authorised operator for operating gas station in Thailand. As a result of the acquisition, the Group expects to create business synergy and expand scope of its business in terms of both size and diversity, thus helping to diversify its business risk.

The goodwill of Baht 9,189,600 was recognised as a result of a number of factors such as expected synergy in operating LPG Gas station.

None of the goodwill recognised is expected to be deductible for income tax purposes.

A summary of consideration paid, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, is as follow:

**Consideration at 2 June 2015**

	Baht
Cash	36,000,000
Total consideration transferred	36,000,000

**Recognised amounts of identifiable assets acquired assumed**

	Baht
Property, plant and equipment	26,810,400
Total identifiable net assets	26,810,400
Goodwill	9,189,600

Acquisition related costs of Baht 40,000 have been charged to administrative expenses in the consolidated income statement for the year ended 2015.

The fair value of the consideration paid amounting to Baht 36 million was based on value-in-use calculation performed by independent appraiser.

**WP Energy Public Company Limited**  
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**35 Business combinations (Cont'd)**
**Kanghan Lom Petroleum Company Limited**

On 21 October 2015, WP Gas Co., Ltd. acquired property, plant and equipment for a total consideration of Baht 28 million from Kanghan Lom Petroleum Company Limited, which is incorporated in Thailand, and is an authorised operator to operate a gas station in Thailand.

A summary of consideration paid, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, is as follow:

**Consideration at 21 October 2015**

	<b>Baht</b>
Cash	28,000,000
Total consideration transferred	28,000,000
Recognised amounts of identifiable assets acquired assumed	
	<b>Baht</b>
Property, plant and equipment	32,100,000
Total identifiable net assets	32,100,000
Gain on bargain purchase	(4,100,000)

Acquisition related costs of Baht 25,000 have been charged to administrative expenses in the consolidated income statement for the year ended 2015.

The fair value of the consideration paid amounting to Baht 28 million was based on value-in-use calculation performed by independent appraiser.

**36 Related-party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company major shareholder is Mr. Aiyawat Srivaddhanaprapha, who owns 17.75% of the Company's paid-up share capital.

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**36 Related-party transactions (Cont'd)**

Relationships with related parties:

<b>Name of entities</b>	<b>Country of nationality / incorporation</b>	<b>Nature of relationships</b>
Eagle Intertrans Co., Ltd. ("EAGLE")	Thailand	Subsidiary of the Company, 99.99% shareholding
WP Gas Co., Ltd.	Thailand	Subsidiary of the Company, 99.99% shareholding
Logistic Enterprise Co., Ltd.	Thailand	Subsidiary of EAGLE, 99.98% shareholding
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The following transactions were carried out with related parties:

**36.1 Sales of goods and services**

	<b>Consolidated</b>	<b>Company</b>
	<b>For the period from 24 November 2014 to 31 December 2015</b>	<b>For the period from 24 November 2014 to 31 December 2014</b>
	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Sale of goods to:</b>		
WP Gas Co., Ltd.	-	6,839,614
<b>Sales of services to:</b>		
Eagle Intertrans Co., Ltd.	-	2,525,051
		439,393

**36.2 Purchases of goods and services**

	<b>Consolidated</b>	<b>Company</b>
	<b>For the period from 24 November 2014 to 31 December 2015</b>	<b>For the period from 24 November 2014 to 31 December 2014</b>
	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Purchases of services from:</b>		
Eagle Intertrans Co., Ltd.	-	208,397,375
		23,051,926
<b>Selling expenses</b>		
Logistic Enterprise Co., Ltd.	-	13,422,426
		1,026,800

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**36 Related-party transactions (Cont'd)**

**36.3 Outstanding balances arising from sales/purchases of goods/services**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Advance payments</b>				
WP Gas Co., Ltd.	-	-	16,100,000	-
<b>Interest receivable</b>				
Eagle Intertrans Co., Ltd.	-	-	-	531,507
<b>Amount due to related parties</b>				
Eagle Intertrans Co., Ltd.	-	-	11,367,699	12,462,507
<b>Accrued expenses</b>				
Eagle Intertrans Co., Ltd.	-	-	11,490,998	1,720,686

**36.4 Short-term loans to related parties**

	Company	
	2015 Baht	2014 Baht
Opening balance	100,000,000	100,000,000
Loans advanced during the year	50,000,000	-
Loan repayments received	(40,000,000)	-
Closing balance	110,000,000	100,000,000

As at 31 December 2014, short-term loans to related parties are in form of promissory notes denominated in Thai Baht issued by Eagle Intertrans Company Limited and WP Gas Co., Ltd. Promissory notes bear interest rates of 1.25% and MLR, respectively per annum, and there is no specific repayment date.

The related interest income was Baht 1.94 million (2014: Baht 0.21 million).

**36.5 Key management compensation**

	Consolidated		Company	
	For the period from 24 November 2014 to 31 December		For the period from 24 November 2014 to 31 December	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Salaries and other short-term employee benefits	18,996,295	5,209,856	16,419,052	3,309,856
Post-employment benefits	346,550	52,485	331,295	46,385
	19,342,845	5,262,341	16,750,347	3,356,241

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**37 Commitments**

**37.1 Capital commitments**

As at 31 December 2015, the Group has commitment in respect of capital expenditure contracted for constructing gas storage tank amounting to Baht 103.46 million (2014: Baht 359.29 million).

**37.2 Operating lease commitments - where a Group company is the lessee**

The future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	131,098,115	224,769,435	123,419,794	214,339,098
Later than 1 year but not later than 5 years	112,693,709	218,985,004	104,543,397	203,195,973
Over than 5 years	150,540,474	132,380,907	150,540,474	132,380,907
	394,332,298	576,135,346	378,503,665	549,915,978

As at 31 December 2015, the Group has non-cancellable operating leases as follows:

Service agreement relating to storage tank area for Liquefied Petroleum Gas (LPG) reserve with PTT Public Company Limited at Lampang storage facility to reserve LPG for the Company according to the Department of Business Development. This agreement is in effective from 1 January 2014 to 30 June 2016 with the monthly service fee of Baht 15.90 million.

**38 Contingencies**

**38.1 Guarantees**

As at 31 December 2015, the Group provided guarantees on behalf of its related parties for the lease of vehicles amounting to Baht 15.83 million (2014: Baht 25.49 million).

**38.2 Bank guarantees**

As at 31 December 2015, there are outstanding bank guarantees given on behalf of the Group to the third parties in respect of purchases of gas and use of electricity amounting to Baht 1,607.85 million (2014: Baht 1,130.76 million). Bank deposits amounting to Baht 585.94 million (2014: Baht 580.00 million), land and machinery amounting to Baht 130.00 million and Baht 193.60 million, respectively, are pledged as collateral for the bank guarantees.

There are letter of guarantee issued by bank on behalf of the Company in respect of tax assessment given to the Revenue Department amounting to Baht 135.58 million (2014: Baht 188.05 million). Bank deposits amounting to Baht 106.21 million (2014: Baht 188.05 million) are used as collateral.

As at 31 December 2015, the Company use bank deposit amounting to Baht 3.97 million (2014: Nil) as collateral for a borrowing from financial institution.



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**39 Litigations**

**Litigations of Picnic Corporation Public Company Limited**

**39.1 LPG terminal at Bang-Ja-Greng**

Certain persons living within the area of PICNIC's LPG storage facility at Bang-Ja-Greng filed a lawsuit against PICNIC in respect of environmental damage alleged to have been caused by the facility and demanded withdrawal of PICNIC's operating license and removal of all properties at the facility.

On 25 November 2010, the Central Administrative Court dismissed the case and on 18 June 2015, the Supreme Administrative Court has ruled to concur with the judgement of the Administrative Court that the case should be dismissed.

**39.2 World Gas' shares with The Asset Million Co., Ltd.**

During 2004, PICNIC acquired WG at the price of Baht 1,011.36 million (7,999,994 shares representing 99.99% shareholding) for net assets and goodwill of Baht 632.54 million and Baht 378.82 million, respectively.

In 2007, a financial institution creditor had transferred its rights in debt collection of Baht 169.45 million plus interest at 10% per annum from PICNIC to The Asset Million Co., Ltd., ("AMC"). Subsequently, PICNIC agreed with AMC to settle this amount in accordance with the Debt Settlement Agreement. Later, PICNIC defaulted in the settlement and pledged all WG shares as collateral to AMC. Finally, PICNIC defaulted settlement again resulting in enforced transfer of its shares in WG to AMC.

As at 25 December 2007, PICNIC fully wrote off its investment in WG with net book value of Baht 1,497.41 million.

In 2008, PICNIC filed a claim against AMC to return the WG shares or to compensate PICNIC in respect of unfair contract.

On 13 March 2009, the Securities and Exchange Commission accused PICNIC's directors that they had acted with accomplices in defrauding the shares of WG, which were the Company's assets by transferring shares to a creditor, before requesting to enter in rehabilitation with the Central Bankruptcy Court. PICNIC also filed a petition with the Central Bankruptcy Court requesting to unwind the WG shares transfer. On 21 April 2011, the Court ordered to dismiss the case. PICNIC then appealed against the court's judgment with the Supreme Court of Thailand in which the case is currently under the court's proceedings.

In addition, on 30 August 2011, PICNIC filed another petition with the Central Bankruptcy Court to order AMC to sell 7,999,994 shares in WG to third party and pay back to PICNIC the share price of Baht 603.84 million. The Central Bankruptcy Court allowed PICNIC and AMC to compromise to sell the WG shares.

On 29 March 2013, AMC sold WG shares to 2 individuals with consideration of Baht 799.99 million. The buyers paid AMC amounting to Baht 196.16 million and paid PICNIC amounting to Baht 603.84 million.

However, the Supreme Court has ruled that the compromisation cannot be conducted at the Supreme Court and therefore, the case must be pending for judgment or order from the Supreme Court of Thailand.

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**39 Litigations (Cont'd)**

**Litigations of Picnic Corporation Public Company Limited (Cont'd)**

**39.3 Special case on tax invoice**

The Office of the Special Prosecutor, Special case 4 Department (Taxation case) accused PICNIC and others for a criminal case in relation to illegal issuance of tax invoices, debit note, and credit note, including being the entrepreneurs who used fraudulent tax invoice or illegally issued tax invoice to be used in crediting tax by intention which are both a crime in accordance to Section 90/4(3)(7) of the Fiscal Code. The Criminal Court ruled by ordering PICNIC for a penalty of Baht 1,050,000. However, the prosecutor appealed to Appeal Court. PICNIC then appealed against the Court's judgement on 9 April 2015. The case is currently under the consideration of the Appeal Court.

The Company has pledged the letter of guarantee issued by a bank for warranty to the Revenue Department of Baht 103 million.

39.4 There are matters with ongoing investigation as discussed in Note 10 and tax related issues in Note 25.

**Litigations of World Gas (Thailand) Co., Ltd.**

39.5 In 2010, WG was the defendant because it had mortgaged its land with a securities company as collateral for credit facilities obtained by a third party with the claimed amount of Baht 27.02 million. The Court ordered to temporarily dismiss the case awaiting verdict of the primary debt. The management of the Company does not anticipate for any loss in respect of such litigation case. Therefore, the Company did not set the provision for the contingent liability.

39.6 In 2011, WG has been sued and claimed for damages by a company because the Company was in breach to a distributorship agreement made with such company. The plaintiff requested the Civil Court to order the Company to pay the compensation for damages in the amount of Baht 40.08 million. On 3 November 2015, the Supreme Court ordered to dismiss the case and the case is final.

39.7 In 2013, the inquiry officer of the Royal Thai Police, found that WG issued liquid petroleum gas transportation tax invoices to several companies which were not in compliance with the notification of the Department of Energy Business re: methods and conditions for transportation of liquid petroleum gas B.E. 2555, and notified the allegation to WG in order to take legal actions according to the law. The inquiry officer delivered the files of the inquiry to the public prosecutor, and the case is now on the process of the prosecutor.

**40 Event after the reporting date**

At the Board of Directors' meeting No. 2/2016 of the Company held on 24 February 2016, the meeting approved the establishment of two new subsidiaries, WP Solutions Company Limited and WP Sollar Company Limited, which are incorporated in Thailand, with the registered capital of Baht 1,000,000 and Baht 500,000, respectively. The Company subscribed 99.99% of total registered share in both companies.



**บริษัท ดับบลิวพี เอ็นเนอร์ยี่ จำกัด (มหาชน) WP ENERGY PUBLIC COMPANY LIMITED**

เลขที่ 1 อาคารอีสท์ วอเตอร์ ชั้น 15 ซอยวิภาวดีรังสิต 5 ถนนวิภาวดีรังสิต แขวงจอบุลา เขตจตุจักร กรุงเทพฯ 10900  
1 Eastwater Building, 15/F Vipavadeerangsit Soi 5, Vipavadeerangsit Rd., Jomphol, Jatujak, Bangkok 10900  
Tel : 02 272 3322 Fax : 02 272 0758-9 [www.wp-energy.co.th](http://www.wp-energy.co.th)