



# Annual Report 2016

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รายงานประจำปี 2559







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## Mission

- Commit to good corporate governance aligned with international standards and achieve sustainable business success.
- Expand LPG business to neighboring countries.
- Build company capacity and improve quality of employees.
- Work with business alliance toward sustainable growth.
- Find new business opportunities and improve services.

# Vision

Regional World Class Energy Business  
with Innovative Service



# Message from Chairman of the Board of Directors

Dear Shareholders,

WP Energy Public Company Limited is committed to achieving business growth while caring for the society and environment. It has adhered to the principles of sustainable development and continued to improve employee knowledge in order to build a strong company and prepare to compete in larger markets. It has followed a business expansion plan to meet its long-term and short-term business goals.

The Company has adopted good corporate governance practices, operating under a strict code of conduct with transparency, fairness, and accountability. It has strived to be responsible for the society, community, and environment which form the basis for the Company's sustainable development.

The Company's successes in 2016 are only possible because of every employee and executive and more importantly the support from all concerned parties.

On behalf of the Board of Directors, executives, and employees, I thank every stakeholder for their continuing supports and trusts. I promise that the Company will strive to develop under the principles of corporate governance toward sustainable growth.



Mr. Chulchit Bunyaketu  
Chairman of the Board of Director  
WP Energy Public Company Limited





# Message from Chief Executive Officer

Dear Shareholders,

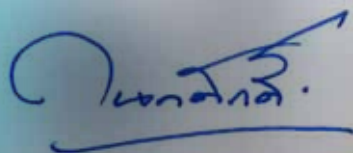
In 2016, the overall LPG market had continued to fall, with an average decrease of 5.48% (petrochemicals excluded). This was because of the decrease in consumption of LPG in transportation sectors due to continuing drop in oil prices (a 15.29% decrease from the previous year). However, there was a demand for LPG in industrial and domestic sectors, with increases of 1% and 0.77% respectively. Due to its business that covered five customer groups including gas stations, gas filling plants, gas shop, commercial customers, and industrial factories, and its efficient management and cautious operation, the Company was able to go through these situations. The performance of WP Energy Public Company Limited in 2016 was satisfiable and the Company had maintained its second rank in LPG business.

In 2017, it is expected that LPG prices in the world market will gradually recover due to the agreement reached by OPEC and non-OPEC member countries to cut oil production, which will enable the oil market to become more stable. This will also affect the LPG market, which is expected to grow in the same direction with the

country's domestic economy. Therefore, the Company's total LPG sale in 2017 is likely to be higher than that in 2016. Furthermore, the Company had studied LPG exportation to neighboring countries which is expected to enable the Company to continue to create profits and achieve its preset goals.

The Company will maintain its commitment to the principles of sustainable development and improvement of employee knowledge. This will attempt to improve operational management, develop system to support future business expansion, and improve service quality to achieve the highest level of customer satisfaction.

The Company thanks every shareholder, investor, business partner, employee, and concerned party for their continuing supports. It is assured that the Company will continue to operate with caution, consider the highest benefits of all stakeholders, and adhere to the principles of corporate governance in order to satisfy all concerned parties.



(นายกนกศักดิ์ ปิ่นแสง)

ประธานกรรมการบริหาร

บริษัท ดับบลิวพี เอ็นเนอร์ยี่ จำกัด (มหาชน)



# Significant Changes and Development in 2016

## Changes to Company's Share Structure in 2016

### 26<sup>th</sup> February 2016

WP Solutions Co. Ltd. was established on 26th February 2016 to invest in other businesses and 99.99% of its stock is held by the Company (Holding company).



### 26<sup>th</sup> February 2016

WP Solar Co. Ltd. was established on 26th February 2016 and 99.99% of its stock is held by WP Solutions Co. Ltd. (Holding company). It will serve to support business expansion, solar power manufacture and distribution project, and other future related businesses.



### 9<sup>th</sup> June 2016

The Company previously owned 19.92% of ENESAL Co. Ltd.'s stock, but this has been changed. This is due to the capital increase issued by ENESAL Co. Ltd. On 6th November 2015, however, the Company filed a complaint to the court to revoke the special resolution on this capital increase and other resolutions made at ENESAL Co. Ltd.'s General Meeting because ENESAL did not send the Company the Invitation to the Extraordinary General Meeting of Shareholders No. 1/2015 held on 20th October 2015, which caused the Company to be unable to attend the meeting and exercise its rights. Furthermore, the invitation and meeting minutes were incomplete since it did not contain the special resolution on capital increase. After negotiation, the Company decided to sell its 482,085 shares for 100.77 Baht per share (based on book value per share as of 31st March 2016 that had been audited by a certified public accountant) to Capital Engineering Network Public Company, a major shareholder of ENESAL Co. Ltd. on 9th June 2016.

### Significant Development in 2016

#### ■ Gas Warehouse Construction

In 2016, the Company completed the construction of two LPG warehouses including Bang Pakong Phase 2 warehouse in Amphoe Bang Pakong, Chachoengsao Province and Ban Haet warehouse in Amphoe Ban Haet, Khon Kaen Province. LPG warehouse licenses for the two warehouses were obtained from the Department of Energy Business on 28th December 2015 and 8th January 2016 respectively. With these two newly constructed warehouses, the Company currently owns five LPG warehouses, including:

No.	LPG Warehouse	Capacity (Ton)	Maximum Gas Supply Rate (Ton/Day )	No. of Diffusers (Unit)
1	Bang Pakong Warehouses, Amphoe Bang Pakong, Chachoengsao Province	2,780	3,600	10
	Phase 1	2,000	3,072	8
	Phase 2			
2	Ban Haet Warehouse, Amphoe Ban Haet, Khon Kaen Province	2,057	2,880	6
3	Bang Cha Kreng Warehouse, Amphoe Mueang Samut Songkhram, Samut Songkhram Province	1,870	1,800	6
4	Hang Chat Warehouse, Amphoe Hang Chat, Lampang Province	222	1,080	3
5	Tha Phra Warehouse, Amphoe Mueang Khon Kaen, Khon Kaen Province	60	360	1
	Total	8,989	12,792	34

# Board of Directors



- |                                  |   |
|----------------------------------|---|
| 1. Mr. Chulchit Bunyaketu        | Chairman of the Board of Director/ Independent Director               |
| 2. Mr. Kanoksakdi Bhinsaeng      | Director / Chair of the Executive Board                               |
| 3. Mr. Chatchaval Jiaravanon     | Director / Executive Director   |
| 4. Ms. Chomkamol Poompanmoung    | Director / Executive Director / Deputy Chief Executive Officer        |
| 5. Mr. Sa-nga Ratanachartchuchai | Director / Executive Director / Nomination and Remuneration Committee |
| 6. Mr. Bowon Vongsinudom         | Director / Independent Director                                       |





- |                                   |   |
|-----------------------------------|---|
| 7. Mrs. Niskorn Tadthiemrom       | Chairman of the Audit Committee / Independent Director  |
| 8. Mr. Aiyawatt Srivaddhanaprabha | Director  |
| 9. Mrs. Soithip Trisuddhi         | Audit Committee / Independent Director /<br>Chairman of the Nomination and Remuneration Committee |
| 10. Mrs. Lakananan Luksamitananan | Audit Committee / Independent Director  |
| 11. Mr. Somchai Kuvijitsuwan      | Independent Director  |







## General and Other Important Information

# General and Other Important Information

<b>Company Name</b>	<b>WP Energy Public Company Limited</b>
<b>Symbol</b>	WP
<b>Website</b>	www.wp-energy.co.th
<b>Company Registration Number</b>	0107557000403
<b>Authorized Capital</b>	2,760,565,700 Baht
<b>Date of Establishment</b>	24 November 2014
<b>Business Type</b>	LPG Trading and Transportation
<b>Number of Employees</b>	430
<b>Headquarter Address</b>	1 Eastwater Building, 15/F Vibhavadi Rangsit Soi 5, Vibhavadi Rangsit Road, Chom Pon Sub-district, Chatuchak District, Bangkok
<b>Branch Address</b>	
<b>Branch 1</b>	115 Moo 16, Tambon Bang Pakong, Amphoe Bang Pakong, Chachoengsao
<b>Branch 2</b>	458/12 Moo 4, Tambon Naklua, Amphoe Banglamung, Chonburi
<b>Branch 3</b>	55 Moo 3, Phahonyothin Road, Tambon Klongnueng, Amphoe Klongluang, Pathum Thani
<b>Branch 4</b>	3/2 Moo 2, Soi Lang Wat Charunrat, Liang Mueang Road (Bypass), Tambon Huaykapi, Amphoe Mueang Chonburi, Chonburi
<b>Branch 5</b>	11 Soi Bangna - Trad 26, Bangna, Bangkok
<b>Branch 6</b>	85 Moo 4, Tambon Lat Lum Kaeo, Amphoe Lat Lum Kaeo, Pathum Thani
<b>Branch 7</b>	500 Bang Khae Road, Bang Khae, Bangkok
<b>Branch 8</b>	10/2 Moo 1, Tambon Bang Kaeo, Amphoe Ban Phli, Samut Prakan
<b>Branch 9</b>	60/2 Moo 1, Tambon Bangpai, Amphoe Mueang Nonthaburi, Nonthaburi
<b>Branch 10</b>	226 Moo 17, Tambon Tha Phra, Amphoe Mueang Khon Kaen, Khon Kaen
<b>Branch 11</b>	640 Soi Suk Sawat 26, Suk Sawat Road, Bangpakok, Ratburana, Bangkok
<b>Branch 12</b>	286 Moo 1, Tambon Bang Cha Kreng, Amphoe Mueang Samut Songkhram, Samut Songkhram
<b>Branch 13</b>	73/1 Moo 10, Tambon Wiang Tan, Amphoe Hang Chat, Lampang
<b>Branch 14</b>	111 Moo 1, Tambon Wang Manaot, Amphoe Paktho, Ratchaburi
<b>Branch 15</b>	101 Moo 10, Tambon Ban Haet, Amphoe Ban Haet, Khon Kaen
<b>Branch 16</b>	115/1 Moo 16, Tambon Bang Pakong, Amphoe Bang Pakong, Chachoengsao
<b>Reference Person</b>	
<b>Securities Registrar</b>	Thailand Securities Depository Co. Ltd.
<b>Auditor</b>	Pricewaterhouse Coopers ABAS Co. Ltd. 1. Mr. Kajornkiet Aroonpirodkul, CPA Registration No. 3445 2. Mr. Pisit Thangtanagul, CPA Registration No. 4095 3. Mrs. Nattaporn Phan-Udom, CPA Registration No. 3430
<b>Legal Consultant</b>	Norton Rose Fulbright (Thailand) Co. Ltd.
<b>Financial Consultant</b>	Finansa Securities Co. Ltd.

# Nature of Business

## **Business Operation of Each Product Line**

### **Overview of liquefied petroleum gas business in Thailand**

The Company engages in the trading of LPG under the “World Gas” trademark, which has been licensed to be an oil trader under Section 7 of the Fuel Trade Act B.E. 2543 (2000), with a market share of, according to sales volume in 2016, 21.99% of the entire country (2016: 21.91%).

### **Product Characteristics**

The Company’s products are Liquefied Petroleum Gas (LPG). There are two types of distribution channels, wholesale and retail:

#### **1.1. Wholesale**

Wholesale is a distribution of gas products to LPG service stations, industrial plants, LPG filling stations, LPG stores, and commercial customers. The company has divided the size of gas distribution into 2 sizes:

- 1) Distribution in bulk means the filling of LPG into a large tank located on a gas truck (specific truck for gas only) by filling in large quantities. Then, LPG will be transferred into a bulk container located in the customer’s area, such as a LPG gas station, LPG filling station, or a large industrial plant that requires the use of LPG in large quantities.
- 2) Distribution in cylinder refers to the filling of LPG into small containers. The Company now has 4 sizes of small gas cylinders including 4, 13.5, 15, and 48 kg, which can meet the needs of each client group appropriately. The Company’s delivery of the distribution of gases in these small cylinders is divided into two types:

2.1 Gas filling plants, operated by the company itself, means that the company will bring LPG into the gas tank inside the gas filling plants which the company is self-operating; there are currently 10 locations delivering to customers by area and order.

2.2 Gas filling plants that are not self-operated means they are distributed by the company’s partners. The filling plants must be a person who receives LPG from the Company, and is the holder of a trading license.

Table showing the number of the company's gas cylinders by size as of December 31, 2016.

The details are as follows :

Cylinder Size	4 kg	13.5 kg	15 kg	48 kg	Total
<b>Number</b> (cylinders)	1,782,028	623,640	3,219,147	353,351	5,978,166
<b>Ratio (%)</b>	30%	10%	54%	6%	100%

### **LPG filling process for distribution of the Company**

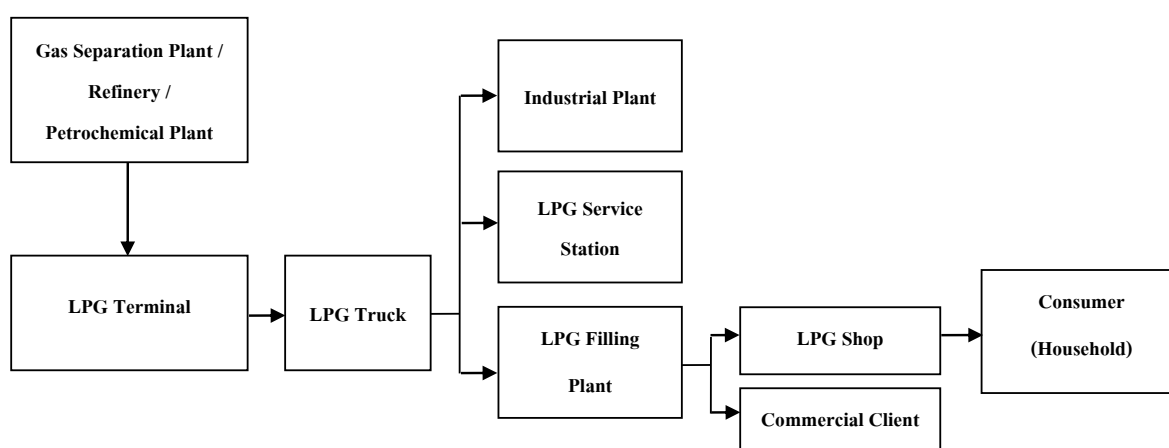
The Company receives LPG from the manufacturer through two modes of transportation by boat and by car. For example, for shipping by boat, the company will bring the gas obtained from the manufacturer to load into the gas tanker and navigate to the harbor where the Company's LPG terminals are located. The gas is then transported through the pipeline to the company's gas storage facility to prepare for distribution. For transportation by car, the Company will take gas trucks to retrieve the gas from the manufacturer, and send it to the customer without having to bring it back to the gas storage facility like the boat.

In addition, the Company owns 10 LPG filling plants and there approximately 130 LPG filling plants of trade partners under the World Gas brand nationwide, mostly located in the Western, Eastern, and Central regions. To operate the LPG filling plant, the gas filling plant will be required to obtain a trading license (a letter allowing to be an agent to distribute LPG) from the trader under Section 7 before being able to fill LPG under the trademark of the issuer in accordance with the law. If the plant owner would like to fill LPG for other brands, the filling plant must obtain the consent of the former Section 7 trader before being able to fill for a new brand. In addition, the filling plant business must have a building permit from the Department of Energy Business and the plant must be located in an industrial area licensed by the government.

Most of the Company's liquefied petroleum gas transportation is carried out by Eagle Transport Co. Ltd., a subsidiary of the company and a LPG carrier under Section 12 of the Fuel Trade Act B.E. 2543 (2000). The group has the following LPG transport vehicles:

Vehicle Type	Number (Vehicles)	Payload (Ton)
<b>Tractor Unit</b>	45	15
<b>10-Wheel Truck</b>	66	8

A summary of the process of LPG filling and distribution in the country of the Company is as follows:



## 1.2. Retail

In 2016, the Company and its subsidiaries (WP GAS) sold liquefied petroleum gas directly to the consumers in the form of vehicle fuel through two liquefied petroleum gas stations, namely, Wang Ma Now Station in Wang Ma Now, Pak Tho, Ratchaburi, and Bang Kaeo Station in Bang Kaeo, Mueang Samut Songkhram, Samut Songkhram, by selling in liter through LPG dispenser.

## 2. LPG Terminals

Currently, the company has 5 LPG terminals:

No.	LPG Terminal	Capacity (Ton)	Maximum Dispensing Rate (Ton per Day)	Number of Dispenser (Unit)
1.	Bang Pakong LPG Terminal Bang Pakong, Chachoengsao Phase 1 Phase 2	2,957 2,161	3,600 2,880	10 8
2.	Ban Haet LPG Terminal Ban Haet, Khon Kaen	2,266	2,160	6
3.	Bang Chakreng LPG Terminal Mueang Samut Songkhram, Samut Songkhram	2,068	2,419	6
4.	Hang Chat LPG Terminal Hang Chat, Lampang	222	768	3
5.	Tha Phra LPG Terminal Mueang Khon Kaen, Khon Kaen	60	360	1
	Total	9,734	12,187	34

### **3. Marketing and Competition Condition**

#### **3.1 Marketing and Service Strategy**

At present, every LPG trader in Thailand uses domestic raw materials of the same quality and gas cylinders manufactured from only a few factories in Thailand. Therefore, it can be concluded that the products of all Section 7 traders are virtually indistinguishable. However, this industry is not focused on price competition. Instead, it focuses on competing in marketing and service strategies.

The Company's overall marketing policies include focusing on distributing products to small to medium-sized LPG service stations, which are the largest and most accessible customer segments, along with the expansion of the market for commercial clients and high-volume LPG plants with the aim of creating a stable customer base that will result in sustainable long-term sales growth. Detailed marketing strategies and services for each type of customer are as follows:

- **LPG Service Station**

With the demand for LPG of customers in this sector still very high, and because the company has the number one market share in selling at LPG service stations, the Company highly emphasizes on this group of customers by selling LPG at appropriate prices for the customer to be profitable and to run a business so that the Company will be able to motivate its customers to trust the company as their first choice. The Company is focused on service that prioritizes on-time delivery, accuracy of each delivery volume, and polite services from all staff in the organization.

With the advantage of the Company's LPG terminal locations in the Western, Eastern, and Northeastern regions, in addition to the location in the Western region being the only LPG terminal in the area, the company is able to take care of surrounding customers more quickly and conveniently than their competitors. In order to maintain a sustainable customer relationship, the Company has also provided assistance and facilitation such as decorating the service stations and affixing the trademark signs of the Company to create the image of the Company. In addition, the Company finds opportunities to get to know new customers to increase the market share of the Company in the future.

- Commercial Customers

Since the Company is currently selling products to several major commercial clients alongside other large, commercial clients with previously established relationships, the company sees opportunities and has a policy to expand its base to such group(s) of clients, particularly those who have a network of shopping centers, restaurants, hotels, and/or hospitals with good relations to the Company, but have not used the company's products. The Company has a policy to encourage these commercial customers to trust and switch to services provided by the company by providing high standard of services.

- Gas Filling Plant

Because LPG cylinders under the World Gas brand are well known and popular among consumers, the company also has various sizes of LPG cylinders to meet the needs of the user as there are people interested in investing in to filling LPG under the World Gas trademark long term. This has resulted in a widespread distribution of the Company's products to consumers. The Company provides technical assistance, consideration of business feasibility in the construction of a LPG filling plant, legal security inspection, as well as helping to find LPG stores, training LPG staff regularly to provide LPG filling employees and entrepreneurs with knowledge and understanding of LPG usage methods correctly and safely.

- Gas Shop

In addition to focusing on the standard of each LPG cylinder that must be certified in accordance with the standards set by the Department of Energy Business, and the standard of LPG cylinder maintenance that the Company is trying to develop and improve the quality to maximize consumer satisfaction, another important consideration for the Company is to build a good relationship with the gas shops under the World Gas trademark. The Company provides assistance in providing information related to news and legislation, as well as providing consultation in obtaining a gas accumulation license from a local agency where the store is located.

- Industrial Plant

For industrial plant customers, the Company will invest in equipment and installation of LPG dispensing system for large volume customers by entering into long-term LPG contract with the Company. There is a standard in supplying products and services that can meet customer needs and provide on-time delivery. The Company will focus on customer safety and effective after-sales service, as well as focusing on creating a good corporate image.

### 3.2 Characteristics of Customer Groups and Distribution Channels

LPG business of the Company is selling to the Company's customers under the World Gas trademark; the customers can be divided into the following major groups:

- 1) Gas service stations: service stations that sell LPG and LPG vehicles.
- 2) Commercial customers: shopping malls, restaurants, hotels, and hospitals that use LPG as a fuel for cooking.
- 3) Gas filling plant: small industrial operators who are responsible for filling LPG cylinders with the World Gas trademark to distribute them to gas shops. The gas shops will then sell to households or commercial customers; the Company owns the trademark.
- 4) Gas shops: operators who receive cylinders with World Gas trademark containing LPG from gas filling plants and sell to household or commercial group; the Company owns the trademark.
- 5) LPG-based industrial plants: such as ceramic sanitary ware and industries that require heat energy to produce products at a consistent temperature.

#### **Proportion of sales volume of the Company as at 31 December 31, 2016**

<b>Client Group</b>	<b>Ratio (%)</b>
1. <b>Gas service stations</b>	<b>45.49</b>
2. <b>Commercial customers</b>	<b>3.99</b>
3. <b>Gas filling plants</b>	<b>35.62</b>
4. <b>Gas shops</b>	<b>4.12</b>
5. <b>Industrial plants</b>	<b>8.61</b>
6. <b>Supply sales and others</b>	<b>2.17</b>
<b>Total</b>	<b>100.00</b>

Commercial customers, gas filling plants, gas shops, and LPG-based industrial plants using large volumes of LPG usually pre-order LPG on a monthly basis while service stations and industrial plants using LPG in small quantities often pre-order LPG on a weekly basis. The Company will ship LPG to its customers using a shipping company, both its subsidiary (EAGLE) and external carriers.



**Proportion of sales revenue of the Company classified by client group as of December 31, 2016**

Client Group	Revenue (Million Baht)	Ratio (%)
Gas service stations	7,472.61	45.46
Commercial customers	735.64	4.48
Gas filling plants	5,769.56	35.10
Gas shops	690.85	4.20
Industrial plants	1,431.44	8.71
Supply sales and others	336.30	2.05
Total	16,436.40	100.00

### **3.3 Industrial Condition**

In the liquefied petroleum gas industry, there are three levels of business activity:

- 1) Upstream Industry: The operators are responsible for exploring and drilling for oil and natural gas from natural sources to store and deliver to intermediate operators as raw materials in the refining process, separating products to suit the application or deliver to the domestic operators of power plants and industries, most of which are transported by pipeline.
- 2) Intermediate Industry: Intermediate operators are responsible for separating gases into different types, as well as refining the quality of gas to suit the needs of customers. Gases derived from this process come from several production sources in energy industry such as oil refineries, gas separation plants, and petrochemical plants; most of the gases are LPG used in industries and households.
- 3) Downstream Industry (Distribution): The operators are responsible for bringing gas from intermediate producers or importing gas from abroad to be stored in cylinders and distributed to different types of customers.

### **Liquefied Petroleum Gas Trading Industry in Thailand**

Liquefied Petroleum Gas (LPG) refers to liquid hydrocarbon liquids such as propane, isobutane, normal butane, butylene, or the many combinations of each. It is a petroleum product

derived from a gas separating process and crude oil refining process. The gas is compressed into a liquid state under high pressure and converted to vapor when the pressure drops. Most liquid petroleum gas is used as cooking fuel, fuel in vehicles, and fuels for manufacturing processes in industrial plants. Generally, this liquefied petroleum gas is called cooking gas, while in the industry, it is also known as “LP GAS” or “LPG”.

In the past, Thailand has produced enough LPG to meet the demand for LPG in the country along with exporting it to foreign countries. In 2006, Thailand produced 4,186 million kg of LPG, 3,671 million kg of which was domestic consumption, and 278 million kg was for export; there was no need to import LPG at the time.

Between 2011 - 2014, world crude oil prices rose sharply. As a result, the demand for LPG as a fuel for vehicles and as a raw material in the petrochemical industry also increased. Domestic sales were at 6,890, 7,386, 7,525 and 7,515 million kg, respectively, while imports increased at the same level of 1,524, 1,730, 1,972 and 2,099 million kg, respectively.

For 2015, world crude oil prices dropped dramatically. This resulted in a decrease in the domestic sales volume to 6,695 million kg from 820 million kg or 11% while production was at 5,513 million kg, similar to the production in 2014. Therefore, the volume of imported gas decreased to 1,370 million kg, which decreased by 729 million kg or 35% and the export volume rose to 36 million kg, which increased 26 million kg or 260%.

For 2016, world crude oil prices remained low. This resulted in a decrease in domestic sales to 6,416 million kg or a decrease of 279 million kg or approximately 4%. The production volume increased to 5,669 million kg or an increase of 156 million kg or approximately 3%, so the country could reduce imports to 457 million kg or a decrease of 913 million kg or approximately 67%, while the export volume rose to 81 million kg, an increase of 45 million kg or approximately 125%.

#### **Supply and distribution of liquefied petroleum gas**

(Unit: Million kg)

Year	2011	2012	2013	2014	2015	2016
Production	5,422	5,686	5,447	5,506	5,513	5,669
Import	1,524	1,730	1,972	2,099	1,370	457
Domestic sales	6,890	7,386	7,525	7,515	6,695	6,416
Export	16	10	6	10	36	81

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))

Liquefied petroleum gas produced domestically comes from two main production lines which are natural gas separation plants and crude oil refineries. In 2016, the ratios were approximately 65% and 35% respectively. The details of liquefied petroleum gas production sources are listed in the table below:

**Quantity of domestic liquefied petroleum gas production in the country classified by production source:**

(Unit: Million kg)

	2013		2014		2015		2016	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Natural gas separation plants	3,524	64.70	3,651	66.31	3,593	65.17	3,686	65.02
Crude oil refineries	1,923	35.30	1,855	33.69	1,920	34.83	1,983	34.98
Other petrochemical plants	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,447</b>	<b>100.00</b>	<b>5,506</b>	<b>100.00</b>	<b>5,513</b>	<b>100.00</b>	<b>5,669</b>	<b>100.00</b>

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

**Utilization of Liquefied Petroleum Gas**

In 2016, demand was at 6,416 million kg. The main demand was from the petrochemical and household sectors at about 35% and 33%, respectively. Meanwhile, the demand for fuel in vehicles and in the industrial sector was the lowest, accounting for approximately 23% and 10%, respectively.

The demand in the country that year decreased at about 4%. The main factor was that the demand for fuel in vehicles decreased by 265 million kg, or about 15%.

**Domestic demand for liquefied petroleum gas classified by sector**

(Unit: Million kg)

	2014		2015		2016	
	Quantity	%	Quantity	%	Quantity	%
<b>Household</b>	2,188	29.12	2,094	31.27	2,110	32.89
<b>Industry</b>	577	7.68	594	8.87	610	9.51
<b>Service Station</b>	1,974	26.27	1,731	25.85	1,466	22.85
<b>Petrochemical Raw Materials</b>	2,776	36.94	2,277	34.01	2,230	34.76
<b>Total</b>	<b>7,515</b>	<b>100.00</b>	<b>6,696</b>	<b>100.00</b>	<b>6,416</b>	<b>100.00</b>
<b>Change compared to the same period of the previous year (%)</b>	<b>-0.15%</b>		<b>-10.90%</b>		<b>-4.18%</b>	

Source: Department of Energy Business, Ministry of Energy ([http://www.doeb.go.th/v5/info\\_supply\\_provincefuel](http://www.doeb.go.th/v5/info_supply_provincefuel))

## **Liquefied petroleum gas price structure in Thailand**

In the past, the LPG price structure of Thailand was completely controlled by the government. It controlled both retail and wholesale prices including compensation for transportation costs between 5 terminals of PTT Public Company Limited (PTT) in Lampang, Nakhon Sawan, Khon Kaen, Surat Thani, and Hat Yai. Compensation of transportation cost from oil refineries or gas separation plants to all 5 terminals of PTT was varied by route, distance, and method of transportation. The compensation rates were changed according to the announcement of the Energy Policy Committee, Energy Policy and Planning Office, Ministry of Energy. Later, the government had a policy to abolish gas price control and floated the gas price completely by:

- November 1, 2001 - Abolished retail price control, but still controlled whole sale prices. The government allowed the Department of Internal Trade to regulate retail prices of only household gas because it was a controlled commodity and essential for the livelihood of the people. However, for gas that was used as fuel in vehicles and in industrial applications, retail prices were not controlled at all.
- February 4, 2016 - The Energy Policy and Planning Office (EPPO) canceled compensation for the transportation costs of gas from oil refineries or gas separation plants to 5 PTT terminals in Lampang, Khon Kaen, Nakhon Sawan, Surat Thani, and Songkhla, thus, causing the retail prices of gas at 5 PTT terminals to vary, which would vary according to the route, distance, and transportation method.

### **Liquefied petroleum gas price structure is divided into 3 parts:**

#### **1) The price of gas produced in the Kingdom or the price of gas imported into the Kingdom**

- January 7, 2015 - EPPO approved the Energy Policy Executive Board's Resolution No. 5/2558 that set the costs from production and supply sources as follows:
  1. Set the price of LPG produced from the gas separation plant at the price of 498 USD per ton.
  2. Set the price of LPG gas produced from oil refineries and aromatic plants at the global market price (CP) minuses 20 USD per ton.

3. Set the price of LPG from imports at the global market price (CP) plus 85 USD per ton, where CP = the price announced by Petromin in Ras Tanura, Saudi Arabia in that month, with the ratio of propane and butane at 60 to 40.

Nevertheless, the costs from production sources and supply sources change every month and are reviewed every 3 months.

The calculation criteria of ex-refinery price, which is the initial purchase price of LPG, are determined using the costs from production sources and supply sources (gas separation plants, oil refineries, and aromatic plant and import) by weighing the average of average production and supply over the past three months, as reported by the Department of Energy Business, in which the foreign exchange rate is used.

Nevertheless, the amount of LPG produced from refineries and aromatic plants does not include those used as fuel and for imports, it only covers LPG imported for domestic use.

Calculation criteria of ex-refinery price, which is the weighted average of initial LPG purchase price (LPG Pool)

$$\text{LPG (Pool)} = \frac{(\text{LPG}_{\text{GSP}} \times \text{Q}_{\text{GSP}}) + (\text{LPG}_{\text{Ref}} \times \text{Q}_{\text{Ref}}) + (\text{LPG}_{\text{Im}} \times \text{Q}_{\text{Im}})}{\text{Q}_{\text{Total}}}$$

**LPG (Pool)** is weighed by averaging the price of LPG (USD per ton and Baht per kg) announced monthly.

**LPG<sub>GSP</sub>** is the price of LPG produced from a natural gas separation plant (USD per ton and Baht per kg).

**LPG<sub>Ref</sub>** is the price of LPG produced from oil refinery and aromatic plant (USD per ton and Baht per kg).

**LPG<sub>Im</sub>** is the price of imported LPG (USD per ton and Baht per kg).

**Q<sub>GSP</sub>** is the 3-month average of the quantity of LPG produced from natural gas separation plant (thousand ton per month) reported by the Department of Energy Business.

**Q<sub>Ref</sub>** is the 3-month average of the quantity of LPG produced from oil refinery and aromatic plant (thousand ton per month) reported by the Department of Energy Business.

$Q_{Im}$  is the 3-month average of the quantity of LPG imported for domestic use (thousand ton per month) reported by the Department of Energy Business.

$Q_{Total}$  is the total supply quantity equaling to  $Q_{GSP} + Q_{Ref} + Q_{Im}$  (thousand ton per month).

The foreign exchange rate used is the average foreign exchange rate that commercial banks sell to general bank customers announced by the Bank of Thailand averaged from the previous month (Baht to USD).

The Oil Fund is the ex-refinery price management mechanism, which is the initial purchase price of LPG, to have at the same price by compensating the LPG manufacturer or supplier with a higher cost than the ex-refinery price, which is the initial purchase price of LPG.

On the other hand, the LPG manufacturer or supplier with a lower cost than the ex-refinery price, which is the initial purchase price of LPG, will send money to the Oil Fund according to the production and supply quantity. The Energy Fund Administration Institute is responsible for the operation.

## 2) Ex-refinery wholesale price of LPG

In determining the ex-refinery wholesale price of LPG, the formula is calculated based on the price of gas produced in the Kingdom or LPG import prices for use in the Kingdom in accordance with 1) and plus tax and related expenses as follows:

$$\text{Ex-refinery wholesale price of LPG} = (\text{Price of LPG produced in the Kingdom or LPG imported for use in the Kingdom}) + \text{Excise tax} + \text{Municipality tax} + \text{Oil Fund} + \text{VAT}$$

Previously, EPPO controlled the ex-refinery wholesale prices before the value-added tax at the rate of 12.4569 Baht per kg using the Oil Fund as a mechanism to control the price. If the price of LPG produced in the Kingdom or the price of LPG imported for use in the Kingdom under 1) increased, the government would use the Oil Fund to compensate for the ex-refinery wholesale price of LPG at the price set by the government.

Subsequently, on December 1, 2007, the government ordered the Oil Fund to cancel the compensation of the ex-refinery wholesale LPG price and collected money for the Oil Fund sufficient to compensate LPG transportation costs to 5 LPG terminals of PTT causing the LPG wholesale price to increase from 12.4569 Baht per kg, to 13.6863 Baht per kg.

Then on February 2, 2015, the Energy Policy Committee restructured the LPG price with the calculation of the price of LPG produced in the Kingdom or LPG imported for use in the Kingdom to be in accordance with the ex-refinery price calculation formula (LPG Pool) under 1) and calculated the criteria to send money to the Oil Fund as:

Rate of money remitted to Oil Fund = Weighted average LPG price – Cost from production or supply source

Due to the above change in the LPG price structure from February 2, 2015, LPG wholesale price increased from 13.6863 Baht per kg to 19.3228 Baht per kg and the Oil Fund was abolished. Section 7 traders must remit the public sector 5.640 Baht per kg; this is included in the ex-refinery wholesale price of LPG. The price restructuring had the following effects:

1. Set the initial purchase price of all LPG to the same level to create equality for all sectors.
2. The price reflects more supplying costs. When LPG producers increase their production, LPG imports decreased and the price of LPG in all sectors will decrease accordingly. Domestic LPG prices are not different from neighboring countries.

EPPO will announce the monthly price change of the Energy Policy Executive Board within the first 5 business days of the month in which the latest announcement was on February 4, 2016. The ex-refinery wholesale price of LPG was 15.7060 Baht per kg excluding VAT.

**Comparison of ex-refinery wholesale price of LPG before and after cancellation of subsidy by the Oil Fund**

	Ex-refinery Wholesale Price of LPG (Baht/kg)		
	<u>Before Cancellation</u> of Subsidy by Oil Fund (November 29, 2007)	<u>After Cancellation of</u> Subsidy by Oil Fund (December 25, 2009)	Ex-refinery Wholesale Price of LPG (December 31, 2016)
1) Ex-refinery price or gas separation plant price or import price	10.8964	11.1212	13.6077
Excise tax (1)	2.1700	2.1700	2.1700
Municipality tax (2)	0.2170	0.2170	0.2170
Oil Fund (3)	(0.8265)	0.1781	(0.2887)
Ex-refinery wholesale price excluding VAT	12.4569	13.6863	15.7060
VAT (4)	0.8720	0.9580	1.0994
2) Ex-refinery wholesale price including VAT	13.3289	14.6443	16.8054

Source: Energy Policy and Planning Office, Ministry of Energy

Notes:

1. Excise tax is fixed at 2.1700 Baht/kg.
2. Municipality tax is 10.00% of excise tax.
3. Oil Funds compensation is in line with the Energy Policy Committee's announcement on pricing, Oil Fund contribution rates and compensation rates for LPG gas produced in the Kingdom, Oil Fund contributions and compensation rates for LPG delivered to the LPG terminals and the remittance rate into the Oil Fund for LPG exported outside the Kingdom.
4. The value-added tax of ex-refinery wholesale price of LPG is 7.00% of ex-refinery wholesale price of LPG.
5. On February 4, 2016, the ex-refinery wholesale price before tax decreased to 15.7060 Baht/kg.



On February 3, 2016, the Energy Policy Executive Board Announcement No. 6 B.E. 2556 was announced on Oil Fund contributions and compensation rates for gas produced in the Kingdom or imported for use in the Kingdom, Oil Fund contributions and compensation rates for gas delivered to terminals. This has set the gas price at the provincial terminals excluding VAT not equal by canceling the transportation cost compensation rate for gas delivered to the provincial PTT terminals. This has caused the wholesale price of LPG in each province of PTT terminals to include transportation costs into the LPG price, resulting in a different wholesale price of LPG at the provincial PTT terminals, effective from February 4, 2016, with the following prices of LPG (excluding VAT):

- |                                  |                 |
|----------------------------------|-----------------|
| • Ex-refinery wholesale price    | 15.7060 Baht/kg |
| • Price at Chonburi terminal     | 15.7060 Baht/kg |
| • Price at Nakhon Sawan terminal | 16.7160 Baht/kg |
| • Price at Lampang terminal      | 17.7160 Baht/kg |
| • Price at Khon Kaen terminal    | 17.1090 Baht/kg |
| • Price at Surat Thani terminal  | 16.0417 Baht/kg |
| • Price at Songkhla terminal     | 16.0621 Baht/kg |

### 3) Retail price of LPG

In determining the retail price of LPG, the calculation formula is set in accordance with the wholesale price of LPG.

$\text{Retail price of LPG} = \text{Ex-refinery wholesale price (including VAT)} + \text{Market price} + \text{VAT of market price}$
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### **Sample calculation of LPG pricing structure as of December 31, 2016**

		LPG Price	
		Baht/kg	%
1)	Ex-refinery price or gas separation plant price or import price	13.6077	67.07
	Excise tax (1)	2.1700	10.69
	Municipality tax (2)	0.2170	1.07
	Oil Fund (3)	(0.2887)	(1.42)
	Ex-refinery wholesale price excluding VAT	15.7060	
	VAT (4)	1.0994	5.42
2)	Ex-refinery wholesale price including VAT	16.8054	
	Market price (5)	3.2566	16.05
	VAT	0.2280	1.12
3)	LPG retail price	20.29	100.00

Source: Energy Policy and Planning Office, Ministry of Energy

Notes:

1. Excise tax is fixed at 2.1700 Baht/kg.
2. Municipality tax is 10.00% of excise tax.
3. Oil Funds compensation is in line with the Energy Policy Committee's announcement on pricing. Oil Fund contribution rates and compensation rates for LPG gas produced in the Kingdom, Oil Fund contributions and compensation rates for LPG delivered to the LPG terminals and the remittance rate into the Oil Fund for LPG exported outside the Kingdom.
4. The value-added tax of ex-refinery wholesale price of LPG is 7.00% of ex-refinery wholesale price of LPG.
5. Market price is fixed at 3.2566 Baht/kg.
6. VAT is 7% of market price.

In addition, the government has determined that LPG used as cooking fuel is a product that is essential to the lives of people in general. Therefore, LPG is designated as a control product. As a result, each adjustment of the price of LPG will be subject to the approval of the Department of Internal Trade, Ministry of Commerce, while for LPG used as fuel in vehicles and industrial applications, the government has no control over retail prices.

On December 2, 2016, the Energy Policy Committee held a meeting to consider the conclusion of the process to liberalize the LPG business and had the following resolutions:

1. Approved the liberalization of the whole LPG business system. The procedure is as follows:

Phase 1: The transition period before the liberalization of the whole system

Liberalize importation only, but it still controls the prices of refineries and gas separation plants by canceling the compensation of the difference between the import prices, as well as the abolition of import quota system of the country, and be able to export liquefied petroleum gas under the control of the Department of Energy Business.

Phase 2: Liberalization of the whole system

Abolish the control of prices and volumes of all production and supply sources. Liberalize import and export completely as well as abolish the announcement of ex-refinery liquefied petroleum gas prices and wholesale prices at the terminals by starting when the market is ready for competition in both production and supply without secret price settlement under the consideration of the Department of Energy Business.

2. Approve the liberalization of import only at the transitional period before liberalization of the whole system, which will start the process from January 2017 onwards.

#### **4) Competition in the LPG trading industry**

LPG trading is a highly competitive business because there are many operators who can find a way to increase their market share continuously as shown in the table of the sales volume and market share of LPG traders. This is because, for the past several years, LPG trading is a relatively high growth business because of the growth of LPG demand in Thailand continues both in the industrial sector and for household consumption. This is mainly due to the campaign of the government and private organizations in the field of renewable energy, coal and oil. Therefore, there are more and more operators who are interested in LPG business.

However, we believe that the competitive environment will not be much higher in the future since the current LPG trading business has a relatively complicated barrier to entry. This results in new entrepreneurs who are interested in business cannot enter the business. Such conditions are as follows:

- (a) It is a business that requires a certain amount of funds because a liquefied petroleum gas trader must be licensed as an oil trader under Section 6 of the Fuel Act B.E. 2521 (1978) from the Ministry of Commerce. Currently, it has been converted to oil trader under Section 7 of the Fuel Trade Act B.E. 2543 (2000). The qualifications are as follows:

1. Must have a registered capital of 50 million Baht or more.
2. Must have revolving fund of 100 million Baht or more.
3. Must have a terminal and annual volume of trade (quantity imported into the Kingdom, purchased, distilled, produced or obtained in one year) of more than 50,000 metric tons.
4. Must own a trademark.

(b) It is a business that needs to gain customer confidence. It takes time to build confidence because the LPG trading is a business with no product differentiation. Thus, operators must compete with marketing and services to encourage customers to trust their products. Operators must have a deep understanding of the customers and have impressive services, including fast delivery, technical services, and maintenance services for LPG cylinders.

(c) It is possible for foreign operators to see the potential of Thailand as a hub for transportation in Indochina as foreign operators have had operations in Thailand since 2001. This will be a key parameter that will create a ferocious competition in gas trading in the future because these global producers and traders have superior capital and technology than Thai operations. However, foreign operators have no experience in the business and relationships with gas traders in Thailand, which may be a factor to make the business successful difficult.

## **5) Product supply**

### **5.1 Liquefied petroleum gas**

Thailand supplies liquid petroleum gas for sale from three sources:

- 1) Natural gas separation plants have a capacity accounted for 60% of the total supply. There are currently 7 gas separation plants, 5 located in Rayong, 1 in Nakhon Si Thammarat, and 1 in Sukhothai.
- 2) Crude oil refineries have a capacity accounted for 32% of the total supply. The refineries consist of:
  - a. Thai Oil Public Company Limited
  - b. PTT Global Chemical Public Company Limited
  - c. Star Petroleum Refining Public Company Limited
  - d. Bangchak Petroleum Public Company Limited
  - e. Esso (Thailand) Public Company Limited
  - f. IRPC Public Company Limited

- 3) Imports account for 8% of the total supply.

In 2016, the Company supplied liquefied petroleum gas from major domestic producers. The main supplies are from PTT Public Company Limited and Thai Oil Public Company Limited, representing 47% and 27%, respectively. The remaining volume was provided by companies such as Chevron (Thailand) Co., Ltd., Esso (Thailand) Public Company Limited, IRPC Public Company Limited, Bangchak Petroleum Public Company Limited, etc.

## **5.2 Gas cylinders**

The cylinders used for filling LPG for 4 kg to 48 kg can be obtained from domestic manufacturers based on the production system and the timing of delivery in order for the Company to be confident in the use of gas cylinders. In addition, cylinder manufacturers also have similar manufacturing standards in accordance with TIS, so there is almost no difference in terms of production quality and product quality.

For the period of 2016 ending December 31, 2016, the Company used the services of three manufacturers of LPG cylinders, namely Sahamitr Pressure Container Public Company Limited, Metal Mate Co., Ltd., and Chuen Siri Co., Ltd., accounted for 49%, 26%, and 24%, respectively.

The Company has a policy of regular quality care, meaning that customers can bring the Company's cylinders back to repair under the conditions set by the Company.

In addition, to prevent accidents that may occur to users of LPG, the condition of 5 and 10 years old cylinders are checked by the Section 7 oil traders of the Fuel Trader Act B.E. 2543 (2000), who own the gas cylinders and is responsible for the costs of hiring outside companies to inspect the condition of the cylinders.



## Analysis and Explanation of the Management

# Analysis and Explanation of the Management

## Results of Operations and Financial Position

Analysis and explanation of the results of operations for 2016 shown below, used the consolidated financial statements for the years ending December 31, 2016 and 2015 and the pro forma consolidated financial information for the year ending December 31, 2014.

### 1. Results of Operations

**Table 1: Revenue structure of the Company and its subsidiaries classified by type of revenue**

(Unit: Million Baht)	For the Year Ended December 31, 2016		For the Year Ended December 31, 2015		For the Year Ended December 31, 2014	
	Revenue	% of Revenue	Revenue	% of Revenue	Million Baht	% of Revenue
LPG Sales Revenue	16,343	98.68	21,707	98.64	21,487	95.50
Transportation Services Revenue	84	0.51	171	0.78	176*	0.78
Other Revenues	135	0.81	128	0.58	837*	3.72
<b>Total Revenue</b>	<b>16,562</b>	<b>100.00</b>	<b>22,006</b>	<b>100.00</b>	<b>22,500</b>	<b>100.00</b>

\*The figures in the pro forma statement in the revenue part are classified as revenue from transportation services, other revenues, cost of sales of liquefied petroleum gas, cost of transportation services, and selling expenses of the year 2014 to conform to the classification in 2015 and 2016. The description is shown in key financial information in the table of pro forma consolidated financial information in item 13. Key Financial Information – 13.1 Consolidated Financial Statements.

### Revenues

The Group's main income came from the sales of liquefied petroleum gas, accounting for 98.68% of total revenue, followed by other revenues representing 0.81% of total revenue and transportation income, representing 0.51% of total revenue. This can be analyzed as follows:

1) LPG sales in 2016 amounted to 16,343 million Baht, a decrease of 5,364 million Baht, or 24.71% from 2015. In 2016, the total sales volume of liquefied petroleum gas decreased from 1,089,593 tons in 2015 to 938,647 tons, mainly due to the continuous decline in global oil prices. As a result, the number of gas users decreased and they turned to use more oil, which became cheaper. This affected the entire LPG industry along with the slowdown economy, and increased competition in the market.

In terms of selling price, it was found that the average selling price in 2016 was lower than that of 2015. Due to this announcement of the gas price adjustment according to the

announcement of the Energy Policy Committee on February 4, 2016, the average selling price in 2016 decreasing from the previous year about 2 Baht/kg as a result.

### **The Comparison of market share of WLP Public Company Limited between 2016 and 2015**

	<b>2016 Market Share of the Company<sup>1</sup> (%)</b>	<b>2015 Market Share of the Company<sup>2</sup> (%)</b>
Overall market share	21.99%	21.86%
Market share in the automotive sector	29.13%	26.30%
Market share in the cooking sector	19.45%	20.46%
Market share in the industrial sector	13.46%	13.71%

<sup>1</sup> Information from the Department of Energy Business ended on December 31, 2016.

<sup>2</sup> Information from the Department of Energy Business ended on December 31, 2015.

From the table above, overall, the Company's overall market share for the 2016 year improved from 2015, with market share increasing from 21.86% in 2015, to 21.99% in 2016, particularly within the automotive sector. The Company's market share in the automotive sector increased from 26.30% in 2015 to 29.13% in 2016. In industrial and cooking sectors, its market shares in 2016 were not much different from the year 2015.

However, the Company plans to expand its LPG customer base to support continued growth. The emphasis is on the development of services that reach customers and warehouse coverage. The Company also conducts its overall marketing policy, including comprehensive business operations, starting from the supply of quality liquid petroleum gas, fast transportation, fair prices, and good services; the Company emphasizes all sectors. The aim is to build a secure corporate customer base resulting in sustainable long-term sales growth. At present, the Company has the second largest market share under the World Gas brand of LPG traders nationwide. (Refer to the table of sales volume and market share of liquefied petroleum gas traders in item 2.2.1.3, Marketing and Competition Condition under the topic "Nature of Business.")

The proportion of revenues from the sale of petroleum gas by the Company classified by client type is shown in the following table:



**Proportion of revenues from the sales of petroleum gas of WP Energy Public Company Limited classified by client type for the year ended on December 31**

Client Type	2016 (Million Baht)	Ratio (%)	2015 (Million Baht)	Ratio (%)
Gas service station	7,406	45.31	9,141	42.11
Commercial client	735	4.50	866	3.99
Gas filling plant	5,731	35.06	6,871	31.65
Gas shop	682	4.17	803	3.70
Industrial plant	1,430	8.75	1,632	7.52
Supply sale and others	359	2.21	2,394	11.03
<b>Total</b>	<b>16,343</b>	<b>100.00</b>	<b>21,707</b>	<b>100.00</b>

2) Transportation service revenue for the year 2016 was 84 million Baht, a decrease of 87 million Baht, or a decrease of 50.88% from the previous year. This was mainly due to the large drop in oil price. Therefore, the Company lowered its shipping prices based on lower costs. The Company used the services of EAGLE, its subsidiary, to transport liquefied petroleum gas to its customers in increased proportion from 2015. In 2016, EAGLE received a service fee from WP of around 70% of total transportation service revenue, while in 2015, EAGLE received approximately 55% of all transportation service revenue from WP. Some of the transportation service revenue were included in the sale price of liquefied petroleum gas because they were the sales that combined services, which could not be separated.

3) Other revenues of the Company during 2016 was 135 million Baht, an increase of 7 million Baht, or 5.4% over the year 2015, mainly due to the increase in revenue from gas cylinder services. However, in 2016, the Company had other non-operating revenues of 6 million Baht due to the reversal of unpaid rents and penalties.

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

(Unit: Million Baht)	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Amount	Amount	Amount	Amount
Cost of LPG Sales	15,620	20,857	20,734*
Cost of Transportation Services	125	143	151*
Sales Expenses	323	295	428*
Administrative Expenses	417	592	544
Financial Cost	15	3	17
<b>Total Expenses</b>	<b>16,500</b>	<b>21,890</b>	<b>21,874</b>

\*The figures in the pro forma statement in the revenue part are classified as revenue from transportation services, other revenues, cost of sales of liquefied petroleum gas, cost of transportation services, and selling expenses of the year 2014 to conform to the classification in 2015 and 2016. The description is shown in key financial information in the table of pro forma consolidated financial information in item 13. Key Financial Information - 13.1 Consolidated Financial Statements.

## Expenses

1. Cost of LPG sales is shown the following table:

(Unit: Million Baht)	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
Cost of LPG Sales	15,620	20,857	20,734*
Revenue from LPG Sales	16,343	21,707	21,487
Proportion of Cost of LPG Sales Compared to Revenue from LPG Sales	95.58%	96.08%	96.49%
Gross Profit Margin from LPG Sales	4.42%	3.92%	3.51%

\*The figures in the pro forma statement in the revenue part are classified as revenue from transportation services, other revenues, cost of sales of liquefied petroleum gas, cost of transportation services, and selling expenses of the year 2014 to conform to the classification in 2015 and 2016. The description is shown in key financial information in the table of pro forma consolidated financial information in item 13. Key Financial Information - 13.1 Consolidated Financial Statements.

For the cost of liquefied petroleum gas sales, which is the core business of the company, the cost of liquefied petroleum gas sales for the fiscal year of 2016 was 15,620 million Baht, approximately 95.58% of the revenue from the sale of liquefied petroleum gas. This is a decrease of approximately 5,237 million Baht or 25.11% when compared to 2015. The lowered cost of petroleum gas sales in 2016 was in line with the decline in liquefied petroleum gas sales. The sales volume in 2016 decreased by approximately 150,000 tons compared to sales in 2015. However, the gross profit margin for liquefied petroleum gas sales increased from 3.92% in 2015 to 4.42% in 2016 since some transportation revenues were included in the sale price of liquefied petroleum gas due to the sales that combined services, which cannot be separated. In addition, the drop-in transportation prices from lower oil prices, together with the Company had a more effective cost management caused the proportion of cost reduction to be higher than sales decrease.

2. Cost of transportation services is shown in the following table:

(Unit: Million Baht)	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
	Amount	Amount	Amount
Cost of Transportation Services	125	143	151*
Revenue from Transportation Services Charge	84	171	176*
Proportion of Cost of Transportation Services Compared to Revenue from Transportation Services Charge	148.81%	83.63%	85.79%
Gross Profit Margin of Transportation Services	(48.81%)	16.37%	14.21%

\*The figures in the pro forma statement in the revenue part are classified as revenue from transportation services, other revenues, cost of sales of liquefied petroleum gas, cost of transportation services, and selling expenses of the year 2014 to conform to the classification in 2015 and 2016. The description is shown in key financial information in the table of pro forma consolidated financial information in item 13. Key Financial Information - 13.1 Consolidated Financial Statements.

From the table above, it was found that the gross profit margin of transportation services was negative. The cost of transportation services was higher than the revenue of transport service. This is because in 2016, the Company changed its pricing strategy. In 2016, the price of transportation was included as a part of the gas price, while the cost of such transportation still showed up in transportation cost. That means that in the cost of LPG sales, transportation services costs were hidden; thus, gross profit margin on transportation services was negative for such reasons.

However, if the cost of transportation services that was hidden in the cost of LPG sales is shown separately, it will appear as in the following table:

(Unit: Million Baht)	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
	Amount	Amount	Amount
Cost of LPG Sales	15,683 <sup>1</sup>	20,857	20,734*
Cost of Transportation Services	62 <sup>1</sup>	143	151*

<sup>1</sup>There was a reclassification of cost of LPG sales and cost of transportation services because in 2016, the company changed its pricing strategy by adding cost of transportation services as part of the gas sales price. Therefore, the cost of LPG sales included the cost of transportation services of 63 million Baht.

(Unit: Million Baht)	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
	Amount	Amount	Amount
Cost of Transportation Services	62	143	151*
Revenue from Transportation Services Charge	84	171	176*
Proportion of Cost of Transportation Services Compared to Revenue from Transportation Services Charge	73.81%	83.63%	85.79%
Gross Profit Margin of Transportation Services	26.19%	16.37%	14.21%

From the table above, it shows that the transportation services cost for the fiscal year of 2016 was approximately 62 million Baht, approximately 73.81% of total transportation services revenue. The cost of transportation services decreased by 81 million Baht, or 56.64% compared to the same period of 2015, which was in line with the decline in transportation services revenue. A part of that was because the hiring proportion of the parent company increased. Nevertheless, gross profit margin for transport services improved over 2015 due to lower oil cost, allowing the Group to save on this cost.

### 3. Sales Expenses

The Group's sales expenses for the fiscal year of 2016 were 323 million Baht or approximately 1.97% of total revenues (excluding other revenues), an increase of 28 million Baht or 9.49% from the year 2015. This was mostly due to the Company paying administrative expenses more than the year 2015 due to increased competition.

### 4. Administrative Expenses

The Company's administrative expenses for the fiscal year 2016 were 417 million Baht, approximately 2.54% of total revenues (excluding other revenues), a decrease of 175 million Baht or 29.56% from 2015, mainly due to the company's improved efficiency in the organization. In addition, the Company also cut out unnecessary expenses. Therefore, a lot of expenses such as employee expenses hugely decreased.

### 5. Financial Cost

The financial cost for the fiscal year of 2016 was 15 million Baht or approximately 0.09% of total revenue (excluding other revenues). The financial cost increased by 12 million Baht compared to the fiscal year of 2015. This is because the Company withdrew a long-term loan from a financial institution in 2016 in the amount of 217 million Baht to build the company's gas terminal. Therefore, the Company had a higher interest charge than in 2015.

**Table 3: Profit and profit margin of the Company**

	For the Year Ended December 31, 2016		For the Year Ended December 31, 2015		For the Year Ended December 31, 2014	
	<b>Amount</b> <b>(Million Baht)</b>	<b>Profit</b> <b>Margin</b> <b>(%)</b>	<b>Amount</b> <b>(Million Baht)</b>	<b>Profit</b> <b>Margin</b> <b>(%)</b>	<b>Amount</b> <b>(Million Baht)</b>	<b>Profit</b> <b>Margin</b> <b>(%)</b>
Gross Profit	681	4.15	877	4.01	778*	3.59
Net Profit (Loss)	57	0.34	101	0.46	623	2.77
Net Profit (Loss)	51 <sup>1</sup>	0.31	85 <sup>1</sup>	0.38	58 <sup>1</sup>	0.26

<sup>1</sup>Excluding non-core business revenue of 6 million Baht in 2016 and 16 million Baht in 2015.

\*The figures in the pro forma statement in the revenue part are classified as revenue from transportation services, other revenues, cost of sales of liquefied petroleum gas, cost of transportation services, and selling expenses of the year 2014 to conform to the classification in 2015 and 2016. The description is shown in key financial information in the table of pro forma consolidated financial information in item 13. Key Financial Information - 13.1 Consolidated Financial Statements.

### **Profit**

The gross profit margin in 2016 slightly increased from 2015 and the net profit margin in 2016 was slightly down from 2015. The main reason of the slight increase in gross margin in 2016 when compared with 2015 was from the drop-in transportation rates. In addition, the Group had more efficient cost management. In addition, the Group emphasized cost control and cut unnecessary expenses, controlling the quality of services to maintain customer base. Due to this, it is still the market leader in the liquefied petroleum gas market. The net profit margin in 2016 was slightly down from 2015 due to a lower proportion of net profit than the decrease in gross income.

## **2. Financial Position and Liquidity**

### **2.1 Financial Position**

Statement of Financial Position	Consolidated Financial Statements Ended (Audited)					
	31-Dec-16		31-Dec-15		31-Dec-14	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	551.79	10.46%	493.96	9.30%	838.04	14.51%
Trade and other receivables	906.18	17.19%	992.81	18.68%	1,031.00	17.86%
Inventories	196.44	3.72%	147.80	2.78%	113.62	1.97%
Other current assets	4.74	0.09%	5.51	0.10%	5.77	0.10%
<b>Total Current Assets</b>	<b>1,659.15</b>	<b>31.46%</b>	<b>1,640.08</b>	<b>30.86%</b>	<b>1,988.43</b>	<b>34.44%</b>
<b>Non-Current Assets</b>						
Deposits at financial institutions used as collateral	606.71	11.50%	696.12	13.10%	768.04	13.30%
Debt service reserve account	121.24	2.30%	121.35	2.28%	206.27	3.57%
Other long-term investments	0.08	0.00%	48.29	0.91%	48.28	0.84%
Investment properties	66.29	1.26%	66.29	1.25%	66.29	1.15%
Property, plant and equipment	2,628.61	49.83%	2,567.35	48.32%	2,471.51	42.80%
Goodwill	33.49	0.64%	33.49	0.63%	24.30	0.42%
Intangible assets	40.42	0.77%	12.15	0.23%	13.15	0.23%
Prepaid rents	61.03	1.16%	69.91	1.32%	76.65	1.33%
Deferred tax assets	5.13	0.10%	4.33	0.08%	1.36	0.02%
Other non-current assets	52.32	0.98%	54.09	1.02%	109.64	1.90%
<b>Total Non-Current Assets</b>	<b>3,615.32</b>	<b>68.54%</b>	<b>3,673.37</b>	<b>69.14%</b>	<b>3,785.49</b>	<b>65.56%</b>
<b>Total Assets</b>	<b>5,274.47</b>	<b>100.00%</b>	<b>5,313.45</b>	<b>100.00%</b>	<b>5,773.92</b>	<b>100.00%</b>

Statement of Financial Position	Consolidated Financial Statements Ended (Audited)					
	31-Dec-16		31-Dec-15		31-Dec-14	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	943.32	17.88%	1,178.97	22.19%	1,760.38	30.49%
Current portion of finance lease liabilities	6.05	0.11%	6.03	0.11%	10.53	0.18%
Current portion of long-term borrowings	32.10	0.61%	29.22	0.55%	2.41	0.04%
Value added tax payable	40.55	0.77%	34.32	0.65%	60.63	1.05%
Income tax payable	1.35	0.03%	5.16	0.10%	2.46	0.04%
Short-term provisions	87.53	1.66%	213.60	4.02%	198.13	3.43%
Other current liabilities	15.16	0.29%	11.85	0.22%	8.92	0.15%
<b>Total current liabilities</b>	<b>1,126.06</b>	<b>21.35%</b>	<b>1,479.15</b>	<b>27.84%</b>	<b>2,043.46</b>	<b>35.38%</b>
<b>Non-current liabilities</b>						
Creditors under the debt restructuring	121.24	2.30%	121.35	2.28%	206.28	3.57%
Finance lease liabilities	1.68	0.03%	7.73	0.15%	12.88	0.23%
Long-term borrowings	245.89	4.66%	62.71	1.18%	5.46	0.09%
Employee benefit obligations	23.03	0.44%	19.30	0.36%	24.51	0.43%
Deposits received	3,201.09	60.69%	3,122.23	58.76%	3,064.54	53.08%
Deferred tax liabilities	14.71	0.28%	20.52	0.39%	26.86	0.47%
Other non-current liabilities	4.75	0.09%	0.52	0.01%	8.79	0.15%
<b>Total non-current liabilities</b>	<b>3,612.39</b>	<b>68.49%</b>	<b>3,354.36</b>	<b>63.13%</b>	<b>3,349.32</b>	<b>58.02%</b>
<b>Total liabilities</b>	<b>4,738.45</b>	<b>89.84%</b>	<b>4,833.51</b>	<b>90.97%</b>	<b>5,392.78</b>	<b>93.40%</b>
<b>Shareholders' equity</b>						
Share capital						
Registered capital	2,760.57	52.34%	2,760.57	51.95%	2,760.57	47.81%
Issued and paid-up share capital	2,760.57	52.34%	2,760.57	51.95%	2,760.57	47.81%
Share premium	2,657.62	50.39%	2,657.62	50.02%	2,657.62	46.03%
Premium on LPG selling price	532.00	10.09%	532.00	10.01%	532.00	9.21%
Retained earnings						
Appropriated – Legal reserve	33.91	0.64%	33.91	0.64%	33.91	0.59%
Deficit	-5,448.11	-103.29%	-5,504.19	-103.59%	-5,602.98	-97.04%
<b>Equity attributable to owners of the parent</b>	<b>535.99</b>	<b>10.16%</b>	<b>479.91</b>	<b>9.03%</b>	<b>381.12</b>	<b>6.60%</b>
Non-controlling interests	0.03	0.00%	0.03	0.00%	0.02	0.00%
<b>Total shareholders' equity</b>	<b>536.02</b>	<b>10.16%</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>5,274.47</b>	<b>100.00%</b>	<b>5,313.45</b>	<b>100.00%</b>	<b>5,773.92</b>	<b>100.00%</b>

## Assets

The Group's total assets, as of December 31, 2016 were 5,274 million Baht, a decrease of 39 million Baht, equivalent to a decrease of 0.73% from the end of the year 2015.

### **Current Assets**

#### **1) Cash and cash equivalents**

As of December 31, 2016, the Group's cash and cash equivalents totaled 552 million Baht, an increase of 58 million Baht from the end of 2015, representing an increase of 12%. Much of the increased cash was from the operation and loans for the construction of LPG terminal.

## 2) Trade and other receivables

As of December 31, 2016, the Company and its subsidiaries had net accounts receivable and other receivables amounting to 906 million Baht, a decrease of 87 million Baht, or 9% from the end of fiscal year 2015 with details shown below:

	Consolidated Financial Statements					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Account receivables-Other businesses (Net)	815	90%	938	94%	950	92%
Other receivables (Net)	91	10%	55	6%	81	8%
<b>Total Trade and other receivables (Net)</b>	<b>906</b>	<b>100%</b>	<b>993</b>	<b>100%</b>	<b>1,031</b>	<b>100%</b>

Details of the aging analysis of account receivables - other businesses are as follows:

	Consolidated Financial Statements					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Not yet due	743	80%	892	85%	898	85%
Outstanding up to 3 months	48	5%	42	4%	50	5%
Over 3 months but not over 6 months	1	1%	5	0%	1	0%
Over 6 months but not over 12 months	30	3%	1	0%	3	0%
Over 12 months	106	11%	110	11%	108	10%
<b>Total account receivables</b>	<b>928</b>	<b>100%</b>	<b>1,050</b>	<b>100%</b>	<b>1,060</b>	<b>100%</b>
Less allowance for doubtful accounts	(113)		(112)		(110)	
<b>Account receivables - Net</b>	<b>815</b>		<b>938</b>		<b>950</b>	

As of December 31, 2016, 80% of accounts receivable was not yet due, while the rest was overdue. However, the Group has a policy to set aside allowance for doubtful accounts totaling 113 million Baht, which is expected to be sufficient to cover the amount of doubtful receivable.

## 3) Inventories

Inventories of the Group includes liquefied petroleum gas in the form of finished goods. The Company's inventories as of December 31, 2016 was 196 million Baht, an increase of 48 million Baht, or, an increase of 32% from the end of the year 2015 as the company had more LPG reserves.

## **Non-Current Assets**

### **1) Deposits at financial institutions used as collateral**

Deposits at financial institutions used as collateral was mostly cash used as collateral for trade partners. As of December 31, 2016, the Company had 607 million Baht, a decrease of 89 million Baht or a decrease of 13% from the end of the year 2015 due to the reduction of collateral for trade partners.

### **2) Debt service reserve account**

As of December 31, 2016, and 2015, the Group had a debt service reserve account of 121 million Baht, which was a bank deposit for debt repayment to creditors pending the rehabilitation plan that the Group had not yet paid at the due date of repayment because some creditors did not receive final order to receive debt repayment.

### **3) Other long-term investments**

As of 31 December 2015, the Group had other long-term investments amounting to 48 million Baht, including investments in Enesol Co., Ltd. and Picnic Marine Co., Ltd., in which the Group held 9.96% and 1.07% of the registered capital. The investments were classified as general investments.

During the year of 2016, the Company sold all of its investment in Enesol Co., Ltd. To Capital Engineering Public Company Limited. The Company recorded the gain from disposal of such investments in “Other income” in the consolidated and company statement of financial position.

As a result, the Group had other long-term investments as of December 31, 2016, amounting to 0.08 million Baht; namely, investments in Picnic Marine Co., Ltd., which the Company held shares at a ratio of 1.07% of the registered capital. The investments were classified as general investments.

### **4) Investment properties**

The Group had investment properties as of December 31, 2016, and 2015 amounting to 66 million Baht. The investment properties were appraised by an independent appraiser on September 4, 2015 by considering market price based on the criteria of currently active assets. The investment properties have a fair value of 103 million Baht.



## 5) Property, plant and equipment

As of December 31, 2016, the Group had net property, plant and equipment of 2,629 million Baht, an increase of 62 million Baht or an increase of 2% from the end of 2015. Buildings, utility systems, gas terminals, and equipment increased for a total of 452 million Baht. Meanwhile, assets under construction were down by 300 million Baht, mainly due to the completion of gas terminal project at Ban Haet, Khon Kaen and at Bang Pakong, Chachoengsao Phase 2 in the first quarter of 2016. In addition, the Group purchased additional small gas cylinders during the year, amounting to 119 million Baht to support the business expansion.

Details according to type of fixed asset are as follows:

	Consolidated Financial Statements		
	2016	2015	2014
	Million Baht	Million Baht	Million Baht
<b>Fixed assets</b>			
<b>Consisting of</b>			
Land	354	360	322
Building and public utility system	988	714	692
Gas terminals and equipment	870	692	688
Machinery and plant equipment	217	242	307
Small gas cylinders	3,766	3,647	3,611
Furniture, fixtures and office equipment	68	102	146
Vehicles	557	538	559
Assets under construction	154	455	211
<b>Total fixed assets</b>	<b>6,974</b>	<b>6,750</b>	<b>6,536</b>
Less accumulated depreciation	(3,693)	(3,529)	(3,376)
Less allowance for impairment	(404)	(406)	(440)
Less allowance for lost assets	(248)	(248)	(248)
<b>Total property, plant and equipment– Net</b>	<b>2,629</b>	<b>2,567</b>	<b>2,472</b>

## **6) Goodwill**

Goodwill derives from the acquisition of the Group. As of December 31, 2016, and 2015, Goodwill amounted to 33 million Baht resulting from the acquisition of a subsidiary, which was a transportation service business and liquefied petroleum gas station services amounted to 24 million Baht and 9 million Baht, respectively.

## **7) Intangible assets**

As of December 31, 2016, the Group had intangible assets of 40 million Baht, an increase of 28 million Baht from the end of 2015, as the Group started using the new accounting software program during the fourth quarter of 2016.

## **8) Prepaid rents**

As of December 31, 2016, the Group had prepaid rents of 61 million Baht, a decrease of 9 million Baht from the end of 2015 due to the amortization of prepaid rents during the year.

## **9) Other non-current assets**

As of December 31, 2016, the Group had other non-current assets of 52 million Baht, a decrease of 2 million Baht from the end of 2015. The Company's main non-current assets were office deposits, land lease deposits, utility bill deposits, etc.

## **Liabilities**

The Group's liabilities as of December 31, 2016 amounted to 4,738 million Baht, a decrease of 95 million Baht or a decrease of 2% from the end of the year 2015.

### **1) Trade and other payables**

As of 31 December 2016, the Group had trade and other payables of 943 million Baht, a decrease of 236 million Baht or 20% from the end of the year 2015. Details of trade and other payables are as follows:

	Consolidated Financial Statements					
	2016		2016		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Accounts payable – Third party	757	80%	953	81%	730	41%
Other payables	126	13%	128	11%	957	55%
Accrued expenses	46	5%	84	7%	59	3%
Advance payment	14	2%	14	1%	14	1%
	<b>943</b>	<b>100%</b>	<b>1,179</b>	<b>100%</b>	<b>1,760</b>	<b>100%</b>

Most of the Group's accounts payable were payables of liquefied petroleum gas cost. Accounts payable in 2016 decreased by 196 million Baht or 21% from the end of 2015. The main reason was that since February 4, 2016, the Energy Policy Committee announced a reduction in the price of gas. As a result, the 2016 gas cost was lower than that of the year 2015, causing a significant decrease in accounts payable in 2016 from the end of 2015.

## **2) Long-term borrowings**

As of December 31, 2016, the Group had long-term borrowings amounting to 278 million Baht, an increase of 185 million Baht, an increase of 200% from the end of 2015 because in 2016, the Group borrowed money from a financial institution to invest in a new gas terminal and dispenser which was completed in early 2016.

## **3) Provision for short-term liabilities**

As of December 31, 2016, the Group had provision for short-term liabilities of 88 million Baht, a decrease of 126 million Baht or equivalent to 59% from the year 2015 because the Company paid debts to one creditor during the year 2016.

## **4) Creditors under the debt restructuring**

As of December 31, 2016, and 2015, the Group had creditors under the debt restructuring amounting to 121 million Baht, which was a bank deposit account for repayment to creditors under the debt restructuring that the Group had not yet paid on the due date because some creditors had not received a final order to receive debt repayments.

## **5) Deposits received**

As of December 31, 2016, the Group had deposits received of 3,201 million Baht, an increase of 79 million Baht or an increase of 3% from the end of 2015. The main deposits received of the Group were for small gas cylinders.

## **Shareholders' Equity**

As of December 31, 2016, the Company had total shareholders' equity of 536 million Baht, comprising of 2,761 million Baht of issued and paid-up ordinary shares (2,760,565,700 ordinary shares for 1 Baht/share), premium on ordinary shares of 2,657 million Baht, capital surplus from LPG selling price of 532 million Baht, legal reserve of 34 million Baht, and accumulated loss of 5,448 million Baht.

The capital surplus from LPG selling price was caused by the adjustment of financial statements for 2004 and 2005 in addition. The Company transferred the difference in sale price sold to gas filling plant group that had a closed relationship and was not under the same conditions as that sold to general customers in the amount of 532 million Baht from the financial statement to be recorded as a capital surplus from LPG selling price and shown under “Statement of Changes in Shareholders’ Equity.” Such difference was thought to be the contribution received by the Company from shareholders through that gas filling plant group.

## Summary of Significant Financial Ratio

**Table 4: Significant Financial Ratio of the Company**

		2016	2015	2014
<b><u>Current Ratio</u></b>				
Current ratio	Times	1.47	1.11	0.97
Quick ratio	Times	1.29	1.01	0.91
Accounts receivable turnover	Times	16.61	20.74	20.43
Inventories turnover	Times	91.48	160.66	183.82
Accounts payable turnover	Times	18.43	24.96	28.60
Average collection period	Days	21.67	17.36	17.62
Average holding period	Days	3.94	2.24	1.96
Debt repayment period	Days	19.54	14.42	12.59
Cash cycle	Days	6.07	5.18	6.99
<b><u>Profitability Ratio</u></b>				
Gross profit margin	%	4.15	4.01	3.59
Other profit margins	%	0.04	0.07	2.51
Net profit margin	%	0.34	0.46	2.77
Net profit margin <sup>1</sup>	%	0.31	0.38	0.26
Return on equity	%	11.22	23.38	163.56
Return on equity <sup>1</sup>	%	10.07	19.62	15.23
<b><u>Efficiency Ratio</u></b>				
Return on assets	%	1.08	1.82	11.13
Return on assets <sup>1</sup>	%	0.97	1.52	1.33
Total asset turnover	Times	3.00	3.97	3.90
		<b>2016</b>	<b>2015</b>	<b>2014</b>
<b><u>Financial Policy Ratio</u></b>				
Debt to equity ratio	Times	8.84	10.07	14.15
Interest bearing to debt to equity ratio	Times	0.53	0.22	0.08

\*The company’s key financial ratios for the year 2014 shown in the table above used the consolidated financial statements for the year ended December 31, 2014 in relation to the consolidated statement of financial position and used the pro forma consolidated financial information for the year ended December 31, 2014 in the part related to the pro forma consolidated financial statement.

<sup>1</sup>Calculated from the net profit excluding revenue from non-core business including the compensation received from the compromise for the sale of shares in the lawsuit between the Company and AMC and others in the amount of 565 million Baht in 2014, the revenue from winning the lawsuit and others in the amount of 16.15 million Baht in the year 2015, and the reversal of non-payment of rent and penalty of 5.85 million Baht in 2016.

## Meaning and Formula of Financial Ratio Calculation

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



## Risk Factors



# Risk Factors

## Risks Related to LPG Business in Thailand

### 1. Environmental and Consumer Protection Policy

The government may enact additional laws to increase safety for LPG consumers and may promote environmental protection, which will possibly affect the Company's future operating cost and profit. The Company, as a LPG entrepreneur, is aware of the importance of these issues and thus has continued to make policies to ensure the development and improvement of our safe containers. The Company's LPG warehouses, filling plants, gas stations, and each of our LPG tanks must meet the safety standards required by the government and are regularly inspected by government and related agencies.

The Company is confident that our current standards of products, LPG warehouses, filling plants, gas stations, and tanks have gained acceptance from government agencies and public consumers. In addition, the Company has continued to efficiently manage the operating cost so that it does not cause any risk to the Company.

### 2. Product Safety

The LPG contained in gas tanks is flammable substance and may cause dangers if used improperly. To prevent dangers from happening, the Ministry of Industry has set the standards for LPG tank and periodic inspection. The Company is responsible for primary damages if its LPG tank is the cause of these damages which may also affect the reputation and operation of the Company. Normally, LPG explosion is often caused by other equipment and not by the tank itself. Gas tanks and valves are required to go through a series of tests to ensure that they are safe to use in accordance with the standards set by the Office of Thai Industrial Standards Institute (TISI) under the Ministry of Industry. Furthermore, the Department of Energy Business requires that five years after their manufacture the LPG tanks must be inspected using hydro test and that ten years after their manufacture they must be inspected using hydro and expansion tests. If any of the tanks fail to pass the tests, they cannot be further used and must be destroyed.

Most of the equipment installed to the tanks such as burners is not manufactured by the Company. Although the Company is not legally responsible for the safety of these equipment, its reputation may be indirectly affected if these equipment cause explosive accidents. Nevertheless, all of the Company's products meet international safety standards and the products under the Company's trademark have never caused explosive accidents. Moreover, the Company has presently decided to increase the number of tank paint and repair centers and to inspect the quality of gas tank to order to meet the higher industrial standard. The Company is thus confident that it has a relatively low risk with respect to product safety.

### **3. LPG Transport**

#### **3.1 Sea Transport**

The Company uses gas tankers to transport LPG. The LPG from manufacturers (gas separation plants and refineries) is transported to the gas warehouses in Chachoengsao and Samut Songkhram. The LPG freight transported by sea is insured to mitigate the risk that may affect the Company.

#### **3.2 Land Transport**

EAGLE, which is the Company's subsidiary, offers LPG transport services. Any accidents or unforeseen events occurred during the transport by EAGLE may cause damages to or affect the reputation and operation of the Company. However, EAGLE has been granted LPG carrier license from the Department of Energy Business. All vehicles used to transport LPG have permits and are regularly inspected by the Department of Land Transport. Drivers also obtain licenses from the Department of Energy Business in order to ensure safety and that EAGLE strictly complies with the government regulations. Moreover, EAGLE has insured all LPG transport vehicles in order to minimize the impacts that may occur to the Company due to accidents or unforeseen events.

### **4. Environmental Risk**

The Company's business involves activities with potential harm to health and the environment. If accidents, unforeseen circumstances, or errors occur, the stakeholders, the Company's investment plans and operations, and the Company's image may be significantly affected.

However, the Company will define occupational health, safety, and environmental policies to serve as a framework for investment planning, work instruction development, safety culture development, environmental prevention and impact abatement, and energy consumption efficiency for sustainable growth. All parties involved will be communicated to ensure accurate understanding of the managed risks and preventive measures for production control that will be established in the future.



# Internal Control and Auditing

## 1. Internal Control

The Board of Directors places importance on adequate and effective internal control that is appropriate for business operating environment. The internal control system is developed with reference to the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which determines five interrelated components necessary for managing internal control: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information & Communication, and (5) Monitoring Activities. By using this framework, it is to ensure that the Company achieves the objectives of internal control on aspects of operational efficiency, use of recourses, asset protection, financial report credibility, and legal and regulation compliance in line with corporate governance. The Company has thus established standards as follows:

- The Audit Committee is appointed to ensure that the Company's internal control system is adequate and effective in accordance with the Charter of the Audit Committee and to report auditing result to shareholders in annual report.
- The Company Executives are responsible for passing on the governance guideline defined by the Board of Directors to employees and ensuring that employees comply with internal control regulations.
- Employees at all levels must strictly comply with rules and regulations as well as any commands given under internal control system.

The Board of Directors has assessed the Company's internal control system by inquiring about the implementation of the guideline and recommendations from the Management. Based on the assessment of the Company's internal control system on aspects of five components including control environment, risk assessment, control activities, information & communication, and monitoring, the Board of Directors agrees that the Company's internal control system is adequate and appropriate. The number of personnel is sufficient to carry out efficient internal control.

## 2. Internal Audit

At the Meeting of the Audit Committee No. 5/2016 on 27th July 2016, a resolution was made to appoint Ms. Niphathip Suphareukrattanachai as Internal Control Assistant Director and Secretary to the Audit Committee, effective from 1st August 2016 onward. Ms. Niphathip possesses sufficient capability and is experienced in accounting and finance, able to carry out internal control tasks with the Independent Internal Auditor and other organizational units in the Company.

The present audit plan will utilize a joint audit method jointly conducted by the Independent Internal Auditor and the Company's Internal Audit to ensure that all organizational units and Company's activities are covered by the audit in accordance with the audit plan.

At the Meeting of the Board of Directors No. 12/2016 on 20th December 2016, a resolution was made to hire the Unique Advisor Co. Ltd. ("Unique") to serve as the Independent Internal Auditor for the Company. Mr. Kosol Yamleemul, the Managing Director of Unique, was appointed as the main responsible person for the Company's independent internal auditing. Unique and Mr. Kosol Yaemleemul have sufficient qualifications to perform such duty because they are independent and experienced in internal auditing of the business/industry similar to the Company. Furthermore, to ensure continuity of the internal control audit in the Company that has recently emerged from the merger, the Company needs an auditor who has a knowledge and understanding of the Company's operations.

The Independent Internal Auditor is responsible for assessing the adequacy and appropriateness of the operational control and other work systems within the Company and affiliated companies. The assessment also covers activities conducted by outside suppliers that are hired by the Company. The Independent Internal Auditor is not affiliated with the Company and directly reports to the Audit Committee who are the Independent Directors of the Company. Furthermore, the Independent Internal Auditor is not involved in the operation of the Company.

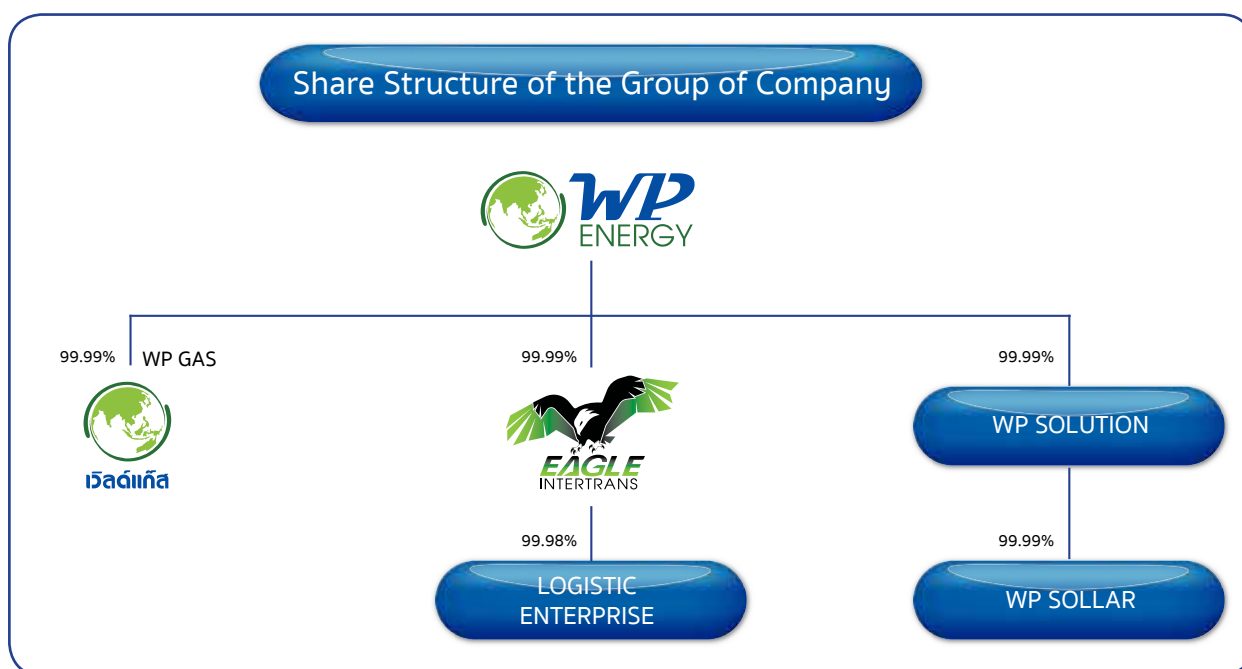
The scope, duty, and responsibility of the Independent Internal Auditor are summarized as follows:

- (1) Prepare annual audit plan.
- (2) Carry out auditing to ensure that the operation is in line with the Company's goals and increase the effectiveness of risk management, control, and corporate governance.
- (3) Provide advices, as described in the Agreement jointly made between the service provider and user. The Internal Auditor is able to offer advices to ensure that the existing or new risk management, control, and governance are sufficiently effective and efficient or is able to provide suggestions on the design of such process.
- (4) Take into consideration and give importance to high risk factors that may lead to corruption. Point out weaknesses of the Company's internal control. Conduct preliminary investigation of potential corruption cases as requested by the Audit Committee and/or Chief Executive Officer and President. The Management shall be responsible for preventing, investigating, and punishing corruption.
- (5) Conduct special audit that is not part of annual audit plan, as requested specially by the Management and/or Audit Committee.

The qualifications of the Independent Internal Auditor are described in Attachment 3.

# Shareholding Structure of the Group of Companies

Share Structure of the Company and Subsidiaries (As of 31st December 2016)



Company		Type of Business	Authorized Capital (Million Baht)	Paid-up Capital ( Million Baht)	Share (%)
The Group Of Company					
EAGLE	Eagle Intertrans Co. Ltd.	Land transportation of LPG	84	84	99.99
WP GAS	WP Gas Co. Ltd.	Gas station service	1	1	99.99
LOGISTIC ENTERPRISE	Logistic Enterprise Co. Ltd.	Small cargo truck rental	1	1	99.98
WP SOLLAR	WP Solar Co. Ltd.	Power manufacture and distribution	1	1	99.99
WP SOLUTIONS	WP Solutions Co. Ltd.		1	1	99.99

# Revenue Structure

## Revenue Structure of the Company and Subsidiaries by Revenue Type

(Unit : Million Baht)	For Year Ended 31 December 2016		For Year Ended 31 December 2015*		For Year Ended 31 December 2014*	
	Revenue	(%)	Revenue	(%)	Revenue	(%)
LPG Sales	16,343	98.68	21,707	98.64	21,487	95.50
Transportation Services	84	0.51	171	0.78	176	0.78
Other Revenues	135	0.81	128	0.58	837	3.72
<b>Total</b>	<b>16,562</b>	<b>100.00</b>	<b>22,006</b>	<b>100.00</b>	<b>22,500</b>	<b>100.00</b>

\* Figures in Revenue from transportation services, other revenues, cost of LPG sales, cost of transportation services, and selling expenses of the year 2014 in Pro Forma Profit and Loss Statements were reclassified to be in line with the classifications of 2015 and 2016. Explanations in significant financial data in Pro Forma Consolidated Financial Data Table in Item 13. Significant Financial Data – 13.1 Consolidated Financial Statements.

Other revenues of the year 2016 include:

Other Revenues	As in Consolidated Profit and Loss Statements (Million Baht)	Excluding Transaction Not from Main Business (Million Baht)
Transportation Charge	63	63
Deposit Interest	7	7
Land and Equipment Rent and Service Charge	11	11
Gain on Disposal of Assets	9	9
Valve Sales	1	1
Tank Repair and Maintenance	31	31
Security Money	1	1
Revenue from Reversing Accrued Office Rent	4	-
Revenue from Reversing Accrued Penalty	2	-
Provident Fund Refund	4	4
Other Revenues	2	2
<b>Total</b>	<b>135</b>	<b>129</b>

**Table of Sales Volume Proportion of WP Energy Public Company Limited**  
**for the Year Ended 31 December 2016 and 2015**

Customer Group	2016 Proportion (%)	2015 Proportion (%)
1. Gas Station	45.37	42.11
2. Commercial Customer	3.99	3.99
3. Gas Filling Plant	35.62	31.65
4. Gas Shop	4.12	3.70
5. Industrial Factory	8.61	7.52
6. Supply Sale and Others	2.29	11.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Commercial customers, gas filling plants, gas shops, and industrial factories using large quantity of LPG often place advanced monthly orders. Gas stations and industrial factories using less LPG often place advanced weekly orders. The Company will deliver LPG to customers using transportation services of its subsidiary (EAGLE) and external carriers.

**Table of Sale Revenue Proportion of WP Energy Public Company Limited by Customer Groups**  
**for the Year Ended 31 December 2016 and 2015**

Customer Group	Revenue (Million Baht)	(%)	Revenue (Million Baht)	(%)
Gas Station	7,406	45.31	9,141	42.11
Commercial Customer	735	4.50	866	3.99
Gas Filling Plant	5,731	35.06	6,871	31.65
Gas Shop	682	4.17	803	3.70
Industrial Factory	1,430	8.75	1,632	7.52
Supply Sale and Others	359	2.21	2,394	11.03
<b>Total</b>	<b>16,343</b>	<b>100.00</b>	<b>21,707</b>	<b>100.00</b>

# Related Party Transactions

Transactions between companies and related activities for the year 2016 are shown below based on financial report for the year ended 31 December 2016.

Company	Relationship	Connected Transaction	For the Year Ended 31 December 2016
(Million Baht)			
1. EAGLE	Subsidiary having Joint Directors with the Company which owns 99.99% of the shares.	Transaction from Profit and Loss Statements	
		Rent	2.73
		Other Incomes	0.07
		Management Fee	2.64
		Interest Income	1.18
		Transportation Charge	192.77
		Other Expenses	0.83
		Transaction from Statement of Financial Position	
		Account and Other Receivables	3.05
		Short-Term Loan	50.00
		Account and Other Payables	8.74
		Rent Security	0.57
2. LOGISTIC ENTERPRISE	Subsidiary of EAGLE which owns 99.98% of the shares and has Joint Directors with the Company.	Transaction from Profit and Loss Statements	
		Loan Guarantee Fee	0.04
		Rent	14.02
		Transaction from Statement of Financial Position	
		Account and Other Receivables	1.26
3. WP GAS	Subsidiary having Joint Directors with the Company which owns	Transaction from Profit and Loss Statements	
		Sale Income	28.62
		Interest Income	2.47
		Management Fee	0.63

Company	Relationship	Connected Transaction	For the Year Ended 31 December 2016
(Million Baht)			
	99.99% of the shares.	Other Incomes	0.13
		Other Expenses	0.67
		Transaction from Statement of Financial Position	
		Account and Other Receivables	1.97
		Short-Term Loan	35.00
4. WP SOLUTIONS	Subsidiary with 99.99% of the shares owned by the Company. It has Joint Directors with the Company and the Company's Executive also serves as Director.	Transaction from Profit and Loss Statements	None
		Transaction from Statement of Financial Position	None
5. WP SOLLAR	Subsidiary of WP SOLUTIONS which owns 99.99% of the shares. It has Joint Directors with the Company and the Company's Executive also serves as Director.	Transaction from Profit and Loss Statements	None
		Transaction from Statement of Financial Position	None

## **Necessity and Validity**

1. The purpose of transactions with EAGLE is for EAGLE to deliver products to customers for the Company, which is a normal business. The volume of services received from EAGLE is consistent with the need and business operation of the Company. The fee and conditions of services received from EAGLE are as agreed in the Agreement which is made as if usually made with an external supplier without any intention to share benefit between both parties or special transaction.

2. Transactions between the Company and EAGLE include 1) land rent, 2) management fee, 3) interest income, and 4) LPG transportation fee. The fees and conditions for these four transactions are as if usually made with an external supplier without any intention to share benefit between both parties or special transaction.

3. The Company has two transactions with LOGISTIC ENTERPRISE including 1) loan guarantee fee from purchase of gas transport vehicle and 2) gas transport vehicle rent. The fees and conditions for these two transactions are as if usually made with an external supplier without any intention to share benefit between both parties or special transaction.

4. The Company has three transactions with WP GAS including 1) LPG sale income, 2) interest income, and 3) management fee. The fees and conditions for these three transactions are as if usually made with an external supplier without any intention to share benefit between both parties or special transaction.



# Securities and Shareholders

## Company's Securities

As of 31st December 2016, the Company has an authorized capital of 2,760,565,700 Baht, which consists of 2,760,565,700 ordinary shares with a par value of 1 Baht per share, and a paid-up capital of 2,760,565,700 Baht.

## Shareholders

First 10 major shareholders as of 31st December 2016 are as follows:

No.	Name	Share	%
1	Mr. Aiyawatt Srivaddhanaprabha	514,390,822.00	18.63%
2	Mr. Pisarn Panichawong	412,540,823.00	14.94%
3	Vilailuck Family*	405,483,877.00	14.69%
	<i>Mr. Watchai Vilailuck</i>	<i>379,764,337.00</i>	<i>13.76%</i>
	<i>Mr. Charoenrath Vilailuck</i>	<i>25,719,540.00</i>	<i>0.93%</i>
4	Poompanmuang Family *	214,392,684.00	7.77%
	<i>Mr. Pisarn Poompanmuang</i>	<i>194,072,901.00</i>	<i>7.03%</i>
	<i>Ms. Chomkamol Poompanmoung</i>	<i>20,319,783.00</i>	<i>0.74%</i>
5	Jiaravanon Family *	201,248,901.00	7.29%
	<i>Mr. Chatchaval Jiaravanon</i>	<i>201,228,371.00</i>	<i>7.29%</i>
	<i>Mr. Pongthep Jiaravanon</i>	<i>20,530.00</i>	<i>0.00%</i>
6	Pongpanit Family *	143,512,358.00	5.20%
	<i>Mr. Watcharis Pongpanit</i>	<i>85,800,390.00</i>	<i>3.11%</i>
	<i>Ms. Monlada Pongpanit</i>	<i>57,200,260.00</i>	<i>2.07%</i>
	<i>Pol.Maj.Gen. Uthit Pongpanit</i>	<i>505,579.00</i>	<i>0.02%</i>
	<i>Mrs. Viriya Pongpanit</i>	<i>6,129.00</i>	<i>0.00%</i>
7	VERWALTUNGS-UND PRIVAT-BANK AKTIENGESELLSCHAFT	102,878,165.00	3.73%
8	Mr. Thanintorn Worakulsatien	71,492,660.00	2.59%
9	Ms. Apiradee Opasiamlikit	68,000,000.00	2.46%
10	Mr. Somchai Bencharongkul	51,439,083.00	1.86%

\* This disclosure reflects only family relationship of shareholders who shall not, in any way, be deemed to form a concert party.



# Dividend Payout Policy

## **WP Energy Public Company Limited**

The Company has a dividend payout policy to pay dividend not less than 30% of net profit after tax and reserved fund as required by laws and the Company's regulation. However, such dividend payment shall depend on investment plan, necessity, and other appropriateness that may occur in the future. The Company may decide to pay dividend less than the abovementioned rate if the Company needs to use the net profit for business expansion.

## **Dividend Payout Policy of Subsidiaries**

The Boards of Directors of subsidiary companies shall make a consideration and propose dividend payment to the annual meeting of shareholders for approval. The dividend payment will be based on investment plan taken into consideration other necessity and appropriateness such as cash flow adequacy of subsidiaries after reserve as required by laws.

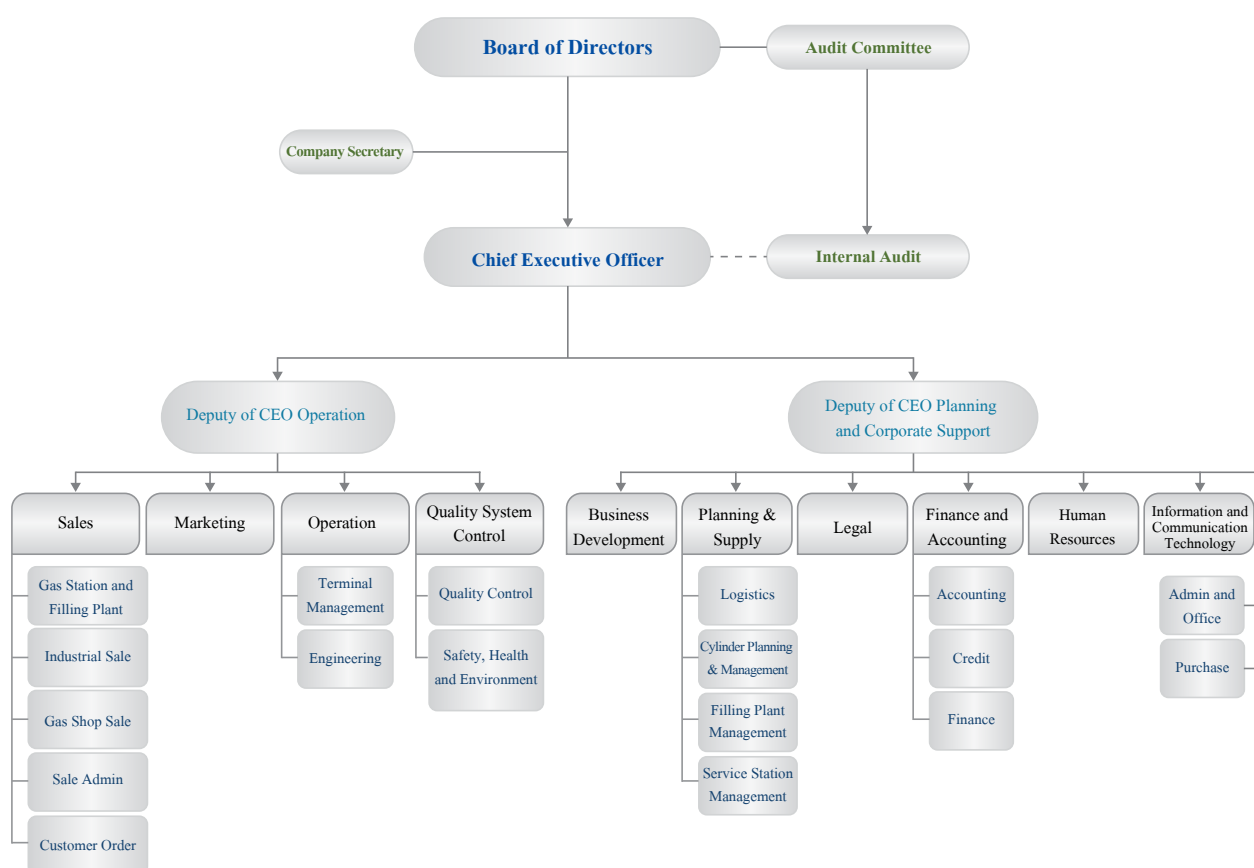


## Management Structure

# Management Structure

## Organization Structure (as of December 31, 2016)

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



## The Board of Directors

### The incumbent Board of Directors as of December 31, 2016 is 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 Mrs. Lakananan Luksamitananan	Member of Audit Committee / Independent Director	August 1, 2016
11 Mr. Petch Chinnabutr	Director / Member of Executive Committee	August 1, 2016
12 Mr. Somchai Kuvijitsuwan	Independent Director	October 20, 2016

- Directors resigned during the year 2016 are as follows:

Name	Position	Resignation Date
1. Mr. Nopporn Koakietaveechai	Member of Audit Committee / Independent Director	July 31, 2016
2. Mr. Ronasit Poomma	Director	August 31, 2016
3. Mr. Pisarn Poompanmuang *	Director	October 6, 2016

\* Mr. Pisarn Poompanmuang, the Company's Director, passed away on October 6, 2016.

### **Authorized Directors**

According to the Company's regulations and the Certificate of Registration regarding Public Company Limited Act under the Department of Business Development, Ministry of Commerce as of December 3, 2016; the authorized Directors who can sign for binding the Company are any one of Mr. Aiyawatt Srivaddhanaprabha or Mr. Petch Chinnabutr to sign with either Mr. Kanoksakdi Bhinsaeng or Miss Chomkamol Poompanmoung, totally two persons.

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

According to the Company's regulations, the Board of Directors shall consist of not fewer than 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 Limited Companies Act and the Securities and Exchange Act as well as have wide range of knowledge, competency, expertise, experience, good vision, morality and integrity and sufficient time dedicated 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, and the Board of Directors should have knowledge and experience beneficial for the Company. In 2016, there were twelve (12) Directors on the Board of Directors, which is the appropriate balance for the Company's scale and business type:

- (1) Ten (10) non-executive Directors
- (2) Two (2) Executive Directors: Chief Executive Officer (CEO) and Deputy Chief Executive Officer
- (3) Five (5) Independent Directors (more than one-third (1/3) of the Board of Directors as stated by the Company's regulations)

### **Appointment and Dismissal of Directors of the Company**

According to the Company's regulations, appointment and 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 for consideration. The rules are as follows:

- (1) Each shareholder shall be entitled to one share to one vote.

- (2) Each shareholder must exercise all his votes under (1) above to elect one or more nominees to be Directors but may not divide the votes among several nominees.
- (3) Nominees who receive the largest number of votes in descending order shall be elected as Directors equal to the number of Directors to be elected at that time. In the event of that the nominees elected in subsequent order receives equal votes and the number of Directors to be elected at that time is exceeded, the Chairman of the meeting shall cast the deciding 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 regulations.

3. In the event that a position of Director becomes vacant for any reason other than the end of the office term, the Board of Directors shall appoint any individual with the characteristics prescribed by law to be a new Director at the next Board meeting, except if the remaining office term is less than 2 months. The replacement Director shall hold office only for the remainder of the office term of the Director whom he replaces. The resolution of the Board of Directors must consist of votes of not less than three-fourths of the number of remaining Directors.

#### **Dismissal of Directors of the Company**

1. At every annual general meeting of shareholders, one-third of the Directors shall retire. If one-third is not a round number, the number closest thereto shall be the applicable number. The Directors who retire by rotation are eligible for re-election by the shareholders. The Directors to vacate office within the first and second year following company registration shall draw lots. In subsequent years, the Directors serving the longest shall retire.

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

3. The shareholders' meeting may remove any Director from office before the end of term with a resolution of not less than three-fourths of the total votes of shareholders present and eligible to vote and altogether holding not less than one-half of the total number of all shares held by the shareholders present and eligible to vote at that meeting.

4. Any Director who wishes to resign from being the Director shall submit a letter of resignation to the Company.

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

The Board of Directors has roles and responsibilities to govern the operation of the Company to strictly be in accordance with the laws, objectives, regulations, and resolutions of the shareholders' meeting according to the principles of good corporate governance and good practices for the Directors of registered company of the Stock Exchange of Thailand.

- (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 appointment 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 of interests that may arise, 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 loans, including being a guarantor in normal business with unlimited amount, subjecting to the Company's regulations and related laws or rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (8) Set up an 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 positions.



- (10) Focus on social and environment responsibilities and enhance good living of the Thai society sustainably.

In addition, the following actions of the Board of Directors require approval from the shareholders meeting:

- Making intercompany transactions and receipt or sale of key assets according to the laws and Notification of the Office of the Securities and Exchange Commission
- Sale or transfer of whole or important parts of the Company's business to others
- Purchase or transfer the business of other companies to the Company
- Prepare, amend, or terminate a 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 the Company's memorandum and regulations
- Increase or decrease the Company's capital
- Issuance of debentures to the public
- Dissolution of the Company / merger with other companies
- Announce annual dividend
- Any business required by laws/the Company's regulations to be approved by the Shareholders' Meeting

The Board of Directors is entitled to give authorization and/or assign other persons to perform some tasks 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 to be entitled to approve any transaction that may have some conflicts (having the definition as in the Notification of the Securities and Exchange Commission or the Office of the Securities and Exchange Commission), 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.

### **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, but there shall be at least three (3) of them who 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 and they shall have authorization to provide their advice and comments freely according to the assigned mission on the protection of shareholders and stakeholders' benefits equally.

### **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 to consider and scrutinize the Company's significant operations, especially those related to the caution and effectiveness, then present their recommendations to the Board of Directors. All sub committees are listed below by name and position as of December 31, 2016:

#### **Audit Committee**

	Name	Position
1.	Mrs. Niskorn Tadthiemrom	Chairman of Audit Committee
2.	Mrs. Soithip Trisuddhi	Member of Audit Committee
3.	Mrs. Lakananan Luksamitananan*	Member of Audit Committee

\*Succeeded Mr. Nopporn Koakietaveechai on August 1, 2016.

The Company's regulations specify that the composition of Audit Committee should have at least 3 Independent Directors and the above mentioned 3 Directors are all Independent Directors who are qualified according to the Notification of the Office of the Securities and Exchange Commission with at least one (1) member of Audit Committee shall have knowledge of accounting and finance.

In addition, the Board of Directors has also approved the Charter of Audit Committee specifying the composition, qualification, term, and duties as follows:

The term of Audit Committee members is valid for three (3) years, where one (1) year is considered from the year of Annual General Meeting of Shareholders that the member is appointed to the following year, and any member whose position ends according to the term can be re-appointed.

#### Roles and Responsibilities of 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, transfer, 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 law related to the Company's business.
- (4) Select and propose the appointment of any independent person to perform a task as an auditor of the Company and propose the compensation of that person, and attend the meeting with the auditors without the management at least once a year.
- (5) Consider the information disclosure in case there is any relating transaction or a transaction may have conflict of interest to be complied with laws and regulations of the Stock Exchange of Thailand. This to ensure that the transaction is reasonable and causes maximum benefits for the Company.
- (6) Prepare a report of Audit Committee by disclosing in the Company's annual report that shall be signed by Chairman of Audit Committee and consist of at least the following details:
  - (a) Opinion about correctness, completeness, and reliability of the financial reports of the Company
  - (b) Opinion about sufficiency of internal control of the Company
  - (c) Opinion about compliance with the Securities and Exchange Act, the regulations of Stock Exchange of Thailand, or any law related to the Company's business
  - (d) Opinion about appropriateness of the auditor
  - (e) Opinion about a transaction that may have a conflict of interest
  - (f) Number of meetings of Audit Committee and attendance of each member
  - (g) Opinion or overall observation that the Audit Committee obtains from their performance according to the Charter

- (h) Other transactions that are 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 the 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 of the Company's operation to a third party
- (10) In case the Audit Committee finds or doubts that there is any of the following items, which may have material impact on the Company's financial status and performance, the Audit Committee shall report to the Board of Directors to make correction in suitable time as the Audit Committee considers appropriate.
  - (a) Conflict of interest
  - (b) Corruption or abnormality or important deficiency in internal control systems
  - (c) Infringement of the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, or any laws related to the Company's business

In 2016, there were totally 11 meetings of the Audit Committee to perform their duties in line with the scope of authority and responsibilities as mentioned in its Charter and the assignment of the Board of Directors.

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

	Name	Position
1.	Mrs. Soithip Trisuddhi	Chairman of Nomination and Remuneration Committee
2.	Miss Chomkamol Poompanmoung	Member of Nomination and Remuneration Committee
3.	Mr. Sa-Nga Ratanachartchuchai	Member of Nomination and Remuneration Committee

The Board of Directors specifies the composition of the Nomination and Remuneration Committee, which consists of at least 3 members. In addition, the Board of Directors specifies that the Nomination and Remuneration Committee has a term of three (3) years, where one (1) year is considered from the date of the Annual General Meeting of Shareholders that the member is appointed to the following Annual General Meeting of Shareholders. Any member whose position ends according to the term may be re-appointed. The roles and responsibilities of the Nomination and Remuneration Committee are as follows:

- (1) Recruitment of suitable persons for being a Director or Chief Executive Officer or Executive when the position is vacant or the term is expired, then propose to the Board of Directors or the Shareholders' Meeting for an election, depending on circumstances. The recruitment shall be made by considering of the Directors' composition, competency, experience, number of companies that such person holds a position, and conflict of interest.
- (2) Prepare a list of suitable persons to nominate as a Director or Chief Executive Officer in advance and/or when there is a 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 the recruitment process, then propose to the Meeting of the Board of Directors or Shareholder, depending on circumstances, for consideration of an election.
- (4) Set performance assessment form for the 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 adjustment of specific Director to the Board of Directors 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 guidelines, 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 based on responsibilities and annual performance, then, 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) Assess the performance of the Nomination and Remuneration Committee and provide performance report for the Board of Directors, then disclose to Shareholders annually.
- (10) Perform other tasks assigned by the Board of Directors in relation to the nomination of Directors and Chief Executive Officer.

In 2016, there were 5 meetings of the Nomination and Remuneration Committee to perform duties as assigned.

### Executive Committee

	Name	Position
1.	Mr. Kanoksakdi Bhinsaeng	Chairman of Executive Committee
2.	Mr. Chatchaval Jiaravanon	Member of Executive Committee
3.	Miss Chomkamol Poompanmoung	Member of Executive Committee
4.	Mr. Sa-Nga Ratanachartchuchai	Member of Executive Committee
5.	Mr. Petch Chinnabutr	Member of Executive Committee

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

Roles and responsibilities of the Executive 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 issues assigned by the Board of Directors

In 2015, there were 13 meetings of the Executive Committee to perform duties as assigned.

**List of the Executive Committee according to the Organizational Structure as of December 31, 2016**

	Name	Position
1.	Mr. Petch Chinnabutr	Chief Executive Officer
2.	Miss Chomkamol Poompanmoung	Deputy Chief Executive Officer, Operations
3.	Mr. Noppavong Omathikul	Director of Accounting and Finance
4..	Miss Pacharawan Setthikul	Director of Human Resources
5.	Miss Sakanya Threetrongpol	Director of Business Development
6.	Mr. Chumpol Lilitsuwan	Acting Director of Sales

For effective corporate management, the Board of Directors has appointed Executives for related departments, including 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 employees, 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 history of offence regarding:

- (1) Being accused or indicted in criminal case by an authorized agency because unfair action regarding securities or future trading, or deception or corruption operation
- (2) Being in the period of prohibition by an authorized agency to be an Executive
- (3) Has been subjected to final judgment according to sub-clause (1) above or fined from offence according to sub-clause (2) above

**Roles and Responsibilities of Chief Executive Officer**

- (1) Perform tasks assigned by the Board of Director according to the Company's regulations

- (2) Has authorization in issuance, amendment, addition, and modification in order for the operation to be in accordance with the Company's policy and benefits, and to maintain the disciplines within the organization
- (3) Has authorization in action and present as the Company's representative to third party in relevant business that benefits the Company
- (4) Approve the appointment of consultancy in activities that are necessary 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, rules, regulations, commands, the resolutions of shareholders' meetings, and the resolution of the Board of Directors' meeting
- (6) Being an authorized person to direct, contact, order, proceed, including sign in any agreement, document, command, notification, or any letter used for the government sector, state enterprises, and third party; including, performing any necessary and reasonable action to complete the above activities
- (7) Has authorization to sub authorize and/or assign other persons 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 rules, regulations, or command specified by the Company's Director and/or the Company
- (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) Perform other tasks occasionally assigned by the Executive Committee or the Board of Directors

### **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 November 10, 2016, the appointment of Miss Daraporn Anyamaneetragoon as the Company Secretary had been approved. The followings are duties and responsibilities assigned:

1. Preparing and maintaining the following documents:
  - (a) Director profile
  - (b) Notice and minutes of the Board's meeting and the annual report



- (c) Notice and minutes of shareholders' meeting
- (d) Other important documents
- 2. Maintaining reports of Directors and management 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 the Human Resources Committee to the Chairman and Chairman of the Audit Committee within 7 business 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 Office of the Securities and Exchange Commission
- 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 the Board of Directors, Committees, and Shareholders according to the Company's regulations
- 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 the 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 the assessment 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 Office of the Securities and Exchange Commission.

## **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 the Nomination and Remuneration Committee with the appropriateness of and in accordance with the Company's status. Presently, all members in sub committees which are Audit Committee, Executive Committee, and Nomination and Remuneration Committee are not remunerated.

Additionally, remuneration of Directors shall be approved by the Annual General Meeting of Shareholders and in the 2016 Annual General Meeting of the Shareholders on April 30, 2016, the following remunerations for Directors were approved:

### Remuneration of Directors in 2016

Director	Monthly Remuneration
Chairman of the Board of Directors	73,500.00
Chairman of Audit Committee	73,500.00
Director (non-management)	42,000.00
Director (management)	21,000.00

Notes:

- 1) Only monthly remuneration without meeting allowance were compensated to Directors.
- 2) No bonus was compensated to Directors for the Company's operations in 2016.

### Summary of remuneration of each Director in 2016

	Director Name	Remuneration (Baht)
1	Mr. Chulchit Bunyaketu	882,000
2	Mrs. Niskorn Tadthiemrom	882,000
3	Mr. Kanoksakdi Bhinsaeng	357,000
4	Mrs. Soithip Trisuddhi	504,000
5	Mr. Chatchaval Jiaravanon	504,000
6	Mr. Bowon Vongsinudom	504,000
7	Mr. Sa-Nga Ratanachartchuchai	504,000
8	Mr. Aiyawatt Srivaddhanaprabha	504,000
9	Miss Chomkamol Poompanmoung *	252,000
10	Mrs. Lakananan Luksamitananan **	210,000
11	Mr. Petch Chinnabutr *	71,400
12	Mr. Somchai Kuvijitsuwan ***	98,903.23
Directors who resigned and were remunerated in 2016		
1	Mr. Nopporn Koakietaveechai ****	294,000
2	Mr. Ronasit Poomma *****	336,000
3	Mr. Pisarn Poompanmuang *****	218,129.03
<b>Grand Total</b>		<b>6,121,432.26</b>

- Notes:**
- \* Remuneration as a Directors only and not as an Executive.
  - \*\* Mrs. Lakananan Luksamitananan was appointed on August 1, 2016.
  - \*\*\* Mr. Somchai Kuvijitsuwan was appointed on October 20, 2016.
  - \*\*\*\* Mr. Nopporn Koakietaveechai resigned on July 31, 2016.
  - \*\*\*\*\* Mr. Ronasit Poomma resigned on August 31, 2016.
  - \*\*\*\*\* Mr. Pisarn Poompanmuang was appointed on May 1, 2016 and passed away on October 6, 2016.

In 2016, the total amount of remuneration that the Company paid to Executives was 17,500,814 Bath.

### **Employees**

#### **1. Numbers of Employees**

As of 31 December 2016, the total number of the Company's employees was 430 persons including 6 Executives and 424 employees (salaried employees and daily employees).

#### **2. Employee Remuneration (Excluding Executives)**

As of 31 December 2016, the total amount of remuneration that the Company paid to employees (excluding Executives) was 98,338,851 Bath.

#### **3. Employee Management Policy**

The Company has a policy to build readiness in terms of personnel by focusing on the human resources management system for the sustainable development and growth of the organization through revision of the organizational structure and work process to prepare personnel for the capability and suitable number and in accordance with the growth plan and expansion of the Company. In addition, the Company focuses on building a foundation for human resources management system to have a clear policy and process for complete and continuous support of the needs of the Company as well as creating an inspiration for employees to produce results that can lead the organization to excellency and achieve all objectives of the organization.

In 2016, the Company has prepared the readiness in terms of personnel by using strategies such as recruiting and aggressive recruiting to recruit potential personnel from nationally recognized educational institutions. The Company also focuses on the development of the potential of personnel to have talents and be good people to build readiness of personnel with high potential who has a chance to be Executives and leaders in driving future businesses through the evaluation, selection, development, and management according to professions, and the management of appropriate compensation, creating a good and safe working environment. In addition, the Performance Management System (PMS) was adopted through the implementation of Key Performance Indicators (KPIs), reflecting performance at the enterprise level to the individual level to monitor and manage performance and, beyond the improvement of the performance, the Company molds corporate culture and values according to the Company's guidelines under the "CLIP" concept that includes:

### **C = Collaboration**

The cooperation between Team Work and Coordination or “cooperating, coordinating, 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**

The loyalty towards organization as well as the love and faith in organization leading to a sense of pride in the organization.

### **I = Integrity**

Adherence to truthfulness and righteousness, having integrity and pure intent to treat yourself and others without cheating. “Integrity” means good, rightful, forthright, and sincere behaviors. People who has integrity shall have these 5 truths:

- (1) **Truth for Work:** 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 regarded 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 results.
- (3) **Truth for Word:** Say the truth and keep words by really doing what you say.
- (4) **Truth for People:** Sincerity towards related people, friends, colleagues and superiors. This is called “loyalty” while sincerity towards benefactors is called “gratitude.”
- (5) **Truth for Virtue:** Intentionally behave in virtue only as a habit and having morals consisting of shame (shame on demerit and immorality) and fear (fear of demerit and immorality)

### **P = Proactive**

Plan work in advance carefully. Know and maintain responsibility. Being able to respond to external motivation through own viewpoint and value which will not fall under the surrounding influence and external situation that force the unwilling action as well as being conscious, not getting stuck on problems but being responsive with consciousness. Proactive worker shall have following attitudes:

- Being optimistic
- Preference of being “Giver” rather than “Taker”
- Everything is possible
- “Tomorrow” is better than “Today”

The above expectations are what the Company would like to enable all employees to realize in working together 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

Chairman of the Board of Director/  
Independent Director

- **Starting Date : 24 November 2014**
- **Education/Training**
  - Bachelor of Law, Faculty of Political Science, Chulalongkorn University
  - Advance Diploma, Public Administration, Exeter University
  - M.A. Political Science, Kent State University
  - Diploma of National Defence College of Thailand, Joint State-Private Sector Course Class 335
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program Class 38/2005
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: 2 Companies
  - Chairman of the Audit and Remuneration Committees, Independent Director, Nomination Committee, Corporate Governance Committee, Total Access Communication Public Company Limited
  - Director, BTS Group Holdings Public Company Limited
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 4 Companies
  - Chairman of the Board of Director, DTAC Trinet Co. Ltd.
  - Director, King Power Group
  - Director, Siam Polo Park Co. Ltd.
  - Director, VRJ International Co. Ltd.
- **Holding Office in Other Organization/Special Activity : 1 Organization**
  - Director, Thailand Polo Association
- **Past Work Experience (last 5 years)**
  - 2000 – Present Independent Director, Total Access Communication Public Company Limited
  - 2016 – Present Advisor, King Power Group
  - 2006 – Present Chairman of the Audit and Remuneration Committees, Total Access Communication Public Company Limited
  - 2007 – Present Director, VRJ Co. Ltd.
  - 2007 – Present Director, Siam Polo Park Co. Ltd.
  - 2012 – Present Nomination and Corporate Governance Committees, Total Access Communication Public Company Limited
  - 2013 -2014 Chairman of the Board of Director , Picnic Corporation Public Company Limited
- **Number of Shares Held : None**
- **Family Relationship with Other Director : None**

## Mrs. Niskorn Tadthiemrom

Age 69

Chairman of the Audit Committee/  
Independent Director



- **Starting Date : 24 November 2014**
- **Education/Training**
  - Master of Business Administration, University of Wisconsin , U.S.A
  - Bachelor of Arts, Faculty of Economics, Chulalongkorn University (Second Class Honor)
  - Diploma of National Defence College of Thailand, Joint State-Private Sector Course Class 14
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Certificate Program (DCP) Class 120/2009
  - Audit Committee and Continuing Development Program (ACP) Class 27/2009
  - Role of the Chairman Program (RCP) Class 24/2010
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 1 Companies
  - Audit Committee, University of Phayao
- **Past Work Experience (last 5 years)**

2010 – Present	Audit Committee, University of Phayao
2013 – 2014	Director, Picnic Corporation Public Company Limited
2014	Chairman of the Audit Committee, Picnic Corporation Public Company Limited
2011 – 2012	Procurement Subcommittee, Government Savings Bank
2009 – 2011	Chairman of the Audit Committee/ Nomination Committee/ Key Performance Indicators Committee, Thai Red Cross Society
2009 – 2010	Director and Secretary Accounting, Financial, and Internal Audit Management Commission Thai Red Cross Society
- **Number of Shares Held** : None
- **Family Relationship with Other Director** : None



## Mr. Kanoksakdi Bhinsaeng

Age 60

Director / Chair of the Executive Board

- **Starting Date : 24 November 2014**
- **Education/Training**
  - Master of Public Administration, Sripatum University
  - Bachelor of Arts (Political Science), Ramkhamhaeng University
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program (DAP) Class 73/2008
  - Director Certification Program (DCP) Class 106/2008
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: 1 Companies
  - Chairman of the Board of Directors, Siamraj Public Company Limited
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 5 Companies
  - Chair of Executive Board, Buriram United Co. Ltd.
  - Advisor, Chiang Mai Construction Co. Ltd.
  - Chairman of the Board of Directors, Big Crane and Equipment Rentals Co. Ltd.
  - Advisor, NOK'S GROUP's Affiliated Companies
  - Director, WP Solutions Co. Ltd.
  - Director, WP Solar Co. Ltd.
- **Holding Office in Other Organization/Special Activity : 3 Organization**
  - President, Thailand Polo Association
  - Honorary Advisor, King Power Foundation
  - Secretary, Wat Suvarnabhumi Budthachayanti Foundation
- **Past Work Experience (last 5 years)**

2002 – Present	Advisor, Chiang Mai Construction Co. Ltd.
2006 – Present	Advisor, NOK'S GROUP's Affiliated Companies
2012 – Present	
2011 – 2014	Managing Director, Buriram United Co. Ltd.
	Director, Picnic Corporation Public Company Limited
2014	Audit Committee, Picnic Corporation Public Company Limited
- **Number of Shares Held : None**
- **Family Relationship with Other Director : None**



## Mrs. Soithip Trisuddhi

Age 62

Audit Committee / Independent Director /

Chairman of the Nomination and Remuneration Committee



- **Starting Date : 24 November 2014**

- **Education/Training**

- Bachelor of Arts, Thammasat University
- Bachelor of Laws, Thammasat University
- Master of Arts, Thammasat University
- Graduate Diploma in Public Law Class 6, Thammasat University
- Senior Executives Program Class 28
- Diploma of National Defence College of Thailand Class 45
- Senior Justice Executives Program Class 9
- Politics and Governance in Democratic Systems for Senior Executives Program Class 10
- Senior Executives Program Class 15, Capital Market Academy
- Industrial Business Development and Investment for Senior Executives Program Class 1
- Senior Justice Administration Executives Program Class 5
- Corporate Governance for State Enterprises and Public Organizations' Directors and Senior Executives Program Class 1, King Prajadhipok's Institute (Public Director Institute)

- **Director Course Training from Thai Institute of Directors (IOD)**

- Director Certificate Program Class 88/2007
- Audit Committee Program Class 26/2009

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

- Director, Thai Smile Co. Ltd.

- **Holding Office in Other Organization/Special Activity**

- Member of National Reform Steering Assembly

- **Past Work Experience (last 5 years)**

2014 – September 2019	Permanent Secretary, Ministry of Transport
2011	Director, Industrial Estate Authority of Thailand
2011 – 2013	Chairman of the Board, State Railway of Thailand
2009 – 2011	Chairman of the Board, Expressway Authority of Thailand
2008 – 2009	Director, Expressway Authority of Thailand
2008 – June 2012	Director, Mass Rapid Transit Authority of Thailand
June 2008 – July 2012	Director, Office of Transport and Traffic Policy and Planning
2007 – 2009	Director, Tourism Authority of Thailand
2007	Director, Civil Aviation Training Center
2006	Director, Airports of Thailand Public Company Limited
2006	Director, Mass Rapid Transit Authority of Thailand
2004 – 2005	Director, Bangkok Mass Transit Authority
2002 – 2008	Inspector General, Ministry of Transport

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None

## Mr. Bowon Vongsinudom

Age 62

Director / Independent Director



- **Starting Date : 27 October 2015**
- **Education/Training**
  - Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
  - Master of Engineering (Chemical Engineering), Chulalongkorn University
  - Bachelor of Engineering (Chemical Engineering), Chulalongkorn University
  - Diploma of National Defence College of Thailand, Joint State-Private Sector Course Class 17
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program Class 76/2008
  - Director Certification Program Class 209/2015
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: 2 Companies
  - Chairman of the Board, Thai British Security Printing Public Company Limited
  - Independent Director and Audit Committee, Suthakan Public Company Limited
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 4 Companies
  - Chairman of the Board, PTT Phenol Co. Ltd.
  - Director, Metropolitan Waterworks Authority
  - Director and Executive Director , ASEAN Potash Chaiyaphum Public Company Limited
  - Director, State Railway of Thailand
- **Past Work Experience (last 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, President, and Acting Senior Executive Vice President, PTT Aromatics and Refining Public Company Limited
2009 - 2010	Senior Executive Vice President and Acting Vice President, Commercial Plan and Business Development PTT Aromatics and Refining Public Company Limited
- **Number of Shares Held** : None
- **Family Relationship with Other Director** : None



## Mr. Sa-nga Ratanachartchuchai

Age 57

Director / Executive Director /  
Nomination and Remuneration Committee

- **Starting Date : 24 November 2014**
- **Education/Training**
  - Bachelor of Law, Thammasat University
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 6 Companies
  - Director, SWN Intertrade Co. Ltd.
  - Director, Logistic Enterprise Co. Ltd.
  - Director, Eagle Intertrans Co. Ltd.
  - Director, WP GAS Co. Ltd.
  - Director, WP Solutions Co. Ltd.
  - Director, WP Sollar Co. Ltd.
- **Holding Office in Other Organization/Special Activity** : None
- **Past Work Experience (last 5 years)**

2013 – 2014	Director, Picnic Corporation Public Company Limited
2009 - 2013	Director, World Gas (Thailand) Co. Ltd.
- **Number of Shares Held** : 2,833,122 (0.10%)
- **Family Relationship with Other Director** : None

## Mr. Chatchaval Jiaravanon

Age 54

Director / Executive Director



- **Starting Date : 24 November 2014**
- **Education/Training**
  - Bachelor of Business Administration, University of Southern California
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Accreditation Program Class 71/2008
  - Corporate Governance for Capital Market Intermediaries Class 13/2016
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: 4 Companies
  - Director and Managing Director, True Corporation Public Company Limited
  - Director, AEON Thana Sinsap (Thailand) Public Company Limited
  - Director / Audit Committee, Ticon Industrial Connection Public Company Limited
  - Chairman of the Board, Financia Syrus Securities Public Company Limited
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 8 Companies
  - Chairman of the Board, Thai Kodama Co. Ltd.
  - Chairman of the Executive Board, True Multimedia Co. Ltd.
  - President and Chief Executive, Officer Telecom Holding Co. Ltd.
  - Director, Echo Autoparts Thailand Co. Ltd.
  - Director, CPPC Co. Ltd.
  - Director, WP Gas Co. Ltd.
  - Director, WP Solutions Co. Ltd.
  - Director, WP Sollar Co. Ltd.
- **Holding Office in Other Organization/Special Activity : 1 Organization**
  - Member of Corporate Advisory Board, Marshall School Business, University of Southern California
- **Past Work Experience (last 5 years)**

2013 - 2014	Director, Picnic Corporation Public Company Limited
2010 - 2013	Director, Amanah Leasing Public Company Limited
2009 - 2013	Chairman of the Board, ACL Securities Co. Ltd.
- **Number of Shares Held** : 201,228,371 (7.289%)
- **Family Relationship with Other Director** : None
- **Crime history** : None



Ms. Chomkamol Poompanmoung

Age 34

Director / Executive Director /  
Deputy Chief Executive Officer

- **Starting Date : 24 November 2014**
- **Education/Training**
  - BA Business and Administration (Pass), University of Kent at Canterbury , UK
  - BA Economics and Business Administration (1st Class Honors) Hanning, 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 Class 193/2014
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 4 Companies
  - Managing Director, Eagle Intertrans Co. Ltd.
  - Director, WP Gas Co. Ltd.
  - Director, WP Solutions Co. Ltd.
  - Director, WP Sollar Co. Ltd.
- **Past Work Experience (last 5 years)**

2012 - 2014	Acting Chief Executive Officer, World Gas (Thailand) Co. Ltd.
2009 - 2012	Senior Officer, Strategic Planning/Financial Officer, PTT Green Energy (Thailand) Co. Ltd.
- **Number of Shares Held : 20,319,783 (0.7479%)**
- **Family Relationship with Other Director : None**

## Mr. Aiyawatt Srivaddhanaprabha

Age 30

Director



- **Starting Date : 24 November 2014**
- **Education/Training**
  - Honorary Doctoral Degree, De Monfort University
  - Bachelor of Business Administration, Bangkok University International Program
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 1 Companies
  - Assistant Chairman of the Board, King Power Group
  - Vice President, Leicester City Football Club
- **Past Work Experience (last 5 years)**  
2009 – Present Assistant Chairman of the Board, King Power Group
- **Number of Shares Held** : 514,390,822 (18.63%)
- **Family Relationship with Other Director** : None



## Mr. Phet Chinbut

Age 48

Director / Secretary to the Board

Chief Executive Officer

- **Starting Date : 19 September 2016**
- **Education/Training**
  - Bachelor of Education, Chiang Mai University
  - Master of Science (Management Technology), National Institute of Development Administration
  - Doctor of Education (Professional Development) , Victoria University in collaboration with Philosophy of Doctor in Human Resource Development Program, Burapha University
- **Director Course Training from Thai Institute of Directors (IOD)**
  - Director Certification Program Class 2551
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: None
- **Past Work Experience (last 5 years)**

2015 – July 2016	Advisor to President, Siam Commercial Bank Public Company Limited
2010 – 2015	Director, National Food Institute, Ministry of Industry
- **Number of Shares Held** : None
- **Family Relationship with Other Director** : None



## Mrs. Lakananan Luksamitananan

Age 62

Audit Committee / Independent Director



- **Starting Date : 1 August 2016**
- **Education/Training**
  - Bachelor of Business Administration (Accounting), Ramkhamhaeng University
  - Bachelor of Law, Sripatum University
  - Master of Public Administration, Chulalongkorn University
  - Master of Business Administration, Kasetsart University
  - Senior Administrators Program Class 54
  - Financial Executives Program Class 1
- **Director Course Training from Thai Institute of Directors (IOD) : None**
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: None
- **Past Work Experience (last 5 years)**

2016 – Present	Vice President, Accounting and Financial Administration, Football Association of Thailand
	Director, Thai League Co. Ltd.
	Vice President, Accounting and Finance, Thai League Co. Ltd.
2013 – 2015	Director, Bureau of Tax Auditing Standards
2012 - 2013	Bangkok Zone 24 Collector
2011 - 2012	Nakhon Nayok Province Collector
- **Number of Shares Held : None**
- **Family Relationship with Other Director : None**



## Mr. Somchai Kuvijitsuwan

Age 65

Independent Director

- **Starting Date : 20 October 2016**

- **Education/Training**

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University
- Barrister-at-Law Class 71, Institute of legal education Thai bar association
- Provincial Prosecutors Class 9/2530
- Training for Role of the Chairman Program (RCP)
- Training for the Role of the Nomination and Governance Committee
- Senior Executives Program Class 9, Capital Market Academy,
- Senior Executives Program Class 2, Thailand Energy Academy

- **Director Course Training from Thai Institute of Directors (IOD)**

- Director Certification Program Class 76

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: 2 Companies

- Chairman of the Board, AQ Estate Public Company Limited
- Director and Chairman of the Audit Committee, PTT Global Chemical Public Company Limited

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

: 2 Companies

- Director, Prima Marine Co. Ltd.
- Director and Chairman of the Audit Committee, Thonburi Healthcare Public Company Limited

- **Past Work Experience (last 5 years)**

2016 – Present Chairman of the Board, AQ Estate Public Company Limited

2016 – Present Director, Prima Marine Co. Ltd.

2015 – Present Director and Chairman of the Audit Committee, Thonburi Healthcare Public Company Limited

2011 – Present Director and Chairman of the Audit Committee, PTT Global Chemical Public Company Limited

2010 – Present Advisory Director of the Appeal Committee, Department of Thai Customs

2008 – Present Advisory Director and Chairman of the Audit Committee, Securities and Exchange Commission

2011 - 2014 Director, Chairman of the Good Governance and Social Responsibility Committee, and Chairman of the Risk Management and Internal Control Committee, Provincial Electricity Authority

- **Number of Shares Held : None**

- **Family Relationship with Other Director : None**

## Mr. Noppavong Omathikul

Age 37

Director of Accounting and Finance



- **Education/Training**

- Bachelor's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

: None

- **Past Work Experience (last 5 years)**

2014 Finance Manager, World Gas (Thailand) Co. Ltd

2011 – 2014 Senior Manager, Pricewaterhouse Cooper ABAS Co. Ltd.

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None



Ms. Patcharawan Setthikun

Age 37

HR Director

- **Education/Training**

- Master of Public Administration (Human Resources Management)  
California State University, Fullerton: USA
- Bachelor of Political Science (Public Administration), Thammasat University

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: None

- **Past Work Experience (last 5 years)**

- |             |  |
|-------------|--|
| 2012 -2016  | HR Assistant Director, Central Trading Co. Ltd.  |
| 2007 - 2012 | Senior Advisor on HR Management and Development,<br>Human Intellectual Management Co. Ltd. |

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None

## Ms. Sakanya Tritrongpon

Age 43

Director of Business Development



- **Education/Training**

- Master of Business Administration (Finance)  
Cleveland State University, Cleveland, Ohio, USA
- Bachelor of Arts (Economics), Kasetsart University

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

: None

- **Past Work Experience (last 5 years)**

- |             |   |
|-------------|---|
| 2015 – 2016 | Manager, Business Development, Thai Oil Public Company Limited                                  |
| 2014 – 2015 | Deputy Director, Business Development, Susco public company limited                             |
| 2007 – 2014 | Senior Executive, Supply Operations & Aviation Business,<br>PETRONAS Retail (Thailand) CO. LTD. |

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None



Mr. Chumpol Lilitsuwan

Age 49

Director of Planning and Procurement

- **Education/Training**

- Master of Business Administration (Business Administration),  
University of the Thai Chamber of Commerce
- Bachelor of Business Administration (Financial Management),  
University of the Thai Chamber of Commerce

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

: None

- **Past Work Experience (last 5 years)**

- 2004 - 2014 Acting Manager, Planning and Procurement Department, World Gas (Thailand) Co. Ltd.
- 2012 – 2014 Deputy Managing Director, Procurement and Finance,  
Picnic Corporation Public Company Limited

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None

Ms. Daraporn Anyamaneetrugool

Age 32

Company Secretary

- **Education/Training**

- Bachelor of Law, Thammasat University
- Master of Laws (Private and Business Law), Dhurakij Pundit University
- Practice and Etiquette (Lawyer's License), Lawyers Council of Thailand

- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**

: None

- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**

: None

- **Past Work Experience (last 5 years)**

2014	Legal Department Manager, World Gas Co. Ltd.
2013 – 2014	Lawyer, Bangkok Smartcard System Co. Ltd.
2006 - 2013	Lawyer, TPI Polene Public Company Limited

- **Number of Shares Held** : None

- **Family Relationship with Other Director** : None

# Attachmen 2

## Information on Directors of Subsidiaries and Related Companies



### Directors Holding Offices in Subsidiaries/Related Companies

No.	Name	WP	Subsidiary				
			EAGLE	LOGISTIC	WP GAS	WP SOLUTIONS	WP SOLLAR
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	Ms. Chomkamol Poompanmoung	● ■	■		●	●	●
10	Mrs. Lakananan Luksamitananan	●					
11	Mr. Phet Chinbut	●	●				
12	Mr. Somchai Kuvijitsuwan	●					

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

WP = WP Energy Public Company Limited

Subsidiary

EAGLE = Eagle Intertrans Co. Ltd.

LOGISTIC = Logistic Enterprise Co. Ltd.

WP GAS = WP Gas Co. Ltd.

WP SOLUTIONS = WP Solutions Co. Ltd.

WP SOLLAR = WP Sollar Co. Ltd

## Executives Holding Offices in Subsidiaries/Associates/Related Companies

No.	Name	WP	Subsidiary				
			EAGLE	LOGISTIC	WP GAS	WP SOLUTIONS	WP SOLLAR
1	Mr. Kanoksakdi Bhinsaeng	● ■			▲	●	●
2	Ms. Chomkamol Poompanmoung	● ■	■		●	●	●
3	Mr. Phet Chinbut	● ■	●				
4	Mr. Chumpol Lilitsuwan	■					
5	Mr. Noppavong Omathikul	■					

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

WP                      = WP Energy Public Company Limited

### Subsidiary

EAGLE                = Eagle Intertrans Co. Ltd.

LOGISTIC           = Logistic Enterprise Co. Ltd.

WP GAS             = WP Gas Co. Ltd.

WP SOLUTIONS    = WP Solutions Co. Ltd.

WP SOLLAR        = WP Sollar Co. Ltd

**Information on Directors of Subsidiaries with More Than 99% of Shares Owned by  
the Company**

No.	Name	WP	Subsidiary				
			EAGLE	LOGISTIC	WP GAS	WP SOLUTIONS	WP SOLLAR
1	Mr. Kanoksakdi Bhinsaeng	● ■			▲	●	●
2	Mr. Sa-nga Ratanachartchuchai	●	●	●	●	●	●
3	Mr. Chatchaval Jiaravanon				●	●	●
4	Ms. Chomkamol Poompanmoung	● ■	■		●	●	●
5	Mr. Phet Chinbut	● ■	●				
6	Mr. Yongyot Puengtham		●	●			

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

WP                      = WP Energy Public Company Limited

Subsidiary

EAGLE                = Eagle Intertrans Co. Ltd.

LOGISTIC            = Logistic Enterprise Co. Ltd.

WP GAS                = WP Gas Co. Ltd.

WP SOLUTIONS      = WP Solutions Co. Ltd.

WP SOLLAR          = WP Sollar Co. Ltd

# Attachment 3

## Detail of Internal Audit (Outsource)

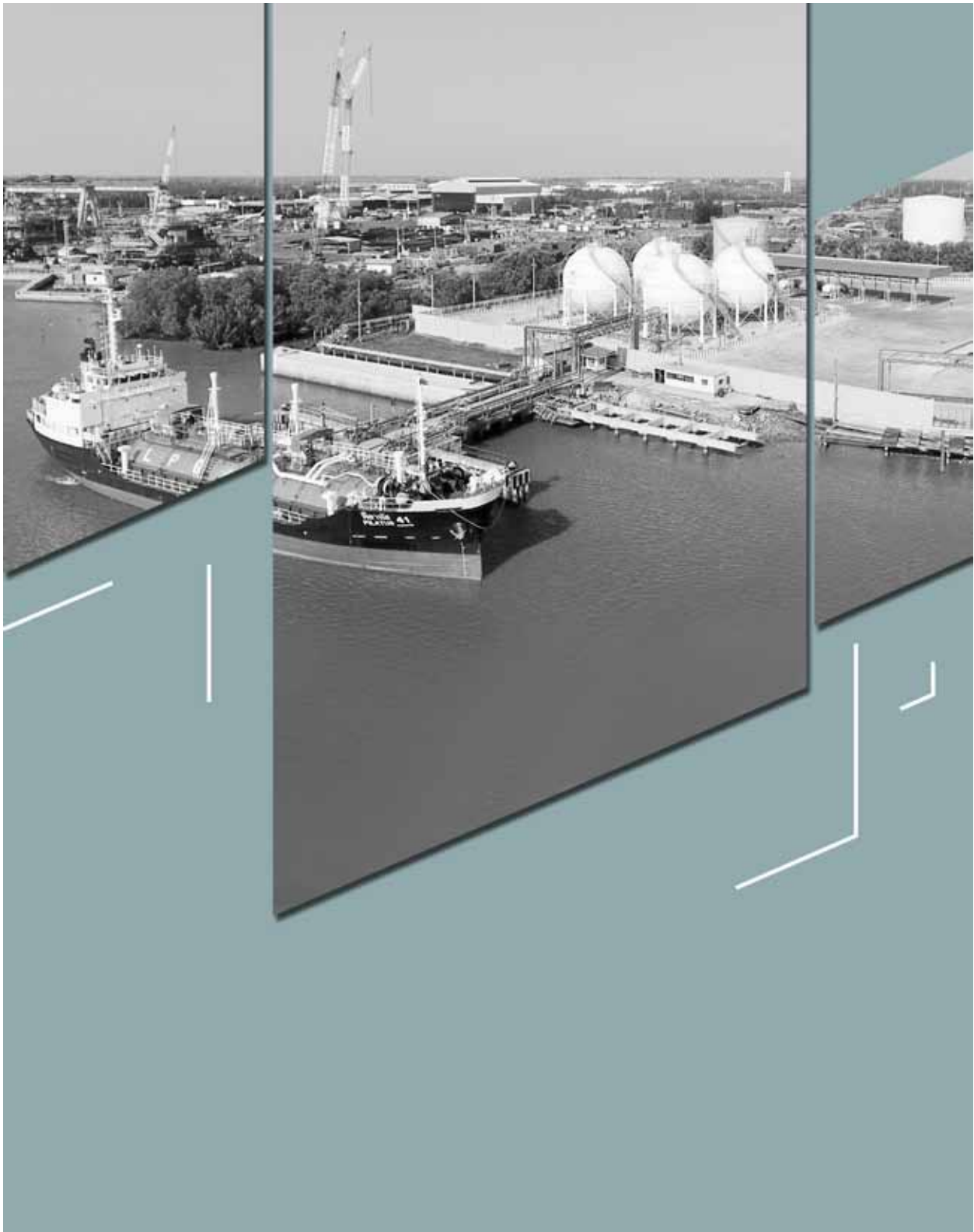
## Mr. Kosol Yamleemul

Independent Internal Auditor

Managing Director, Unique Advisor Co. Ltd. (Auditor's Company)

- **Starting Date : 13 August 2015**
- **Education/Training :**
  - Master of Science (Information Technology for Business) Chulalongkorn University
  - Bachelor Degree (Accounting, Banking, and Finance), Thammasat University
- **Diploma / Certificate**
  - Certified Public Accountant (CPA), Federation of Accounting Professions
  - Certified Internal Auditor (CIA), Institute of Internal Auditors
  - Certified Financial Services Auditor (CFSA) Institute of Internal Auditors
  - Certificate for Business Advisor (CBA-KU#14)
  - Certificate of Real Estate Entrepreneur (CRE-KU2014)
- **Training :**
  - Federation of Accounting Professions and Institute of Internal Auditors of Thailand**
    - Financial Reporting Standards, Accounting Standards, and Auditing Standards (Continuing Program)
    - Internal Auditing, IA Clinic (Continuing Program)
    - Auditor's Report Writing (Continuing Program)
    - COSO 2013
    - Tax and Tax Planning
    - Information Technology Audit
    - IIAT Annual Conference
    - Audit Methodology and Software Tools
    - Advanced COSO ERM
- **Association of Thai Securities Companies**
  - Financial Advisor Program
  - Internal Control for Companies with IPO
- **Holding Office of Director/Executive in Other Company Listed in the Stock Exchange of Thailand**  
: None
- **Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand**  
: 1 Company
  - Managing Director, Unique Advisor Co. Ltd.
- **Holding Office in Other Organization/Special Activity** : None
- **Past Work Experience (last 5 years)**

2013 – Present	Managing Director, Unique Advisor Co. Ltd.
2002 – 2013	Partner and Director, Grant Thornton Co. Ltd.
2001 – 2002	International Audit Manager (Secondment Program) Grant Thornton LLP, Seattle Office, USA
2000 – 2001	Senior Manager, Grant Thornton Co. Ltd.
1995 – 1999	Senior Manager, Pricewaterhouse Coopers ABAS Co. Ltd.
- **Number of Shares Held** : None
- **Family Relationship with Other Director** : None



## Corporate Governance



# Corporate Governance

## **Corporate Governance Principle**

The Board of Directors focuses 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 operational guidelines 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 operations 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 including Audit Committee, Nomination and Remuneration Committee, and Executive Committee responsible for 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 has details in accordance with the management structure**

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 the qualifications required by the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee shall be responsible for verifying and reviewing the reliability of financial statements, examining and governing to ensure that the Company has internal control and internal audit system, reviewing the risk management system to ensure that it is connected to the 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 persons 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 Executive Committee is appointed by the Board of Directors, consisting of 5 Directors. The Executives Committee has major roles and responsibilities to perform, 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 directing it to be in accordance with the Company's policy, considering and operating key issues relating to the Company's operation, reviewing and suggesting all activities proposed to the Board of Directors.

#### **Nomination of Director and Executive**

##### **(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 the knowledge, competency, and expertise of those who will benefit 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 the topic "Roles and responsibilities of the Nomination and Remuneration Committee."

In case of term expiration of the Director, the election of a replacement shall be subjected to the approval of the Annual General Meeting of Shareholders with 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 nominate anyone to be the Company's Director.

In case the number of nominated persons is less than the number of Directors to be elected, all nominated persons shall be proposed to the Annual General Meeting of Shareholders for election. The vote shall be conducted for one candidate at a time and the candidate shall receive a majority in order to be appointed.



In case the number of nominated persons is more than the number of Directors to be elected, shareholders shall vote for the candidates in the number that does not exceed the number of Directors to be elected. The persons receiving the highest votes shall be appointed as Directors and at the number of Directors to be elected. To elect a Director for replacement of vacancy in the case other than term expiration, the Board of Directors may elect a replacement with a vote of no fewer than three-fourth (3/4) of the number of remaining Directors. The replacement shall be in the position for the same period as the remaining term of the resigned Director.

## **(2) Nomination of Chief of Executive Officer**

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

## **(3) Nomination of Executive**

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 Executive, and then report to the Board of Directors except in the case of any position higher than Vice Chairman in which it shall be subjected to the Board of Directors' approval. In addition, appointment of Executive 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 managements 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 reports on 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 from using internal information that have essential information of the Company that has not been 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.

### **Compliance with good corporate governance according to international standards**

The Company has adhered to the principles and best practices of the Stock Exchange of Thailand. In 2015, the key implementations in accordance with good corporate governance principles for listed companies 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 equally for making a decision. Thus, the Board of Directors has the following policy:

1. The Company shall send the notice of the meeting together with sufficient information for the meeting according to the agenda by stating the objective and rationale along with the opinions of the Board of Directors on each agenda item to allow the shareholders to study the information in full before the shareholders' meeting no less than 14 days prior to the meeting. In case the shareholders cannot attend the meeting in person, the Company opens an opportunity for shareholders to appoint an Independent Director or any person as a proxy to attend the meeting on their behalf by using the proxy form that the Company attaches with the meeting invitation.
2. The Company shall facilitate all shareholders equally regarding meeting attendance both for the location or suitable time.
3. The shareholders' meeting shall consider and vote according to the agenda sequentially without changing important information or adding a meeting agenda abruptly and open the opportunity for shareholders to have equal rights to monitor the operation of the Company, inquire, express opinions and suggestions and the Directors and relevant Executives shall attend the shareholders' meeting to answer questions at the meeting.
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 to attend the meeting for answering the shareholders' questions promptly.
6. The Company shall provide full, correct, quick, and transparent minutes of the meeting containing summary of questions and answers during the meeting for the shareholders' review. In addition, the Company shall record a video and post 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 the 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 equally. 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 to propose a list of Director or additional agenda before the meeting date.
3. The Company shall facilitate the shareholder who is unable to attend the meeting by allowing authorization of another person or allow at least 1 Independent Director to attend and vote for the shareholder by notifying the name of Independent Director in the Notice of the Ordinary General Meeting of Shareholders.
4. The Company shall treat all shareholders equally whether they are major or minor shareholders, or Thai or foreign shareholders.

### **Roles of Shareholders**

The Company recognizes and is aware of the 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 Practices toward Employees**

The Company recognizes that employees are the 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 potential development. To comply with the policy, the Company has the following practices:

- Treat employees politely and respect individualism
- Provide fair compensation and establish provident fund for employees as well as focus on taking 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, ability, and appropriateness
- Emphasize knowledge and skill development by provide opportunity thoroughly and regularly in order to develop the ability of employees to have the potential in the operation like a professional
- Listen to opinion and suggestion based on knowledge and profession of employees
- Comply strictly with laws and regulations related to employees

## 2. Policies and Practices toward Shareholders

The Company always recognizes that all shareholders are the business owner and the Company has the responsibility to create added value to the shareholders in long term. Thus, the Company prescribes 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 equally 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 a 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 Practices toward Customers

The Company always recognizes the importance of customers and has prescribed the follow policies:

- Serve customers politely and enthusiastically with sincerity, willingness, intention, and care as well as taking care of the customers like a close relative, 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 exaggeration that makes customers misunderstand about service quality or conditions of the Company.
- Provide suggestions about the Company's service procedures efficiently for the ultimate benefits of customers.

#### 4. Policies and Practices toward Trade Partners and/or Creditors

The Company has a policy that employees shall treat all trade partners and/or creditors fairly, honestly, and without taking advantage by 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 practices:

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

#### 5. Policies and Practices toward Competitors

The Company has a policy to treat its competitors without violating the trade secrets or trade secrets of the competitors by fraudulent means. The policy is as follows.

- Comply with good competition practices.
- Do not attempt to find trade secrets of competitors by using fraudulent or inappropriate method.
- Do not damage the competitors' reputation with malicious accusations.

#### 6. Policies and Practices toward Society and Community

The Company has a policy to conduct business that is beneficial to the economy and society and is committed to being a good citizen and fully comply with relevant laws and regulations. The Company is committed to developing, promoting and enhancing the quality of

life of the society and community in which the Company is located, providing better quality and growth of the Company.

#### 7. Environmental Policy

The Company has a policy to support activities that enhance the quality of occupational health and the environment and always keep working environment safe for employees' life and property.

### **Disclosure and Transparency**

The Board of Directors has a policy to disclose financial information and others that are related to the Company's business and operating results that are accurate, complete, sufficient, regularly, timely, reflecting the true financial status and performance, as well as the future of the Company's business.

In addition, the Company also strives to ensure strict observance of applicable laws and regulations regarding disclosure and transparency. The Company provides information on the Company's website in both Thai and English through media channels, the Stock Exchange of Thailand's media so that the shareholders and other related parties know the Company thoroughly. The Company will also make an improvement to comply with guidelines provided by the Stock Exchange of Thailand and the Securities and Exchange Commission.

### **Board Responsibilities**

The Board of Directors shall be responsible to the shareholders regarding the business operation of the Company and govern the Company in line with the goals and guidelines that will maximize the benefits for the shareholders, taking into account the interests of all stakeholders.

The Board of Directors has the duty to comply with the law, objectives, Company's regulations and resolutions of the shareholders' meeting by acting honestly and be careful of the interests of shareholders and stakeholders both in short and long term and to ensure that the operation of the Company is in the direction that is most beneficial to the shareholders and stakeholders. The Board of Directors shall oversee the preparation of the Company's vision, mission, goals, policies, directions, operations, plans, strategies, and annual budgets by sharing comments to create an understanding of the overall picture of the business together before approving and follow up the management to meet the goals set by following the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

### Internal Control

The Board of Directors shall provide the Company with a comprehensive internal control system both financially and operationally to comply with applicable laws and regulations and provide effective monitoring and counterbalancing mechanisms to protect and safeguard the Company's assets. The Board shall provide a hierarchy of approval authority and accountability of management and employees with monitoring and counterbalancing in the written Code of Conduct. There shall be an independent internal auditor responsible for monitoring the performance of all units in accordance with established regulations and to assess the effectiveness and adequacy of internal controls of various units within the Company.

### Control for Internal Information Usage

The Board of Directors recognizes the importance of good corporate governance and for the transparency and prevention of personal gain from the use of internal information that the Company has not yet publicly disclosed, the Company has set a policy regarding the use of the Company's information as follows:

- (a) Educate the Board of Directors, Executives, and senior management in the accounting or finance department at the managerial level or higher about the duty to prepare and submit reports on the securities holdings of them, spouse and underage children to the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (A.D. 1992).
- (b) Appoint Directors and Executives, including those who hold Executive positions in the accounting or finance department that are Departmental Director level or higher to produce and submit reports of securities holdings of them, spouse, and underage children to Company secretary before submitting to the Securities and Exchange Commission by preparing and delivering within 30 days from the date appointed to serve as Director, management or reporting change in securities holdings within three (3) working days from the date of purchase, sale, transfer or reception of those securities.
- (c) Appoint Directors, Executives, and senior management in the accounting or finance department at the Departmental Director level or higher and relevant staff who receive significant inside information that affects the change in the price of the Company's securities to suspend the trading of their securities during the period prior to the release of the financial statements or dissemination of the financial position and status of the Company until the Company has disclosed the

information to the public. The Company will inform the Directors, Executives, and senior management in the accounting or finance department at the Departmental Director level or higher to discontinue trading the Company's securities in writing at least 30 days in advance of disclosure to the public and shall wait at least 24 hours after the information is released to the public. The disclosure of material information to other persons is also prohibited.

- (d) Set a disciplinary action if there is a violation of using internal information for personal gain, which begins with a written warning, temporary wage cut, suspension without pay or dismissal, where the punishment is determined by the intent of act and the seriousness of the offense.

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

The Company requires the Directors of the Company to comply with the Code of Best Practice for Directors of Listed Companies according to the guidelines of the Stock Exchange of Thailand. The Board shall understand and be aware of their roles and responsibilities and be required to perform their duties in accordance with the law, Company's regulations, resolution of the shareholders' meeting, charter of the Board of Directors as well as the corporate governance policy of the Company with honesty and taking into account the interests of the Company and the shareholders. The Board of Directors sets the policy, business goals, business plan as well as Company's budget and supervises the management to ensure that they are in line with the set roadmap and budget efficiently and effectively for the maximum benefit of the Company and shareholders.

#### The Board of Directors' Meeting

The Company complies with the rules governing the Board of Directors' meeting as stipulated in the Public Limited Companies Act B.E. 2535 (and subsequent amendments), including the Company's regulations. The Company requires to set the Board of Directors' meeting and the agenda in advance and notify each Director of such schedule by sending the meeting documents to the Directors at least 7 working days prior to the meeting date.

The number of meetings of the Board of Directors shall be in accordance with the duties and responsibilities of the Board of Directors and the nature of the business of the Company, but not less than once in 3 months.



### Remuneration

Directors' remuneration must be approved by the shareholders' meeting. The policy is defined by the following criteria:

- The Company's operating results compared to the remuneration of Directors of listed companies in the same business and business size
- Experience, roles, duties and responsibilities of each Director
- Benefits expected by the Company from each Director
- The remuneration shall be able to attract the Directors suitable for the need and situation of the Company to become a Director

### Annual Report of the Board of Directors

The Board of Directors is responsible for preparing the Company's financial reports and the financial information appearing in the annual report. The preparation of financial statements is made in accordance with generally accepted accounting standards by adopting appropriate and consistently implemented accounting policies and careful discretion in the preparation and set adequate disclosure of material information in the notes of the financial statements. The Board of Directors shall assign the Audit Committee to oversee the quality of financial reports and give comments to the Board of Directors.

In addition, the Company is continuing to set a policy to support the concept of good governance in other areas.

### **Anti-Corruption Policy**

The Company will operate its business by giving priority to the fight against corruption and adherence to the ethics of management with transparency. The Company has set guidelines for proper conduct of the Board of Directors, management and employees in business ethics and employee etiquette which is part of "corporate governance" of the Company.

Corruption means "to act or refrain from performing duties or exercising unlawful authority, violation of the law, ethics, regulations, or policies of the Company for undue advantage in various ways, such as asking for, receiving, proposing, or giving property including any other benefits to government officials or anyone else doing business with the Company."

The Company has a policy against corruption to guide the implementation as follows:

- Directors, Executives, and employees shall not commit or support corruption in any case and will strictly follow anti-corruption measures.

- The Board of Directors, management, and all employees shall comply with all forms of direct and indirect anti-corruption policies by not involving in corruption, whether proposing, giving commitment, asking, requesting, giving or receiving bribes, actions, or corrupt behavior in every locality in which the Company operates.
- The Company shall communicate and publicize both inside and outside the organization to strengthen knowledge, understanding, and cooperation that will deter those who want to corrupt the Company.
- The Company shall clearly prepare the operational process. There shall be a risk assessment of corruption and also a regular tracking and reviewing process to be consistent with the changing business and relevant laws.
- The Company shall ensure fairness and protect employees who refuse or report corruption related to the Company through the designated channel. However, if a corrupt person is subject to disciplinary action in accordance with the rules set by the Company, it may be subject to legal penalty, if the action is illegal.
- When an employee sees a corrupt action involving the Company, s/he shall notify the supervisor and the responsible agency.
- Create a corporate culture that is honest and committed to fairness as well as provide training to employees within the organization to encourage employees to be honest with their duties and ready to adhere to the principles and ethics of good corporate governance policy as operational practices strictly throughout the organization.
- Any action according to the anti-corruption policy shall use the guidelines set out in the code of conduct and good corporate governance policy as well as regulations and related Company operating manuals as well as any guideline the Company deems appropriate to set to comply with this policy. All Directors, Executives, and employees shall exercise due diligence in the following matters:
  - a. Giving or receiving gifts, accommodation, and the cost of giving or receiving gifts and accommodation shall comply with Company's regulations.
  - b. Giving or receiving donations for charity or monetary support to give or receive donations shall be transparent and legal and there shall be a follow-up of payee to report the results according to the purpose of obtaining money from the Company for business relations and procurement. It is forbidden to provide or accept bribes in business and procurement of all kinds. Business

operation and Company's contact shall be transparent, honest, verifiable, and subject to relevant business laws and regulations.

- c. Do not take any funds or resources of the Company to support political activities for any political candidate or party.

Nevertheless, the Company shall take into account the fairness and protection, not demote, penalize, or cause negative effect on the employees who refuse to corrupt even though the action will make the Company loses a business opportunity and the Company will focus on communication and understanding with those involved with the Company in order to comply with this anti-corruption policy.

In addition, the Company also provides the whistle blowing channel as a channel for Directors, Executives, employees, and all stakeholders to submit a complaint or clue directly to the Internal Audit Department or a direct examination committee or through the management of the Company by setting a channel for complaints or clues at the Company's website, e-mail or mail, which came into effect on November 14, 2016.

### **Approval Measures and Procedures of Intercompany Transaction**

Intercompany transactions of the Company shall comply with the Securities and Exchange Act and the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 "Rules on Intercompany Transactions" along with the Notification of the Securities and Exchange Commission on "Disclosure of Information and Action of Listed Companies Concerning Intercompany Transactions" including related rules of the SEC and/or SET as well as compliance with the disclosure requirements in the accompanying notes to the financial statements audited by the auditor of the Company, annual report and the Company's annual listing of information (Form 56-1).

In the case that the law requires the Company to be approved by the Board of Directors' meeting or shareholder's meeting before any intercompany transaction, the Company shall arrange for the Audit Committee to review and comment on such transaction. The opinions of the Audit Committee will be presented to the Board of Directors or shareholders, depending on the circumstances to ensure that the proposed transaction is in the best interests of the Company.

In case that there is a intercompany transaction of the Company and/or subsidiaries with a person who may have a conflict of interest or stake or may have a conflict of interest in the future, the Audit Committee will give an opinion on the necessity of entering into the transaction and the price suitability of such transaction by considering the conditions to be in line with

normal business practices in the industry and/or to compare with the price of third party and/or market prices and/or prices or terms of such transaction at the same level with third party and/or it can be seen that the transaction has reasonable pricing or reasonable and fair conditions. If the Audit Committee is not proficient in the consideration of intercompany transactions that may occur, the Company will arrange its independent experts or auditors to comment on such intercompany transactions to be used for the decision of the Board of Directors, the Audit Committee and/or the shareholders, depending on circumstances, by having a guideline to consider the necessity and the reasonableness of entering into important intercompany transaction as well.

For the approval of the intercompany transactions, persons who may have a conflict of interest or stake in the transaction shall not have the right to vote on the approval of such intercompany transactions in order to ensure that such transaction will not be a transfer of benefits between companies or shareholders of the Company, but it is a transaction that the Company has taken into account the maximum benefit of all shareholders.

In principle, the management can approve such transactions, if those transactions have trade agreements in the same way that a man should deal with a general partner in the same situation with a bargaining power without his/her influence as a Director, Executive or related person and the Company shall prepare a summary report of such transaction to report to the next Board of Directors' meeting.

#### **Policy on Intercompany Transaction**

1. Directors and Executives of the Company shall prepare a report on their interests or that of related persons and inform the Company so the Company will have information for internal use to comply with the terms of the intercompany transaction.
2. In case of the Company entering into any contract or making any intercompany transaction with its subsidiaries, associated companies, related companies and/or third parties, the Company shall consider the necessity and suitability of the contract, taking into account the benefit of the Company and the price charged shall be under the same terms as general customers at fair market value. It shall use the same price and terms as the Arm's Length Basis, which is fair, reasonable, and most profitable to the Company and all shareholders. If there is no such price, the Company shall consider price comparison of products or services with third parties under the same or similar conditions or may take advantage of the report of an independent appraiser employed by the Company to make a comparison of prices for

significant intercompany transactions to ensure that the prices are reasonable and for the best benefit of the Company and all shareholders.

3. The Company shall conduct a financial assistance item with its subsidiaries and associated companies, such as working capital in the form of loan, guaranteed loans with caution for the best of the Group by charging the compensation such as interest or guaranteed fee at market price on the transaction date.
4. In case that the intercompany transaction has the value that must be approved by the shareholders, the shareholders with a stake can attend the meeting as a quorum, but shall have no right to vote. The basis for calculating votes to approve the intercompany transaction does not count the stakeholders. Therefore, there is no problem with the quorum and the vote.
5. Directors or Executives with vested interests are not entitled to vote and are not allowed to attend the meeting or approve the transaction.

In the future, if there is an intercompany transaction, the Company shall comply with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. The transaction must not be a transfer of benefits between companies or shareholders of the Company, but shall be a transaction that the Company has taken into account the maximum benefit of the Company and all shareholders.

In the event of a normal occurrence and one expected to occur regularly in the future, the Company shall comply with the rules and guidelines for the conduct of the trades in general based on prices and conditions that are suitable, fair, reasonable, and verifiable, and the transaction shall be in accordance with the terms of the agreement with general commercial terms as approved by the Board of Directors.

In this regard, the management shall prepare a summary of such transactions for reporting to the Audit Committee every year.

As for disclosure of intercompany transactions, it shall be in compliance with the laws and regulations of the Securities and Exchange Commission including the Stock Exchange of Thailand. It also shall comply with the accounting standards about the Company or related persons of the Federation of Accounting Professions.

## **Conflict of Interest Prevention Policy**

To announce the Company's intention to realize the importance of preventing a conflict of interest and to preserve the best interests of the Company as well as the shareholders, the Company has set policy and guidelines as follows:

1. No Director, Executive or employee of the Company shall use the opportunity or information of the Company in self-interest or conduct a business completing with the Company.
2. Any decision of personnel at all levels in conducting business activities shall do so for the best interests of the Company only and it is the duty of all levels of personnel to avoid financial involvement or relationships with other outsiders that will cause the Company to lose benefits or cause a conflict of faith or benefits or impede effective operations. Those who are involved or connected with the item considered shall disclose information about the conflict of interest to the Company to know about their relationship or their affiliation in the transaction and do not participate in the consideration and approval of such items.
3. If the intercompany transaction has a conflict of interest, the Board of Directors shall proceed in accordance with the written measures and procedures for the approval of intercompany transactions.

## **Investment Policy and Policy on Governing the Operation of Subsidiaries**

1. The Company emphasizes and focuses on investing in enterprises with potential growth and that make a good return on investment in liquefied petroleum gas. This is the core business of the Company, with a focus on business expansion or increase the capacity of the Company in various areas.
2. The Company has a policy to invest in businesses that can support and promote its core businesses and may purchase shares or acquire other related businesses.
3. The Company may consider investing in other non-core businesses in the future. The investment shall be consistent with the Company's business and strategic plans.
4. In considering the investment in various projects of the Company, the Company shall analyze the feasibility of the project and consider the related factors. This includes the risk of investing in the project, business expansion trend, value creation, the value of the project to increase the competitiveness of the Company, etc. The Company shall provide experts of the Company (or external expert, depending on circumstances) to consider investing in such a project before investing and present the investment plan to the Board

of Directors for consideration, including recommendations to minimize the potential investment risk.

5. In the case of joint investment with other persons, the Company shall make sure that the investor is appropriate, respectful, and does not have a fraudulent history or behavior or fraud in the past.
6. In that case that there is a need for hedging or any insurance for investment, the Company shall provide hedging or insurance as appropriate.
7. The Company's investment shall be done in the same manner as the Arm's Length Basis by always checking and preventing potential conflicts of interest in such investments.
8. The investment approval of the Company shall comply with the Notification of the Capital Market Supervisory Board on Criteria for Entering into Significant Transactions that are the Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Actions of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004).

### **Code of Conduct**

The Company has set a written Code of Conduct to be a good business practice and as a guideline for proper operation to build the foundation for the organization to operate steadily. The Company shall conduct business ethically, legally and must meet the requirements and respect the rights of traders and its customers as well as be equally responsible for all stakeholders and its personnel, whether Director, Executive, and every staff member shall be treated in the same way under the ethical framework, honesty, and tidiness, whether or not such person have signed to acknowledge.

The Company also has a policy to review and update its Code of Conduct every year to suit the changing circumstances including the importance of equitable treatment of shareholders in all sectors, transparency, and offers accurate information sufficiently. The Company's Code of Business Ethics has been distributed via the website and the Annual Report of the Company to build a good understanding and encourages the compliance of Directors, Executives, employees at all levels and stakeholders as well as there is a communication and dissemination to new employees to know.

## **9.5 Remuneration of the Auditor**

### **1) Audit Fee**

The Company and its subsidiaries paid audit fees to the auditor's office, PricewaterhouseCoopers ABS Limited, for the year 2016 totaling of 6.1 million Baht, consisting of the Company's annual audit fee of 5.5 million Baht and the audit fee of the subsidiaries for the year 2016 of 620,000 Baht.

### **2) Non-Audit Fee**

None





## Corporate Social Responsibility Policy





# Corporate Social Responsibility Policy

## **Social, Environment, and Sustainable Business Development**

The Company is committed to business practices within good corporate governance framework and ethical business conduct. It also seriously strives to be responsible for the society, community, environment, stakeholders, and all parties related to the Company.

The Company has recognized the importance of being a part of society and intended to share responsibility for the stakeholders living in every area where the Company conducts business. It has attempted to enhance the life quality of local communities and societies by promoting various development activities such as educational and sport scholarships, creating new jobs, and providing cooking gas support to local schools and shortage areas. Furthermore, the Company has also taken safety standard seriously. It is well known that a company conducting PGP business must be trusted and confident to provide highest safety standards. The Company has, therefore, strived to conduct business in strict compliance with laws, requirements, standards, and other regulations and required entrepreneur partners to do the same. The Company has also provided educational and accident prevention trainings by officials from the Department of Energy Business for entrepreneurs and gas fillers.

Due to its recognition of the importance of social and environmental responsibility that will drive the Company toward sustainable success, the Company has thus included this responsibility in its missions and continued to engage in social activities every year.

## **Guideline for the Company's Social and Environmental Responsibility**

### **1. Responsibility toward communities and Educational Support**

Education provides important foundation for developing human capability. It is a tool that leads to success in career, promotes self-reliance, and creates strong communities. Recognizing the importance of education as a foundation for life quality improvement and revenue generation, the Company has provided educational scholarships to students with good behavior and diligence but lack funding without any commitments. It is hoped that these students will grow up and become capable, leading the country to further development. In addition, the Company has also been attentive to strengthening royal and family institutions and has organized special activities in important days.

## Examples of Social Activities in 2016

The Company had carried out various kinds of social activities including:

- 6<sup>th</sup> World Gas Food Charity Project
- Caring and Giving with World Gas Project
- Love for Mon with World Gas Project

### 6th World Gas Food Charity Project



### Caring and Giving with World Gas Project



### Love for Mon with World Gas Project



In addition, the Company has also cared about communities and stakeholders living around the Company's gas warehouses and has provided supports for the activities that they have organized on various special occasions every year. In 2016, the Company has supported the following activities :

- Supported Wat Mai Songkrorat Annual Festival, Tambon Bang Pakong, Amphoe Bang Pakong, Chachoengsao
- Supported Day for the Elderly and Songkran Celebration, Tambon Bang Cha Kreng, Amphoe Mueang Samut Songkhram, Samut Songkhram
- Supported floor tiles for Wat Sawan Ban Haet, Tambon Ban Haet, Amphoe Ban Haet, Khon Kaen
- Supported landscape improvement for Ban Haet Police Station, Tambon Ban Haet, Amphoe Ban Haet, Khon Kaen
- Joined with the Bureau of Natural Gas Business Safety, Department of Energy Business to support charity golf competition

*Help flood victims*



*WP Energy Rally for Society*



## **2. Responsibility toward the Environment**

### **(1) Environmental Preservation**

The Company has encouraged its employees and business partners to take part in natural resources preservation, to restore and care for natural resources, and to promote awareness on sustainable environmental preservation. It has continued to organize environmental preservation projects involving various sectors. Social responsibility awareness has been fostered through social activities carried out by both employees and business partners.

The 2th WP Energy Rally for Society was organized, in which business partners, financial and industrial sectors came together to grow corals and release clown fish to the sea at Toey Ngam Beach, Navickkayotin Gulf, Amphoe Sattahip. They also made donation and gave scholarships to children with special needs at Ban Boonchu.

### **(2) Environmental Impact Preventive Measures**

In addition to the focus on safety of employees, customers, business partners, and communities, the Company is also concerned with prevention of environmental impacts. Our production processes, from receiving products from manufacturers to packing, employ closed system and do not impact the environment. These processes have also inspected the Department of Energy Business. For LPG warehouses, the Company has strictly complied with environmental laws.

## **3. Corporate Governance and Ethical Practices**

The Company operates business in compliance with laws and relevant regulations, with transparency, sensitive information disclosure, and auditability. It follows good corporate governance policy and considers benefits of shareholders, employees, communities and society, business partners, and every stakeholder.

The Company is ready to continuously develop and improve in order to operate business under good governance and ethical principles. It is also seriously committed to taking part in responsibility toward society, communities, environment, stakeholders, and all parties related to the Company. These form the sustainable and important basis for the Company's growth and drive many projects to achieve the goals with support from all concerned parties.

# Report of the Audit Committee

The Company's Audit Committee is consisted of knowledgeable Independent Directors who were appointed by the Board of Directors. These three Independent Directors possess the qualifications as required by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

- |                                  |                                 |
|----------------------------------|---------------------------------|
| 1. Mrs. Niskorn Tadthiemrom      | Chairman of the Audit Committee |
| 2. Mrs. Soithip Trisuddhi        | Audit Committee Member          |
| 3. Mrs. Lakananan Luksamitananan | Audit Committee Member          |

The Audit Committee performs duty as assigned by the Board of Directors and in accordance with the charter of the Audit Committee in line with the regulations of the Stock Exchange of Thailand. Between 1st January and 31st December 2016, the Audit Committee held 11 meetings with the Management, Internal Control, and Unique Advisor Co. Ltd. which is the Independent Internal Auditor responsible for auditing the Company's internal operation and relevant accounts.

The results of the Audit Committee's operation can be summarized as follows:

## **1. Review of Financial Report**

The Audit Committee reviewed Quarterly and Annual Consolidated and Separate Financial Statements for year 2016. The Committee inquired the Auditor about the accuracy and completeness of the financial statements, adjusting entries, accounting estimates that affected the financial statements, the adequacy and appropriateness of recording method, the scope of audit, accurate and complete disclosure, and the independence of the auditors in order to ensure that the Company's financial statements were accurate in accordance with laws and accounting standards and were reliable. Important information must be sufficiently disclosed to be useful for users of the financial statements. The Audit Committee also listened to the clarifications provided by the Executives in the field of accounting and finance and the Auditor's report on important information to be used to prepare the financial report. The Committee held a meeting every quarter with the Auditor but without the Executive in order to obtain independent opinions on financial report audit that was certified by the Auditor without condition and significant observation.



The Audit Committee made a consideration and agreed that the Quarterly and Annual Consolidated and Separate Financial Statements for year 2016 were accurate and reliable in accordance with financial reporting standards and that information disclosure was adequate.

## **2. Review of Internal Control and Internal Audit Systems**

The Audit Committee reviewed the adequacy of the Company's internal control system with the Company's Internal Audit, Independent Internal Auditor, and Auditor every quarter. The issues reviewed included the Company's operation, resources use, care for assets, error prevention or reduction, financial report reliability, and legal and regulation compliance. The Committee recommended that the Executive used the opinions of the Company's Internal Audit, Independent Internal Auditor, and Auditor to develop more efficient internal control system.

Unique Advisor Co. Ltd. was hired be the Independent Internal Audit duty for the Company. Together with the Company's Internal Audit, they assessed the adequacy and appropriateness of the operational control and other work systems within the Company. Unique Advisor was independent and experienced in internal auditing of the business/industry similar to the Company. The Independent Internal Audit directly reported to the Audit Committee that consisted of the Independent Directors of the Company. Furthermore, the Independent Internal Auditor is not involved in the operation of the Company.

The Audit Committee had reviewed and agreed that in general the Company had adequate and appropriate internal control and internal audit systems, consistent with the opinion of the Auditor that from the review no major problem or error affecting the Company's financial statements was found.

## **3. Review to Ensure Compliance with Laws and Regulations Related to the Company's Business**

The Audit Committee reviewed the compliance with laws and regulations related to the Company's business and agreed that no activities were considered as failure to comply with laws on securities and stock exchange or regulations set by the Stock Exchange of Thailand and related laws.

The Audit Committee agreed that the Company had sufficiently complied laws and relevant regulations.

#### 4. Consideration of the appointment of Auditors and Determination of Remuneration

The Audit Committee made consideration based on qualification, experience, quality of previous performances, readiness, acceptable work standard, and knowledge and understanding of LPG business, as well as determination of appropriate audit fee rate and agreed to appoint

- 1) Mr. Kajornkiet Aroonpirodkul, CPA Registration No. 3445 or
- 2) Mr. Pisit Thangtanagul, CPA Registration No. 4095 or
- 3) Mrs. Nattaporn Phan-Udom, CPA Registration No. 3430

of Pricewaterhouse Coopers ABAS Co. Ltd. (“PwC”) as the auditors of the Company for the year 2017. Any one of these individuals shall be responsible for auditing and providing opinions on the Company’s financial statements. The audit fee was determined to be not more than 5,400,000 Baht (VAT and other relevant expenses excluded) and was proposed to the Board of Directors for approval before presenting to the Ordinary General Meeting of Shareholders to appoint Pricewaterhouse Coopers ABAS Co. Ltd. as the Company’s auditor.

#### 5. Connected Transactions or Transactions with Potential Conflict of Interest

The Audit Committee reviewed connected transactions, related party transaction, and transactions with potential conflict of interest in compliance with the regulations set by the Stock Exchange of Thailand.

The Audit Committee agreed that the Company had complied with laws and relevant regulations on connected transactions and no transactions with potential conflict of interest were present.

#### 6. Meetings and Audit Committee Members’ Attendance

The Company’s Audit Committee is consisted of three knowledgeable individuals as follows:

Name	Position	Meetings of the Audit Committee in 2016	
		Number of Meetings <sup>1</sup>	Meetings Attended
1) Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee	11	11
2) Mrs. Soithip Trisuddhi	Audit Committee Member	11	10
3) Mrs. Lakananan Luksamitananan <sup>2</sup>	Audit Committee Member	6	6

Remark <sup>1</sup> In 2016, the Audit Committee held 11 meetings. There were four meetings with Auditor and Independent Internal Audit without the presence of the Executive.

<sup>2</sup> Mrs. Lakananan Luksamitananan was appointed as Independent Director and Audit Committee Member replacing Mr. Nopporn Kokietawichai, effective from 1 August 2016 onward as resolved by the Board of Directors’ Meeting No. 7/2559 on 27 July 2016.

## **7. Overall Opinions of Audit Committee Performance and Compliance with Charter**

In summary, the Audit Committee had carried out its duty and responsibility set forth in the Audit Committee Charter with knowledge, diligence, discretion, and sufficient independence and had provided opinions and suggestions for the benefit of all stakeholders. The Audit Committee agreed that the Company's financial report was accurate and reliable in line with general accounting standards. The Company had complied with laws and other commitments related to business operation including good corporate governance and effective and appropriate internal control and audit.



(Mrs. Niskorn Tadthiemrom)

Chairman of the Audit Committee

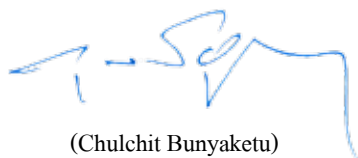
# Report of the Board of Directors' Responsibility for Financial Statements

The Company's Board of Directors is responsible for the Consolidated and Separate Financial Statements of WP Energy Public Company Limited the Company and its subsidiaries. These Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles with appropriate accounting policy, discretion, and reasonable estimation. Information is sufficiently disclosed in the remarks in order to present financial status, business performance, and cash flow accurately and transparently and to be useful to shareholders and general investors. These Financial Statements were reviewed by Certified Auditor of Pricewaterhouse Coopers ABAS Co. Ltd., who received supports of information and related documents from the Company, which was enable the Auditor to audit and express opinions in accordance with auditing standards.

The Company's Board of Directors was aware of the duty and responsibility in preparing effective Financial Statements. It thus established and maintained appropriate and efficient risk management system, internal control system for operation and related information technology, internal audit, and governance to assure that account information was accurate, complete, and adequate to maintain the Company's assets, present risks, and prevent corruption or uncommon activities from happening.

The Board of Directors has appointed the Audit Committee consisting of Independent Directors to manage and review the reliability and accuracy of Financial Statements, to assess internal control and internal audit system, and to consider appropriate and complete disclosure of connected transactions. The opinions of the Audit Committee as appeared in the Audit Committee's Report are presented in this Annual Report.

From the corporate governance and practices mentioned above, the Board of Directors has agreed that the overall internal control system of the Company is adequate and appropriate. It is reasonably confident to conclude that the Consolidated and Separate Financial Statements of WP Energy Public Company Limited and its subsidiaries for the year ended 31 December 2016 show financial status, performance, and cash flow that are accurate in accordance with the Generally Accepted Accounting Principles, laws, and related regulations. The Auditor has audited and expressed opinions in the Auditor's Report and has also been included in this Annual Report.



(Chulchit Bunyaketu)

Chairman of the Board of Directors



(Kanoksakdi Bhinsaeng)

Chief Executive Officer





# CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2016

## Independent Auditor's Report

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

### My opinion

In my opinion, the consolidated financial statements of WP Energy Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

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

**Provision for lost assets: small-sized gas cylinders**

Refer to note 17 to the financial statements for the related disclosures, the Group recognised provision for lost gas cylinders amounting to Baht 247.85 million, which represent approximately 4.69 percent of the Group's total assets. The gas cylinders are residing in the users' premises throughout the country and not be able to physically examine their existence.

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 based on an appraisal methodology, which used the turnover of gas cylinders and the result of physical inspection at the filling stations as basis of estimation. This appraised quantities represent the management's best estimate of the quantities of the lost cylinders. Management has arranged for the appraisal to take place every 3 years to obtain confidence in the estimate of the provision amount. The last appraisal was taken place in 2015 and the next appraisal will be due in 2018.

In 2016, the management maintained a record of movements of quantity and value, based on first-in, first-out cost method, of gas cylinders to derive at the balance of gas cylinder of as at 31 December 2016. The management has relied on this record and believes that the provision for lost gas cylinders should be remained and is reasonably stated.

I focused on this area due to the size of the provision balance, and because the management's estimate of provision for lost gas cylinders are dependent on the result of appraisal report performed by independent appraiser. The appraisal method, as well as the inputs and assumptions will affect the appraised quantities of the small-sized gas cylinders.

Because it is not due for appraisal in 2016, I engaged another independent appraiser as auditor's expert to appraise the quantities of small-sized gas cylinders using similar approach as management's appraiser, and compared the results from auditor's expert reports with the quantities of gas cylinders in the fixed asset register and noted that the quantities from both sources were consistent.

I tested the reliability of the appraisal report as follows and noted no significant exceptions:

1. Checked, on a sample basis, the accuracy and relevance of the input data, which is the list of customers, provided by management to the independent appraiser;
2. Compared the result of the quantities count from my expert report with the quantities in fixed asset register;
3. Checked, on a sample basis, the reasonableness of key assumptions used in the appraisal of my expert by interviewing the gas shops; and
4. Test the calculation of the appraisal

I also performed the following procedures:

- I tested the movements of gas cylinders per the Group's record with supporting documents such as suppliers' invoices, Group's sales invoices.
- Test the calculation of the provision for lost assets, derived from the difference in quantity of gas cylinders between the appraisal report and the fixed asset register. The provision is set at the net book value amount of lost cylinders on the first-in, first-out basis.

I found that the management's estimate of provision for lost gas cylinders is reasonable.

**Provision for deposits received for small-sized gas cylinders**

Refer to note 27 to the financial statements for the related disclosures, the Group recognised provision for deposits received for small-sized gas cylinders amounting to Baht 1,014.02 million, which represent approximately 21.40 percent of the Group's total liabilities

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 using the average deposit amount of small-sized gas cylinders in each year. Management believes that the liabilities, taken into accounts of such provision, are stated prudently and conservatively.

I focused on this area due to the size of the provision balance, and because the management's estimate of provision for deposits received for small-sized gas cylinders are dependent on the result of appraisal report performed by independent appraiser. The appraisal method, as well as the inputs and assumptions will affect the appraised quantities of the small-sized gas cylinders, and the provision for deposits.

Because of the provision for deposits received for small-sized gas cylinders is estimated based on the gas cylinder quantities appraised, I performed the audit procedures on the appraisal report as explained in key audit matter regarding provision for lost assets: small-sized gas cylinders.

I tested the calculation of provision for deposits received, which was estimated from the difference in quantity of gas cylinders between the appraisal report and the detail of deposits using the average deposit amount of small-sized gas cylinders in each year.

I also compared the quantities of small-sized gas cylinders per the appraisal report with the quantities in the detail of deposits received for small-sized gas cylinders, and noted that the quantities of these 2 sources were materially consistent.

I found that the management's estimate of provision for deposits received for small-sized gas cylinders is reasonable.

**Other information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

**Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



**Kajornkiet Aroonpirodkul**  
Certified Public Accountant (Thailand) No. 3445  
Bangkok  
23 February 2017

WP Energy Public Company Limited  
Statements of Financial Position  
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	551,787,275	493,961,047	414,051,348	361,520,864
Trade and other receivables	8	906,185,970	992,809,619	895,716,989	982,476,606
Account receivable from agreement of debt restructuring	9	-	-	-	-
Construction contracts work in progress	11	-	-	-	-
Short-term loans to related parties	35.4	-	-	85,000,000	110,000,000
Inventories	12	196,439,072	147,804,872	196,261,250	147,652,289
Other current assets		4,740,775	5,514,868	4,233,010	5,455,530
<b>Total current assets</b>		<b>1,659,153,092</b>	<b>1,640,090,406</b>	<b>1,595,262,597</b>	<b>1,607,105,289</b>
<b>Non-current assets</b>					
Restricted cash	37.2	606,713,995	696,121,945	606,713,995	696,121,945
Reserve account for debt payment	13	121,240,195	121,349,673	121,240,195	121,349,673
Investments in subsidiaries	14	-	-	262,149,065	261,149,085
Other long-term investments	15	79,500	48,288,500	-	48,209,000
Investment properties	16	66,287,469	66,287,469	66,287,469	66,287,469
Property, plant and equipment	17	2,628,613,947	2,567,350,981	2,425,204,929	2,318,142,329
Goodwill	18	33,494,192	33,494,192	9,189,600	9,189,600
Intangible assets	19	40,416,243	12,146,592	37,548,218	10,769,608
Prepaid rents	20	61,030,019	69,912,315	61,030,019	69,912,315
Deferred tax assets	21	5,130,468	4,326,770	4,004,703	3,412,568
Other non-current assets	22	52,311,534	54,084,330	52,787,305	53,365,993
<b>Total non-current assets</b>		<b>3,615,317,562</b>	<b>3,673,362,767</b>	<b>3,646,155,498</b>	<b>3,657,909,585</b>
<b>Total assets</b>		<b>5,274,470,654</b>	<b>5,313,453,173</b>	<b>5,241,418,095</b>	<b>5,265,014,874</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

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

**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2016**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	23	943,321,818	1,178,971,554	928,856,561	1,158,357,624
Current portion of finance lease liabilities	24.1	6,051,523	6,030,723	3,939,918	1,957,812
Current portion of long-term borrowings	24.2	32,098,125	29,221,421	32,098,125	27,616,500
Value added tax payable		40,554,749	34,318,458	40,514,882	34,283,961
Current income tax payable		1,351,383	5,157,373	410,082	4,946,838
Short-term provisions	25	87,525,593	213,596,573	87,525,593	213,596,573
Other current liabilities		15,163,656	11,851,490	15,042,350	11,797,663
<b>Total current liabilities</b>		<b>1,126,066,847</b>	<b>1,479,147,592</b>	<b>1,108,387,511</b>	<b>1,452,556,971</b>
<b>Non-current liabilities</b>					
Creditors under the debt restructuring	13	121,240,195	121,349,673	121,240,195	121,349,673
Finance lease liabilities	24.1	1,676,447	7,728,506	-	3,939,918
Long-term borrowings	24.2	245,894,625	62,710,616	245,894,625	60,982,750
Employee benefit obligations	26	23,030,995	19,303,060	17,840,550	15,170,432
Deposits received	27	3,201,085,914	3,122,232,416	3,201,085,914	3,122,232,416
Deferred tax liabilities	21	14,709,726	20,524,635	-	-
Other non-current liabilities		4,750,016	520,015	4,380,000	-
<b>Total non-current liabilities</b>		<b>3,612,387,918</b>	<b>3,354,368,921</b>	<b>3,590,441,284</b>	<b>3,323,675,189</b>
<b>Total liabilities</b>		<b>4,738,454,765</b>	<b>4,833,516,513</b>	<b>4,698,828,795</b>	<b>4,776,232,160</b>

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

**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>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>(5,448,109,644)</u>	<u>(5,504,185,921)</u>	<u>(5,441,506,357)</u>	<u>(5,495,312,943)</u>
<b>Equity attributable to owners of the parent</b>		<b>535,986,013</b>	<b>479,909,736</b>	<b>542,589,300</b>	<b>488,782,714</b>
Non-controlling interests		<u>29,876</u>	<u>26,924</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<b><u>536,015,889</u></b>	<b><u>479,936,660</u></b>	<b><u>542,589,300</u></b>	<b><u>488,782,714</u></b>
<b>Total liabilities and equity</b>		<b><u>5,274,470,654</u></b>	<b><u>5,313,453,173</u></b>	<b><u>5,241,418,095</u></b>	<b><u>5,265,014,874</u></b>

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



**WP Energy Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2016**

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
<b>Revenue</b>					
Revenue from sales		16,343,118,422	21,707,295,790	16,338,261,889	21,706,369,073
Revenue from services		83,740,006	170,746,539	-	-
<b>Total revenue</b>		<b>16,426,858,428</b>	<b>21,878,042,329</b>	<b>16,338,261,889</b>	<b>21,706,369,073</b>
<b>Cost</b>					
Cost of sales		(15,620,460,841)	(20,857,218,444)	(15,696,707,556)	(20,870,342,769)
Cost of providing services		(125,178,488)	(143,384,484)	-	-
<b>Total costs</b>	32	<b>(15,745,639,329)</b>	<b>(21,000,602,928)</b>	<b>(15,696,707,556)</b>	<b>(20,870,342,769)</b>
<b>Gross profit</b>		<b>681,219,099</b>	<b>877,439,401</b>	<b>641,554,333</b>	<b>836,026,304</b>
Other income	31	134,707,730	128,454,117	136,965,699	124,819,407
Selling expenses	32	(322,925,180)	(294,959,818)	(321,858,570)	(294,641,993)
Administrative expenses	32	(417,312,093)	(592,219,779)	(385,187,797)	(549,630,689)
Finance costs		(14,800,560)	(2,527,836)	(14,080,895)	(972,667)
<b>Profit before income tax expense</b>		<b>60,888,996</b>	<b>116,186,085</b>	<b>57,392,770</b>	<b>115,600,362</b>
Income tax expense	33	(3,888,424)	(15,543,904)	(2,916,742)	(14,110,395)
<b>Net profit for the year</b>		<b>57,000,572</b>	<b>100,642,181</b>	<b>54,476,028</b>	<b>101,489,967</b>
<b>Other comprehensive income (expense):</b>					
Item that will not be reclassified to profit or loss:					
Remeasurements of post - employment benefit obligations		(921,343)	(1,843,765)	(669,442)	(1,803,235)
<b>Total comprehensive income for the year</b>		<b>56,079,229</b>	<b>98,798,416</b>	<b>53,806,586</b>	<b>99,686,732</b>
<b>Profit attributable to:</b>					
Owners of the parent		56,997,620	100,639,609	54,476,028	101,489,967
Non-controlling interests		2,952	2,572	-	-
		<b>57,000,572</b>	<b>100,642,181</b>	<b>54,476,028</b>	<b>101,489,967</b>

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

**WP Energy Public Company Limited**  
**Statements of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2016**

	<b>Note</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Total comprehensive income</b>					
<b>attributable to:</b>					
Owners of the parent		56,076,277	98,795,844	53,806,586	99,686,732
Non-controlling interests		2,952	2,572	-	-
		<u>56,079,229</u>	<u>98,798,416</u>	<u>53,806,586</u>	<u>99,686,732</u>
<b>Earnings per share</b>					
Basic earnings per share	34	<u>0.0206</u>	<u>0.0365</u>	<u>0.0197</u>	<u>0.0368</u>

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

**W R Energy Public Company Limited**  
**Statements of Changes in Equity**  
**For the year ended 31 December 2010**

	Consolidated financial statements						
	Attributable to owners of the parent						
	Issued and paid-up share capital	Share premium	Premium on LPG	Retained earnings		Total owners of the parent	Non-controlling interests
				Legal reserve	Deficits		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Opening balance at 1 January 2015</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,602,981,765)	381,113,892	24,352
Total comprehensive income for the year	-	-	-	-	98,795,844	98,795,844	2,572
<b>Closing balance at 31 December 2015</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,504,185,921)	479,909,736	26,924
<b>Opening balance at 1 January 2016</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,504,185,921)	479,909,736	26,924
Total comprehensive income for the year	-	-	-	-	56,076,277	56,076,277	2,952
<b>Closing balance at 31 December 2016</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,448,109,644)	535,986,013	29,876

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

**WP Energy Public Company Limited**  
**Statements of Changes in Equity**  
**For the year ended 31 December 2016**

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Premium on LPG selling price		Retained earnings	
	Baht	Baht	Baht	Baht	Legal reserve	Deficits
					Baht	Baht
<b>Opening balance at 1 January 2015</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,594,999,675)	389,095,982
Total comprehensive income for the year	-	-	-	-	99,686,732	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
<b>Opening balance at 1 January 2016</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,495,312,943)	488,782,714
Total comprehensive income for the year	-	-	-	-	53,806,586	53,806,586
<b>Closing balance at 31 December 2016</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,441,506,357)	542,589,300

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

**WP Energy Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2016**

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		60,888,996	116,186,085	57,392,770	115,600,362
Adjustments for					
Depreciation	17	276,191,380	287,222,759	231,195,016	208,256,364
Amortisation	19	2,030,246	1,534,226	1,862,787	1,281,958
Gain from disposal of property, plant and equipment		(6,224,255)	(8,388,471)	(3,399,097)	(5,563,313)
Gain from disposal of other long-term investment	15	(370,705)	-	(370,705)	-
Loss from write-off of equipment		21,064,001	-	1,044,484	-
Loss from write-off of intangible assets		1,407,404	-	1,054,304	-
Bad and doubtful debts		11,697,513	16,411,508	58,650	6,027,646
Reversal of allowance for deposit for assignment of debt	22	(50,000,000)	-	(50,000,000)	-
Interest income		(6,949,755)	(18,668,122)	(10,244,270)	(20,356,082)
Finance costs		14,800,560	2,527,836	14,080,895	972,667
Provisions	25	(126,070,980)	15,462,106	(126,070,980)	15,462,106
Employee benefit obligations		3,824,727	3,703,549	2,849,496	2,813,094
Gain on bargain purchase		-	(4,100,000)	-	-
		202,289,132	411,891,476	119,453,350	324,494,802
Changes in working capital					
- Trade and other receivables		74,515,011	26,777,522	86,289,841	4,154,014
- Inventories		(48,634,200)	(34,187,160)	(48,608,961)	(34,034,577)
- Other current assets		774,093	250,228	1,222,520	(196,591)
- Restricted cash		89,407,950	71,923,308	89,407,950	61,923,308
- Prepaid rents		8,882,296	6,742,187	8,882,296	6,742,187
- Other non-current assets		51,772,796	55,557,421	50,578,688	54,537,399
- Trade and other payables		(269,740,729)	(659,509,929)	(263,592,056)	(669,124,354)
- Value added tax payable		6,236,291	(26,309,750)	6,230,921	(26,315,826)
- Other current liabilities		3,312,165	2,928,088	3,244,687	412,440
- Deposits received		78,853,498	57,689,891	78,853,498	57,689,891
- Employee benefit obligations		(1,248,471)	(10,758,493)	(1,016,180)	(10,205,593)
- Other non-current liabilities		4,230,001	(8,273,762)	4,380,000	-
Cash flows generated from (used in) operating activities		200,649,833	(105,278,973)	135,326,554	(229,922,900)
<u>Less</u> Interest paid		(14,926,283)	(2,424,031)	(14,206,618)	(868,862)
Income tax paid		(14,082,685)	(22,145,262)	(7,878,273)	(12,576,124)
Net cash generated from (used in) operating activities		171,640,865	(129,848,266)	113,241,663	(243,367,886)

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

**WP Energy Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2016**

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
<b>Cash flow from investing activities</b>					
Cash payment for investments in subsidiaries	14.1	-	-	(999,980)	(999,980)
Repayment received from short-term loan to related party	35.4	-	-	25,000,000	40,000,000
Cash proceed from disposal of other long-term investment	15	48,579,705	-	48,579,705	-
Cash payment for short-term loan to related parties	35.4	-	-	-	(50,000,000)
Cash payment for acquiring business		-	(64,000,000)	-	(36,000,000)
Purchase of property, plant and equipment		(346,053,370)	(251,830,780)	(314,468,829)	(245,543,030)
Purchase of intangible assets		(22,323,950)	(526,080)	(20,312,350)	(95,800)
Cash proceed from disposal of property, plant and equipment		18,592,644	14,057,484	3,399,192	6,324,983
Interest received		7,360,880	13,665,213	10,655,395	15,884,680
Net cash flows used in investing activities		(293,844,091)	(288,634,163)	(248,146,867)	(270,429,147)
<b>Cash flow from financing activities</b>					
Repayments to finance lease liabilities		(6,031,259)	(9,651,624)	(1,957,812)	(1,818,896)
Cash proceed from borrowing from financial institution	24.2	217,010,000	95,561,890	217,010,000	95,561,890
Repayment to borrowing from financial institution	24.2	(30,949,287)	(11,503,732)	(27,616,500)	(6,962,640)
Net cash flows generated from financing activities		180,029,454	74,406,534	187,435,688	86,780,354
<b>Net increase (decrease) in cash and cash equivalents</b>					
		57,826,228	(344,075,895)	52,530,484	(427,016,679)
Cash and cash equivalents at beginning of the year		493,961,047	838,036,942	361,520,864	788,537,543
<b>Cash and cash equivalents at end of year</b>					
		551,787,275	493,961,047	414,051,348	361,520,864
<b>Significant non-cash transactions</b>					
Payable arising from purchases of property, plant and equipment		103,249,689	77,992,972	103,249,689	77,992,972
Payable arising from purchases of intangible assets		8,960,000	-	8,960,000	-

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

## **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 23 February 2017.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

### **2.1 Basis for preparation**

The consolidated and separate 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 separate 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 separate 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.

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

### **2.2 New/revised financial reporting standards, and related interpretations**

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016

- a) New/revised financial reporting standards and interpretation which are relevant and 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
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

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. This standard has no impact to the Group.

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. This standard has no impact to the Group.

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. This standard has no impact to the Group, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group.

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 and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

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. This standard has no impact to the Group.



## 2 Accounting policies (Cont'd)

### 2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

#### 2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016 (Cont'd)

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

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. This standard has no impact to the Group.

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell. The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16. This standard has no impact to the Group.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. This standard has no impact to the Group.

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. This standard has no impact to the Group.

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

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. This standard has no impact to the Group, except for disclosures.

TFRS10 (revised 2015) 'Consolidated' 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. This standard has no impact to the Group.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. This standard has no impact to the Group.

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 TFRS 9 (when announced). This standard has no impact to the Group.

TFRIC 21, 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. This standard has no impact to the Group.

## 2 Accounting policies (Cont'd)

### 2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016 (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

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

### **2.2 New/revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS41(revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

## 2 Accounting policies (Cont'd)

### 2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

- a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

## 2 Accounting policies (Cont'd)

### 2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

## 2 Accounting policies (Cont'd)

### 2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

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

TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

### 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-measurements are recognised in profit or loss.

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

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 recognised 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. 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 Accounting policies (Cont'd)**

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

#### **(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.

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

### 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.

### 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.



## 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

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 Accounting policies (Cont'd)**

### **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.

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

**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.

**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 Accounting policies (Cont'd)

### 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

### 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.

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

**2.19 Employee benefits (Cont'd)**

**2.19.2 Retirement benefit (Cont'd)**

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.

Remeasurement 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.

**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 Accounting policies (Cont'd)**

### **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 transaction 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.

### **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 Financial risk management (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### 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.

#### 3.2 Fair value estimation

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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.

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

##### **4.1 Critical accounting estimates and assumptions (Cont'd)**

###### **(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.

###### **(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 every 3 years 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.



**6 Segment information**

Financial statement classified by business segment is as follows:

	<b>For the year ended 31 December 2016</b>		
	<b>Sale of LPG Baht</b>	<b>Transportation Baht</b>	<b>Consolidated Baht</b>
Revenues from operation	16,371,736,903	290,537,752	16,662,274,655
Inter-segment revenue	(28,618,481)	(206,797,746)	(235,416,227)
Total revenue	16,343,118,422	83,740,006	16,426,858,428
Segment result	145,075,050	(204,093,224)	(59,018,174)
Other income			134,707,730
Finance costs			(14,800,560)
Profit before income tax expense			60,888,996
Income tax expense			(3,658,088)
Net profit			57,230,908
Property, plant and equipment	2,457,083,475	171,530,472	2,628,613,947
Intangible assets	37,798,800	2,617,443	40,416,243
Other assets	2,424,349,654	147,596,618	2,571,946,272
Goodwill	9,189,600	24,304,592	33,494,192
Consolidated total assets			5,274,470,654

	<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 costs			(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

**WP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2016**

**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Cash on hand	1,200,130	1,219,056	248,031	426,457
Cash at bank	550,587,145	492,741,991	413,803,317	361,094,407
	<u>551,787,275</u>	<u>493,961,047</u>	<u>414,051,348</u>	<u>361,520,864</u>

The effective interest rate on cash at bank was 0.13% to 1.50% (2015: 0.13% to 0.75%).

**8 Trade and other receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Trade receivables - third parties	928,072,971	1,049,715,043	918,778,638	1,019,859,459
Trade receivables - related parties	-	-	1,550,196	-
<u>Less</u> Allowance for doubtful debt	<u>(112,564,190)</u>	<u>(111,516,814)</u>	<u>(112,125,808)</u>	<u>(111,078,433)</u>
Trade receivables, net	<u>815,508,781</u>	<u>938,198,229</u>	<u>808,203,026</u>	<u>908,781,026</u>
Trade accounts receivable under investigation (Note 10)	1,790,912,551	1,791,703,531	1,790,912,551	1,791,703,531
<u>Less</u> Allowance for doubtful debt	<u>(1,790,912,551)</u>	<u>(1,791,703,531)</u>	<u>(1,790,912,551)</u>	<u>(1,791,703,531)</u>
Trade accounts receivable under investigation, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>(623,790,294)</u>	<u>(623,790,294)</u>	<u>(623,790,294)</u>	<u>(623,790,294)</u>
Other receivables under investigation, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advance payments to related party (Note 35.3)	-	-	-	16,100,000
Other receivables from sub-contractors	40,620,237	40,620,237	40,620,237	40,620,237
Other receivables	28,959,695	19,735,593	31,306,183	31,434,898
Withholding tax receivable	12,271,677	18,538,440	11,580,129	11,575,923
Interest receivable	22,786,860	23,197,985	16,015,541	16,426,666
Advance payments	47,965,391	5,241,570	47,793,389	4,644,703
Prepaid expenses	40,261,349	53,798,718	35,615,185	48,309,854
<u>Less</u> Allowance for doubtful debt	<u>(102,188,020)</u>	<u>(106,521,153)</u>	<u>(95,416,701)</u>	<u>(95,416,701)</u>
Other receivables, net	<u>90,677,189</u>	<u>54,611,390</u>	<u>87,513,963</u>	<u>73,695,580</u>
Total trade and other receivables, net	<u>906,185,970</u>	<u>992,809,619</u>	<u>895,716,989</u>	<u>982,476,606</u>

**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.

8 Trade and other receivables (Cont'd)

Outstanding trade accounts receivable as at 31 December 2016 and 2015, can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Trade account receivables</b>				
Current	743,259,101	891,680,686	738,010,105	869,069,062
Overdue less than 3 months	48,304,555	42,058,791	47,529,850	36,371,368
Overdue 3 months but less than 6 months	916,871	4,548,991	916,871	4,548,991
Overdue 6 months but less than 12 months	29,980,277	541,746	29,739,715	299,085
Overdue over 12 months	105,612,167	110,884,829	104,132,293	109,570,953
Total trade account receivables	928,072,971	1,049,715,043	920,328,834	1,019,859,459
<u>Less</u> Allowance for doubtful	(112,564,190)	(111,516,814)	(112,125,808)	(111,078,433)
Trade account receivables, net	815,508,781	938,198,229	808,203,026	908,781,026

9 Account receivable from agreement of debt restructuring

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
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	-	-

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 to be 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 verdict is to be heard on 10 October 2014. On 24 February 2015, the Supreme Court has final judgment regarding to Appeal Court's order. Therefore, this case is dismissed from the court.

## 10 Items under investigation

Balances outstanding as at 31 December 2016 and 2015, resulting from asset and liability transactions which are currently being investigated by the Group were as follows:

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
<b>Assets under investigation</b>		
Accounts receivable	1,790,912,551	1,791,703,531
Other receivable	623,790,294	623,790,294
Total	2,414,702,845	2,415,493,825
<u>Less</u> Allowance for doubtful	<u>(2,414,702,845)</u>	<u>(2,415,493,825)</u>
<b>Assets under investigation, net</b>	<b>-</b>	<b>-</b>

### Assets under investigation

#### Non-performing trade accounts receivable

During 2016 and 2015, 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 2016 and 2015, non-performing trade accounts receivable of Baht 1,790.91 million and Baht 1,791.70 million, respectively, can be analysed according to the progressive actions as follows:

	Consolidated and separate financial Statements			
	2016		2015	
	Baht	Baht	Baht	Baht
<b>Debtors being sentenced by the court and under enforcement of judgement for debt settlement</b>				
- Liquefied Petroleum Gas (LPG) trading	999,285,539		1,000,076,519	
- Engineering business	38,751,135	1,038,036,674	38,751,135	1,038,827,654
<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>		<b>1,790,912,551</b>		<b>1,791,703,531</b>

The Group of trade accounts receivable being sentenced by the court and under enforcement for debt settlement amounting to Baht 1,038.04 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 identify 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.

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

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

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.

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.

**Liabilities under investigation**

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**

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
Construction contracts work in progress	34,069,487	34,069,487
<u>Less</u> Allowance for doubtful	<u>(34,069,487)</u>	<u>(34,069,487)</u>
Construction contracts work in progress, net	<u>-</u>	<u>-</u>

**12 Inventories**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finished goods	196,439,072	147,804,872	196,261,250	147,652,289
Inventories recognised as an expense in cost of sales	15,202,902,373	20,061,009,649	15,367,064,878	20,094,095,986

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

Reserve account for debt payment is cash at bank for the purpose to pay to creditors under the debt restructuring of Baht 121.24 million (2015: Baht 121.35 million). 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**

	Separate financial statements	
	2016 Baht	2015 Baht
Opening net book amount	261,149,085	260,149,105
Acquisitions	999,980	999,980
Ending net book amount	<u>262,149,065</u>	<u>261,149,085</u>

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 the total registered share in WP Solutions Company Limited and paid for the subscription amounting to Baht 999,980 on 3 June 2016.

WP Solutions Company Limited subscribed 99.99% of the total registered shares in WP Sollar Company Limited, and paid for the subscription amounting to Baht 499,980 on 3 June 2016.

**14 Investments in subsidiaries (Cont'd)**

**14.2 Principal subsidiaries**

The Group had the following subsidiaries at 31 December 2016

**Group and Company**

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

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.

Total non-controlling interest is Baht 29,876 of which Baht 27,400 is for Eagle Intertrans Company Limited. The non-controlling interest in respect of other subsidiaries is not material.

**15 Other long-term investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Opening balance	48,288,500	48,288,500	48,209,000	48,209,000
Disposal of investments	(48,209,000)	-	(48,209,000)	-
Closing balance	<u>79,500</u>	<u>48,288,500</u>	<u>-</u>	<u>48,209,000</u>

As at 31 December 2016, other long-term investment represent investment in Picnic Marine Co., Ltd., which the Company owns 1.07% interest in their registered capitals. This investment is classified as general investment.

As at 31 December 2015, 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. These investments are classified as general investments.

**Enesol Co., Ltd.**

On 23 August 2016, the Company disposed entire investment in Enesol Company Limited to Capital Engineering Network Public Company Limited for the considerations of Baht 48,579,705 and recognised gain from disposal amounting to Baht 370,705 in "Other income" in the consolidated and company statement of comprehensive income.

16 Investment Properties

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
<b>Land</b>		
Opening net book amount	66,287,469	66,287,469
Closing net book amount	66,287,469	66,287,469
<b>As at 31 December</b>		
Cost	66,287,469	66,287,469
Net book amount	66,287,469	66,287,469

Investment properties as at 31 December 2016 were valued by an independent professional appraiser on 4 September 2015 based on market values on value in use basis. The appraised fair value was Baht 103.20 million (2015: Baht 103.20 million). The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
Rental income	2,035,500	2,035,500



**WP Energy Public Company Limited**  
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**17 Property, plant and equipment**

	Consolidated financial statements								
	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
At 1 January 2015									
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	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)	-	(3,376,281,016)
Provision for impairment	(33,847,950)	(315,971,076)	(54,645,456)	(35,173,468)	-	-	(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	2,471,508,600
For the year ended 31 December 2015									
Opening 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	2,471,508,600
Additions	33,019,410	20,969,937	4,068,499	11,938,081	57,837,247	1,988,185	3,579,255	283,162,200	416,562,814
Disposals, net	-	(3)	(10)	(259)	(704,098)	(57,299)	(4,907,344)	-	(5,669,013)
Transfer in/out	5,000,000	1,774,050	-	1,089,692	-	928,321	2,117,077	(38,737,801)	(27,828,661)
Reclassify	-	-	-	-	-	(1,172,726)	1,172,726	-	-
Depreciation charge	-	(32,766,563)	(39,851,818)	(12,516,096)	(113,806,403)	(8,833,975)	(79,447,904)	-	(287,222,759)
Closing net book value	326,230,308	110,320,554	77,014,840	82,323,428	1,308,150,508	11,574,058	196,602,057	455,135,228	2,567,350,981
At 31 December 2015									
Cost	360,078,258	714,411,421	691,830,549	241,644,066	3,647,059,658	102,268,245	537,604,942	455,135,228	6,750,032,367
Less Accumulated depreciation	-	(288,119,791)	(560,170,253)	(159,320,638)	(2,091,063,644)	(89,704,345)	(341,002,885)	-	(3,529,381,556)
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	326,230,308	110,320,554	77,014,840	82,323,428	1,308,150,508	11,574,058	196,602,057	455,135,228	2,567,350,981

**WP Energy Public Company Limited**

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

	Consolidated financial statements								
	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 2016									
Opening net book value	326,230,308	110,320,554	77,014,840	82,323,428	1,308,150,508	11,574,058	196,602,057	455,135,228	2,567,350,981
Additions	847,640	42,328,269	765,551	15,435,084	127,489,595	8,521,284	5,042,563	170,880,101	371,310,087
Disposals, net	(11,115,883)	(556,028)	(53)	(6)	(35)	(566,536)	(129,848)	-	(12,368,389)
Transfer in/out	4,529,701	246,839,393	196,721,960	3,073,374	-	502,946	-	(472,329,693)	(20,662,319)
Write-off, net	-	(111,333)	(52)	(190,598)	-	(99,699)	-	-	(401,682)
Reclassify	-	1	(1)	114	-	(423,465)	-	-	(423,351)
Depreciation charge	-	(47,720,232)	(45,955,185)	(13,375,119)	(118,490,085)	(6,482,420)	(44,168,339)	-	(276,191,380)
Closing net book value	320,491,766	351,100,624	228,547,060	87,266,277	1,317,149,983	13,026,168	157,346,433	153,685,636	2,628,613,947
At 31 December 2016									
Cost	354,339,716	987,920,944	869,923,720	217,365,763	3,766,229,038	67,473,702	557,403,534	153,685,636	6,974,342,053
Less Accumulated depreciation	-	(320,849,244)	(586,731,204)	(130,099,486)	(2,201,233,549)	(54,212,805)	(400,057,101)	-	(3,693,183,389)
Provision for impairment	(33,847,950)	(315,971,076)	(54,645,456)	-	-	(234,729)	-	-	(404,699,211)
Provision for lost assets	-	-	-	-	(247,845,506)	-	-	-	(247,845,506)
Closing net book value	320,491,766	351,100,624	228,547,060	87,266,277	1,317,149,983	13,026,168	157,346,433	153,685,636	2,628,613,947

WP Energy Public Company Limited  
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17 Property, plant and equipment (Cont'd)

	Separate financial statements												
	Terminals and gas storage tank			Machinery and equipment		Small-sized gas cylinders		Furniture, fixtures and equipment		Motor vehicle	Construction in progress	Total Baht	
	Land Baht	Building and infrastructures Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht				
At 1 January 2015													
Cost	303,999,982	686,225,470	688,393,226	306,931,316	3,611,030,582	136,566,726	19,594,018	208,142,764				5,960,884,084	
Less Accumulated depreciation	-	(252,434,055)	(520,949,601)	(189,945,838)	(1,998,361,314)	(120,947,863)	(12,775,269)	-				(3,095,413,940)	
Provision for impairment	(33,847,950)	(315,971,076)	(54,645,456)	(35,173,468)	-	-	(1,172,726)	-				(440,810,676)	
Provision for lost assets	-	-	-	-	(247,845,506)	-	-	-				(247,845,506)	
Closing 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	
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	

**MP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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**7 Property, plant and equipment (Cont'd)**

	Separate financial statements								
	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 2016									
Opening 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
Additions	847,640	41,029,834	765,550	15,412,783	127,489,597	5,372,577	-	148,807,565	339,725,546
Disposals, net	-	-	(53)	(6)	(35)	-	(1)	-	(95)
Transfer in/out	4,529,701	246,839,393	196,721,960	3,073,374	-	502,946	-	(452,310,176)	(642,802)
Write-off, net	-	(111,333)	(52)	(190,598)	-	(99,699)	-	-	(401,682)
Reclassify	-	1	(1)	114	-	(423,465)	-	-	(423,351)
Depreciation charge	-	(46,390,822)	(45,734,185)	(13,085,786)	(118,490,085)	(5,063,378)	(2,430,760)	-	(231,195,016)
Closing net book value	294,392,033	340,545,575	226,594,993	86,154,490	1,317,149,985	8,881,031	1,756,964	149,729,858	2,425,204,929
At 31 December 2016									
Cost	328,239,983	972,220,658	867,713,718	215,916,963	3,766,229,040	54,944,630	19,146,354	149,729,858	6,374,141,204
Less Accumulated depreciation	-	(315,704,007)	(586,473,269)	(129,762,473)	(2,201,233,549)	(45,828,870)	(17,389,390)	-	(3,296,391,558)
Provision for impairment	(33,847,950)	(315,971,076)	(54,645,456)	-	-	(234,729)	-	-	(404,699,211)
Provision for lost assets	-	-	-	-	(247,845,506)	-	-	-	(247,845,506)
Closing net book value	294,392,033	340,545,575	226,594,993	86,154,490	1,317,149,985	8,881,031	1,756,964	149,729,858	2,425,204,929

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

Land and equipment of Baht 310.27 million has been pledged as security for borrowings (Note 24).

As at 31 December 2016, the gross amount of the Consolidated and Company's fully depreciated property, plant and equipment that was still in use are amounting to Baht 1,735.89 million and Baht 1,474.74 million, respectively (2015: Baht 1,663.82 million and Baht 1,470.78 million, respectively).

Depreciation has been charged into the following categories of expenses:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Cost of sale	260,962,041	268,962,000	217,896,811	192,671,507
Administrative expenses	15,229,339	18,260,759	13,298,205	15,584,857
	<u>276,191,380</u>	<u>287,222,759</u>	<u>231,195,016</u>	<u>208,256,364</u>

Equipment includes Baht 128,006,392 (2015: Baht 105,775,312) assets acquired using under finance leases (where the Group is the lessee) and disposals include Baht 4,312,100 (2015: Baht 24,740,000) 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Cost - capitalised finance leases	128,006,392	105,775,312	11,212,000	11,212,000
<u>Less</u> Accumulated depreciation	<u>(101,684,416)</u>	<u>(75,855,043)</u>	<u>(9,455,047)</u>	<u>(7,206,676)</u>
Net book amount	<u>26,321,976</u>	<u>29,920,269</u>	<u>1,756,953</u>	<u>4,005,324</u>

Borrowing costs of Baht 0.77 million (2015: Baht 1.42 million), arising from financing for the construction of a new warehouse, were capitalised during the year and are included in 'additions'. A capitalisation rate of 6.525% (2015: 6.525%) was used representing the actual borrowing cost of the loan used to finance the project.

18 Goodwill

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Opening amount</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	-
<b>Year ended 31 December</b>				
Opening net book amount	33,494,192	24,304,592	9,189,600	-
Acquisition of business	-	9,189,600	-	9,189,600
Closing net book amount	33,494,192	33,494,192	9,189,600	9,189,600
<b>At 31 December</b>				
Cost	33,494,192	33,494,192	9,189,600	9,189,600
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	33,494,192	33,494,192	9,189,600	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.

	2016		
	Transportation Baht	Gas station Baht	Total Baht
Goodwill allocation	24,304,592	9,189,600	33,494,192
	2015		
	Transportation Baht	Gas station Baht	Total Baht
Goodwill allocation	24,304,592	9,189,600	33,494,192

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>	20.42%	14.65%
Growth rate <sup>2</sup>	3.00%	1.00%
Discount rate <sup>3</sup>	11.60%	11.88%

<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.

19 Intangible assets

Consolidated financial statements				
	Trademarks Baht	Computer software Baht	Computer software under installation Baht	Total Baht
<b>As at 1 January 2015</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
<b>For the year ended 31 December 2016</b>				
Opening net book amount	-	10,339,943	1,806,649	12,146,592
Addition	-	13,085,701	18,198,250	31,283,950
Write-off, net	-	-	(1,407,404)	(1,407,404)
Transfer in/out	-	18,198,250	(18,198,250)	-
Reclassification	-	423,351	-	423,351
Amortisation charge	-	(2,030,246)	-	(2,030,246)
Closing net book amount	-	40,016,999	399,244	40,416,243
<b>As at 31 December 2016</b>				
Cost	300,000,000	69,581,282	399,244	369,980,526
<u>Less</u> Accumulated amortisation	(71,277,544)	(29,564,283)	-	(100,841,827)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	40,016,999	399,244	40,416,243

19 Intangible assets (Cont'd)

	Separate financial statements			Total Baht
	Trademarks Baht	Computer software Baht	Computer software under installation Baht	
<b>As at 1 January 2015</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
<b>For the year ended 31 December 2016</b>				
Opening net book amount	-	9,715,304	1,054,304	10,769,608
Addition	-	11,074,100	18,198,250	29,272,350
Write-off, net	-	-	(1,054,304)	(1,054,304)
Transfer in/out	-	18,198,250	(18,198,250)	-
Reclassify	-	423,351	-	423,351
Amortisation charge	-	(1,862,787)	-	(1,862,787)
Closing net book amount	-	37,548,218	-	37,548,218
<b>As at 31 December 2016</b>				
Cost	300,000,000	73,892,475	-	373,892,475
<u>Less</u> Accumulated amortisation	(71,277,544)	(36,344,257)	-	(107,621,801)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	37,548,218	-	37,548,218

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.



20 Prepaid rents

	Consolidated and separate financial statements
	Baht
<b>As at 1 January 2015</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
<b>For the year ended 31 December 2016</b>	
Opening net book amount	69,912,315
Write-off	(2,450,000)
Amortisation charge	(6,432,296)
Closing net book amount	61,030,019
<b>As at 31 December 2016</b>	
Cost	141,139,145
<u>Less</u> Accumulated amortisation	(78,858,898)
Allowance for decrease in value	(1,250,228)
Net book amount	61,030,019

## 21 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	5,648,635	4,844,937	4,004,703	3,412,568
	<u>5,648,635</u>	<u>4,844,937</u>	<u>4,004,703</u>	<u>3,412,568</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	(9,412,984)	(15,227,893)	-	-
	<u>(15,227,893)</u>	<u>(21,042,802)</u>	<u>-</u>	<u>-</u>
<b>Deferred tax, net</b>	<u>(9,579,258)</u>	<u>(16,197,865)</u>	<u>4,004,703</u>	<u>3,412,568</u>

The gross movement and the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	(16,197,865)	(25,495,460)	3,412,568	-
Charged to profit or loss (Note 33)	6,618,607	9,297,595	592,135	3,412,568
At 31 December	<u>(9,579,258)</u>	<u>(16,197,865)</u>	<u>4,004,703</u>	<u>3,412,568</u>

The movement in deferred tax assets and liabilities during the period is as follows:

	Consolidated financial statements		
	At 1 January 2016 Baht	Charged/(credited) to the income statement Baht	At 31 December 2016 Baht
<b>Deferred tax assets</b>			
Allowance for doubtful account	226,295	-	226,295
Provision for accrued interest	379,548	-	379,548
Finance leases	378,482	58,112	436,594
Provision for employee benefit obligations	3,860,612	745,587	4,606,199
	<u>4,844,937</u>	<u>803,699</u>	<u>5,648,636</u>
<b>Deferred tax liabilities</b>			
Revaluation of assets	(21,042,802)	5,814,909	(15,227,893)
	<u>(21,042,802)</u>	<u>5,814,909</u>	<u>(15,227,893)</u>

21 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities during the period is as follows: (Cont'd)

Consolidated financial statements			
	At 1 January 2015 Baht	Charged/(credited) to the income statement Baht	At 31 December 2015 Baht
<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>
Separate financial statements			
	At 1 January 2016 Baht	Charged/(credited) to the income statement Baht	At 31 December 2016 Baht
<b>Deferred tax assets</b>			
Finance leases	378,482	58,112	436,594
Provision for employee benefit obligations	3,034,086	534,023	3,568,109
	<u>3,412,568</u>	<u>592,135</u>	<u>4,004,703</u>
Separate financial statements			
	At 1 January 2015 Baht	Charged/(credited) to the income statement Baht	At 31 December 2015 Baht
<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 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred income tax assets	5,130,468	4,326,770	4,004,703	3,412,568
Deferred income tax liabilities	(14,709,726)	(20,524,635)	-	-
Deferred income tax, net	<u>(9,579,258)</u>	<u>(16,197,865)</u>	<u>4,004,703</u>	<u>3,412,568</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.

22 Other non - current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deposit for assignment of debt	-	50,000,000	-	50,000,000
Other deposits	36,055,533	36,017,210	36,531,304	35,298,873
Advances payment	20,000,000	20,000,000	20,000,000	20,000,000
Cash appropriated by Courts	9,281,401	9,281,401	9,281,401	9,281,401
Others	6,974,600	8,785,719	6,974,600	8,785,719
	72,311,534	124,084,330	72,787,305	123,365,993
<u>Less</u> Allowance for doubtful accounts	(20,000,000)	(70,000,000)	(20,000,000)	(70,000,000)
	52,311,534	54,084,330	52,787,305	53,365,993

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. In 2013 during PICNIC was in the rehabilitation process, PICNIC entered into the compromise agreement for all disputes with AMC. Under the compromise agreement, AMC would pay the damages in relation to ownership of WG shares to PICNIC, and then PICNIC would withdraw its appeal to object the Central Bankruptcy Court's judgment on the dispute on the ownership of WG shares. After such actions, AMC would return the deposit of Baht 50 million to PICNIC. In this regard, PICNIC has already withdrawn its appeal. Subsequently, AMC has completely returned the deposit of Baht 50 million to the Company in July 2016.

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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable - third parties	756,410,159	952,647,924	744,241,838	939,312,601
Amount due to related parties (Note 35.3)	-	-	8,739,513	11,367,699
Other payable	126,279,083	127,520,119	122,845,505	122,872,609
Accrued expenses	46,353,846	84,538,797	38,805,175	70,580,185
Advances received	14,278,730	14,264,714	14,224,530	14,224,530
	943,321,818	1,178,971,554	928,856,561	1,158,357,624

## 24 Borrowings

### 24.1 Finance lease liabilities

Finance lease liabilities - minimum lease payment:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	6,324,235	7,045,199	3,981,363	2,133,237
Later than 1 year but not later than 5 years	1,734,256	8,059,026	-	3,981,363
	8,058,491	15,104,225	3,981,363	6,114,600
<u>Less</u> Future finance charges on finance leases	(330,521)	(1,344,996)	(41,445)	(216,870)
Present value of finance lease liabilities	7,727,970	13,759,229	3,939,918	5,897,730

The present value of finance lease liabilities is due as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	6,051,523	6,030,723	3,939,918	1,957,812
Later than 1 year but not later than 5 years	1,676,447	7,728,506	-	3,939,918
	7,727,970	13,759,229	3,939,918	5,897,730

### 24.2 Long-term borrowing

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current portion of long-term borrowing	32,098,125	29,221,421	32,098,125	27,616,500
Long-term borrowing payable between 1 to 5 years	245,894,625	62,710,616	245,894,625	60,982,750
	277,992,750	91,932,037	277,992,750	88,599,250

## 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 financial statements			
	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term bank borrowing	277,992,750	91,932,037	271,215,131	81,135,796
	Separate financial statements			
	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term bank borrowing	277,992,750	88,599,250	271,215,131	78,106,508

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.28% (2015: 6.53%) and are within level 2 of the fair value hierarchy.

Long-term borrowing is collateralised by pledge of land and equipment amounting to Baht 310.27 million (2015: Baht 141.04 million) (Note 17).

Movements in long-term borrowings are analysed as follows:

For year ended 31 December	Consolidated Financial statements	Separate Financial statements
	2016 Baht	2016 Baht
Opening net book amount	91,932,037	88,599,250
Addition	217,010,000	217,010,000
Repayment	(30,949,287)	(27,616,500)
Closing net book amount	277,992,750	277,992,750

### 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 financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Long-term borrowing	MLR - 1, MRR + 0.5, MLR	MLR - 1, MRR + 0.5, MLR	MLR	MLR
Finance lease liability	MLR	MLR	5.01 - 5.07	5.01 - 5.07

25 Short-term provisions

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
<b>Provisions for tax assessments</b>		
Opening amount	213,596,573	198,134,467
Additional provisions	-	15,462,106
Payment	(126,070,980)	-
As at 31 December	87,525,593	213,596,573

**Provisions for tax assessments**

- a) 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 31 December 2015 was amounting to Baht 118.25 million. The Company made total payment of Baht 118.25 million to the Revenue Department on 3 February 2016. In 2016, the Revenue Department has estimated additional penalties and surcharges amounting to Baht 17.32 million. The Company made a partial payment for this additional penalties and surcharges to the Revenue Department amounting to Baht 11.55 million.
- b) 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 2010. The additional VAT including penalties and surcharges was amounting to Baht 3.09 million.
- c) The Revenue Department has assessed specific business tax for 2011 and related penalties and surcharges until 15 December 2016 of Baht 5.15 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.
- d) As at 31 December 2016, the Company had provision for non-refundable input VAT amounting to Baht 83.62 million (31 December 2015: Baht 83.36 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.
- e) The Company requested a refund of the withholding tax amounting to Baht 4.17 million. The Revenue Department will offset the refunded withholding tax with Company's tax payable.

26 Employee benefit obligation

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liability in the statement of financial position, representing fair value of the obligation	23,030,995	19,303,060	17,840,550	15,170,432
Profit or loss charge included in operating profit:				
Post-employment benefits	3,824,727	3,703,549	2,849,496	2,813,094
Remeasurement for:				
Post-employment benefits	1,151,679	1,843,765	836,802	1,803,235

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.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	19,303,060	24,514,239	15,170,432	20,759,696
Current service costs	3,042,801	2,722,979	2,242,679	1,982,706
Interest expense	781,926	980,570	606,817	830,388
	23,127,787	28,217,788	18,019,928	23,572,790
Remeasurements:				
Loss from change in financial assumptions	1,151,679	1,843,765	836,802	1,803,235
Benefits payment	(1,248,471)	(10,758,493)	(1,016,180)	(10,205,593)
Closing balance	23,030,995	19,303,060	17,840,550	15,170,432

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	4.00	4.00	4.00	4.00
Future salary increases	4.88 - 5.50	4.88 - 5.50	5.50	5.50

The sensitivity analysis for each significant assumption disclosed are as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Discount rate	1%	1%	Decrease by 11%	Decrease by 12%	Increase by 13%	Increase by 14%
Salary growth rate	1%	1%	Increase by 12%	Increase by 12%	Decrease by 10%	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.



**26 Employee benefit obligation (Cont'd)**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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 21.31 years (2015: 22.31 years).

Expected maturity analysis of undiscounted retirement benefits:

		<b>Consolidated financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2016						
Post-employment benefits		1,898,859	569,039	3,498,729	135,523,171	141,489,798
		<b>Consolidated financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2015						
Post-employment benefits		700,799	1,153,436	2,638,645	129,451,837	133,944,717
		<b>Separate financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2016						
Post-employment benefits		1,657,276	-	2,305,038	102,977,413	106,939,727
		<b>Separate financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
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 separate financial statements	
	2016 Baht	2015 Baht
Deposits received for small-sized gas cylinders	1,921,196,391	1,841,092,336
Deposits received for rental small-sized gas cylinders	265,869,879	265,869,879
Provision for deposits received for small-sized gas cylinders	1,014,019,644	1,015,270,201
	<u>3,201,085,914</u>	<u>3,122,232,416</u>

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.

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 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>
At 1 January 2016	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 2016	<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>

29 Legal reserve

	Consolidated and separate financial statements	
	2016 Baht	2015 Baht
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 equity" being deemed as financial support received from its shareholders via the Group of gas filling companies.

31 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Transportation income	62,880,047	62,743,518	62,880,047	62,743,518
Interest income	6,949,755	18,668,122	10,244,270	20,356,082
Rental income	13,105,152	11,169,652	12,703,952	10,724,532
Cylinder maintenance income	31,339,525	3,138,441	31,339,525	3,138,441
Other income	20,433,251	32,734,384	19,797,905	27,856,834
	<u>134,707,730</u>	<u>128,454,117</u>	<u>136,965,699</u>	<u>124,819,407</u>

32 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Included in cost of sales of goods and rendering of service:</b>				
Cost of finished goods purchased	15,202,902,373	20,061,009,649	15,367,064,878	20,094,095,986
Contribution to Oil Fund	-	466,842,226	-	466,842,226
Depreciation	260,962,041	268,962,000	217,896,811	192,671,507
Cylinders repairing costs	49,412,131	49,001,583	49,412,131	49,001,584
Gas filling expenses	34,175,917	35,709,732	34,175,917	35,709,732
Others	198,186,867	119,077,738	28,157,819	32,021,734
	<u>15,745,639,329</u>	<u>21,000,602,928</u>	<u>15,696,707,556</u>	<u>20,870,342,769</u>
<b>Included in selling expenses:</b>				
Transportation expenses	190,929,384	222,256,330	190,929,384	222,256,330
Sales promotion expenses	111,706,394	46,769,604	110,426,962	46,451,779
Employee benefit expenses	15,082,736	18,833,160	15,082,736	18,833,160
Others	5,206,666	7,100,724	5,419,488	7,100,724
	<u>322,925,180</u>	<u>294,959,818</u>	<u>321,858,570</u>	<u>294,641,993</u>
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Included in administrative expenses:</b>				
Service fee for LPG reserve	115,314,900	175,757,700	115,314,900	175,757,700
Employee benefit expenses	100,318,836	123,124,392	84,383,170	101,512,842
Rental and service fees	60,819,689	49,734,986	60,147,881	48,447,157
Tax fines and penalties	-	48,664,664	-	48,664,664
Bank charge and other fees	28,971,330	31,103,946	28,683,084	30,938,169
Depreciation	15,229,339	18,260,759	13,298,205	15,584,857
Professional fees	6,205,084	39,155,627	5,577,188	38,023,583
Security and safety expense	14,886,449	14,863,309	14,082,946	14,189,000
Insurance expense	16,125,219	14,466,371	16,051,401	14,466,371
Amortisation	2,030,246	1,534,226	1,862,787	1,281,958
Reversal of bad debt and doubtful debts expense	(22,905,582)	(293,318)	(24,739,377)	(11,397,770)
Others	80,316,583	75,847,117	70,525,612	72,162,158
	<u>417,312,093</u>	<u>592,219,779</u>	<u>385,187,797</u>	<u>549,630,689</u>

33 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax	10,507,031	24,841,499	3,508,877	17,522,963
Deferred tax (Note 21)	(6,618,607)	(9,297,595)	(592,135)	(3,412,568)
Total tax expense	<u>3,888,424</u>	<u>15,543,904</u>	<u>2,916,742</u>	<u>14,110,395</u>

**33 Income tax expense (Cont'd)**

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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Profit before income tax expense	60,888,996	116,186,085	57,392,770	115,600,362
Tax calculated at a tax rate of 20% (2015: 20%)	12,177,799	23,237,217	11,478,554	23,120,072
Tax effect of:				
Income subject to tax	2,234,465	2,298,120	2,234,465	2,298,120
Income not subject to tax	(5,797,946)	(4,236,623)	(5,753,648)	(3,351,668)
Expense not deducted for tax purpose	1,610,281	5,925,252	1,153,104	3,445,384
Expense deducted at greater amount	(6,308,124)	(8,561,926)	(6,126,230)	(8,469,767)
Adjustment in respect of prior period	189,193	(46,176)	-	-
Difference in tax rates of a SME subsidiary	(519,066)	(195,000)	-	-
Tax losses for which no deferred tax asset was recognised	519,912	124,904	-	-
Utilisation of previously unrecognised tax losses	(218,090)	(3,001,864)	(69,503)	(2,931,746)
Tax charge	3,888,424	15,543,904	2,916,742	14,110,395

The weighted average applicable tax rate was 6.39% (2015: 13.38%).

**34 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the company by the weighted average number of ordinary shares in issue during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit attributable ordinary shareholders of the company (Baht)	56,997,620	100,639,609	54,476,028	101,489,967
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 per share (Baht per share)	0.0206	0.0365	0.0197	0.0368

There are no potential dilutive ordinary shares in issue for the year ended 2016.

### 35 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 18.63% of the Company's paid-up share capital.

Relationships with related parties:

Name of entities	Country of nationality / incorporation	Nature of relationships
Eagle Intertrans Co., Ltd.	Thailand	Subsidiary of the Company, 99.99% shareholding
WP Gas Co., Ltd.	Thailand	Subsidiary of the Company, 99.99% shareholding
WP Solutions Co., Ltd.	Thailand	Subsidiary of the Company, 99.99% shareholding
Logistic Enterprise Co., Ltd.	Thailand	Subsidiary of Eagle Intertrans 99.98% shareholding
WP Sollar Co., Ltd.	Thailand	Subsidiary of WP Solutions, 99.99% 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

**35 Related-party transactions (Cont'd)**

The following transactions were carried out with related parties:

**35.1 Sales of goods and services**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Sale of goods to:</b>				
WP Gas Co., Ltd.	-	-	28,618,481	6,839,614
<b>Sales of services to:</b>				
Eagle Intertrans Co., Ltd.	-	-	2,803,387	2,525,051
<b>Other income:</b>				
Logistic Enterprise Co., Ltd.	-	-	39,298	69,191
WP Gas Co., Ltd.	-	-	659,090	178,112
	-	-	698,388	247,303
<b>Interest income:</b>				
Eagle Intertrans Co., Ltd.	-	-	1,182,514	1,404,384
WP Gas Co., Ltd.	-	-	2,468,233	535,274
	-	-	3,650,747	1,939,658

**35.2 Purchases of goods and services**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Purchases of services from:</b>				
Eagle Intertrans Co., Ltd.	-	-	193,600,335	208,397,375
<b>Selling expenses</b>				
Logistic Enterprise Co., Ltd.	-	-	14,020,800	13,422,426

**35.3 Outstanding balances arising from sales/purchases of goods/services**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Advance payments</b>				
WP Gas Co., Ltd.	-	-	-	16,100,000
<b>Amount due to related parties</b>				
Eagle Intertrans Co., Ltd.	-	-	8,739,513	11,367,699
<b>Accrued expenses</b>				
Eagle Intertrans Co., Ltd.	-	-	1,612	11,490,998

**35 Related-party transactions (Cont'd)**

The following transactions were carried out with related parties: (Cont'd)

**35.4 Short-term loans to related parties**

	Separate financial statements	
	2016 Baht	2015 Baht
<b>Short-term loans to related parties</b>		
Eagle Intertrans Co., Ltd.	50,000,000	60,000,000
WP Gas Co., Ltd.	35,000,000	50,000,000
	<u>85,000,000</u>	<u>110,000,000</u>

**35.5 Short-term loans to related parties**

	Separate financial statements	
	2016 Baht	2015 Baht
Opening balance	110,000,000	100,000,000
Loans advanced during the year	-	50,000,000
Loan repayments received	(25,000,000)	(40,000,000)
Closing balance	<u>85,000,000</u>	<u>110,000,000</u>

As at 31 December 2016, short-term loans to related parties are in form of promissory notes denominated in Thai Baht issued by Eagle Intertrans Co., Ltd 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 3.65 million (2015: Baht 1.94 million).

**35.6 Key management compensation**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Salaries and other short-term employee benefits	23,150,615	18,996,295	17,500,814	16,419,052
Post-employment benefits	322,983	346,550	245,991	331,295
	<u>23,473,598</u>	<u>19,342,845</u>	<u>17,746,805</u>	<u>16,750,347</u>



## 36 Commitments

### 36.1 Capital commitments

As at 31 December 2016, the Group has commitment in respect of capital expenditure contracted for constructing gas storage tank amounting to Baht 27.25 million (2015: Baht 103.46 million).

### 36.2 Operating lease commitments - where a Group company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	82,310,829	131,098,115	70,871,573	123,419,794
Later than 1 year but not later than 5 years	218,198,533	112,693,709	210,415,857	104,543,397
Over than 5 years	292,379,925	150,540,474	292,130,175	150,540,474
	<u>592,889,287</u>	<u>394,332,298</u>	<u>573,417,605</u>	<u>378,503,665</u>

As at 31 December 2016, 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 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.

## 37 Contingencies

### 37.1 Guarantees

As at 31 December 2016, the Group provided guarantees on behalf of its related parties for the lease of vehicles amounting to Baht 6.87 million (2015: Baht 15.83 million).

### 37.2 Bank guarantees

As at 31 December 2016, 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 1,316.89 million (2015: Baht 1,607.85 million). Bank deposits amounting to Baht 585.94 million (2015: Baht 585.94 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 20.42 million (2015: Baht 135.58 million). Bank deposits amounting to Baht 11.79 million (2015: Baht 106.21 million) are used as collateral.

As at 31 December 2016, the Company use bank deposit amounting to Baht 8.98 million (2015: Baht 3.97 million) as collateral for a borrowing from financial institution.

## **38 Litigations**

### **Litigations of Picnic Corporation Public Company Limited**

#### **38.1 Special case on tax invoice**

Due to the Special Prosecutor's Office, special litigation division 4 had claimed against PICNIC and others for a criminal case in relation to illegal issuance of tax invoice, 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 (Revenue Department, the prosecutor), Decided Criminal case no. Aor 5243/2011, the Criminal Court passed the judgment that The Company had to pay fine amount of Baht 1,050,000. Prosecutor officer appealed against the judgment to The Court of Appeals however the Company filed a correct appeal on 9 April 2015. This case is currently under the Appeals court's proceedings.

38.2 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.**

38.3 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.

38.4 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.

38.5 In 2013, the Company has been sued and claimed for damages by a company because WG breached of agreement made with such company pursuant to the civil case, black case no. 3097/2556. The plaintiff requested the Civil Court to order the Company to pay the compensation for damages amounting to Baht 30.46 million. Subsequently, the Appeal Court ordered the Company to pay the compensation amounting to Baht 11.57 million and the Company already filed a correct to Supreme Court. This case is currently under the Supreme Court's proceedings. However, the management of the Company does not anticipate any loss from this litigation and does not set provision for the contingent liability.

### **Litigations of WP Energy Company Limited**

38.6 On 11 December 2015, a company residing nearby the area of the Company's LPG storage facility at Ban Had has claimed against the Company to stop the construction of LPG terminal at Ban Had and also demand withdrawal of the Company's license for construction and prepare Environmental Impact Assessment for the LPG terminal.

On 30 March 2016, the Company submit statement to the Central Administrative Court and object the inquiry on the application for a temporary injunction until the lawsuit end and now the Central Administrative Court has ordered dismiss the petition for a temporary injunction. This case is currently under the Central Administrative Court's proceedings.

Properties, plant and equipment at facility has net book value as at 31 December 2016 amounting to Bath 328.93 million.

**39 Subsequent Event**

Extraordinary General Meeting of Shareholders No. 1/2017 of WP Energy Public Company Limited ("Company") was held on 31 January 2017. The key resolutions of the meeting are as follows:

- 39.1 Approved the actions in accordance with section 119 of the Public Limited Company Act, B.E. 2535 by transferring the premium on LPG selling price of Baht 532,000,000, the legal reserve of Baht 33,910,000 and the share premium of Baht 2,657,619,957 respectively, totalling Baht 3,223,529,957 to compensate for such retained losses of the Company as appeared in the consolidated and company statements of financial position as at 30 September 2016 amounting to Baht 5,467,384,172 and Baht 5,465,751,933 respectively.
- 39.2 Approved the reduction of the registered capital and the paid-up capital of the Company amounting to Baht 2,242,065,700 from the existing amount of Baht 2,760,565,700 to the new amount of Baht 518,500,000, by reduction of 2,242,065,700 shares, with par value of Baht 1 each, which shall be done on pro-rata to the shareholding of each shareholder in the ratio of 5.32413828 existing shares to the amount of share after the capital reduction of 1 share (5.32413828:1), to compensate for the retained losses of the Company as appeared in the consolidated and company statements of financial position as at 30 September 2016 amounting to Baht 5,467,384,172 and Baht 5,465,751,933 respectively.
- 39.3 Approved the amendment of the memorandum of association of the Company regarding the registered capital to reflect such registered capital reduction from "Registered capital Baht 2,760,565,700, Ordinary shares 2,760,565,700 shares with par value of Baht 1" to "Registered capital Baht 518,500,000, Ordinary shares 518,500,000 shares with par value of Baht 1"



WP ENERGY PUBLIC COMPANY LIMITED