

# POWER UP YOUR LIFE

รายงานประจำปี 2561

Annual Report 2018





**WP**  
ENERGY



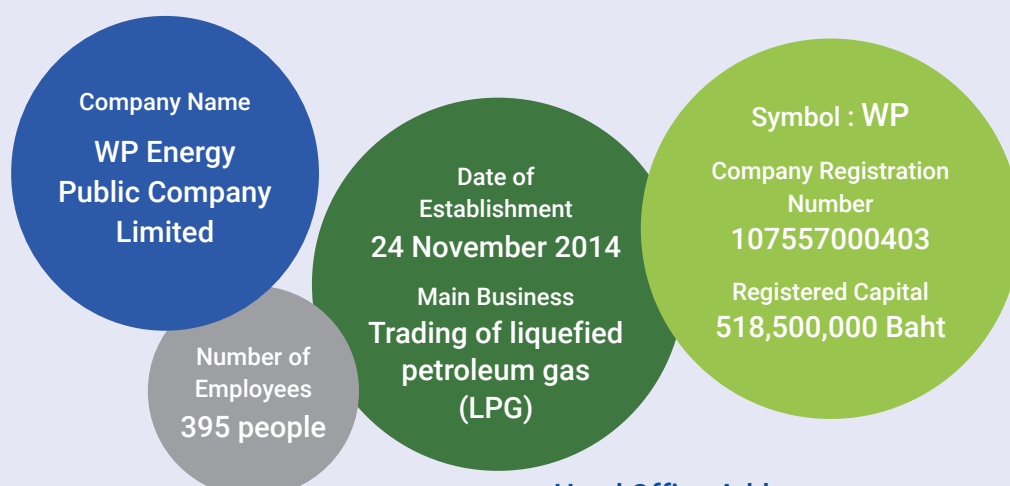


# POWER UP YOUR LIFE

Accompanied you with smile  
and power up your life



# General and Other Important Information



## Website

www.wp-energy.co.th

## Head Office Address

1 EastWater Building, Floor 15, Soi Vibhavadi Rangsit Soi 5, Vibhavadi Rangsit Road, Chom Pon Sub-district, Chatuchak District, Bangkok 10900

## Branch Location

Branch	Type	Address
<b>Branch 1</b>	<b>LPG terminal</b>	No. 115 Moo 16, Bang Pakong Sub-district, Bang Pakong District, Chachoengsao Province
<b>Branch 2</b>	<b>Filling plant</b>	No. 458/12 Moo 4, Naklua Sub-district, Banglamung District, Chonburi Province
<b>Branch 3</b>	<b>Filling plant</b>	No. 55 Moo 3, Phahonyothin Road, Klongnueng Sub-district, Klongluang District, Pathum Thani Province
<b>Branch 4</b>	<b>Filling plant</b>	No. 3/2 Moo 2, Soi Lang Wat Charunrat, Liang Mueang Road (Bypass), Huaykapi Sub-district, Mueang Chonburi District, Chonburi Province
<b>Branch 5</b>	<b>Filling plant</b>	No. 11 Soi Bangna-Trad 26, Bangna Sub-district, Bangna District, Bangkok
<b>Branch 6</b>	<b>Filling plant</b>	No. 85 Moo 4, Lat Lum Kao Sub-district, Lat Lum Kao District, Pathum Thani Province
<b>Branch 7</b>	<b>Filling plant</b>	No. 500 Bang Khae Road, Bang Khae Sub-district, Bang Khae District, Bangkok
<b>Branch 8</b>	<b>Service station</b>	No. 10/2 Moo 1, Bang Kao Sub-district, Bang Phli District, Samut Prakan Province
<b>Branch 9</b>	<b>LPG terminal / Filling plant</b>	No. 226 Moo 17, Tha Phra Sub-district, Mueang Khon Kaen District, Khon Kaen Province
<b>Branch 10</b>	<b>Filling plant</b>	No. 640 Soi Suk Sawat 26, Suk Sawat Road, Bangpakok Sub-district, Ratburana District, Bangkok
<b>Branch 11</b>	<b>LPG terminal</b>	No. 286 Moo 1, Bang Cha Krong Sub-district, Mueang Samut Songkhram District, Samut Songkhram Province
<b>Branch 12</b>	<b>LPG terminal</b>	No. 73/1 Moo 10, Wiang Tan Sub-district, Hang Chat District, Lampang Province
<b>Branch 13</b>	<b>Service station</b>	No. 111 Moo 1, Wang Manao Sub-district, Paktho District, Ratchaburi Province
<b>Branch 14</b>	<b>LPG terminal</b>	No. 101 Moo 10, Ban Haet Sub-district, Ban Haet District, Khon Kaen Province
<b>Branch 15</b>	<b>LPG terminal</b>	No. 115/1 Moo 16, Bang Pakong Sub-district, Bang Pakong District, Chachoengsao Province
<b>Branch 16</b>	<b>Filling plant</b>	No. 19/2 Moo 4, Nong Nam Sub-district, Mueang Lamphun District, Lamphun Province
<b>Branch 17</b>	<b>Filling plant</b>	No. 1 Moo 4, Don Kao Sub-district, Mae Rim District, Chiang Mai Province

## Reference Persons

**Securities Registrar** Thailand Securities Depository Co., Ltd.

**Auditor** PricewaterhouseCoopers ABAS Ltd.

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

## Legal Advisor

Norton Rose Fulbright (Thailand) Co., Ltd.

## Financial Advisor

Finansa Securities Co., Ltd.



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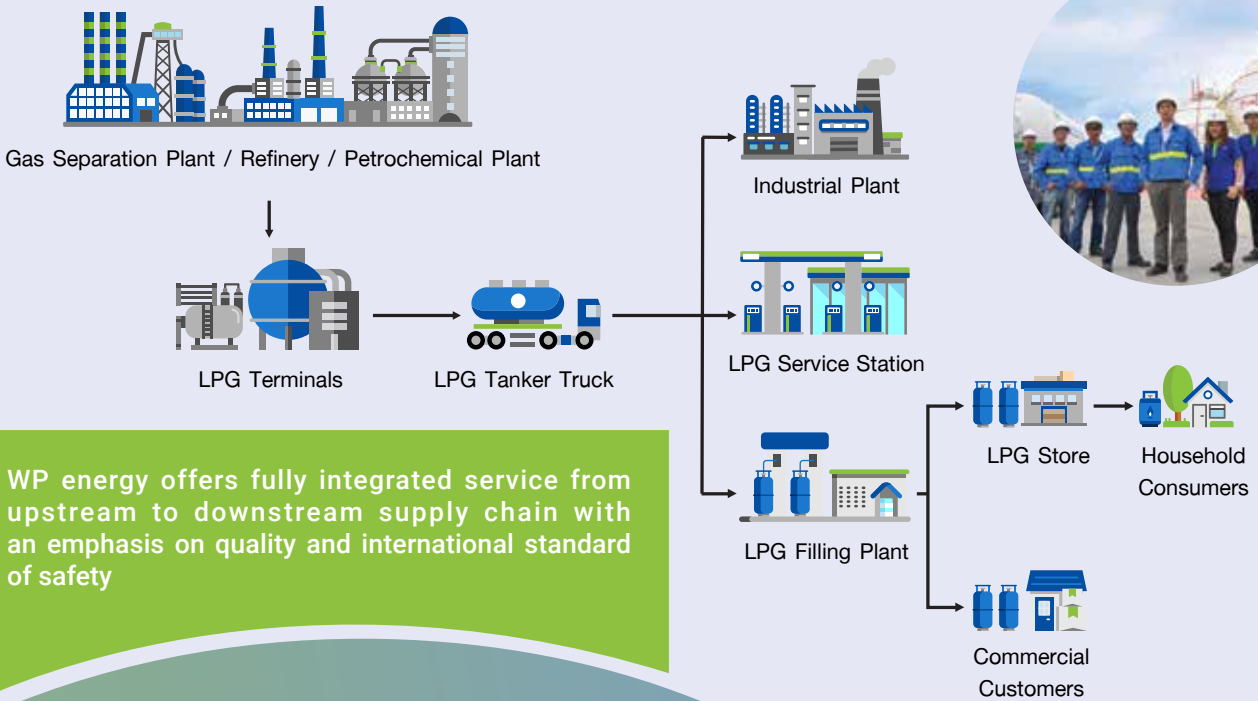
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Financial Statements



WP energy is Thailand's leading LPG distributor under the brand "World Gas". The company strives to deliver efficient support and services, resulting in an established, long-term trust from our customers within various industries.



### Industrial

3<sup>rd</sup> position in industrial sector, securing a long-term contract with potential customers.



### Household

2<sup>nd</sup> position in household sector with over 6.2 million cylinders in the market, along with established and trusted relationship with users.



### LPG service station

leader in LPG service station sector, with a wide coverage in the country

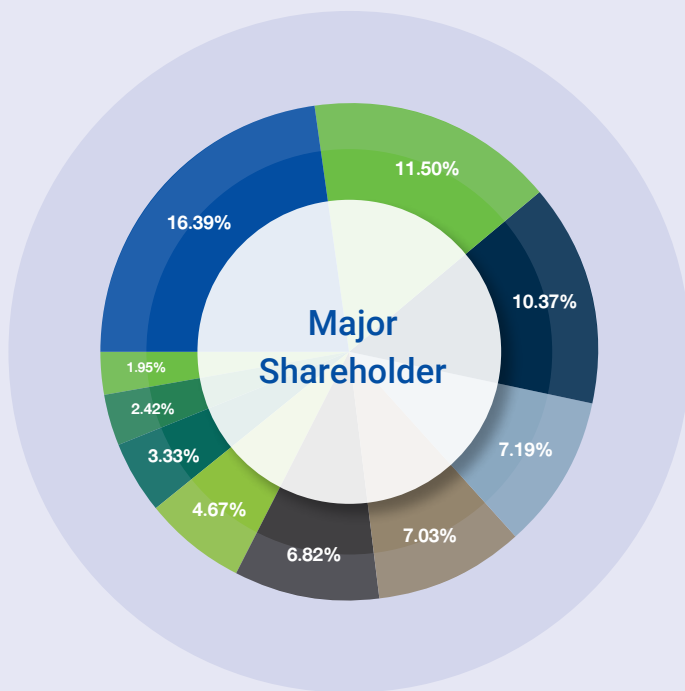
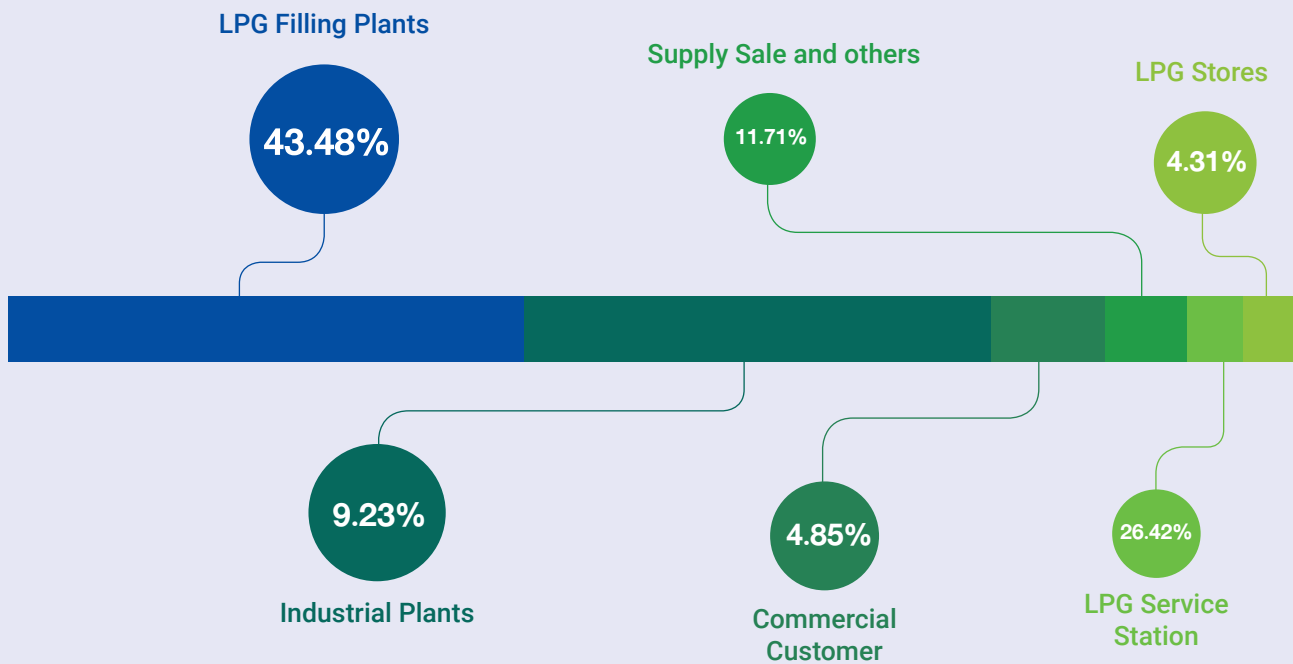
5  
LPG  
Terminals

159  
LPG  
Filling Plants

2  
LPG Service  
Stations

137  
LPG Transport  
Vehicles

## Volume Breakdown by Segment for the Fiscal Year 2018

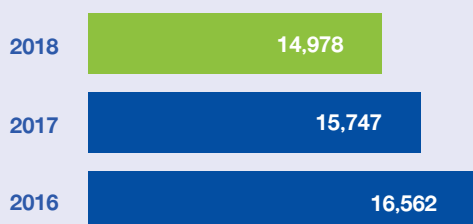
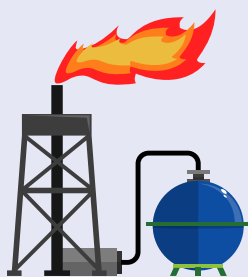


1. Mr. Aiyawatt Srivaddhanaprabha
2. Mr. Watchai Vilailuck
3. Ms. Apiradee Opasiamlikit
4. Mr. Chatchaval Jiaravanon
5. Pol.Gen. Somyot Poompanmuang
6. Ms. Chomkamol Poompanmoung
7. Mr. Pisarn Panichawong
8. VERWALTUNGS - UND PRIVAT - BANK AKTIENGESELLSCHAFT
9. Mr. Watcharis Pongpanit
10. Mrs. Rane Ueaytaweekul



## Total Revenue FY2018

(Million Baht)



## Revenue Breakdown FY2018

(Million Baht)



LPG Filling Plants

6,422



LPG Service Station

3,809



Industrial Plants

1,412



Commercial Customers

806



LPG Stores

658



Supply Sale and Others

1,577

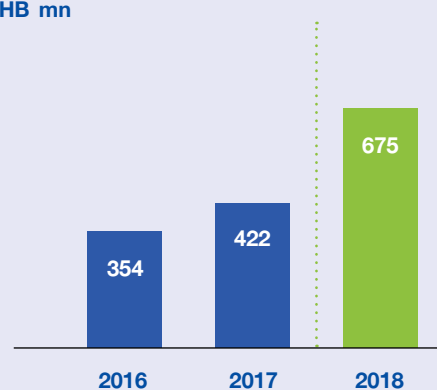
## Gross Profit

Units: THB mn



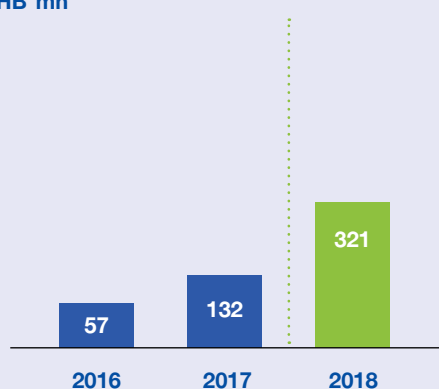
## EBITDA

Units: THB mn



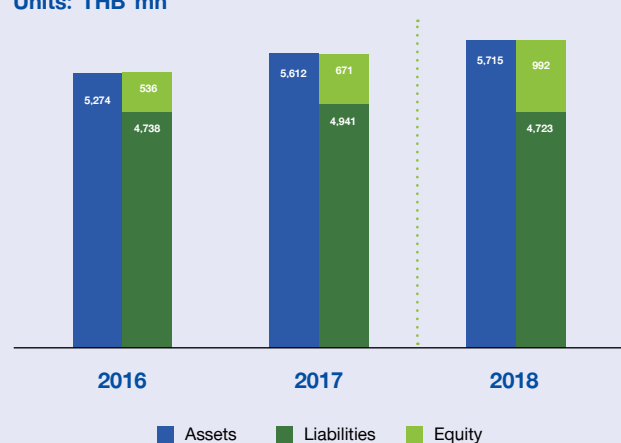
## Net Profit

Units: THB mn



## Financial Position

Units: THB mn





# Financial Highlights

	2016	2017	2018
<b>Financial Highlights</b>	<b>(Unit: Million Baht)</b>		
Total Revenue	16,562	15,747	14,978
Gross Profit	681	650	830
EBITDA	354	422	675
Net Profit	57	132	321.48
Assets	5,274	5,612	5,715
Liabilities	4,738	4,941	4,723
Equity	536	671	992
Operating cash flow	170	565	517

## Financial Ratios

Gross Profit Margin	4.15%	4.19%	5.64%
EBITDA Margin	2.14%	2.68%	4.51%
Net Profit Margin	0.34%	0.84%	2.15%
EPS (Baht/share)	0.11	0.25	0.62
Current Ratio (x)	1.47	1.64	2.08
Debt / Equity (x)	8.84	7.36	4.76
Interest-Bearing Debt / Equity (x)	0.53	0.37	0.21
Return on Assets (ROA)	1.43%	2.78%	7.09%
Return on Equity (ROE)	11.22%	21.86%	38.65%





## We Focus on Society and Environment



“

The Company recognizes the importance of social coexistence and intends to be shared of caring and being responsible to all stakeholders in the area by participating in enhancing the quality of life for the community and society with the support on the development of life in all aspects and a conscience on corporate social responsibility and environment conservation, the Company will quickly and efficiently respond to all events that affect the environment, communities, that are caused by the Company's operations.





POWER UP *YOUR LIFE*,  
DRIVE *YOUR PLACE*.





POWER UP *YOUR LIFE*,  
DRIVE *YOUR MOMENT*.



“

The Company commits to develop products and services for customers' utmost satisfactions and maximum benefit and adheres to provide services to customers with responsibility, honesty, attention to customers by taking into account the quality and efficiency of the services. Apart from the quality services, the Company also pays attention to the safety in order to provide customers the services with the highest quality and efficiency.



We Have  
Standardized  
Services





“

We realize the concern on energy so that the society can use quality gas because we are the leader in the distribution business of liquefied petroleum gas (LPG), the purified energy under the trademark “World Gas”, that is fully integrated with potentials.



POWER UP *YOUR LIFE*,  
DRIVE *YOUR LIFE*.



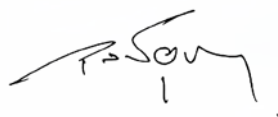
## Message from the Chairman of the Board

Dear shareholders,

The overall market of LPG in 2018 showed a downward trend compared to that of 2017 due to the decline of LPG use in vehicles. Despite the challenge, WP Energy Public Company Limited was able to achieve satisfying growth and operating results in 2018 due to its comprehensive business operations driven by good management planning and prudent investment strategies with an aim to continuously expand its business which is always ready to adapt to change.

For the past years, the company has followed the policy established by WP Energy PCL's Board of Directors which was "to conduct business with integrity, transparency, and commitment to achieve the company's vision as a regional leader in energy business with service innovation excellence in response to every consumer need." In 2019, the company is committed to that policy and prepared to move forward to the ASEAN region with its comprehensive business strategies which incorporate upstream, midstream, and downstream businesses.

As the Chairman of the Board, I would like to thank our shareholders, investors, customers, business allies, employees, and stakeholders for their continued trust and support. We are ready to expand our business domestically and internationally with a high hope to distribute our success to all of you through our dedication which is based on good governance in order to achieve sustainable business growth.



**(Mr. Chulchit Bunyaketu)**

Chairman of the Board of Directors  
WP Energy Public Company Limited

“

WP Energy Public Company Limited was able to achieve satisfying growth and operating results in 2018 due to its comprehensive business operations driven by good management planning and prudent investment strategies that are ready to adapt to change.







“

For the arising 2019, the Company expects to generate more satisfactory turnover through efficient management and expansion to strengthen our LPG supply chain, search for new potential business, and continuous service development.



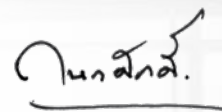
# Message from The Chairman of the Executive Committee

Dear Shareholders,

WP Energy Public Company Limited has developed continuous satisfactory turnover throughout the past period. 2018 is another best year with positive intention and working devotion of all parties as the result of proper work plan-based management and emphasis on service development to create satisfaction with business partners in all business sectors. Moreover, the Company has also strictly given precedence to good corporate governance, operation under good governance, transparent and fair operation focus, together with community, society and environmental care, as the key corporate foundation for stable and sustainable growth.

For the arising 2019, the Company has expected to generate more satisfactory turnover through management and expansion of strengthening LPG business supply chain, search for new business and service development, and advancement toward successful foreign business in accordance with setting vision for return of the expectation of all shareholders and stakeholders.

On behalf of the Executive Committee, I would like to deliver my gratitude to shareholders, joint venture partners, business partners, customers, employees and related parties for well support on the Company's operation all the time. All of you can be assured that the Company will prudently and circumspectly operate, and adhere to code of conduct, corporate governance, and sustainable development for maximum benefits of all related parties to be progressive organization as leader of regional energy business with excellent service innovation in accordance with corporate vision.



**(Mr. Kanoksakdi Bhinsaeng)**  
Chairman of the Executive Committee  
WP Energy Public Company Limited

## Board of Director



**Mr. Chulchit Bunyaketu**

Chairman of the Board /  
Independent Director



**Mrs. Niskorn Tadthiemrom**

Chairman of the Audit Committee /  
Independent Director



**Mr. Kanoksakdi Bhinsaeng**

Director / Chairman of Executive  
Committee / Acting Chief Executive  
Officer



**Mrs. Soithip Trisuddhi**

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



**Mr. Chatchaval Jiaravanon**

Director / Member of Executive  
Committee / Chairman of Risk  
Management Committee



**Mr. Bowon Vongsinudom**

Director / Member of Executive  
Committee



7

**Mr. Sa-nga Ratanachartchuchai**

Director / Member of Executive  
Committee / Member of Nomination  
and Remuneration Committee



8

**Ms. Chomkamol Poompanmoung**

Director / Member of Executive  
Committee / Member of Nomination  
and Remuneration Committee /  
Deputy Chief Executive Officer  
Commercial and Operation /  
Acting Director of Commercial



9

**Mrs. Lakananan Luksamitananan**

Member of Audit Committee /  
Independent Director



10

**Mr. Rungson Sriworasat**

Independent Director / Member  
of Risk Management



11

**Mr. Somchai Kuvijitsuwan**

Independent Director / Member  
of Risk Management Committee



12

**Mr. Kasemsit Pathomsak**

Director

# Vision

Regional Leader in Energy Business  
with Service Innovation Excellence







# Mission

1. Operate in accordance with globally recognized standards of good corporate governance to ensure business sustainability
2. Expand energy business overseas
3. Continuously develop organizational capacity and build a quality workforce
4. Collaborate with business allies to achieve sustainable growth
5. Seek new business opportunities and ways to improve service quality



# Significant Changes and Development

## Capital and Number of share

### YEAR 2017

The extraordinary general meeting No. 1/2017 on 31 January 2017 approved as follows:

- (1) Transfer of capital surplus from gas selling price in the amount of 532,000,000 baht
- (2) Transfer of legal reserve in the amount of 33,910,000 baht
- (3) Transfer of ordinary share surplus value in the amount of 2,657,619,957 baht respectively, and
- (4) Reduction of authorized and paid-up capital of 2,242,065,700 baht from the existing amount of 2,760,565,700 baht to 518,500,000 baht by reducing 2,242,065,700 shares to compensate for accumulated losses

On 25 July 2017, the company registered the reduction of authorized and paid-up capital with the Department of Business Development. Currently, the company has an authorized and paid-up capital of 518,500 baht consisting of 518,5000 ordinary shares. Regarding the transfer of capital surplus from gas selling price in the amount of 532,000,000 baht, the company is currently consulting with a government agency on the legal aspects of the transfer and will use the capital surplus from gas selling price to compensate for accumulated losses once it receives a confirmation from the agency.

### YEAR 2018

- On 23 January 2018, the Stock Exchange of Thailand approved the release of WP's shares from the possibility of delisting by removing the SP and NC signs and allowing WP's shares to be traded from 1 February 2018 onwards.
- On 1 February 2018, WP's shares resumed to the Stock Exchange in the energy and utilities sector under the resources industry group with registered capital of 518,500,000 baht



## Business Operations

### YEAR 2017

- The company increased the number of LPG dispensers at Bang Cha Krong LPG terminal from 6 to 13 dispensers to enhance the distribution of LPG and to meet the needs of customers from various sectors throughout the country. After the expansion, the company has a total of 41 dispensers and maximum gas dispensing rate of 14,760 tons per day.

### YEAR 2018

- On 19 September 2018, the company signed a hiring contract to build the Bang Pakong Phase 3 liquid petroleum gas warehouse with storage capacity of 9,500 tons to provide storage for required reserve which will increase from one percent to two percent in 2021. After the construction is completed, the company will have a storage capacity of 18,489 tons.
- The Board of Directors Meeting No.11/2018 held on 29 October 2018 approved, its subsidiary company, WP Gas Co., Ltd.'s investment in Thai Gas Corporation Co., Ltd. which accounts for 80 percent of Thai Gas's registered capital in the amount of 168,800,256 baht.

Maximum gas  
dispensing rate of  
**14,760**  
Tons per day

A total of  
**41**  
dispensers



# Nature of Business



## 1. Overview of the Liquefied Petroleum Gas Business

WP Energy Public Company Limited is engaged in LPG trading business under “World Gas” trademark and licensed to operate as an oil trader under Section 7 of the Fuel Trade Act B.E. 2543 (2000) and amendments. In 2018, the Company’s market share measured by LPG sales volume (excluding petrochemicals) was 18.00 % (20.20% in 2017).

## 2. Product Characteristics

The Company’s product is Liquefied Petroleum Gas (LPG), there are two types of distribution channels, including Wholesale and Retail:

### Wholesale

Wholesaling is the sale of gas products to LPG filling plants, LPG service stations, industrial plants, commercial customers, and LPG stores. The Company’s distribution of LPG takes place in two forms, namely:

1. **Distribution in Bulk** means that LPG is loaded into large tanker trucks (vehicles specifically designed to carry liquefied gas) in large quantity and then transported to be transferred

into bulk storage tanks located within customers’ premises such as LPG service stations, LPG filling plants, and industrial plants that require large quantity of LPG for use.

2. **Distribution in Cylinder** means filling of LPG into small containers. The Company currently uses four sizes of cylinders, including 4 kg, 13.5 kg, 15 kg, and 48 kg, which enables the Company to appropriately meet the needs of diverse groups of customers.

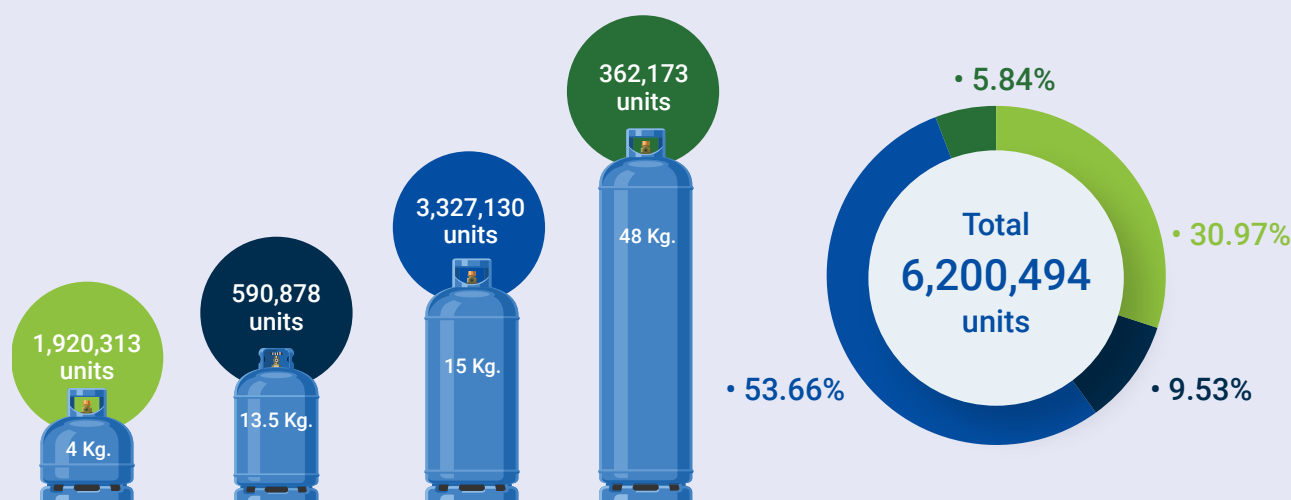
There are two channels through which the Company distributes gas cylinders.

- **LPG filling plants operated by the Company:** LPG is filled into cylinders at 10 filling plants owned and operated by the Company to be distributed to customers in respective areas and purchase orders.
- **LPG filling plants not operated by the Company:** The Company distributes LPG to approximately 130 filling plants owned and operated by its business partners, mostly located in the West, the East and the Central of Thailand. These filling plants will be delivered of LPG by the Company under “World Gas” trademark and they must who hold a license to fill LPG cylinders on behalf of the Company.

To operate a LPG filling plant, a business partner must obtain a commission agent license (a license to act as a commission agent to distribute LPG) from the trader under Section 7 to fill LPG containers under the trademark of the commission agent license's issuer as required by laws and must also obtain the consent from the trader under Section 7 before being able to fill LPG containers for other brands. Moreover, the business partner must have a building permit issued by the Department of Energy Business and the filling plant must be located in an industrial zone approved by a government agency.



The Company has the quantity and proportion of cylinders classified by capacity as of 31 December 2018 as follows:



## LPG Transportation

LPG is transported from producers to the Company through two modes of transport, namely ship and truck.

- **For ship transportation**, the Company will load LPG obtained from the producers into tankers and transports it to the ports where the Company's LPG terminals are located. The LPG is then transported through pipelines to the Company's LPG terminals for storage and subsequent distribution.
- **For truck transportation**, the Company's tanker trucks will collect LPG from the producers and deliver it directly to customers without transporting it back to the Company's LPG terminals for storage like ship transportation.



Presently, the Company has a total of five LPG terminals, including:

No.	LPG Terminal	Capacity (Ton)	Maximum Gas Dispensing Rate (Ton/Day)	Number of Dispensers (Unit)
1.	Bang Pakong LPG Terminal, Bang Pakong District, Chachoengsao Province			
	Phase 1	2,780	3,600	10
	Phase 2	2,000	2,880	8
2.	Ban Haet LPG Terminal, Ban Haet District, Khon Kaen Province	2,057	2,160	6
3.	Bang Cha Kreng LPG Terminal, Mueang Samut Songkhram District, Samut Songkhram Province	1,870	4,680	13
4.	Hang Chat LPG Terminal, Hang Chat District, Lampang Province	222	1,080	3
5.	Tha Phra LPG Terminal, Mueang Khon Kaen District, Khon Kaen Province	60	360	1
<b>Total</b>		<b>8,989</b>	<b>14,760</b>	<b>41</b>

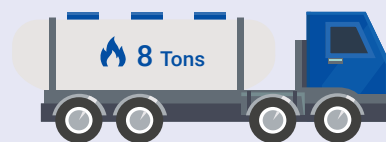
The Company's LPG transportation by road is mostly carried out by EAGLE, a subsidiary of the Company and LPG carrier under Section 12 of the Fuel Trade Act B.E. 2543 (2000) and amendments. As of 31 December 2018, the Company Group has the number of tanker trucks as follows:



Tractor Truck **38** vehicles



Trailer Truck **39** vehicles

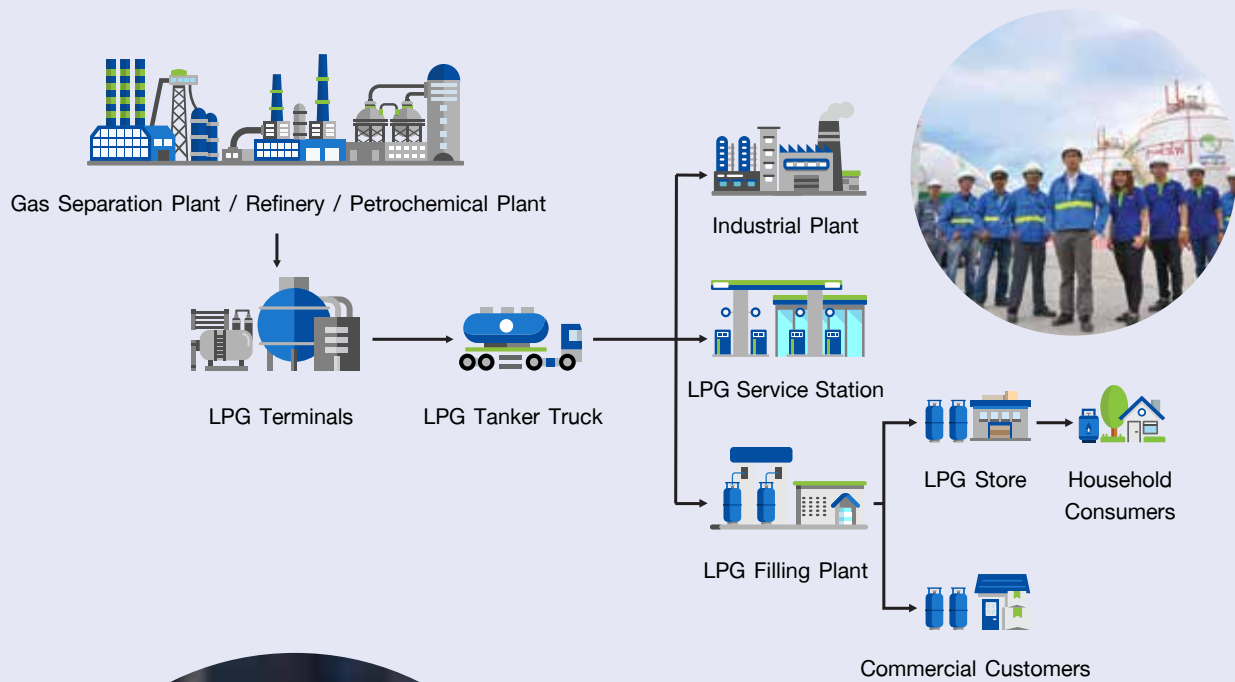


10-wheeler Truck **60** vehicles





The Company's LPG filling and distribution process in Thailand can be summarized as follows:



## Retail

LPG In 2018, the Company and its subsidiary (WP GAS) sold LPG directly to consumers in the form of vehicle fuel through two LPG service stations managed by WP GAS, namely Wang Manao Service Station in Wang Manao Sub-district, Paktho District, Ratchaburi Province and Bang Kaeo Service Station in Bang Kaeo Sub-district, Mueang Samut Songkhram District, Samut Songkhram Province. The LPG was sold in liters through dispensers.



### 3. Marketing Strategies and Customer Groups

#### Marketing and Service Strategy

Most of the LPG traders in Thailand presently use domestic raw materials of the same quality and gas cylinders manufactured by only a handful of factories in the country. It can be concluded, therefore, that there are almost no differences between the products produced by traders under Section 7. However, the competition within the industry exists; one that focuses on marketing and service strategies.

The Company's overall marketing policy emphasizes distributing products to small and medium-sized LPG service stations, which are the customer segment that is easy to reach, while expanding market to reach more commercial customers and industrial plants that require large quantity of LPG with the goal of creating a stable customer base that will enable the Company to achieve sustainable long-term sales growth. The Company's marketing and service strategies for each customer segment are as follows:

- **LPG Filling Plants**

Because LPG cylinders under "World Gas" trademark are well known and popular among consumers and the Company offers LPG cylinders in various sizes to meet the needs of diverse customers, many people have been interested in becoming an LPG filling agent under "World Gas" trademark. This has resulted in a wide and continuous distribution of the Company's products among consumers. The Company provides technical assistance, as well as assistance in considering business feasibility of building a LPG filling plant, safety inspection in accordance with laws, and finding LPG stores. In addition, the Company regularly offers training to ensure that LPG filling plant owners and employees understand how to use LPG properly and safely.

- **LPG Service Stations**

Because LPG demand of this customer segment is high and the Company holds the number one market share of LPG sold in service stations, the Company places great importance on this customer group and sell LPG at an appropriate price to allow them to gain profits and maintain business. To motivate this group of customers to choose services from the Company over another, the Company focuses on services that prioritize on-time delivery, accuracy of the volume delivered, and polite services from all employees of the Company.

- **Industrial Plants**

For industrial plant customers, the Company will invest in equipment and installation of LPG dispensing system for large volume customers who enter into a long-term LPG purchase agreement with the Company. Furthermore, the Company has supplied products and services that meet the needs of customers and provided on-time delivery with emphasis on customer safety and effective after-sales service, as well as developing a good relationship with its business partners.

- **Commercial Customers**

At present, the Company is selling products to many major commercial customers and has also established a strong relationship with other large commercial users. Since these commercial customers tend to have a demand for large volumes of LPG, the Company has set a policy to expand a customer base in this segment, particularly customers who operate shopping centers, restaurants, hotels, and/or hospitals and have good relationship with the Company but have never used the Company's products. The Company attempts to gain trust from this group of commercial customers and encourage them to switch their services to the Company by offering high standard services including on-time delivery, accuracy of the volume delivered, and polite services from all employees of the Company.

- **LPG Stores**

In addition to making sure that each and every LPG cylinder is certified in accordance with standards set by the Department of Energy Business and complies with LPG cylinder repair and maintenance standards that the Company has continued to improve to maximize consumer satisfaction, the Company has attempted to build a good relationship with gas stores under "World Gas" trademark by assisting them with relevant news and legislative information and advice on obtaining a gas accumulation license from a local agency.

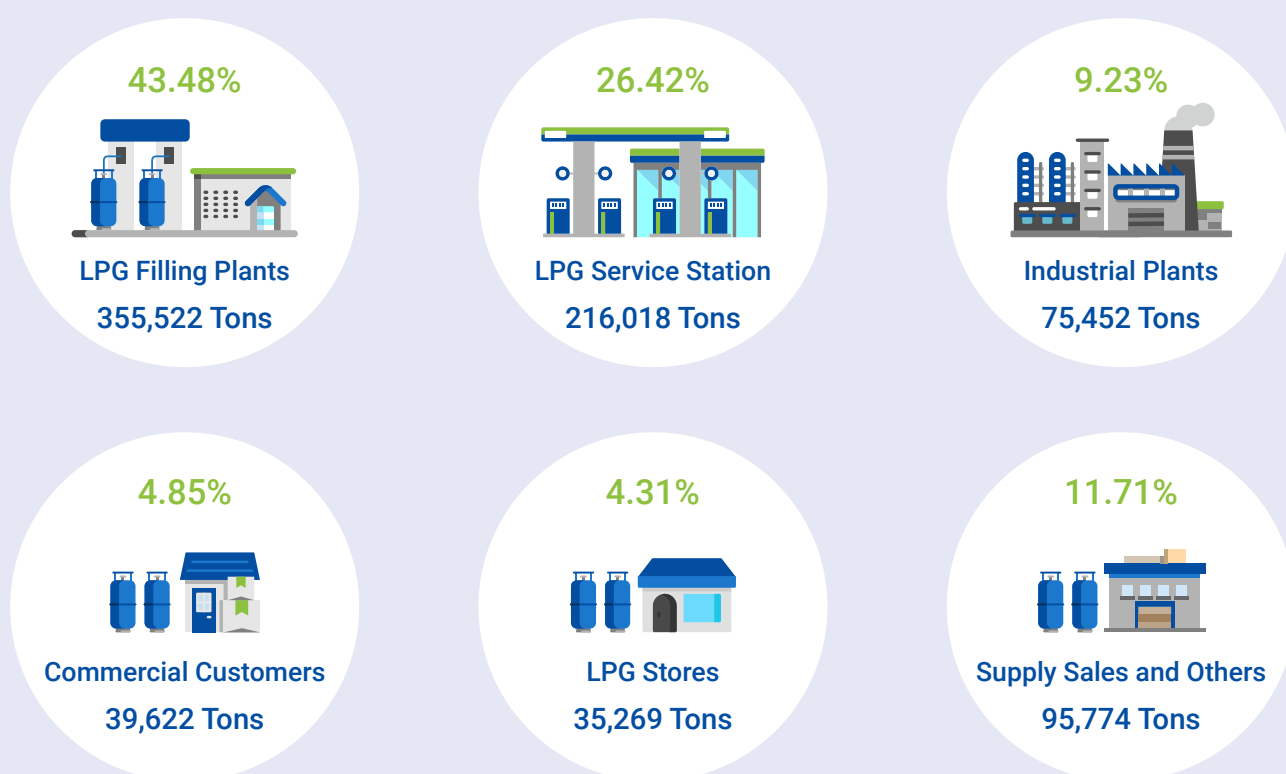
## Characteristics of Customer Groups and Distribution Channels

The Company sells LPG to customers under “World Gas” trademark, which can be segmented into the following major groups:

1. LPG filling plants, which are small industry operators who fill LPG cylinders with Company-owned “World Gas” trademark for distribution to LPG stores, which will subsequently sell the LPG cylinders to households and commercial customers,
2. LPG service stations, including service stations that sell LPG to LPG-powered vehicles,
3. Industrial plants, which use LPG as fuel such as ceramic sanitary ware producers and industries that use heat energy to manufacture their products at a constant temperature.
4. Commercial customers, including shopping malls, restaurants, hotels, and hospitals that use LPG for cooking.
5. LPG stores, which are operators who receive cylinders with Company-owned “World Gas” trademark that have already been filled with LPG from gas filling plants and sell them to households or commercial customers.

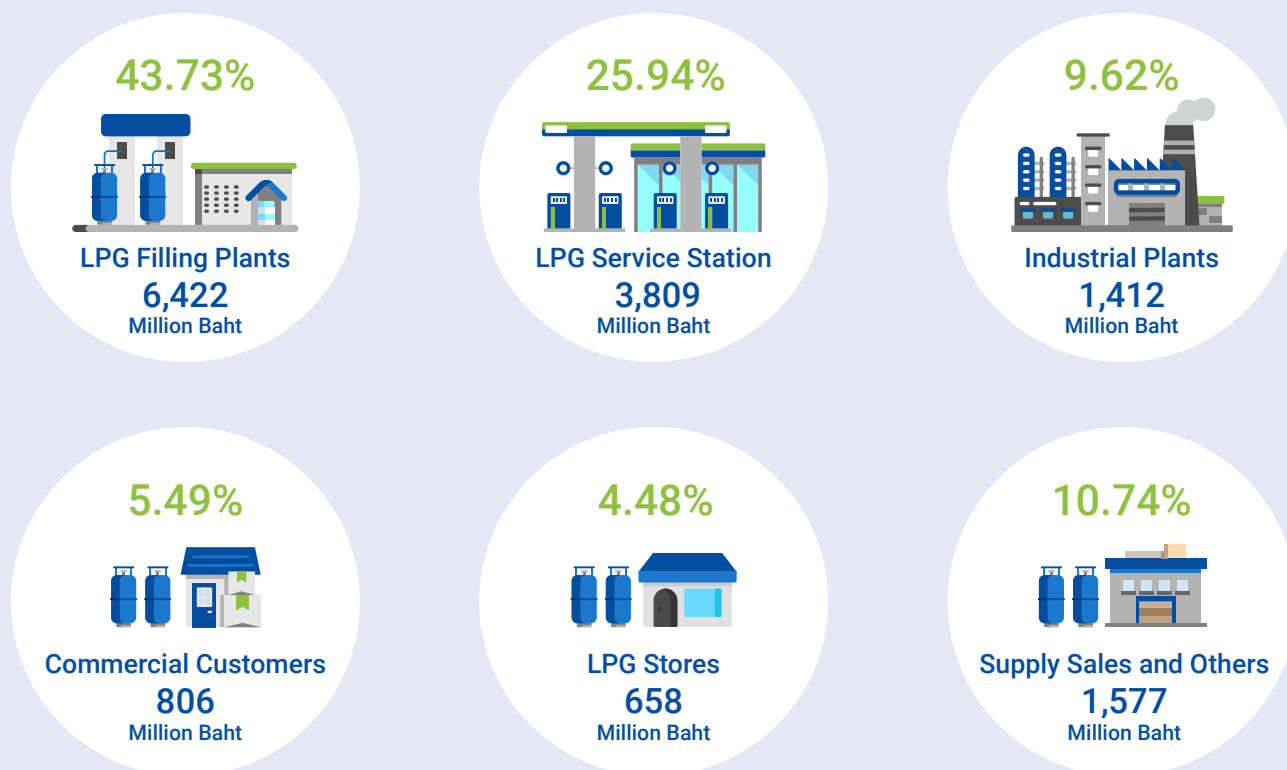
LPG filling plants, Commercial customers, LPG stores, and Industrial plants using large quantity of LPG usually order LPG monthly in advance, while LPG service stations and industrial plants using small quantity of LPG often order LPG weekly in advance. The Company delivers LPG to the customers through transportation services provided by its subsidiary (EAGLE) and other external transportation firms.

Table showing LPG Sales Volume Proportion classified by Customer Group in 2018



Sales Volume Total **817,657** Tons

Table showing LPG Sales Amount Proportion classified by Customer Group in 2018



Total Revenue **14,684** Million Baht





## 4. LPG Industry Situation

There are three levels of business activity in LPG industry.

1. **Upstream Industry** is the industry that includes exploring potential crude oil and natural gas sources and drilling wells to bring the crude oil or natural gas to the surface to be stored and delivered to midstream operators for use as a raw material in refining and separation processes or transported to domestic power plants and industry operators, mostly by pipeline.
2. **Midstream Industry** is the industry in which midstream operations take place, which include gas separation and refining the quality of gas to suit the needs of customers. Gases derived from this process come from several production sites within energy industry such as oil refineries, gas separation plants, and petrochemical plants. Most of the gases are cooking gas used in industries and households.
3. **Downstream Industry (Distribution)** is the industry in which operators bring gas from midstream producers or import gas from other countries to be stored, filled into cylinders, and distributed to customers.

### LPG Trade Industry in Thailand

Liquefied Petroleum Gas (LPG) refers to either propane or butane or to mixture of mostly propane and butane. 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 liquefied petroleum gas is used as cooking fuel, fuel in vehicles, and fuel in manufacturing processes in industrial

plants. In general, this liquefied petroleum gas is simply called gas or cooking gas, while in business and industrial sectors, it is known as “LP GAS” or “LPG”.

The liquefied petroleum gas or LPG industry in the country has been in operation for more than 40 years. In the past, the production of liquefied petroleum gas in the country came from natural gas resources in the Gulf of Thailand and obtained from the refinery’s crude oil refining, and partly from importing. For domestic demands, liquefied petroleum gas is consumed as cooking gas in household activities, used as fuel in the transportation sector, used as heat in the industrial sector as well as being the initial raw material for the petrochemical industry. Additionally, a certain amount is exported to ASEAN countries

In 2017, LPG was more demanded by the production, imports, including domestic consumption and export when comparing to 2016. In 2017, the production volume was increased at 6,056 million kilograms or increased by 338 million kilograms, or accounting for approximately 5.91%, the amount of imports was increased at 642 million kilograms or increased by 186 million kilograms or 40.79%. For domestic demand, sales were 6,338 million kilograms, increased by 204 million kilograms or 3.33% from 2016, while the export volume clearly grew at 247 million kilograms, increased by 165 million kilograms or equivalent to 201.22%.

In 2018, the production was 6,247 million kilograms, increased by 191 million kilograms or 3.15% from previous year, the import volume was 682 million kilograms, increased by 40 million kilograms or 6.23%. The domestic LPG sales volume was 6,619 million kilograms, increased by 281 million kilograms or 4.43% compared to 2017, while the LPG export was also continuously increased by 385 million kilograms, or 55.87%.

Table showing LPG Supply and Distribution

(Unit: Million Kilograms)

	Year 2018	Year 2017	Year 2016
Production	6,247	6,056	5,718
Import	682	642	456
Domestic Distribution	6,619	6,338	6,134
Export	385	247	82

Source: Energy Policy and Planning Office, Ministry of Energy

([http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders\[publishUp\]=publishUp&issearch=1](http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders[publishUp]=publishUp&issearch=1))

LPG produced in domestic comes from two main production sources including natural gas separation plants and crude oil refineries, which produced 62.14% and 37.86 % respectively in 2018. The details of LPG production sources are shown in the table below.

**Table showing LPG Production Volume in Thailand classified by Production Source**

(Unit: Million Kilograms)

	Year 2018		Year 2017		Year 2016	
	Volume	%	Volume	%	Volume	%
Natural gas separation plants	3,882	62.14	3,840	63.41	3,744	65.47
Crude oil refineries	2,365	37.86	2,216	36.59	1,975	34.53
Other petrochemical plants	-	-	-	-	-	-
<b>Total</b>	<b>6,247</b>	<b>100.00</b>	<b>6,056</b>	<b>100.00</b>	<b>5,718</b>	<b>100.00</b>

Source: Energy Policy and Planning Office, Ministry of Energy

([http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders\[publishUp\]=publishUp&issearch=1](http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders[publishUp]=publishUp&issearch=1))

## Uses of LPG

The Table of LPG Demand for Domestic Consumption by Economic Sector shows that LPG demand in 2017 was 6,338 million kgs., which mainly came from household and petrochemical sectors at 33.94 % and 35.00%, respectively. LPG demand for using as fuel in vehicles and industrial sector was lower, accounting for 20.81% and 10.25%, respectively.

In 2018, LPG demand was totally 6,619 million kgs., increased from 2017 by 4.43%, this was mainly due to an increase in LPG demand for using in petrochemical sector that was up 17.13% or 380 million kgs. LPG demand from service stations dropped by 149 million kg or 11.29% while demand from household and industrial sectors slightly increased compared to 2017 at 0.60% and 5.69%, respectively.

The proportion for LPG demand classified by Thailand's economic sector in 2018 was as follows: household sector 32.69%, industrial sector 10.38%, service stations 17.68%, and petrochemical raw material 39.25%.



Table showing LPG Demand for Domestic Consumption classified by Economic Sector

(Unit: Million Kilograms)

	Year 2018		Year 2017		Year 2016	
	Volume	%	Volume	%	Volume	%
Household	2,164	32.69	2,151	33.94	2,110	34.4
Industry	687	10.38	650	10.25	610	9.95
Service Station	1,170	17.68	1,319	20.81	1,466	23.91
Petrochemical raw material	2,598	39.25	2,218	35.00	1,947	31.75
<b>Total</b>	<b>6,619</b>	<b>100.00</b>	<b>6,338</b>	<b>100.00</b>	<b>6,134</b>	<b>100.00</b>

Source: Energy Policy and Planning Office, Ministry of Energy

([http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders\[publishUp\]=publishUp&issearch=1](http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders[publishUp]=publishUp&issearch=1))

## LPG Price Structure in Thailand

In the past, Thailand's LPG price structure was completely controlled by the government. This control included the control of both retail and wholesale prices and compensation for transportation cost between five gas 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 PTT's five gas terminals varied with route, distance, and method of transportation. The compensation rate was changed according to the notifications of the Committee on Energy Policy Administration, Energy Policy and Planning Office, Ministry of Energy).

Later, the government had a policy to abolish gas price control and completely floated gas price as detailed below:

- 1 November 2001 – The government abolished the retail price control but still controlled wholesale prices. The Department of Internal Trade was designated to regulate and oversee the retail price of gas for household consumption only because such gas was controlled goods and essential for the livelihoods of people. However, the retail price of gas used as fuel in vehicles and industrial sector was not controlled.
- 4 February 2016 – The Energy Policy and Planning Office (EPPO) canceled the compensation for transportation of gas from oil refineries or gas separation plants to PTT's five gas terminals in Lampang, Khon Kaen, Nakhon Sawan, Surat Thani, and Songkhla, which caused the retail price of gas at PTT's five gas terminals to vary with route, distance, and transportation method.



## LPG price structure can be divided as follows:

### 1. Prices of gas produced in or imported into the Kingdom

7 January 2015 – EPPO endorsed the Committee on Energy Policy Administration's Resolution No. 5/2015 to set the LPG prices from production and supply sources as follows:

1. Set the price of LPG produced by gas separation plants at USD 498 per ton.
2. Set the price of LPG produced by oil refineries and aromatic plants at world market price (CP) minus USD 20 per ton.
3. Set the price of LPG from importation at world market price (CP) plus USD 85 per ton, where CP = price announced by Petromin in Ras Tanura, Saudi Arabia for that month, with the ratio of propane to butane being 60 to 40.

Nevertheless, the LPG prices from production and supply sources have been changed every month and have been reviewed every three months.

The ex-refinery price, which is the initial purchase price of LPG, is calculated using the LPG production costs from production and supply sources (gas separation plants, oil refineries, aromatic plants, and importation), weighted averaged by the production and supply volumes of the past three months as reported by the Department of Energy Business. The exchange rate used for calculation must be the average previous month's exchange rate that is sold to general bank customers by commercial banks and announced by the Bank of Thailand.

The volumes of LPG produced by refineries and aromatic plants do not include the LPG used as fuel by the refineries and aromatic plants and the LPG import volumes mean the volumes of the LPG imported for domestic use only.

#### The Calculation formula for ex-refinery price, which is the weighted average initial purchase price of LPG (LPG Pool)

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

$Q_{\text{Total}}$

**LPG (Pool)** is the weighted average price of LPG (USD per ton and THB per kilogram), which is monthly announced.

**LPG<sub>GSP</sub>** is the price of LPG produced by a natural gas separation plant (USD per ton per kilogram)

**LPG<sub>Ref</sub>** is the price of LPG produced by an oil refinery and aromatic plant (USD per ton and THB per kilogram).

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

**Q<sub>GSP</sub>** is the three-month average of the volume of LPG produced by a natural gas separation plant (thousand tons per month) as reported by the Department of Energy Business.

**Q<sub>Ref</sub>** is the three-month average of the volume of LPG produced by an oil refinery and aromatic plant (thousand tons per month) as reported by the Department of Energy Business.

**Q<sub>Im</sub>** is the three-month average of the volume of LPG imported for domestic use (thousand tons per month) as reported by the Department of Energy Business.

**Q<sub>Total</sub>** is the total supply volume which is equal to Q<sub>GSP</sub> + Q<sub>Ref</sub> + Q<sub>Im</sub> (thousand tons per month).



The exchange rate used for calculation must be the average previous month's exchange rate that is sold to general bank customers by commercial banks and announced by the Bank of Thailand (THB to USD).

The Oil Fund manages the ex-refinery price, which is the initial purchase price of LPG, to be at the same price by compensating the LPG producers or suppliers who have higher costs than the ex-refinery price, which is the initial purchase price of LPG.

Conversely, the LPG producers or suppliers who have lower costs than the ex-refinery price, which is the initial purchase price of LPG, will have to send the contribution to the Oil Fund according to production and supply volumes, which will be subsequently allocated to the Energy Fund Administration Institute for management.

## 2. Ex-refinery wholesale price for LPG

In setting the ex-refinery wholesale price for LPG, a formula is used to calculate the price by referencing the price of LPG produced in or imported into the Kingdom under 1) plus relevant taxes and expenses as follows:

**Ex-refinery wholesale  
price for LPG**

=

**(Price of LPG produced in or  
imported into the Kingdom)**

**+ Excise Tax + Municipality Tax + Oil Fund + VAT**



## Price Structure and Government Policy in 2017

- **On 2 December 2016**, the Committee on Energy Policy Administration held a meeting to consider the operations to liberalize LPG business and passed the following resolutions:

### Supply and Price Structure

1. Approved the liberalization of the entire LPG business system with the operating procedures as follows:

**Phase 1:** Transition period before the liberalization of the entire system

Liberalize importation but still control the prices of refineries and natural gas separation plants by canceling compensation for differences between import prices and abolishing the country's import quota system. LPG can be exported under the supervision and control of the Department of Energy Business.

**Phase 2:** Liberalization of the entire system

Abolish the control of prices and volumes of all production and supply sources. Completely liberalize import and export, and cancel the announcement of ex-refinery LPG prices and wholesale prices at terminals. This phase will be started when there is sufficient competition in both production and supply in the market so that conniving to fix prices will not be tolerated, which will be under the consideration of the Department of Energy Business.

2. Approved the liberalization of import during the transitional period before liberalization of the entire system, which will start in January 2017 as described below:
  - (1) Ex-refinery LPG prices (initial purchase prices) during the transitional period before liberalization of the entire system will be set to consist of the following two parts:

**Part 1** Ex-refinery LPG price for petrochemical sector with purchase agreement made prior to 2 December 2016 will be calculated using the weighted average costs of production and supply volumes.

**Part 2** Ex-refinery LPG price for fuel sales or petrochemical sector without purchase agreement made prior to 2 December 2016 will be set using the import price (CP+X) instead of the weighted average costs of production and supply volumes, where import price = CP + transport cost + insurance cost + loss cost + other importing costs. However, once the Oil Fund Act comes into force, the rules for setting ex-refinery prices and LPG price structure shall be revised again to be in line with the Act.

LPG world market price (CP) is the price announced by Petromin in Ras Tanura, Saudi Arabia, with the ratio of propane to butane being 50:50, at the month in which the price is calculated.

- (2) Cancel the fund contribution or compensation for LPG imports or LPG produced in the Kingdom from gas imported from other countries and set the fund contribution or compensation for LPG produced in the Kingdom by natural gas separation plants to be equal to the difference between LPG prices of the ex-refinery and natural gas separation plant as well as set the fund contribution or compensation for LPG produced in the Kingdom by oil refineries and aromatic plants to be equal to the difference between LPG prices of the ex-refinery and oil refinery and aromatic plant.





### Support domestic sales as a first priority

- On 18 August 2017, the Committee on Energy Policy Administration held a meeting to consider the mechanism for regulating LPG business competition and the National Energy Policy Council resolved to approve the guidelines for complete liberalization of LPG business, which will come into force from August 2017 onwards.

The guidelines can be summarized as follows:

1. Cancel the LPG pricing for natural gas separation plants, oil refineries, and aromatic plants as well as importation
2. Cancel the ex-refinery pricing (initial purchase price) and the Energy Policy and Planning Office (EPPO) will announce reference prices to be used for regulating LPG retail prices in the country.
3. Cancel the compensation or oil fund contribution of production by natural gas separation plants and oil refineries (Fund #1).
4. Cancel the announcement of wholesale prices at gas terminals
5. Adjust the mechanism of the Oil Fund (Fund #2) to be similar to the mechanism for maintaining fuel price stability in order to maintain price stability
6. Assign the Energy Policy and Planning Office, Department of Energy Business, and Department of Internal Trade to study appropriate marketing margin for LPG and list of LPG retail price differences between Bangkok and other provinces.
7. EPPO shall have a mechanism to monitor in case the imported price of LPG is significantly different from the cost of separation plant.
8. Gas terminal of PTT Public Company Limited (PTT) in Chonburi (LIFE Project) will operate business under the LIFE Project once the LPG business is completely liberalized. PTT will set the rules to allow other LPG traders to have a fair and equal opportunity to use its LPG import terminal at Khao Bo Ya in Chonburi Province and negotiate a commercial service fee rate until the LPG traders build/expand their own LPG import terminals. The rules for using the LPG terminal will also be disclosed to the public.
9. LPG sales by PTT's natural gas separation plants will prioritize the sales of LPG in the fuel sector and will not renew the existing petrochemical raw materials purchase agreement (made before 2 December 2016) upon expiration, and will sell only effective purchase agreement.
10. Operators must apply for a permit from the Department of Energy Business in order to export LPG out of the country and a fixed rate of USD 20 per ton will be charged for the export of LPG, whether it is produced domestically or imported, as a contribution to the Oil Fund, unless operators notify the Department of Energy Business in advance of their plans to import LPG for re-export.

- **On 20 October 2017**, the Committee on Energy Policy Administration held a meeting to consider the improvement of the rules for determining LPG structure and passed the following resolutions:

1. Approved to change the rules for setting reference prices for LPG imports from using CP prices announced monthly as references to using average LPG cargo price from Spot Cargo (FOB Arab Gulf) published weekly by Platts as follows:

**Import Price = LPG cargo + X (importing costs)**

#### Where

- 1) LPG cargo is the average previous week's price of LPG cargo FOB Arab Gulf published by Platts, with the ratio of propane to butane being 50:50.
- 2) X is importing costs.
  - 2.1) Freight is the average previous week's cost for transportation of LPG from Ras Tanura, Saudi Arabia to Si Racha, Thailand.
  - 2.2) Insurance is equal to 0.005% of cost and freight (CFR)
  - 2.3) Loss is equal to 0.5% of cost, insurance, and freight (CIF)
  - 2.4) Other importing costs, including:
    - Surveyor/Witness Fee & Lab Expense
    - Management Fee
    - Demurrage or Depot
    - Import Duty
    - Others
- 3) The exchange rate used for calculation must be the average previous week's exchange rate that is sold to general bank customers by commercial banks and announced by the Bank of Thailand.

Source: Energy Policy and Planning Office, Ministry of Energy, [www.eppo.go.th](http://www.eppo.go.th)

Change will also be made so that the LPG reference prices will be made available on a weekly basis instead of monthly basis on every Monday (first workday of the week).

2. Approved to set the LPG subsidy cap by limiting the maximum compensation in each month to not exceed 5% of the Oil Fund's original status (both oil and LPG accounts).

3. Approved to change the LPG reference pricing mechanism from using retail prices calculated with LPG retail price structure to using traders' retail prices.
4. Assigned the Energy Policy and Planning Office to carry out the following tasks:
  - (1) Prepare an assessment system for the improvement of the rules for setting a weekly LPG price structure.
  - (2) Collect data on LPG retail prices for household and transportation sectors in Bangkok from fuel traders under Section 7.
  - (3) Prepare a study of appropriate marketing margins of LPG for household and transportation sectors.
5. Assigned the Department of Energy Business to collect and investigate the volumes and prices of LPG import of gas traders to be compared with ex-refinery prices calculated using import parity and report the investigation results to the Committee on Energy Policy Administration.
6. Assigned the Office of the Permanent Secretary, Ministry of Energy (Provincial Energy Offices) to carry out a survey and collect data on LPG retail prices of gas service stations in every province
7. Assigned fuel traders under Section 7 to notify the Energy Policy and Planning Office of LPG retail prices for household and transportation sectors.

- **On 1 August 2018**, the Energy Policy and Planning Office, Ministry of Energy, has started to change the rules for calculating the reference price of LPG imported from the average one week to be the average bi-week of LPG cargo FOB Arab Gulf published by Platts and it has been used until present without changing

- **On 4 October 2018**, the Committee on Energy Policy Administration, Energy Policy and Planning Office, notified the resolution of the Committee on Energy Policy Administration No. 18/2018 (No. 65) on 5 September 2018 that the meeting considered the improvement of liquefied petroleum gas price mechanism and had following resolutions:

1. Approved to adjust the import fee for Depot from USD 20 per ton to be USD 0 per ton.
2. Approved to spend the Oil Fund to maintain LPG price stability by allowing the LPG Account of Oil Fund to be in deficit to the amount not exceed 7,000 million baht by transferring the amount from the Refined Oil Account to the LPG Account and later transferring back, the Energy Fund Administration Institute is also assigned to



monthly prepare income/expense reports and the status of the LPG Account in the Oil Fund for reporting the Committee on Energy Policy Administration.

### Setting Conditions for Importing LPG

The Department of Energy Business has drafted the Notification of the Ministry of Energy on Setting Conditions for Importing LPG by Oil Traders under Section 7, which can be summarized as follows:

- (1) Oil traders under Section 7 who import LPG for sale as fuel in the Kingdom shall sign an indemnity agreement to pay compensation for failing to import as planned and confirm compliance with the import plan in advance no less than three days before the arrival of the cargo ship at the port of entry and declare information about volumes, prices, and expenses incurred from importing LPG within five days of importing into the Kingdom.
- (2) The Director-General of the Department of Energy Business shall consider issuing an order for oil traders to undertake emergency import of LPG when there is situation that may cause LPG shortage and impact national security, for example, LPG producers in the country are having problems and need to shut down for emergency repairs and oil traders fail to import LPG according to the notified plan. The Director-General shall propose to the Committee on Energy Policy Administration for approval before issuing the order.
- (3) If an oil trader fails to comply with the LPG import plan resulting in emergency import of LPG, the Director-General of the Department of Energy Business shall issue a written order to order that oil trader to pay compensation as agreed upon in the indemnity agreement within 30 days of receipt of the order.
- (4) If the oil trader fails to pay the full and correct compensation within the required period, the Director-General of the Department of Energy Business shall issue a letter of reminder to remind the oil trader to pay the compensation within a required period of not less than seven days. If the oil trader still fails to comply with the letter of reminder, compulsory administrative measures shall be imposed to seize or forfeit the property of the oil trader to be subsequently auctioned to pay off the compensation under the law on administrative procedure.

- (5) An oil trader who does not import LPG in any month according to the notified plan, whether or not this action results in an order of emergency import of LPG, shall be deemed to fail to comply with the terms and conditions related to trading operations under Section 8 of the Fuel Trade Act, B.E. 2543 (2000) and shall be punished as set forth in Section 36 with imprisonment of not more than six months or a fine of not more than THB 50,000, or both.
- (6) The Minister may revoke a license to operate fuel trading under Section 7 if an oil trader fails to import according to the plan three times in one calendar year.
- (7) An oil trader who is unable to import LPG according to the plan due to force majeure shall not be liable for the damage and shall be exempted from punishment under Section 36. However, the oil trader shall notify the Director-General of the Department of Energy Business in writing of such situation or action, together with evidence, within seven days from the next day after that situation ends and propose to the Committee on Energy Policy Administration for consideration.
- (8) Considering to cancel the Notification when any of the following situations occurs: LPG price structure is determined by demand and supply or market mechanism that reflects true costs and free competition occurs without import or export control that is a barrier to LPG trade between countries after three years of the effective date of this Notification.

### Measures to Increase LPG Reserves

In 2017, the Department of Energy Business has set forth the types and rates, rules, procedures, and conditions for calculating the volumes of fuel reserves. For 2017, traders are required to reserve, on a daily basis, no less than 70% of the LPG volume that must be reserved and the monthly average volume of the reserve must not be less than 100%. The rate of LPG reserves is set to be 1% of the annual trade volume.

For 2018-2020, the Department of Energy Business has set the rate of LPG reserves at 1% of the annual trade volume, similar to 2017, but required that, from 1 January 2018 onwards, traders are to reserve, on a daily basis, no less than 100% of the LPG volume that must be reserved.

For 2021, the Department of Energy Business has increased the reserve rate of LPG produced domestically from 1% to 2% of the annual trade volume from 1 January 2021 onwards.

### LPG Selling Price in Thailand in December 2018

Table showing the Comparison of Ex-Refinery Wholesale Prices of LPG in many periods

	Ex-refinery Wholesale Price of LPG (Baht/Kilogram)			
	Before Cancellation of Subsidy by Oil Fund (29 November 2007)	After Cancellation of Subsidy by Oil Fund (25 December 2009)	Ex-Refinery Wholesale Price of LPG (31 December 2017)	Ex-refinery Wholesale Price of LPG (31 December 2018)
1) Ex-refinery price or gas separation plant price or import price	10.8964	11.1212	19.9785	15.3776
Excise tax (1)	2.1700	2.1700	2.1700	2.1700
Municipality tax (2)	0.2170	0.2170	0.2170	0.2170
Oil Fund (3)	(0.8265)	0.1781	(6.3525)	(0.5851)
Ex-refinery wholesale price before VAT	12.4569	13.6863	16.0130	17.1795
VAT (4)	0.8720	0.9580	1.1209	1.2026
2) Ex-refinery wholesale price after VAT	13.3289	14.6443	17.1339	18.3821

Source: Energy Policy and Planning Office, Ministry of Energy

Note:

1. Excise tax is fixed at 2.1700 Baht/Kilogram
2. Municipality tax is 10.00% of the excise tax.
3. Oil Fund compensation is in line with the Notification of the Committee on Energy Policy Administration on pricing, Oil Fund contribution rates and compensation rates for LPG gas produced in the Kingdom, Oil Fund contribution and compensation rates for LPG delivered to LPG terminals, and Oil Fund compensation rates for LPG exported outside the Kingdom.
4. VAT for ex-refinery wholesale price of LPG is 7.00% of the ex-refinery wholesale price of LPG.



### 3. LPG Retail Price

#### Energy Policy and Planning Office's Announcement of LPG Retail Reference Price in Thailand

$$\text{LPG Retail Price} = \text{Ex-refinery Wholesale Price (Including VAT)} + \text{Market Margin} + \text{VAT of Market Margin}$$

#### Sample Calculation of LPG Pricing Structure as of 31 December 2018

	LPG Selling Price	
	Baht/Kilogram	%
1) Ex-refinery price or gas separation plant price or import price	15.3776	70.3
Excise tax (1)	2.1700	9.9
Municipality tax (2)	0.2170	1.0
Oil Fund (3)	(0.5851)	(2.7)
Ex-refinery wholesale price before VAT	17.1795	-
VAT (4)	1.2026	5.5
2) Ex-refinery wholesale price after VAT	18.3821	-
Market margin	3.2566	14.9
VAT (5)	0.2280	1.0
3) LPG retail price	21.87	100.0

Source: Energy Policy and Planning Office, Ministry of Energy

Note:

1. Excise tax is fixed at 2.1700 Baht/Kilogram.
2. Municipality tax is 10.00% of the excise tax.
3. Oil Fund compensation is in line with the Notification of the Committee on Energy Policy Administration on pricing, Oil Fund contribution rates and compensation rates for LPG gas produced and imported into the Kingdom, Oil Fund contribution and compensation rates for LPG delivered to LPG terminals, and Oil Fund compensation rates for LPG exported outside the Kingdom.
4. VAT for ex-refinery wholesale price of LPG is 7.00% of the ex-refinery wholesale price of LPG.
5. VAT is 7.00% of the market margin.



### Competition in LPG Trading Industry

LPG trading is a relatively highly competitive business because many operators and small enterprise operators can find channels to increase their market shares continuously as shown in the table of sales volume and market share of LPG traders. This is because, for the past several years, LPG trading business has relatively high growth due to the continual increase in LPG demand in Thailand both in the industrial sector and for household consumption. This increase is mainly due to the campaigns organized by the government and private organizations to promote alternative energy sources to replace oil and coal. Therefore, increasing number of operators is interested and engages in LPG business.

However, it is believed that the competition will not be much higher in the future since the present LPG trading business has relatively complicated barriers to entry that prevent new entrepreneurs who are interested in LPG trading from easily entering the business. Such barriers are as follows:

- a) The business requires a certain amount of funds because a LPG trader must, in the past, be licensed to be an oil trader under Section 6 of the Fuel Act B.E. 2521 (1978) from the Ministry of Commerce and, at present, under Section 7 of the Fuel Trade Act B.E. 2543 (2000) and amendments and must possess the following qualifications:
  1. have a registered capital of THB 50 million or more,
  2. have revolving fund of THB 100 million or more,
  3. have a terminal and annual volumes of trade (volumes imported into the Kingdom, purchased, distilled, produced, or obtained in one year) of more than 50,000 metric tons,
  4. own a trademark.
- b) LPG The business needs to gain customer confidence and trust, which take time to build. Since there are no differences between the products produced by LPG traders, competition among operators focuses on marketing and services to encourage customers to trust their products. Operators must have a deep understanding of their customers and have impressive services, including fast delivery, technical services, and LPG cylinder maintenance services
- c) It is possible for foreign operators to see the potential of Thailand to become a hub for transportation in Indochina as foreign operators have been operating business 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 larger capitals and more superior technologies than Thai operators. However, foreign operators lack experience in the business and relationships with gas traders in Thailand, which may prevent them from easily achieving a business success.





## 5. Product Supply

### LPG

Thailand obtains its LPG supply for sale from three sources, including:

1. Natural gas separation plants, which have a capacity accounting for 56% of the total supply. There are presently seven gas separation plants, five of which are located in Rayong Province, one in Nakhon Si Thammarat Province, and one in Sukhothai Province.
2. Crude oil refineries, which have a capacity accounting for 34% of the total supply. These refineries include:
  - Thai Oil Public Company Limited ("Thai Oil")
  - PTT Global Chemical Public Company Limited
  - Star Petroleum Refining Public Company Limited
  - Bangchak Petroleum Public Company Limited
  - Esso (Thailand) Public Company Limited ("Esso")
  - IRPC Public Company Limited ("IRPC")
3. Imports, which account for approximately 10% of the total supply.

Source: Energy Policy and Planning Office, Ministry of Energy  
[http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders\[publishUp\]=publishUp&issearch=1](http://www.eppo.go.th/index.php/th/energy-information/static-energy/static-petroleum?orders[publishUp]=publishUp&issearch=1)

In 2018, the Company obtained LPG from major domestic producers, the majority of which came from PTT Public Company Limited and PTT Oil and Retail Business Public Company Limited, which have LPG from natural gas separation plant to be partially mix and supply from all refineries in the country.

Obtains its LPG supply  
for sale from  
3 source including

- Natural gas separation
- Crude oil refineries
- Imports



# Risk Factors



The company recognizes the importance of risk management in dealing with the changes caused by internal and external factors which might affect its business. The company continues to implement Enterprise Risk Management (ERM) in all business processes and establishes a working group in charge of overall risk management for highest efficiency using risk matrix to assess relevant risks and their impact on quantity and quality in order to identify the impact level as determined by the criteria. Given multiple effects which might be caused by one incidence, the assessment must take into account all possible aspects and use appropriate criteria to determine impact level.

## Compliance Risk

Due to the changes in government policies which aim at the country's development in all aspects including society, economy, and environment, certain government policies concerning LPG business have been introduced as outlined below:

### A) LPG Business Liberalization Policy

The Committee on Energy Policy Administration has approved the guidelines to deregulate LPG business by continuously dismantling control over production and supply of LPG until liberalization of the whole process is completed. The deregulation puts an end to the control of LPG price and volume from every production and supply source, completely liberalize import and export activities, and terminate the announcement of ex-refinery and wholesale prices at gas terminals. The liberalization policy has been effective since August 2017 and set out the following measures:

- 1) Terminate the LPG pricing of natural gas separation plants of PTTEP Siam Co., Ltd., oil refineries, aromatics plants, and importation
- 2) Terminate the ex-refinery pricing (initial purchase price) and the Energy Policy and Planning Office (EPPO) will announce reference prices to be used to regulate LPG retail prices in the country

- 3) Terminate the compensation and oil fund contribution of production by natural gas separation plants and oil refineries
- 4) Terminate the announcement of whole prices at gas terminals
- 5) Adjust the mechanism of oil fund to resemble the mechanism purported to maintaining price stability
- 6) Assign the Energy Policy and Planning Office (EPPO) and Department of Internal Trade to study appropriate marketing margin for LPG and a list of LPG retail price differences between Bangkok and other provincial areas

The complete deregulation of LPG selling price may affect the company's operating results and competitiveness since LPG selling prices reflect the true costs as well as global and domestic price mechanism, allowing the company to conduct import or export activities, and more options on supply sources both in Thailand and from overseas. The increased number of supply options provides the company more bargaining power with domestic suppliers through its ability to control its sourcing costs and selling prices, enhancing its competitiveness in the market.

## B) Cooking Gas Sales Liberalization Policy

Trade liberalization agreements of the World Trade Organization (WTO) may attract major overseas operators and domestic traders with high capital and technological capacity to conduct LPG business in Thailand in order to build a base which can tap into Indochina's markets thanks to Thailand's geographical advantage as well as transportation and utility infrastructure. This will lead to higher competition in gas trading business.

Nonetheless, overseas or domestic operators may face some challenges since they are not familiar with the market conditions and lack experience in LPG business, relationship with liquid petroleum gas providers, and local business network, which are important factors in determining marketing success. On top of this, investment in numerous gas cylinders is necessary for market penetration.

## C) Consumer and Environmental Protection Policy

The government may enact additional laws to increase the safety for LPG consumers and promote environmental protection, which can affect the company's operating costs and profit in the future. As an LPG business operator, the company is aware of the potential consequences and has adopted policies to continuously develop and improve the safety of its containers. The company has taken steps to ensure that its LPG terminals, filling plants, service stations, and cylinders meet the safety standards required by the government and are regularly inspected by the government and relevant agencies.

The company is confident that our current standards for products, LPG terminals, filling plants, service stations, and cylinders gain acceptance from government agencies and consumers. Additionally, the company continues to efficiently manage its operating costs to ensure that this risk factor does not affect the company.



Risks from the increase of LPG traders under Section 7 of the Fuel Trade Act B.E. 2543 (2000) and its amendments.

At present, there are only a few major LPG business operators, providing opportunity for new operators to enter the industry by registering with the Department of Business Development, Ministry of Commerce to become traders under Section 7. The arrival of these new entrants will increase competition within the industry and may affect the company's operating results and market share in the future. Nevertheless, to become new LPG traders under Section 7 of the Fuel Trade Act B.E. 2543 (2000) and its amendments, the traders must meet the qualifications and conditions specified by the Ministry of Commerce including having a registered capital of at least 50 million baht and a revolving fund of at least 100 million baht. New traders are also required by the law to keep an LPG reserve of up to 1 percent of their estimated annual trade volume, demanding a large amount of investment in constructing or renting gas terminals to store the reserve. Apart from this, under the law, traders are required to have an annual LPG trade volume (quantity imported to the Kingdom, bought, refined, produced, or obtained in one year) of over 50,000 tons and own a trademark. This requires financial capability and time to gain consumer trust in the trademark. If traders under Section 7 want to market their gas cylinders for households, additional funds are needed to sufficiently distribute the cylinders. These requirements represent barriers which prevent new operators from easily entering the industry.

## Commercial Risk

The company's sales distribution is divided into five customer groups including household (HH), gas shop (GS), filling plant (FP), industrial group (IN), commercial group (CM), and gas service station (AG). Due to the drop in petroleum prices which has led to smaller price difference with LPG, car users who were using gas have eventually switched to using petroleum. This has adversely affected the sales in the AG group; as a result, the company has readjusted its sales portfolio by focusing on proactive strategies and other customer groups to increase its sales volume without affecting its overall business. On top of this, the company has developed a strategic plan and goals to sustain its business growth.

## Operational Risk

Risks associated with transportation may affect business continuity. These risks are caused by both internal and external factors such as LPG transportation.

### A) Sea Transportation

The company uses gas tankers to transport LPG by sea. LPG from manufacturers (gas separation plants and oil refineries) is transported to LPG terminals in Chachoengsao and Samut Songkhram for storage. LPG freight transported by sea is insured to mitigate the risk which may affect the company.

### B) Land Transportation

EAGLE, which is the company's subsidiary, provides LPG transport service, and any accidents or unforeseen events during transport may lead to damages or affect the company's reputation and operations. Nonetheless, EAGLE has received an LPG carrier license from the Department of Energy Business and all vehicles used in LPG transport have obtained permits and are regularly inspected by the Department of Land Transport. Aside from this, all drivers have licenses from the Department of Energy Business. This can assure that EAGLE has strictly complied with the rules and regulations of the regulatory agencies and recognized life and property safety. Furthermore, EAGLE has insured all LPG transport vehicles to minimize the impact which may arise as a result of accidents or unexpected events.

### C) Container Safety

The company's containers are gas cylinders which contain LPG that is a flammable substance and can be dangerous if used improperly. To prevent possible accidents, the company has implemented the Ministry of Industry's standards on LPG cylinders and periodic quality inspection. As an LPG trader, the company is primarily responsible for the damage, and this might affect the company's reputation and operations. However, LPG explosion is mostly caused by other equipment but not by gas cylinders since the LPG cylinder manufacturer has safety inspection process for the cylinders and valves following the production standards of the Ministry of Industry set by the Office of Thai Industrial Standards Institute (TISI). Additionally, the Department of Energy Business has required inspection of LPG cylinders. Cylinders with five years of use are inspected using hydro test while cylinders with ten years of use are inspected using hydro test and expansion test. If the cylinders fail to pass the tests, they cannot be used to contain LPG again and have to be destroyed.



Other equipment used with LPG cylinders such as burners and gas stove hoses are not the company's products; therefore, the company is not legally liable for their safety. However, if there is an explosion, the incidence might affect the company's reputation.

However, all of the company's products meet international safety standards, and the products with the company's trademark have never caused any explosive accidents. Nonetheless, to provide consumer confidence in the company's standards, the company has increased the number of operating centers for quality inspection and cylinder repairs to further ensure industrial standards. The company is, therefore, confident that it will be able to control the risks associated with product safety.

#### D) Environmental Risk

The company's business involves activities which may harm physical health and the environment. If an accident, unforeseen circumstance, or operational error occurs, it may significantly affect the company's stakeholders, investment plan, operating results, and reputation in the short or long term.

However, the company will develop occupational health, safety, and environmental policy to serve as a framework for investment planning, work practice guidelines, safety culture creation, environmental protection and impact mitigation, and energy consumption efficiency through optimal resource utilization for sustainable growth. The company also aims to communicate with relevant parties to ensure correct understanding of the managed risks. The preventive measures for production control will be developed in the future.



# Securities and Shareholders

## Securities of the Company

As at 31 December 2018, the Company has authorized capital of THB 518,500,000, consisting of 518,500,000 ordinary shares in total at par value of one Baht per share, and paid-up capital of THB 518,500,000.

## Shareholders

Top ten major shareholders as at 28 December 2018 are as follows:

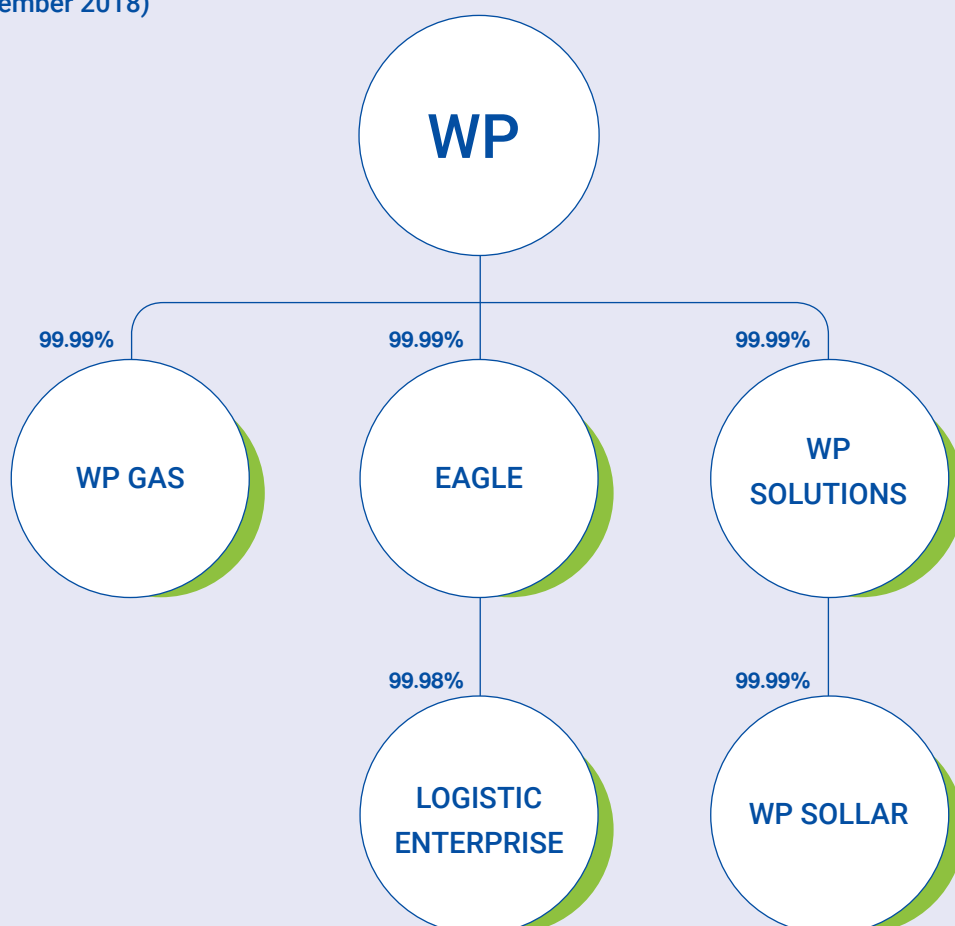
	Name of Shareholder	Paid-Up Shares	% of Paid-Up Capital
1.	Mr. Aiyawatt Srivaddhanaprabha	84,998,404	16.39%
2.	Mr. Watchai Vilailuck	59,674,567	11.50%
3.	Ms. Apiradee Opasiamlikit	53,768,435	10.37%
4.	Mr. Chatchaval Jiaravanon	37,312,408	7.19%
5.	Pol.Gen. Somyot Poompanmuang*	36,451,514	7.03%
6.	Ms. Chomkamol Poompanmoung	35,388,847	6.82%
7.	Mr. Pisarn Panichawong	24,213,366	4.67%
8.	VERWALTUNGS - UND PRIVAT - BANK AKTIENGESELLSCHAFT	17,281,471	3.33%
9.	Mr. Watcharis Pongpanit	12,555,361	2.42%
10.	Mrs. Ranee Ueaytaweekul	10,129,000	1.95%

\* Pol.Gen. Somyot Poompanmuang on behalf of the administrator of estate of Mr. Pisarn Poompanmuang entered to hold 36,451,514 shares of the Company to administer estate and further transfer such shares to the legal heir of Mr. Pisarn Poompanmuang.



# Shareholding Structure of the Company and Subsidiaries

(as of 31 December 2018)



Company		Type of Business	Registered Capital (Million Baht)	Paid-up Registered Capital (Million Baht)	Ratio of Shareholding by the Company (%)
Subsidiaries					
EAGLE	Eagle Intertrans Co., Ltd.	Land transportation of LPG	84	84	99.99
WP GAS	WP Gas Co., Ltd.	Gas service station business	1	1	99.99
LOGISTIC ENTERPRISE	Logistic Enterprise Co., Ltd.	Small cargo truck rental business	1	1	99.98
WP SOLLAR	WP Solar Co., Ltd.	Power generation and distribution business	1	1	99.99
WP SOLUTIONS	WP Solutions Co., Ltd.	Investment in other business (holding company)	1	1	99.99

## Revenue Structure of the Company and its Subsidiaries Classified by Type of Revenues

The Company and its subsidiaries' main revenues are derived from LPG sales, transportation services, and other incomes. In 2018, the Company and its subsidiaries had the revenue structure and proportion classified by type of revenues as follows:

(Unit: Million Baht)	Year 2018		Year 2017		Year 2016	
	Revenue	(%)	Revenue	(%)	Revenue	(%)
Income from LPG Sales	14,684	98.04	15,448	98.1	16,343	98.68
Income from Transportation Services	42	0.28	65	0.41	84	0.51
Other Incomes	251	1.68	235	1.49	135	0.81
<b>Total</b>	<b>14,978</b>	<b>100</b>	<b>15,748</b>	<b>100</b>	<b>16,562</b>	<b>100</b>

Other incomes include:

(Unit: Million Baht)	Year 2018	Year 2017	Year 2016
Income from transportation fee	129	141	63
Interest	8	7	7
Income from rental fee	11	12	13
Income from Cylinder Repair and Maintenance	16	29	31
Income from taking land transfer by court order	-	17	-
Profit from property selling	22	11	-
Other incomes	66	18	20
<b>Total</b>	<b>252</b>	<b>235</b>	<b>135</b>



**Table showing the Sales Volume Proportion of WP Energy Public Company Limited classified by Customer Group for 2018, 2017 and 2016**

Customer Group	Proportion in 2018 (%)	Proportion in 2017 (%)	Proportion in 2016 (%)
Gas filling plant	43.48	40.06	35.62
Gas service station	26.42	36.32	45.37
Industrial factory	9.23	8.85	8.61
Commercial Customers	4.85	4.35	3.99
Gas stores	4.31	4.04	4.12
Supply Sale and others	11.71	6.38	2.29
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Table showing the Sales Volume Proportion of WP Energy Public Company Limited classified by Customer Group for 2018, 2017 and 2016**

Customer Group	Revenue (Million Baht) 2018	Proportion (%)	Revenue (Million Baht) 2017	Proportion (%)	Revenue (Million Baht) 2016	Proportion (%)
Gas filling plant	6,422	43.73	6,169	39.94	5,731	35.06
Gas service station	3,809	25.94	5,548	35.91	7,406	45.31
Industrial factory	1,412	9.62	1,406	9.1	1,430	8.75
Commercial Customers	806	5.49	763	4.94	735	4.5
Gas stores	658	4.48	641	4.15	682	4.17
Supply Sale and others	1,577	10.74	921	5.96	359	2.21
<b>Total</b>	<b>14,684</b>	<b>100</b>	<b>15,448</b>	<b>100</b>	<b>16,343</b>	<b>100</b>

# Dividend Payment Policy

## WP Energy Public Company Limited

The Company's dividend payment policy is determined to pay for not less than 30% of net profit after deducting taxes and reserved fund as required by laws and the Company's regulations. However, such dividend payment shall depend on the 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 such net profit for further business expansion.

## Dividend Payment Policy of Subsidiaries

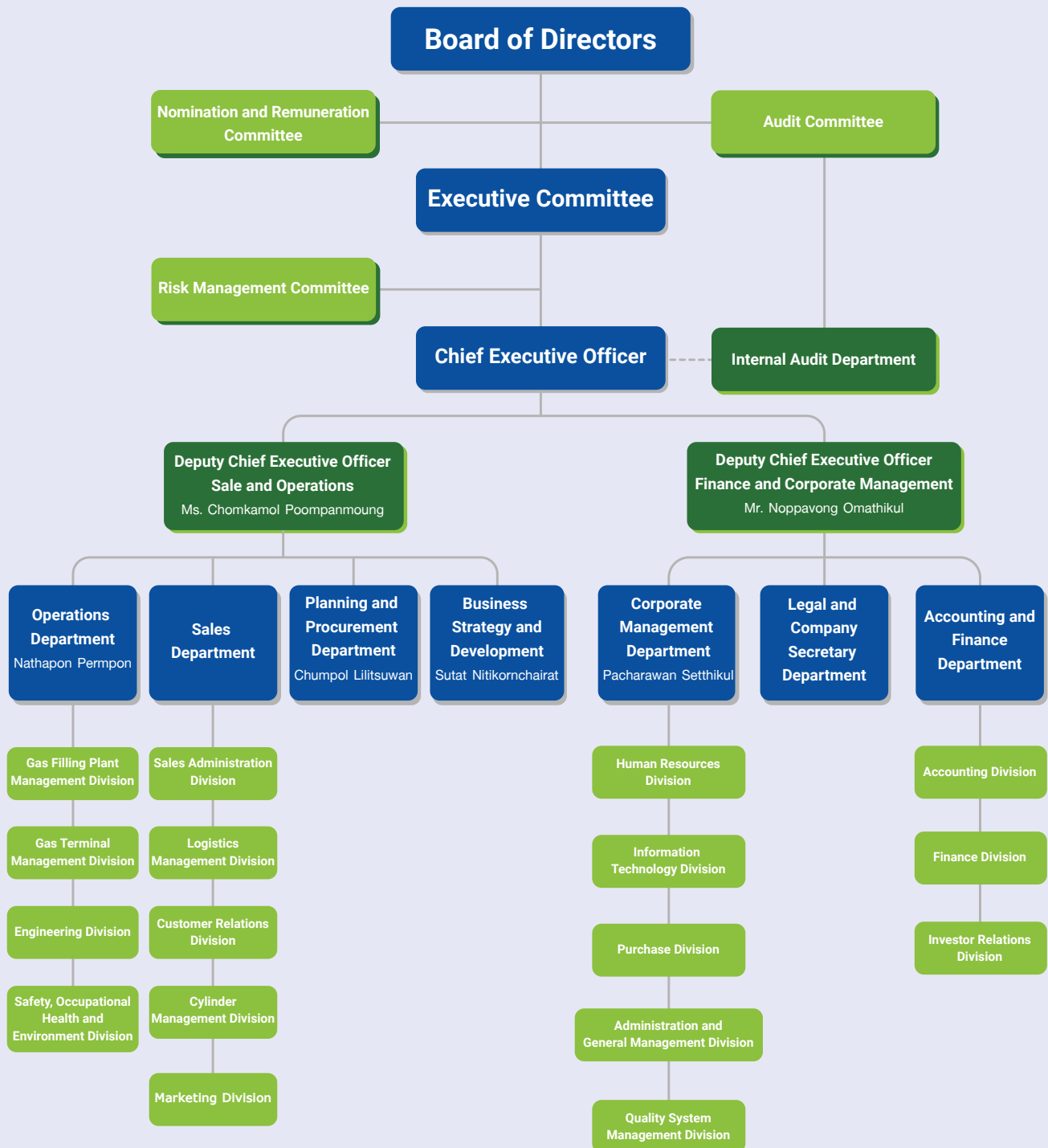
The Boards of Directors of the Company's subsidiaries shall consider and approve, then propose a dividend payment to the shareholders' meeting of each subsidiary for consideration and approval. The dividend payment will be based on the investment plan taken into consideration other necessity and appropriateness, such as cash flow adequacy of subsidiaries after deducting reserved fund as required by laws.



# Management Structure

## Organization Structure (as at 1 January 2019)

To advance the organization for efficient management and success in accordance with the direction under the setting goal of future business operation, enabling to fully support organizational development, the Company has restructured the organizational management structure which is effective from 1 January 2019.



## 1. Board of Directors

### 1.1 List of the Board of Directors in the office as at 31 December 2018 is as follows.

Name	Position	Office Holding Date	Number of the Meeting Attendance (Times)
1. Mr. Chulchit Bunyaketu	Chairman of the Board of Directors / Independent Director	24 November 2014	12/13
2. Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee / Independent Director	24 November 2014	13/13
3. Mr. Kanoksakdi Bhinsaeng	Director / Chairman of the Executive Committee	24 November 2014	9/13
4. Mrs. Soithip Trisuddhi	Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director	27 October 2015	11/13
5. Mr. Bowon Vongsingnudom	Director / Member of the Executive Committee	27 October 2015	9/13
6. Ms. Chomkamol Poompanmoung	Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee	24 November 2014	11/13
7. Mr. Aiyawatt Srivaddhanaprabha*	Director	24 November 2014	1/5
8. Mr. Chatchaval Jiaravanon	Chairman of the Risk Management Committee / Director / Member of the Executive Committee	24 November 2014	7/13
9. Mr. Sa-nga Ratanachartchuchai	Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee	24 November 2014	9/13
10. Mrs. Lakananan Luksamitananan*	Member of the Audit Committee / Independent Director	1 August 2016	10/13
11. Mr. Somchai Kuvijitsuwan	Independent Director / Member of the Risk Management Committee	20 October 2016	11/13
12. Mr. Rungson Sriworasat	Independent Director / Member of the Risk Management Committee	21 June 2017	9/13
13. Mr. Kasemsit Pathomsak**	Director	11 May 2018	6/7

\* The Member of the Audit Committee who possesses sufficient knowledge and experiences to review the reliability of financial statements.

\*\* Mr. Kasemsit Pathomsak assumed the director office on 11 May 2018.

### List of the directors who retired from the office during 2018 is as follows.

Name	Position	Retirement Date
1. Mr. Aiyawatt Srivaddhanaprabha	Director	19 April 2018

As at 31 December 2018, the Board of Directors held total of 13 meetings to perform the entrusted duties.



## 1.2 Authorized Signatory Directors in Binding the Company

The authorized signatory directors in binding the Company under the Company's Articles of Association, and Juristic Person Registration Certificate in accordance with Public Limited Companies Law, Department of Business Development, Ministry of Commerce, as at 31 December 2018 are any one of Mr. Kasemsit Pathomsak, or Mr. Sa-nga Ratanachartchuchai or Mr. Chatchaval Jiaravanon jointly sign with any one of Mr. Kanoksakdi Bhinsaeng or Ms. Chomkamol Poompanmoung, totaling to two persons.

## 1.3 Composition and Qualifications of the Board of Directors

The Company's Articles of Association prescribes that the Board of Directors consists of not less than five directors whereas at least half (1/2) of total directors must have domicile in Thailand. The directors are unable to be the Company's shareholders and must have qualifications and non-prohibited characteristics in accordance with Public Limited Companies Law and Securities and Exchange Law, and must have diversified knowledge, competency, expertise and experiences, good vision, virtue and morality, and can devote sufficient time for benefit of the Company's business operation.

Composition and qualifications of the Board of Directors shall be in line with the Company's Articles of Association and requirement of laws. The directors shall have knowledge and experiences which are useful for the Company. In 2018, the Board of Directors consisted of thirteen directors whereas the said number was appropriate for the Company's size and type of business.

1. Eleven non-executive directors
2. Two executive-directors who are Chief Executive Officer and Deputy Chief Executive Officer
3. Six independent directors (in the number of more than one third (1/3) of the directors of the whole Board as prescribed by the Company's Articles of Association).

## 1.4 Appointment and Retirement of the Office of the Company's Directors

The Company's Articles of Association has established the rule for appointment and retirement of the office of the Company's directors as per the following summary.

### Appointment of the Company's Directors

1. The shareholder has authority to select and appoint the Company's directors. The members of the Nomination and Remuneration Committee is responsible for selecting the qualified persons

to be nominated to be the Company's directors to the Board of Directors and proposed to the Shareholders' Meeting for consideration under the following rule.

- (1) Each shareholder shall have one vote equaling to one (1) shares per one (1) vote.
  - (2) Each shareholder shall exercise his/her existing votes under (1) to elect one or several persons to be director(s). In case where several persons are elected to be the directors, more or less votes are unable to be divided among candidates.
  - (3) Candidates who earned highest votes shall be ranked in descending order and elected to be directors equaling to number of directors that should have or should be elected in that time. In case where the number of the elected candidates in descending order who have equal votes is more than the number of the directors that should have or should be elected in that time, the Chairman of the Meeting shall perform casting vote.
2. The members of the Board of Directors shall select any one among them to serve as the Chairman of the Board, and may select one or more among them, as deemed appropriate, to serve as Vice Chairman of the Board. Vice Chairman of the Board has duty entrusted by the Chairman of the Board in accordance with the Articles of Association in the business.
  3. In case where the director office is vacant due to reason other than retirement by rotation and the remaining term of office is not less than two months, the Board of Directors shall select any person who possesses qualifications and non-prohibited characteristics in accordance with Public Limited Companies Act and Exchange Law, as the director in the following meeting. The person who is the replacing director shall be in the director office for just remaining term of the replaced director. The resolution of the Board of Directors in election of the said replacing director must consist of votes not less than three-fourths of the remaining number of the directors.

### Retirement of the Company's Directors

1. In every Annual General Meeting of Shareholders, one-thirds of current number of directors shall vacate the office. If the number of directors is indivisible into three portion, the number nearest to one-thirds (1/3) portion shall vacate. The director who retires from the office may be elected to resume the office. The directors who must vacate the office in the first year and second year after the Company's registration shall draw lots. In the following years, the directors who are in the office for longest term shall vacate the office.

2. Other than retirement by rotation, the director shall retire by rotation upon death or resignation or disqualification or having non-prohibited characteristics as prescribed by Public Limited Companies Law, and Securities and Exchange Law.
3. The Shareholders' Meeting may pass the resolution to remove any director to vacate the office earlier than the time of retirement by rotation with votes of not less than three-fourths of the number of shareholders who attend the meeting and have voting rights, and total shares are not less than one half of the number of shares held by the shareholders who attend the meeting and have voting rights.
4. Any director who wishes to resign from the office shall submit a resignation letter to the Company.

### 1.5 Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible for complying with laws, objectives and Articles of Association of the Company and resolution of the Shareholders' Meeting, and performing duties with honesty and diligence to maintain interests of the shareholders and stakeholders both in short-term and long-term. To ensure that the Company's operation takes place in the direction that causes highest benefits of the shareholders and stakeholders, the Board of Directors shall supervise to establish vision, mission, target, policy, operating direction, strategic plan, work plan and annual budget of the Company. The Board of Directors shall mutually express their opinions for understanding on the business overview prior to consideration and approval, and monitoring the management to be in line with the setting target by adhering to the guideline of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission as per the following summary.

- (1) Hold the Shareholders' Meeting as Annual General Meeting of Shareholders within four (4) months from the ending date of the Company's accounting period. The Company should deliver Appointment Notice to the Board of Directors' Meeting, and Appointment Notice to the Shareholders' Meeting, and meeting agenda and documentation for advance consideration in reasonable period which must not be less than period specified in the Company's Articles of Association.
- (2) Prepare reliable accounting system, financial reporting and auditing, and supervise to ensure efficient and effective internal audit process.
- (3) Consider key potential risk factors and completely determine the guideline of risk management to cover and supervise the executives to have efficient system or process of risk management, and seek for contingent business opportunity from such risk, and establish adequate and effective internal control, and assessment process of the internal control appropriateness.
- (4) Prepare financial statements at the ending date of the Company's accounting year, and sign for certification on such financial statements to propose the Shareholders' Meeting in Annual General Meeting of Shareholders for consideration and approval.
- (5) Consider to give consent on selection and nomination for appointing the auditor, and consider appropriate remuneration as proposed by the Audit Committee prior to proposing the Shareholders' Meeting in Annual General Meeting of Shareholders for consideration and approval.
- (6) Scrutinize and manage to solve the problem on the potential conflict of interests, and connected transactions, and give precedence to consideration on core and important transactions by generally emphasizing on maximum interests of the shareholders and stakeholders.
- (7) Establish target, guideline, policy, business operation plan, and budget of the Company, monitor and supervise the efficient and effective management and administration of the Management in accordance with the established policy, work plan and budget.
- (8) Have authority to consider and approve the entry into contract, investment and/or any transactions related to ordinary course of business, and execute the transaction that supports the ordinary course of business of the Company under general trade conditions in budget approved by the Board of Directors' Meeting or under financial limit specified in the rule of approval and execution power.
- (9) Have consideration and approval authority for spending in investment or execution, borrowing or applying any credit from financial institutions, lending, and entering to be the guarantor for doing the ordinary course of the Company's business in unlimited financial limit under rules of the Company, and related regulations and laws of the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission.
- (10) Establish the appropriate personnel selection system for the personnel who assume to take responsibility of the key management position in all levels under transparent and fair nomination process.

(11) Consider determining management structure, and have authority to appoint the Executive Committee, the Managing Director and other Sub-Committees as appropriate, such as Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee, etc., and determining scope of authority and remuneration of the appointed Executive Committee, Managing Director and Sub-Committees.

(12) The Board of Directors can authorize and/or entrust other person to represent specific duty performance by such authorization or sub-authorization within the scope of authorization under power of attorney provided and/or in line with rules, requirements or orders prescribed by the Board of Directors and and/or the Company. However, the delegation of authorities and responsibilities by the Board of Directors is not in the manner of authorization or sub-authorization that allows the Board of Directors or the authorized person of the Board of Directors to approve transactions that the Board or the authorized person may have conflict (as defined in the Notification of the SEC or the Notification of Capital Market Supervisory Board), may have gain and loss or may acquire interest in any manners, or many have any of other conflict of interests with the Company or its subsidiaries, except being approval of transactions in accordance with policy and criteria considered and approved by the Shareholders' Meeting or the Board of Directors' Meeting.

(13) The directors and executives must report the Company regarding their own or related party's gain and loss which is gain and loss related to business management of the Company and its subsidiaries in accordance with rules, conditions, and procedures prescribed in the Notification of the Capital Market Supervisory Board.

(14) The directors and executives must be mutually liable for the traders of the Company's securities in any damage occurred due to disclosure of information to the shareholders or public by misstatement in the essence or concealment of fact that should inform in the essence as prescribed in Securities and Exchange Law unless the said directors and executives will prove that they are unable to perceive the genuineness of information or lack of the information that should inform by their own position.

(15) Give precedence to business operation with social and environmental responsibilities, and promote better and sustainable well-being of Thai society.

(16) Arrange the Company Secretary to help oversell activities of the Board of Directors and support the Board of Directors and the Company to comply with the related laws and requirements.

(17) Review and revise the Charter of the Board of Directors in consistency with situations.

Moreover, the execution of the Board of Directors requiring the approval of the Shareholders' Meeting prior to execution of the following matters.

- Entry into connected transactions and acquisition or disposal of core assets of the Company as prescribed by laws and the Notification of Capital Market Supervisory Board
- Sale or transfer of the Company's business in whole or in important part to other party
- Acquisition or acceptance of the business transfer of other company to belong to the Company
- Entry, revision or cancellation of the contract related to leasing the Company's business in whole or in important part, assigning other party to manage the Company's business or combine business with other party under purpose of profit and loss sharing
- Addition or revision and alteration of the Company's Memorandum of Association or Articles of Association
- Increase of capital/reduction of authorized capital
- Issuance of denture for public offering
- Winding-up of the Company/amalgamation with other companies
- Declaration for annual dividend payment
- Any other undertakings prescribed by laws/Articles of Association of the Company that consent must be given by the Shareholders' Meeting.

The Board of Directors can authorize and/or assign other person to represent duty performance. Such authorization or sub-authorization shall be within scope of authorization granted by power of attorney and/or in accordance with rules, requirements or orders prescribed by the Board of Directors and/or the Company. However, the delegation of authorities and responsibilities by the Board of Directors is not in the manner of authorization or sub-authorization that allows the Board of Directors or the authorized person of the Board of Directors to approve transactions that the Board or the authorized person may have conflict (as defined in the Notification of the SEC or the Notification of Capital Market Supervisory Board), may have gain and loss, or may acquire interest in any manners, or many have any of other conflict of interests with the Company or its subsidiaries, except being approval of transactions in accordance with policy and criteria considered and approved by the Shareholders' Meeting or the Board of Directors' Meeting.

## 1.6. Independent Directors

The Company's Articles of Association prescribes that the Board of Directors must consist of independent directors at least one-third (1/3) of directors for the whole Board but must not be less than three (3) persons who are the directors with knowledge, competency, and qualification of independence under the Notification of the Market Capital Supervisory Board, and as prescribed by the Board of Directors in definition of independent director as follows.

Independent director means the independent director from the major shareholder or group of the major shareholder and executive of the Company that has authority to freely express opinion based on the assigned tasks in equitable protection of interests of all parties of shareholders and stakeholders.

## 1.7. Sub-Committees

To comply with the principles of good corporate governance, the Board of Directors has appointed four sets of Sub-Committees including Audit Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee to perform the duty in prudent and efficient considering and screening the important operation in specific matters, and proposing opinions to the Board of Directors. The list, and roles and duties of each Particular Committee as at 31 December 2018 are as follows.

### Audit Committee

Name	Position	Number of Meeting Attendance (Times)
1. Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee	8/8
2. Mrs. Soithip Trisuddhi	Member of the Audit Committee	8/8
3. Mrs. Lakananan Luksamitananan	Member of the Audit Committee	5/8

The Company's Articles of Association prescribes that the composition of the Audit Committee consists of at least three independent directors. All of the above three members are independent directors with qualifications under the Notification of the Capital Market Supervisory Board, and at least one Member of the the Audit Committee has accounting and finance knowledge.

Moreover, the Board of Directors has approved the Charter of the Audit Committee determining the composition, qualifications, office term, and scope of duties as per the following details.

The office term by rotation of the Audit Committee is determined for three (3) years per term whereas one year means the period from Annual General Meeting of Shareholders of the appointed year to the Annual General Meeting of Shareholders in the following year. The committee members who retire by rotation may be appointed to resume the office.

### Scope of Authority of the Audit Committee

- (1) Review the Company's financial report to ensure its accuracy and adequacy.
- (2) Review the Company's internal control system and internal audit system to ensure their appropriateness, efficiency and effectiveness, and consider independence of Internal Audit Unit, and approve the consideration on appointment, removal, and dismissal of the Head of Internal Audit, or any other work units responsible for internal audit.
- (3) Review to ensure the Company's compliance with Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or laws related to the Company's business.
- (4) Consider the selection and nomination to appoint the independent person to serve as the Company's auditor, propose a remuneration of such person, and attend the meeting with the auditor, without meeting attendance of the Management, at least once year.
- (5) Consider the disclosure of the Company's information in case where connected transactions or transactions that may have conflict of interests occur in accordance with laws and regulations of the Stock Exchange of Thailand to make sure that such transactions are reasonable and in maximum benefit of the Company.
- (6) Prepare the Report of the Audit Committee and disclose in Annual Report of the Company. Such report must be affixed with signature of the Chairman of the Audit Committee and contain at least the following information.
  - (a) Opinion on the accuracy, completeness, and reliability of the Company's financial report
  - (b) Opinion on the adequacy of the Company's internal control system
  - (c) Opinion on the compliance with Securities and Exchange Law, regulations of the Stock Exchange of Thailand or laws related to the business of the Company



- (d) Opinion on the appropriateness of the auditor
  - (e) Opinion on the connected transactions that may have conflict of interests
  - (f) Number of the Audit Committee's Meetings and meeting attendance of each Member of the the Audit Committee
  - (g) Overall opinion or observation acquired by the Audit Committee from performance of duties under the Charter.
  - (h) Other transactions that the shareholders and general investors should be informed under scope of duties and responsibilities assigned by the Board of Directors
- (7) Review key risk management of the Company for linkage with internal control.
- (8) Review and propose revision of scope, duties, and responsibilities of the Audit Committee in consistency with situations.
- (9) Perform any tasks assigned by the Board of Directors under consent of the Audit Committee. In performing such tasks, the Audit Committee is directly responsible for the Board of Directors and the Board of Directors is also responsible for the Company's operation with the third party.
- (10) If the Audit Committee detects or has doubt that the following transactions or acts may have significant impact on financial position and operation results of the Company, the Audit Committee shall report to the Board of Directors to take improving and corrective actions within the time the Audit Committee deemed appropriate.
- (a) Transaction of which conflict of interests occurs
  - (b) Significant corruption or abnormality or fault in internal control system
  - (c) Violation of Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or laws related to the Company's business

As at 31 December 2018, the Audit Committee held total of eight meetings to perform duties under scope of authority and responsibilities specified in the Charter and assigned by the Board of Directors.

### Nomination and Remuneration Committee

Name	Position	Number of Meeting Attendance (Times)
1. Mrs. Soithip Trisuddhi	Chairman of the Nomination and Remuneration Committee	5/5
2. Ms. Chomkamol Poompanmoung	Member of the Nomination and Remuneration Committee	5/5
3. Mr. Sa-nga Ratanachartchuchai	Member of the Nomination and Remuneration Committee	4/5

The Board of Directors determines the composition of the Nomination and Remuneration Committee consisting of at least three members, and schedules the office term by rotation of the Nomination and Remuneration Committee for three years per term whereas one year means the period from Annual General Meeting of Shareholders in the appointed year to Annual General Meeting of Shareholders in the following year. The committee members who retire by rotation may be appointed to resume the office. The scope of duties of the Nomination and Remuneration Committee is defined as follows:

- (1) Nominate a suitable candidate for the position of director or Chief Executive Officer or senior executive that is vacant or expired, and propose to the Board of Directors or Shareholders' Meeting for consideration and election, whichever the case may be, taking into consideration the composition of the Committee and the candidate's knowledge, competency and experiences, number of companies where the said candidate holds a position, and conflict of interests.
- (2) Prepare a list of suitable nominated candidates for the position of director or Chief Executive Officer in advance and/or in case where the position of director or Chief Executive Officer is vacant.



- (3) Request the opinions of the Board of Directors and/or Chief Executive Officer (if any) to support the consideration of selection and nomination prior to proposing to the Board of Directors or Shareholders' Meeting, whichever the case may be, for further consideration and election.
- (4) Develop performance assessment form for the Chairman of the Board, directors, Particular Committees, and Chief Executive Officer.
- (5) Nominate qualified directors to serve as member of the Particular Committee and Chairman of the Particular Committee to the Board of Directors for appointment when the position is vacant or propose improvement of particular committee members to the Board of Directors as appropriate.
- (6) Consider remunerations for the Board of Directors and Particular Committees under fair and reasonable rule or procedure and structure based on their performance, the Company's operation results, practical guideline in the same industry, and scope of duties and responsibilities, and propose to the Shareholders' Meeting for consideration and approval.
- (7) Consider remunerations for the Chief Executive Officer and salary structure of senior executive under fair and reasonable rule or procedure and structure. In case of remuneration of the Chief Executive Officer, duties and responsibilities and annual performance shall be taken into account, and propose remuneration to the Board of Directors' Meeting for consideration and approval.
- (8) Always consider reviewing rules of the Nomination and Remuneration Committee to ensure appropriateness, including policy and criteria related to determination of remuneration and benefits of directors, Chief Executive Officer, and senior executives of the Company.
- (9) Support the Company to give the minor shareholders the opportunity to nominate the candidate to be selected as the Company's director.
- (10) Perform any other task related to nomination and remuneration of directors and Chief Executive Officer as assigned by the Board of Directors.

As at 31 December 2018, the Nomination and Remuneration Committee held five meetings in total to perform the assigned duties.

## Executive Committee

Name	Position	Number of Meeting Attendance (Times)
1. Mr. Kanoksakdi Bhinsaeng	Chairman of the Executive Committee	13/13
2. Mr. Chatchaval Jiaravanon	Member of the Executive Committee	7/13
3. Ms. Chomkamol Poompanmoung	Member of the Executive Committee	12/13
4. Mr. Sa-nga Ratanachartchuchai	Member of the Executive Committee	12/13
5. Mr. Bowon Vongsingnudom	Member of the Executive Committee	10/13

For flexible business operation of the Company and efficient operation results, the Board of Directors shall consider appointing the Executive Committee consisting of a certain number of the directors and executives with appropriate qualifications to perform the management and control of the Company's business as assigned by the Board of Directors to support the duty performance, create confidence to the stakeholders for sustainable growth of the Company and clearness in the matter of composition, office term, duties and responsibilities, and meeting of the Executive Committee. The Board of Directors therefore has approved the preparation of the Charter of the Executive Committee to be properly applied as guideline of performance of duties in accordance with laws and consistency with the principles of good corporate governance.

The Chief Executive Officer is the ex officio executive director. The office term by rotation of the Executive Committee is scheduled for three years per term whereas one year means the period from Annual General Meeting of Shareholders of the appointed year to the Annual General Meeting of Shareholders in the following year. The committee members who retire by rotation may be appointed to resume the office.

### Scope of Authority of the Executive Committee

- (1) Consider screening business operation strategy, financial target, and work plan (in short-term, intermediate-term, and long-term), including annual budget to be proposed to the Board of Directors.
- (2) Formulate investment policy of the Company and define the direction of investment policy in consistency with the Company's policy.
- (3) Consider transaction related to investment and disposal of assets, human resource management, finance and financial management, general management, and any other transactions related to the Company's business within scope of power approved by the Board of Directors.
- (4) Regularly supervise and monitor operation results and financial position of the Company, and monthly report the operation results and financial position to the Company's directors for acknowledgement.
- (5) Seek for and assess the opportunity of new business investment, study feasibility for new projects, and have authority to consider and approve the participation in bidding and operation of the projects as deemed appropriate, and entering into jurist acts related to such matters until completion.
- (6) The Executive Committee may authorize the executives or any person to have action power in one or several matter(s) as considered and deemed appropriate by the Executive Committee. The transaction approval of the Executive Committee and/or authorization shall not be the approval of the connected transactions or transactions that may have conflict of interests or transactions that the Executive Committee has gain and loss as prescribed in the Company's Articles of Association, and as prescribed in the Board of Directors and the related supervisory agencies.
- (7) Formulate policy guideline, appoint and define power and duties, supervise, monitor, coordinate, and define authority of the special working group or management team, and consider and approve proposals proposed by the management team or special working group.
- (8) Consider and remark the opinions to the Board of Directors related to dividend payment policy of the Company.
- (9) Consider and execute the important issues related to the operation of the Company.

- (10) Consider screening and provide suggestions on all types of works proposed to the Board of Directors, except works under duties and responsibilities and/or being power of other Sub-Committees of the Company to consider screening for direct proposal to the Board of Directors.
- (11) Perform other tasks in the scope of power and responsibilities in accordance with periodic dutiful delegation of the Board of Directors.
- (12) Acknowledge other matters both related to business management and not related to the Company's business management such as lawsuits of which the Company becomes the defendant, etc., deemed necessary or appropriate by the member of the Executive Committee to propose for acknowledgement.

The Executive Committee has authority to approve additional budget during the year for operating expenses within the limit of not exceeding THB 20,000,000, and for investment budget in gas station installation work, and general assets within the limit of not exceeding THB 20,000,000. Moreover, the Executive Committee has authority to approve a purchase order in case of gas liquid purchase and disbursement in case of gas liquid purchase, as well as main expense in business operation per time within limit of not exceeding THB 60,000,000, and in case of each gas cylinder, valve and other common equipment purchase (per type) within the limit of not exceeding THB 50,000,000.

As at 31 December 2018, the Executive Committee held thirteen meetings in total to perform assigned duties.

### Risk Management Committee

Name	Position	Number of Meeting Attendance (times)
1. Mr. Chatchaval Jiaravanon	Chairman of the Risk Management Committee	-
2. Mr. Rungson Sriworasat	Member of the Risk Management Committee	-
3. Mr. Somchai Kuvijitsuwan	Member of the Risk Management Committee	-

The Board of Directors determines the composition of the Risk Management Committee consisting of at least three members, and schedules the office term by rotation of the Risk Management Committee for three years per term whereas one year means the period from Annual General Meeting of Shareholders in the appointed year to Annual General Meeting of Shareholders in the following year. The committee members who retire by rotation may be appointed to resume the office. The scope of authority is defined as follows:

- (1) Consider and approve policy, objective, and framework of risk management as operating framework in risk management process of organizational employees in the same direction and consistency with the business targets and strategies. The risk management policy, objective and framework shall be annually reviewed and give precedence to early warning signs.
- (2) Set up and define authority of the risk management working group. The working group shall develop a policy and risk management plan for each work unit and propose them to the Risk Management Committee's Meeting for consideration.
- (3) Supervise the identification of risks, taking into consideration both external and internal factors that may cause failure of the Company to achieve its defined objectives; assess the impact and probability of occurrence of the identified risks to sequence risks and apply appropriate risk management measures.
- (4) Provide advice and support on risk management working group in the matter of enterprise risk management, and promote and support the continuous improvement and development of the internal risk management system.
- (5) Supervise effectiveness of risk management and assess risk management result.
- (6) Perform any other task as assigned by the Board of Directors and specified in the Articles of Association.

As at 31 December 2018, the Risk Management Committee held none of the meetings as the working group has been considering all risks plan of the Company.

## 2 List of the Company's Executives under Organizational Structure Chart as at 1 January 2019

	Name	Position
1	Mr. Kanoksakdi Bhinsaeng	Acting Chief Executive Officer (since 7 March 2017)
2	Ms. Chomkamol Poompanmoung	Deputy Chief Executive Officer - Sales and Operations / Acting Director of Sales**
3	Mr. Noppavong Omathikul	Deputy Chief Executive Officer - Finance and Corporate Management / Acting Director of Accounting and Finance/ Acting Director of Legal and Company Secretary**
4	Ms. Pacharawan Setthikul	Director of Corporate Management
5	Mr. Chumpol Lilitsuwan	Director of Planning and Procurement
6	Mr. Sutat Nitikornchairat	Director of Business Strategy and Development
7	Mr. Nathapon Permpoon	Director of Operation

For efficient organizational management, the Board of Directors has appointed executives in different departments consisting of Chief Executive Officer who has authority and duty in managing the Company's business in accordance with policy, work plan, and budget approved by the Board of Directors and is the highest-ranking superior of the employees, Deputy Chief Executive Officer - Operations and Deputy Chief Executive Officer - Planning and Corporate Management who has duty in managing the Company's activities to be in line with predetermined strategies and goals.

Moreover, directors of various departments have duty in duty performance for execution of the Company to achieve the predetermined goals. They must possess qualifications and non-prohibited characteristics specified by Public Limited Companies Law and Securities and Exchange Law, and must be the persons with knowledge, competency, expertise, and

experience in diverse areas, as well as vision, virtue and morality, enable to devote sufficient time for benefits of the Company's business operation.

*\* \*\* The Company has currently been considering recruitment of the executives to hold the office in the future or division combination for more conciseness and efficiency in management of the organization.*

### Scope of Authority of Chief Executive Officer

- (1) Execute as assigned by the Board of Directors under rules and regulations of the Company.
- (2) Have authority to issue orders, rules, announcements, and records for duty performance in accordance with the Company's policies and interests for maintenance of internal working discipline.
- (3) Have authority to act and show up as the Company's representative with the third party in the related activities for the Company's benefits.
- (4) Approve the appointment of advisors in various fields necessary for the Company's operations.
- (5) Act as attorney of the Company to manage the Company's business in accordance with objectives, regulations, policies, rules, requirements, orders, resolutions of the Shareholders' Meeting, and resolutions of the Board of Directors in all respects.
- (6) Act as the authorized person in command, contact, order, execution, and signing in contract, order document, and written notice or any letters used to communicate with the government agencies, state enterprise and other parties; and have authority to perform any necessary and appropriate acts to successfully complete the aforesaid execution.
- (7) Have authority to sub-authorize and/or assign other person to perform specific tasks on behalf of Chief Executive Officer. Such sub-authorization and/or assignment must be within the scope of authorization and/or in accordance with rules, requirements or orders prescribed by the Board of Directors and/or the Company.
- (8) Have authority to approve operating expenses for ordinary course of the Company's business, such as expense relating to asset purchase, important investment spending, and entry into other transaction for benefits of the Company. Such approval authority is for approval on general commercial transactions with financial limit for each transaction as

specified in the Authority Delegation in execution and investment in transactions of the Company but not more than the budget approved by the Board of Directors.

- (9) Perform other tasks occasionally assigned by the Executive Committee or the Board of Directors.

The Chief Executive Officer has authority to approve purchase order and disbursement in case of each purchase of gas liquid and main expenses of business operation within the limit of not exceeding THB 50,000,000, in case of each purchase of gas cylinder, valve and other common equipment (per type) within the limit of not exceeding THB 40,000,000, and in case of each purchase of supplies and general service within the limit of not exceeding THB 10,000,000.

### 3 Company Secretary

Pursuant to Section 89/15 and Section 89/16 of Securities and Exchange Act (No. 4) B.E. 2551 (2008), the Board of Directors' Meeting held on 10 November 2016 resolved to appoint Ms. Daraporn Unyamaneetrakoon to hold the office of the Company Secretary and define scope of duties and responsibilities as follows.

1. Prepare and store the following documents.
  - (a) Register of Directors
  - (b) Appointment Notice to the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and Annual Report of the Company
  - (c) Appointment Notice to the Shareholders' Meeting and Minutes of the Shareholders' Meeting
  - (d) Other important documents of the Company
2. Store Stakeholding Report reported by the directors or executives
3. Submit Copy of Stakeholding Report under Section 89/14 of Securities and Exchange Act B.E. 2535 (1992) (including Amendment) prepared by the executive directors and related parties to the Chairman of the Board of Directors, and the Chairman of the Audit Committee for acknowledgement within seven working days from received date of that report.
4. Oversee disclosure of information and information report in responsible part under rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.



5. Promote and support supervision and monitoring of business operation and duty performance of the executives and employees of the Company and its subsidiaries in accordance with laws and regulations of which the Company entered into investment.
6. Perform duties to hold the Board of Directors' Meeting, Executive Committee and Shareholders' Meeting in accordance with the Company's Articles of Association.
7. Supervise and monitor the Company and the Board/Committees to ensure the compliance in consistency and in accordance with related laws and regulations, and resolutions of the Board of Directors' Meeting, Shareholders' Meeting and the principles of good corporate governance.
8. Support directors and/or executives for knowledge provision and training attendance in various courses related to performance of duties of directors and particular committee members.
9. Report directors and/or executives to revise and alter requirements and rules.
10. Arrange assessment of performance of the Board of Directors.
11. Perform any tasks assigned by the Company or from the Board of Directors, and prescribed by the Capital Market Supervisory Board.

## 4 Remuneration of Directors and Executives

### 4.1 Remuneration of Directors

The Board of Directors has formulated a fair remuneration payment policy for directors. The Nomination and Remuneration Committee is in charge of considering and reviewing the appropriateness and consistency with the Company's current situations. At present, there has none of requirement for paying remuneration to all members of the Sub-Committees, which include the Audit Committee, Executive Committee, and Nomination and Remuneration Committee.

Nonetheless, the remuneration paid to Directors must be approved by the shareholders' meeting. The 2016 Annual

General Meeting of Shareholders held on 30 April 2016 resolved to approve the following remuneration of Directors.

Remuneration paid to the directors must be approved by the Shareholders' Meeting. The 2018 Annual General Meeting of Shareholders held on 30 April 2018 resolved to approve the remuneration of the Company's directors as follows.

#### Remuneration of Directors for 2017

Board of Directors	Monthly Remuneration
Chairman of the Board of Directors	73,500
Chairman of the Audit Committee	73,500
Director	42,000
Executive Director	21,000

*Remark: Remuneration of directors particularly includes monthly remuneration and no meeting allowance is provided to the directors.*



## Summary for Remuneration of Individual Directors in 2018

List of the Directors	Remuneration (Baht)					
	WP	Subsidiaries				
		EAGLE	LOGISTIC	WP GAS	WP SOLUTION	WP SOLLAR
1 Mr. Chulchit Bunyaketu	882,000					
2 Mrs. Niskorn Tadthiemrom	882,000					
3 Mr. Kanoksakdi Bhinsaeng*	252,000			-	-	-
4 Mrs. Soithip Trisuddhi	504,000					
5 Mr. Chatchaval Jiaravanon	504,000			-	-	-
6 Mr. Bowon Vongsingnudom	504,000					
7 Mr. Sa-nga Ratanachartchuchai****	504,000	600,000	-	-	-	-
8 Ms. Chomkamol Poompanmoung*	252,000					
9 Mrs. Lakananan Luksamitananan	504,000		-	-	-	-
10 Mr. Somchai Kuvijitsuwan	504,000					
11 Mr. Rungson Sriworasat	504,000					
12 Mr. Kasemsit Pathomsak**	322,455					
<b>Directors who vacated during the year and received remuneration in 2018.</b>						
1 Mr. Aiyawatt Srivaddhanaprabha***	168,000					
<b>Total Amount</b>	<b>6,286,455</b>					

## Remark:

\* shows remuneration particularly for director office excluding remuneration for executive office.

\*\* Mr. Kasemsit Pathomsak has held the office on 11 May 2018.

\*\*\* Mr. Aiyawatt Srivaddhanaprabha resigned from the office on 19 April 2018.

\*\*\*\* Mr. Sa-nga Ratanachartchuchai received remuneration from Eagle on behalf of the Chairman of the Board of Directors. Other Directors did not receive remuneration from holding office in subsidiaries.

## 4.2 Executive Remuneration

In January – December 2018, the Company paid remuneration to the executives in total amount of THB 19,787,687.

## 5 Personnel

## 5.1 Number of Employees

As at 31 December 2018, the Company has had total of 395 employees consisting of 16 executives and additional 379 employees (permanent employees and daily employees).





## 5.2 Employee Remuneration (Excluding Executives)

In January – December 2018, the Company paid employee remuneration (excluding executives) in total amount of THB 94,673,445 (Ninety four million six hundred and seventy three thousand four hundred and forty five Baht Only).

## 5.3 Employee Management Policy

The Company has formulated the policy for creation of the personnel readiness by focusing on development of human resource management system to carry the organization for sustainable organizational development and growth through review of organizational structure and work process for personnel readiness in proper manpower and consistency with the Company's growth plan and business expansion. In addition, the Company focuses on creation of human resource management system foundation by establishment of clear policy and process to ensure continuous integration of the Company's needs, building of the employee motivation, and creating achievement in order to lead the organization toward excellency and its organizational goals in all areas.

From 2018 onwards, the Company has applied strategies in various areas such as:

- Proactive recruitment and selection for recruitment of personnel who have diversified knowledge, competency, potential and experiences.
- Emphasis on development of the personnel potential to enhance capacity for work specialization and be ready for learning, initiating challenging innovations.
- Reinforcement of the readiness of the high potential personnel to have opportunity to step toward executive level and being leader of business driving in the future through procedure of assessment, selection, development, and management on profession basis.
- Appropriate remuneration management and application of Performance Management System (PMS) via Key Performance Indicators (KPIs) reflects performance from organizational level to individual level for efficient monitoring and management of performance
- Creation of good and safe working atmosphere and working environment, and emphasis on internal communications, and also support Work-Life Balance for employees to create balance in working and personal life.
- Creation of the employee engagement toward the organization under expectation on culture of the consciousness of the employees in all sections in cooperation to stimulate happy cooperation society, resulting in continuous growth of the Company

# Profiles of Directors and Executives Management of the Company

## Mr. Chulchit Bunyaketu

Chairman of the Board of Director/ Independent Director



Age 73 Years

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: 6 Positions

- Director, BTS Group Holdings Public Company Limited
- Chairman of the Remuneration Committee / Audit Committee, Total Access Communication Public Company Limited
- Member of the Corporate Governance Committee, Total Access Communication PLC.
- Member of the Nomination Committee, Total Access Communication PLC.
- Member of the Audit Committee, Total Access Communication PLC.
- Independent Director, Total Access Communication PLC.

### Holding Office of Director / Executive in Other Company Not Listed in the Stock Exchange of Thailand: 9 Companies

- Chairman of the Board of Director, DTAC Trinet Co. Ltd.
- Director, King Power Duty Free Co., Ltd.
- Director, King Power Entertainment Co., Ltd.
- Director, King Power Marketing and Management Co., Ltd.
- Director, King Power Suvarnabhumi Co., Ltd.
- Director, King Power Hotel Management Co., Ltd.
- Director, King Power Development Co., Ltd.
- Director, King Power Click Co., Ltd.
- Director, Siam Polo Park Co. Ltd.

### Holding Office in Other Organization / Special Activity: 1 Organization

Director, Thailand Polo Association

### Past Work Experience (last 5 years)

- |                       |   |
|-----------------------|---|
| <b>2000 - Present</b> | Independent Director, Total Access Communication Public Company Limited |
| <b>2016 - Present</b> | Advisor, King Power Group   |
| <b>2012 - Present</b> | Director, Siam Polo Park Co. Ltd.                                       |

### Number of Shares Held: None

### Family Relationship with Other Director: None

## Mrs. Niskorn Tadthiemrom

Chairman of the Audit Committee / Independent Director /  
Member of Risk Management Committee

Age 71 Years

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
- Public Administration and Law for Executives, King Prajadhipok's Institute
- Senior Executives Program, Ministry of Culture
- Developing Top Management Government's Centre for Management and Policy Studies, UK
- Senior Executives Program, OCSC
- Budget Development and Analysis University of Wisconsin, U.S.A.
- Budgeting and Accounting DSE
- Supply and Materials Management Crown Agents, UK

### 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 Organization

- Chairman of the Audit Committee, Buriram United Company Limited

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

### Past Work Experience (last 5 years)

<b>2010 - Present</b>	Audit Committee, University of Phayao
<b>2014</b>	Chairman of the Audit Committee, Picnic Corporation Public Company Limited
<b>2013 - 2014</b>	Director, Picnic Corporation Public Company Limited
<b>2011 - 2012</b>	Procurement Subcommittee, Government Savings Bank

### Number of Shares Held: None

### Family Relationship with Other Director: None



**Mr. Kanoksakdi Bhinsaeng**

Director / Chairman of Executive Committee / Acting Chief Executive Officer



Age 63 Years

Starting Date: 24 November 2014

**Education / Training**

- Master of Public Administration, Sripatum University
- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Diploma of National Defence College of Thailand Class 14
- Senior Executives Program Class 9, Capital Market Academy
- Senior Justice Executives Program Class 16
- Senior Executives Program Class 4, Thailand Energy Academy

**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: None****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.
- 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: 2 Organizations**

- President, Thailand Polo Association
- Secretary, Wat Suvarnabhumi Budthachayanti Foundation

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

- |                       |  |
|-----------------------|--|
| <b>2002 - Present</b> | Advisor, Chiang Mai Construction Co. Ltd.                  |
| <b>2006 - Present</b> | Advisor, NOK'S GROUP's Affiliated Companies                |
| <b>2012 - Present</b> | Managing Director, Buriram United Co. Ltd.                 |
| <b>2011 - 2014</b>    | Director, Picnic Corporation Public Company Limited        |
| <b>2014</b>           | Audit Committee, Picnic Corporation Public Company Limited |

**Number of Shares Held: None****Family Relationship with Other Director: None**

## Mrs. Soithip Trisuddhi

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

Age 63 Years

Starting Date: 27 October 2015



### 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: 1 Organization

- Director, Vana Nava Co. Ltd.

### Holding Office in Other Organization / Special Activity

- Director of Foundation for a Clean and Transparent Thailand

### Past Work Experience (last 5 years)

<b>2016 - Present</b>	Director , Vana Nava Company limited
<b>2014 - September 2015</b>	Permanent Secretary, Ministry of Transport
<b>2015</b>	Director, Tourism Authority of Thailand
<b>2015</b>	Director, Thai Airways International Public Company Limited
<b>2014</b>	Director, Industrial Estate Authority of Thailand
<b>2012 - 2014</b>	Deputy Permanent Secretary, Ministry of Transport
<b>2011 - 2013</b>	Chairman of the Board, State Railway of Thailand
<b>2008 - 2012</b>	Director, Mass Rapid Transit Authority of Thailand

### Number of Shares Held: None

### Family Relationship with Other Director: None

## Mr. Chatchaval Jiaravanon

Director / Member of Executive Committee /  
Chairman of Risk Management Committee

Age 54 Years

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)

<b>2013 - 2014</b>	Director, Picnic Corporation Public Company Limited
<b>2010 - 2013</b>	Director, Amanah Leasing Public Company Limited
<b>2009 - 2013</b>	Chairman of the Board, ACL Securities Co. Ltd.

**Number of Shares Held:** 37,312,408 (7.19%)

**Family Relationship with Other Director:** None

**Mr. Bowon Vongsinudom**

Director / Member of Executive Committee



Age 64 Years

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
- Advance Audit Committee Program (AACP) Class 28/2018

**Holding Office of Director / Executive in Other Company Listed in the Stock Exchange of Thailand: 4 Companies**

- Independent Director /Chairman of Audit Committee/ Corporate Governance Nomination and Remuneration Committee, Thai Vegetable Oil Public Company Limited
- Chairman of the Board, Prima Marine, Public Company Limited
- Chairman of the Board, Thai British Security Printing Public Company Limited
- Director, ASEAN Potash Chaiyaphum Public Company Limited

**Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand: 7 Companies**

- Chairman of the Board, PTT Phenol Co. Ltd.
- Director, Bangkok Industrial Gas Co., Ltd
- Chairman of the Board, UAC Advance Polymer & Chemicals Co., Ltd.
- Director ,ASEAN Potash Chaiyaphum Public Company Limited
- Director, Petroleum Institute of Thailand
- Director and Chairman of Executive Committee, Plastic Institute of Thailand
- Vice President, The Federation of Thai Industries

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

- |                    |   |
|--------------------|---|
| <b>2016 - 2017</b> | Independent Director and Audit Committee, Golden Lime Public Company Limited  |
| <b>2014 - 2016</b> | President, Petrochemical Cluster - The Federation of Thai Industries  |
| <b>2014 - 2016</b> | Chairman of the Board, Water Institution for Sustainability - The Federation of Thai Industries   |
| <b>2013 - 2014</b> | Director, Vinythai, Public Company Limited  |
| <b>2013 - 2014</b> | Chief Executive Officer and President, PTT Global Chemical Public Company Limited   |
| <b>2012 - 2014</b> | Chairman of the Board, NPC Safety and Environmental Service Company Limited   |
| <b>2012 - 2014</b> | Chairman of the Board, PTT Maintenance and Engineering Company Limited  |
| <b>2012 - 2014</b> | Director, Global Power Synergy Public Company Limited   |
| <b>2012 - 2014</b> | Director, Thai Tank Terminal Company Limited  |
| <b>2011 - 2013</b> | President, PTT Global Chemical Public Company Limited   |
| <b>2011 - 2014</b> | Director, PTT Global Chemical Public Company Limited  |
| <b>2010 - 2011</b> | Chief Executive Officer, President, and Acting Senior Executive Vice President, PTT Aromatics and Refining Public Company Limited                     |
| <b>2009 - 2010</b> | 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

Director / Member of Executive Committee /  
Member of Nomination and Remuneration Committee

Age 58 Years

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:** 5 Companies

- 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)

- |                    |   |
|--------------------|---|
| <b>2013 - 2014</b> | Director, Picnic Corporation Public Company Limited |
| <b>2009 - 2013</b> | Director, World Gas (Thailand) Co. Ltd.             |

**Number of Shares Held:** 532,128 (0.10%)

**Family Relationship with Other Director:** None



## Ms. Chomkamol Poompanmoung

Director / Member of Executive Committee / Member of Nomination and Remuneration Committee / Deputy Chief Executive Officer Commercial and Operation / Acting Director of Commercial

Age 35 Years

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) Hannings, UK
- MSc International Marketing (Merit) University of Surrey, UK
- MA Politics, Governance and Democracy (Pass), Royal Holloway, University of London
- Energy Literacy for 9 Sustainable Future Class1

### 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

- Director, WP Gas Co. Ltd.
- Director, WP Solutions Co. Ltd.
- Director, WP Sollar Co. Ltd.
- Director, Beyond Green Co.Ltd

### Past Work Experience (last 5 years)

**2012 - 2014** Acting Chief Executive Officer, World Gas (Thailand) Co. Ltd.

**Number of Shares Held:** 35,388,847 (6.83%)

**Family Relationship with Other Director:** None

**Mrs. Lakananan Luksamitananan**

Member of the Audit Committee / Independent Director



Age 63 Years

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

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

- Director Accreditation Program (DAP) Class 136/2017

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

- Vice President, Accounting and Financial Administration, Football Association of Thailand

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

<b>2016 - Present</b>	Vice President, Accounting and Financial Administration, Football Association of Thailand Director, Thai League Co. Ltd. Vice President, Accounting and Finance, Thai League Co. Ltd.
<b>2013 - 2015</b>	Director, Bureau of Tax Auditing Standards
<b>2012 - 2013</b>	Bangkok Zone 24 Collector
<b>2011 - 2012</b>	Nakhon Nayok Province Collector

**Number of Shares Held: None****Family Relationship with Other Director: None**

## Mr. Rungson Sriworasat

Independent Director / Member of Risk Management

Age 64 Years

Appointment Date: 21 June 2017



### Education / Training

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University, 1978
- Bachelor of Laws, Sukhothai Thammathirat Open University, 1992
- Master of Business Administration, Prince of Songkla University, 1994
- Diploma, National Defence College, National Defence Course, 2006
- Diploma, Senior Executives Program 1, Batch 42, Office of the Civil Service Commission, 2004
- Certificate, Senior Justice Executives Program (Batch 10), National Academy of Justice, 2006
- Higher Diploma, Politics and Governance in Democratic Systems for Senior Executives Program (Batch 13), King Prajadhipok's Institute, 2010
- Diploma, Senior Executives Program (Batch 10), Capital Market Academy, 2010
- Diploma, Inspector General Enhancement Program, 2010
- Diploma, Senior Justice Administration Executives Program, Batch 2, 2011
- Certificate, Top Executive Program in Commerce and Trade (TEPCoT), Batch 6, 2013
- Certificate, Bhumipalung Phandin Program for Senior Executives, Batch 3, 2014
- Certificate, Top Executive Program in Industrial Business Development and Investment, 2015
- Diploma, Top Executive Program in Energy, Batch 7, 2015
- International Financial Fraud Training Program (IFFT) Internal Revenue Service (IRS) GEORGIA, USA

### Director Course Training from Thai Institute of Directors (IOD)

- IOD Director Certification Program (DCP), Class 81/2006
- IOD Successful Formulation & Execution the Strategy (SFE), Class 2/2008
- IOD Finance for Non-Finance Director (FND), Class 39/2008
- IOD Refresher Course DCP (DCP re), Class 1/2008
- IOD Audit Committee Program (ACP), Class 26/2009
- IOD Director Accreditation Program (DAP), Class 86/2010
- IOD Role of the Chairman Program (RCP), Class 28/2012
- IOD Financial Institutions Governance Program (FGP), Class 7/2013
- IOD Anti-Corruption for Executive Program (ACEP), Class 14/2015

### Holding Office of Director / Executive in Other Company Listed in the Stock Exchange of Thailand: 4 Companies

- Independent Director, Berli Jucker Public Company Limited
- Independent Director, Audit Committee, and Corporate Governance Committee, Charoen Pokphand Foods Public Company Limited
- Independent Director, Chairman of the Audit Committee, Nomination and Remuneration Committee, U City Public Company Limited
- Independent Director, Asset World Corporation Public Company Limited

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

#### Past Work Experience (last 5 years)

<b>2018 - Present</b>	Qualified Director, Board of Directors of North-Chiang Mai University Council
<b>2018 - Present</b>	Advisory Chairman of Thailand Swimming Association
<b>2017 - Present</b>	Director of University Development Committee to become Rambhai Barni Rajabhat University
<b>2016 - Present</b>	Prime Minister's Advisor, The Secretariat of the Prime Minister
<b>2016 - Present</b>	Internal Audit Committee, The Thai Bar Under the Royal Patronage
<b>2016 - Present</b>	Director of Institute of Research and Development for Public Enterprises
<b>2016 - Present</b>	Advisory of Thai Medical Device Development Foundation under the Royal Patronage
<b>2015 - Present</b>	Qualified Director, Board of Directors of Prince of Songkla University
<b>2014 - 2018</b>	Chairman of the board Directors, TMB Bank Public Company Limited
<b>2015 - 2017</b>	Member of National Reform Steering Assembly
<b>2013 - 2015</b>	Permanent Secretary of the Ministry of Finance
<b>2013 - 2015</b>	Chairman of the Insurance Commission

#### Past Work Experience (last 5 years)

<b>2013 - 2015</b>	Chairman of the Board, General Insurance Fund and Life Insurance Fund
<b>2013 - 2015</b>	Chairman of the Board, Government Pension Fund
<b>2013 - 2015</b>	Chairman of the Board, Student Loan Fund
<b>2014 - 2015</b>	Director, Thai Airways International Public Company Limited
<b>2014 - 2015</b>	Director, PTT Public Company Limited
<b>2013 - 2015</b>	Commissioner, Securities and Exchange Commission
<b>2013 - 2015</b>	Commissioner, Commission for Judicial Service
<b>2014</b>	Director, National Credit Bureau
<b>2013 - 2014</b>	Director, State Railway of Thailand
<b>2012 - 2014</b>	Director, Government Pharmaceutical Organization, Ministry of Public Health

**Number of Shares Held: None**

**Family Relationship with Other Director or Executive: None**

**Mr. Somchai Kuvijitsuwan**

Independent Director / Member of Risk Management Committee



Age 68 Years

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: 1 Companies**

- Director and Audit Committee, Prima Marine Public Company Limited

**Holding Office of Director / Executive in Other Company Not Listed in the Stock Exchange of Thailand: 2 Companies**

- Director and Chairman of the Audit Committee, Apple Wealth Holding Public Company Limited
- Chairman of the Board, Eastern Power Group 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, the Office of the 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. Kasemsit Pathomsak**

Director

Age 48 Years

Effective Office Date: 11 May 2018

**Educational Background / Training History**

- Master of Finance, Bentley University, USA
- Bachelor of Business Administration
- Northeastern University, Massachusetts, USA
- Senior Executive Program, Capital Market Academy (CMA) Class 9
- Top Executive Program in Commerce and Trade, Commerce Academy (TEPCoT) Class 7
- Tourism Management Program for Executives Class 1
- Top Executive Program in City Development Management (Mahanakorn Class 1)

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

- Corporate Governance for Capital Market Intermediaries Program 12/2016
- Audit Committee Program 32/2010
- Monitoring the System of Internal Control and Risk Management 9/2010
- Director Accreditation Program 48/2005
- Director Certification Program 175/2003

**Holding Office of Director / Executive in Other Listed Company in the Stock Exchange of Thailand: 2 Companies**

- Independent Director/Chairman of Audit and Corporate Governance Committee, Christiani & Nielsen (Thai) Public Company Limited
- Director, UOB-Kay Hian Securities (Thailand) Public Company Limited

**Holding Office of Director / Executive in Other Non-Listed Company in the Stock Exchange of Thailand: 1 Company**

- Director, National Power Supply Public Company Limited
- Chairman of Executive Committee, Merchant Partners Asset Management Limited
- Chairman of Executive Committee, Merchant Partners Securities Public Company Limited

**Retroactive Work Experience (5 Years)**

<b>February 2013 - Present</b>	Independent Director/Chairman of the Audit and Corporate Governance Committee/ Chairman of Nomination Committee/ Chairman of Remuneration Committee, Christiani & Nielsen (Thai) Public Company Limited
<b>2016 - Present</b>	Director, National Power Supply Public Company Limited
<b>2010 - Present</b>	Director, UOB-Kay Hian Securities (Thailand) Public Company Limited
<b>2014 - Present</b>	Chairman of Executive Committee, Merchant Partners Asset Management Limited
<b>2005 - Present</b>	Chairman of Executive Committee, Merchant Partners Securities Public Company Limited
<b>2016 - 2018</b>	Director and Member of Audit Committee, Asia Aviation Public Company Limited

**Number of Shares Held: None****Family Relationship with Other Director and Executive: None**



### Mr. Noppavong Omathikul

Deputy Chief Executive Officer of Finance and Support / Acting Director of Finance and Accounting / Acting Director of Legal and Secretary / Chief Financial Officer (CFO)

Age 40 Years

#### 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)

<b>2018 - present</b>	Deputy chief Executive officer finance and Support, WP Energy Public Company Limited
<b>2014 - 2018</b>	Director of Accounting and Finance, WP Energy Public Company Limited
<b>2011 - 2014</b>	Senior Manager, Pricewaterhouse Cooper ABAS Co. Ltd.

**Number of Shares Held:** None

**Family Relationship with Other Director:** None



### Ms. Patcharawan Setthikun

Director of Corporate Support

Age 38 Years

#### 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)

<b>2019 - Present</b>	Director of Corporate Support, WP Energy Public Company Limited
<b>2016 - 2018</b>	Director of Human Resources, WP Energy Public Company Limited
<b>2012 - 2016</b>	HR Assistant Director, Central Trading Co. Ltd.
<b>2007 - 2012</b>	Senior Advisor on HR Management and Development, Human Intellectual Management Co. Ltd.

**Number of Shares Held:** None

**Family Relationship with Other Director:** None



### Mr. Chumpol Lilitsuwan

Director of Planning and Procurement

Age 51 Years

#### 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)

<b>2016 - Present</b>	Acting Director of Sales, WP Energy Public Company Limited
<b>2015 - Present</b>	Acting Director of Planning and Procurement, WP Energy Public Company Limited
<b>2004 - 2014</b>	Acting Manager, Planning and Procurement Department, World Gas (Thailand) Co. Ltd.
<b>2012 - 2014</b>	Deputy Managing Director, Procurement and Finance, Picnic Corporation Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None



### Mr. Sutat Nitikornchairat

Director of Business Strategy and Development

Age 40 Years

#### Educational Background / Training History

- MSc. Industrial Logistics, Birmingham City University, UK
- BEng. Civil Engineering, Chulalongkorn University, Thailand

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

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

#### Retroactive Work Experience (5 Years)

<b>2018 – Present</b>	Director of Business Strategy and Development, WP Energy Public Company Limited
<b>2013 – 2017</b>	Manager of Business Development Unit, Global Green Chemical Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director and Executive:** None



## Mr. Nathapon Permpon

Director of Operation

Age 48 Years

### Educational Background/Training History

- Master of Business Administration in Financial Management Program, Ramkhamhaeng University
- Master of Business Administration in Marketing Management Program, Ramkhamhaeng University
- Bachelor of Industrial Engineering, King Mongkut's University of Technology North Bangkok

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

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

### Retroactive Work Experience (5 Years)

<b>2018 – Present</b>	Director of Operation, WP Energy Public Company Limited
<b>2016 – 2017</b>	Senior Marketing Department Manager, Linde (Thailand) Public Company Limited
<b>2013 – 2015</b>	Operation Department Manager, Linde (Thailand) Public Company Limited
<b>2009 – 2012</b>	Safety, Occupational Health and Environment Department Manager, Linde (Thailand) Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director and Executive:** None

## Ms. Daraporn Anyamaneetragool

Company Secretary

Age 35 Years

### 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
- Certificate Company Secretary Program of Thai Institute of Director

**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)

<b>2014 - Present</b>	Senior Legal Manager, WP Energy Public Company Limited
<b>2013 – 2014</b>	Lawyer, Bangkok Smartcard System Co. Ltd.
<b>2006 - 2013</b>	Lawyer, TPI Polene Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

# Information on Directors of Subsidiaries

## Directors Holding Offices in Subsidiaries / Related Companies

No.	Name	WP	Subsidiaries				
			EAGLE	LOGISTIC	WP GAS	WP SOLUTIONS	WP SOLLAR
1	Mr. Chulchit Bunyaketu	▲					
2	Mrs. Niskorn Tadthiemrom	▲					
3	Mrs. Soithip Trisuddhi	●					
4	Mr. Bowon Vongsinudom	●					
5	Mr. Kanoksakdi Bhinsaeng	● ■			▲	▲	▲
6	Mr. Chatchaval Jiaravanon	●			●	●	●
7	Mr. Sa-nga Ratanachartchuchai	●	▲	●	●	●	●
8	Miss Chomkamol Poompanmoung	● ■			●	●	●
9	Mrs. Lakananan Luksamitananan	●					
10	Mr. Somchai Kuvijitsuwan	●					
11	Mr. Rungson Sriworasat	●					
12	Mr. Kasemsit Pathomsak	●					

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

WP = WP Energy Public Co., Ltd.

### Subsidiaries

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 / Joint Ventures /Related Companies**

No.	Name	WP	Subsidiaries				
			EAGLE	LOGISTIC	WP GAS	WP SOLUTIONS	WP SOLLAR
1	Mr. Kanoksakdi Bhinsaeng	● ■			▲	▲	▲
2	Ms. Chomkamol Poompanmoung	● ■			●	●	●
3	Mr. Panusak Wongpimonporn		■				
4	Mr. Noppavong Omathikul	■			■	■	■
5	Ms. Pacharawan Setthikul	■			■	■	■
6	Mr. Sutat Nitikornchairat	■			■	■	■
7	Mr. Nathapon Permpon	■			■	■	■
8	Mr. Chumpol Lilitsuwan	■			■	■	■

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

WP = WP Energy Public Co., Ltd.

**Subsidiaries**

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	Subsidiaries				
			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. Yongyot Puengtham		●	●			

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

WP = WP Energy Public Co., Ltd.

**Subsidiaries**

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.

# Details of Outsourced Independent Internal Audit

**Mr. Kosol Yamleemul**

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

**Starting Date: 13 August 2015**

## Education Background /Training Records:

- 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, USA (IIA)
- Certified Financial Services Auditor (CFSA), Institute of Internal Auditors, USA (IIA)
- Certificate for Business Advisor (CBA-KU#14)
- Certificate of Real Estate Entrepreneur (CRE-KU2014)

## Training Programs: Federation of Accounting Professions (FAP) and Institute of Internal Auditors of Thailand (IIAT)

- 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 Listed Companies in the Stock Exchange of Thailand: None

## Holding Office of Director/Executive in Other Companies Not Listed in the Stock Exchange of Thailand: 1 Company

- Managing Director, Unique Advisor Co. Ltd.

## Holding Office in Other Organization/Special Activities: None

## Past Work Experience (last 5 years)

<b>2013 – Present</b>	Managing Director, Unique Advisor Co. Ltd.
<b>2002 – 2013</b>	Partner and Director, Grant Thornton Co. Ltd.

## Number of Shares Held: None

## Family Relationship with Other Directors and Executives: None

# Corporate Governance



## 1. Corporate Governance Policy

The Board of Directors gives precedence to operations under Code of Best Practices that will ensure the Company Group to become efficient organization both in terms of business operation and good management. For ethical responsibility of business operation, the Company therefore has applied Principle of Good Corporate Governance as operating guideline of the Company for benefit of the Company's business operation and promotion of transparency and efficiency of the Management. According to the emphasis of the Board of Directors to prudent and circumspect management for creation of confidence of the shareholders and stakeholders toward the efficiency of the Company's business operation for maximum benefits of the Company. Four sets of the Sub-Committees, consisting of Audit Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee, therefore are appointed to closely supervise specific matters of the business, to perform duty in considering screening the specific matters of business operation based on roles and duties assigned by the Board of Directors.

Each Sub-Committee has composition, qualifications and scope of authority under the Charter of the Sub-Committees as per the following summary.

### Audit Committee

At least three independent directors with qualifications prescribed by the Stock Exchange, and Securities and Exchange Commission of Thailand are appointed whereas at least one of them must have accounting/finance knowledge. The Audit Committee is in charge of auditing and reviewing reliability of financial statements, auditing and governing to ensure that internal control system and

internal audit system are in place, and reviewing risk management system for appropriate and effective linkage with internal control.

### Nomination and Remuneration Committee

At least three members are appointed by the Board of Directors and at least one of them must be independent director. The Nomination and Remuneration Committee is responsible for selecting and nominating a suitable candidate for the position of the Board of Directors or Chief Executive Officer or senior executive. The nomination must be carried out in an efficient and transparent manner to acquire knowledgeable and competent persons who are able to support the organization. The Committee also considers the remuneration determination guideline for the Board of Directors and Chief Executive Officer under determination of fair and reasonable consideration criteria comparable to other companies in same or similar industry to be proposed to the Board of Directors' Meeting or Shareholders' Meeting for further consideration.

### Executives Committee

At least five members are appointed by the Board of Directors. The Executive Committee plays a major roles and responsibilities to ensure the operations in accordance with the Company's strategies, policies, and rules. The Committee also have authority to control the Company's business by considering screening business plan and annual budget to be presented to the Board of Directors, establishing financial and investment policies and direction of the investment policy to be in line with the Company's policies, considering important matters related to the Company's operations, and considering and providing suggestion for all types of works proposed to the Board of Directors.

## 2. Nomination of Directors and Executive Directors

Upon vacancy of the director office, the Nomination and Remuneration Committee shall recruit and select a qualified candidate to be nominated to be the director, taking into consideration the candidate's knowledge, competency, and expertise in various fields that are beneficial to the Company's business and potential conflict of interests of the directors. The Nomination and Remuneration Committee is responsible for recruiting director by considering from the candidate whose qualifications are useful and proper for the Company as per details in topic of "Scope of Authority of the Nomination and Remuneration Committee".

The Annual General Meeting of Shareholders must approve the election of a director in replacement of a director who retires by rotation, with the majority of votes of shareholders attending the meeting and having voting rights. The election rules and procedures for directors are as follows.

The Nomination and Remuneration Committee shall consider a list of qualified candidates for directors and propose to the Board of Directors for consideration prior to proposing to the Annual General Meeting of Shareholders for election. However, every shareholder has the right to nominate anyone for the position of the Company's Director.

If the number of nominated candidates is less than the number of directors that should be elected in that time, all nominated candidates for directors shall be proposed to the Shareholders' Meeting for election. The voting shall be conducted for election of each individual candidate with majority of votes.

In case where the number of nominated candidates for directors is more than the number of directors that should be elected in that time, the shareholders shall cast their votes to elect individual candidates for directors not exceeding the number of directors that should be elected in that time. Directors shall be appointed in the descending order of votes earned by the candidates to meet the number of directors that should be elected in replacement of vacancy in other case other than the expiration of term by rotation, the Board of Directors may elect a replacing director for vacancy with votes of not less than three-fourth of the remaining number of directors. The person who is replacing director shall be in his/her office for the remaining term of the vacated director.

## Chief Executive Officer

In nominating Chief Executive Officer, the Nomination and Remuneration Committee shall consider a candidate who has necessary skills, experiences, profession, and specific qualifications for the Company's maximum benefits, taking into consideration the potential conflict of interests. The nomination must be approved by the Board of Directors.

## Executives

Chief Executive Officer who is authorized to consider filling and appointing a person who has knowledge, competency, and experiences in the Company's business to be filled in the executive position, and report to the Board of Directors, unless the position is higher than a level of Deputy Chief Executive Officer which must be approved by the Board of Directors. In addition, the appointment of a head of department in management level related to audit functions must be firstly approved by the Audit Committee.

## 3. Control on Insider Trading

The Company establishes a policy to inform the department executives for understanding on obligation in reporting the holding of the Company's securities by the shareholder, spouse and non-full aged child of the shareholder, and reporting the change of the securities holding to the Office of the Securities and Exchange Commission under Section 59, and Penalty under 275 of Securities and Exchange Act B.E. 2535 (1992).

In addition, the Company also has a policy to prohibit the directors and executives not to use the Company's inside essential information which has not yet been publicly disclosed for personal or other person's benefits, and trade securities of the Company in the manner that the directors, executives and employees in work units who are informed of inside information should avoid



or suspend their trading of the Company's securities in one (1) month period prior to public disclosure of information, and **should wait for at least twenty-four (24) hours after public disclosure of information**, and also prohibit the said directors and executives not to disclose essential information to other parties.

Moreover, the directors and executives are required to submit stake holding report of their own or any related parties whereas such stakes are related to management of the Company or its subsidiaries. The first report must be submitted within thirty (30) days from the appointment as director or executive in the specified report form, and the report must be made upon every change within thirty (30) days after change in the specified report form.

#### 4. Compliance with Principles of Good Corporate Governance under International Standard Basis

The Company complies with the Principles and Code of Best Practice of the Stock Exchange of Thailand under Corporate Governance Code of the Listed Companies as per the following summary.

##### Rights of Shareholders

With emphasis of the Company on the rights of shareholders in proper, complete, adequate, timely, and equitable acquisition of the Company's information to support decisions in all issues, the Board of Directors therefore formulates the following policies.

1. The Company shall deliver Appointment Notice to the Meeting together with adequate meeting supporting information in agenda, specifying objective and reason, and opinions of the Board of Directors in every agenda in order to give the shareholders the opportunity to completely study information in advance prior to the date of the Shareholders' Meeting at least fourteen (14) days. In case where the shareholder is unable to attend the meeting by presence, the Company gives the said shareholder the opportunity to enable to authorize any independent director or person to attend the meeting in lieu of him/her using Proxy delivered by the Company together with Invitation Notice to the Meeting.
2. Equitably facilitate all shareholders to attend the meetings both in matters of suitable venue and time.
3. In the Shareholders' Meeting, the determined agenda shall be considered and voted without change in key information or unexpectedly add meeting agenda in the meeting. The

shareholders are given the opportunity to have equitable rights to audit the Company's operation, inquire, express opinions and suggestions, and the related directors and executives shall attend the Shareholders' Meeting to reply queries in the meeting.

4. Add channel of news recognition of the shareholders via the Company's website. News and details are disclosed in the Company's website particularly. In case where Invitation Notice to the Meeting is disseminated prior to the meeting date in advance for convenient and complete download of meeting agenda information by the shareholders.
5. Have a policy that every director must attend the meeting to reply queries from the shareholders together.
6. Minutes of the meeting shall be completely, properly, quickly and transparently recorded in significant query and opinion aspects in the minutes of the meeting for verifiability of the shareholders. Moreover, the Company also records meeting video for reference storage. In addition, the Company shall disseminate minutes of the Shareholders' Meeting in the Company's website for consideration of the shareholders, and delivers such minutes to the Stock Exchange of Thailand within fourteen (14) days from the date of the said Shareholders' Meeting.
7. Enhance convenience to the shareholders in receiving dividend by transfer of money into bank account (if dividend is paid) to facilitate the shareholders to receive dividend on time, prevent the problem of cheque damage and loss or arrival delay to the shareholders.

##### The Equitable Treatment of Shareholders

The Company determines equitable treatment of all shareholders and the Board of Directors therefore formulates the following policies.

1. The Company shall deliver Appointment Notice to the Meeting and meeting supporting information for advance acknowledgement of the shareholders prior to meeting not less than fourteen (14) days to give the shareholders the opportunity to completely study information prior to the date of the Shareholders' Meeting.
2. Study the guideline to open the minor shareholders the opportunity to enable to nominate the directors or propose additional meeting agenda prior to the Shareholders' Meeting.



3. Enhance facilitation to the shareholder who is unable to attend the meeting by presence by allowing the shareholder to authorize any person or at least one independent director to attend the meeting and pass resolution in lieu of him/her, and notify name list of such independent directors in Appointment Notice to the Shareholders' Meeting.
4. Equitably treat all shareholders either being major shareholders or minor shareholders whether they are Thai shareholders or foreign shareholders.

## Role of Stakeholders

The Company realizes and perceives the rights of stakeholders of all groups whether being internal stakeholders such as shareholders and employees, and internal stakeholders such as customers, business partners, creditors, competitors, public sector, and other agencies, and the related nearby community due to support of stakeholders to the Company for competitiveness and profitability of the Company. This is regarded as long-term value creation for the Company. Therefore, the following policies are formulated.

### 1. Employee Treatment Policy and Guideline

The Company realizes that the employee is key high valued factor of the Company's goal attainment. Thus, it is the Company's policy to fairly treat the employees in terms of opportunity, emolument from appointment and removal, and potential development, and the Company establishes the following practice for compliance with such policy.

- Treat the employees politely, and respect their individuality.
- Give fair emolument to the employees, establish provident fund for the employees, and emphasizes on supervision of the employee welfare.
- Maintain working environment for safety of the employee life and property.
- Employee appointment, removal, rewarding, and punishment shall be performed in good faith on knowledge, competency and suitability basis of that employee.
- Emphasize on the employee development of knowledge and competency by giving thorough and regular opportunity for the employee development of competency to have professional working potential.
- Attend opinions and suggestions on professional knowledge basis of the employees in strict compliance with laws and regulations related to the employees.

### 2. Shareholder Treatment Policy and Guideline

The Company always recalls that the shareholders are business owners, and the Company is responsible for addition of long-term values to the shareholders, the directors, executives and employees are required to comply with the following guidelines.

- Honestly perform duties and carefully, prudently and fairly make decision on any executions in accordance with the professional principle for both major and minor shareholders for maximum benefits of overall shareholders.
- Regularly and completely present the report of the Company's status, turnover, financial and accounting information position, and other reports on fact basis.
- Inform all shareholders for equitable acknowledgement on future trend of the Company both in positive and negative aspects on probability basis with adequate supporting information and reason.
- Prohibit not to exploit for personal and other person's benefits using any information of the Company which is not publicly disclosed or taking any action in the manner that may cause conflict of interests of the Company.

### 3. Customer Treatment Policy and Guideline

With the Company's commitment on development of goods and services of the Company and its associated companies for maximum satisfaction and benefits of the customers, and adherence to customer treatment with responsibilities, honesty and customer care, the Company therefore establishes customer treatment policy as follows.

- Serve customers politely and enthusiastically and ready for service, greet with sincerity and willingness, and take care service user as if close relatives, and render services rapidly, properly and reliably.
- Keep customer secret and not wrongfully utilize for personal benefit or other related party's benefit.
- The Company adheres to fair marketing under operating policy for customer acquisition of accurate, not distorting and ambiguous, or exaggerating advertising information of the Company's services so that the customers can have accurate and adequate information for decision making.
- Give advice on service procedure of the Company for efficiency and maximum customer benefits.

- Take into account quality and efficiency of the Company's services other than development of quality service management system, and pay attention on occupational health and safety management so that customers can receive most quality and efficient services.
- The Company takes into account customer safety and commits to quality and safe services received by customers as prescribed by standards, rules and regulations on international safety, and laws, and regular service development and improvement for customer confidence on quality, standard and safety of the Company's services.
- The Company establishes customer relations system for use in customer communication and efficient complaint on service quality by telephone to ensure quick fulfillment of customer needs.

The Company organizes activities for reinforcement of sustainable relationships between customers and the Company.

#### 4. Business Partner and/or Creditor Policy and Guideline

The Company has a policy that the employees shall fairly and honestly treat the business partners and/or creditors of all parties, not take advantage with the business partners by taking into account maximum benefits of the Company, fair return receiving basis for both parties, and avoid situation that causes conflict of interests, negotiate to solve problems on business relationship basis as per the following practical guideline.

- Not demand or receive or pay any benefits which are dishonest in trading with business partners and/or creditors.
- In case where there is information that demand or receiving or paying any dishonest interests occurs, the details must be disclosed to business partners and/or creditors, and mutually, fairly and quickly solve problems.
- Strictly comply with agreed conditions. In case of failure to comply with any clauses of conditions, the creditors must be hurriedly informed for advance acknowledgement to mutually find the guideline of problem solving.

#### 5. Competitor Treatment Policy and Guideline

The Company has a business competitor treatment policy not to violate secret or perceive business secret of its competitors by fraudulent means and therefore formulates the following principle of policy.

- Behave and conduct under framework of rule of good competition.
- Not seek for secret information of the business competitors by dishonest or improper means.
- Not destroy reputation of the business competitors with pessimism accusation.

#### 6. Social and Environmental Responsibility Policy

The Company seriously commits to business operation under the Principles of Good Corporate Governance and fair business operation, together with participation in responsibilities toward society, community, environment, stakeholders, all related parties of the Company. With the Company's awareness on significance of coexisting society and intention of mutual sharing on supervision and responsibilities toward stakeholders in all areas where the Company enter for business operation, the Company is participative in improvement of quality of life for community and society through all-around support of life development, such as granting the supporting fund in education and sport, creating jobs, and distributing income to the community, supporting LPG for cooking to the schools in the areas, and deficient areas. Moreover, the Company also emphasizes on safety standard as well known that the Company which operates the business of LPG distribution must be trusted and confident on maximum safety. Thus, the Company establishes a policy to strictly operate business under laws, rules, standards and regulations, and reiterates the entrepreneurs in various sections to execute under the same principle. The knowledge and accident prevention trainings are regularly organized by the officers of Department of Energy Business to the entrepreneurs as well as gas filling employees.

In keeping with the aforesaid intention and concept, the Company therefore establishes a social and environmental responsibility policy as follows.

##### Fair Business Operation

- The Company transparently executes under clear formulation of working rules for different sections, strict enforcement for creation of working equality, and efficient governance of management system. The following policies and practical guidelines are therefore established as follows.
- Honestly engage the business and operate the business under social responsibilities in terms of laws, code of conduct, and commitment of benefaction with individuals, group of community, society and environment.

- Engage the business under standard operating system and good control, using full knowledge and competency with prudent practice by adequate information and evidence which is referable and strictly observed in accordance with the related laws and requirements.
- Fairly treat customers and business partners, not demand or accept any unjust interests from business partners. In case of failure to comply with any clauses of conditions, the business partners shall hurriedly be informed in advance to mutually find the corrective guideline.
- Not disclose information of the customers perceived by the Company as the result of business operation which is the information that should be normally reserved and not disclosed unless it is the disclosure according to legal duty.
- Allow the customers to complain about imperfection of goods and services.
- Properly and completely disclose news and information of products and services.
- Fairly comply with the customer agreements and conditions, and in case of failure to comply with agreements and conditions, the customers must be hurriedly informed to mutually find solution.
- Respect intellectual property right of other persons whereas the Company establishes a policy of the personnel's compliance with laws or requirements relating to intellectual property rights such as application of legal copyrighted computer program.
- Promote and culture consciousness to the Company's personnel in all levels for social responsibilities.

#### Respect for Human Rights

- The Company has a policy to support and respect human right protection by treatment to the related parties whether being employees, surrounding community and society with respect on humanity right, concern on equality and equitable freedom, non-violation of basic rights, and non-discrimination whether in the matters of race, nationality, religion, language, color skin, sex, age, physical condition, or social status. In addition, the Company also supervises the Company's business not to be involved in violation of human rights such as employment of children and sexual harassment, etc. Moreover, the Company promotes monitoring the compliance with requirement of human right through arrangement of

participation in opinion expression, and complaint channel for victim from violation of right as the result of the Company's business operation and remedy as appropriate for efficient respect for human rights. The Company also creates body of knowledge on human rights and cultures consciousness to the Company's personnel for compliance with the principle of human rights, fair labor treatment.

The Company always realizes on significance of human resource development and fair labor treatment as key factor that contributes to addition of the business value, and reinforcement of sustainable competitiveness and growth of the Company in the future. The Company therefore has formulated the policies and practical guidelines as follows.

- Respect the right of the employees in accordance with the principle of human rights and comply with labor law.
- Establish employment process and fair employment condition, remuneration determination, and consideration on achievement and feat under fair performance assessment process.
- Promote personnel development by organizing teaching, seminar, training, and sending personnel to attend technical seminars and trainings in various related fields for development of knowledge, competence and potential of the personnel, and culture good attitudes, virtue, morality and teamwork to the personnel.
- Organize welfare in various areas for employees as required by laws such as social security, etc., other than what are required by laws, such as health insurance and accident insurance, etc., and provide different types of grants to the employees.
- Provide annual medical examination service for personnel in all levels of the Company by considering from risk factor based on level, age, sex and working environment of each person.
- Always execute safe and hygienic duty performance of the employees in good work place under establishment of accident occurrence prevention measure, reinforcement of employees to have safety consciousness, and organizing of training and promotion of the healthy employees, and maintenance of work place for hygiene and safety.
- Give the employees the opportunity to enable to express opinion or complain on unfair treatment or improper act in the Company, and protect the employees who report such matters.

### Environmental Care

With the Company's emphasis on the surrounding community and society under awareness that the Company is part of the society in jointly stepping toward social and environmental development for continual sustainability, the Company therefore continuously organizes community and social activities together with business operation under overall community and social responsibility as follows.

- Establish a business operation policy under main concern on environmental condition and strict compliance with applicable environment-related laws and regulations.
- Establish clear Corporate Social Responsibility Implementation Policy, and observe inside the organization.
- Encourage the employees of the Company to be conscious and responsible for environment and society.
- Respect customs, traditions, and cultures of each locality entered to operate business by the Company.
- Regularly do activities for mutual social, community and environmental creativity for the community where the Company is located to have better quality of life both the Company's execution and cooperation with government sector and public sector agencies, and community.
- Appropriately cooperate in activities with the community around the areas where the Company enter for business operation as the case may be.
- Rapidly and efficiently respond to the circumstance affecting environment, community, life and assets as the result of the Company's operation by full cooperation with government officers and related agencies.

### Community or Social Development Participation

The Company establishes the social assistance and development policy due to the Company's realization on the community and social responsibilities as follows.

- The Company has an appropriate social and community support and assistance policy particularly for the community around gas depot and LPG filling plants of the Company.
- The Company gives the community and related parties the opportunity to participate in remarking opinions for projects that may affect community, and proposing comments or complaints as the result of the Company's operation results.

- The Company cooperates in operation in accordance with the prepared international standards or agreements in the matters to contribute to prevention or mitigation of environmental impact.
- The Company has a youth educational support policy through scholarship support, skill enhancement equipment support for learnings to the schools, etc.
- The Company gives precedence to rapid and efficient respond circumstance that affects community, society and environment as the result of the Company's operations.
- The Company promotes its employees to be conscious and responsible for environment and society.
- The Company truly aims at supporting the participation of the employees and business partners in preservation of natural resources, contributing to natural resource restoration and care to maintain its abundance, and creating awareness of sustainable resource conservation. Environmental conservation projects are continuously organized under expectation on participation of all segments in natural conservation, and also culturing awareness of social benefits.

### Disclosure and Transparency

The Board of Directors has a policy to disclose financial data and information and others related to the Company's business and turnover accurately, truly, fully, sufficiently, regularly, and timely to reflect the true financial status and performance, as well as the future of the Company's business.

In addition, the Company also aims for supervision to ensure strict compliance with laws, regulations, and rules regarding disclosure of information and transparency. The Company has published information on its website in both Thai and English language through channels of mass media and publicity media of the Stock Exchange of Thailand for acknowledgement of the shareholders and other related parties on the Company's information all over. The Company also improves and alters to be consistent with the guidelines promulgated for enforcement by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The officer of Investor Relations Department is assigned by the Company to perform communication with the investors or shareholders, and institutional investors and minor shareholders. The Company regularly holds the meeting to analyze operation results and disseminate corporate information both of financial information and general information to the

shareholders, securities analysts, credit rating company, and related government agencies via various channels, such as report to the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and website of the Company. Moreover, the Company also gives precedence to disclosure of information both in Thai language and English language for regular news acquisition of the shareholders via the Company's website. The information on website will be always updated whether being visions, missions, financial statements, public relations news, annual report, structure of the Company and executives, structure of shareholding and major shareholders.

Moreover, the Company emphasizes on financial report indicating true financial position and turnover of the Company on accurate, complete and adequate accounting information basis in accordance with Generally Accepted Accounting Standards. The Company shall disclose information of each director, and roles and duties of the Board of Directors, and Sub-Committees of the Company in Annual Report of the Company (Form 56-2), and Annual Registration Statement Form (Form 56-1), and disclose remuneration of the directors and senior executives in Annual Report of the Company (Form 56-1)

### Board of Director's Responsibilities

The Board of Directors is accountable to its shareholders regarding the business operations of the Company and corporate governance to meet its goals and guidelines for maximum benefits of the shareholders under concern on interests of all parties of stakeholders.

The Board of Directors has duties to comply with laws, the Company's objectives and Articles of Association, and resolutions of the Shareholders' Meeting. It shall perform duties with due care and honest in the best interest of shareholders and stakeholders both in short term and long term to ensure that the operations of the Company is in the direction most beneficial to shareholders and stakeholders. The Board of Directors shall oversee the preparation of the Company's vision, mission, goals, policies, operational directions, strategic plans, work plans, and annual budgets; and mutually express its opinions for understanding of the overview of the business prior to consideration and approval, and monitoring the management to meet the predetermined goals adhering to the guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

### Internal Control

The Board of Directors establishes a comprehensive internal control system of the Company in both finance and operation to comply with related laws, regulation, and rules, and also establishes efficient and adequate checking and balancing mechanism to protect and safeguard the Company's assets all the time, determines a hierarchy of approval authority and responsibilities of the executives and employees under checking and balancing system in determining work rule in writing. Independent internal auditor and Internal Audit Department of the Company are responsible for auditing the duty performance of all work units in accordance with established rules and assessing the efficiency and adequacy of internal control of work units inside the Company.

### Control on Use of Inside Information

The Board of Directors recognizes on the importance of good corporate governance. To ensure transparency and prevent the use of non-publicly disclosed inside information for personal exploitation, the Company has established a policy for use of the Company's information as follows:

- 1 The Company shall educate directors, executives, and senior officers holding manager-level in accounting or finance which is department manager level and higher or equivalent about their duties to prepare and submit a report of their holdings of the Company's securities and securities held by their spouses and non-full aged children to the Office of the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (1992).
- 2 The Company requires directors, executives, and persons holding management level in accounting or finance line which is department director level and higher or equivalent to prepare and submit a report of their and their spouses and non-full aged children's holdings of the Company's securities to the Company Secretary before submitting it to the Office of the Securities and Exchange Commission within thirty (30) days from appointed date to assume the director and executive office, or report of any changes in their holdings of securities within three (3) days from the day of purchase, sale, transfer, or acceptance on transfer of such securities.



- 3 The Company requires directors, executives, and persons holding management level in accounting or finance line which is department director level and higher or equivalent, and related officers who are informed of material inside information that affect change in securities prices shall suspend trading the Company's securities within the period prior to the disclosure of financial statements or financial position and status of the Company until the Company's public disclosure of information. The Company shall notify directors, executives, persons holding management level in accounting or finance line which is department director level and higher or equivalent, and related officers in writing to suspend trading the Company's securities within the period of at least thirty (30) days prior to public disclosure of information. They should wait at least twenty-four (24) hours after public disclosure of such information and they are prohibited not to disclose such material information to other parties.
- 4 Determine a disciplinary punishment in case of violation on use of inside information for personal exploitation, starting from written warning, pay reduction, temporary job suspension without pay, or dismissal. The punishment shall be considered from intention of the act and gravity of such offense.

### Roles and Duties of the Board of Directors

The Company requires its directors to comply with roles and duties prescribed in the Charter of the Board of Directors, and Code of Best Practice for Directors of Listed Companies according to the guideline of the Stock Exchange of Thailand. The Board of Directors must understand and be informed of their roles, duties, and responsibilities and must perform their duties in accordance with laws, the Company's objectives and Articles of Association, resolutions of the Shareholders' Meeting, Charter of the Board of Directors, and corporate governance policy of the Company with honesty and under main concern on the benefits of the Company and shareholders. The Board of Directors shall formulate policies, business goals, business plans, and budgets of the Company, and supervise to ensure the operation of the Management in accordance with the predetermined policies, work plans and budgets efficiently and effectively in the best benefits of the Company and overall shareholders.

### Board of Directors' Meeting

The Company complies with the rules regarding Board of Directors' Meeting as specified in Public Limited Companies Act B.E. 2535 (1992) (including Amendment) and the Company's Articles of Association. The Company is required to hold the Board of Directors' Meeting and determine meeting agenda in advance, and notify each director of such schedule. The Company shall send the meeting documentation to directors in advance at least seven working days prior to the meeting date.

The number of the Board of Directors' Meetings shall be in accordance with the appropriateness for obligations and responsibilities of the Board of Directors and the nature of business of the Company, but not less than one meeting must be held in every three months.

### Remuneration

The Company establishes as policy that directors' remuneration must be approved by Shareholders' Meeting as per the following criteria of consideration.

- The Company's turnover in comparison with remuneration of directors of the listed companies in Stock Exchange that engage in the business with the similar business size and nature
- Experiences, roles, obligations, scope of duties and responsibilities of each director
- Benefits expected by the Company to be obtained from each director
- The determined remuneration must attract the directors who possess qualifications appropriate for need and situation of the Company to be the director.

### Board of Directors' Annual Report

The Board of Directors is responsible for preparing the Company's financial reports and the financial information presented in Annual Report. Financial statements are prepared in accordance with Generally Accepted Accounting Standards by adopting appropriate accounting policies under regular observance and exercise of careful discretion in preparation and determination of adequate disclosure of important information in notes to financial statements. The Board of Directors shall assign the Audit Committee to oversee quality of financial reports and remark opinions to the Board of Directors.

In addition, the Company has still established policies to support the concept of awareness on good corporate governance in other areas as follows.

### Anti-Corruption Policy

The Company gives precedence to anti-corruption and adheres to virtue, ethics, management transparency, and responsibilities toward stakeholders of all parties in business operation. The Company therefore has set guideline for proper conduct of the Board of Directors, Management, and employees in its Business Ethics and Employee Code of Conduct, which are part of “Corporate Governance” of the Company.

Corruption means “performing or refraining from performing duties or improper exercising of ex officio authority, violation of laws, ethics, regulations, or policies of the Company to gain undue advantage in various forms such as demanding, receiving, proposing, or giving property or any other benefits to government officials or anyone dealing business with the Company, etc.”

The Company has established an anti-corruption policy as the following practical guideline:

- Directors, executives, and employees shall not perform or support any fraudulent or corrupt activities and shall strictly comply with anti-corruption measures.
- The Board of Directors, Executives, and all employees must comply with anti-corruption policy both in direct or indirect means, without involvement in corruption whether being offering, giving commitment, asking, demanding, giving or receiving bribes, actions, or corruption indicating 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 to deter those who want to commit a corrupt act against the Company.
- The Company shall prepare a clear operational process, which includes assessment of corruption risk, and regular monitoring and reviewing process to be consistent with the changing business and relevant laws.
- The Company shall provide fairness and protection for employees who refuse or report corruption related to the Company through the designated channel. A corrupt person shall be subject to disciplinary action in accordance with the rules set by the Company and may be legally punished if such action is illegal.

- Upon detection of the employee on act within the scope of corruption related to the Company, he/she must notify the superior and responsible work unit.
- The corporate culture that is honest and committed to fairness shall be created and training shall be arranged to the organizational employees to encourage its employees to be honest with their duties and ready to strictly adhere to the principles and code of conduct on good corporate governance policy as operational practices throughout the organization.
- Any activities under anti-corruption policy shall apply the practical guidelines set out in Code of Conduct Manual, good corporate governance policy as well as rules and related operating manuals of the Company as well as any other guideline the Company deems appropriate to prescribe for compliance with this policy. All directors, executives, and employees shall exercise due diligence in the following matters:
  - a. Giving or receiving gifts, entertainment, and expenses for giving or receiving gifts and entertainment shall comply with Company’s regulations.
  - b. Giving or receiving donations for charity or subsidy from giving or receiving donations shall be transparent and legal and there shall be a follow-up of the payee to report the results according to the purpose of obtaining money from the Company for business relations and procurement. It is prohibited to give or accept bribes in business operation and procurement of all kinds. Business operation and Company’s contact shall be transparent, honest, accountable, and subject to relevant business laws and rules.
  - c. Do not use any funds or resources of the Company to support political activities to any political candidate who is politician or political party.

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

In addition, the Company shall provide a whistleblowing channel for directors, executives, employees, and all stakeholders of all groups to submit a complaint or whistleblowing directly to Internal Audit Department or directly to the Audit Committee or through

the Management of the Company. The determined channels of complaint or whistleblowing include the Company's website, e-mail or mail, which are effective on 14 November 2016 onwards.

#### **Approval Measures and Procedures for Related Party Transactions**

Related party transactions or connected transactions of the Company shall be entered in accordance with rules set in the Securities and Exchange Act and Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 on Rules on Related Party Transactions and Notification of the Securities and Exchange Commission on Information Disclosure and Practices of Listed Companies in Related Party Transactions, as well as related rules of the Securities and Exchange Commission and/or Stock Exchange of Thailand and regulations related to disclosure of related party transactions in notes to financial statements audited by auditor of the Company, Annual Report, and Annual Registration Statement (Form 56-1).

If the Company is required by laws to gain approval from the Board of Directors' Meeting or Shareholder's Meeting before entering into a related party transaction in any matter, the Company shall assign the Audit Committee to review and provide comments on such transaction. The opinions of the Audit Committee will be presented to the Board of Directors' or Shareholders' Meeting, whichever the case may be, to ensure that the proposed transaction is in the best benefit of the Company.

In case of a related party transaction between the Company and/or subsidiaries and a person who may have conflict of interest or stake or may have conflict of interest in the future, the Audit Committee will remark an opinion on the necessity of entering into such transaction and the reasonableness of price of such transaction by considering various conditions in line with nature of ordinary course of business in the industry, and/or comparing with the price of a third party and/or market price and/or price or terms of such transaction at the same level with a third party, and/or enabling to indicate that the transaction has reasonable pricing or reasonable and fair conditions. If the Audit Committee is not proficient in consideration of the contingent related party transactions, the Company will assign its independent expert or auditor to provide comments on such related party transaction to be used to support the decision of the Board of Directors, Audit Committee and/or shareholders, whichever the case may be, to serve as a guideline for considering the necessity and the reasonableness of entering into important related party transactions.

In approving a related party transaction, the party who may have conflict of interest or stake in the transaction shall not have the right to vote for approval of such related party transaction in order to ensure that such transaction will not be a removal or transfer of interest between the companies or shareholders of the Company but is a transaction considered by the Company to be in the best benefit of all shareholders.

In principle, the Management can approve such transactions if those transactions have trade agreements in the same way that any reasonable man should deal with a general partner in the same situation under bargaining power without his/her influence as a director, executive or related party. The Company shall prepare a summary report of such transactions to be reported to the next Board of Directors' Meeting.

#### **Related Party Transaction Policy**

1. Directors and Executives of the Company shall prepare the stakeholding report of their own or their related parties, and inform the Company so that the Company will have information for internal use for execution in accordance with the regulations on related party transactions.
2. If the Company enters into any contract or related party transaction with its subsidiaries, associated companies, related companies and/or third parties, the Company shall consider the necessity and suitability in entering into the contract, mainly taking into consideration the benefit of the Company and the related party price charging shall be under the same terms and conditions as general customers at fair market value. The Company shall use the same price and terms as the Arm's Length Basis, which is fair and reasonable for the best benefit of 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 utilize the report of an independent appraiser hired by the Company in comparison of prices for significant related party transactions to ensure that the prices are reasonable for the best benefit of the Company and all shareholders.
3. The Company shall conduct a financial assistance transaction with its subsidiaries and associated companies, such as working capital in the form of loan, guaranteed loans with caution for the best benefit of the Group by charging the related party compensation such as interest or guaranteed fee at market price on the transaction date.

4. In case where value of the related party transaction is within the criteria requiring the request of approval from the shareholders, the stakeholding shareholders can attend the meeting as part of a quorum but having no voting rights. The stakeholders are not counted in vote calculation basis for approval of the related party transactions. Therefore, no problem with quorum and vote is derived from such criteria.
5. The stakeholding directors or executives in any matters are not entitled to vote and not allowed to attend the meeting or approve the transactions in such matters.

In case of entry into related party transactions in the future, the Company shall comply with the Securities and Exchange Law, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and Stock Exchange of Thailand. The transactions must not be a removal or transfer of benefits between companies or shareholders of the Company but must be transactions under concern of the Company on best benefits of the Company and all shareholders.

In case of normal transactions that are expected to continuously occur in the future, the Company shall execute in accordance with rule and practical guideline for general trade referring to prices and conditions that are suitable, fair, reasonable, and accountable. Such transactions shall be entered in accordance with terms of the agreement with general commercial terms as approved by the Board of Directors' Meeting.

In this regard, the Management shall prepare list of the summary of such transactions to be annually reported to the Audit Committee.

The disclosure of the Company's related part transactions shall be in accordance with laws and rules set by the Office of the Securities and Exchange Commission and Stock Exchange of Thailand, and in line with accounting standards related to the Company or related parties of the Federation of Accounting Professions.

#### Conflict of Interest Prevention Policy

To declare the Company's intention on realization of the importance of preventing a conflict of interest and protection of the Company and shareholders' maximum interests, the Company has established the following policy and practical guideline:

1. Directors, executives, and employees of the Company are prohibited to use the Company's opportunity or information for personal benefits or competition with the Company's business.

2. Any business decision of personnel at all levels must be made in business activity operation for the best interest of the Company only. It is considered as duty of personnel at all levels to avoid financial involvement or relationship with other third parties that will result in loss of the Company's interests or conflict of faith or interest or obstruction of efficient duty performance. The related or connected parties of the considered transactions must disclose the information about such conflict of interest for acknowledgement of the Company on their relationship or connection in such transactions and must not participate in consideration and approval of such transactions.
3. In case of entry into related party transaction with potential conflict of interest, the Board of Directors shall take action in accordance with the determined written measures and procedures for approval of related party transactions.

#### Investment Policy and Governance Policy for the Operation of the Subsidiaries

1. The Company gives precedence to and focuses on investing in activities with potential growth to generate good return on investment in liquefied petroleum gas which is the core business of the Company, with a focus on business expansion or increase in production capacity of the Company in various areas.
2. The Company has a policy to invest in businesses that can support and promote its core business and may purchase shares or acquire other related business.
3. The Company may consider investing in other non-core businesses in the future. The investment shall be consistent with the Company's business condition and strategic plans.
4. In considering investment in various projects of the Company, the Company shall analyze the feasibility of the project and consider related factors, including investment risk in the project, business expansion trend, value addition, worthiness of the project, and increase in competitiveness of the Company, etc. The Company shall assign its experts (or external expert as the case may be) to consider the investment in such a project prior to investment, and present investment plan to the Board of Directors for consideration, and provide recommendations to minimize potential investment risks.

5. In case of joint venture with other persons, the Company shall verify to make sure that the joint investor of the Company is appropriate and credible, and has none of a embezzling or fraudulent history or behavior in the past.
6. In case of necessity on any hedging or insurance in investment, the Company shall provide hedging or insurance as appropriate.
7. The Company's investment shall be performed in the same manner as the Arm's Length Basis by always checking and preventing potential conflict of interests in each of such investments.
8. Investment approval of the Company shall comply with the Notification of the Capital Market Supervisory Board on Criteria for Entry into Significant Transactions that are Acquisition or Disposal of Assets and Notification of the Stock Exchange of Thailand on Information Disclosure and Other Practices of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004).

### Code of Conduct

The Company has established a written Code of Conduct to serve as guideline for good business practices and for proper operation in order to build the corporate foundation of stable business operation. The Company shall ethically and legally conduct business in accordance with the requirements, and respect the rights of traders and customers of the Company as well as equally accountable to related parties and personnel of the Company. Everyone whether being the Board of Directors, executives, and every staff member shall be treated in the same way under an ethical framework with ethics, virtue, honesty and orderliness, whether or not such persons have signed for acknowledgement.

The Company has also annually established a policy to review and update its Code of Conduct to be appropriate for the changing situations and has given precedence to implementation for fair, equitable, transparent treatment of shareholders in all sectors, and presentation of accurate and adequate information. The Company's Code of Business Conduct has been disseminated via the Company's website and Annual Report in order to build a good understanding and encourages compliance of directors, executives, and employees at all levels and stakeholders, and communicate and disseminate the said Code to new employees for acknowledgement all over.

## 5. Remuneration of Auditor

### Audit Fee

The Company and its subsidiaries paid audit fees to the firm under by the auditor, PricewaterhouseCoopers ABAS Ltd. ("PwC") for 2018 in the amount of THB 6 million, consisting of audit fee of the Company for 2018 of THB 5.4 million and audit fee of subsidiaries for 2018 of THB 0.6 million, and Sakcess Consulting Co., Ltd. ("Sakcess") as the auditor of its subsidiaries for 2018 of THB 0.08 million.

### Non-Audit Fee

-None-



# Social and Environmental Responsibility Policy



The company is committed to conducting business based on good corporate governance principle, ethical values, and responsibility for its society, community, environment, stakeholders, and all parties related to the company. The company focuses on strategic corporate social responsibility (CSR) aimed at proactive CSR which combines internal and external CSR and engages business partners from all sectors in activities organized to collectively advance corporate and social values.

The company's CSR plan upholds the slogan "Together, Create Smile" in its business practices, leading to CSR activities which are geared towards value creation between the organization and its stakeholders and utilizing its core competencies to appropriately design CSR activities.

The company began promoting internal CSR by taking safety standards seriously. It is commonly known that companies selling liquid petroleum gas must gain trust and confidence in its highest safety standards. Hence, the company has adopted a policy to

conduct its business in strict compliance with the laws, rules, standards, and other regulations and asked its business partners to do the same. The company also provides educational and accident prevention trainings by officers from the Department of Energy Business to its business partners and gas fillers on a regular basis. Its continued business growth reflects the company's management which is transparent and accountable, following good corporate governance principle, fighting against corruption, and respecting human rights based on its recognition of the benefits of shareholders, employees, community, society, business partners, and all stakeholders.

For external CSR, as one of the largest distributors of liquid petroleum gas, the company seeks to engage business partners from all sectors including customers in the automobile, industrial, commercial, and household sectors in its CSR activities to collectively create value and strengthen the organization



## 1. Responsibility towards Community and Educational Support

Education is a key foundation for human capital development. It is a tool which can lead to career success, self-reliance, and strong community. Recognizing the importance of education as a foundation for life quality enhancement and income generation, the company has supported and provided scholarships for needy students with good behavior and diligence without any obligations to ensure access to education and potential growth for Thai youths and children who will become a powerful engine for the country's development in the future.

Recognizing the importance of youths and children around the gas terminals and remote areas, the company has organized activities for the household customer group in order to continue its "Full Belly...Warm Smile with World Gas" project for the eighth time this year at Pracha Patana Ban Haet School, Ban Haet District, Khon Kaen with an objective of delivering a smile to all the youths by providing scholarships and improving school canteen and playground. The company recognizes the importance of education, school buildings, nutrition, and health which are vital to preparing young people for learning and in becoming a key engine for the country's development.

The event was organized in parallel with "CSR Love Truck Love Trip by World Gas" project for the third consecutive year. At the event, food trucks were turned into mobile kitchens with knowledge about nutrition and food preparation for youths and children.

The first and second events were held at Ban Mueng Kued School, Mae Taeng District, Chiang Mai and Tum Lay Tong Temple Community, Lumlukka District, Pathum Thani respectively.

The company cares about the communities and stakeholders in the areas around the company's gas terminals and has provided support for local activities including:

- National Elderly Day and Songkran Festival, Samut Songkhram Terminal
- Kathin Ceremony at Pee Kood Temple, Chachoengsao

- Rocket Festival at Ban Haet Municipality, Khon Kaen
- House building for disadvantaged people in collaboration with the Red Cross Provincial Office, Chachoengsao
- Kathin Ceremonies of government agencies
- Loy Krathong Festival at Ban Haet Municipality, Khon Kaen
- Lum Pang's Red Cross Lottery
- Sports competition to fight against drug abuse, Bang Pakong Municipality, Chachoengsao
- Futsal competition at Bang Cha Kreng District, Samut Songkhram
- Mass sports at Ban Haet, Khon Kaen
- Children's Day activities organized by local schools and communities in Bang Cha Kreng, Ban Haet, Tha Pra, Prommanusorn School, Wattanalai School, Bawornwittayont School 3, Samukkeerajbumrung School, and Bang Pakong School for Non-formal Education.

## 2. Environmental Responsibility

The company encourages its employees and suppliers in the automobile, industrial, and commercial sectors including manufacturers, hotel operators, and department stores to take part in environmental conservation, natural resource restoration, sustainable thinking, and promoting environmental awareness.

- "WP Energy for Society" project - The company organizes the project every year with a hope to engage all sectors in environmental conservation and to promote social awareness and involvement.
- This year, the company collaborated with its suppliers to build check dam to advance the vision of His Majesty King Bhumibol Adulyadej on sustainable water management at Klang Dong District, Nakhon Ratchasima.

# Internal Control and Audit



## Internal Control

The Company's Board of Directors places importance on the adequate and effective internal control that is acceptable for risks, and appropriate for business operating environment. The Board oversees to ensure that the internal control system is in place with reference to the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which determines five major components necessary for the internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information & Communication; and (5) Monitoring Activities, with the objective to ensure that the Company will achieve the objectives of internal control in terms of operational efficiency, use of resources, asset protection, financial report credibility, and legal & regulation compliance in line with the good corporate governance. The Company has thus established standards as follows:

- The Audit Committee shall be 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 audit results to shareholders in the Annual Report.

- The Company's executives are responsible for passing on the governance guidelines 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 the internal control system.

The Board of Directors has assessed the Company's internal control system by inquiring about the implementation of the guidelines and recommendations from management. Based on the assessment of the Company's internal control system in terms of five main 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 to the Company's environment. The Company also makes sure that there is sufficient number of personnel to carry out efficient internal control system.



## Internal Audit Unit

At the Meeting of the Audit Committee No. 5/2016 held on 27 July 2016, a resolution was made to appoint Ms. Niphatip Supphaluekrattanachai as the Head of Internal Audit Unit and the secretary to the Audit Committee, effective from 1 August 2016 onwards, to oversee internal audit activities because Ms. Niphatip possesses sufficient capability and is experienced in accounting and finance, able to carry out internal control tasks together with an independent internal auditor and other organizational units in the Company to further strengthen and develop internal audit tasks to the Company in the future.

The present audit plan utilizes a joint audit method jointly conducted by an independent internal auditor and the Company's Internal Audit Unit to ensure that all organizational units and Company's activities are covered by the audit in accordance with the designated audit plan.

The Meeting of the Board of Directors No. 13/2017 held on 19 December 2017 resolved to hire Unique Advisor Co., Ltd. ("Unique") to serve as the Company's independent internal auditor for 2018. Mr. Kosol Yamleemul, Managing Director of Unique, was appointed as the main responsible person for the Company's independent internal auditing. Unique and Mr. Kosol Yaemleemul have been considered of qualifications by the Audit Committee and agreed that both have appropriate and sufficient qualifications to perform such duty because they are independent and experienced in internal auditing of the business/industry similar to the Company.

The independent internal auditor is responsible for assessing the adequacy and appropriateness of the operational control and other work systems within the Company. The internal auditor is independent and directly reports to the Audit Committee consisting of the Company's independent directors. Furthermore, the independent internal auditor is not involved in the Company's operations.

## The scope, duty, and responsibility of the independent internal auditor are summarized as follows:

1. Prepare the annual audit plan.
2. Carry out an assessment to ensure that the operation is in line with the Company's goals and increases the effectiveness of risk management, control, and corporate governance.
3. Provide advices under the scope and responsibilities 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 process, control, and governance are sufficiently effective and efficient or is able to provide suggestions on the design of such process.
4. Point out weaknesses in the internal control system, taking into consideration and giving importance to high risk factors that may lead to corruption. Conduct a preliminary investigation of potential corruption cases as requested by the Audit Committee and/or Chief Executive Officer and President. Management shall be responsible for preventing, investigating, and punishing acts of corruption.
5. Request for a special audit that is not part of annual audit plan and conduct an additional investigation if being specially requested by the management and/or the Audit Committee.

The qualifications of the independent internal auditor are described in Attachment.



# Connected Transactions

Transactions between related companies and businesses in 2018 are shown below based on 2018 financial report:

Company Name	Relationship	Connected Transactions	2018 (Unit : Baht)
1. EAGLE	It is the Company's subsidiary with 99.99% of total shares held by the Company and joint director(s) with the Company.	<b>Transactions from income statement</b>	
		Income of property rent	3,120,133
		Interest Income	1,141,918
		LPG transportation charge	160,980,433
		<b>Transactions from Statement of Financial Position</b>	
		Trade and other receivables	597,791
		Accrued Expenses	2,980,851
		Trade and other payables	12,486,922
2. LOGISTIC ENTERPRISE	It is a subsidiary of EAGLE which holds 99.98% of total shares and has joint director(s) with the Company.	<b>Transactions from income statement</b>	
		Income of Loan Guarantee Fee from purchase of tanker trucks	1,660
		Tanker truck rental fee	9,664,414
		<b>Transactions from Statement of Financial Position</b>	
			None
3. WP GAS	It is the Company's subsidiary with 99.99% of shares, held by the Company and joint director(s) with the Company and the Company's executive as director.	<b>Transactions from income statement</b>	
		LPG sales revenue	20,617,976
		Interest Income	2,170,000
		Management fee	1,848,747
		<b>Transactions from Statement of Financial Position</b>	
		Trade and other receivables	2,454,159
		Short-term loan	35,000,000
4. WP SOLUTIONS	It is the Company's subsidiary with 99.99% of total shares, held by the Company and joint director(s) with the Company and the Company's executive as director.	Transactions from income statement	None
		Transactions from Statement of Financial Position	None
5. WP SOLLAR	It is a subsidiary of WP SOLUTIONS which holds 99.99% of total shares and has joint director(s) with the Company and the Company's executive as director.	Transactions from income statement	None
		Transactions from Statement of Financial Position	None



## Necessity and Validity

1. The purpose of transactions with EAGLE is to enable EAGLE to deliver products to the Company's customers, which is a normal business. The volume of services received from EAGLE is consistent with the Company's need and business operation. The fee and conditions of services of EAGLE are as agreed in the Agreement which is made as if usually made with an external supplier without any intention to share benefits between both parties or any special transaction.
2. The transactions between the Company and EAGLE include: 1) income of property rent, 2) interest income, and 3) LPG transportation fee. The fees and conditions for these three transactions are as if usually made with an external supplier without any intention to share benefits between both parties or any special transaction.
3. parties or any special transaction. The Company has two connected transactions with LOGISTIC ENTERPRISE including: 1) loan guarantee fee from purchase of tanker trucks, and 2) tanker truck rental fee. The fees and conditions for these two transactions are as if usually made with an external supplier without any intention to share benefits between both parties or any special transaction.
4. The Company has three connected transactions with WP GAS including: 1) LPG sales revenue, 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 benefits between both parties or any special transaction.

## Policy and Future Trend of Connected Transactions

Should there be related party transactions in the future, the Company shall comply with the Securities and Exchange Act, applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, and the Company's policy regarding conflicts of interest. However, the transactions must not be a transfer of benefits between companies or the Company's shareholders but shall be transactions considered by the Company to maximize the benefit of the Company and all shareholders.

For transactions arisen by the Company's normal business operations, the Company shall comply with the rules and guidelines for general trade conduct based on prices and conditions as if usually enter into transactions with an external supplier.

The disclosure of connected transactions shall be in compliance with laws and regulations prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand and shall also comply with the Accounting Standards on Information Disclosure of Related Persons or Businesses set by the Federation of Accounting Professions.

The future trend of the Company's connected transactions will not differ from the present, that is, it will be connected transactions between the Company and subsidiaries, which include EAGLE, LOGISTIC ENTERPRISE, WP GAS, WP SOLUTIONS, and WP SOLLAR as mentioned above.



# Report of the Audit Committee

The Audit Committee of WP Energy Public Company Limited (the “Company”) consists of the competent independent directors who are appointed from the Board of Directors consisting of three complete qualified directors required by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows.

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

The Audit Committee performs duties as assigned by the Board of Directors in accordance with the Charter of the Audit Committee in consistency with the regulations of the Stock Exchange of Thailand. From last 1 January 2018 to 31 December 2018, the Audit Committee held total of eight meetings for discussion with the Management, Internal Control Department of the Company, and Unique Advisor Co., Ltd which is the independent internal auditor appointed by the Company and responsible for auditing the Company’s internal control system and auditor in the related matters.

The performance results of the Audit Committee in 2018 can be summarized in the following essence:

## 1. Review of Financial Report

The Audit Committee reviewed quarterly and annual consolidated and separate financial statements for the year 2018. The Committee inquired the auditor about the accuracy and completeness of the financial statements, adjustment of significant account entries, accounting estimates that affected financial statements, adequacy and appropriateness of bookkeeping method and scope of audit, accurate and complete disclosure of information, and the auditor’s independence to ensure the Company’s preparation of accurate financial statements in accordance with the requirements of laws and Generally Accepted Accounting Standards in reliable and timely manner in consistency with International Accounting Standards, and complete and adequate disclosure of material information which is useful for the user of financial statements. The Audit Committee also listened to clarification provided by Director of Accounting and Finance and auditor on key information used in preparing financial report.

The Committee also convened the quarterly meeting with the auditor without the presence of the Management to independently overhear unqualified opinions on auditing financial report certified by the auditor without significant observations.

The Audit Committee considered and deemed that quarterly and annual consolidated and separate financial statements for the year 2018 are accurate and reliable in materiality in accordance with Thai Financial Reporting Standards under adequate disclosure of information.

## 2. Review of Internal Control System and Internal Audit System

The Audit Committee quarterly reviewed the adequacy of the Company’s internal control system based on the guideline of internal control in various areas, together with Internal Audit Department of the Company, independent internal auditor and auditor. The reviewed matters included the Company’s operations, resource use, asset protection, error prevention or reduction, financial report reliability, and law and regulation compliance. The Audit Committee recommended that the Management shall apply the opinions of the Company’s Internal Audit Department, independent internal auditor, and auditor to develop a more efficient internal control system.

In part of internal audit, Unique Advisor Co., Ltd. (“Unique”) was appointed as the Company’s independent internal auditor to perform assessment on adequacy and appropriateness of the control system, operational process, and other work systems within the Company, due to Unique’s independence and experience in internal auditing of the business/industry similar to the Company. The independent internal auditor is independent and directly reports to the Audit Committee that consists of the Company’s independent directors. Furthermore, the independent internal auditor is not involved in the operations of the Company.

Moreover, the Company has set up its Internal Audit Unit to oversee internal audit functions of the Company. The Internal Audit Department of the Company will work together with the independent internal auditor hired by the Company to enable to audit covering every work unit and activity of the Company in accordance with the predetermined audit plan for more confidence.

The Audit Committee considered and deemed that the Company's operating methods and internal control system both in term of accounting system and management system in overview are in line with the guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. It can therefore in overview be considered that the Company has adequate and appropriate internal control system and internal audit system in consistency with the opinion of the auditor that reported that no essential problems or errors affecting the Company's financial statements were found from review.

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

The Audit Committee reviewed the compliance with laws related to important business activities of the Company and deemed that no essential issues were considered as non-compliance with Securities and Exchange Law or regulations of the Stock Exchange of Thailand and related laws.

The Audit Committee considered and deemed that the Company has adequately complied with laws and relevant regulations.

### 4. Consideration of the Selection of Auditor and Determination of Remuneration

The Audit Committee considered from qualification, experience and quality of past performance, preparedness of the personnel, acceptable operating standard, and knowledge and understanding in LPG business, in accompany with determination of the appropriate rate of audit fee of the auditor for performed work load and quality, and deemed appropriate to nominate the following persons for appointment.

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

On behalf of PricewaterhouseCoopers ABAS Ltd. ("PwC") as

the auditor of the Company for the year 2019. Any one of these persons shall be responsible for auditing and providing opinions on the Company's financial statements. The Audit Committee deemed that the auditor of the Company nominated for appointment as the Company's auditor is independent and possesses expertise in the profession, appropriate experiences, and full qualifications required by the Office of the Securities and Exchange Commission, and Stock Exchange of Thailand. The Audit Committee therefore deemed appropriate to propose to the Board of Directors for consideration and approval prior to proposing to the General Meeting of Shareholders for approval.

### 5. Related Party Transactions or Transactions with Potential Conflict of Interests

The Audit Committee considered and reviewed related party transactions, connected transactions, or transactions with potential conflict of interests in compliance with the regulations prescribed by the Notification of the Stock Exchange of Thailand for execution of the listed companies.

The Audit Committee of the Company regularly considered and audited related party transactions or connected transactions with persons who may have conflict of interests or stakeholders to ensure that such transactions are in compliance with the rules of the Stock Exchange of Thailand and the Company's Code of Best Practices. In 2018, the Audit Committee deemed that the Company has complied with laws and regulations on related party transactions, without transactions with potential conflict of interests. The transactions the Company entered with parties that may have conflict of interests were in ordinary course of business on an arm's length basis. The similar term of trade conditions and agreements as entered with the third party are established in the said related party transactions entered by the Company.

The Audit Committee considered and deemed that the Company had none of any conflict of interests in accordance with the criteria prescribed in the relevant Notifications of the Capital Market Supervisory Board. The Company has established measures and procedures for approving related party transactions or connected transactions with the parties that may have conflict of interests or stakeholders and the Audit Committee and the Board of Directors carefully considered appropriateness before making a decision to enter into any transactions.

## 6. Number of Meetings and Attendance of Each Audit Committee Member

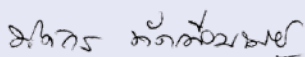
The Company's Audit Committee consists of three qualified members as per the following name list.

Name List	Position	The Meeting of the Audit Committee	
		Number of Meetings	Number of Meeting Attendance
1. Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee	8	8
2. Mrs. Soithip Trisuddhi	Member of the Audit Committee	8	8
3. Mrs. Lakananan Luksamitananan*	Member of the Audit Committee	8	5

Remark \*The member of the Audit Committee who has adequate knowledge and experience to enable to review the reliability of financial statements.

## 7. Overall Opinion of the Audit Committee on Performance of Duties under the Charter

In summary, the Audit Committee has performed its duties and responsibilities under power and roles and duties set forth in the Charter of the Audit Committee, using knowledge, competence, carefulness, diligence, and adequate independence, and acquiring creative opinions and suggestions for equitable benefits of the stakeholders. The Audit Committee deemed that the report of the Company's financial information is accurate, reliable and consistent with Generally Accepted Accounting Standards. The Company's duty performance has been consistent with laws and obligations related to business operations and good corporate governance system under appropriate and effective internal control and internal audit systems.



**(Mrs. Niskorn Tadthiemrom)**

Chairman of the Audit Committee



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

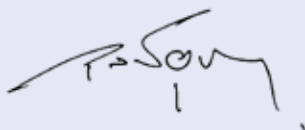
The Board of Directors is responsible for separate financial statements and consolidated financial statements of WP Energy Public Company Limited and its subsidiaries. Such financial statements are prepared in accordance with Generally Accepted Accounting Standards through selection to apply the appropriate accounting policies and regular observance, exercise of prudent discretion, use of the reasonable estimation principle in preparation, and adequacy of proper and transparent disclosure of key information in notes to financial statements to indicate financial position, operating results and statements of cash flow for benefits of shareholders and general investors. Such financial statements have been audited by the certified public accountant of PricewaterhouseCoopers ABAS Ltd. in auditing. The Company has supported information and documents so that the auditor can audit and express opinions in accordance with Auditing Standards.

The Board of Directors realizes on its duties and responsibilities in efficient preparation of financial report and therefore establishes and maintains risk management system, internal control system both in term of the related duty performance and information system, appropriate and effective internal audit and governance to ensure the accuracy, completeness and adequacy of accounting

information in maintenance of the Company's assets, and risk prevention, and non-essential occurrence of corruption or abnormal execution.

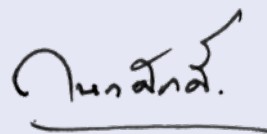
The Board of Directors has appointed the Audit Committee consisting of Independent Directors to govern and review the reliability and accuracy of financial statements, assess internal control and internal audit systems for efficiency, and consider appropriate and complete disclosure of related party transactions. The opinions of the Audit Committee as appeared in the Audit Committee's Report are presented in this Annual Report.

Based on the aforesaid corporate governance and practices, the Board of Directors deemed 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 2018 properly and fairly reflect financial position, operation results, and cash flows in accordance with Generally Accepted Accounting Principles, and proper compliance with laws and related rules in all respects. The auditor has audited and expressed opinions in the Certified Public Accountant's Report presented in this Annual Report.



**(Mr. Chulchit Bunyaketu)**

Chairman of the Board of Directors



**(Mr. Kanoksakdi Bhinsaeng)**

Chairman of the Executive Committee



# Management's Discussion and Analysis

## LPG Industrial Situation in Thailand

In 2018, sales volume of LPG in Thailand was 6,619 million kg, increasing by 281 million kg or 4.43% compared to 2017, production volume was at 6,247 million kg, increasing by 191 million kg or 3.15% from last year, and import volume was 682 million kg, increasing by 40 million kg or 6.23% at the time of continuous increase in LPG export volume of 385 million kg, increasing by 138 million kg or 55.87% from last year.

**Table of LPG Supply and Distribution**

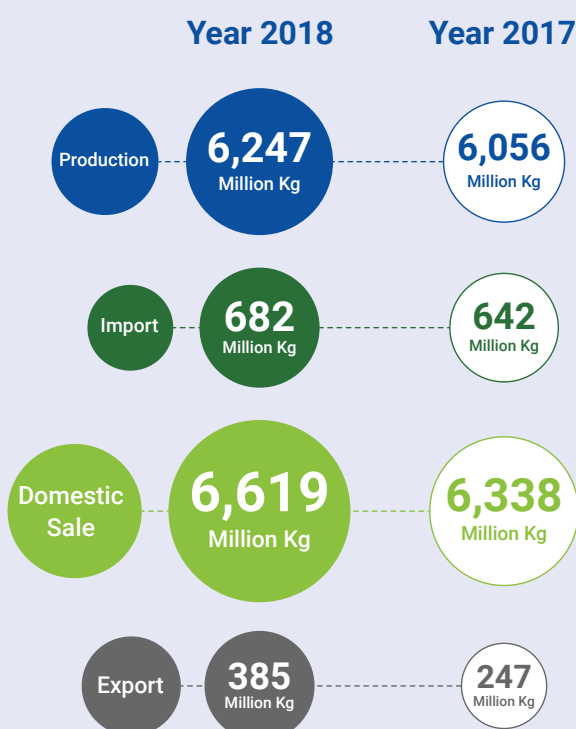


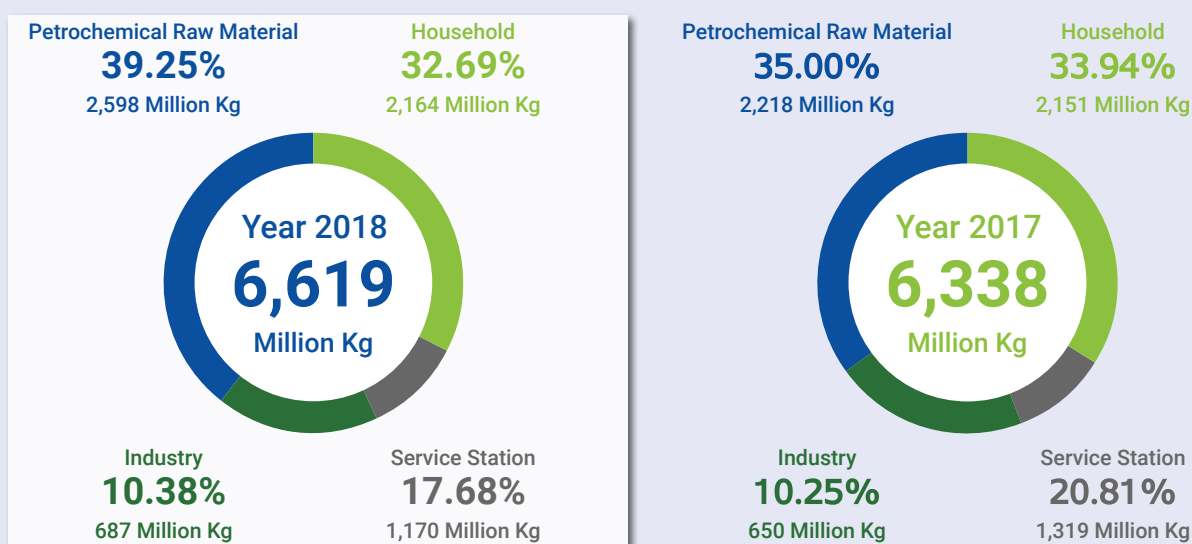
Table of LPG Demand for Domestic Consumption by Economic Sector shows that LPG demand in 2018 was 6,619 million kg, increasing by 4.43% from 2017 mainly due to an increase in LPG demand for use as petrochemical raw material by 17.13% or 380 million kg. Demand of LPG from service stations decreased by 149 million kg or 11.29% while demand from household and industrial sectors slightly increased compared to 2017 by 0.60% and 5.69%, respectively.

Proportion of LPG demand for domestic consumption by Thailand economic sector in 2018 was as follows: household sector 32.69%, industrial sector 10.38%, service stations 17.68%, and petrochemical raw material 39.25%.

Source: Energy Policy and Planning Office Ministry of Energy, Ministry of Energy  
(<http://www.eppo.go.th/index.php/th/energy-information>)



**Table of LPG Demand for Domestic Consumption by Economic Sector**



Source: Energy Policy and Planning Office Ministry of Energy, Ministry of Energy (<http://www.eppo.go.th/index.php/th/energy-information>)

## Overview of the Company's Business

WP Energy Public Company Limited is a producer and distributor of liquefied petroleum gas (LPG) for household, automotive, and industrial sectors under World Gas brand. As at 31 December 2018, the Company has had a market share of 18.00%.

In 2018, the Company's total revenue of THB 14,978 million being derived from LPG sales of THB 14,684 million. The Company's total revenue decreased by 4.89% from last year, due to a decrease in total LPG sales volume from 886,246 tons to 817,657 tons while average price per kilogram slightly increased from THB 17.43 per kg to THB 17.96 per kg.

The Company's revenue is derived from five main groups of customers, namely filling plants, LPG service stations, industrial plants, commercial customers, and gas stores. Over 43% of revenue is from filling plants. If considering on sales volume, it indicated the same direction of sales volume and revenue at more than 40% of the Company's sales volume from filling plants.

Most of LPG traders in Thailand currently use domestic raw materials of the same quality and gas cylinders manufactured by only a handful of factories in the country. Therefore, it can be concluded that there are almost no differences between the products of traders under Section 7. However, competition within the industry focuses on marketing and service strategies.

The Company gives precedence to all customer groups from small to medium-sized enterprise operators which are easy to reach, while expanding market to reach more commercial customers and industrial plants that require large volume of LPG under the goal of creating a stable customer network of the Company to ensure stability and ability to generate revenue.

## Operation Results and Financial Position

Analysis and discussion of 2018 operation results and financial position of the Company and subsidiaries can be summarized as follows:

### 1. Operation Results

In 2018, the Company Group's total revenue amounted to THB 14,978.08 million, decreasing by THB 769.26 million or 4.89% from 2017 with total revenue of THB 15,747.34. With continuity of the Company Group's net profit growth, net profit amounted to THB 321.48 million in 2018, increasing by THB 189.53 million or 143.63%. In 2017, net profit amounted to THB 131.96 million, and EBITDA increased by 60.01% from 2017 as per the following details.

(Unit : Million Baht)	Year 2018	Year 2017	Increase (Decrease) Amount	Increase (Decrease) %
Total revenue	14,978.08	15,747.34	↓ (769.26)	↓ -4.89%
Revenue from sales and services	14,726.87	15,512.82	↓ 785.95	↓ -5.07%
Net profit	321.48	131.96	↑ 189.53	↑ 143.63%
Net profit margin (%)	2.15%	0.84%	↑ pp 1.31	
EBITDA	674.91	421.80	↑ 253.11	↑ 60.01%

### Revenue

The Company and its subsidiaries earn main revenue from LPG sales for various types of customers, and revenue from transportation service charges and other incomes. In 2018, the Company and its subsidiaries had revenue structure and proportion of revenue by revenue type as follows:

**Table 1: Revenue Structure of the Company and its Subsidiaries by Revenue Type**

(Unit : Million Baht)	Year 2018		Year 2017		Increase (Decrease) Amount	Increase (Decrease) (%)
	Amount	(%)	Amount	(%)		
Revenue from LPG sales	14,684	98.04%	15,448	98.10%	↓ (763)	↓ -4.94%
Revenue from transportation	42	0.28%	65	0.41%	↓ (23)	↓ -34.86%
Other incomes	251	1.68%	235	1.49%	↑ 17	↑ 7.12%
<b>Total revenues</b>	<b>14,978</b>	<b>100.00%</b>	<b>15,747</b>	<b>100.00%</b>	<b>↓ (769)</b>	<b>↓ (4.89%)</b>

### 1) Revenue from LPG sales

In 2018, the Company and subsidiaries' revenues from LPG sales amounted to THB 14,684 million, decreasing by THB 763 million or 4.94% from 2017 with revenue of THB 15,448 million mainly due to a decrease in total LPG sales volume from 886,246 tons to 817,657 tons as the result of a decrease in sales volume of LPG service stations in the same direction as overall market trend.

### 2) Revenue from transportation service charges

In 2018, the Company and subsidiaries' revenues from transportation service charges amounted to THB 42 million, decreasing by 34.86% from 2017 mainly due to a decrease in service station customers.

### 3) Other incomes

(Unit : Million Baht)	Year 2018	Year 2017	Increase (Decrease) Amount	Increase (Decrease) %
Transportation income	129	141	↓ (13)	↓ -8.92%
Interest income	8	7	↑ 1	↑ 10.16%
Rental income	11	12	↓ (1)	↓ -10.80%
Gain from disposal of assets	22	11	↑ 11	↑ 105.54%
Revenue from cylinder maintenance	16	29	↓ (13)	↓ -44.09%
Other income	66	35	↑ 31	↑ 89.38%
<b>Total other incomes</b>	<b>251</b>	<b>235</b>	<b>↑ 17</b>	<b>↑ 7.12%</b>

In 2018, the Company Group's other incomes amounted to THB 251 million, slightly increasing by 7.12% from 2017 mainly due to revenue from reversal of transaction from provision by THB 39 million in 2018 as the result of the certainty on non-requirement of the Company to pay obligation which has ever been set aside in the past.

## Expenses

Main expenses of the Company and its subsidiaries include cost of LPG sales, cost of transportation services, selling expense, administrative expense, and finance cost. In 2018, the Company and its subsidiaries had expense structure and proportion of expense by expense type as follows:

**Table 2: Expense Structure of the Company and its Subsidiaries**

(Unit : Million Baht)	Year 2018		Year 2017		Increase (Decrease) Amount	Increase (Decrease) (%)
	Amount	(%)	Amount	(%)		
Cost of LPG sales	13,871	95.14%	14,825	94.97%	↓ (956)	↓ (6.44%)
Cost of transportation services	26	0.17%	38	0.24%	↓ (31)	↓ (54.86%)
Selling expense	297	1.97%	294	1.88%	↑ 22	↑ 8.26%
Administrative expense	384	2.63%	439	2.81%	↓ (55)	↓ (12.61%)
Finance cost	13	0.09%	14	0.09%	↓ (1)	↓ (6.90%)
<b>Total expenses</b>	<b>14,589</b>	<b>100.00%</b>	<b>15,610</b>	<b>100.00%</b>	<b>↓ (1,021)</b>	<b>↓ (6.54%)</b>

**1) Cost of LPG sales is shown in below Table.**

(Unit : Million Baht)	Year 2018	Year 2017	Increase (Decrease) Amount	Increase (Decrease) %
Cost of LPG sales	13,871	14,825	↓ (954)	↓ (6.44%)
Revenue from LPG sales	14,684	15,448	↓ (763)	↓ (4.94%)
Proportion of cost of LPG sales comparative to revenue from LPG sales	94.46%	95.97%	pp -0.02	↓
Gross profit margin from LPG sales	5.54%	4.03%	pp 0.02	↑

In 2018, the Company and its subsidiaries' cost of LPG sales amounted to THB 13,871 million, decreasing by 6.44% from 2017 mainly due to more efficiency of cost management plan in accompany with a decrease in LPG sales volume from 886,246 tons to be 817,657 tons. This decrease in sales volume also caused a decrease in revenue from LPG sales but in the proportion that is slightly lesser than cost of sales by 4.94%, resulting in an increase in the Company and its subsidiaries' gross profit from LPG sales from 4.03% to 5.54%.

**2) Cost of transportation services is shown in below Table.**

(Unit : Million Baht)	Year 2018	Year 2017	Increase (Decrease) Amount	Increase (Decrease) %
Cost of transportation services	26	38	↓ (12)	↓ (32.55%)
Revenue from transportation service charges	42	65	↓ (23)	↓ (34.86%)
Proportion of cost of transportation services comparative with revenue from transportation service charges	60.07%	58.01%	pp 0.02	↑
Gross profit margin from transportation services	39.93%	41.99%	pp -0.02	↓

In 2018, the Company and its subsidiaries' cost of transportation services amounted to THB 26 million, decreasing by 32.55% from 2017 as the result of improved cost management in accompany with volume of transportation to customer in the group with lower gross profit margin. However, the Company and its subsidiaries' gross profit margin from transportation services slightly decreased from 41.99% in 2017 to 39.93% in 2018.

**3) Selling expense**

In 2018, selling expense amounted to THB 297 million or 2.01% of total revenues (excluding other incomes), increasing by THB 2 million or 0.81% compared to 2017 mainly due to the Company's organizing public relations activity of the Company and "World Gas" brand to create better corporate image both in term of Digital Media and activity sponsorship.

**4) Administrative expense**

In 2018, the Company Group's administrative expense amounted to THB 384 million or approximately 2.61% of total revenues (excluding other incomes), decreasing by THB 55.14 million or 12.57% from 2017 mainly due to the Company Group's financial consulting expense relating to trading resumption of WP in Stock Exchange in accompany with the Company Group's ability to manage gas storage area in depot for maximum efficiency in the ending period of 2017. LPG reserve deposit-related expense therefore decreased in 2018.

**5) Finance cost**

In 2018, the Company and its subsidiaries' finance cost amounted to THB 13 million or approximately 0.09% of total revenues (excluding other incomes), decreasing by 0.09% from the same period of last year.

**Table 3: Profit and Gross Profit of the Company and its Subsidiaries**

(Unit : Million Baht)	Year 2018	Year 2017	Increase (Decrease)	
			Amount	%
Gross profit (excluding other incomes)	830	650	↑ 181	27.82%
Gross profit margin (excluding other incomes) (%)	5.64%	4.19%	pp 1.45	↑
Net profit	321	132	↑ 190	143.63%
Gross profit margin (%)	2.15%	0.84%	pp 1.31	↑

## Profit

In 2018, in state of decline in sales volume while increase in net profit from THB 132 million to THB 321 million or 143.63% compared to 2017, and net profit margin (net profit to total revenues), increasing from 0.84% to 2.15%. Moreover, gross profit increased from THB 650 million to THB 830 million or 27.82%. Gross profit margin (gross profit margin to revenue from sales and services excluding other incomes) was 5.64%, increasing compared to 2017 with gross profit margin of 4.19% due to the Company Group's more efficient expense management ability.

## 2. Financial Position and Liquidity

### Assets

As at year end 2018, the Company and its subsidiaries' total assets amounted to THB 5,715, increasing by 1.84% from the end of 2017. The details of asset analysis of the Company and its subsidiaries can be summarized as follows.

### Current Assets

#### 1. Cash and cash equivalents

As at year end 2018, the Company and its subsidiaries' cash and cash equivalents amounted to THB 697 million in total, decreasing by 16.40% from the end of 2017 as the result from the Company Group's short-term investment in low risk mutual fund whereas most of the said investment was made in government bond or debt instrument of THB 400 million during 2018, resulting in a decrease in cash and cash equivalents from the same period of the time in 2017.

#### 2. Short-term investment

During 2018, the Company Group made short-term investment in low risk mutual fund whereas most of the said investment was made in government bond or debt instrument of THB 400 million.

#### 3. Trade receivables other receivables

As at year end 2018, the Company and its subsidiaries' trade and other receivables-net amounted to THB 1,032 million, increasing by 0.99% from the end of 2017 under classification into the following details.

	Consolidated Financial Statements			
	Year 2018		Year 2017	
	Million Baht	(%)	Million Baht	(%)
Trade receivables – net	999	96.80	979	95.80
Other receivables – net	33	3.20	43	4.20
<b>Total trade and other receivables – net</b>	<b>1,032</b>	<b>100.00</b>	<b>1,022</b>	<b>100.00</b>



Details of the analysis on trade receivable aging are as follows:

	Consolidated Financial Statements			
	Year 2018		Year 2017	
	Million Baht	(%)	Million Baht	(%)
Not yet due for payment	828	77.24	845	80.22
Outstanding up to 3 months	166	15.49	98	9.29
Between 3-6 months	5	0.47	6	0.58
Between 6-12 months	3	0.28	37	3.51
Over 12 months	70	6.52	67	6.40
<b>Total trade receivables</b>	<b>1,072</b>	<b>100.00</b>	<b>1,053</b>	<b>100.00</b>
Less Allowance for doubtful accounts	-73		-74	
<b>Trade receivables – net</b>	<b>999</b>		<b>979</b>	

As at year end 2018, the Company and its subsidiaries' trade receivables consist of 77.24% not yet due trade receivables and the remaining was overdue receivables. However, the Company and its subsidiaries have a policy to set aside allowance for doubtful accounts and consider set aside allowance for doubtful accounts totaling THB 73 million, which was expected to be sufficient to cover the expected uncollectible receivable amount.

#### 4. Inventories

The Company and its subsidiaries' inventories include LPG in the form of finished goods, which were THB 162 million as at year end 2018, decreasing by 20.44% from the end of 2017 mainly due to a decrease in the Company and its subsidiaries' LPG reserves.

#### 5. Investment properties held for sales

In during 2018, the Board of Directors approved to sell land which is investment property. Cost price of such land is THB 63 million. As at year end 2018, the Company could specify the buyer and expected to complete trading within 2019.

### Non-Current Assets

#### 1. Restricted bank deposit

The Company and its subsidiaries' restricted bank deposit as at year end 2018 amounted to THB 650 million, increasing by 9.31% from the end of 2017 for THB 595 million. The restricted bank deposit is cash for guarantee on issuance of letter of guarantee to the business partner.

#### 2. Reserve account for debt payment

Reserve account for debt payment is bank deposit account for debt payment to creditors under debt restructuring. During 2018, the Company paid debts to all creditors for THB 121.24 million. As at year end 2018, there was none of balance in this account.

#### 3. Investment property

During 2018, investment property was transferred to be investment property held for sales (presented in current assets) amounted to THB 63 million due to the investment of the Board of Directors to sell land as investment property. As at year end 2018, the Company could specify the buyer and expected to complete trading within 2019.

#### 4. Property, plant and equipment

As at year end 2018, the Company and its subsidiaries' property, plant and equipment – net amounted to THB 2,524 million, decreasing by 2.10% from the end of 2017 mainly due to depreciation occurred during 2018.

## 5. Goodwill

Goodwill is derived from the Company and subsidiaries' business acquisition. Goodwill as at year end 2018 and 2017 amounted to THB 33 million, being derived from acquisition of the subsidiaries operating transportation service business and LPG service station business in the amount of THB 24 million and 9 million, respectively.

## 6. Intangible assets

As at year end 2018, the Company and its subsidiaries' intangible assets – net amounted to THB 34 million, decreasing by 13.13% from the end of 2017 mainly due to amortization of intangible assets during 2018.

## 7. Prepaid rent

As at year end 2018, the Company and its subsidiaries' prepaid rents amounted to THB 49 million, decreasing by 10.32% from the end of 2017 mainly due to amortization of prepaid rents in 2018.

## 8. Other non-current assets

As at year end 2018, the Company and its subsidiaries' other non-current assets amounted to THB 40 million, decreasing by 5.13% from the end of 2017. Core non-current assets of the Company and its subsidiaries include deposits of office building leases, property leases, public utility bills, etc.

## Liabilities

As at year end 2018, the Company and its subsidiaries' total liabilities amounted to THB 4,732 million, decreasing by 4.42% from the end of 2017. The details of the analysis on the Company and its subsidiaries' liabilities can be summarized as follows.

### Current Liabilities

#### 1. Trade and other payables

As at 2018, the Company and its subsidiaries' trade and other payables amounted to THB 1,008 million, decreasing by 10.01% from the end of 2017. The details of trade and other receivables are as follows.

	Consolidated Financial Statements			
	Year 2018		Year 2017	
	Million Baht	(%)	Million Baht	(%)
Trade payable – third party	794	78.77	832	74.28
Other payables	108	10.71	149	13.33
Accrued expenses	58	5.75	123	10.97
Advance payment	48	4.77	16	1.42
<b>Total trade and other payables</b>	<b>1,008</b>	<b>100.00</b>	<b>1,120</b>	<b>100.00</b>

The Company and its subsidiaries' trade payables are mostly LPG cost payable. Trade payables as at year end 2018 amounted to THB 794 million, decreasing by THB 38 million or 4.57% from the end of 2017 due to a decrease in LPG reserve of the Company Group. In addition, accrued expenses decreased by THB 65 million mainly due to the Company Group's outstanding financial consulting expense relating to WP's resumption for trading in Stock Exchange in the ending period of 2017.

#### 2. Provision of short-term liabilities

As at year end 2018, the Company and its subsidiaries' provision of short-term liabilities amounted to THB 8 million, decreasing by 84.85% from the end of 2017 mainly due to the Company and its subsidiaries' payment of liabilities to the creditors during 2018 and belief of the executive that amount of such provision is adequate due to several factors such as tax payment and acquisition of information from legal consultant.

## Non-Current Liabilities

### 1. Creditors under debt restructuring

As at year end 2018, the balance in this account was zero due to the completion of the Company and its subsidiaries' payment of liabilities to all creditors under debt restructuring.

### 2. Long-term borrowings from financial institution

As at year end 2018, the Company and its subsidiaries' long-term borrowings from financial institution were THB 163 million, decreasing by 22.16% from the end of 2017 due to the Company and its subsidiaries' partial repayment of loans during 2018.

### 3. Deposit received

As at year end 2018, the Company and subsidiaries' deposits received were THB 3,385 million, increasing by 2.40% from the end of 2017. The Company and its subsidiaries' deposits received are mainly deposits for small-sized gas cylinders. Customer purchase of more small-sized gas cylinders for filling LPG for sales caused increase in deposits received.

## Shareholders' Equity

As at year end 2018, the Company and its subsidiaries' total shareholders' equity was THB 993 million, consisting of issued and paid-up 518,500,000 shares at par value of 1 Baht per share, premium on LPT selling price of THB 532 million, and deficits of THB 58 million.

## Obligation Management

### 1. Obligation

As at 31 December 2018, the Company and its subsidiaries' obligation by obligation type and maturity period is as follows.

Obligation	Total	Payment Period		
		Less than 1 year	Over 1 year but less than 5 years	Over 5 years
Obligation under long-term liabilities	209,920,500	46,512,000	163,408,500	-
Obligation under operating lease	251,523,822	64,487,829	96,759,029	90,276,964
<b>Totals</b>	<b>461,444,322</b>	<b>110,999,829</b>	<b>260,167,529</b>	<b>90,276,964</b>

### 2. Contingent Liabilities

#### 2.1 Guarantees

As at 31 December 2017, the Company Group's obligation from guarantee of hire-purchase of trucks for the related companies for THB 1.98 million.

#### 2.2 Bank guarantees

As at 31 December 2018, the Company Group provided bank guarantees to guarantee purchases of gas and use of electricity for THB 1,079.42 million (2017 : THB 1,202.03 million). Bank deposits amounting to THB 640.85 million (2017 : THB 585.94 million), machineries and lands valuing to THB 130.00 million and 193.60 million, respectively, were pledged by the Company as collateral for the bank guarantees.

As at 31 December 2018, the Company's bank deposit was THB 9.23 million (2017: THB 8.98 million) as collateral for borrowing from financial institutions.

As at 31 December 2018, the Company Group provided bank deposit as security of transportation services to its customers for THB 0.20 million.

## Summary of Significant Financial Ratios

Table 4: Significant Financial Ratios of the Company and its Subsidiaries

		Year 2018	Year 2017	Year 2016
<b>Liquidity Ratio</b>				
Current Ratio	Times	2.08	1.64	1.47
Quick Ratio	Times	1.87	1.47	1.29
Trade Receivable Turnover	Times	13.86	15.66	16.61
Inventory Turnover	Times	76.07	74.33	91.48
Trade payable Turnover	Times	17.10	18.71	18.43
Average Collection Period	Times	25.98	22.99	21.67
Average Holding Period	Days	4.73	4.84	3.94
Payment Period	Days	21.06	19.24	19.54
Cash Cycle	Days	9.65	8.60	6.07
<b>Profitability Ratio</b>				
Gross Profit Margin	%	5.64%	4.19%	4.15%
Other Profit Margin	%	0.26%	0.08%	0.04%
Net Profit Margin	%	2.15%	0.84%	0.34%
Net Profit Margin(1)	%	1.89%	0.76%	0.31%
Return on Equity	%	38.65%	21.86%	11.22%
Return on Equity(1)	%	33.96%	19.76%	10.07%
<b>Efficiency Ratio</b>				
Return on Assets	%	7.09%	2.78%	1.43%
Return on Assets(1)	%	6.40%	2.54%	1.32%
Total Asset Turnover	Times	2.64	2.89	3.13
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	Times	4.76	7.36	8.84
Interest Bearing Debt to Equity Ratio	Times	0.21	0.37	0.53
Interest Coverage Ratio (EBITDA)	Times	44.83	24.28	22.54
Interest Coverage Ratio	Times	38.43	33.84	12.65
Debt Service Coverage Ratio (Cash Basis)	Times	0.76	1.86	0.42

(1) It is calculated from net profit excluding revenue from non-core business.

## Analysis of important financial ratios

		FY 2018	FY 2017	Explanation
<b>Profitability Ratio</b>				
Gross Profit Margin	%	5.64	4.19	Gross profit margin has increased to 5.64% in 2018 from 4.19% in 2017 inspite of a slight decline in sales volume. However, the Company focuses on high-margin customers and controls cost-efficiency program by diversifying to various suppliers.
Net Profit Margin	%	2.15	0.84	Net profit margin has increased significantly to 2.15% in 2018 from 0.84% in 2017 due to several implications such as an efficient lean in SG&A expense, a high base of extraordinary expense in 2017 and a decline in LPG reserve rental expense.
Return on Equity (ROE)	%	38.65	21.86	Return on equity increased meaningfully to 38.65 in 2018 from 21.86 in 2017 mainly from better performance and efficient cost control.
<b>Efficiency Ratio</b>				
Return on Asset (ROA)	%	7.09	2.78	Return on asset has increased significantly to 7.09% in 2018 from 2.78% in 2017 mainly from better performance, efficient cost control, and an attempt to focus on high-margin customers.
<b>Financial Policy Ratio</b>				
Debt-to-Equity Ratio	Times (x)	4.76	7.36	Debt-to-equity ratio has declined to 4.76x in 2018 from 7.36x in 2017 from a higher retained earnings. High debt-to-equity ratio is a result of deposits for small-sized gas cylinders in compliance with an announcement of the Office of the Consumer Protection Board, BE. 1999. However, this item will be reversed when customers return gas cylinders together with the deposit slips. Excluding out this item, the interest-bearing debt-to-equity is quite low.
Interest-bearing Debt-to-Equity Ratio	Times (x)	0.21	0.37	Interest-bearing debt-to-equity declined to 0.21x in 2018 from 0.37x in 2017 as a result of higher retained earnings and a repayment of debt. Such low ratio encourages the company to seek better financial option in the near future, if necessary.
Interest Coverage Ratio - CFO	Times (x)	38.43	33.84	Interest coverage ratio declined to 38.43x in 2018 from 33.84 in 2017 from a strong cash flow from operation. Such high ratio indicates that the company is able to pay for financial obligations.
Debt Service Coverage Ratio (Cash basis)	Times (x)	0.76	1.86	Debt Service coverage ratio declined to 0.76x in 2018 from 1.86x in 2017 from a strong cash flow from operation. Such low ratio indicates that the company is financially sufficient to repay debt obligations.



### Meaning and Formula for Financial Ratio Calculation

Financial Ratios	Unit	Financial Ratio Calculation Formula
Current Ratio	Times	= Current assets / Current liabilities
Quick Ratio	Times	= (Cash and bank deposit + Marketable securities + Trade receivables) / Current liabilities
Trade Receivable Turnover	Times	= Net sales / (Trade receivable before doubtful accounts + Trade notes receivable) (Average)
Inventory Turnover	Times	= Cost of sales / Inventory (Average)
Receivable Turnover	Times	= Purchase or cost of sales / (Trade payable + Trade notes payable) (Average)
Average Collection Period	Days	= 360 / Trade Receivable Turnover
Average Holding Period	Days	= 360 / Inventory Turnover
Average Payment Period	Days	= 360 / Trade Payable Turnover
Cash Cycle	Days	= Collection Period + Holding Period – Payment Period
Gross Profit Margin	%	= Gross profit / Net sales
Other Profit Margin	%	= Non-operating profit / Total revenues
Net Profit Margin	%	= Net profit / Total revenues
Return on Equity	%	= Net profit / Shareholders' equity (Average)
Return on Assets	%	= Earnings before Interest and Tax Expense (EBIT) / Total assets (Average)
Total Asset Turnover	Times	= Total revenues / Total assets (Average)
Debt to Equity Ratio	Times	= Total liabilities / Shareholders' equity
Interest Bearing Debt to Equity Ratio	Times	= Interest bearing debt / Equity
Interest Coverage Ratio	Times	= Cash flow from operating activities + Interest expense from operating activities + Tax / Interest expense from operating activities and investment
Interest Coverage Ratio (EBITDA)	Times	= EBITDA / Interest expense from operating activities and investment
Debt Service Coverage Ratio (Cash basis)	Times	Cash flow from operating activities / Debt payment + Investment expense + Asset purchase + Dividend



## Debt Service Coverage and Compliance with Important Loan Conditions

The Company must maintain two financial ratios as required by financial institutions, consisting of Debt Service Coverage Ratio and Interest Bearing Debt to EBITDA as per the following detail.

			Financial Ratios for 2018	Status
Debt Service Coverage Ratio	=	$\frac{\text{EBITDA}}{\text{Debt Service}}$	11.99	Pass
Not lower than 1.20:1				
Interest Bearing Debt to EBITDA	=	$\frac{\text{Interest Bearing Debt}}{\text{EBITDA}}$	0.34	Pass
Not lower than 1.20:1				

**EBITDA :** It is derived from consolidated financial statements using profit before income tax expense of consolidated financial statements after adjustment entry of expense.

**Debt Service :** Interest expense in consolidated financial statements (current year) + Current portion of long-term borrowings in consolidated financial statements (previous year) + Current portion of finance lease liabilities in consolidated financial statements (previous year).

**Interest Bearing Debt :** Current portion of finance lease liabilities in consolidated financial statements (current year) + Finance lease liabilities in consolidated financial statements (current year) + Current portion of long-term borrowings in consolidated financial statements (current year) + Long-term borrowings from financial institutions in consolidated financial statements (current year).

Based on the above data, it can be concluded that the Company has sufficient ability to pay debts and is able to fully comply with financial institution's conditions.

## Liquidity and Sources of Capital

In the period of last 2018, the Company's primary sources of capital were cash flows from operating activities. The Company regularly reviews and assesses its capital requirement by considering from cash flows from operating activities and market conditions. If the Company is unable to generate sufficient cash flows from operating activities, it may provide cash flows from other means of financing activities such as additional borrowing or additional capital mobilization.

## Risk Factors Affecting the Company's Operation Results

As the result of the government policy in the matter of full liberalization of LPG business that is effective in the ending period of 2017 onwards, it was considered that Year 2018 has been the first year for execution in full liberalization of LPG business for the whole year. However, the government has still announced reference LPG price for application of the entrepreneur as guideline of business operation.

The liberalization of the entire LPG business system brings about cancellation of the control of LPG price and volume of every production and supply source, cancelled, complete liberalization of import and export, and cancellation of the announcement of ex-refinery prices and wholesale prices at gas terminals.

The liberalization may have a long-term impact on the Company's operation results and competitiveness in the future because LPG selling prices will reflect actual costs and vary based on price mechanism in the world and domestic markets. If the LPG selling price reduces, the Company's profit may also decrease while the increase of LPG selling price may positively impact the Company's turnover. However, if the LPG selling price is too high, the consumers may choose to use cheaper alternative energy. This change in consumer behavior will affect turnover of other companies and traders under Section 7.

# 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 2018, 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

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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.

Key audit matter	How my audit addressed the key audit matter
<p><b>Provision for lost assets: small-sized gas cylinders</b></p> <p>Refer to note 16 to the financial statements for the related disclosures, the Group recognised a provision for lost gas cylinders amounting to Baht 247.85 million, which represents approximately 4 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.</p> <p>Management estimates provision for lost gas cylinders based on the quantities appraised by an 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</p>	<p>I assessed the reasonableness of provision for lost assets small-sized gas cylinders by performing the following procedures.</p> <ul style="list-style-type: none"> <li>• Evaluated the independent appraiser's competence, capabilities, objectivity, including independence.</li> <li>• Tested the reliability of the appraisal report as follows: <ul style="list-style-type: none"> <li>• 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;</li> </ul> </li> </ul>

Key audit matter	How my audit addressed the key audit matter
<p>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, and the new appraisal is due in this year.</p> <p>Since 2014, the management maintained a record of movements of gas cylinders of quantity and value, based on first-in, first out cost method, taking the quantity per an appraisal conducted in 2014, together with previous information available to form the beginning balance, ("Fixed assets register"). The ending balances per the record were compared with the balances per the appraisal report in which year that the appraisal takes place. The management notes that the ending balance as of 31 December 2018 according to both sources of information are consistent, and believes that the provision for lost gas cylinder is adequate and should be remained.</p> <p>I focused on this area due to the size of the provision balance, and because the provision is based on the management's estimate</p> <p><b>Deposits received for small-sized gas cylinders</b></p> <p>Refer to note 25 to the financial statements for the related disclosures, deposit received comprises deposits received for small-sized gas cylinders and provision for deposits received of Baht 2,114 million, and Baht 1,271 million, respectively, which represent approximately 72 percent of the Group's total liabilities.</p> <p>Deposits received for small-sized gas cylinders is recognised based on actual cash received when the Group receives cash and issue receipts to customers.</p> <p>Management estimates provision for deposits received from quantity of small-sized gas cylinders circulating and being stored in consumers' households and premises, based on appraisal report prepared by independent appraiser and applying the average deposit amount of small-sized gas cylinders in each year to derive at the provision amount. Management believes that the liabilities, taken into accounts of such provision, are stated prudently and conservatively.</p> <p>Since 2014, the management maintained a record of movements of deposits received for gas cylinders based on actual cash received and cash paid to customers to derive the ending balance of deposits. The management has relied on the accuracy of this record and believes that the provision for deposits received for small-sized gas cylinders is adequate and should not be adjusted for 2018.</p> <p>I focused on this area due to the size of the deposit balance and because the provision is based on the management's estimate.</p>	<ul style="list-style-type: none"> <li>• Compared the result of the quantities counted from the appraisal report with the quantities in fixed assets register</li> <li>• Checked the reasonableness of key assumptions used in the appraisal, which is turnover of gas cylinders by interviewing the gas shops; and</li> <li>• Tested the calculation of the appraisal</li> <li>• Tested the movements of gas cylinders per the Group's record with supporting documents such as suppliers' invoices, Group's sales invoices, including gas cylinders destruction report.</li> <li>• Assessed the reasonableness of provision for lost assets by assessing the reliability of the fixed assets register as described above, and the appraisal report prepared by independent appraiser.</li> </ul> <p>I did not find any material exceptions from carrying out the above procedures.</p> <p>Because of the provision for deposits received for small-sized gas cylinders is estimated based on the gas cylinder circulated in the users' premises, I performed the audit procedures on the quantities of the gas cylinders as explained in key audit matter regarding provision for lost assets: small-sized gas cylinders.</p> <p>I compared the quantities of small-sized gas cylinders per the appraisal report with the quantities in the detail of deposits received and noted that the quantities of these 2 sources were materially consistent.</p> <p>I also performed the following procedures on the movements of deposits received during the year.</p> <ul style="list-style-type: none"> <li>• Tested the movements of deposits received for gas cylinders per the Group's record with receipts for deposits, and deposit refunded forms issued to customers, including traced the cash movements in bank statements.</li> <li>• Assessed the reasonableness of provision for deposits received by assessing the reliabilities of the movements of deposits received as described above.</li> </ul> <p>I did not find any material exceptions from carrying out the above procedures.</p>

## 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

21 February 2019

**WP Energy Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	696,811,150	833,468,554	602,362,029	699,287,742
Short-term investments	8	402,335,293	-	402,335,293	-
Trade and other receivables	9	1,031,883,021	1,021,726,471	1,021,729,872	1,010,388,369
Short-term loans to related parties	31.4	-	-	35,000,000	75,000,000
Inventories	10	161,885,684	203,476,393	161,651,927	203,242,635
Other current assets		17,610,785	15,130,245	17,202,919	14,902,698
Investment property classified as held-for-sale	11	63,125,569	-	63,125,569	-
<b>Total current assets</b>		<b>2,373,651,502</b>	<b>2,073,801,663</b>	<b>2,303,407,609</b>	<b>2,002,821,444</b>
<b>Non-current assets</b>					
Restricted cash	33.2	650,282,289	594,916,301	650,082,289	594,916,301
Reserve account for debt payment	12	-	121,240,195	-	121,240,195
Investments in subsidiaries	13	-	-	262,149,065	262,149,065
Other long-term investments	14	-	-	-	-
Investment properties	15	3,161,900	66,287,469	3,161,900	66,287,469
Property, plant and equipment	16	2,523,839,999	2,577,846,727	2,398,717,022	2,414,199,388
Goodwill	17	33,494,192	33,494,192	9,189,600	9,189,600
Intangible assets	18	33,495,584	38,558,428	30,487,635	35,103,112
Prepaid rents	19	48,911,434	54,537,092	48,911,434	54,537,092
Deferred tax assets	20	8,290,078	8,969,194	7,170,806	7,373,299
Other non-current assets		40,162,527	42,332,779	40,705,429	42,976,884
<b>Total non-current assets</b>		<b>3,341,638,003</b>	<b>3,538,182,377</b>	<b>3,450,575,180</b>	<b>3,607,972,405</b>
<b>Total assets</b>		<b>5,715,289,505</b>	<b>5,611,984,040</b>	<b>5,753,982,789</b>	<b>5,610,793,849</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

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

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**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	21	1,007,962,344	1,120,075,258	1,010,175,054	1,111,736,700
Current portion of finance lease liabilities	22	-	1,999,962	-	323,515
Current portion of long-term borrowings	22	46,512,000	35,974,125	46,512,000	35,974,125
Current income tax payable		30,729,078	7,535,226	30,729,078	7,535,226
Short-term provision	23	8,087,409	53,397,993	8,087,409	53,397,993
Other current liabilities		47,892,755	47,264,134	48,964,381	47,305,040
<b>Total current liabilities</b>		<b>1,141,183,586</b>	<b>1,266,246,698</b>	<b>1,144,467,922</b>	<b>1,256,272,599</b>
<b>Non-current liabilities</b>					
Creditors under the debt restructuring	12	-	121,240,195	-	121,240,195
Long-term borrowings	22	163,408,500	209,920,500	163,408,500	209,920,500
Employee benefit obligations	24	23,332,413	21,231,795	18,174,430	16,281,533
Deposits received	25	3,384,811,551	3,305,428,521	3,384,811,551	3,305,428,521
Deferred tax liabilities	20	3,598,075	9,412,984	-	-
Other non-current liabilities		6,350,000	7,380,000	6,350,000	7,380,000
<b>Total non-current liabilities</b>		<b>3,581,500,539</b>	<b>3,674,613,995</b>	<b>3,572,744,481</b>	<b>3,660,250,749</b>
<b>Total liabilities</b>		<b>4,722,684,125</b>	<b>4,940,860,693</b>	<b>4,717,212,403</b>	<b>4,916,523,348</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 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	26				
Authorised share capital					
Ordinary shares 518,500,000 shares of par Baht 1 each		518,500,000	518,500,000	518,500,000	518,500,000
Issued and paid-up share capital					
Ordinary shares 518,500,000 shares of paid-up Baht 1 each		518,500,000	518,500,000	518,500,000	518,500,000
Premium on LPG selling price	26	532,000,000	532,000,000	532,000,000	532,000,000
Deficits		(57,925,683)	(379,407,373)	(13,729,614)	(356,229,499)
<b>Equity attributable to owners of the parent</b>		992,574,317	671,092,627	1,036,770,386	694,270,501
Non-controlling interests	13.2	31,063	30,720	-	-
<b>Total equity</b>		992,605,380	671,123,347	1,036,770,386	694,270,501
<b>Total liabilities and equity</b>		5,715,289,505	5,611,984,040	5,753,982,789	5,610,793,849

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

Overview

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**WP Energy Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Revenue</b>					
Revenue from sales		14,684,374,242	15,447,581,551	14,678,389,002	15,441,039,446
Revenue from services		42,494,599	65,233,504	-	-
<b>Total revenue</b>		<b>14,726,868,841</b>	<b>15,512,815,055</b>	<b>14,678,389,002</b>	<b>15,441,039,446</b>
<b>Cost</b>					
Cost of sales		(13,870,915,696)	(14,825,282,906)	(13,879,323,220)	(14,835,347,292)
Cost of providing services		(25,525,810)	(37,844,855)	-	-
<b>Total costs</b>	28	<b>(13,896,441,506)</b>	<b>(14,863,127,761)</b>	<b>(13,879,323,220)</b>	<b>(14,835,347,292)</b>
<b>Gross profit</b>		<b>830,427,335</b>	<b>649,687,294</b>	<b>799,065,782</b>	<b>605,692,154</b>
Other income	27	251,208,970	234,521,361	248,115,403	240,413,528
Selling expenses	28	(296,635,153)	(294,243,998)	(266,641,507)	(263,034,953)
Administrative expenses	28	(383,665,736)	(438,807,972)	(354,050,059)	(411,629,293)
Finance costs		(12,793,652)	(13,741,421)	(12,735,843)	(13,510,154)
<b>Profit before income tax</b>		<b>388,541,764</b>	<b>137,415,264</b>	<b>413,753,776</b>	<b>157,931,282</b>
Income tax	29	(67,059,731)	(5,459,832)	(71,253,891)	(8,675,772)
<b>Net profit for the year</b>		<b>321,482,033</b>	<b>131,955,432</b>	<b>342,499,885</b>	<b>149,255,510</b>
<b>Other comprehensive income:</b>					
Item that will not be reclassified to profit or loss:					
Remeasurements of post - employment benefit obligations		-	3,152,026	-	2,425,691
<b>Total comprehensive income for the year</b>		<b>321,482,033</b>	<b>135,107,458</b>	<b>342,499,885</b>	<b>151,681,201</b>
<b>Profit attributable to:</b>					
Owners of the parent		321,481,690	131,954,588	342,499,885	149,255,510
Non-controlling interests		343	844	-	-
		<b>321,482,033</b>	<b>131,955,432</b>	<b>342,499,885</b>	<b>149,255,510</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 2018**

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Total comprehensive income</b>					
<b>attributable to:</b>					
Owners of the parent		321,481,690	135,106,614	342,499,885	151,681,201
Non-controlling interests		343	844	-	-
		<u>321,482,033</u>	<u>135,107,458</u>	<u>342,499,885</u>	<u>151,681,201</u>
<b>Earnings per share</b>					
Basic earnings per share	30	<u>0.6200</u>	<u>0.2545</u>	<u>0.6606</u>	<u>0.2879</u>

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

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**WP Energy Public Company Limited**  
**Statements of Changes in Equity**  
**For the year ended 31 December 2018**

Consolidated financial statements										
Note	Attributable to owners of the parent									
	Issued and paid-up share capital	Share premium	Premium on LPG selling price	Retained earnings			Total owners of the parent	Non-controlling interests	Total equity	
	Baht	Baht	Baht	Legal reserve	Deficits	Baht	Baht	Baht	Baht	Baht
<b>Opening balance at 1 January 2017</b>	2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,448,109,644)	535,986,013	29,876	536,015,889		
Share decrease	(2,242,065,700)	-	-	-	2,242,065,700	-	-	-		
Compensation of the accumulated loss	-	(2,657,619,957)	-	(33,910,000)	2,691,529,957	-	-	-		
Total comprehensive income for the year	-	-	-	-	135,106,614	135,106,614	844	135,107,458		
<b>Closing balance at 31 December 2017</b>	518,500,000	-	532,000,000	-	(379,407,373)	671,092,627	30,720	671,123,347		
<b>Opening balance at 1 January 2018</b>	518,500,000	-	532,000,000	-	(379,407,373)	671,092,627	30,720	671,123,347		
Total comprehensive income for the year	-	-	-	-	321,481,690	321,481,690	343	321,482,033		
<b>Closing balance at 31 December 2018</b>	518,500,000	-	532,000,000	-	(57,925,683)	992,574,317	31,063	992,605,380		

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 2018**

Separate financial statements							
	Note	Issued and paid-up share capital Baht	Share premium Baht	Premium on LPG selling price	Legal reserve	Deficits	Total equity Baht
				Baht	Baht	Baht	
Opening balance at 1 January 2017		2,760,565,700	2,657,619,957	532,000,000	33,910,000	(5,441,506,357)	542,589,300
Shares decrease	26	(2,242,065,700)	-	-	-	2,242,065,700	-
Compensation of the accumulated loss	26	-	(2,657,619,957)	-	(33,910,000)	2,691,529,957	-
Total comprehensive income for the year		-	-	-	-	151,681,201	151,681,201
Closing balance at 31 December 2017		518,500,000	-	532,000,000	-	(356,229,499)	694,270,501
Opening balance at 1 January 2018		518,500,000	-	532,000,000	-	(356,229,499)	694,270,501
Total comprehensive income for the year		-	-	-	-	342,499,885	342,499,885
Closing balance at 31 December 2018		518,500,000	-	532,000,000	-	(13,729,614)	1,036,770,386

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 2018**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2018	2017	2018	2017
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		388,541,764	137,415,264	413,753,776	157,931,282
Adjustments for					
Depreciation	16	268,509,823	265,103,303	226,916,476	222,132,307
Amortisation	18	5,067,844	5,542,972	4,620,477	5,117,106
Gain from disposal of equipment	27	(21,797,009)	(10,604,743)	(14,478,048)	(10,604,743)
Loss from write-off of equipment	16	4,859	2	4,856	2
Loss from write-off of intangible assets	18	-	399,244	-	-
Reversal of allowance for doubtful debts		(497,805)	(27,874,198)	(497,805)	(27,874,198)
Change in fair value of trading securities	8	(2,335,293)	-	(2,335,293)	-
Rental income from investment properties	15	(1,540,605)	(2,035,605)	(1,540,605)	(2,035,605)
Interest income	27	(7,675,341)	(6,967,558)	(10,551,975)	(9,772,296)
Finance costs		12,793,652	13,741,421	12,735,843	13,510,154
Reversal of provision	23	(39,000,000)	(17,143,582)	(39,000,000)	(17,143,582)
Employee benefit obligations	24	6,694,183	3,637,056	5,962,422	2,916,224
Loss from impairment of other long-term investment	14	-	79,500	-	-
		608,766,072	361,293,076	595,590,124	334,176,651
Changes in working capital					
- Trade and other receivables		(11,797,220)	(91,412,509)	(13,080,887)	(90,543,388)
- Inventories		41,590,709	(7,037,321)	41,590,708	(6,981,385)
- Other current assets		(2,037,728)	784,678	(2,300,221)	(1,388,287)
- Restricted cash		(55,365,988)	11,797,694	(55,165,988)	11,797,694
- Reserve account for debt payment	12	121,240,195	-	121,240,195	-
- Prepaid rents		5,625,658	6,492,927	5,625,658	6,492,927
- Other non-current assets		2,170,252	697,354	2,271,455	529,020
- Provision	23	(6,310,584)	(16,984,018)	(6,310,584)	(16,984,018)
- Trade and other payables		(78,439,438)	225,291,702	(69,267,276)	232,953,936
- Other current liabilities		628,621	(8,454,271)	1,659,341	(8,252,192)
- Creditors under debt restructuring	12	(121,240,195)	-	(121,240,195)	-
- Deposits received		79,383,030	104,342,607	79,383,030	104,342,607
- Employee benefit obligations	24	(4,593,565)	(1,677,807)	(4,069,525)	(1,443,127)
- Other non-current liabilities		(1,030,000)	2,629,984	(1,030,000)	3,000,000
Cash flows generated from operating activities		578,589,819	587,764,096	574,895,835	567,700,438
<u>Less</u> Interest paid		(12,730,768)	(13,673,372)	(12,672,960)	(13,442,105)
Income tax paid		(49,001,672)	(9,017,879)	(47,857,546)	(5,525,646)
Net cash generated from operating activities		516,857,379	565,072,845	514,365,329	548,732,687

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 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Cash flow from investing activities</b>					
Payments for short-term investment	8	(400,000,000)	-	(400,000,000)	-
Repayment received from short-term loan to related party	31.4	-	-	40,000,000	10,000,000
Cash proceed from rental income from investment properties	15	1,540,605	2,035,605	1,540,605	2,035,605
Purchase of equipment		(246,427,536)	(252,200,496)	(241,472,413)	(248,633,967)
Borrowing costs		(2,324,706)	(3,698,051)	(2,324,706)	(3,698,051)
Cash payment for acquiring intangible assets		(5,000)	(13,044,401)	(5,000)	(11,632,000)
Cash proceed from disposal of equipment		21,862,126	10,628,147	14,478,948	10,628,147
Interest received		9,813,815	10,713,763	12,789,164	13,518,501
Net cash used in investing activities		(615,540,696)	(245,565,433)	(574,993,402)	(227,781,765)
<b>Cash flow from financing activities</b>					
Repayments to finance lease liabilities		(1,999,962)	(5,728,008)	(323,515)	(3,616,403)
Repayments to long-term borrowings	22.2	(35,974,125)	(32,098,125)	(35,974,125)	(32,098,125)
Net cash used in financing activities		(37,974,087)	(37,826,133)	(36,297,640)	(35,714,528)
<b>Net (decrease) increase in cash and cash equivalents</b>		(136,657,404)	281,681,279	(96,925,713)	285,236,394
Cash and cash equivalents at beginning of the year		833,468,554	551,787,275	699,287,742	414,051,348
<b>Cash and cash equivalents at end of the year</b>		696,811,150	833,468,554	602,362,029	699,287,742
<b>Significant non-cash transactions</b>					
Payable arising from purchases of equipment		29,867,019	63,603,378	29,710,590	62,067,843

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

Overview

Management

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Financial Information



**WP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

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## **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.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 21 February 2019.

## **2 Accounting policies**

The principal accounting policies applied 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.

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## 2 Accounting policies (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

**WP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

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## 2 Accounting policies (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

Management has assessed the effects of applying the new standard on the group's financial statements and has identified the following areas that will be affected:

Presentation of contract liabilities in the balance sheet - TFRS 15 requires separate presentation of contract liabilities in the balance sheet. This will result in some reclassifications as of 1 January 2019 in relation to contract liabilities in relation to expected volume discounts which is currently included in other balance sheet line items.

This new standard is mandatory for financial years commencing on or after 1 January 2019. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TRFIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
  - Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
  - The accounting for modifications that change an award from cash-settled to equity-settled.
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## 2 Accounting policies (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TFRS 4 has been amended to provide insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions (upon announcement) until TFRS 17 becomes effective.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

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

### **2.2 Revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
    - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
    - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
    - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
    - Derivatives are classified and measured at fair value through profit or loss.
  - The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
  - The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.
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## 2 Accounting policies (Cont'd)

### 2.2 Revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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

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

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



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

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

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

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

Intercompany transactions, balances and unrealised gains 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.

#### **(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.

#### **(3) Disposal of subsidiaries**

When the Group ceases to have control, it shall ceased to consolidate its subsidiaries. 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.

#### **(4) Separate financial statement**

In the separate financial statements, investments in subsidiaries, associates and joint ventures 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.

### **2.4 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.

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## 2 Accounting policies (Cont'd)

### 2.5 Cash and cash equivalents

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

### 2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less any 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 profit or loss 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.
- (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.
- (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 unrealised gains and losses of trading investments are recognised in profit or loss. 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 profit or loss.

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.

**WP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

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

### **2.9 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs.

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.

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

Land is not depreciated.

### **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 (note 2.14).

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

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## 2 Accounting policies (Cont'd)

### 2.11 Goodwill

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 and licenses

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.

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.

### 2.15 Leases - where the Group 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.

Leases of property, plant or equipment where the lessee 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 liabilities 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 Accounting policies (Cont'd)**

### **2.16 Leases - where the Group 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 where the Group 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 exceeds 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.

### **2.18 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### **(a) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in expense in the period in which they are incurred.

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## 2 Accounting policies (Cont'd)

### 2.19 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 substantively 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

### 2.20 Employee benefits

#### 2.20.1 Post-employment

The Group operate various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

##### 2.20.1.1 Defined contribution

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even 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 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.



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

### **2.20 Employee benefits (Cont'd)**

#### **2.20.1 Post-employment (Cont'd)**

##### **2.20.1.2 Retirement benefits**

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

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of 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. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

#### **2.20.2 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 at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within scope of TAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### **2.21 Provisions**

Provisions for legal claims 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.

### **2.22 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.

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## 2 Accounting policies (Cont'd)

### 2.23 Share Capital

Ordinary shares with discretionary dividends are classified as equity.

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.

### 2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Transportation revenue is recognised in proportion to the elapsed time of the voyage, and services revenue are recognised when the services are rendered.

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.

### 2.25 Segment reporting

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

### 2.26 Non-current held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

## 3 Financial risk management

### 3.1 Financial risk factors

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

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

#### 3.1.1 Interest rate risk

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

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

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

##### 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 following table presents the Group's financial assets and liabilities that are measured at fair value. See note 8 for disclosures of the short-term investments that are measured at fair value, note 15 for disclosures of the investment property that are measured at fair value and and note 22.2 for disclosure of the long-term borrowing that are measured at fair value.

	<b>Consolidated and separate financial statements</b>	
	<b>Level 1</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Trading securities	402,335,293	-

##### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the closing price by reference to the Stock Exchange of Thailand. These instruments are included in level 1.

##### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

##### (c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all of the resulting fair value estimates are included in level 2 except for contingent consideration in a business combination and certain derivative contract, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

There were no transfers between levels 1 and 2 during the year.

There were no changes in valuation techniques during the year.

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

#### (b) 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.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 24.

#### (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 17).

#### (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.

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## 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:

	For the year ended 31 December 2018		
	Sale of LPG Baht	Transportation Baht	Consolidated Baht
Revenues from operation	14,704,992,219	212,701,589	14,917,693,808
Inter-segment revenue	(20,617,977)	(170,206,990)	(190,824,967)
Total revenue	14,684,374,242	42,494,599	14,726,868,841
Segment result	423,644,597	7,503,600	431,148,197
Related transaction			(29,812,781)
Finance costs			(12,793,652)
Profit before income tax			388,541,764
Income tax			(67,059,731)
Net profit			321,482,033
Property, plant and equipment	2,427,712,838	96,127,161	2,523,839,999
Intangible assets	30,681,811	2,813,773	33,495,584
Goodwill	9,189,600	24,304,592	33,494,192
Other assets	3,015,738,490	108,721,240	3,124,459,730
Consolidated total assets			5,715,289,505

	For the year ended 31 December 2017		
	Sale of LPG Baht	Transportation Baht	Consolidated Baht
Revenues from operation	15,481,122,464	242,529,039	15,723,651,503
Inter-segment revenue	(33,540,913)	(177,295,535)	(210,836,448)
Total revenue	15,447,581,551	65,233,504	15,512,815,055
Segment result	168,222,935	15,168,852	183,391,787
Related transaction			(32,235,102)
Finance costs			(13,741,421)
Profit before income tax			137,415,264
Income tax			(5,459,832)
Net profit			131,955,432
Property, plant and equipment	2,444,635,258	133,211,469	2,577,846,727
Intangible assets	35,325,491	3,232,937	38,558,428
Goodwill	9,189,600	24,304,592	33,494,192
Other assets	2,815,611,329	146,473,364	2,962,084,693
Consolidated total assets			5,611,984,040

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**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cash on hand	1,078,753	1,101,015	248,323	213,492
Cash at bank	695,732,397	832,367,539	602,113,706	699,074,250
	<b>696,811,150</b>	<b>833,468,554</b>	<b>602,362,029</b>	<b>699,287,742</b>

The effective interest rates on cash at bank were ranging from 0.13% to 1.50% per annum. (2017: 0.13% to 1.50% per annum).

**8 Short-term investments**

The movements in short-term investments during the year are as follows:

	<b>Consolidated and separate financial statements</b>
	<b>Trading Baht</b>
<b>At 1 January 2018</b>	-
Additions	400,000,000
Gains on fair value measurement during the year	2,335,293
<b>At 31 December 2018</b>	<b>402,335,293</b>

At 31 December 2018, the summary of short-term investments are as follows:

	<b>Consolidated and separate financial statements</b>
	<b>Trading Baht</b>
<b>As at 31 December 2018</b>	
Equity securities	400,000,000
Gains on fair value adjustment	2,335,293
<b>Fair value</b>	<b>402,335,293</b>

The fair value of trading securities are based on fair value valuation technique using quoted market prices at statement of financial position date. The fair values are within level 1 of the fair value hierarchy.



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**9 Trade and other receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Trade receivables - third parties	1,072,388,344	1,053,087,702	1,067,680,830	1,044,383,126
Trade receivables - related parties (Note 31.3)	-	-	3,051,950	1,932,320
<u>Less</u> Allowance for doubtful debt	<u>(73,035,359)</u>	<u>(74,278,547)</u>	<u>(72,596,977)</u>	<u>(73,840,165)</u>
Trade receivables, net	<u>999,352,985</u>	<u>978,809,155</u>	<u>998,135,803</u>	<u>972,475,281</u>
Trade accounts receivable under investigation	1,785,084,727	1,790,137,486	1,785,084,727	1,790,137,486
<u>Less</u> Allowance for doubtful debt	<u>(1,785,084,727)</u>	<u>(1,790,137,486)</u>	<u>(1,785,084,727)</u>	<u>(1,790,137,486)</u>
Trade accounts receivable under investigation, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables under investigation	170,344,286	170,344,286	170,344,286	170,344,286
<u>Less</u> Allowance for doubtful debt	<u>(170,344,286)</u>	<u>(170,344,286)</u>	<u>(170,344,286)</u>	<u>(170,344,286)</u>
Other receivables under investigation, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables from sub-contractors	40,620,237	40,620,237	40,620,237	40,620,237
Other receivables	33,050,207	31,623,989	31,568,926	31,728,026
Withholding tax receivable	5,831,544	8,164,318	5,402,079	7,080,899
Interest receivable	16,902,181	19,040,655	10,032,147	12,269,336
Advance payments	3,112,229	11,309,994	2,904,485	11,078,468
Prepaid expenses	35,620,572	37,061,625	28,901,810	33,268,305
<u>Less</u> Allowance for doubtful debt	<u>(102,606,934)</u>	<u>(104,903,502)</u>	<u>(95,835,615)</u>	<u>(98,132,183)</u>
Other receivables, net	<u>32,530,036</u>	<u>42,917,316</u>	<u>23,594,069</u>	<u>37,913,088</u>
Total trade and other receivables, net	<u>1,031,883,021</u>	<u>1,021,726,471</u>	<u>1,021,729,872</u>	<u>1,010,388,369</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. The Company has made the full allowance for these doubtful accounts.

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

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Trade account receivables</b>				
Current	828,317,653	844,759,685	829,140,443	841,787,329
Overdue less than 3 months	165,968,250	97,883,443	165,142,722	96,185,476
Overdue 3 months but less than 6 months	4,985,077	6,118,887	4,881,949	5,873,997
Overdue 6 months but less than 12 months	3,200,000	36,962,954	3,200,000	36,498,947
Overdue over 12 months	69,917,364	67,362,733	68,367,666	65,969,697
Total trade account receivables	1,072,388,344	1,053,087,702	1,070,732,780	1,046,315,446
<u>Less</u> Allowance for doubtful	<u>(73,035,359)</u>	<u>(74,278,547)</u>	<u>(72,596,977)</u>	<u>(73,840,165)</u>
Trade account receivables, net	<u>999,352,985</u>	<u>978,809,155</u>	<u>998,135,803</u>	<u>972,475,281</u>

**10 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Finished goods	161,885,684	203,476,393	161,651,927	203,242,635

The cost of inventories recognised as expense and included in 'cost of sales' was amounting to Baht 13,492.29 million (2017: Baht 14,458.73 million).

**11 Investment property classified as held-for-sale**

On 26 June 2018, the Board of Directors approved to sell a land which was an investment property. The Company has already identified the buyer and expect to complete the sale within the first quarter of 2019.

	<b>Consolidated and separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Land	63,125,569	-

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

Reserve account for debt payment was cash at bank for the purpose to pay to creditors under the debt restructuring. During the year, the Supreme Court ordered the Company to pay creditors and the Company already paid to these creditors amounting to Baht 121.24 million.

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### 13 Investments in subsidiaries

#### 13.1 Movements of investments in subsidiaries

There is no movement in investment during the year.

#### 13.2 Principal subsidiaries

The Group comprises of the subsidiaries listed below as at 31 December 2018 and 2017. All subsidiaries are included in the consolidation and have share capital consisting solely of ordinary shares that are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group.

#### Group and Company

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of shares held by non-controlling interests	
			2018 %	2017 %	2018 %	2017 %	2018 %	2017 %
Subsidiaries								
Eagle Intertrans Company Limited	Thailand	Transportation of gas	99.99	99.99	-	-	0.01	0.01
WP Gas Company Limited	Thailand	Service Gas Station	99.99	99.99	-	-	0.01	0.01
WP Solutions Company Limited	Thailand	Holding Company	99.99	99.99	-	-	0.01	0.01
Subsidiary of Eagle Intertrans Company Limited								
Logistic Enterprise Company Limited	Thailand	Leasing of vehicle	-	-	99.98	99.98	0.02	0.02
Subsidiary of WP Solutions Company Limited								
WP Sollar Company Limited	Thailand	Production and distribution of electricity	-	-	99.99	99.99	0.01	0.01

Total non-controlling interests is Baht 31,063 (2017: Baht 30,720) of which Baht 28,539 (2017: Baht 23,466) belongs to Eagle Intertrans Company Limited. The non-controlling interests in respect of other subsidiaries are not material.

### 14 Other long-term investments

	Consolidated financial statements	
	2018 Baht	2017 Baht
Cost	79,500	79,500
<u>Less</u> Allowance for loss on impairment	<u>(79,500)</u>	<u>(79,500)</u>
Net book amount	-	-

#### Picnic Marine Co., Ltd.

Long-term investment represents investment in Picnic Marine Co., Ltd., which the Group owns 1.07% interest in their registered capitals. During the first quarter of 2017, the Group provided full allowance for impairment of the aforementioned investment since Picnic Marine Co., Ltd., has been under rehabilitation.

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**15 Investment properties**

	<b>Consolidated and separate financial statements</b>	
	<b>Land Baht</b>	
<b>As at 1 January 2017</b>		
Cost		66,287,469
Net book amount		66,287,469
<b>For the year ended 31 December 2017</b>		
Opening net book amount		66,287,469
Closing net book amount		66,287,469
<b>As at 31 December 2017</b>		
Cost		66,287,469
Net book amount		66,287,469
Fair value		134,600,000
	<b>Consolidated and separate financial statements</b>	
	<b>Land Baht</b>	
<b>As at 1 January 2018</b>		
Cost		66,287,469
Net book amount		66,287,469
<b>For the year ended 31 December 2018</b>		
Opening net book amount		66,287,469
Transfer to investment property classified as held-for-sale (Note 11)		(63,125,569)
Closing net book amount		3,161,900
<b>As at 31 December 2018</b>		
Cost		3,161,900
Net book amount		3,161,900
Fair value		4,349,620

The fair value of investment properties are based on market values basis using information provided by Treasury Department. 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:

	<b>Consolidated and separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Rental income	1,540,605	2,035,605

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**16 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 2017									
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)
Net book amount	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
For the year ended 31 December 2017									
Opening net book amount	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
Additions	14,316,000	2,738,297	599,999	3,299,991	157,663,152	3,240,278	3,458,137	30,936,382	216,252,236
Disposals, net	-	-	-	(3)	(68)	(29)	(23,304)	-	(23,404)
Transfer in (out)	-	88,922,679	445,000	14,718,373	-	239,242	-	(106,218,041)	(1,892,747)
Write-off, net	-	-	-	-	(2)	-	-	-	(2)
Reclassification	-	469,505	-	-	-	(469,505)	-	-	-
Depreciation charge	-	(48,492,195)	(29,461,514)	(13,528,321)	(126,233,655)	(5,996,215)	(41,391,403)	-	(265,103,303)
Closing net book amount	334,807,766	394,738,910	200,130,545	91,756,317	1,348,579,410	10,039,939	119,389,863	78,403,977	2,577,846,727
At 31 December 2017									
Cost	368,655,716	1,079,967,448	870,968,718	234,353,112	3,883,068,155	69,784,022	570,727,643	78,403,977	7,155,928,791
Less Accumulated depreciation	-	(369,257,462)	(616,192,717)	(142,596,795)	(2,286,643,239)	(59,509,354)	(451,337,780)	-	(3,925,537,347)
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)
Net book amount	334,807,766	394,738,910	200,130,545	91,756,317	1,348,579,410	10,039,939	119,389,863	78,403,977	2,577,846,727

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**16 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 2018									
Opening net book amount	334,807,766	394,738,910	200,130,545	91,756,317	1,348,579,410	10,039,939	119,389,863	78,403,977	2,577,846,727
Additions	-	769,547	-	4,721,639	108,479,648	3,016,837	3,275,645	94,752,567	215,015,883
Disposals, net	-	-	(4)	(5)	(107)	(217)	(64,784)	-	(65,117)
Transfer in (out)	-	32,047,513	4,077,697	5,608,645	-	19,350	1,386,878	(43,582,895)	(442,812)
Write-off, net	-	-	-	-	-	(4,859)	-	-	(4,859)
Depreciation charge	-	(51,691,602)	(22,452,444)	(14,256,287)	(136,045,537)	(5,406,116)	(38,657,837)	-	(268,509,823)
Closing net book amount	334,807,766	375,864,368	181,755,794	87,830,309	1,321,013,414	7,664,934	85,329,765	129,573,649	2,523,839,999
At 31 December 2018									
Cost	368,655,716	1,112,784,508	874,298,905	244,584,200	3,960,740,792	70,714,801	557,284,017	129,573,649	7,318,636,588
Less Accumulated depreciation	-	(420,949,064)	(637,897,655)	(156,753,891)	(2,391,881,872)	(62,815,138)	(471,954,252)	-	(4,142,251,872)
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)
Net book amount	334,807,766	375,864,368	181,755,794	87,830,309	1,321,013,414	7,664,934	85,329,765	129,573,649	2,523,839,999



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

	Separate financial statements								
		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
<b>At 1 January 2017</b>									
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)
Net book amount	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
<b>For the year ended 31 December 2017</b>									
Opening net book amount	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
Additions	14,316,000	2,663,297	600,000	3,299,989	157,663,153	2,876,330	-	29,731,403	211,150,172
Disposals, net	-	-	-	(3)	(68)	(29)	(23,304)	-	(23,404)
Transfer in (out)	-	88,922,679	445,000	14,718,373	-	227,144	-	(104,313,196)	-
Write-off, net	-	-	-	-	(2)	-	-	-	(2)
Depreciation charge	-	(46,985,884)	(29,240,514)	(13,238,561)	(126,233,655)	(4,718,045)	(1,715,648)	-	(222,132,307)
Closing net book amount	308,708,033	385,145,667	198,399,479	90,934,288	1,348,579,413	7,266,431	18,012	75,148,065	2,414,199,388
<b>At 31 December 2017</b>									
Cost	342,555,983	1,063,806,634	868,758,718	232,904,310	3,883,068,158	57,458,404	11,831,354	75,148,065	6,535,531,626
Less Accumulated depreciation	-	(362,689,891)	(615,713,783)	(141,970,022)	(2,286,643,239)	(49,957,244)	(11,813,342)	-	(3,468,787,521)
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 amount	308,708,033	385,145,667	198,399,479	90,934,288	1,348,579,413	7,266,431	18,012	75,148,065	2,414,199,388

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16 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 2018									
Opening net book amount	308,708,033	385,145,667	198,399,479	90,934,288	1,348,579,413	7,266,431	18,012	75,148,065	2,414,199,388
Additions	-	245,271	-	4,721,641	108,479,645	2,510,743	729,999	94,752,567	211,439,866
Disposals, net	-	-	(4)	(5)	(107)	(217)	(567)	-	(900)
Transfer in (out)	-	32,047,513	4,077,697	5,608,645	-	19,350	-	(41,753,205)	-
Write-off, net	-	-	-	-	-	(4,856)	-	-	(4,856)
Depreciation charge	-	(50,223,081)	(22,231,444)	(13,966,527)	(136,045,537)	(4,301,654)	(148,233)	-	(226,916,476)
Closing net book amount	308,708,033	367,215,370	180,245,728	87,298,042	1,321,013,414	5,489,797	599,211	128,147,427	2,398,717,022
At 31 December 2018									
Cost	342,555,983	1,096,099,417	872,088,905	243,135,400	3,960,740,792	57,892,202	8,763,354	128,147,427	6,709,423,480
Less Accumulated depreciation	-	(412,912,971)	(637,197,721)	(155,837,358)	(2,391,881,872)	(52,167,676)	(8,164,143)	-	(3,658,161,741)
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)
Net book amount	308,708,033	367,215,370	180,245,728	87,298,042	1,321,013,414	5,489,797	599,211	128,147,427	2,398,717,022

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

Land and equipment of Baht 369.58 million (2017: Baht 293.30 million) has been pledged as security for borrowings (Note 22.2).

Depreciation has been charged into the following categories of expenses:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cost of sale	227,356,062	221,791,791	216,309,455	209,581,943
Selling expenses	29,074,546	29,074,546	-	-
Administrative expenses	12,079,215	14,236,966	10,607,021	12,550,364
	<u>268,509,823</u>	<u>265,103,303</u>	<u>226,916,476</u>	<u>222,132,307</u>

Leased assets included above, where the Group is a lessee under finance leases, comprise vehicles as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cost - capitalised finance leases	-	298,931,062	-	3,897,000
<u>Less</u> Accumulated depreciation	-	<u>(241,989,103)</u>	-	<u>(3,879,000)</u>
Net book amount	-	<u>56,941,959</u>	-	<u>18,000</u>

Borrowing cost of Baht 2.32 million (2017: Baht 3.70 million), arising from financing for the construction of a new warehouse, was capitalised during the year and is included in 'additions'. A capitalisation rate of 6.03% (2017: 6.28%) was used representing the actual borrowing cost of the loan used to finance the project.

**17 Goodwill**

There was no movement in goodwill during the year.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment, which can be analysed as follows:

	<b>2018 and 2017</b>		
	<b>Transportation Baht</b>	<b>Gas station Baht</b>	<b>Total Baht</b>
Goodwill allocation	<u>24,304,592</u>	<u>9,189,600</u>	<u>33,494,192</u>

The recoverable amount of a CGUs 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 CGUs operates.

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## 17 Goodwill (Cont'd)

The key assumptions used for value-in-use calculations are as follows:

	Transportation	Gas Station
Gross margin <sup>1</sup>	15.45%	35.29%
Growth rate <sup>2</sup>	3.00%	0.00%
Discount rate <sup>3</sup>	10.80%	11.23%

<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 CGUs 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.

## 18 Intangible assets

Consolidated financial statements				
	Trademarks Baht	Computer software Baht	Computer software under installation Baht	Total Baht
<b>At 1 January 2017</b>				
Cost	300,000,000	77,839,270	399,244	378,238,514
<u>Less</u> Accumulated amortisation	(71,277,544)	(37,822,271)	-	(109,099,815)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	40,016,999	399,244	40,416,243
<b>For the year ended 31 December 2017</b>				
Opening net book amount	-	40,016,999	399,244	40,416,243
Additions	-	4,084,401	-	4,084,401
Write-off, net	-	-	(399,244)	(399,244)
Amortisation charge	-	(5,542,972)	-	(5,542,972)
Closing net book amount	-	38,558,428	-	38,558,428
<b>At 31 December 2017</b>				
Cost	300,000,000	81,923,671	-	381,923,671
<u>Less</u> Accumulated amortisation	(71,277,544)	(43,365,243)	-	(114,642,787)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	38,558,428	-	38,558,428
<b>For the year ended 31 December 2018</b>				
Opening net book amount	-	38,558,428	-	38,558,428
Additions	-	5,000	-	5,000
Amortisation charge	-	(5,067,844)	-	(5,067,844)
Closing net book amount	-	33,495,584	-	33,495,584
<b>At 31 December 2018</b>				
Cost	300,000,000	81,928,671	-	381,928,671
<u>Less</u> Accumulated amortisation	(71,277,544)	(48,433,087)	-	(119,710,631)
Provision for impairment	(228,722,456)	-	-	(228,722,456)
Net book amount	-	33,495,584	-	33,495,584

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**18 Intangible assets (Cont'd)**

	Separate financial statements		
	Trademarks Baht	Computer software Baht	Total Baht
<b>At 1 January 2017</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
<b>For the year ended 31 December 2017</b>			
Opening net book amount	-	37,548,218	37,548,218
Additions	-	2,672,000	2,672,000
Amortisation charge	-	(5,117,106)	(5,117,106)
Closing net book amount	-	35,103,112	35,103,112
<b>At 31 December 2017</b>			
Cost	300,000,000	76,564,475	376,564,475
<u>Less</u> Accumulated amortisation	(71,277,544)	(41,461,363)	(112,738,907)
Provision for impairment	(228,722,456)	-	(228,722,456)
Net book amount	-	35,103,112	35,103,112
<b>For the year ended 31 December 2018</b>			
Opening net book amount	-	35,103,112	35,103,112
Additions	-	5,000	5,000
Amortisation charge	-	(4,620,477)	(4,620,477)
Closing net book amount	-	30,487,635	30,487,635
<b>At 31 December 2018</b>			
Cost	300,000,000	76,569,475	376,569,475
<u>Less</u> Accumulated amortisation	(71,277,544)	(46,081,840)	(117,359,384)
Provision for impairment	(228,722,456)	-	(228,722,456)
Net book amount	-	30,487,635	30,487,635

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.

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**19 Prepaid rents**

	<b>Consolidated and separate financial statements</b>
	<b>Baht</b>
<b>At 1 January 2017</b>	
Cost	141,139,145
<u>Less</u> Accumulated amortisation	(78,858,898)
Allowance for decrease in value	(1,250,228)
Net book amount	<u>61,030,019</u>
<b>For the year ended 31 December 2017</b>	
Opening net book amount	61,030,019
Amortisation charge	(6,492,927)
Closing net book amount	<u>54,537,092</u>
<b>At 31 December 2017</b>	
Cost	141,139,145
<u>Less</u> Accumulated amortisation	(85,351,825)
Allowance for decrease in value	(1,250,228)
Net book amount	<u>54,537,092</u>
<b>For the year ended 31 December 2018</b>	
Opening net book amount	54,537,092
Amortisation charge	(5,625,658)
Closing net book amount	<u>48,911,434</u>
<b>At 31 December 2018</b>	
Cost	141,139,145
<u>Less</u> Accumulated amortisation	(90,977,483)
Allowance for decrease in value	(1,250,228)
Net book amount	<u>48,911,434</u>

**20 Deferred income tax**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	4,162,318	4,675,547	4,074,641	4,069,704
Deferred tax assets to be recovered after 12 months	4,666,481	4,534,983	3,634,886	3,544,931
	<u>8,828,799</u>	<u>9,210,530</u>	<u>7,709,527</u>	<u>7,614,635</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(4,065,134)	(9,412,984)	(467,059)	-
Deferred tax liabilities to be settled after 12 months	(71,662)	(241,336)	(71,662)	(241,336)
	<u>(4,136,796)</u>	<u>(9,654,320)</u>	<u>(538,721)</u>	<u>(241,336)</u>
<b>Deferred tax, net</b>	<u>4,692,003</u>	<u>(443,790)</u>	<u>7,170,806</u>	<u>7,373,299</u>



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**20 Deferred income tax (Cont'd)**

The movements of the deferred income tax account are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
At 1 January	(443,790)	(9,579,258)	7,373,299	4,004,703
Charged (credited) to profit or loss	5,135,793	9,741,891	(202,493)	3,975,019
Credited to comprehensive income	-	(606,423)	-	(606,423)
At 31 December	<u>4,692,003</u>	<u>(443,790)</u>	<u>7,170,806</u>	<u>7,373,299</u>

The movements in deferred tax assets and liabilities during the year are as follows:

	<b>Consolidated financial statements</b>		
	<b>At 1 January 2018 Baht</b>	<b>Charged (credited) to the income statement Baht</b>	<b>At 31 December 2018 Baht</b>
<b>Deferred tax assets</b>			
Provision for accrued interest	379,548	(379,548)	-
Provision for employee benefit obligations	4,534,983	131,498	4,666,481
Allowance for doubtful account	4,238,428	(76,110)	4,162,318
Finance leases	57,571	(57,571)	-
	<u>9,210,530</u>	<u>(381,731)</u>	<u>8,828,799</u>
<b>Deferred tax liabilities</b>			
Revaluation of assets	(9,412,984)	5,814,909	(3,598,075)
Depreciation	(241,336)	169,674	(71,662)
Gain on investment in trading securities	-	(467,059)	(467,059)
	<u>(9,654,320)</u>	<u>5,517,524</u>	<u>(4,136,796)</u>

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2017 Baht</b>	<b>Charged (credited) to the income statement Baht</b>	<b>Credited to the comprehensive income Baht</b>	<b>At 31 December 2017 Baht</b>
<b>Deferred tax assets</b>				
Provision for accrued interest	379,548	-	-	379,548
Provision for employee benefit obligations	4,606,198	535,208	(606,423)	4,534,983
Allowance for doubtful account	226,295	4,012,133	-	4,238,428
Finance leases	436,594	(379,023)	-	57,571
	<u>5,648,635</u>	<u>4,168,318</u>	<u>(606,423)</u>	<u>9,210,530</u>
<b>Deferred tax liabilities</b>				
Revaluation of assets	(15,227,893)	5,814,909	-	(9,412,984)
Depreciation	-	(241,336)	-	(241,336)
	<u>(15,227,893)</u>	<u>5,573,573</u>	<u>-</u>	<u>(9,654,320)</u>

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**20 Deferred income tax (Cont'd)**

The movements in deferred tax assets and liabilities during the year are as follows: (Cont'd)

	Separate financial statements		
	At 1 January 2018 Baht	Charged (credited) to the income statement Baht	At 31 December 2018 Baht
<b>Deferred tax assets</b>			
Provision for employee benefit obligations	3,544,931	89,955	3,634,886
Allowance for doubtful account	4,012,133	62,508	4,074,641
Finance leases	57,571	(57,571)	-
	<u>7,614,635</u>	<u>94,892</u>	<u>7,709,527</u>
<b>Deferred tax liabilities</b>			
Depreciation	(241,336)	169,674	(71,662)
Gain on investment in trading securities	-	(467,059)	(467,059)
	<u>(241,336)</u>	<u>(297,385)</u>	<u>(538,721)</u>

	Separate financial statements			
	At 1 January 2017 Baht	Charged (credited) to the income statement Baht	Credited to the comprehensive income Baht	At 31 December 2017 Baht
<b>Deferred tax assets</b>				
Provision for employee benefit obligations	3,568,109	583,245	(606,423)	3,544,931
Allowance for doubtful account	-	4,012,133	-	4,012,133
Finance leases	436,594	(379,023)	-	57,571
	<u>4,004,703</u>	<u>4,216,355</u>	<u>(606,423)</u>	<u>7,614,635</u>
<b>Deferred tax liabilities</b>				
Depreciation	-	(241,336)	-	(241,336)
	<u>-</u>	<u>(241,336)</u>	<u>-</u>	<u>(241,336)</u>

Presentation in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred income tax assets	8,290,078	8,969,194	7,170,806	7,373,299
Deferred income tax liabilities	(3,598,075)	(9,412,984)	-	-
Deferred income tax, net	<u>4,692,003</u>	<u>(443,790)</u>	<u>7,170,806</u>	<u>7,373,299</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

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## 21 Trade and other payables

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Trade accounts payables - third parties	793,816,743	831,968,533	785,427,119	821,169,738
Amount due to related parties (Note 31.3)	-	-	12,486,922	9,397,874
Other payables	108,412,896	149,360,390	105,714,558	145,000,869
Accrued expenses	57,538,532	122,844,186	58,352,332	120,266,120
Advances received	48,194,173	15,902,149	48,194,123	15,902,099
	<b>1,007,962,344</b>	<b>1,120,075,258</b>	<b>1,010,175,054</b>	<b>1,111,736,700</b>

## 22 Borrowings

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Current</b>				
Finance lease liabilities	-	1,999,962	-	323,515
Current portion of long-term borrowings	46,512,000	35,974,125	46,512,000	35,974,125
Total current borrowings	<b>46,512,000</b>	<b>37,974,087</b>	<b>46,512,000</b>	<b>36,297,640</b>
<b>Non-current</b>				
Long-term borrowings	163,408,500	209,920,500	163,408,500	209,920,500
Total non-current borrowings	<b>163,408,500</b>	<b>209,920,500</b>	<b>163,408,500</b>	<b>209,920,500</b>
<b>Total borrowings</b>	<b>209,920,500</b>	<b>247,894,587</b>	<b>209,920,500</b>	<b>246,218,140</b>

### 22.1 Finance lease liabilities

Minimum lease payments of finance lease liabilities is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Not later than one year	-	2,058,105	-	323,849
	-	2,058,105	-	323,849
<u>Less</u> Future finance charges on finance leases	-	(58,143)	-	(334)
Present value of finance lease liabilities	<b>-</b>	<b>1,999,962</b>	<b>-</b>	<b>323,515</b>

The present value of finance lease liabilities is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Not later than one year	-	1,999,962	-	323,515
	-	1,999,962	-	323,515

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## 22 Borrowings (Cont'd)

### 22.1 Finance lease liabilities

The movement in finance lease liabilities can be analysed as follows:

	<b>Consolidated financial statements</b>		
	<b>Finance lease payables</b>	<b>Deferred interest</b>	<b>Finance lease liabilities</b>
At 1 January 2017	8,058,491	(330,521)	7,727,970
Cash outflows:			
Repayment	(6,000,386)	-	(6,000,386)
Non-cash changes:			
Amortised deferred interest	-	272,378	272,378
At 31 December 2017	2,058,105	(58,143)	1,999,962
At 1 January 2018	2,058,105	(58,143)	1,999,962
Cash outflows:			
Repayment	(2,058,105)	-	(2,058,105)
Non-cash changes:			
Amortised deferred interest	-	58,143	58,143
At 31 December 2018	-	-	-
	<b>Separate financial statements</b>		
	<b>Finance lease payables</b>	<b>Deferred interest</b>	<b>Finance lease liabilities</b>
At 1 January 2017	3,981,363	(41,445)	3,939,918
Cash outflows:			
Repayment	(3,657,514)	-	(3,657,514)
Non-cash changes:			
Amortised deferred interest	-	41,111	41,111
At 31 December 2017	323,849	(334)	323,515
At 1 January 2018	323,849	(334)	323,515
Cash outflows:			
Repayment	(323,849)	-	(323,849)
Non-cash changes:			
Amortised deferred interest	-	334	334
At 31 December 2018	-	-	-

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## 22 Borrowings (Cont'd)

### 22.2 Long-term borrowings

Movements in long-term borrowings are analysed as follows:

For year ended 31 December	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Opening net book amount	245,894,625	277,992,750
Cash outflows:		
Repayments	(35,974,125)	(32,098,125)
Closing net book amount	209,920,500	245,894,625

Maturity of long-term borrowings is as follows:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Within 1 year	46,512,000	35,974,125
Between 1 year and 5 years	163,408,500	186,048,000
Over 5 years	-	23,872,500
	209,920,500	245,894,625

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated and separate financial statements			
	Carrying amount		Fair value	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings	209,920,500	245,894,625	210,261,897	246,505,386

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.03% (2017: 6.28%) and are within level 2 of the fair value hierarchy.

Long-term borrowings are collateralised by pledge of land and equipment amounting to Baht 369.58 million (2017: Baht 293.30 million) (Note 16).

### 22.3 Borrowing facilities

The Group have the following undrawn committed borrowing facilities:

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Floating rate		
- expiring beyond one year	487,428,110	487,428,110

### 22.4 Interest rate

The effective interest rates at the statement of financial position date were as follows:

	Consolidated and separate financial statements	
	2018 %	2017 %
Long-term borrowings	MLR - 0.5	MLR - 0.5
Finance lease liabilities	-	MLR

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**23 Short-term provision**

	<b>Consolidated and separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Provision for tax assessments</b>		
At 1 January	53,397,993	87,525,593
Payment	(6,310,584)	(16,984,018)
Reversal	(39,000,000)	(17,143,582)
At 31 December	<u>8,087,409</u>	<u>53,397,993</u>

**Provision for tax assessments**

The Company recognised provision for specific business tax which was assessed by the Revenue Department and provision for certain tax items incurred in the past. The management believes that the provision is sufficient taking into accounts of factors such as payments of tax and advices of legal counsellor.

**24 Employee benefit obligations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Statement of financial position:				
Retirement benefits	<u>23,332,413</u>	<u>21,231,795</u>	<u>18,174,430</u>	<u>16,281,533</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	<u>6,694,183</u>	<u>3,637,056</u>	<u>5,962,422</u>	<u>2,916,224</u>
Remeasurement for:				
Retirement benefits	<u>-</u>	<u>(3,758,449)</u>	<u>-</u>	<u>(3,032,114)</u>

Retirement benefits are final salary retirement plan. The level of benefits provided depends on members' 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
At 1 January	21,231,795	23,030,995	16,281,533	17,840,550
Current service costs	6,009,331	3,034,713	5,429,256	2,453,162
Interest expense	684,852	602,343	533,166	463,062
	<u>27,925,978</u>	<u>26,668,051</u>	<u>22,243,955</u>	<u>20,756,774</u>
Remeasurements:				
Gain from change in demographic assumptions	-	(300,089)	-	(300,089)
Gain from change in financial assumptions	-	(1,203,797)	-	(1,203,797)
Experience gain	-	(2,254,563)	-	(1,528,228)
	<u>-</u>	<u>(3,758,449)</u>	<u>-</u>	<u>(3,032,114)</u>
Benefits payments	<u>(4,593,565)</u>	<u>(1,677,807)</u>	<u>(4,069,525)</u>	<u>(1,443,127)</u>
At 31 December	<u>23,332,413</u>	<u>21,231,795</u>	<u>18,174,430</u>	<u>16,281,533</u>



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**24 Employee benefit obligations (Cont'd)**

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Discount rate	3.30	3.30	3.30	3.30
Salary growth rate	3.00 - 4.00	3.00 - 4.00	4.00	4.00

Sensitivity analysis for each significant assumption used is as follows:

		Consolidated financial statements					
		Impact on defined benefit obligation					
		Change in assumption		Increase in assumption		Decrease in assumption	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Discount rate	1%	1%		Decrease by 9%	Decrease by 9%	Increase by 10%	Increase by 11%
Salary growth rate	1%	1%		Increase by 11%	Increase by 11%	Decrease by 10%	Decrease by 10%

		Separate financial statements					
		Impact on defined benefit obligation					
		Change in assumption		Increase in assumption		Decrease in assumption	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Discount rate	1%	1%		Decrease by 9%	Decrease by 9%	Increase by 10%	Increase by 10%
Salary growth rate	1%	1%		Increase by 11%	Increase by 11%	Decrease by 10%	Decrease by 9%

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 has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

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.

The weighted average duration of the defined benefit obligation is 12.53 years (2017: 12.53 years).

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2018					
Retirement benefits	1,314,190	980,027	6,342,778	59,302,931	67,939,926

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017					
Retirement benefits	522,138	1,314,190	4,461,113	62,164,623	68,462,064

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## 24 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement benefits: (Cont'd)

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2018					
Retirement benefits	926,123	535,690	5,034,261	45,485,201	51,981,275

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2017					
Retirement benefits	177,592	926,123	2,951,933	48,103,219	52,158,867

## 25 Deposits received

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Deposits received for small-sized gas cylinders	2,113,533,986	2,022,525,816
Provision for deposits received for small-sized gas cylinders	1,271,277,565	1,282,902,705
	<u>3,384,811,551</u>	<u>3,305,428,521</u>

### Deposit received for small-sized gas cylinders

Deposits received for small-sized gas cylinders represents the deposit for small-sized gas cylinders received from the customer supporting by copies of deposit slips. The deposits received account increases according to the actual amount of deposits received from customers. It will be reversed when the customer returns the gas cylinders together with the deposit slips to the Company and the Company refunds the deposit.

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

Provision for deposits received for small-sized gas cylinders is recognised in corresponding to the number of gas cylinders circulating in the market as appraised by an independent appraiser. The provision is purposed to reflect the full amount of liabilities of deposits including those without supporting slips. The management believes that such provision is recognised based on conservative and prudent principle.

## 26 Share capital

	Authorised number of shares	Number of shares	Issued and fully paid-up			Total Baht
			Ordinary shares Baht	Share Premium Baht	Premium on LPG selling Price Baht	
At 1 January 2017	2,760,565,700	2,760,565,700	2,760,565,700	2,657,619,957	532,000,000	5,950,185,657
Share decrease	(2,242,065,700)	(2,242,065,700)	(2,242,065,700)	-	-	(2,242,065,700)
Offset deficit against share premium	-	-	-	(2,657,619,957)	-	(2,657,619,957)
At 31 December 2017	518,500,000	518,500,000	518,500,000	-	532,000,000	1,050,500,000
At 1 January 2018	518,500,000	518,500,000	518,500,000	-	532,000,000	1,050,500,000
Issue of shares	-	-	-	-	-	-
At 31 December 2018	518,500,000	518,500,000	518,500,000	-	532,000,000	1,050,500,000

The total authorised number of ordinary shares is 518,500,000 shares (2017: 518,500,000 shares) with a par value of Baht 1 per share (2017: Baht 1 per share). The issued and fully paid-up ordinary shares is 518,500,000 shares (2017: 518,500,000 shares).

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## 26 Share capital (Cont'd)

On 31 January 2017, the Extraordinary Annual General Meeting of Shareholders No.1/2017 approved

1. Transferring the legal reserve of Baht 33,910,000, the share premium of Baht 2,657,619,957 and premium on LPG selling price of Baht 532,000,000, respectively, totalling Baht 3,223,529,957 to compensate for accumulated loss of the Company.
2. Decrease 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 Baht 518,500,000, by decreasing of 2,242,065,700 shares, with par value of Baht 1 each, based on the shareholdings proportion of 5.32413828 existing shares to 1 new share (5.32413828:1) to compensate for the accumulated loss of the Company.
3. 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 each" to "Registered capital Baht 518,500,000, Ordinary shares 518,500,000 shares with par value of Baht 1 each".

The Company registered the reduction in share capital with the Ministry of Commerce on 25 July 2017. However, the Company is under the process of consultation with a government authority regarding legal aspect of offsetting of premium on LPG selling price amounting to Baht 532,000,000 against deficit.

## 27 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Transportation income	128,789,137	141,402,078	128,789,137	141,402,078
Interest income	7,675,341	6,967,558	10,551,975	9,772,296
Rental income	10,659,224	11,950,107	14,512,186	15,650,775
Cylinder maintenance income	15,983,358	28,585,738	15,983,358	28,585,738
Gain on disposals of equipment	21,797,009	10,604,743	14,478,048	10,604,743
Others	66,304,901	35,011,137	63,800,699	34,397,898
	<u>251,208,970</u>	<u>234,521,361</u>	<u>248,115,403</u>	<u>240,413,528</u>

## 28 Expense by nature

Significant expenses by nature that are included in the statements of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of finished goods purchased	13,492,285,934	14,458,725,687	13,492,285,934	14,458,725,687
Depreciation	268,509,823	265,103,303	226,916,476	222,132,307
Employee benefit expenses	173,625,291	172,328,247	171,664,898	170,697,720
Cylinders repairing costs	55,347,280	51,397,081	55,347,280	51,397,081
Transportation expenses	159,093,826	157,046,839	159,093,826	157,046,839
Sales promotion and advertising expenses	93,322,090	90,739,529	92,402,990	88,605,030
Service fee for LPG reserve	23,846,994	34,873,008	23,846,994	34,873,008
Rental and service fees	55,693,654	54,170,895	53,573,209	52,446,395
Amortisation	5,067,844	5,542,972	4,620,477	5,117,106
Reversal of bad debt and doubtful debts expense	(1,853,755)	(27,874,198)	(2,002,212)	(27,874,198)
Financial advisor fee	14,361,920	60,000,000	14,361,920	60,000,000

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**29 Income tax expense**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current tax:				
Current tax on profits for the year	69,798,963	15,201,723	68,654,837	12,650,791
Adjustments in respect of prior year	2,396,561	-	2,396,561	-
<b>Total current tax</b>	<b>72,195,524</b>	<b>15,201,723</b>	<b>71,051,398</b>	<b>12,650,791</b>
Deferred tax:				
Decrease (increase) in deferred tax assets (Note 20)	381,731	(4,168,318)	(94,892)	(4,216,355)
(Decrease) increase in deferred tax liabilities (Note 20)	(5,517,524)	(5,573,573)	297,385	241,336
<b>Total deferred tax</b>	<b>(5,135,793)</b>	<b>(9,741,891)</b>	<b>202,493</b>	<b>(3,975,019)</b>
<b>Income tax expense</b>	<b>67,059,731</b>	<b>5,459,832</b>	<b>71,253,891</b>	<b>8,675,772</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Profit before tax	388,541,764	137,415,264	413,753,776	157,931,282
Tax calculated at a tax rate of 20% (2017: 20%)	77,708,352	27,483,053	82,750,755	31,586,256
Tax effect of:				
Income subject to tax	52,768	93,176	52,768	93,176
Income not subject to tax	(7,945,069)	(16,363,626)	(7,962,069)	(16,363,626)
Expense not deducted for tax purpose	247,340	258,780	147,623	102,423
Expense deducted at greater amount	(6,409,578)	(8,994,935)	(6,236,609)	(8,726,041)
Adjustment in respect of prior period	2,396,561	-	2,396,561	-
Difference in tax rates of a SME subsidiary	(206,750)	(299,277)	-	-
Tax losses for which no deferred tax asset was recognised	1,216,107	3,282,661	104,862	1,983,584
<b>Tax charge</b>	<b>67,059,731</b>	<b>5,459,832</b>	<b>71,253,891</b>	<b>8,675,772</b>

The weighted average applicable tax rate was 17.26% (2017: 3.97%).

**30 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>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit attributable to ordinary shareholders of the Company (Baht)	321,481,690	131,954,588	342,499,885	149,255,510
Weighted average number of ordinary shares outstanding (Shares)	518,500,000	518,500,000	518,500,000	518,500,000
Basic earnings per share (Baht per share)	0.6200	0.2545	0.6606	0.2879

There are no potential dilutive ordinary shares in issue during 2018.

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### 31 Related-party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities 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 16.39% 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

The following transactions were carried out with related parties:

#### 31.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Sale of goods to:</b>				
WP Gas Co., Ltd.	-	-	20,617,976	33,540,913
<b>Other income:</b>				
Eagle Intertrans Co., Ltd.	-	-	3,120,133	2,856,179
Logistic Enterprise Co., Ltd.	-	-	1,660	15,439
WP Gas Co., Ltd.	-	-	1,848,747	2,301,430
	-	-	4,970,540	5,173,048
<b>Interest income:</b>				
Eagle Intertrans Co., Ltd.	-	-	1,141,918	982,466
WP Gas Co., Ltd.	-	-	2,170,000	2,178,091
	-	-	3,311,918	3,160,557

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

The following transactions were carried out with related parties: (Cont'd)

**31.2 Purchases of goods and services**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Purchases of services from:</b>				
Eagle Intertrans Co., Ltd.	-	-	160,980,433	166,402,500
<b>Selling expenses:</b>				
Logistic Enterprise Co., Ltd.	-	-	9,664,414	11,498,100

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Amount due from related parties: (Note 9)</b>				
Eagle Intertrans Co., Ltd.	-	-	597,791	368,879
WP Gas Co., Ltd.	-	-	2,454,159	1,563,441
	-	-	3,051,950	1,932,320
<b>Amount due to related parties: (Note 21)</b>				
Eagle Intertrans Co., Ltd.	-	-	12,486,922	9,397,874
<b>Accrued expenses:</b>				
Eagle Intertrans Co., Ltd.	-	-	2,980,851	-

**31.4 Short-term loans to related parties**

	Separate financial statements	
	2018 Baht	2017 Baht
<b>Short-term loans to related parties</b>		
Eagle Intertrans Co., Ltd.	-	40,000,000
WP Gas Co., Ltd.	35,000,000	35,000,000
	35,000,000	75,000,000
	Separate financial statements	
	2018 Baht	2017 Baht
Opening balance	75,000,000	85,000,000
Repayment	(40,000,000)	(10,000,000)
Closing balance	35,000,000	75,000,000

As at 31 December 2018, short-term loans to related parties are promissory notes denominated in Thai Baht issued by WP Gas Company Limited. The promissory notes are due within one year and bearing interest rate of MLR per annum.

The related interest income was Baht 3.31 million (2017: Baht 3.16 million).



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### 31 Related-party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

#### 31.5 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Salaries and other short-term employee benefits	23,774,975	19,043,329	19,787,687	15,383,999
Retirement benefits	339,163	245,802	268,343	169,002
	<u>24,114,138</u>	<u>19,289,131</u>	<u>20,056,030</u>	<u>15,553,001</u>

### 32 Commitments

#### 32.1 Capital commitments

As at 31 December 2018, the Company has capital commitments contracted for constructing gas storage tank amounting to Baht 452.50 million (2017: Baht 14.77 million).

#### 32.2 Operating lease commitments - where a Group company is the lessee

The Group has non-cancellable operating leases, which are service agreements relating to storage tank areas for Liquefied Petroleum Gas (LPG) to reserve LPG according to the Department of Energy Business.

The future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	64,487,829	85,374,740	67,065,167	80,351,093
Later than 1 year but not later than 5 years	96,759,029	106,414,032	96,269,462	102,811,771
Over 5 years	90,276,964	108,149,317	90,276,964	108,149,317
	<u>251,523,822</u>	<u>299,938,089</u>	<u>253,611,593</u>	<u>291,312,181</u>

### 33 Contingencies

#### 33.1 Guarantees

As at 31 December 2017, the Group provided guarantees on behalf of its related parties for the lease of vehicles amounting to Baht 1.98 million.

#### 33.2 Bank guarantees

As at 31 December 2018, 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 1,079.42 million (2017: Baht 1,202.03 million). Bank deposits amounting to Baht 640.85 million (2017: Baht 585.94 million), machinery and land amounting to Baht 130.00 million and Baht 193.60 million, respectively, are pledged as collateral for the bank guarantees.

As at 31 December 2018, the Company use bank deposit amounting to Baht 9.23 million (2017: Baht 8.98 million) as collateral for a borrowing from financial institution.

As at 31 December 2018, the Group use bank deposit amounting to Baht 0.20 million as collateral for rendering transportation service to customer.

## 34 Litigations

### Litigations of World Gas (Thailand) Co., Ltd.

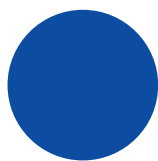
- 34.1 In 2010, WG was the defendant because it had mortgaged its land with a securities company as collateral for credit facilities obtained by a third party with the claimed amount of Baht 27.02 million. The Court ordered to temporarily dismiss the case awaiting verdict of the primary debt. The management of the Company does not anticipate for any loss in respect of such litigation case. Therefore, the Company did not provide for contingent liability.
- 34.2 In 2013, WG 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. The Civil Court ordered the Company to pay the compensation with interest amounting to Baht 2.36 million. The Company has already paid for such amount. Subsequently, the Appeal Court and Supreme Court ordered the Company to pay additional compensation amounting to Baht 11.57 million and the Company already made a payment for such compensation during third quarter of 2018.

### Litigations of WP Energy Public Company Limited

- 34.3 In 2017, construction company who constructed gas storage and distribution at Chachoengsao province has sued the Company as defendants in a Civil Court to claim for compensation and damages amounting to Baht 13.50 million, for construction work performed by the contractor and the Company has ordered to postpone the construction temporarily and is reviewing the construction works performed. In November 2018, Civil Court ordered the Company to pay the compensate with interest amounting to Baht 13.50 million and the Company is on process according to the Court's order.
- 34.4 In 2018, the Company has been sued and claimed for damages by individual for lack of reasonable care as a professional LPG distributors. This caused the plaintiff severe burns. The plaintiff requested the Court to order the Company to pay the compensation for damages amounting to Baht 1.18 million. This The court ordered to temporarily dismiss the case awaiting verdict of criminal case. However, the management of the Company does not anticipate for any loss in respect of such litigation case. Therefore, the Company did not provide for contingent liability.
- 34.5 In 2018, construction company who constructed gas storage and distribution at Nakhornsawan province has sued the Company as defendants in a Civil Court to claim for compensation and damages amounting to Baht 9.92 million, for construction work performed by the contractor and the Company has ordered to postpone the construction temporarily and is reviewing the construction works performed. Currently, this case is on process of investigation. However, the management of the Company does not anticipate for any loss in respect of such litigation case. Therefore, the Company did not provide for contingent liability.
- 34.6 In 2018, the Company has been sued and claimed for damages by a customer in case of breach of an agent agreement, LPG filling fee and transportation fee including sales discounts amounting to Baht 46.50 million. Currently, this case is on process of Court's proceedings. However, the management of the Company does not anticipate for any loss in respect of such litigation case. Therefore, the Company did not provide for contingent liability.

## 35 Events occurring after the reporting date

- 35.1 At the Board of Directors Meeting no.11/2018 on 29 October 2018, the meeting approved the Group to acquire 1,094,400 shares of Thai Gas Corporation Company Limited, representing 80% of total issued shares of Thai Gas Corporation Company Limited. The Group expects to complete the acquisition within the first quarter of 2019.
- 35.2 At the Board of Directors Meeting no. 1/2019 on 17 January 2019, the meeting approved WP Gas Company Limited, a subsidiary of the Company, to increase share capital amounting to Baht 170 million by issuing ordinary shares of 17 million shares, with par value Baht 10 each. WP Gas Company Limited received shares subscription totaling Baht 170 million from the Company and registered the capital increase with the Ministry of Commerce on 14 February 2019.





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