



**ENERGY FOR LIFE**

**รายงานประจำปี 2562**  
Annual Report 2019





**WP Energy Public Company Limited**

# General and Other Important Information

<b>Company's Name</b>	WP Energy Public Company Limited
<b>Security Symbol</b>	WP
<b>Website</b>	www.wp-energy.co.th
<b>Company Registration No.</b>	107557000403
<b>Authorized Capital</b>	518,500,000 Baht
<b>Date of Establishment</b>	24 November 2014
<b>Main Business</b>	LPG Distribution
<b>Total Employees</b>	376 Persons
<b>Head Office Location</b>	1 East Water Building, 15 <sup>th</sup> Floor, Vipavadeerangsit Soi 5, Vipavadeerangsit Road, Jomphol, Jatujak, Bangkok 10900

## Branch Location

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

## Reference Persons

<b>Securities Registrar</b>	Thailand Securities Depository Co., Ltd.
<b>Auditor</b>	PricewaterhouseCoopers ABAS Ltd.  1. Mr. Kajornkiet Aroonpirodkul, CPA Registration No. 3445; and/or 2. Mr. Pisit Thangtanagul, CPA Registration No. 4095; and/or 3. Ms. Tithinun Vankeo, Certified Public Accountant No. 9432
<b>Legal Advisor</b>	Somboon and Partners Co., Ltd
<b>Financial Advisor</b>	Finansa Securities Co., Ltd.



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# Because...providing **energy** with care is our mission.



WP Energy Public Company Limited is managed by personnel with specialised knowledge and experience. For over 40 years, WP Energy has delivered integrated services from upstream to downstream based on highest safety quality in accordance with the laws, rules, standards, and regulations and has received ISO 14001 and OHSAS / TIS 18001 certifications for its environmental management system and occupational health and safety management system standards, which have gained international acceptance. The company strives to become a leader in comprehensive energy, overcome challenges, and seek new business opportunities in order to develop and expand business in other areas of energy, both at the regional and global levels, in a sustainable way.



**Because...we care  
about your all  
your needs.**



WP Energy pays special attention to procuring quality gas with a fleet of ships that effectively control and monitor the quantity of gas intake and distribution and is able to track logistics through a modern GPS system. Receiving gas into storage tanks and packaging gas is conducted by a team of expert engineers who are ready to deliver gas to every business and household with highest service efficiency.



# Because...the world is what we want to protect.



WP Energy focuses on being responsible to the society and external parties. As a large distributor of liquefied petroleum gas, the company aims to connect business partners in every business sector including customers in the auto industry, industry group, commercial group, and household group to encourage participation in CSR activities in order to create greater value and bring strength to the organisation. As a result, operations have been divided into different parts with scope ranging from society and community to environment.

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



4

LPG  
Terminals

149

LPG  
Filing Plants

+800

LPG Service  
Stations

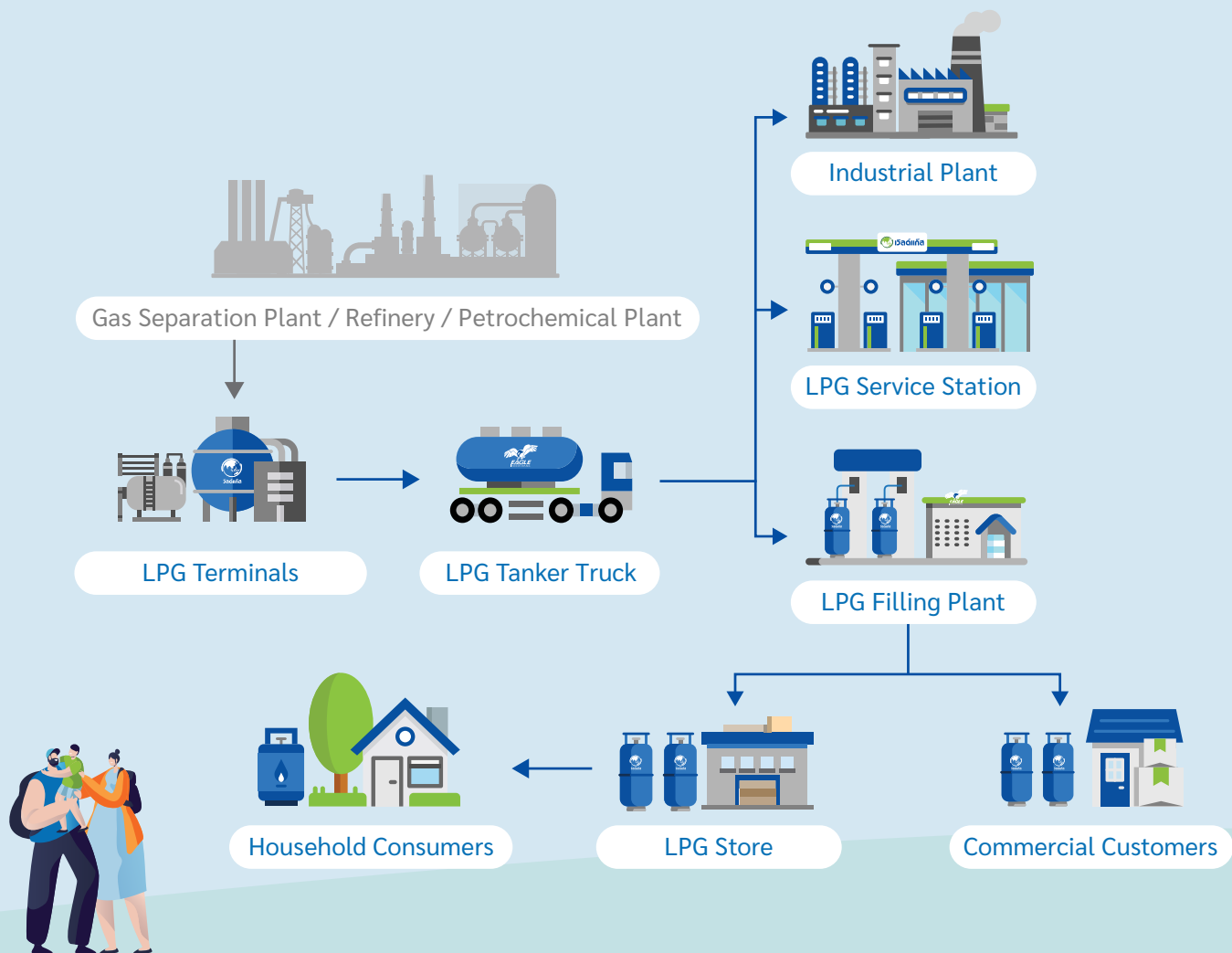
LPG Transport

152

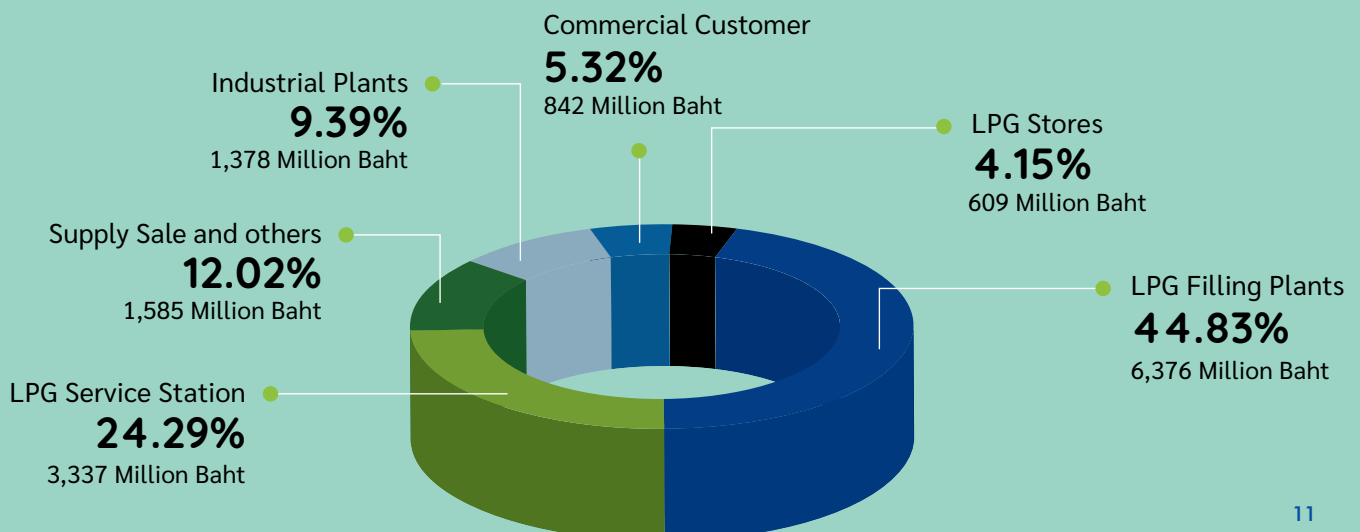
Vehicles



WP energy offers fully integrated service from upstream to downstream supply chain with an emphasis on quality and international standard of safety



## Volume Breakdown by Segment for the Fiscal Year 2019



# Financial Highlights

Unit: Million Baht

	2017	2018	2019
<b>Financial Highlight</b>			
Total Revenue	15,747	14,978	14,466
Gross Profit	650	830	734
EBITDA	422	675	645
Net Profit	132	321	289
Assets	5,612	5,715	6,049
Liabilities	4,941	4,723	4,754
Equity	671	992	1,295
Operating cash flow	565	517	532
<b>Financial Ratios</b>			
Gross Profit Margin (%)	4.19%	5.64%	5.18%
EBITDA Margin (%)	2.68%	4.51%	4.46%
Net Profit Margin (%)	0.84%	2.15%	2.00%
EPS (Baht/share)	0.25	0.62	0.56
Current Ratio (x)	1.64	2.08	1.93
Debt / Equity (x)	7.36	4.76	3.67
Interest-Bearing Debt / Equity (x)	0.37	0.21	0.14
Return on Assets (ROA) (%)	2.78%	7.09%	7.17%
Return on Equity (ROE) (%)	21.86%	38.65%	30.40%

## Revenue Breakdown FY2019



LPG Filling  
Plants

**6,376**

Million Baht



LPG Service  
Station

**3,337**

Million Baht



Industrial  
Plants

**1,378**

Million Baht



Commercial  
Customers

**842**

Million Baht



LPG  
Stores

**609**

Million Baht

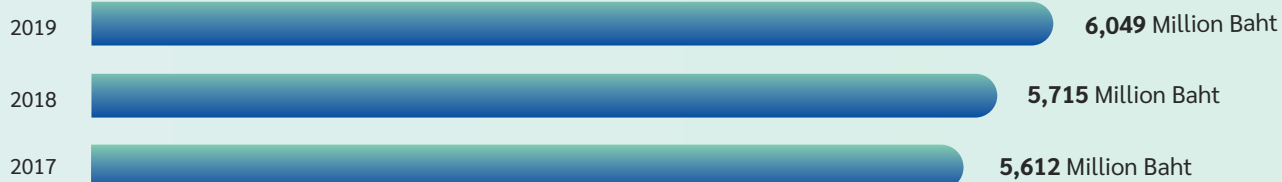


Supply Sale  
and Others

**1,585**

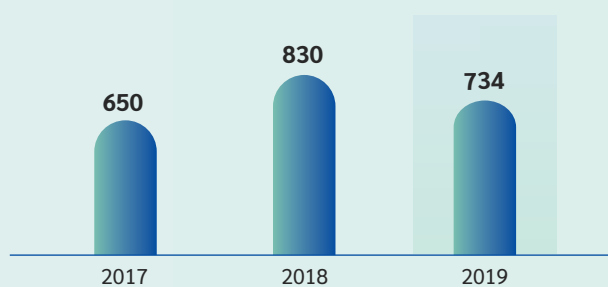
Million Baht

## Assets



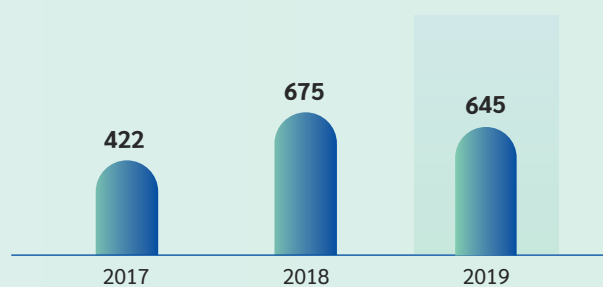
## Gross Profit

Unit: Million Baht



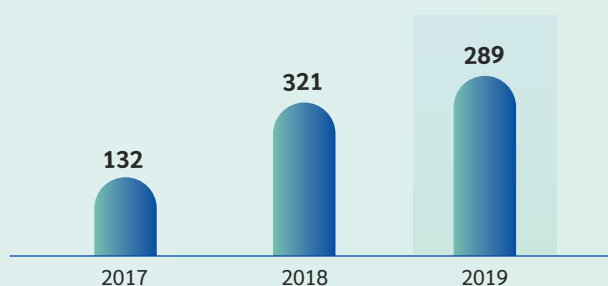
## EBITDA

Unit: Million Baht



## Net Profit

Unit: Million Baht



## Equity

Unit: Million Baht



# Message from the Chairman of the Board


## Dear Shareholders,

The past economic condition of Thailand in 2019 has slowed down and unavoidably affected every business sector. However, WP Energy Public Company Limited has still satisfactorily maintained the rate of return due to the prudent and business operation and careful investment policy, and the readiness for the constant adaptation under the appropriate situation-based management and the efficient cost management.

In 2019, the Company has generated the retained earnings for the first time. At the end of 2019, the Company's total retained earnings from the consolidated financial statements amounted 211.58 million baht and it could pay dividend for the first time as the return to its shareholders from the Company's establishment as the result of the commitment and dedication in working at full capacity of the Board of Directors, executives, and employees of the Company under the target of advancement in generation of the growing return for the organization and shareholders.

Throughout the past period, the Company has followed the policy established by WP Energy PCL's Board of Directors in conducting the 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 this 2020, the Company has still continued such policy and prepared to move forward to be the business leader with its integrated business strategies which incorporate upstream, midstream, and downstream businesses.

As the Chairman of the Board, I would like to deliver my gratitude to all shareholders, investors, supporting customers, business allies, employees, and related parties that have well and consistently supported and trusted the Company.



(Mr. Chulchit Bunyaketu)  
Chairman of the Board of Directors  
WP Energy Public Company Limited







# Message from the Chairman of the Executive

Dear Shareholders,

From the establishment of the Company and trading resumption in the Stock Exchange of Thailand in 2018 onwards, WP Energy Public Company Limited has continuously developed through the business restructuring, search of new opportunities, efficient cost management, to consistently achieve the good development, resulting in the Company's current strong and stable financial position, overall operation, and capital. The Company is ready for advancing to expand its business for the sustainable growth.

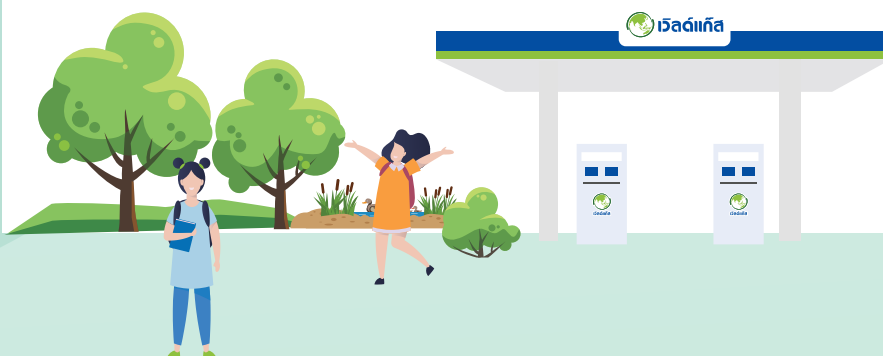
The 2019 has been regarded as a challenging year for all businesses due to the last year economic impacts from various areas such as trade war between USA and China, problems of Thai Baht appreciation and air pollution, etc. Such problems have unavoidably affected every sector. Nevertheless, in this year, the Company has still been able to manage the business to attain the setting target from its good management, adjustment on business operation based on the changing market trend, causing the Company's ability to continuously and satisfactorily maintain its profit margin. In 2019, the Company has been more firm with cash flow until it could generate return to its shareholders, and pay dividend for the first time since the Company's establishment. However, due to its positive intention and working dedication of all parties, the Company has aimed at service development to create the satisfactions of business partners in all business sectors. Moreover, the Company has also strictly given precedence to the 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 the stable and sustainable growth.

In this 2020, the Company has advanced to expand its business to strengthen a more satisfactory turnover through enhancing the strength of the main business which is "World Gas" brand, focusing on expansion to the related business, and searching for the new business doing opportunity not relating to LPG business in order to extend and enhance the potential in part of revenue and profit for more strength.

On behalf of the executives, I would like to deliver my gratitude to the shareholders, joint venture partners, business partners, customers, employees and related parties for well and constant supports on the Company's operations. The Company is ready to carry forward the business for growth and stability under the prudent and circumspect operation, and adherence to code of conduct, corporate governance, and sustainable development for creating the maximum satisfactions to the shareholders. The Company also aims to be the regional leader of the energy business with excellent service innovation in accordance with corporate vision.



(Miss Chomkamol Poompanmoung)  
Chairman of the Executive Committee  
WP Energy Public Company Limited





# Board of Directors



**Mr. Chulchit Bunyaketu**

Chairman of the Board of Directors / Independent Director



**Mrs. Niskorn Tadthiemrom**

Chairman of the Audit Committee / Independent Director

**Mr. Kanoksakdi Bhinsaeng**

Director / Chairman of the Executive Committee



**Mrs. Soithip Trisuddhi**

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



**Mr. Bowon Vongsingnudom**

Director / Member of the Executive Committee



**Ms. Chomkamol Poompanmoung**

Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee / Chief Executive Officer





**Mr. Chatchaval Jiaravanon**

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



**Mr. Sa-nga Ratanachartchuchai**

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

**Mrs. Lakananan Luksamitananan**

Member of the Audit Committee / Independent Director



**Mr. Somchai Kuvijitsuwan**

Independent Director / Member of the Risk Management Committee



**Mr. Rungson Sriworasat**

Independent Director / Member of the Risk Management Committee



**Mr. Kasemsit Pathomsak**

Director

# Vision

Regional leader in energy business with service innovation excellence

## Mission

1. Manage by observing international standards of the principle of good governance to steadily extend the business success
2. Expand energy business overseas
3. Continuously develop organizational capacity and reinforce a quality workforce
4. Collaborate with business allies to achieve stable growth
5. Seek for new business opportunities and ways to improve services



# Policy and Overview of the Business Operation



WP Energy Public Company Limited (“Company”) is a company originated from merger in accordance with the Public Limited Companies Act B.E. 2535 (1992) and Amendment between World Gas (Thailand) Co., Ltd., and Picnic Corporation Public Company Limited, which has been registered for merger and registered for incorporation on 24 November 2014, and has acquired all assets, liabilities, rights, duties and responsibilities of both companies in accordance with the legal effect. At present, the Company has had an authorized capital of Baht 518,500,000 being classified into 518,500,000 ordinary shares, and paid-up capital of Baht 518,500,000.

The Company is the licensed LPG trader in accordance with Section 7 of Fuel Trade Act B.E. 2543 (2000) and Amendment (“Section 7 Trader”). The main business of the Company is to operate LPG trading business under “World Gas” trademark. The Company aims at the business operation’s potential from upstream and potential extension in distribution of products to cover all business sectors, such as LPG service stations, gas filling plants, gas stores, commercial group and industrial group. However, the Company’s target is to be the Thailand’s leading LPG distributor.

# Significant Changes and Development

## Capital and Number of Shares

### Year 2019

- The Board of Directors Meeting No. 1/2019 held on 17 January 2019 resolved to approve its subsidiary company, WP Gas's increase in capital. Such subsidiary will issue 17,000,000 ordinary shares for capital increase at par value of 10 baht per share in the amount of Baht 170,000,000

### Year 2018

- On 23 January 2018, the Stock Exchange of Thailand approved the release of WP, the Company's securities, from the possibility of delisting by removing the SP and NC signs and allowing WP to be traded from 1 February 2018 onwards
- On 1 February 2018, WP was returned for trading in the SET in the energy and utilities sector under the resources industry group with the authorized capital of Baht 518,500,000.

**Year 2019**  
**The Company achieved**  
**Best LPG**  
**Distributors 2019**

Global Awards from International  
 Finance (IFM Awards), England

## Business Operation

### Year 2019

- The Board of Directors Meeting No.10/2019 held on 24 October 2019 resolved to approve the Company's takeover of all seven filling plant businesses with investment value of Baht 170,000,000 to enhance the competitive potential, increase sales volume, and directly expand market to more consumers.
- The Company achieved "Best LPG Distributors 2019" Global Awards from International Finance (IFM Awards), England, and Asia Corporate Excellence & Sustainability Awards 2019 (ACES Awards 2019) from MORS Group for admiring the Asian organizational success as the model of stable and sustainable growth. The Company is a single integrated energy company from Thailand which was awarded in this field, resulting in more recognition in Asian region and international level.

### Year 2018

- On 19 September 2018, the Company signed a hiring contract to construct the Bang Pakong Phase 3 liquid petroleum gas storage and distribution depot with storage capacity of 9,500 tons to be used as support of the reserve policy requiring the an reserve increase of the entrepreneur from one percent to two percent in 2021. After completion of the said construction, the Company will have a LPG storage and distribution depot with a total storage capacity of 18,489 tons.
- The Board of Directors Meeting No.11/2018 held on 29 October 2018 resolved to approve, its subsidiary company, WP Gas's investment in Thai Gas Corporation Co., Ltd. in the proportion of 80 percent of Thaigas Corporation's registered capital in the amount of 168,800,256 baht. On 27 February 2019, the Company has already held the shares in Thaigas Corporation in the proportion of 80 percent.



# Nature of Business



## 1. Overview of the Liquefied Petroleum Gas Business

The Company engages in LPG trading business under “World Gas” trademark and has been licensed to operate as an oil trader under Section 7 of the Fuel Trade Act B.E. 2543 (2000) and amendments. In 2019, the Company’s market share measured by LPG sales volume (excluding petrochemicals) was at 17.67 % (2018: 18.00%).

## 2. Product Characteristics

The Company’s product is Liquefied Petroleum Gas (LPG) which can be classified into two selling sizes of LPG.

1. **Distribution in Bulk** means that LPG is filled into a bulk storage tank which is located on LPG tanker truck (being a vehicle specifically designed to carry liquefied gas) in large quantity and then transferred into bulk storage tank located within the 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 LP is filled into small cylinders. The Company currently uses four sizes of small cylinders, including 4 kg, 13.5 kg, 15 kg, and 48 kg, which enable the Company to appropriately meet the needs of diverse groups of customers.

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

- **LPG filling plants operated by the Company** means that LPG is filled by the Company into cylinders inside 8 filling plants currently operated by the Company to be delivered to the customers in respective areas and purchase orders.
- **LPG filling plants not operated by the Company** means that LPG is distributed by approximately 148 business partners of the Company nationwide, mostly located in the West, the East and the Central of Thailand. LPG will be delivered by the Company under “World Gas” trademark to these filling plants which must hold a license to fill LPG cylinders on behalf of the Company only.

To operate a LPG filling plant, it must obtain a commission agent license (a license to act as a commission agent to distribute LPG) from the trader under Section 7 to be permitted for the LPG compressed filling under the trademark of the commission agent license's issuer as required by laws. If it requires to serve for filling LPG cylinders for other brands, the LPG filling plant must also obtain the consent from the trader under Section 7 before the compressed filling can be performed with new brands. Moreover, a building construction permit issued by the Department of Energy Business must be held in operation of the LPG filling plant. The said 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 2019 as follows:**

Cylinder Capacity	4 Kg.	13.5 Kg.	15 Kg.	48 Kg.	Total
Number (Units)	2,012,575	587,522	3,333,953	360,958	6,295,008
Proportion (%)	31.97%	9.33%	52.96%	5.74%	100.00%

## LPG Transportation

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

- **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 transferred through pipelines to the Company's LPG terminals for storing and preparing the subsequent distribution.
- **Truck Transportation:** The Company's tanker trucks will collect LPG from the producers and deliver it directly to the customers without transporting it back to the Company's LPG terminals for storing like ship transportation.

**Presently, the Company has a total of four 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
<b>Total</b>		<b>8,929</b>	<b>14,400</b>	<b>40</b>

The Company's LPG transportation by road is mostly carried out by EAGLE and PREMIER, 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 2019, the Company has the number of tanker trucks as follows:



Figures of the summary of the Company's LPG filling and distribution process in Thailand



### 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 Thailand. Therefore, it can be concluded that there are almost no differences between the products produced by traders under Section 7. However, the competition within the industry focuses on marketing and service strategies as well as trader reliability.

The Company's overall marketing policy emphasizes distributing products to the filling plants which are the filling plant branches and the filling plant agents of the Company together with market expansion in segment of the commercial customer, shop, service station, and industrial plant with high volume of LPG consumption demand. The goal is to create the stable customer network of the Company, resulting in the Company's ability to achieve sustainable long-term sales growth. The details of the Company's marketing and service strategies for each customer segment are as follows:

- **LPG Filling Plants**

As LPG cylinders of the Company under "World Gas" trademark are well known and popular among the consumers and the Company offers LPG cylinders in various sizes to appropriately meet the needs of the diverse customers, many people have been continuously 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 the consumers. The Company provides an assistance in terms of technique, and consideration on the business feasibility of building a LPG filling plant, safety inspection in accordance with laws, and acquisition of LPG stores. In addition, the Company regularly offers training for the LPG filling plant employees to ensure that the LPG filling plant owners and employees understand how to use LPG properly and safely.

- **LPG Service Stations**

As LPG demand of the LPG gas station customer segment has been a customer group with a declining growth, and quite high competition, therefore, the Company has sell LPG at an appropriate price to allow the customers to gain profits and operate their business. To motivate this group of customers to choose the Company's services as the first choice, the Company

emphasizes on services that prioritize on-time delivery, accuracy of the volume delivered in each time, and polite services from all of the organizational employees.

- **Industrial Plants**

For industrial plant customer group, the Company will invest in equipment and installation of LPG dispensing system for the customers with a large volume of consumption that enter into a long-term LPG purchase and sales agreement with the Company. Furthermore, the Company has a supply standard for products and services that can fulfill the customer needs and provide on-time transportation with an emphasis on the customer safety, effective after-sales service, and development of a good relationship with its business partners.

- **Commercial Customers**

As the Company has currently sold products to many major commercial customers and has also established a good relationship with other several large groups of the commercial customers, and most commercial customers are the customers with a large volume of LPG consumption demand; therefore, the Company has foreseen the opportunity and established a policy to expand a customer base in this group, particularly the customer group with network of shopping malls, restaurants, hotels, and/or hospitals and have good relationship with the Company but have never used the Company's products. The Company has also established a policy to motivate trust from this group of commercial customers and switch to use services with the Company by offering high standard services including on-time delivery, accuracy of the volume delivered, and polite services from all organizational employees.

- **LPG Stores**

In addition to the Company's emphasis on the standard of each LPG cylinder which must be certified in accordance with standards set by the Department of Energy Business and LPG cylinder repair and maintenance standards, the Company has attempted to develop and improve for the continuous higher quality to maximize consumer satisfaction. Another thing to which the Company has given an equal precedence is to build a good relationship with gas stores under "World Gas" trademark by assisting to provide the information relating to news and matters of law, and advice on application of a gas accumulation license from a local agency whereas the said store is located.



## Characteristics of Customer Groups and Distribution Channels

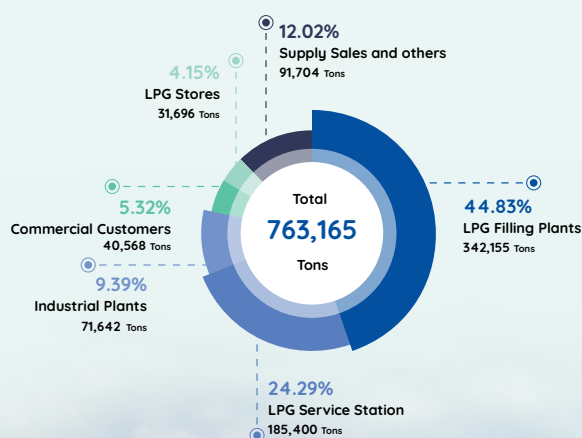
In the Company's LPG trade business, the Company distributes LPG to its customers under "World Gas" trademark, which can be segmented into the following major groups:

1. **LPG filling plants**, which are small industry operators that have duty to be an LPG filling agent to fill LPG into cylinders with the 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**, which are service stations that are opened to sell LPG to the 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.

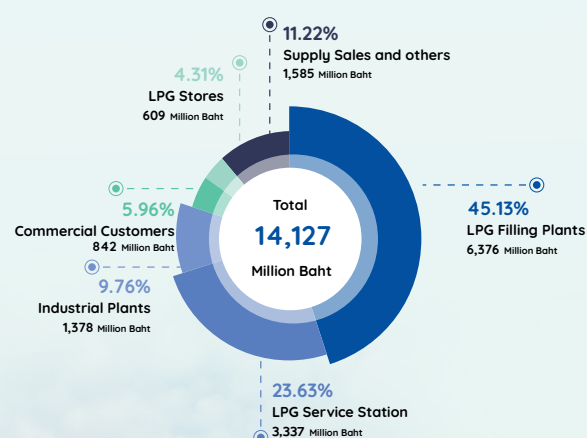
4. **Commercial customers**, including shopping malls, restaurants, hotels, and hospitals that use LPG for cooking.
5. **LPG stores**, which are the operators that receive cylinders with the Company-owned "World Gas" trademark that have already been filled with LPG from the gas filling plants and further sell them to households or commercial customers.

LPG filling plants, Commercial customers, LPG stores, and Industrial plants using large volume of LPG usually order LPG in advance on monthly basis, while LPG service stations and industrial plants using small volume of LPG often order LPG in advance on weekly basis. The Company delivers LPG to the customers through the service providers of the transportation firms which are its subsidiary (EAGLE and PREMIER) and other external transportation firms.

**Table of LPG Sales Volume Proportion Classified by Customer Group in 2019**



**Table of LPG Sales Revenue Proportion Classified by Type of Customer in 2019**



## 4. LPG Industry Situation

The business activities in LPG industry are classified into three levels as follows.

- 1. Upstream Industry** is the industry in which the operators engage in the business relating to exploring and drilling oil and natural gas from natural sources for storing and delivering to the midstream operators for using as a raw material in refining and separation processes of products to be suitable for usability, or delivered to the domestic power plants and industrial operators, mostly by pipeline transportation.
- 2. Midstream Industry** is the industry in which the operators engage in the midstream businesses which are in charge of gas separation into different types, and adjustment of the gas quality to suit the needs of customers. Gases derived from this process come from several production sites within the energy industry such as oil refineries, gas separation plants, and petrochemical plants. LPG is used as raw material in petrochemical industry and consumed as fuel.
- 3. Downstream Industry (Distribution)** is the industry in which the operators engage in the businesses relating to bringing gas from the midstream producers or importing gas from the foreign countries to be stored, filled into cylinders, and distributed to various types of the customer group.

### LPG Trade Industry in Thailand

Liquefied Petroleum Gas (LPG) mostly refers to either propane or butane or to mixture of both of them. 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 into 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 LPG production sites in the country came from the natural gas resources in the Gulf of Thailand and obtained from the refinery’s crude oil refining, and partly from importing from abroad. For domestic consumption 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 the ASEAN countries.

In 2018, the production volume was increased at 6,247 million kilograms when compared with 2017 or increased by 191 million kilograms, or approximately 3.16%, the import volume was increased at 682 million kilograms or increased by 40 million kilograms or 6.20%. The domestic demand was at 6,619 million kilograms, increased by 281 million kilograms or 4.43%, while the export volume clearly grew at 385 million kilograms, increased by 138 million kilograms or 56.01%.

In 2019, the production, import and domestic consumption demand and export volumes decreased in all respects when compared with 2018. In 2019, the production was at 5,980 million kilograms, decreased by 267 million kilograms or 4.27% from the period of 2018, the import volume was at 550 million kilograms, decreased by 132 million kilograms or 19.35%. The domestic LPG sales volume was at 6,560 million kilograms, decreased by 59 million kilograms or 0.89%, while the LPG export was also decreased at 299 million kilograms, decreased in the rate of 22.34%.

Table showing LPG Supply and Distribution

(Unit : Million Kilograms)			
	2019	2018	2017
Production	5,980	6,247	6,056
Import	550	682	642
Domestic Distribution	6,560	6,619	6,338
Export	299	385	247

**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))

The domestically produced LPG is derived from the two main production sources including natural gas separation plants and crude oil refineries in production proportion from both sites at 64.05% and 35.95%, respectively in 2019. The details of LPG production sites are shown in the table below.

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

(Unit : Million Kilograms)

	2019		2018		2017	
	Volume	%	Volume	%	Volume	%
Natural gas separation plants	3,830	64.05	3,882	62.14	3,840	63.41
Crude oil refineries	2,150	35.95	2,365	37.86	2,216	38.59
<b>Total</b>	<b>5,980</b>	<b>100.00</b>	<b>6,247</b>	<b>100.00</b>	<b>6,056</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 Domestic Consumption Demand Classified by Economic Sector shows that LPG consumption demand in 2018 was at 6,619 million kgs., being mainly derived from the uses of LPG in petrochemical sectors and household sector at 39.25 % and 32.69%, respectively. LPG consumption demand for using as fuel in vehicles and industrial sector was in inferior proportion, or approximately 17.68% and 10.38%, respectively.

In 2019, LPG consumption demand was totally 6,559 million kgs., decreased from 2018 by 0.91%. This demand was mainly due to LPG consumption demand in petrochemical sector at 2,751 million kgs., increased from 2018 by 153 million kgs. or 5.90%. LPG consumption demand in household sector was at 2,125 million kgs., decreased from 2018 by 39 million kgs. or 1.80%; while LPG consumption demand of the service stations was at 1,023 million kgs. when compared with 2018, decreased by 147 million kgs. or 12.56%. The consumption demand in industrial sector was at 660 million kgs., decreased by 27 million kgs. or 3.93% when compared with 2018.

The proportion for LPG consumption demand classified by Thailand's economic sector in 2019 was as follows: petrochemical sector at 41.94%, household sector at 32.40%, service stations at 15.60%, and industrial sector at 10.06%.

**Table showing LPG Domestic Consumption Demand Classified by Economic Sector**

(Unit : Million Kilograms)

	2019		2018		2017	
	Volume	%	Volume	%	Volume	%
Household	2,125	32.40	2,164	32.69	2,151	33.93
Industry	660	10.06	687	10.38	650	10.25
Service stations	1,023	15.60	1,170	17.68	1,319	20.81
Petrochemical raw materials	2,751	41.94	2,598	39.25	2,219	35.00
<b>Total</b>	<b>6,559</b>	<b>100.00</b>	<b>6,619</b>	<b>100.00</b>	<b>6,338</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))

## Summary of the Significant Government Sector Policy in LPG of Thailand from before 2004 until present

### Periods before 2004-2014

- The Government set the ex-refinery price referring world market price and using Oil Fund to supervise retail price.
- The Government controlled the ex-refinery price to be a fixed price.
- In 2008, Thailand has commenced to import LPG under compensation of Oil Fund on differences between world market price and controlled price.
- In 2011
  - The Government increased the ex-refinery prices for the refineries referring to CP price at 76% and controlled price (333 \$/ton) at 24%, under compensation of Oil Fund on differences between the refinery price and controlled price.
  - LPG price in industrial sector was gradually increased to reflect the refinery cost whereas the price in household sector and transportation sector were fixed.
- In 2012, the LPG price in transportation sector gradually adjusted to reflect the refinery cost.
- In 2013, the LPG price in household sector were adjusted but LPG price for the low-income earner was maintained.
- In 2014, the retail price for all of three sectors were adjusted to be in the same level.

### Periods from 2015-2016

- In 2015, the government restructured LPG price using Pool Price System
- In 2016, the Committee on Energy Policy Administration approved the principle of preliminary liberalization of LPG as follows:
  - Cancel the compensation for transportation cost of LPG to regional terminals by establishing the transportation cost account for governing instead.
  - Liberalize particularly in part of import from January 2017 onwards.

### Periods from 2017-2019

- In 2017
  - **In January 2017**, the import liberalization and ex-refinery price restructuring have been commenced by referring CP+X import price. However, the oil fund collection and control on domestic producer's price have still been executed.
  - **In July 2017**, The Department of Business Energy announced an increase in legal reserve of LPG from 1% to be 2% to be effective on 1 January 2021.

- **In August 2017**, the National Energy Policy Council resolved to approve the liberalization of LPG business from August 2017 as per the following summary of essence.

- (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 only.
- (3) Cancel the determination on compensation or oil fund contribution rates of the production by natural gas separation plants and oil refineries (Cancel 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 for the objective of price stability maintenance.
- (6) Assign the Energy Policy and Planning Office, Department of Energy Business (DOEB), and Department of Internal Trade to study the 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) According to the gas terminal of PTT Public Company Limited (PTT) in Chonburi (LIFE Project), PTT will commercially operate its business under the LIFE Project once the LPG business is completely liberalized. PTT will set the rules to allow other LPG traders to principally have a fair and equal right to use the services of its LPG import depot at Khao Bo Ya in Chonburi Province and negotiate a commercial service fee rate until the LPG traders build/expand their own LPG import depots. 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 (entered before 2 December 2016) which will be gradually expired, and will sell only for the effective purchase agreement.



- (10) For promoting the domestic sales of LPG as the first priority, the operators must apply for a permit on exporting LPG from the Department of Energy Business and a fixed rate of USD 20 per ton will be charged for exporting LPG, whether it is produced domestically or imported, as a contribution to the Oil Fund, unless the operators notify the Department of Energy Business in advance of their plans to import LPG for re-export.

- **In October 2017**, the Committee on Energy Policy Administration passed a resolution to change the rules for setting reference prices for LPG imports from CP+X prices to be Spot+X prices as per the following detail:  
Approved the change on the rules for setting reference prices for LPG imports previously referring to CP prices announced monthly as references to use average weekly LPG cargo price instead from Spot Cargo (FOB Arab Gulf) published by Platts as per the following details:

$$\text{Import Price} = \text{LPG cargo} + \text{X (importing costs)}$$

Whereas:

- (1) LPG cargo is the average previous week's price of LPG cargo FOB Arab Gulf referring to the data published by Platts, with the ratio of propane to butane at 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/witnes Fee & Lab expense
    - Management Fee
    - Import Duty
    - Others
- (3) The exchange rate used for calculation must be the average previous week's exchange rate that is sold

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

However, the publication of the reference LPG price structure information has been changed to publicize the changing weekly information on every Monday (or the first working day of the week) instead of the monthly information.

- 2018

- **In August 2018**, the Energy Policy and Planning Office, Ministry of Energy, has started to change the rules for calculating the reference import price of LPG from the average one week to be the average bi-week of LPG cargo FOB Arab Gulf from Spot Cargo data published by Platt. The said rule has been applied until present without changing.
- **In October 2018**, the Committee on Energy Policy Administration, Energy Policy and Planning Office, gave an written notice for 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 reached the following resolutions:
  - (1) Approved to reduce the importing cost for Import Depot fee 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. The amount from the Refined Oil Account shall be transferred to the LPG Group Account and later transferred back. The Energy Fund Administration Institute is also assigned to monthly prepare income/expenditure reports and the status of the Oil Fund of LPG for reporting the Committee on Energy Policy Administration.

## Setting the Conditions of the Department of Energy Business for Importing LPG

The Department of Energy Business has drafted the Notification of the Ministry of Energy on Setting the Conditions for Importing LPG by Oil Traders under Section 7, as per the following essence:

- (1) Oil traders under Section 7 that has import volume of LPG for sale as fuel in the Kingdom shall comply by entering into an indemnity agreement to pay compensation in case of failure to import as planned, confirming the compliance with the import plan in advance no less than three days before the arrival of the cargo ship at the port of entry in the customs zone, and completing the declaration of 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 a situation that may cause LPG shortage and impact toward national security, for example, it is informed that the LPG producers in the country encounter with problem and need to shut down for emergency repairs and the 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 until causing an order for the emergency import of LPG, the Director-General of the Department of Energy Business shall issue a written order to determine the oil trader to pay compensation as agreed upon in the indemnity agreement within 30 days of receipt of the order.
- (4) If an 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 remains failing to comply with the letter of reminder, the 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 in full 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 the emergency import of LPG, shall be deemed to breach the 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 by imprisonment of not more than six months or a fine of not more than THB 50,000, or both.
- (6) The Minister may consider revoking 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 that 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 the offence under Section 36. However, the oil trader shall notify the Director-General of the Department of Energy Business in writing of such situation or circumstance, together with evidence, within seven days from the next day after that situation ends, and then propose to the Committee on Energy Policy Administration for consideration; and
- (8) Considering to cancel the Notification when any of the following events 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.



## LPG Selling Price in Thailand

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

	Ex-refinery Wholesale Price of LPG (Baht/Kilogram)			
	After Cancellation of Subsidy by Oil Fund (25 December 2009)	Ex-Refinery Wholesale Price of LPG (31 December 2017)	Ex-Refiner Wholesale Price of LPG (31 December 2018)	Ex-Refinery Wholesale Price of LPG (31 December 2019)
1. Ex-refinery price or gas separation plant price or import price	11.1212	19.9785	15.3776	16.0540
Excise tax <sup>(1)</sup>	2.1700	2.1700	2.1700	2.1700
Municipality tax <sup>(2)</sup>	0.2170	0.2170	0.2170	0.2170
Oil Fund <sup>(3)</sup>	0.1781	(6.3525)	(0.5851)	(1.2615)
Ex-refinery wholesale price before VAT	13.6863	16.0130	17.1795	17.1795
VAT <sup>(4)</sup>	0.9580	1.1209	1.2026	1.2026
2. Ex-refinery wholesale price after VAT	14.6443	17.1339	18.3821	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 out of the Kingdom.
  4. VAT for ex-refinery wholesale price of LPG is 7.00% of the ex-refinery wholesale price of LPG.



## 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 for Calculation of LPG Pricing Structure as of 31 December 2019

	LPG Selling Price	
	Baht/Kilogram	%
1) Ex-refinery price or gas separation plant price or import price	16.0540	73.4
Excise tax <sup>(1)</sup>	2.1700	9.9
Municipality tax <sup>(2)</sup>	0.2170	1.0
Oil Fund <sup>(3)</sup>	(1.2615)	-5.8
Ex-refinery wholesale price before VAT	17.1795	-
VAT <sup>(4)</sup>	1.2026	5.5
2) Ex-refinery wholesale price after VAT	18.3821	-
Market margin	3.2566	14.9
VAT <sup>(5)</sup>	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 produced and imported into the Kingdom for using, Oil Fund contribution and compensation rates for LPG delivered to LPG terminals, and Oil Fund compensation rates for LPG exported out of 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 business has currently been the business with a quite complex Barrier to Entry condition, resulting in an inability of the new operators that are interested in the business to enter for business operation. The detail of such condition is as follows.

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. At present, the licensing requirement has been altered to be an oil trader 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, refined, produced, or obtained in one year) of more than 50,000 metric tons;
- (4) Own a trademark.

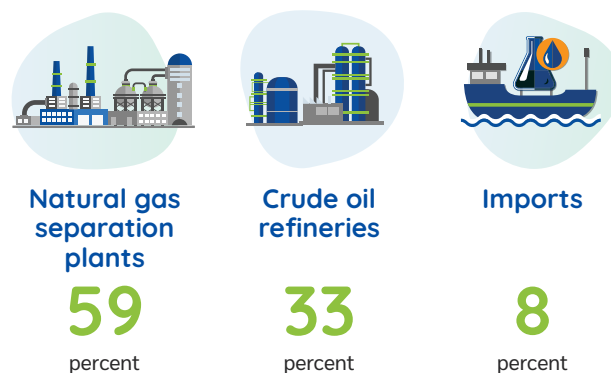
LPG business needs to gain customer confidence and trust, which take time to build. Due to non-difference in products in LPG trading business, the competition among operators focuses on marketing and services to motivate the customers to trust on use of their products. The operators must have an understanding on their customers and have impressive services, including fast delivery, technical services, and LPG cylinder maintenance and repair services

It is possible for the foreign operators to foresee the potential of Thailand to become a hub for the transportation system in Indochina region. Therefore, the foreign operators have been interested to operate their businesses in Thailand. The said operation will be a key parameter that may cause a competition in gas trading business in the future. However, the foreign operators have lacked of experience in the business and relationships with the gas traders in Thailand, which may be a factor preventing them from easily achieving a business success

## 5. Product Supply

### LPG

Thailand supplies LPG for sale from three sources, including:



1. Natural gas separation plants, which have a capacity in 2019 in the approximate proportion of 59% of total supply volume. There have currently been 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 in the approximate proportion of 33% of total supply volume. 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 in volume at the approximate proportion of 8% of total supply volume

**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 2019, the Company supplied LPG from the major domestic producers consisting of PTT Public Company Limited and PTT Oil and Retail Business Public Company Limited, whereas LPG from natural gas separation plant is partially mixed; and supplied from the producing companies which are all refineries in the country.

# Risk Factors



The Company recognizes the importance of risk management under the changes which may affect the business both from internal and external factors. The Company continues to implement Enterprise Risk Management (ERM) to the extent of all business operation processes and establishes a working group in charge of overall risk management for highest efficiency using risk matrix to assess the potential likelihood and impact both in quantity and quality in order to identify the impact as determined by the criteria. Given multiple impacts which may be caused by one incidence, all possible aspects should be taken into account and the appropriate criteria to determine severity level of impact should be selected for using in assessment.

## Compliance Risk for Laws, Rules and Policy of the Government

Due to the changes in government policies which aim at the country development in all dimensions including society, economy, and environment, the 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 liberalize LPG business by continuously

reducing control over LPG production and supply business until the liberalization of the whole process is completed. The liberalization of the whole process puts an end to the control of LPG price and volume from every production and supply source, completely liberalizes import and export activities, and terminates the announcement of ex-refinery and wholesale prices at gas terminals. The liberalization policy has been effective since August 2017 onwards and set out the following operating guidelines: 1) cancel the pricing of natural gas separation plants of PTTEP Public Company Limited oil refineries, aromatics plants, and 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 as information for regulating LPG retail prices in the country only, 3) cancel the determination of the compensation or oil fund contribution of the production by natural gas separation plants and oil refineries, 4) cancel the announcement of wholesale prices at gas terminals 5) adjust the mechanism of oil fund to resemble the mechanism for the purpose to maintain price stability, 6) assign the Energy Policy and Planning Office (EPPO) and Department of Internal Trade to study an appropriate marketing margin for LPG and a list of LPG retail price differences between Bangkok and other provincial areas

After the complete deregulation of LPG selling price, it may affect the Company's operating results and competitiveness since LPG selling prices reflect the true costs as well as global and domestic market price mechanism, resulting in LPG supply cost in accordance with market mechanism and allowing the Company to conduct import or export activities, and more options of cost from 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 required by the Company to enhance its competitive opportunity.

## **(B) Cooking Gas Sales Liberalization Policy**

Trade liberalization agreements of the World Trade Organization(WTO) may attract major world operators from overseas and domestic traders with capital and technological preparedness to conduct LPG business in Thailand in order to build a base which can enter into the market into the Indochina neighboring countries due to Thailand's suitability in location, transportation, and utility infrastructure. This will lead to more severe competition in gas trading business

Nonetheless, the overseas or domestic operators may face some challenges in respect to their familiarity with market conditions and lack of experiences in LPG business, relationship with LPG providers, and local business network in Thailand, which are important factors affecting the marketing success. On top of this, an investment in numerous gas cylinders is necessary for market penetration.

## **(C) Consumer and Environmental Protection Policy**

The government may enact the additional laws to increase the safety for LPG consumers and promote the environmental protection campaign, which may affect the Company's operating costs and profit in the future. As an LPG business operator, the Company is aware of the said significance 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 each cylinder 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 the government agencies and consumers. Additionally, the Company continues to efficiently manage its costs to ensure that this risk factor does not affect the company.

The risks have been exposed to 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 more opportunity for the new operators to enter into the industry by registering with the Department of Business Development, Ministry of Commerce, to become traders under Section 7. The entry of these new traders will increase competition within the industry and may affect the Company's operating results and market share in the future. Nevertheless, in entering to be the 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 more, and a minimum revolving fund of at least 100 million baht. New traders are also required by the law to store an LPG as legal reserve of up to 1 percent of their estimated annual trade volume in 1 year period, demanding a large amount of investment in constructing/renting gas terminals to store the LPG reserve as required by the legal provisions. Apart from this, the 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 their trademarks within one year period. This requires to use capital and time to gain the consumer acceptance in their trademark. If the traders under Section 7 wish to market their gas cylinders for the household sector, the additional investment funds are needed to sufficiently distribute the cylinders to the consumers all over. The said conditions limits the opportunity for entry into this industry of the new operators.

## **Commercial Risk**

The Company's sales proportion 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 situation of petroleum prices which has led to the small price difference with LPG, it has affected the behavior of the car users who have used cars as vehicles and were using gas have eventually switched to using petroleum. This has affected the sales proportion in the AG customer group with a decrease in trading. As a result, the Company has reviewed its new sales proportion by focusing on proactive strategies and other customer groups to increase the trading proportion without impact on its overall business. On top of this, the Company has developed a strategic plan and goals to continue sustaining its business growth.



## Operation Risk

The risks associated with operation may affect business continuity. These risks may be 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. Marine cargo insurance is insured during transportation to mitigate the impact on 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 losses and affect the company's reputation and operations. Nonetheless, EAGLE has been granted for an LPG carrier license from the Department of Energy Business. All vehicles used in LPG transport have been permitted and are regularly inspected by the Department of Land Transport. Aside from this, licenses have been granted from the Department of Energy Business to all drivers. This can assure that EAGLE has strictly complied with the rules and regulations of the government agencies under life and property safety awareness. Furthermore, EAGLE has insured all LPG transport vehicles under the objective to minimize the impact which may arise on the Company in case of accidents or unexpected events.

### (C) Container Safety

As the Company's containers are gas cylinders which contain LPG that is a flammable substance and may be dangerous in case of improper usage, to prevent possible accidents, the Company has implemented LPG cylinder standards established by the Ministry of Industry. A periodic quality inspection of LPG cylinders is scheduled. In case where LPG cylinders cause damages, as an LPG trader, the Company is primarily responsible for the occurred damage, possibly affecting the Company's reputation and operations. However, LPG explosion is generally and frequently caused by other equipment but not by gas cylinders since the LPG cylinder manufacturer has the proper safety inspection process for the cylinders and valves from the production process in accordance with the TIS standards of the Ministry of Industry set by the Office of Thai Industrial Standards Institute (TISI).

In addition, the Department of Energy Business, Ministry of Energy, has required the inspection of LPG cylinders. The 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 accordingly.

All of other equipment used with LPG cylinders, such as burners and gas stove hoses, are not the company's products. Therefore, the Company is legally irresponsible for their safety. However, if there is an explosion from such equipment, the incidence may indirectly affect the Company's reputation.

However, all of the Company's products meet the international safety standards, and the products under the Company's trademark have never caused any explosive accidents. Nonetheless, to create consumer confidence in the Company's standards, the Company has established a policy to increase the number of operating centers for quality inspection and repair gas cylinders both in part of cylinder color and perfection to increasingly meet industrial standards. The Company is, therefore, confident that it can control the risks associated with product safety.

### (D) Safety and Environmental Risk

The nature of the Company's business operation involves with the activities which may harm physical health and the environment. If an accident, force majeure, or operational error occurs, it may significantly affect the Company's stakeholders, investment plan, operating results, and image in short or long term.

However, the Company will develop occupational health, safety, and environmental policy to serve as a task framework for investment planning, operating procedure determination, safety culture creation, environmental protection and impact mitigation, and energy consumption efficiency enhancement through worthwhile energy consumption for the sustainable growth. The Company also aims to communicate with the related parties to ensure correct understanding on the nature of the managed risks and the preventive measures for controlling production process which will be carried out in the future. The promotion and preventive plan for internal management has been prepared by establishing safety management system, policy, practice and manual to provide knowledge and review the practical guideline on continual basis, determining the persons in charge in each area, and formulating a control and punishment measure in case of ignorance not to comply with the safety policy.

# Information of Securities and Shareholders

## Securities of the Company

As at 31 December 2019, 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

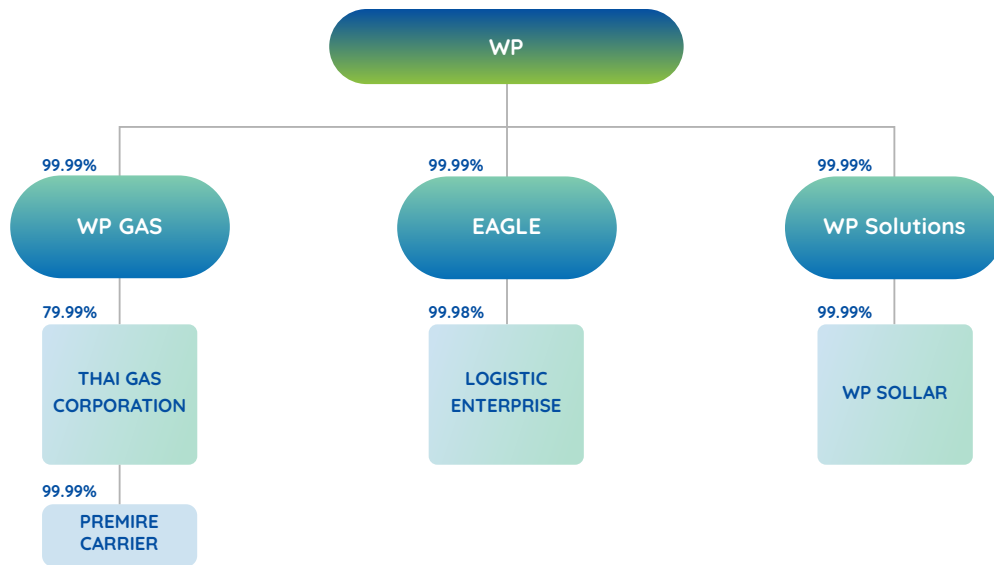
Top ten major shareholders as at 30 December 2016 are as follows

	Name of Shareholder	Paid-Up Shares	% of Paid-Up Shares
1.	Ms. Chomkamol Poompanmoung	93,088,847	17.95%
2.	Mr. Aiyawatt Srivaddhanaprabha	84,998,404	16.39%
3.	Mr. Chatchaval Jiaravanon	37,312,408	7.19%
4.	Pol. Gen. Somyot Poompanmuang*	36,451,514	7.03%
5.	Mr. Rachata Poompanmuang	31,783,417	6.13%
6.	Mr. Pisarn Panichawong	24,213,366	4.67%
7.	Ms. Apiradee Opasiamlikit	22,000,000	4.24%
8.	VERWALTUNGS - UND PRIVAT - BANK AKTIENGESELLSCHAFT	17,281,471	3.33%
9.	Mrs. Ranee Ueaytaweekul	9,800,000	1.89%
10.	Mr. Somchai Benjarongkakul	9,661,486	1.86%

\* 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 the estate and further transfer such shares to the legal heir of Mr. Pisarn Poompanmuang

# Shareholding Structure of the Company and Subsidiaries

(As at 31 December 2019)



Company	Nature of Business	Authorized Capital (Million Baht)	Paid-Up Authorized Capital (Million Baht)	Shareholding Proportion of the Company (%)
<b>Subsidiaries</b>				
EAGLE	Eagle Intertrans Co., Ltd. Land Transportation Service Business for LPG	84	84	99.99
WP GAS	WP Gas Co., Ltd. Service Station Business	171	171	99.99
LOGISTIC ENTERPRISE	Logistic Enterprise Co., Ltd. Small Transport Truck Business for Rent	1	1	99.98
WP SOLLAR	WP Sollar Co., Ltd. Electricity Generation and Distribution Business	1	1	99.99
WP SOLUTIONS	WP Solutions Co., Ltd. Holding company (investing in other companies)	1	1	99.99
THAIGAS CORPORATION	Thai Gas Corporation Co., Ltd. LPG Trading Business	136.8	136.8	79.99
PREMIER CARRIER	Premium Carrier Co., Ltd. Land Transportation Service Business for LPG	35	35	99.99

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

The Company and its subsidiaries generate main revenue from LPG sales to various types of customers, and revenue from transportation service fees, and other incomes. In 2019, the Company and its subsidiaries had the revenue structure and proportion classified by type of revenues as follows:

(Unit : Million Baht)	2019		2018		2017	
	Revenue	(%)	Revenue	(%)	Revenue	(%)
Revenue from LPG sales	14,127	97.66	14,684	98.04	15,448	98.1
Revenue from transportation service fees	27	0.18	42	0.28	65	0.41
Other incomes	311	2.15	251	1.68	235	1.49
<b>Total revenue</b>	<b>14,465</b>	<b>100</b>	<b>14,978</b>	<b>100</b>	<b>15,748</b>	<b>100</b>

Other incomes include:

(Unit : Million Baht)	2019	2018	2017
Income from transportation fee	125	129	141
Interest received	8	8	7
Income from rental fee	12	11	12
Income from cylinder repair and maintenance	21	16	29
Income from taking land transfer by the court's order	-	-	17
Gain on disposal of investment property classified as held for sale	103	-	-
Gain on disposals of equipment	12	22	11
Other incomes	30	66	18
<b>Total other incomes</b>	<b>311</b>	<b>252</b>	<b>235</b>



**Table showing the Sales Volume Proportion of WP Energy Public Company Limited Classified by Customer Group for 2019, 2018, and 2017**

Customer Group	Proportion in 2019 (%)	Proportion in 2018 (%)	Proportion in 2017 (%)
Gas Filling Plant	44.83	43.48	40.06
Gas Service Station	24.29	26.42	36.32
Industrial Factory	9.39	9.23	8.85
Commercial Customers	5.32	4.85	4.35
Gas Stores	4.15	4.31	4.04
Supply Sale and Others	12.02	11.71	6.38
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Table showing the Revenue from Distribution Proportion of WP Energy Public Company Limited Classified by Type of Customer for 2019, 2018, and 2017**

Type of Customer	Revenue (Million Baht) 2019	Proportion (%)	Revenue (Million Baht) 2018	Proportion (%)	Revenue (Million Baht) 2017	Proportion (%)
Gas Filling Plant	6,376	45.13	6,422	43.73	6,169	39.94
Gas Service Station	3,337	23.62	3,809	25.94	5,548	35.91
Industrial Factory	1,378	9.76	1,412	9.62	1,406	9.1
Commercial Customers	842	5.96	806	5.49	763	4.94
Gas Stores	609	4.31	658	4.48	641	4.15
Supply Sale and Others	1,585	11.22	1,577	10.74	921	5.96
<b>Total</b>	<b>14,127</b>	<b>100</b>	<b>14,684</b>	<b>100</b>	<b>15,448</b>	<b>100</b>

# Dividend Payment Policy



The dividend payment  
is not less than

**30%**

of net profit after deducting  
taxes and reserved fund as  
required.

## 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 determine to pay dividend less than the above mentioned ratio if the Company needs to use such net profit for its further business expansion.

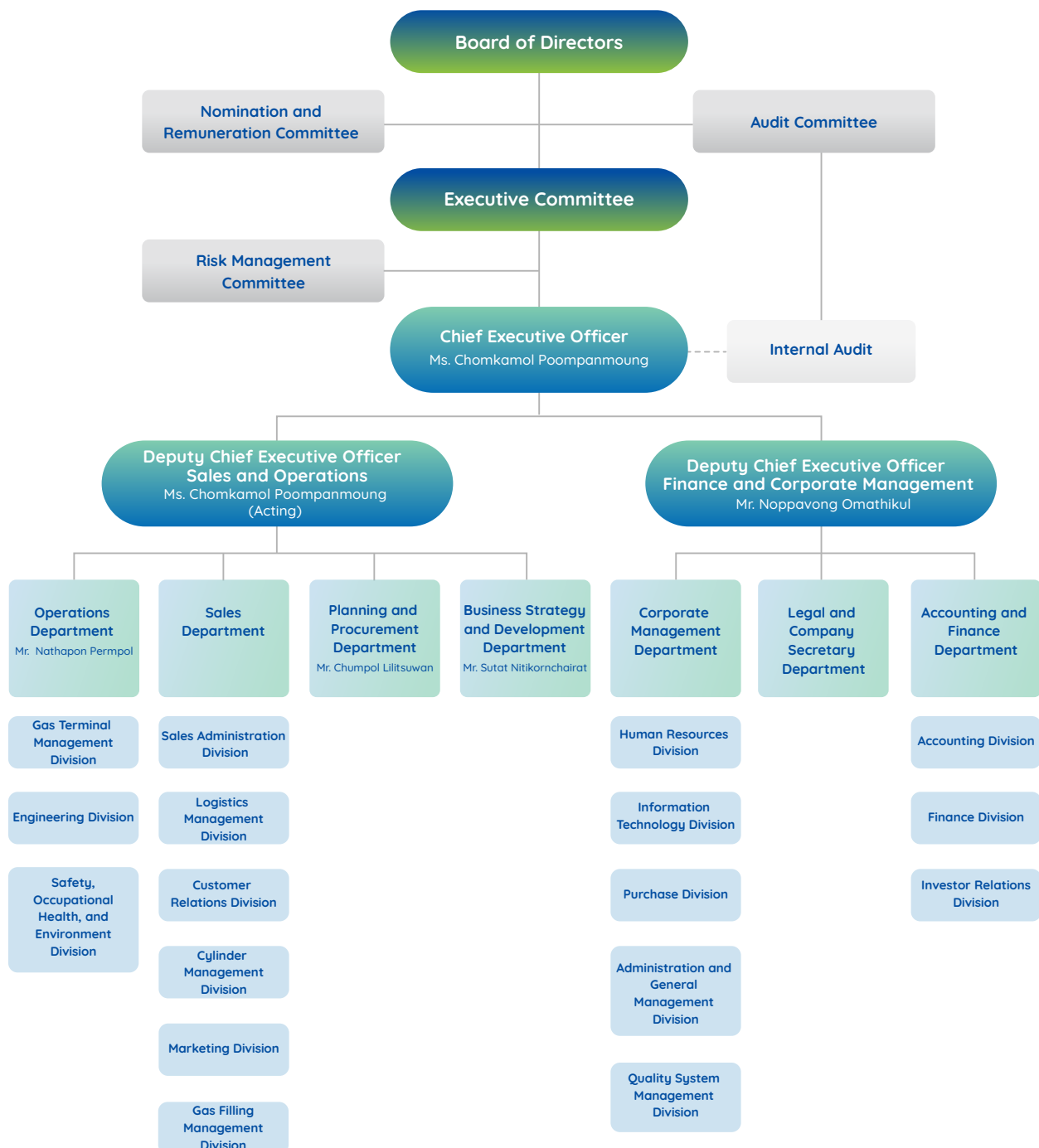
## Dividend Payment Policy of the Subsidiaries

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

# Management Structure

## Organization Structure (as at 8 August 2019)

To advance the organization for efficient management and success in accordance with the direction under the setting goal of future business operation, to ensure fully support on an organizational development, the Company has restructured the organizational management structure which is effective from 8 August 2019.



## 1. Board of Directors

### 1.1 List of the Board of Directors in the office as at 31 December 2019 is as follows

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

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

As at 31 December 2019, the Board of Directors held total of 12 meetings to perform duties as entrusted.

## 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 the Public Limited Companies Law, Department of Business Development, Ministry of Commerce, as at 31 December 2019, are any one of Mr. Kasemsit Pathomsak, or Mr. Sa-nga Ratanachartchuchai or Mr. Chatchaval Jiaravanon, who countersign 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

- (1) The Company's Articles of Association and Charter of the Board of Directors prescribes that the Board of Directors consists of not less than five directors whereas at least one-third (1/3) of total directors but not less than three persons must be the independent directors. The independent directors are independent from the control of the executives and major shareholders, must not be involved in or have gain and loss in finance and business management, and is fully qualified pursuant to the Rule of the Independent Qualification as prescribed in the Notification of the Capital Supervisory Board. At least one half (1/2) of total directors must have domicile in Thailand
- (2) The director may either be the shareholder of the Company or not.
- (3) The Board of Directors consists of at least three members of the Audit Committee. This Audit Committee shall be fully qualified in accordance with the Notification No. TorJor. 28/2551, and have the scope of duties and responsibilities as prescribed in the Notification of the Stock Exchange of Thailand ("SET").
- (4) The Board of Directors shall elect one director as Chairman of the Board of Directors, and may elect Vice Chairman of the Board of Directors, and other positions as deemed appropriate. The Vice Chairman of the Board of Directors shall have duty in accordance with the Company's Articles of Association, and as entrusted by the Chairman of the Board of Directors.

The composition and qualifications of the Board of Directors shall be in line with the Charter, the Company's Articles of Association and requirement of laws. The directors shall have knowledge and experiences which are useful for the

Company. In 2019, the Board of Directors consisted of twelve directors whereas the said number was appropriate for the Company's size and type of business.

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

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

The Charter of the Board of Directors, and the Company's Articles of Association have 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 shall elect the director in accordance with the Company's Articles of Association, and relevant laws under transparency and clarity in nomination of the directors. The educational background and professional experiences, qualification and non-prohibited characteristics of the said candidate shall be considered. The details of the consideration support shall be adequate for decision making benefit of the Board of Directors and shareholders
2. In case where the director retires by rotation, the Shareholders' Meeting shall consider appointing the director with the appointment resolution. The director must earn the majority vote of the shareholders who attend the meeting and vote. If a tie exists, the Chairman of the Meeting shall cast an additional one vote as casting vote.
3. In every Annual General Meeting, at least one-third (1/3) of the number of directors by ratio shall vacate the office. If the number of directors is unable to identically divided into three portions, the nearest number to one-third (1/3) of directors shall vacate the office. Any directors who must vacate the office in the first year and second year after the Company's registration shall vacate using drawing method. In the following years, the director who is in the office for longest term shall vacate the office and the director who retires by rotation may be selected to resume

the office

4. In case where the director office is vacant due to reason other than retirement by rotation, 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, unless the remaining office term of the said director is less than two months. The person who is the replacing director shall be in the director office for just remaining term of the replaced director.
5. Other than retirement by rotation, the director may be retired upon:
  - 5.1) Death;
  - 5.2) Resignation;
  - 5.3) Disqualification or possession of prohibited characteristics in accordance with the Public Limited Companies Law, Securities and Exchange Law, and other relevant laws;
  - 5.4) Resolution of the Shareholders' Meeting for vacating;
  - 5.5) Order of the Court for vacating
6. Any director who wishes to resign from the office shall submit Resignation Form to the Company. His/her resignation shall be effective from the arrival date of Resignation Form to the Company. The resigned director shall give a notice of his/her resignation to the Registrar of the Public Limited Company for acknowledgement.
7. The Shareholders' Meeting may pass a resolution to allow any director to vacate his/her office prior to the time of retirement of rotation with not less than three-fourth (3/4) of the number of shareholders who attend the meeting and have voting rights, whereas total of the counted shares are not less than one half of the number of shares held by the shareholders who attend the meeting and have voting rights.

## 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 its 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 maximum 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 a reasonable period which must not be less than the 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 giving 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 problem on the potential conflict of interests, and connected transactions, and give precedence to the consideration on core and important transactions by generally emphasizing on maximum



benefit 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 within budget approved by the Board of Directors' Meeting or under financial limit specified in the rule of approval and execution authority.
- (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 the 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 the 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 benefit 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 material fact which should inform as prescribed in the 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) Arrange the review and revision of the Charter of the Board of Directors to be corresponding to the situations.

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

- 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
- Acquisition or acceptance of the business transfer of other company to belong to the Company as prescribed by laws and in the Notification of the Capital Supervisory Board
- 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 whereas consent must be given by the Shareholders' 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 Capital Market 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 the 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 the 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 operations 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 2019 are as follows.

### Audit Committee

Name	Position	Number of Meeting Attendance (Times)
1. Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee	5/5
2. Mrs. Soithip Trisuddhi	Member of the Audit Committee	4/5
3. Mrs. Lakananan Luksamitananan	Member of the Audit Committee	4/5

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 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 the 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 an 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 the Securities and Exchange Law, requirements 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 a year.
- (5) Consider the disclosure of the Company's information in case where the connected transactions or transactions that may have conflict of interests in accordance with laws and requirements 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 at least contain the following information
- Opinion on the accuracy, completeness, and reliability of the Company's financial report
  - Opinion on the adequacy of the Company's internal control system
  - Opinion on the compliance with the Securities and Exchange Law, requirements of the Stock Exchange of Thailand or laws related to the business of the Company
  - Opinion on the appropriateness of the auditor
  - Opinion on the connected transactions that may have conflict of interests
  - Number of the Audit Committee's Meetings and meeting attendance of each Member of the Audit Committee
  - Overall opinion or observation acquired by the Audit Committee from the performance of duties under the Charter
  - 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 the revision of scope, duties, and responsibilities of the Audit Committee 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 operations 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.
- Transaction of which conflict of interests occurs
  - Significant corruption or abnormality or fault in internal control system
  - Violation of the Securities and Exchange Law, requirements of the Stock Exchange of Thailand, or laws related to the Company's business

As at 31 December 2019, the Audit Committee held total of five 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	4/4
2. Ms. Chomkamol Poompanmoung	Member of the Nomination and Remuneration Committee	4/4
3. Mr. Sa-nga Ratanachartchuchai	Member of the Nomination and Remuneration Committee	4/4

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 the Annual General Meeting of Shareholders in 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. The scope of authority of the Nomination and Remuneration Committee is defined under Charter 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 the 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 which are useful for the Company, number of companies where the said candidate holds a position, and conflict of interests.
- (2) Prepare a list of the 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 the 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 the senior executive under fair and reasonable rule or procedure and structure. In case of remuneration of the Chief Executive Officer, the duties, responsibilities and annual performance shall be taken into account. The remuneration shall be proposed to the Board of Directors' Meeting for consideration and approval.
- (8) Always consider reviewing the rules of the Nomination and Remuneration Committee to ensure an appropriateness, including policy and criteria related to the 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 2019, the Nomination and Remuneration Committee held four meetings in total to perform the assigned duties.

#### Executive Committee

Name	Position	Number of Meeting Attendance (Times)
1. Mr. Kanoksakdi Bhinsaeng	Chairman of Executive Committee	10/11
2. Mr. Chatchaval Jiaravanon	Member of the Executive Committee	8/11
3. Ms. Chomkamol Poompanmoung	Member of the Executive Committee	10/11
4. Mr. Sa-nga Ratanachartchuchai	Member of the Executive Committee	9/11
5. Mr. Bowon Vongsingnudom	Member of the Executive Committee	11/11

For the flexible business operations 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 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 the 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 the 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 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 the 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 the authority of the special working group or management team, and consider and approve the proposals offered 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 the authority 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 authority and responsibilities in accordance with periodic dutiful delegation of the Board of Directors.
- (12) Acknowledge other matters both related to business management and non-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 general budget under approved budget for operating expenses within the limit of not exceeding THB 20,000,000.

As at 31 December 2019, the Executive Committee held eleven 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	1/1
2. Mr. Rungson Sriworasat	Member of the Risk Management Committee	0/1
3. Mr. Somchai Kuvijitsuwan	Member of the Risk Management Committee	1/1

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 the Annual General Meeting of Shareholders in 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. The scope of authority is defined as follows:

- (1) Consider and approve policy, objective, and framework of the risk management as operating framework in risk management process of the 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 early warning signs is emphasized.
- (2) Set up the risk management working group and define authority of the working group to have duty to establish a risk management policy and 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 likelihood of the identified risks to rate risks and apply the appropriate risk management measures.

- (4) Provide advice and support on risk management working group in the matter of the enterprise risk management, and promote and support the continuous improvement and development of the internal risk management system.
- (5) Supervise the effectiveness of the 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 2019, the Risk Management Committee held one meeting to perform the assigned duties.

## 2. List of the Company's Executives under Organizational Structure Chart as at 8 August 2019

Name	Position
1. Ms. Chomkamol Poompanmoung	Chief Executive Officer (appointed on 8/8/2019) / Acting Director of Sales**
2. Mr. Noppavong Omathikul	Deputy Chief Executive Officer - Finance and Corporate Management/ Acting Director of Accounting and Finance/ Acting Director of Legal and Company Secretary/ Acting Director of Corporate Management **
3. Mr. Chumpol Lilitsuwan	Director of Planning and Procurement
4. Mr. Sutat Nitikornchairat	Director of Business Strategy and Development
5. Mr. Nathapon Permpon	Director of 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.



For the efficient organizational management, the Board of Directors has appointed the 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 the determined strategies and goals.

Moreover, the directors of various departments have duty in duty performance for execution of the Company to achieve the determined goals. They must possess qualifications and non-prohibited characteristics specified by the Public Limited Companies Law and Securities and Exchange Law, and must be the persons with knowledge, competency, expertise, and experiences in diverse areas, as well as vision, virtue and morality, and enable to devote sufficient time for benefits of the Company's business operation.

#### **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 performing duty in accordance with the Company's policies and interests, and for maintaining the 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 for juristic act of the 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 Corporate Authority Index (CAI) for Approval and Execution, and investment in the 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 general expenses under the approved budget for operating expense within the limit of not exceeding THB 10,000,000, in case of purchase of goods and main raw materials (per time) of not exceeding THB 50,000,000, in case of main expenses in business operation (per time) within the limit of not exceeding THB 25,000,000, and in case of issuance of L/C / LG / BG or letter of guarantee for purchasing goods and main raw materials (per time) within the limit of not exceeding THB 400,000,000.

### **3. Company Secretary**

Pursuant to Section 89/15 and Section 89/16 of the 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 Unyamanetrakoon to hold the office of the Company Secretary and define scope of duties and responsibilities as follows.

- (1) Prepare and store the following documents.
  - (1) Register of Directors
  - (2) Appointment Notice to the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and Annual Report of the Company
  - (3) Appointment Notice to the Shareholders' Meeting and Minutes of the Shareholders' Meeting
  - (4) 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 the 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 the disclosure of information and information report in responsible part under rules and requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- (5) Promote and support supervision and monitoring of the business operation and duty performance of the executives and employees of the Company and its associated companies 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 consistency and in accordance with the related laws and regulations, and resolutions of the Board of Directors' Meeting, Shareholders' Meeting and Corporate Governance Code.
- (8) Support directors and/or executives for knowledge provision and training attendance in various courses related to the 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 the requirement for paying remuneration to all members of the Sub-Committees, which include the Audit Committee, Executive Committee, and Nomination and Remuneration Committee, and Risk Management Committee.

Nonetheless, the remuneration paid to the directors must be approved by the shareholders' meeting. The 2019 Annual General Meeting of Shareholders held on 30 April 2019 resolved to approve the following remuneration of directors.

## Remuneration of Directors for 2019

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 none of the meeting allowance is provided to the directors.

## Summary for Remuneration of Individual Directors in 2019

List of the Directors	Remuneration (Baht)							
	WP	Subsidiaries						
		EAGLE	LOGISTIC	WP GAS	WP SOLUTION	WP SOLLAR	THAI GAS	PREMIER
1. Mr. Chulchit Bunyaketu	882,000							
2. Mrs. Niskorn Tadthiemrom	882,000							
3. Mr. Kanoksakdi Bhinsaeng	462,000			-	-	-		
4. Mrs. Soithip Trisuddhi	504,000							
5. Mr. Chatchaval Jiaravano	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 Kuvijitsuwa	504,000							
11. Mr. Rungson Sriworasat	504,000							
12. Mr. Kasemsit Pathomsak**	504,000							
<b>Total Amount</b>	<b>6,510,000</b>	<b>600,000</b>						

**Note:** \* shows remuneration particularly for the director office excluding remuneration for executive office.

\*\* 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 2019, the Company paid remuneration to the executives in total amount of THB 20,323,610.

## 5. Personnel

### 5.1 Number of Employees

As at 31 December 2019, the Company has had total of 376 employees, consisting of 14 executives, and additional 362 employees (permanent employees and daily employees)

**376**  
Person

Executives **14** person

Employees **362** person

### 5.2 Employee Remuneration (Excluding Executives)

In January – December 2019, the Company paid employee remuneration (excluding executives) in total amount of THB 94,031,435 (Ninety four million thirty one thousand four hundred and thirty nine 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 the organizational structure and work process for personnel readiness in proper manpower and consistency with the Company's business growth plan and business expansion. In addition, the Company emphasizes on creation of human resource management system by establishment of clear policy and process to ensure the 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 2019 onwards, the Company has applied strategies in various areas such as:

- Proactive recruitment and selection for recruiting the 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, and initiating challenging innovations
- Reinforcement of the readiness of the high potential personnel to have an opportunity to step toward executive level and being the leader of the 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) to reflect performance from an organizational level to an individual level for efficient monitoring and managing the performance
- Creation of the good and safe working atmosphere and working environment, and emphasis on internal communications, and also support on Work-Life Balance for employees to create balance in working and personal life
- Creation of the employee engagement toward the organization under expectation on the culture of the consciousness of the employees in all sections in cooperation to stimulate happy cooperating society, resulting in continuous growth of the Company



# Profiles of Directors and Executives

## Mr. Chulchit Bunyaketu

Chairman of the Board of Director/  
Independent Director

Age 77

Starting Date: 24 November 2014



### Education/Training

- Bachelor of Law, Faculty of Political Science, Chulalongkorn University
- Advance Diploma, Public Administration, Exeter University, UK.
- M.A. Political Science, Kent State University, USA.
- 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

- 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)

#### 2000 – Present

- Independent Director, Total Access Communication Public Company Limited

#### 2016 – Present

- Advisor, King Power Group

#### 2012 – Present

- 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**

**Age 72**

**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 Companies

- Chairman of the Audit Committee, Buriram United Company Limited

**Holding Office in Other Organization/Special Activity:**  
None

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

**2010 – Present**

- Audit Committee, University of Phayao

**2014**

- Chairman of the Audit Committee, Picnic Corporation Public Company Limited

**2013 – 2014**

- Director, Picnic Corporation Public Company Limited

**2011 – 2012**

- Procurement Subcommittee, Government Savings Bank

**Number of Shares Held:** None

**Family Relationship with Other Director:** None



## Mr. Kanoksakdi Bhinsaeng

Director / Chairman of Executive Committee

Age 64

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
- The Rule of law for Democracy ,College of the Constitution Court Class 5

### 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 Organization

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

### Past Work Experience (last 5 years)

#### 2002 – Present

- Advisor, Chiang Mai Construction Co. Ltd.

#### 2006 – Present

- Advisor, NOK'S GROUP's Affiliated Companies

#### 2012 – Present

- Managing Director, Buriram United Co. Ltd.

#### 2011 – 2014

- Director, Picnic Corporation Public Company Limited

#### 2014

- Audit Committee, Picnic Corporation Public Company Limited

### Number of Shares Held: None

### Family Relationship with Other Director: None

## Mr. Chatchaval Jiaravanon

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

Age 58

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 Positions

- 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 Member of Nomination and Renumeration Committee
- Chairman of the Board, Financia Syrus Securities Public Company Limited

### Holding Office of Director/Executive in Other Company Not Listed in the Stock Exchange of Thailand: 8 Companies

- Chairman of the Board, Thai Kodama Co. Ltd.
- Chairman of the Executive Board, True Multimedia Co. Ltd.
- President and Chief Executive, Officer Telecom Holding Co. Ltd.
- Director, Echo Autoparts Thailand Co. Ltd.
- Director, CPPC Co. Ltd.
- Director, WP Gas Co. Ltd.
- Director, WP Solutions Co. Ltd.
- Director, WP Sollar Co. Ltd.

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

- Member of Corporate Advisory Board, Marshall School Business, University of Southern California

### Past Work Experience (last 5 years)

#### 2013 - 2014

- Director, Picnic Corporation Public Company Limited

#### 2010 - 2013

- Director, Amanah Leasing Public Company Limited

#### 2009 - 2013

- Chairman of the Board, ACL Securities Co. Ltd.

**Number of Shares Held:** 37,312,408 (7.20%)

**Family Relationship with Other Director:** None

## Mrs. Soithip Trisuddhi

Member of Audit Committee /  
Independent Director / Chairman of the Nomina-  
tion and Remuneration Committee

Age 65

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:** None

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

- Director of Foundation for a Clean and Transparent Thailand

### Past Work Experience (last 5 years)

#### 2014 – September 2015

- Permanent Secretary, Ministry of Transport

#### 2015

- Director, Tourism Authority of Thailand

#### 2015

- Director, Thai Airways International Public Company Limited

#### 2014

- Director, Industrial Estate Authority of Thailand

#### 2012-2014

- Deputy Permanent Secretary, Ministry of Transport

#### 2011 – 2013

- Chairman of the Board, State Railway of Thailand

#### 2008 – 2012

- Director, Mass Rapid Transit Authority of Thailand

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

**Mr. Bowon Vongsinudom**  
**Director / Member of Executive Committee**

**Age 65**

**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
- Role of the Chairman Program (RCP) Class 45/2019

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

- 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

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

- Chairman of the Board, PTT Phenol Co. Ltd.
- Director, Bangkok Industrial Gas Co., Ltd
- Chairman of the Board, UAC Advance Polymer & Chemicals Co., Ltd.
- Vice President, The Federation of Thai Industries

**Holding Office in Other Organization/Special Activity:**  
 None

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

**2015 - 2019**

- Chairman of the Board ,Thai British Security Printing Public Company limited

**2012 - 2019**

- Director and chairman of the Audit Committee, Plastic Institute of Thailand

**2016 - 2017**

- Independent Director and Audit Committee, Golden Lime Public Company limited

**2014 - 2016**

- President, Petrochemical Cluster - The Federation of Thai Industries
- Chairman of the Board, Water Institution for Sustainability - The Federation of Thai Industries

**2013 - 2014**

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

**2012 - 2014**

- Chairman of the Board, NPC Safety and Environmental Service Company Limited
- Chairman of the Board, PTT Maintenance and Engineering Company Limited
- Director, Global Power Synergy Public Company Limited
- Director, Thai Tank Terminal Company Limited

**2011 -2013**

- President, PTT Global Chemical Public Company Limited

**2011 -2014**

- Director, PTT Global Chemical Public Company Limited

**2010 - 2011**

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

**2009 - 2010**

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

**Number of Shares Held: None**

**Family Relationship with Other Director: None**

## Mr. Sa-nga Ratanachartchuchai

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



Age 59

Starting Date: 24 November 2014

### Education/Training

- Bachelor of Law, Thammasat University

### Director Course Training from Thai Institute of Directors (IOD): None

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

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

#### 2013 – 2014

- Director, Picnic Corporation Public Company Limited

#### 2009 - 2013

- 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 / chief executive officer



**Age 36**

**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

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

- Director, Thailand Polo Association

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

##### **2012 - 2014**

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

**Number of Shares Held:** 93,088,847 (17.953%)

**Family Relationship with Other Director:** None



## Mr. Rungson Sriworasat

Independent Director / Member of Risk Management



Age 64

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
- Medical Governance Certificate Program for Senior management , Batch 7
- 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 Positions

- 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,

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

**Holding Office in Other Organization/Special Activity:**  
None

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

**2018 – Present**

- Qualified Director, Board of Directors of North-Chiang Mai University Council

**2018 – Present**

- Advisory Chairman of Thailand Swimming Association

**2017 – Present**

- Director of University Development Committee to become Rambhai Barni Rajabhat University

**2016- Present**

- Prime Minister's Advisor ,The Secretariat of the Prime Minister

**2016- Present**

- Internal Audit Committee , The Thai Bar Under the Royal Patronage

**2016- Present**

- Director of Institute of Research and Development for Public Enterprises

**2016- Present**

- Advisory of Thai Medical Device Development Foundation under the Royal Patronage

**2015- Present**

- Qualified Director, Board of Directors of Prince of Songkla University

**2014 -2018**

- Chairman of the board Directors , TMB Bank Public Company Limited

**2015 -2017**

- Member of National Reform Steering Assembly

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

## Mrs. Lakananan Luksamitananan

Member of the Audit Committee /  
Independent Director

Age 65

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
- Doctor of Philosophy Program in Political Science, Ramkhamhaeng University
- Advanced Certificate Course in Promotion of a Peaceful Society 9, King Prajadhipok's Institute
- Certificate Top Executive Program in Commerce and Trade (TEOCO) Class 2

### 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:

1 Organization

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

### Past Work Experience (last 5 years)

#### 2016 – Present

- Vice President, Accounting and Financial Administration, Football Association of Thailand
- Director, Thai League Co. Ltd.
- Vice President, Accounting and Finance, Thai League Co. Ltd.

#### 2013 – 2015

- Director, Bureau of Tax Auditing Standards

#### 2012 - 2013

- Bangkok Zone 24 Collector.

#### 2011 - 2012

- Nakhon Nayok Province Collector

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

**Mr. Somchai Kuvijitsuwan**  
Independent Director /  
Member of Risk Management Committee

**Age.69**

**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 (DCP) 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, Kingsford Securities Public Company Limited
- Chairman of the Board, Eastern Power Group Public Company Limited

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

None

**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 – 2018**

- Director and Chairman of the Audit Committee, Thonburi Healthcare Public Company Limited

**2011 – 2018**

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

**Number of Shares Held: None**

**Family Relationship with Other Director: None**

## Mr. Kasemsit Pathomsak

Director

Age 49

Effective Office Date: 11 May 2018



### Education/Training

- 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 Company Listed 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 Company Not Listed in the Stock Exchange of Thailand:

3 Companies

- 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

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

None

### Past Work Experience (last 5 years)

#### 2013 – Present

- Independent Director/Chairman of the Audit and Corporate Governance Committee/ Chairman of Nomination Committee/ Chairman of Remuneration Committee, Christiani & Nielsen (Thai) Public Company Limited

#### 2016 – Present

- Director, National Power Supply Public Company Limited

#### 2010 – Present

- Director, UOB-Kay Hian Securities (Thailand) Public Company Limited

#### 2014 – Present

- Chairman of Executive Committee, Merchant Partners Asset Management Limited

#### 2005 – Present

- Chairman of Executive Committee, Merchant Partners Securities Public Company Limited

#### 2016 – 2018

- Director and Member of Audit Committee, Asia Aviation Public Company Limited

#### 2562

- Advisor, Sub-committee on study and monitoring of international relations strategy implementation, the House of Representative

#### 2562

- Air Transport Policy and Strategy Subcommittee, Ministry of transport

Number of Shares Held: None

Family Relationship with Other Director: None

## Mr. Noppavong Omathikul

Deputy chief Executive officer finance and Support

Age 41



### 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)

#### 2018 – present

- Deputy chief Executive officer finance and Support, WP Energy Public Company Limited

#### 2014 - 2018

- Director of Accounting and Finance, WP Energy Public Company Limited

#### 2011 – 2014

- Senior Manager, Pricewaterhouse Cooper ABAS Co. Ltd.

**Number of Shares Held:** None

**Family Relationship with Other Director:** None



**Mr. Chumpol Lilitsuwan**  
Director of Planning and Procurement

Age 52



**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)**

**2016 - Present**

- Acting Director of Sales,  
WP Energy Public Company Limited

**2015 - Present**

- Acting Director of Planning and Procurement,  
WP Energy Public Company Limited

**2004 - 2014**

- Acting Manager, Planning and Procurement  
Department, World Gas (Thailand) Co. Ltd.

**2012 - 2014**

- Deputy Managing Director, Procurement and Finance,  
Picnic Corporation Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

## Mr. Sutat Nitikornchairat

Director of Business Strategy and Development.

Age 41



### Education/Training

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

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

None

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

None

### Past Work Experience (last 5 years)

#### 2018 – Present

- Director of Business Strategy and Development, WP Energy Public Company Limited

#### 2013 – 2017

- Manager of Business Development Unit, Global Green Chemical Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

## Mr. Nathapon Permpon

Director of Operation

Age 49



### Education/Training

- 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 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)

#### 2018 – Present

- Director of Operation, WP Energy Public Company Limited

#### 2016 – 2017

- Senior Marketing Department Manager, Linde (Thailand) Public Company Limited

#### 2013 – 2015

- Operation Department Manager, Linde (Thailand) Public Company Limited

#### 2009 - 2012

- Safety, Occupational Health and Environment Department Manager, Linde (Thailand) Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

**Ms. Daraporn Anyamaneetragool**  
Company Secretary

**Age 36**

**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)**

**2014 - Present**

- Senior Legal Manager,  
WP Energy Public Company Limited

**2013 – 2014**

- Lawyer, Bangkok Smartcard System Co. Ltd.

**2006 - 2013**

- Lawyer, TPI Polene Public Company Limited

**Number of Shares Held:** None

**Family Relationship with Other Director:** None

# Details of Outsourced Independent Internal Audit

**Miss Nipathip Suparuekrattanachai**  
**Age 33 Years**

Head of Internal Audit

## Educational Background / Training History

- Master of Business Administration in Department of Finance, National Institute of Development Administration
- Bachelor of Business Administration, First Class Honor in Department of Accounting, Kasetsart University
- Strategic CFO in Capital Markets Program, Class 8 : SET
- Anti-Corruption The Practical Guide (ACPG), Class 45 : Thai Institute of Director
- Corporate Governance for Executives Program, Class 12 : Thai Institute of Director
- The 7 Habits of Highly Effective People of FY2019 Program : PacRim Group

## Diploma / Certificate

CPA, Federation of Accounting Professions

## Training

Course of Financial and Accounting Standards, Auditing Standards, and Internal Audit Standards

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

## Retroactive Work Experiences

<b>August 2016 – Present</b>	Assistant Director of the Internal Audit Department, WP Energy Public Company Limited
<b>2015 – August 2016</b>	Assistant Director of the Accounting and Finance Department, WP Energy Public Company Limited
<b>2014 – 2015</b>	Audit Section Manager, Pricewaterhouse Coopers ABAS Limited
<b>2008 – 2014</b>	Audit Assistant, Pricewaterhouse Coopers ABAS Limited

**Number of Shares Held:** None

**Family Relationship between Director or Executive:** None

# Corporate Governance



## 1. Corporate Governance Policy

The Board of Directors gives precedence to operations in compliance with the Principle of Good Governance in business operation for moral, transparent, and accountable management system of the organization, contributing to creation of confidence to the shareholders, investors, stakeholders, and all groups of the related parties under Corporate Governance Code for Listed Companies 2017. This will ensure that the Company Group becomes an efficient organization both in terms of business operation and good management for benefit of the Company's business operation with the ethical responsibility and reinforcement of transparency and efficiency of the Management. According to the emphasis of the Board of Directors to the prudent and circumspect management for creating the confidence of the shareholders and stakeholders toward the efficiency of the Company's business operation for its maximum benefits. Therefore, four sets of the Sub-Committees, consisting of Audit Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee, are appointed

to closely supervise specific matters of the corporate governance, 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 the 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 an 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 criteria must be determined 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 the 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.

## Executive Board

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 has authority to control the Company's business by considering screening the business plan and annual budget to be presented to the Board of Directors, establishing the financial and investment policies and direction of the investment policy to be in line with the Company's policies, considering and executing the important matters related to the Company's operations, and considering and providing suggestion for all types of works proposed to the Board of Directors.

## Risk Management Committee

At least three members are appointed by the Board of Directors and at least one of them must be an independent director. The Risk Management Committee has duty in considering and approving the policies, objectives, and framework of risk management as the operating framework in risk management process of the organizational employees to be in the same direction and consistent with the Company's targets and strategies. However, the policies, objectives, and framework of risk management will be regularly reviewed on yearly basis, and promote and support the continuous development of the risk management system within the organization.

## 2. Nomination of Directors and Executives

### Directors of the Company

Upon vacancy of the Company's director office, the Nomination and Remuneration Committee shall have duty in recruiting and selecting a qualified candidate to be nominated to be the director by 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 the 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.

- (1) The Nomination and Remuneration Committee shall consider a list of qualified candidates for directors of the Company and propose to the Board of Directors for re-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.
- (2) In case where 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.
- (3) 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. The 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 an 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 a 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 very 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

The 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 in a level of Deputy Chief Executive Officer and higher 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 Company's securities holding by them, their spouse and non-full aged child, 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).

(1) The directors and executives are required to prepare and deliver via the Company's secretary the report of the Company's securities holding by them, their spouse and non-full aged child, prior to every delivery to the Office of the Securities and Exchange Commission. The preparation and delivery shall be performed within thirty (30) days from the appointment date for holding the director and executive office or report of the change in securities holding within three (3) working days from the date of purchasing, selling, transferring or accepting the transfer of such securities under Section 59 and Penalty under Section 275 of Securities and Exchange Act B.E. 2535 (1992).

- (2) The relevant directors, executives, and operators who are informed of the inside information which is essential and affects the change in the securities price shall suspend the trading the Company's securities in the period prior to dissemination of the financial statements or dissemination of the financial position and status of the Company until after the Company's public disclosure of information. The Company shall give a written notice to the directors and executives to suspend the trading of the Company's securities for at least thirty (30) days in advance prior to the public disclosure of the information (Blackout period). They should wait for at least twenty-four (24) hours after the public disclosure of information, and are prohibited to disclose the essential information to other parties.
- (3) In case where the inside information which has not yet been publicly disclosed is used in the insider trading of the securities as taking advantage against the third party whether in such period or not, the person who performs such act remains liable under the Securities and Exchange Act B.E. 2535 (1992). The Office of the SEC is entitled to call for submission of the acquired benefit, and may be punished for imprisonment of no more than 2 (two) years or imposed of the monetary fine for no more than two times of benefit acquired or will be acquired from violating act but not less than 500,000 Baht or both imprisonment and fine.
- (4) The directors and executives are required to submit the 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 30 (thirty) days from the appointment as director or executive in the specified report form, and the report must be made upon every change within 30 (thirty) days after change in the specified report form.
- (5) The Company's directors, executives, staffs, and employees are prohibited to use its inside information which has or may have impact on the change in the price of its securities, has not yet been publicly disclosed, and has been perceived by them from their position or status, to purchase or sell or offer for purchasing or offer for selling or persuade other persons to purchase or sell or offer for purchasing or offer for selling its shares or other securities (if any) either directly or indirectly, and either such act will be performed for their own or other persons' benefit, or such fact is disclosed to allow other persons perform such act whether they will gain benefit in return.

## 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, therefore, the Board of Directors formulates the following policies.

1. The Company shall deliver Appointment Notice to the Meeting together with an 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 respective 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 the channel of news recognition of the shareholders via the Company's website. News and details are particularly disclosed in the Company's website. In case where Invitation Notice to the Meeting is disseminated prior to the meeting date in advance for convenient and complete download of the meeting agenda information by the shareholders.

5. Establish 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 the minutes of the Shareholders' Meeting in the Company's website for the shareholders' consideration, 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 an equitable treatment of all shareholders and therefore, the Board of Directors 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 give the minor shareholders the opportunity to enable to nominate the directors or propose the 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 a 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 the internal stakeholders such as shareholders, employees, and internal stakeholders such as customers, business partners, creditors, competitors, public sector, and other agencies, and the related nearby community due to the 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 its policy to fairly treat its employees in terms of opportunity, emolument from the 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, as well as give fair emolument to the employees, establish provident fund for the employees, and emphasize on supervision of the employee welfare.
- Maintain working environment for safety of the employee life and property, and perform the employee appointment, removal, rewarding, and punishment in good faith on knowledge, competency and suitability basis of that employee.
- Emphasize on the employee development of knowledge and competency by giving a 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 the strict compliance with laws and regulations related to the employees.

### 2. Shareholder Treatment Policy and Guideline

The Company always recalls that the shareholders are the business owners, and the Company is responsible for adding the long-term values to the shareholders. Therefore, 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 the 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 the development of goods and services of the Company and its associated companies for maximum satisfaction and benefits of the customers, and adherence to the customer treatment with responsibilities, honesty and customer care, therefore, the Company establishes a 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 the 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 the fair marketing under an operating policy for the customer acquisition of the accurate, non-distorting and ambiguous, or exaggerating advertising information of the Company's services so that the customers can have accurate and adequate information for their decision making.
- Give advice on service procedure of the Company for the efficiency and maximum customer benefits.
- Take into account the quality and efficiency of the Company's services other than the development of quality service management system, and pay attention on the occupational health and safety management so that customers can receive highest quality and efficient services.
- The Company takes into account the customer safety and commits to the 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 the customer confidence on quality, standard and safety of the Company's services.

- The Company establishes the customer relations system to be used in customer communication and efficient complaint on service quality by telephone to ensure the quick fulfillment of customer needs.
- The Company organizes the 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 the 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, the problems must be fairly and quickly solved.

- Strictly comply with agreed conditions. In case of the failure to comply with any clauses of conditions, the creditors must be hurriedly informed for the 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 the framework of rule of good competition.
- Not seek for the secret information of the business competitors by dishonest or improper means.
- Not destroy reputation of the business competitors with pessimism accusation.

#### **6. Social, Quality, Safety, Occupational Health, and Environmental Responsibility Policy**

The Company seriously commits to its business operation under the Corporate Governance Code and fair business operation, together with the participation in responsibilities toward society, community, environment, stakeholders, and all related parties of the Company, and continuous operating development in quality, safety, occupational health, and environment.

With the Company's awareness on the significance of coexisting society and intention of mutual sharing on supervisions and responsibilities toward stakeholders in all areas where the Company enter for business operation, the Company is participative in improvement of the 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 it has been 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 the Department of Energy Business to the entrepreneurs as well as gas filling employees.

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

##### **Fair Business Operation**

The Company transparently executes under the clear formulation of working rules for different sections, strict enforcement for creating the working equality, and efficient governance of the management system. Therefore, the following policies and practical guidelines are established as follows.

1. 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.



2. 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.
3. Fairly treat customers and business partners, not demand or accept any unjust interests from the 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.
4. 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.
5. Allow the customers to complain about imperfection of goods and services.
6. Properly and completely disclose news and information of products and services.
7. Fairly comply with the customer agreements and conditions, and in case of failure to comply with the agreements and conditions, the customers must be hurriedly informed to mutually find a solution.
8. Respect intellectual property right of other persons whereas the Company establishes a policy of the personnel's compliance with laws or requirements relating to the intellectual property rights, such as the application of legal copyrighted computer program.
9. Promote and culture consciousness to the Company's personnel in all levels for the social responsibilities.

### **Anti-Corruption**

The Company manages its business on transparency and ethics basis, adheres to the Corporate Governance Code, and complies with the laws relating to corruption prevention and resistance as per details apparent in the policy and anti-corruption policy of the Company.

### **Respect for Human Rights**

The Company has a policy to support and respect human right protection by treating the related parties whether being employees, surrounding community and society with respect on humanity right, concerning on equality and equitable freedom, non-infringement 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 its business not to be involved in infringement of human rights, such as the employment of child labor and sexual harassment, etc. Moreover, the Company promotes monitoring the compliance with the requirement of human rights through an arrangement of the participation in opinion expression, and complaint channel for victim from the right infringement 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 its personnel for compliance with the principle of human rights.

### **Fair Labor Treatment**

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

1. Respect the right of the employees in accordance with the principle of human rights and comply with labor law.
2. Establish the employment process and fair employment condition, remuneration determination, and consideration on achievement and feat under fair performance assessment process.
3. Promote personnel development by organizing teaching, seminar, training, and sending personnel to attend technical seminars and trainings in the various related fields for developing knowledge, competency and potential of the personnel, and culturing good attitudes, virtue, morality and teamwork to the personnel.
4. Organize welfare in various areas for the 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.
5. Provide annual medical examination service for the personnel in all levels of the Company by considering from risk factor based on level, age, sex and working environment of each person.



6. Always execute safe and hygienic work performance of the employees in good work place under the establishment of accident occurrence prevention measure, reinforcement of employees to have safety consciousness, and organizing of training and promotion of healthy employees, and maintenance of work place for hygiene and safety.
7. 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.
6. The Company adheres to the fair marketing under an operating policy for the customer acquisition of the accurate, non-distorting and ambiguous, or exaggerating advertising information of the Company's services so that the customers can have accurate and adequate information for their decision making.
7. The Company takes into account the customer safety, and commits to the quality products and services received by customers as required by laws, and always develops and improves services to make the customer confident of the Company's quality, standard and service.

### Quality Policy

The Company aims for the continuous development of products and services of the Company and the associated companies for maximum customer satisfaction and benefit, and adheres to customer treatment with responsibility, honesty, and customer care, under the following execution.

1. The Company takes into account the quality and efficiency in products and services of the Company. The companywide quality is managed with a quality management tool, knowledge management, and productivity, to ensure that its customers will receive products and services with the highest quality and efficiency.
2. Comply with the quality law, and the relevant standards, rules and regulations, and other requirements.
3. Encourage and create an awareness of the workers on a significance of quality maintenance and upgrade by communicating a practical guideline for the companywide understanding.
4. Allocate the necessary resources and information, and support the participation of the workers, counseling, and development of the personnel to be ready and consistent with the objective and target in quality.
5. Continuously communicate the operation and effectiveness in quality to the stakeholders, as well as overhear the recommendations to be used in review and improvement of the operation, and development, improvement and correction, and implementation in accordance with the policies and practices to be modern, to ensure the support on the changing law, environmental situation and social condition.

8. The Company establishes the customer relations system to be used in customer communication and efficient complaint on quality and service by telephone to ensure the quick fulfillment of customer needs.

### Safety and Occupational Health Policy

With the Company's awareness on a significance of safety and occupational health by focusing on safe work performance in every procedure of work process to prevent the effect toward the employees, anyone who works in the area, property, community, and environment, the Company aims for the following execution.

1. Strictly comply with laws and standards, as well as regulations promulgated in safety and occupational health.
2. Continuously and sustainably develop safety, occupational health, working environment management system.
3. Systematically manage risk management in safety and occupational health in formulating control and abatement measure for risk due to work performance, and determining a guideline for emergency and crisis management, to prevent incident which may cause loss or may result in injury and illness of the workers and stakeholders.
4. Encourage and create an awareness of the workers on a significance of safety and occupational health by communicating a practical guideline for the companywide understanding.
5. Communicate the operation and effectiveness in safety and occupational health to the workers and stakeholders, as well as overhear the recommendations to be used in review and improvement of the operation for the maximum efficiency.

6. Emphasize on the workers' safety, occupational health, and working environment, and promote both healthy body and mind of the worker.
7. Allocate the necessary resources and information, and support the participation of the workers, counseling, and development of the personnel to be ready and consistent with the objective and target in safety and occupational health.

#### Environmental Care

The Company establishes the following policy for social assistance and development due to its awareness on the community and social responsibility.

1. The Company establishes a policy for the appropriate social and community support and assistance particularly to the communities around the Company's gas terminals and LPG filling plants.
2. The Company gives the communities and related parties the opportunity to participate in remarking their opinions for the projects which may affect the communities, and propose the comments or complaints as the result of the Company's operations.
3. The Company provides the operating collaborations in accordance with the established international standards or agreements in various matters in order to contribute to prevent or reduce an environmental impact.
4. The Company establishes a policy for the educational support to the youths by supporting the scholarship and equipment which enhances the learning skills to the schools, etc.
5. The Company gives precedence to the rapid and efficient response toward the event affecting the community, social, and environmental impact as the result of the Company's operations.
6. The Company promotes its employees to be conscious and responsible for the environment and society.
7. The Company aims at supporting its employees and business partners to participate in care of the natural resources and help developing, restoring and caring of the natural resources for the fertility maintenance, and building their awareness on the sustainable resource conservation. Therefore, the environmental conservation project has been continuously developed for expecting the participation of all sectors in the nature conservation and the culture of their true awareness on social benefits.

#### Community or Social Development Participation

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

1. 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.
2. The Company gives the community and related parties the opportunity to participate in remarking opinions for the projects that may affect community, and proposing comments or complaints as the result of the Company's operation.
3. The Company cooperates in operation in accordance with the prepared international standards or agreements in the matters to contribute to prevention or mitigation of the environmental impact.
4. The Company has a youth educational support policy through scholarship support, skill enhancement equipment support for learnings to the schools, etc.
5. The Company gives precedence to a rapid and efficient respond circumstance that affects community, society and environment as the result of the Company's operations.
6. The Company promotes its employees to be conscious and responsible for environment and society.
7. 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 the natural resource abundance, and creating an awareness of sustainable resource conservation. The 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 real financial status and performance, as well as the future of the Company's business.

In addition, the Company also aims for the supervision to ensure a strict compliance with laws, regulations, and rules regarding disclosure of information and transparency. The Company publishes the information on its website both in Thai and English language through the channels of mass media and publicity media of the Stock Exchange of Thailand for thorough acknowledgement of the shareholders and other related parties on the Company's information. 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 personnel 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 a regular disclosure of its information both in Thai and English language for thorough news acquisition of the shareholders or other related parties by publicizing via mass media, or the Company's website. The information will be always updated whether being movement news, visions, missions, financial statements, public relations news, annual report, structure of the Company and executives, structure of the shareholding and name list of the major shareholders.

In addition, 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 the 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 56-2) and Annual Registration Statement Form (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 the 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 both in finance and operation to comply with the 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. The independent internal auditor and Internal Audit Department of the Company are responsible for auditing the work performance of all work units in accordance with the established rules and assessing the efficiency and adequacy of the internal control of work units inside the Company.

## Control on Use of Inside Information

The Board of Directors recognizes on the importance of the good corporate governance. To ensure transparency and prevent the use of the Company's 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 the directors, executives, and persons holding a management level in accounting or finance line which is a department director level and higher or equivalent about their duties, 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 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 the directors, executives, and persons holding a management level in accounting or finance line which is a 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 the appointment date to assume the director and executive office, or a 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 the directors, executives, and persons holding management level in accounting or finance line which is a department director level and higher or equivalent, and the 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 dissemination of financial statements or financial position and status of the Company until the Company's public disclosure of information, the Company shall notify the directors, executives, persons holding management level in accounting or finance line which is a department director level and higher or equivalent, and the related officers in writing to suspend trading the Company's securities within the period of at least thirty (30) days prior to the public disclosure of information. They should wait at

least twenty-four (24) hours after the public disclosure of such information and they are prohibited not to disclose such essential information to other parties.

- 4) Determine a disciplinary punishment in case of violation on use of inside information for personal exploitation, starting from the written warning, pay reduction, temporary job suspension without pay, or dismissal. The punishment shall be considered from the 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. However, the Board of Directors shall formulate the policies, business goals, business plans, and budgets of the Company, and supervise to ensure the operation of the Management in accordance with the determined policies, work plans and budgets efficiently and effectively in the best benefits of the Company and overall shareholders.

## The Board of Directors' Meeting

The Company complies with the rules regarding the 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 the 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 the 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 the directors' remuneration must be approved by the Shareholders' Meeting as per the following criteria of consideration.

- The Company's turnover in comparison with the 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 the need and situation of the Company to be the director.

## Annual Report of the Board of Directors

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

In addition, the Company has still established the 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 its business operation. Therefore, the Company has set a 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 under no circumstances, and shall strictly comply with anti-corruption measures.
- The Board of Directors, executives, and all employees must comply with an 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 behavior indicating corruption 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 the 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 the employees who refuse or report corruption related to the Company through the designated channel. A corrupt person shall be subject to a 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 any 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 for 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 the operational practices throughout the organization.
- Any activities under anti-corruption policy shall apply the practical guidelines set out in Code of Business 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:

1. Giving or receiving gifts, entertainment, and expenses for giving or receiving gifts and entertainment shall comply with Company's regulations.
2. Giving or receiving donations for charity or subsidy from giving or receiving donations shall be transparent and legal. The payee shall be monitored to report the operational 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. The Company's business operation and contact shall be transparent, honest, accountable, and subject to relevant business laws and rules.
3. 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 a negative effect to the employees who refuse corruption even though the said action will make the Company lose 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 whistle blowing 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**

The 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 the Rules of the Related Party Transactions and Notification of the Securities and Exchange Commission on the 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 the 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 the 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 have no right to vote for approving 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. The 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 the 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 such contract, mainly taking into consideration the interest of the Company. The related party price shall be charged under the same terms and conditions as the 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 such price is unavailable, the Company shall consider price comparison of products or services with the third parties under the same or similar conditions or may utilize the report of an independent appraiser hired by the Company in comparison of the 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 consideration, such as interest or guaranteed fee at market price on the transaction date.
4. In case where the 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 approving 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 disallowed 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 interests between the Company or its shareholders, but must be the transactions under concern of the Company on best benefits of the Company and all shareholders.

In case of the 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 a list of the summary of such transactions to be annually reported to the Audit Committee.

The Company's related party transactions shall be disclosed 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 the 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 its realization of the importance on preventing a conflict of interest and protecting the Company and shareholders' maximum interests, the Company has established the following policy and practical guideline:

1. The 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 the 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 the 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 an entry into the 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 by possible means of purchasing shares or acquiring 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 the investment in various projects of the Company, the Company shall analyze the feasibility of the project and consider the related factors as support, 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 an investment plan to the Board of Directors for consideration, and provide recommendations to minimize potential investment risks.
5. In case of the 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 an 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. A request for an investment approval of the Company shall comply with the Notification of the Capital Market Supervisory Board on the Criteria for Entry into Significant Transactions within Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand on the 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 the stable business operation. The Company shall ethically and legally conduct its business in accordance with the requirements, and respect the rights of traders and customers of the Company as well as equally accountable to the related parties and personnel of the Company. Every personnel of the Company whether being the Board of Directors, executives, and every staff member shall be treated in the same way under a framework of ethics, virtue, honesty and orderliness, whether or not such persons have signed for acknowledgement.

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

# Social and Environmental Responsibility Policy



The Company is seriously committed to conducting the 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 shows its strategic corporate social responsibility (Strategic CSR) by upgrading toward proactive CSR which combines internal and external CSR and engages the business partners from all sectors to participate the implemented activities 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 the value creation between the organization and its stakeholders and utilizing its business competencies to fulfill CSR activity patterns selected for implementation.

The Company initiated the declaration of internal CSR by emphasizing on safety standards. It is commonly known that the companies which sell liquid petroleum gas must gain trust and confidence in its highest safety standards. Hence, the Company adopts a policy to conduct its business in strict compliance with the laws, rules, standards, and other

regulations, and reiterate its business partners in various sections to do under the same principle. The company also provides educational and accident prevention trainings by the officers from the Department of Energy Business to its business partners and gas fillers on a regular basis. Its continued business growth in the past periods reflects the Company's management and business operation which is transparent and accountable, compliance with the good corporate governance policy, anti-corruption, and human rights respect. The benefits of the shareholders, employees, community, society, business partners, and all stakeholders are taken into account. In addition, the Company set up the working group called "Volunteer Group" for the concrete implementation.

However, in declaration of the external CSR, as one of the largest distributors of liquid petroleum gas, the Company must engage business partners from all sectors including customers in the automobile, industrial, commercial, and household sectors in its CSR activities organized by the Company to collectively create value and strengthen the organization. The scope of the external CSR entirely covers society, community, and environment as follows.



## 1. Responsibility towards Community and Educational Support

Throughout the past 40 years, other than the Company's commitment on offering the quality LPG product and best services to be side by side to create smile in living for Thai people to the main extent of all nationwide needs whether in respect of living, occupation, community and society assistance, as well as safety focus. The community and stakeholders around gas terminals of the Company are important for the Company's consistent emphasis since the Company considers them as its same family. Therefore, the Company mutually develops, cares, promotes, and supports the activities occurred in the said area, for instance:

- National Elderly Day and Songkran Festival, Samut Songkhram Terminal
- Kathin Ceremony at Pee Kood Temple, Chachoengsao
- Rocket Festival at Ban Haet Municipality, Khon Kaen
- Kathin Ceremonies of government agencies and communities around terminals
- Loy Krathong Festival at Ban Haet Municipality, Khon Kaen
- Futsal competition at Bang Cha Kreng District, Samut Songkhram
- Mass sports at Ban Haet, Khon Kaen
- Singing contest activity and internal sport day event at Ban Haet Municipality School
- Children's Day activities organized by local schools and communities around the terminals, and filling plants in Bang Cha Kreng Commune Municipality, Ban Haet Commune Municipality, Tha Pra Commune Municipality, Prommanusorn School, Wattanalai School, Bawornwittayayont School 3, Samukkeerajbumrung School, and Bang Pakong School for Non-formal Education.

Moreover, due to the Company's awareness on the importance of education as a foundation for developing quality of life and generating income, therefore, the Company has supported and provided scholarships for needy students with good behavior and diligence without any obligations to ensure the access to education and potential growth for Thai youths and children who will become a powerful engine in the country's development for the future growth. The Project of **"Full Belly...Warm Smile with World Gas"**

has been continued by the Company all the time for the ninth consecutive year at Wat Satthatham School in Samut Songkhram, with an objective of replenishing a smile to all the youths who are the future of the nation by providing scholarships, improving school canteen, providing agricultural plot, and



mushroom nursery house. Due to the Company's anticipation on the importance of education, kitchen facility care, health care in taking complete nutrition of the Five Food Groups, this will extend the concurrent preparedness of body and knowledge to be ready for becoming a key engine in the country's development for the continuous growth in the future.

Furthermore, the importance continuously performed by the Company is to sustainably support food field and improve quality of life of the persons who carry on their occupation in food area in Thailand in every segment from restaurant level, the small entrepreneurs, to the household consumption. The Company's vision is to sustainably improve the quality of life of the persons who carry on their occupation in food area in Thailand. In last year, the activities supported by the Company are as follows.



- **"The World's Best Street Food by Worldgas"**

Project was implemented to grant the Supreme Award for the Outstanding Roadside Bistro in the respect of taste until being popular both of Thai people and foreigners.



- Celeb Chef Thailand Program was supported since it is a program contributing to the potential development of the personnel in food field in Thailand and stably and sustainably upgrade Thai food field.

Besides these activities are deemed as one of the Company's social return approach, they also contribute to simulate the whole economy of the country.

In addition, the Company has also continued the vision of **"Side by Side to Create Smile"** by supporting the competent persons in food and Thai fashion fields to have the opportunity to present their achievements to be well-known both in Thailand and global level through "World Curated by WP Energy x Thai Designers Project". This Project highlights the Company's commitment to advance the creativity of the new generation who turn to pay attention on quality living, as if it is a social return on the concept of "Power up your life" which is a key of the Company's business conduct.

## 2. Environmental Responsibility

The Company aims at encouraging its employees and suppliers which are the manufacturers, hotel operators, and department stores to take part in promotion of the environmental conservation, mutual development of natural resource restoration and care for maintaining the fertility, as well as creation of the sustainable resource conservation awareness through environmental conservation project on continual basis. In last year, the Company implemented the following activities.

- **"WP Energy for Society"** Project - The Company continuously has organized the said activity on yearly basis with a hope to engage all sectors in natural conservation and to promote a true social benefit awareness and involvement at The Elephants' World, Kanchanaburi, for the fifth consecutive year. The participants joined in making feeds for the elephants, planting to be the elephant's feeds, endowing grant-in-aid, and donating gas cylinder and liquid gas for making the elephant feeds throughout 2019.
- The **"2019 Annual CSR Reforestation"** Activity at WP Energy Gas Terminal at Ban Haet District, Khon Kaen, has been organized to focus the Company's care on the community's quality of life around the Terminal. Moreover, the Company provided scholarships to the students who are smart of learning but poor to the schools around Khon Kaen Terminal. The Company continuously provided scholarships, grant-in-aid for maintaining the educational institutions, and liquid gas to be used in cooking for the students at free of charge throughout 2020.

The Company set up a working group of "WP Volunteer and Synergy for Creating Smile" in taking part to assist the all-around community and society as sharing for changing, promoting the personnel of WP Energy Public Company Limited to have knowledge and understanding, public



mind, and intent to morally conduct the business together with participation in social responsibility, such as volunteer mind activity at The Mirror Foundation, "Full Belly...Warm Smile with World Gas" Activity at Wat Sathatham School, donation granting at the school in Mae Hong Son, donation granting at Thai Volunteer Service, donation granting at Fueng Fah Home for Persons with Disabilities Protection and Development, Reforestation Activity at WP Gas Terminals, in Ban Haet District, Khon Kaen.

## 3. Corporate Governance and Ethical Practice

The Company properly conducts its business in accordance with the relevant laws and rules under transparency, disclosure of the key information, and accountability, and complies with the good corporate governance policy, taking into account the benefits of the shareholders, employees, community and society, business partners, and all parties of stakeholders.

The Company is ready for the continuous development and improvement to conduct the business under Corporate Governance Code and ethics, and seriously participates in responsibility on the society, community, environment, stakeholders, and all related parties of the Company. The forgoing is the sustainable and important norm for the Company's growth, and project advancement to achieve goal under support of all related parties.

# Internal Control and Risk Management



## 1. Opinions of the Board of Directors on the Company's Internal Control System

The Company's Board of Directors gives precedence to the adequate and effective internal control that is an important mechanism of the prevention and management of the risk and damage that may occur with the Company. In this regard, the Company applies the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework and Practical Guideline as its internal control framework and practical guideline. The five major components necessary for the internal control are determined as follows: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information & Communication System; and (5) Monitoring Activities, with the objective to ensure that the Company's operation 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 framework of the Corporate Governance (CG) guideline.

According to a joint assessment of the internal control system by the Board of Directors and the Audit Committee, the Board of Directors deemed that the Company's internal control

system is adequate and appropriate for its environment. The Company arranges the sufficient personnel for the efficient systematic operation to be consistent with the auditor's opinions that reported a non-finding of any essential situations or errors relating to the Company's internal control system, that affects the Company's financial statements.

The Company's internal control system can be separately summarized into five major components under the framework of COSO Internal Control Framework as follows.

### 1) Control Environment

The Board of Directors emphasizes on the adequacy and appropriateness of the internal control environment for good corporate governance as a key basis that contributes to the Company's efficient and effective management which is a factor of the sustainable business operation, and as a key basis for reinforcing the good corporate culture and strength to be united.

The Board of Directors supports the corporate culture that aims at honesty and code of conduct, and governance on the Company's business operation in accordance with laws, and the organizational objectives and goals, and ensure the good and appropriate internal control environment as follows.



- The Board of Directors establishes the good corporate governance policy, requirement for Code of Conduct, and anti-corruption measure in writing to be a guideline for the honest and ethical duty performance of the directors, executives and employees. The Company's Management is assigned to regularly communicate and publicize the said requirement to all executives and employees for their acknowledgement through internal training courses and activities. In addition, the requirement for complaint and whistleblowing is established for transparency and fairness to all parties and ensure that the informant or whistleblower is safely supervised and protected. This is considered as creation of good attitude toward audit.
- The Board of Directors is independent from the Management, and has duty to govern an overall business operation and govern to target a clear and measurable strategy of the business operation to be used as a guideline for preparing the business plan and action plan, as well as regular monitoring the overall operation of the Company.
- The Board of Directors appoints the Audit Committee to be in charge of reviewing to ensure the adequate and effective internal control system of the Company under Charter of the Audit Committee, and report the review result to the shareholders for acknowledgement in Annual Report.
- The executives have duty to pass on a governance-related guideline prescribed by the Board of Directors to the employees for implementing in accordance with the policies, and implant the employees who are the subordinates to be disciplinary in compliance with the requirements relating to the internal control.
- The employees at all levels must strictly comply with any ordinances, rules, regulations, and orders under the internal control system.
- The Company defines the organization structure in the line nature, separates duties in the key section for the check and balance, and determines a clear reporting line as well as appropriately authorizes and limits authority and responsibilities in accordance with the organization structure for the efficient management of the Company.
- The Company determines the qualification of the personnel in each position as criteria of the recruitment and selection of the qualified personnel for the position both from external and internal organization, establishes the personnel development plan through Human Resource Department, the nomination plan and process for the successor of the key position, as well as performance

assessment process to be standard and systematic for considering the provision of fair remuneration and building the incentive to the personnel in work performance for the maximum efficiency.

## 2) Risk Assessment

The risk assessment is a part of the risk management which is the core principle of the sustainable business operation. The Company continuously develops the risk management system to be more efficient to create long-term value for stakeholders as follows.

- The Company implements the policy under the framework of Enterprise Risk Management (ERM) in accordance with the international standard of The Committee of Sponsoring Organizations of the Tread way Commission (COSO) and yearly assessed the risk.
- The Company clearly formulates the risk management policy as the preparation framework of the risk management plan, and conducts the review, analysis, and monitoring, and formulating process for an integrated risk management measure during the year. The Company aims for creating good attitude and understanding to its employees regarding risk management so that the organizational employees at all levels can actually and efficiently implement the policy and work plan.
- The Board of Directors appoints the Risk Management Committee to be in charge of monitoring to ensure that the risks are identified, taking into account both external and internal factors that may result in the Company's failure to attain the determined objectives, and governing the impact and likelihood assessment of the identified risks to appropriately rate the risks and select for using risk management approach.
- The Company appoints Risk Management Team consisting of the executive of the risk owner department in each work unit to prepare the risk management plan, assess and rate risks, as well as find the countermeasure, and periodically report the work plan progress to the Risk Management Committee.

## 3) Control Activities

The Company highly emphasizes on the internal control and internal audit system. Besides the internal audit unit is set up, the executives of every work unit has duties and responsibilities to efficiently and properly supervise and audit the work system under their own sections in accordance with the working rule, and implant the subordinates to be disciplinary and have good awareness regarding the internal control as follows.

- The Company determines the appropriate control activities for specific risks and nature of the Company, and clearly separates duties, such as approval duty, bookkeeping duty, property supervision and collection duty, and establishes the policies, work methods, and work manuals in finance, purchase, and other areas in writing. In addition, the Company regularly reviews, clearly defines the approval authority of the executive at each level, and clearly formulates the practice of the related party transaction to prevent the personal exploitation of the Company's interests, under main concern on the Company's interests.
- The Company establishes the monitoring process for the subsidiaries' operation to have an operational guideline which is constantly consistent with the business policies. The internal audit unit of the Company also performs audit work of which the audit on its subsidiaries is inclusive.

#### 4) Information & Communication

The Company emphasizes on the quality of information and communication which is a key part which contributes to the support of the effective internal control system, under the following information and communication management guideline.

- The Company establishes the efficient process and channel of the inside information communication using communication technology through internet system, e-mail, and LINE@, which can communicate with all companywide employees in the same time for the necessary information. In addition, the position level of the employees who must be communicated by the Company to be informed of the important information in specific cases, can be defined.
- The Company regularly prepares the report of the financial figure and important information, and presents to the Board of Directors. The Board of Directors can additionally ask for the necessary information from the Company Secretary who performs the duty as the contact center to assist and coordinate with the Board of Directors in asking information. The documentary information used in every Board of Directors' Meeting is sent to all directors prior to the meeting date in advance.
- The Company has the whistleblowing or complaint channel for the illegal offense or doubtful behavior that may indicate corruption or misconduct of the person in the organization, for the employees and stakeholders of all groups to the Board of Directors through the Audit Committee, Chief Executive Officer, Director of the Human Resource Department, Company Secretary, and Internal Audit Department.

#### 5) Monitoring Activities

The Company formulates the monitoring and assessing process for the adequacy of its internal control system to ensure that its internal control system is efficient and effective as follows.

- The Company's internal audit unit is independent and directly reports to the Audit Committee, performs the audit duty, and assesses the efficiency and effectiveness of the internal control of the activities in accordance with the professional standards of the internal audit. The annual audit plan is prepared and approved by the Audit Committee. The said plan is prepared under Risk-Based Approach in accordance with the international standards to be consistent with the Company's strategies by taking into account the risk impact, risk likelihood, determining the level of the risk significance, and studying and endeavouring to grasp the internal control of the current existing businesses, assessing an efficiency of the internal control and controlling a test for the appropriate resource allocation both in term of personnel and time in audit plan to ensure that such audit will achieve the organizational targets and objectives, and add organizational value. In addition, the Audit Committee suggests the operating improvement to the Management, assists in determining an improvement guideline in accordance with the suggestions, reports the audit report to the Audit Committee, and monitors the corrective action and observations to ensure that the relevant work units have actually followed the setting practical guidelines.

#### 2. Different Opinions of the Audit Committee from the Opinions of the Board of Directors

- None -

#### 3. Head of Internal Audit

The Company's Head of Internal Audit is Miss Nipathip Suparuekrattanachai who has been appointed to assume the office of the Company's Head of Internal Audit and Secretary of the Audit Committee from 1 August 2016 onwards.

The Audit Committee approves the consideration on appointment, removal, and dismissal of the Head of Internal Audit, and supervises the person who assumes the office of the Head of Internal Audit to possess the suitable and adequate educational background, experiences, and training for the duty performance relating to the Company's internal audit. The details of the educational background, training history, and work experiences of the Head of Internal Audit are presented in "Profile of the Company's Head of Internal Audit" (Attachment 3).

## Related Party Transactions

The transactions between the related companies and businesses in 2019 are shown below and referred from 2019 financial report:

Company Name	Nature of Relationship	Connected Transactions	2019 (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.	Transactions from income statement	
		Income of property rent	2,664,719
		LPG transportation charge	156,249,919
		Transactions from statement of financial position	
		Trade and other receivables	159,720
		Trade and other payables	13,402,355
		Other current liabilities	572,289
2. LOGISTIC ENTERPRISE	It is a subsidiary of EAGLE whereas EAGLE holds 99.98% of total shares and has joint director (s) with the Company.	Transactions from income statement	
		Tanker truck rental fee	9,559,368
		Transactions from statement of financial position	
		Other non-current assets	1,261,600
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.	Transactions from income statement	
		LPG sales revenue	3,418,126
		Interest income	2,160,855
		Income of management service	404,103
		Transactions from statement of financial position	
		Trade and other receivables	3,240,340
		Short-term loan	35,000,000

Company Name	Nature of Relationship	Nature of Relationship	2019 (Unit : Baht)
4. THAIGAS	It is the subsidiary of WP Gas whereas WP Gas holds 79.99% of total shares and has joint director (s) with the Company and the Company's executive as director.	Transactions from income statement	
		LPG sales revenue	808,018,263
		Income of management service	3,987,913
		Purchase of LPG	71,451,124
		Service fee of liquid gas reserve deposit	4,060,000
		Transactions from statement of financial position	
		Trade and other receivables	163,158,109
		Trade and other payables	8,612,058
		Accrued expenses	46,830
5. PREMIER CARRIER	It is the subsidiary of THAIGAS whereas THAIGAS 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	
		LPG transportation charge	7,687,173
		Transactions from statement of financial position	
6. 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.	position Trade and other payables	921,565
		Transactions from income statement	None
		Transactions from statement of financial position	None
7. WP SOLLAR	It is the subsidiary of WP SOLUTIONS whereas WP SOLUTIONS 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 Company entered into the related party transactions with EAGLE as follows: 1) income of property rent, and 2) LPG transportation charge. However, the prices and conditions of both related party transactions are seemed as if the entry into the transaction with the third party, without the purpose of the benefit transfer between both parties or with any special transaction.
2. The Company entered into one related party transaction with LOGISTIC ENTERPRISE as follows: LPG transportation charge expense. However, the price and condition of the said related party transaction are seemed as if the entry into the transactions with the third party, without the purpose of the benefit transfer between both parties or with any special transaction.
3. The Company entered into three related party transactions with WP GAS as follows: 1) LPG sales revenue, 2) interest income, and 3) income of management service. However, the prices and conditions of these three related party transactions are seemed as if the entry into the transactions with the third party, without the purpose of the benefit transfer between both parties or with any special transaction.
4. The Company entered into four related party transactions with THAIGAS as follows: 1) LPG sales revenue, 2) income of management service, 3) cost of LPG purchase, and 4) Service fee of liquid gas reserve deposit. However, the prices and conditions of these four related party transactions are seemed as if the entry into the transactions with the third party, without the purpose of the benefit transfer between both parties or with any special transaction.
5. The Company entered into one related party transaction with PREMIER CARRIER as follows: LPG transportation charge. However, the price and condition of the said related party transaction are seemed as if the entry into the transaction with the third party, without the purpose of the benefit transfer between both parties or with any special transaction.

## Policy and Future Trend of the Related Party Transactions

Should there be the related party transactions, the Company shall comply with the Securities and Exchange Law, the 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 said related party transactions must not be a removal or a transfer of benefits between the companies or the Company's shareholders but shall be transactions under concern of the Company to maximize the benefit of the Company and all shareholders.

In case of the 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 the third party.

The disclosure of the Company's related party transactions shall be in compliance with laws and regulations prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand, and also comply with the Thai Accounting Standards on the Related Party Disclosures prescribed by the Federation of Accounting Professions.

The future trend of the Company's related party transactions will not differ from before, that is, it will be the related transactions between the Company and its subsidiaries, which include EAGLE, LOGISTIC ENTERPRISE, WP GAS, THAIGAS, PREMIER CARRIER, WP SOLUTIONS, and WP SOLLAR as mentioned above.

# Report of the Audit Committee for 2019

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 comprising three complete qualified members as required by the Office of the Securities and Exchange Commission of Thailand as follow:

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

The Audit Committee performs its duties as assigned by the Board of Directors in accordance with the Charter of the Audit Committee which is consistent with the requirement of the Stock Exchange of Thailand. From last 1 January 2019 to 31 December 2019, the Audit Committee held total of five meetings. In four meetings occurred during 2019, the Audit Committee independently convened the meetings with the auditor without the meeting attendance of the Company’s Management.

However, the performance results of the Audit Committee in 2019 can be summarized in the following essence:

## 1. Review of Financial Report

The Audit Committee reviewed both quarterly and yearly consolidated and separate financial statements for the year 2019. The Committee inquired the auditor about the accuracy and completeness of the financial statements, adjustment of the significant account entries, accounting estimates that affected financial statements, adequacy and appropriateness of the bookkeeping method and scope of audit, adequate, complete and accurate disclosure of information, and the auditor’s independence, to ensure the Company’s preparation of the accurate financial statements in accordance with the requirement of laws and Generally Accepted Accounting Standards in reliable and timely manner in conformity to the International Accounting Standards, and complete and adequate disclosure of the material information which is useful for the user of the financial statements. In addition, the Audit Committee also overheard the clarification provided by the Deputy Chief Finance Officer, and overheard the reporting of the 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 any significant observations.

The Audit Committee considered and deemed that both quarterly and yearly consolidated and separate financial statements for the year 2019 are accurate and reliable in materiality in accordance with Thai Financial Reporting Standards under an 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 the internal control in various areas together with the Internal Audit Department of the Company and auditor. The reviewed matters included the Company’s operation, 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 Internal Audit Department and the auditor to develop a more efficient internal control system.

In part of the internal audit, the Company’s internal audit unit is independent and directly reports to the Audit Committee, performs the audit duty, and assesses the efficiency and effectiveness of the internal control of the activities in accordance with the professional standards of the internal audit. The annual audit plan is prepared and approved by the Audit Committee. The said plan is prepared under Risk-Based Approach in accordance with the international standards to be consistent with the Company’s strategies by taking into account the risk impact, risk likelihood, determining the level of the risk



significance, and studying and endeavouring to grasp the internal control of the current existing businesses, assessing an efficiency of the internal control and controlling a test for the appropriate resource allocation both in term of personnel and time in audit to ensure that such audit will achieve the organizational targets and objectives, and add organizational value. In addition, the Audit Committee suggested the operating improvement to the Management, assisted in determining an improvement guideline in accordance with the suggestions, reported the audit report to the Audit Committee, and monitored a corrective action and observations to ensure that the relevant work units have actually followed the setting practical guidelines.

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 SET and the Office of the SEC. In overview, it was considered that the Company's internal control system is adequate and appropriate for its environment under its provision of the sufficient personnel that will efficiently carry out in accordance with the system to be consistent with the opinions of the auditor that reported non-finding of any essential situations or errors relating to the Company's internal control system affecting the Company's financial statements.

### **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 the important business activities of the Company and deemed that none of any essential issues were considered as non-compliance with the 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 properly and appropriately complied with laws and relevant regulations.

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

The Audit Committee considered from the 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.

The Audit Committee deemed that the auditor of the Company nominated for appointment 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 nominate for appointing the auditor under PricewaterhouseCoopers ABS Limited ("PwC") to be the auditor of the Company for 2020 for another term, and propose the annual audit fee for 2020 to the Board of Directors for requesting the approval of the General Meeting of Shareholders accordingly

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

The Audit Committee considered and reviewed the 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 the related party transactions or connected transactions with the 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 2019, the Audit Committee deemed that the Company has complied with the relevant laws and regulations on the related party transactions, without transactions with potential conflict of interests. The transactions the Company entered with the 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 relevant criteria. The Company has established measures and procedures for approving the 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 an appropriateness before making a decision to enter into any transactions.

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

The Audit Committee comprises of three experts as per the following name list.

Name List	Position	Number of the Meeting Attendance
1. Mrs. Niskorn Tadthiemrom	Chairman of the Audit Committee	5/5
2. Mrs. Soithip Trisuddhi	Member of the Audit Committee	4/5
3. Mrs. Lakananan Luksamithananan **	Member of the Audit Committee	4/5

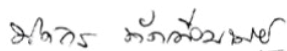
Remark \* The member of the Audit Committee who possesses the adequate knowledge and experiences in accounting and finance and can perform her duty in review of the reliability of the financial statements.

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

The Audit Committee is independent of performing the entrusted duties and getting well cooperation from the Management, auditor and Internal Audit Department of the Company.

In overview summary, the Audit Committee performed its duties and responsibilities under power, roles and duties set forth in the Charter of the Audit Committee, using its knowledge, competence, carefulness, diligence, and adequate independence, and acquiring the creative opinions and suggestions for equitable benefits of the stakeholders.

The Audit Committee deemed that the Board of Directors and executives of the Company are ethical and concentrated in duty performance to achieve the Company's target, emphasizing on the operation under the effective internal control system and internal audit system, and bringing about the Company's accurate and reliable financial information report in conformity to the Generally Accepted Accounting Standards. In addition, the Company's duty performance has been consistent with laws related to its business operations and good corporate governance system under the appropriate and effective internal control and internal audit systems, and the continuous development of the operating system improvement for the improved quality.



(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.

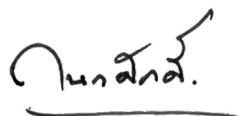
The Board of Directors realizes on its duties and responsibilities in efficient preparation of financial report and therefore establishes and maintains risk management system, internal control system both in term of the related duty performance and information system, appropriate and effective internal 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 2019 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 Discussion and Analysis

## LPG Industrial Situation in Thailand

In 2019, production, import, and demand for domestic consumption and export volumes decreased in all aspects compared to 2018. In 2019, production volume was at 5,980 million kg, decreasing from the period of 2018 by 267 million kg or 4.27%, and import volume was at 550 million kg, decreasing by 132 million kg or 19.35%. Sales volume of LPG in Thailand was 6,559 million kg, decreasing by 59 million kg or 0.91% at the time of a decrease in LPG export volume at 299 million kg, decreasing by 22.34%.

**Table of LPG Supply and Distribution**

(Unit : Million Kg)

	Year 2019	Year 2018	Year 2017
Production	5,980	6,247	6,056
Import	550	682	642
Domestic Sale	6,559	6,619	6,338
Export	299	385	247

**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))

Total volume of LPG demand for consumption in 2019 was at 6,559 million kg, decreasing by 0.91% from 2018. The main LPG demand was from petrochemical sector consumption at 2,751 million kg, increasing by 153 million kg or 5.89% from 2018. The LPG demand from household sector consumption was at 2,125 million kg, decreasing by 39 million kg or 1.80% from 2018 while LPG demand for service station consumption was at 1,023 million kg compared to 2018, decreasing by 147 million kg or 12.56%. The LPG demand for industrial sector consumption was at 660 million kg compared to 2018, decreasing by 27 million kg or 3.93%.

The respective proportion of LPG demand for domestic consumption by Thailand economic sector in 2019 was as follows: petrochemical sector at 41.94%, household sector at 32.40%, service stations at 15.60%, and industrial sector at 10.06%.

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

(Unit : Million Kg)

	Year 2019		Year 2018		Year 2017	
	Volume	%	Volume	%	Volume	%
Household	2,125	32.40	2,164	32.69	2,151	33.93
Industry	660	10.06	687	10.38	650	10.25
Service Station	1,023	15.60	1,170	17.68	1,319	20.81
Petrochemical Raw Material	2,751	41.94	2,598	39.25	2,219	35.00
<b>Total</b>	<b>6,559</b>	<b>100.00</b>	<b>6,619</b>	<b>100.00</b>	<b>6,338</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))

## 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 2019, the Company has had a market share of 17.70%.

In 2019, the Company's total revenue of THB 14,466 million being derived from LPG sales of THB 14,127 million. The Company's total revenue decreased by 3.42% from last year as the result from a decrease in total sales volume of LPG from 817,657 tons to 763,165 tons while average price per kilogram slightly increased from THB 17.96 per kg to THB 18.50 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 45% of revenue is from filling plants. If considering on sales volume, it indicated the same direction of sales volume and revenue at more than 45% of the Company's sales volume from filling plants.

Most of LPG traders in Thailand currently use domestic raw materials of the same level quality and gas cylinders only manufactured by a few factories in the country. Therefore, it can be concluded that all products of the traders under Section 7 are almost not much different. However, the competition within this 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 the stability and ability to generate revenue in long run.

## Operation Results and Financial Position

The analysis and discussion of 2019 operation results and financial position of the Company and its subsidiaries can be summarized as follows:

### 1. Operation Results

In 2019, the Company Group's net profit for the year amounted to THB 289 million, decreasing by THB 32 million or 10.08% compared to 2018. Total revenue amounted to THB 14,466 million, decreasing by THB 512 million or 3.42% from 2018. EBITDA amounted to THB 645 million, decreasing by THB 30 million or 4.46%.

(Unit : Million Baht)	Year 2019	Year 2018	Increase (Decrease) Amount		Increase (Decrease) %	
Total revenue	14,466	14,978	↓	-512	↓	-3.42%
Revenue from sales and services	14,154	14,727	↓	-572	↓	-3.89%
Net profit	289	321	↓	-32	↓	-10.08%
Net profit margin (%)	2.00%	2.15%	↓	-0.15 pp		
EBITDA	645	675	↓	-30	↓	-4.46%

### 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 2019, 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 2019	(%)	Year 2018	(%)	Increase (Decrease) Amount	Increase (Decrease) %
Revenue from LPG sales	14,127	97.66%	14,684	98.04%	↓ -557	↓ -3.79%
Revenue from transportation service charges	27	0.19%	42	0.28%	↓ -16	↓ -36.56%
Other incomes	311	2.15%	251	1.68%	↑ 60	↑ 23.92%
<b>Total revenue</b>	<b>14,466</b>	<b>100%</b>	<b>14,978</b>	<b>100%</b>	<b>↓ (512)</b>	<b>↓ -3.42%</b>

**1) Revenue from LPG sales**

In 2019, the Company and its subsidiaries' revenue from LPG sales amounted to THB 14,127 million, decreasing by THB 557 million or 3.79% from 2018 with revenue of THB 14,684 million mainly due to a decrease in total LPG sales volume from 817,657 tons to 763,165 tons. A decrease in sales volume of LPG service stations has been in the same direction with the overall domestic market situation.

**2) Revenue from transportation service charges**

In 2019, the Company and its subsidiaries' revenue from transportation service charges amounted to THB 27 million, decreasing by 36.56% from 2018 mainly due to a decrease in service station customers.

**3) Other incomes**

(Unit : Million Baht)	Year 2019		Year 2018		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	(%)	Amount	(%)		
Transportation income	125	40.17%	129	51.27%	↓ -4	↓ -2.90%
Interest income	8	2.71%	8	3.06%	↑ 1	↑ 9.80%
Rental income	12	3.75%	11	4.24%	↑ 1	↑ 9.42%
Gain from disposal of investment assets	103	33.21%	0	0.00%	↑ 103	↑ 0.00%
Gain from disposal of equipment	12	3.88%	22	8.68%	↓ -10	↓ -44.60%
Revenue from cylinder maintenance cost	21	6.80%	16	6.36%	↑ 5	↑ 32.45%
Other income	30	9.49%	66	26.39%	↓ -37	↓ -55.44%
<b>Total other incomes</b>	<b>311</b>	<b>100.00%</b>	<b>251</b>	<b>100.00%</b>	<b>↑ 60</b>	<b>↑ 23.92%</b>

In 2019, other incomes of the Company and its subsidiaries amounted to THB 311 million, increasing by 23.92% from 2018 mainly due to gain from selling one plot of land in 2019.

**Expenses**

The main expenses of the Company and its subsidiaries include cost of LPG sales, cost of transportation services, selling expenses, administrative expenses, and financial cost. In 2019, 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 2019		Year 2018		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	(%)	Amount	(%)		
Cost of LPG sales	13,404	95.01%	13,871	95.07%	↓ -466	↓ -3.36%
Cost of transportation services	16	0.12%	26	0.17%	↓ -9	↓ -35.80%
Selling expenses	292	2.07%	297	2.03%	↓ -5	↓ -1.67%
Administrative expenses	392	2.78%	384	2.63%	↑ 8	↑ 2.16%
Financial cost	3	0.02%	13	0.09%	↓ -9	↓ -73.19%
<b>Total expenses</b>	<b>14,108</b>	<b>100.00%</b>	<b>14,590</b>	<b>100.00%</b>	<b>↓ -482</b>	<b>↓ -3.30%</b>

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

(Unit : Million Baht)	Year 2019	Year 2018	Increase (Decrease) Amount	Increase (Decrease) %
Cost of LPG sales	13,404	13,871	↓ -466	↓ -3.36%
Revenue from LPG sales	14,127	14,684	↓ -557	↓ -3.79%
Proportion of cost of LPG sales comparative to revenue from LPG sales	94.88%	94.46%	↑ 0.42 pp	
Gross profit margin from LPG sales	5.12%	5.54%	↓ -0.42 pp	

In 2019, the Company and its subsidiaries' cost of LPG sales amounted to THB 13,404 million, decreasing by 3.36% from 2018 mainly due to a decrease in LPG sales volume from 817,657 tons to 763,165 tons. The decrease in this sales volume also caused a decrease in revenue from LPG sales. In addition, the cost from October to the mid of December in 2019 increased from the shutdown of some domestic refineries for improvement, resulting in a shortage of domestic LPG volume and an increase in cost of LPG higher than the expected cost. This caused gross profit margin from LPG sales slightly decrease from 5.54% to 5.12%. However, in January 2020, the said situation has entered into normal condition.

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

(Unit : Million Baht)	Year 2019	Year 2018	Increase (Decrease) Amount	Increase (Decrease) %
Cost of transportation services	16	26	↓ -9	↓ -35.80%
Revenue from transportation service charges	27	42	↓ -16	↓ -36.56%
Proportion of cost of transportation services comparative with revenue from transportation service charges	60.79%	60.07%	↑ 0.72 pp	
Gross profit margin from transportation services	39.21%	39.93%	↓ -0.72 pp	

In 2019, the Company and its subsidiaries' cost of transportation services amounted to THB 16 million, decreasing by 35.80% from 2018 as the result of a decrease in transportation volume to the service station customer group. However, the Company and its subsidiaries' gross profit margin from transportation services slightly decreased from 39.93% in 2018 to 39.21% in 2019.

### 3) Selling expenses

In 2019, the Company and its subsidiaries' selling expenses amounted to THB 292 million or 2.1% of revenues from sales and services, decreasing by 1.67% from 2018. Most of selling expenses were spent in marketing activities for the continuous public relations of "World Gas" brand's image both in digital media and sponsorship of activities, such as "Celeb Chef Thailand" cooking contest program in online channel, to make "World Gas" brand to be widely recognized via various channels. The said activity has gained good feedback.

### 4) Administrative expenses

In 2019, the Company and its subsidiaries' administrative expenses amounted to THB 392 million or 2.8% of revenues from sales and services, slightly increasing from 2018.

### 5) Financial cost

In 2019, the Company and its subsidiaries' financial cost amounted to THB 3 million or approximately 0.02% of total revenues (excluding other incomes), decreasing by 73.19% from the same period of last year due to a decrease in borrowings.

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

(Unit : Million Baht)	Year 2019	Year 2018	Increase (Decrease) Amount	Increase (Decrease) %
Gross profit (excluding other incomes)	734	830	↓ -97	↓ -11.66%
Gross profit margin (excluding other incomes) (%)	5.18%	5.64%	↓ -0.46 pp	
Net profit	289	321	↓ -32	↓ -10.08%
Gross profit margin (%)	2.00%	2.15%	↓ -0.15 pp	

### Profit

In 2019, the Company Group earned gross profit of Baht 734 million or gross profit margin at 5.18% and net profit of THB 289 million or net profit margin at 2.00%. Gross profit and net profit decreased by THB 97 million or 11.66%, and THB 32 million or 10.08% from 2018, respectively. In addition, the Company Group's EBITA was at THB 645 million, decreasing by 4.46% due to a decrease in total sales volume of LPG from 817,657 tons to 763,165 tons from the aforesaid reason. The cost from October to the mid of December in 2019 increased from the shutdown of some domestic refineries for improvement.

### Assets

As at year end 2019, the Company and its subsidiaries' total assets amounted to THB 6,049, increasing by 5.84% from the end of 2018. 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 2019, the Company and its subsidiaries' cash and cash equivalents amounted to THB 663 million in total, decreasing by 4.78% from the end of 2018 as the result from the Company Group's some investment in its subsidiaries, resulting in a slight decrease in cash from the same period of 2018.

#### 2. Short-term investment

During 2019, short-term investment increased from gain from valuation of fair value during the year from short-term investment.

### 3. Trade receivables other receivables

As at year end 2019, the Company and its subsidiaries' trade and other receivables-net amounted to THB 940 million, decreasing by 8.93% from the end of 2018 under classification into the following details.

	Consolidated Financial Statements			
	Year 2019		Year 2018	
	Million Baht	(%)	Million Baht	(%)
Trade receivables – net	898	95.59	999	96.80
Other receivables – net	41	4.41	33	3.20
<b>Total trade and other receivables – net</b>	<b>939</b>	<b>100.00</b>	<b>1,032</b>	<b>100.00</b>

The details of the analysis on trade receivable aging are as follows:

	Consolidated Financial Statements			
	Year 2019		Year 2018	
	Million Baht	(%)	Million Baht	(%)
Outstanding up to 3 months	896	91.95	994	92.73
Between 3-6 months	0.1	0.01	5	0.47
Between 6-12 months	4	0.42	3	0.28
Over 12 months	74	7.62	70	6.52
Total trade receivables	974	100	1,072	100.00
Less Allowance for doubtful accounts	-76		-73	
Trade receivables - net	898		999	

As at year end 2019, the Company and its subsidiaries' trade receivables consist of 91.95% of outstanding up to 3 months and the remaining was overdue receivables. However, the Company and its subsidiaries establish a policy to set aside allowance for doubtful accounts and consider set aside allowance for doubtful accounts totaling THB 76 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 201 million as at year end 2019, increasing by 24.46% from the end of 2018 mainly due to an increase in the Company and its subsidiaries' LPG reserves.

## Non-Current Assets

### 1. Restricted cash at bank

The Company and its subsidiaries' restricted cash at bank as at year end 2019 amounted to THB 667 million, increasing by 2.63% from THB 650 million as at year end 2018. Most of the restricted cash at bank is cash for guarantee on issuance of letter of guarantee to the business partner.

### 2. Investment property

During 2019, the land was transferred to be investment property amounted to THB 31 million due to renting out a plot of land which is the Company's asset to earn the rental income, resulting in investment property as at year end 2019 amounted to THB 47 million, increasing by THB 44 million from 2018.

### 3. Property, plant, and equipment

As at year end 2019, the Company and its subsidiaries' property, plant and equipment – net amounted to THB 2,751 million, increasing by 8.99% from the end of 2018 mainly due to construction of Bang Pakong Terminal – Phase 3.

### 4. Goodwill

Goodwill is derived from an acquisition of the business of WP Gas Co., Ltd, the Company's subsidiary. During 2019, the Company Group invested in the shares of Thai Gas Corporation Co., Ltd. The additional goodwill was recorded during the year for THB 91 million so that the Company's goodwill amounted to THB 122 million, increasing by THB 88 million from 2018.

### 5. Intangible assets

As at year end 2019, the Company and its subsidiaries' intangible assets – net amounted to THB 51 million, increasing by THB 17 million or 50.83% from the end of 2018 mainly due to intangible assets derived from the purchase of Thai Gas Corporation Co., Ltd. during 2019.

### Other Non-Current Assets

As at year end 2019, the Company and its subsidiaries' other non-current assets amounted to THB 135 million, increasing by THB 94.57 million from the end of 2018. Core non-current assets of the Company and its subsidiaries include deposits of office building rents, property rents, public utility bills, etc.

### Liabilities

As at year end 2019, the Company and its subsidiaries' total liabilities amounted to THB 4,754 million, increasing by 0.66% from the end of 2018. The details of the analysis on the Company and its subsidiaries' liabilities can be summarized as follows.

### Current Liabilities

#### 1. Short-term borrowings from financial institutions

As at year end 2019, the Company and its subsidiaries' short-term borrowings from financial institutions amounted to THB 20 million. They are loans used for operating the business of WP Gas Co., Ltd., the Company's subsidiary, during 2019.

#### 2. Trade and other payables

As at year end 2019, the Company and its subsidiaries' trade and other payables amounted to THB 990 million, decreasing by 1.82% from the end of 2018. The details of trade and other receivables are as follows.

	Consolidated Financial Statements			
	Year 2019		Year 2018	
	Million Baht	(%)	Million Baht	(%)
Trade payables – third party	730	73.76	794	78.77
Other payables	170	17.20	108	10.71
Accrued expenses	61	6.15	58	5.75
Advance payment	29	2.89	48	4.77
<b>Total trade and other payables</b>	<b>990</b>	<b>100.00</b>	<b>1,008</b>	<b>100.00</b>

The Company and its subsidiaries' trade payables are mostly LPG cost payables. Trade payables as at year end 2019 amounted to THB 730 million, decreasing by THB 64 million or 8.05% from the end of 2018 due to a decrease in the LPG purchase of the Group Company in the said period of the year end.

## Non-Current Liabilities

### 1. Long-term borrowings from financial institutions

As at year end 2019, the Company and its subsidiaries' long-term borrowings from financial institutions amounted to THB 117 million, decreasing by 28.46% from the end of 2018 due to a partial borrowing repayment of the Company and its subsidiaries during 2019.

### 2. Deposit received

As at year end 2019, the Company and its subsidiaries' deposits received amounted to THB 3,416 million, increasing by 0.93% from the end of 2018. The Company and its subsidiaries' deposits received are mainly deposits for small-sized gas cylinder cost. An increase in deposits received was mainly due to more customer purchase of more small-sized gas cylinders for filling LPG for sales.

## Shareholders' Equity

As at year end 2019, the Company and its subsidiaries' total shareholders' equity amounted to THB 1,295 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 retained earnings of THB 227 million in total.

## Obligation Management

### 1. Obligation

As at 31 December 2019, 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	163,408,500	46,512,000	116,896,500	-
Obligation under operating lease	514,582,045	57,447,967	182,210,073	274,924,005
<b>Total</b>	<b>677,990,545</b>	<b>103,959,967</b>	<b>299,106,573</b>	<b>274,924,005</b>

### 2. Contingent Liabilities

#### 2.1 Bank guarantees

As at 31 December 2019, the Company Group has provided bank guarantees to guarantee purchases of gas and use of electricity for THB 1,201.42 million (2018 : THB 1,079.42 million). Bank deposits amounting to THB 647.39 million (2018 : THB 640.85 million), machineries and lands valuing to THB 130.00 million and 193.60 million, respectively, have been pledged by the Company as collateral for the bank guarantees.

As at 31 December 2019, the Group Company's bank deposit amounted to THB 10 million (2018: THB 9.23 million) as collateral for borrowing from financial institutions.

As at 31 December 2019, the Company Group have provided bank deposit as security of transportation services to its customers for THB 0.66 million.

## Summary of Significant Financial Ratios

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

	2562	2561	2560
<b>Liquidity Ratio</b>			
Current Ratio	1.93	2.08	1.64
Quick Ratio	1.74	1.87	1.47
Trade Receivable Turnover	13.83	13.86	15.66
Inventory Turnover	73.87	76.07	74.33
Trade Payable Turnover	17.62	17.1	18.71
Average Collection Period	26.03	25.98	22.99
Average Holding Period	4.87	4.73	4.84
Payment Period	20.44	21.06	19.24
Cash Cycle	10.46	9.65	8.6
<b>Profitability Ratio</b>			
Gross Profit Margin	5.18%	5.64%	4.19%
Other Profit Margin	0.71%	0.26%	0.08%
Net Profit Margin	2.00%	2.15%	0.84%
Net Profit Margin <sup>(1)</sup>	1.28%	1.89%	0.76%
Return on Equity	25.27%	38.65%	21.86%
Return on Equity <sup>(1)</sup>	16.23%	33.96%	19.76%
<b>Efficiency Ratio</b>			
Return on Assets	6.14%	7.09%	2.78%
Return on Assets <sup>(1)</sup>	4.38%	6.40%	2.54%
Total Asset Turnover	2.46	2.64	2.89
<b>Financial Policy Ratio</b>			
Debt to Equity Ratio	3.67	4.76	7.36
Interest Bearing Debt to Equity Ratio	0.14	0.21	0.37
Interest Coverage Ratio (EBITDA)	51.70	44.83	24.28
Interest Coverage Ratio	48.49	38.43	33.84
Debt Service Coverage Ratio (Cash Basis)	0.53	0.76	1.86

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



## Analysis of significant financial ratios

		2019	2018	Explanation
<b>Profitability Ratio</b>				
Gross Profit Margin	%	5.18	5.64	<p><b>Gross Profit Margin</b></p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' net profit margin slightly decreased to 5.18% from previously 5.64%. For the year ended 2018, the shortage of the domestic LPG volume was due to a decrease in total sales volume of LPG from 817,657 kg to 763,165 kg, and an increase from October to the mid of December 2019 from the shutdown of some domestic refineries for improvement, resulting in an increase in cost of LPG.</p>
Net Profit Margin	%	2.00	2.15	<p><b>Net Profit Margin</b></p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' net profit margin was at 2.00%, decreasing from 2.15% from 2018. Despite of a decrease in sales volume, however, the Company has still well maintained net profit margin level in 2019.</p>
Return on Equity	%	25.27	38.65	<p><b>Return on Equity</b></p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' return on equity was at 25.27%, decreasing from 38.65% compared to return on equity for the year ended 31 December 2018. The main cause was due to a decrease in net profit and an increase in shareholders' equity from an increase in unappropriated returned earnings to THB 212 million in 2019 compared to 2018 with deficit of THB 58 million.</p>
<b>Efficiency Ratio</b>				
Return on Assets	%	6.14	7.09	<p><b>Return on Assets</b></p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' return on assets was at 6.14%, decreasing from 7.09% compared to return on assets. For the year ended 31 December 2018. The main cause was due to a decrease in profit and an increase in average assets of the Company and its subsidiaries since during 2019, the Company Group purchased ordinary shares of Thai Gas Corporation Co., Ltd., resulting in an increase in the Company's assets.</p>
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	Times	3.67	4.76	<p><b>Debt to Equity Ratio</b></p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' debt to equity ratio was at 3.67 times, decreasing from 4.76 times compared to debt to equity ratio for the year ended 31 December 2018. The main cause was due to a partial repayment of bank debt, and an increase in retained earnings, resulting in an increase in shareholders' equity.</p>

		2019	2018	Explanation
				Despite of quite high debt to equity ratio, most of the Company's debts are deposit received for small-sized gas cylinder cost in accordance with the Notification of the Consumer Protection Board on the agreement that the LPG selling business asking for LPG guarantee shall be a business controlling the transaction in payment receipt evidence dated 7 December 1999. The said Notification prescribes that the business operator must issue receipt and return guarantee when the consumer returns gas cylinder to the business operator. Therefore, it was concluded that the said debt to equity ratio had no direct impact on financing capacity of the Company since interest bearing debt to equity ratio was classified to be in quite low criteria.
Interest Bearing Debt to Equity Ratio	Times	0.14	0.21	<p>Interest Bearing Debt to Equity Ratio</p> <p>For the year ended 31 December 2019, the Company and its subsidiaries' interest bearing debt to equity ratio was at 0.14 times, decreasing from 0.21 compared to interest bearing debt to equity ratio for the year ended 31 December 2018. The main cause was due to an increase in retained earnings, resulting in an increase in shareholders' equity. The partial repayment of interest bearing debt caused a decrease in debt.</p> <p>According to this financial ratio, it concluded that the Company's interest bearing debt to equity ratio was classified to be in a quite low criteria. Thus, the Company can also acquire more loans in the future if the use of fund is required.</p>
Interest Coverage Ratio	Times	51.70	44.83	<p>Interest Coverage Ratio</p> <p>In 2019, the Company and its subsidiaries' interest coverage ratio was at 51.70 times, increasing from 44.83 times compared to interest coverage ratio in 2018, mainly due to a decrease in obligation of interest paid.</p> <p>It can be concluded from this financial ratio that the Company is financially sufficient to pay the obligation of interest paid.</p>
Debt Service Coverage Ratio (Cash Basis)	Times	0.53	0.76	<p>Debt Service Coverage Ratio (Cash Basis)</p> <p>In 2019, the Company and its subsidiaries' debt service coverage ratio (cash basis) was at 0.53 times, decreasing from 0.76 times compared to debt service coverage ratio (cash basis) in 2018, mainly due to an increase in investment and purchase of assets during the year.</p> <p>It can be concluded from this financial ratio that the Company is financially sufficient to repay debt obligations.</p>

## 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
Payment Period	Days	= 360 / 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 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 2019	Status
1	Debt Service Coverage Ratio	=	$\frac{\text{EBITDA}}{\text{Debt Service}}$	12.74	Pass
	<b>Not lower than 1.20:1</b>				
2	Interest Bearing Debt to EBITDA	=	$\frac{\text{Interest Bearing Debt}}{\text{EBITDA}}$	0.26	Pass
	<b>Not higher than 3:1</b>				

**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 financial lease liabilities in consolidated financial statements (previous year).

**Interest Bearing Debt :** Current portion of financial lease liabilities in consolidated financial statements (current year) + Financial 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 is financially sufficient to pay debts and is able to fully comply with the financial institution's conditions.

## Liquidity and Sources of Capital

In the period of last 2019, 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 by 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, the government has still announced the LPG reference price for an application of the entrepreneurs as a guideline of business operation.

The liberalization of the entire LPG business system brings about a cancellation of the control of LPG price and volume of every production and supply source; a complete liberalization of import and export; and a cancellation of the announcement of ex-refinery prices and wholesale prices of LPG 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 an increase of LPG selling price may positively affect the Company's turnover. However, if the LPG selling price is too high, the consumers may choose to consume a cheaper alternative energy. This change in consumer behavior in term of alternative will affect turnover of the Company and other traders under Section 7.



# Consolidated and Separate Financial Statements

31 December 2019

# 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 2019, 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 2019;
- 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
<b>Provision for lost assets: small-sized gas cylinders</b>	
Refer to note 15 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 4 percent of the Group's total assets. The gas cylinders are residing in the users' premises throughout the country and are not able to physically examine their existence.	Because it is not due for appraisal in 2019, I assessed the reasonableness of provision for lost assets : small-sized gas cylinders using the appraisal report, prepared at the end of 2018 as beginning balance for 2019 and tested the movements of gas cylinders per the fixed assets register in order to derive the quantities of small-sized gas cylinders at the end of 2019.



Key audit matter	How my audit addressed the key audit matter
<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 physical inspection at the filling stations as a basis of estimation. This appraised quantities represent the management's best estimate of the quantities of the lost cylinders. Management has arranged for the appraisal to take place every 3 years to obtain confidence in the estimate of the provision amount. The last appraisal was taken place in 2018 and the next appraisal will be due in 2021.</p> <p>Since 2014, the management has maintained a record of movements of quantity and value, based on first-in, first-out cost method, of gas cylinders to derive at the balance of gas cylinder at year end. The management has relied on this record and believes that the provision for lost gas cylinders should be remained and is reasonably stated.</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>I tested the reliability of the appraisal report during my audit in 2018 and compared the quantities of small-sized gas cylinders per the appraisal report with the quantities in the fixed assets register. I noted that the quantities of these 2 sources were materially consistent.</p> <p>I performed the following procedures on the movements of gas cylinders of 2019.</p> <ul style="list-style-type: none"> <li>• Tested the movements of gas cylinders per the Group's fixed assets register with supporting documents such as suppliers' invoices, Group's sales invoices, and gas cylinders destruction reports.</li> <li>• Assessed the reasonableness of provision for lost assets by assessing the reliability of the fixed assets register as described above.</li> </ul> <p>I did not find any material exceptions from carrying out the above procedures.</p>

#### Deposits received for small-sized gas cylinders

<p>Refer to note 24 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 2,145 million, and Baht 1,271 million, respectively, which represent 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 the quantity of small-sized gas cylinders circulating and being stored in consumers' households and premises, based on an 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 2019.</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>	<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 tested the reliability of the appraisal report during my audit in 2018 and compared the quantities of small-sized gas cylinders per the appraisal report with the quantities in the detail of deposits received. I noted that the quantities of these 2 sources were materially consistent.</p> <p>I performed the following procedures on the movements of deposits received during 2019.</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>
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## 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

27 February 2020

**WP Energy Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2019**

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	663,488,781	696,811,150	525,605,588	602,362,029
Short-term investments	8	407,794,849	402,335,293	407,794,849	402,335,293
Trade and other receivables	9	939,713,165	1,031,883,021	1,037,607,272	1,021,729,872
Short-term loans to related parties	31.3	-	-	35,000,000	35,000,000
Inventories	10	201,482,108	161,885,684	189,055,487	161,651,927
Other current assets		9,778,268	17,610,785	6,768,326	17,202,919
Investment property classified as held-for-sale	11	-	63,125,569	-	63,125,569
<b>Total current assets</b>		<b>2,222,257,171</b>	<b>2,373,651,502</b>	<b>2,201,831,522</b>	<b>2,303,407,609</b>
<b>Non-current assets</b>					
Restricted cash	33	667,378,876	650,282,289	655,221,876	650,082,289
Investments in subsidiaries	12	-	-	432,149,065	262,149,065
Other long-term investments	13	-	-	-	-
Investment properties	14	47,253,379	3,161,900	28,096,629	3,161,900
Property, plant and equipment	15	2,750,785,226	2,523,839,999	2,519,352,365	2,398,717,022
Goodwill	16	121,857,198	33,494,192	6,106,502	9,189,600
Intangible assets	17	50,521,422	33,495,584	29,634,043	30,487,635
Prepaid rents	18	43,417,658	48,911,434	43,417,658	48,911,434
Deferred tax assets	19	10,788,052	8,290,078	9,133,617	7,170,806
Other non-current assets		134,730,301	40,162,527	133,537,837	40,705,429
<b>Total non-current assets</b>		<b>3,826,732,112</b>	<b>3,341,638,003</b>	<b>3,856,649,592</b>	<b>3,450,575,180</b>
<b>Total assets</b>		<b>6,048,989,283</b>	<b>5,715,289,505</b>	<b>6,058,481,114</b>	<b>5,753,982,789</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

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

**WP Energy Public Company Limited**  
**Statements of Financial Position (Cont'd)**  
**As at 31 December 2019**

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institution	21.2	20,000,000	-	-	-
Trade and other payables	20	989,584,840	1,007,962,344	991,498,210	1,010,175,054
Current portion of long-term borrowings	21.3	46,512,000	46,512,000	46,512,000	46,512,000
Current income tax payable		37,389,102	30,729,078	37,210,731	30,729,078
Short-term provision	22	-	8,087,409	-	8,087,409
Other current liabilities		60,314,004	47,892,755	59,326,628	48,964,381
<b>Total current liabilities</b>		<b>1,153,799,946</b>	<b>1,141,183,586</b>	<b>1,134,547,569</b>	<b>1,144,467,922</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institution	21.3	116,896,500	163,408,500	116,896,500	163,408,500
Employee benefit obligations	23	41,363,046	23,332,413	31,354,001	18,174,430
Deposits received	24	3,416,288,896	3,384,811,551	3,416,210,251	3,384,811,551
Deferred tax liabilities	19	17,465,001	3,598,075	-	-
Other non-current liabilities		8,114,421	6,350,000	8,114,421	6,350,000
<b>Total non-current liabilities</b>		<b>3,600,127,864</b>	<b>3,581,500,539</b>	<b>3,572,575,173</b>	<b>3,572,744,481</b>
<b>Total liabilities</b>		<b>4,753,927,810</b>	<b>4,722,684,125</b>	<b>4,707,122,742</b>	<b>4,717,212,403</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 2019**

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
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		532,000,000	532,000,000	532,000,000	532,000,000
Retained earnings					
Appropriated - legal reserve	25	15,042,919	-	15,042,919	-
Unappropriated retained earnings (deficits)		211,579,388	(57,925,683)	285,815,453	(13,729,614)
Other components of equity	12.2	135	-	-	-
<b>Equity attributable to owners of the parent</b>		1,277,122,442	992,574,317	1,351,358,372	1,036,770,386
Non-controlling interests		17,939,031	31,063	-	-
<b>Total equity</b>		1,295,061,473	992,605,380	1,351,358,372	1,036,770,386
<b>Total liabilities and equity</b>		6,048,989,283	5,715,289,505	6,058,481,114	5,753,982,789

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



**WP Energy Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Revenue</b>					
Revenue from sales		14,127,428,125	14,684,374,242	14,118,573,816	14,678,389,002
Revenue from services		26,957,982	42,494,599	-	-
<b>Total revenue</b>		<b>14,154,386,107</b>	<b>14,726,868,841</b>	<b>14,118,573,816</b>	<b>14,678,389,002</b>
<b>Cost</b>					
Cost of sales		(13,404,427,053)	(13,870,915,696)	(13,452,443,317)	(13,879,323,220)
Cost of providing services		(16,387,211)	(25,525,810)	-	-
<b>Total costs</b>		<b>(13,420,814,264)</b>	<b>(13,896,441,506)</b>	<b>(13,452,443,317)</b>	<b>(13,879,323,220)</b>
<b>Gross profit</b>		<b>733,571,843</b>	<b>830,427,335</b>	<b>666,130,499</b>	<b>799,065,782</b>
Other income	26	311,308,985	251,208,970	311,240,557	248,115,403
Selling expenses		(291,678,422)	(296,635,153)	(251,362,146)	(266,641,507)
Administrative expenses		(391,966,141)	(383,665,736)	(332,358,369)	(354,050,059)
Finance costs		(3,429,960)	(12,793,652)	(2,633,415)	(12,735,843)
<b>Profit before income tax</b>		<b>357,806,305</b>	<b>388,541,764</b>	<b>391,017,126</b>	<b>413,753,776</b>
Income tax	28	(68,742,414)	(67,059,731)	(71,835,694)	(71,253,891)
<b>Net profit for the year</b>		<b>289,063,891</b>	<b>321,482,033</b>	<b>319,181,432</b>	<b>342,499,885</b>
<b>Other comprehensive income (expense):</b>					
<i>Item that will not be reclassified to profit or loss:</i>					
Remeasurements of post - employment benefit obligations	23	(7,433,113)	-	(5,741,807)	-
Income tax relating to the above item		1,486,623	-	1,148,361	-
<b>Other comprehensive expense for the period, net of tax</b>		<b>(5,946,490)</b>	<b>-</b>	<b>(4,593,446)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>283,117,401</b>	<b>321,482,033</b>	<b>314,587,986</b>	<b>342,499,885</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		290,494,480	321,481,690	319,181,432	342,499,885
Non-controlling interests		(1,430,589)	343	-	-
		<b>289,063,891</b>	<b>321,482,033</b>	<b>319,181,432</b>	<b>342,499,885</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 2019**

	<b>Note</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Total comprehensive income (expense)</b>					
<b>attributable to:</b>					
Owners of the parent		284,547,990	321,481,690	314,587,986	342,499,885
Non-controlling interests		(1,430,589)	343	-	-
		<u>283,117,401</u>	<u>321,482,033</u>	<u>314,587,986</u>	<u>342,499,885</u>
<b>Earnings per share</b>					
Basic earnings per share	29	<u>0.56</u>	<u>0.62</u>	<u>0.62</u>	<u>0.66</u>

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 2019

Consolidated financial statements									
Notes	Attributable to owners of the parent						Other component		
	Issued and paid-up share capital	Premium on LPG selling price	Retained earnings		Changes in		Total owners of the parent	Non-controlling interests	Total equity
			Legal reserve	Unappropriated retained earnings (deficits)	controlling interest in subsidiaries				
						Baht			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht

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 2019

		Separate financial statements				
		Issued and paid-up share capital	Premium on LPG selling price	Retained earnings		Total equity
		Baht	Baht	Legal reserve	Unappropriated retained earnings (deficits)	Baht
Note				Baht	Baht	Baht
<b>Opening balance at 1 January 2018</b>						
	Total comprehensive income for the year	518,500,000	532,000,000	-	(356,229,499)	694,270,501
		-	-	-	342,499,885	342,499,885
	<b>Closing balance at 31 December 2018</b>	518,500,000	532,000,000	-	(13,729,614)	1,036,770,386
<b>Opening balance at 1 January 2019</b>						
		518,500,000	532,000,000	-	(13,729,614)	1,036,770,386
25	Appropriation of legal reserve	-	-	15,042,919	(15,042,919)	-
	Total comprehensive income for the year	-	-	-	314,587,986	314,587,986
	<b>Closing balance at 31 December 2019</b>	518,500,000	532,000,000	15,042,919	285,815,453	1,351,358,372

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 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		357,806,305	388,541,764	391,017,126	413,753,776
Adjustments for					
Depreciation	14, 15	274,249,505	268,509,823	235,693,722	226,916,476
Amortisation	17	9,348,810	5,067,844	4,353,592	4,620,477
Gain from disposal of equipment	26	(12,074,634)	(21,797,009)	(8,594,019)	(14,478,048)
Loss from write-off of equipment	15	14,271,599	4,859	2,449,322	4,856
Loss from finance lease		8,346,130	-	1,507,338	-
Loss from write-off of goodwill	16	3,400,700	-	3,400,700	-
Reversal of allowance for doubtful debts		(11,196,775)	(497,805)	(10,714,095)	(497,805)
Fair value gain on trading securities	8	(5,459,556)	(2,335,293)	(5,459,556)	(2,335,293)
Rental income from investment properties	14	(872,796)	(1,540,605)	(592,431)	(1,540,605)
Interest income	26	(8,427,208)	(7,675,341)	(9,928,722)	(10,551,975)
Finance costs		3,429,960	12,793,652	2,633,415	12,735,843
Reversal of provision	22	(8,087,409)	(39,000,000)	(8,087,409)	(39,000,000)
Employee benefit obligations	23	11,545,937	6,694,183	9,113,940	5,962,422
		636,280,568	608,766,072	606,792,923	595,590,124
Changes in working capital					
- Trade and other receivables		171,247,072	(11,797,219)	(203,417)	(13,080,887)
- Inventories		(13,922,896)	41,590,709	(27,403,560)	41,590,708
- Other current assets		11,079,052	(2,037,728)	10,434,593	(2,300,221)
- Restricted cash		4,186,902	(55,365,988)	(5,139,587)	(55,165,988)
- Investment properties classified as held-for-sale		63,125,569	-	63,125,569	-
- Reserve account for debt payment		-	121,240,195	-	121,240,195
- Prepaid rents		5,493,776	5,625,658	5,493,776	5,625,658
- Other non-current assets		(93,279,024)	2,170,252	(92,832,408)	2,271,455
- Trade and other payables		(217,917,214)	(78,439,438)	(52,133,435)	(69,267,276)
- Provision	22	-	(6,310,584)	-	(6,310,584)
- Other current liabilities		10,426,661	628,621	10,362,247	1,659,341
- Creditors under debt restructuring		-	(121,240,195)	-	(121,240,195)
- Deposits received		31,477,345	79,383,030	31,398,700	79,383,030
- Employee benefit obligations	23	(3,365,181)	(4,593,565)	(1,676,176)	(4,069,525)
- Other non-current liabilities		-	(1,030,000)	-	(1,030,000)
Cash flows generated from operating activities		604,832,630	578,589,820	548,219,225	574,895,835
<u>Less</u> Interest paid		(2,980,389)	(12,672,626)	(2,530,217)	(12,672,626)
<u>Less</u> Income tax paid		(69,609,283)	(49,001,672)	(66,168,490)	(47,857,546)
Net cash generated from operating activities		532,242,958	516,915,522	479,520,518	514,365,663

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 2019**

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
<b>Cash flow from investing activities</b>					
Proceeds from disposals of short-term investments	8	302,707,877	-	302,707,877	-
Payments for short-term investment	8	(302,707,877)	(400,000,000)	(302,707,877)	(400,000,000)
Repayment received from short-term loan to related party		-	-	-	40,000,000
Purchase of equipment		(352,537,068)	(246,427,536)	(332,930,459)	(241,472,413)
Cash received from rental income from investment properties	14	872,796	1,540,605	592,431	1,540,605
Borrowing costs		(9,492,198)	(2,324,706)	(9,492,198)	(2,324,706)
Purchases of intangible assets		(10,486,767)	(5,000)	(3,500,000)	(5,000)
Purchase of investment properties	14	(12,955,384)	-	(12,955,384)	-
Acquisition of subsidiaries, net of cash acquired	30	(158,274,000)	-	-	-
Payments for increase in share capital of a subsidiary	12.1	-	-	(170,000,000)	-
Proceed from disposal of equipment		22,780,387	21,862,126	8,594,148	14,478,948
Interest received		7,397,823	9,813,815	9,926,503	12,789,164
Net cash used in investing activities		(512,694,411)	(615,540,696)	(509,764,959)	(574,993,402)
<b>Cash flow from financing activities</b>					
Proceeds from disposal of investment in subsidiary	12.2	154	-	-	-
Proceeds from short-term borrowings from financial institution	21.2	96,928,152	-	-	-
Repayments to short-term borrowings from financial institution	21.2	(96,920,725)	-	-	-
Repayments to finance lease liabilities	21.1	(6,366,497)	(2,058,105)	-	(323,849)
Repayments to long-term borrowings from financial institution	21.3	(46,512,000)	(35,974,125)	(46,512,000)	(35,974,125)
Net cash used in financing activities		(52,870,916)	(38,032,230)	(46,512,000)	(36,297,974)
<b>Net decrease in cash and cash equivalents</b>		(33,322,369)	(136,657,404)	(76,756,441)	(96,925,713)
Cash and cash equivalents at beginning of the year		696,811,150	833,468,554	602,362,029	699,287,742
<b>Cash and cash equivalents at end of the year</b>		<u>663,488,781</u>	<u>696,811,150</u>	<u>525,605,588</u>	<u>602,362,029</u>
<b>Significant non-cash transactions</b>					
Payable arising from purchases of equipment		62,868,010	29,867,019	62,784,099	29,710,590
Payable arising from purchases of intangible assets		71,400	-	-	-
Provision for decommissioning		1,764,421	-	1,764,421	-

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



## **1 General information**

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

1 East Water Buildings 15<sup>th</sup> Floor, Soi Viphavadi Rangsit 5, Vibhavadi Rangsit 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 27 February 2020.

## **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 Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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

## 2 Accounting policies (Cont'd)

### 2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

#### 2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

##### a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019. The adoption of the standard has no material impact to the Group.

##### b) Thai Accounting Standard no.40 (revised 2018), Investment property

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.

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

##### a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of initial adoption of this standard.

##### b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impact of initial adoption of this standard.

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

### **2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)**

#### **2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)**

##### **c) Other new/amended standards**

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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

### **2.3 Principles of consolidation**

#### **a) Subsidiaries**

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method

#### **b) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

#### **c) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

### **2.4 Business combination**

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

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

### **2.4 Business combination (Cont'd)**

#### *Acquisition-related cost*

Acquisition-related cost are recognised as expenses.

#### *Step-up acquisition*

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.

#### *Changes in fair value of contingent consideration paid/received*

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

### **2.5 Foreign currency translation**

#### **a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

### **2.6 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.

### **2.7 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.

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

### 2.9 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

#### *Trading and available-for-sale investments*

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 and are subsequently reclassified to profit or loss when the investment is disposed.

#### *General investments*

General investments are carried at cost less impairment.

#### *Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

### 2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

### 2.11 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.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

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

Buildings and infrastructures	10 - 30 Years
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## **2 Accounting policies (Cont'd)**

### **2.12 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 every 3 years 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 2.16).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### **2.13 Goodwill**

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

### **2.14 Prepaid rent**

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

### **2.15 Intangible assets**

#### **2.15.1 Trademarks and computer software 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 Accounting policies (Cont'd)**

### **2.15 Intangible assets (Cont'd)**

#### **2.15.2 License**

Expenditure on acquired license is capitalised and amortised using the straight-line method over their useful lives of over 10 years.

#### **2.15.3 Butane contract and Gas storage contract**

Butane contract and Gas storage contract acquired in a business combination are recognised at fair value at the acquisition date. The contracts have finite useful life and carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their useful lives of 1 and 5 years, respectively.

### **2.16 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.

### **2.17 Leases - where the Group is the lessee**

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

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

### **2.19 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 arriving at a net gain on restructuring. If no gain on restructuring is recognised other direct costs incurred are included in expenses.

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.

### **2.20 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.

## 2 Accounting policies (Cont'd)

### 2.21 Current and deferred income taxes

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.22 Employee benefits

#### 2.22.1 Post-employment

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

##### 2.22.1.1 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.

##### 2.22.1.2 Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to 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.

#### 2.22.2 Termination benefit

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

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

### **2.23 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.24 Deposits received**

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

### **2.25 Share Capital**

Ordinary shares with discretionary dividends are classified as equity.

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

### **2.26 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

#### **Sale of goods – Liquefied Petroleum Gas**

The Group recognised revenue from the sale of goods is recognised when the Group sells a product to the customer. 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.

#### **Transportation services**

The Group recognised transportation service contracts with a continuous service provision in proportion to the lapsed time of the voyage, regardless of the payment pattern.

#### **Rental income from investment property**

The Group recognised rental income from investment property 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.

#### **Interest income**

The Group recognised interest income using the effective interest method.

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

**2.27 Segment reporting**

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

**3 Financial risk management**

**3.1 Financial risk factors**

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

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

**3.1.1 Interest rate risk**

The Group has interest rate risk from borrowings at fixed and floating interest rates. The Group has no significant interest - bearing assets.

**3.1.2 Credit risk**

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

**3.1.3 Liquidity risk**

The Group manages 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.

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

#### 3.2 Fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated and separate financial statements	
	Level 2	
	2019 Baht	2018 Baht
<b>Assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Trading securities	407,794,849	402,335,293

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

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 2.16. The recoverable amounts of cash-generating units have been determined based on the higher of an asset's fair value less costs to sell and value in use. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

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

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

###### **(b) 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 23.

###### **(c) Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 16).

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

Management estimates provision for lost gas cylinders based on the quantities appraised by independent appraiser. The appraised quantities do not represent the exact quantities of the gas cylinders but they are assessed based on an appraisal methodology applied representing the management's best estimate of the quantities of the lost cylinders. Management will arrange for the appraisal to take place every 3 years to obtain confidence in the estimate of the provision amount.

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

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

#### **5 Capital risk management**

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

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



## **6 Segment information**

Management has determined for the disclosure of segment in both business and geographic segment perspective that pursuant to business activities and operating results that are regularly reviewed by Chief Operating Decision Makers for the purposes of allocating resources and assessing performance. Board of Director has responsible to make decision for strategic for the Group and assesses the performance of the operating segments based on measure of gross profit.

### **Geographic segments**

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

### **Business segments**

The main business segments of the Company and its subsidiaries ("the Group") comprise:

- 1) Trading of Liquefied Petroleum Gas (LPG)
- 2) Transportation of oil, gas and chemical substances

The segments are determined pursuant to business activities and operating results that are regularly reviewed by Chief Operating Decision Makers.

Financial statement classified by business segment is as follows:

	<b>For the year ended 31 December 2019</b>		
	<b>Sale of LPG Baht</b>	<b>Transportation Baht</b>	<b>Consolidated Baht</b>
Revenues from operation	15,010,076,171	218,529,914	15,228,606,085
Inter-segment revenue	(882,648,046)	(191,571,932)	(1,074,219,978)
Total revenue	14,127,428,125	26,957,982	14,154,386,107
Segment result	384,747,232	5,946,862	390,694,094
Related transaction			(29,457,829)
Finance costs			(3,429,960)
Profit before income tax			357,806,305
Income tax			(68,742,414)
Net profit			289,063,891
<b>Timing of revenue recognition</b>			
At a point in time	14,127,428,125	-	14,127,428,125
Over time	-	26,957,982	26,957,982
Total revenue	14,127,428,125	26,957,982	14,154,386,107
Property, plant and equipment	2,631,066,930	119,718,296	2,750,785,226
Intangible assets	48,064,049	2,457,373	50,521,422
Goodwill	97,552,606	24,304,592	121,857,198
Other assets	3,002,398,599	123,426,838	3,125,825,437
Consolidated total assets			6,048,989,283

**6 Segment information (Cont'd)**

Financial information classified by business segment is as follows: (Cont'd)

	<b>For the year ended 31 December 2018</b>		
	<b>Sale of LPG Baht</b>	<b>Transportation Baht</b>	<b>Consolidated Baht</b>
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

Revenue segment information for the year ended 31 December 2018 has been prepared in accordance with Thai Accounting Standard (TAS) no. 18, therefore, revenue segment information of the current year and prior year are not comparable.

**Information about major customer**

No single customer represents a major customer because the Group has large number of customers.

**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Cash on hand	1,151,106	1,078,753	269,506	248,323
Cash at bank	662,337,675	695,732,397	525,336,082	602,113,706
	663,488,781	696,811,150	525,605,588	602,362,029

The effective interest rates on cash at bank were ranging from 0.13% to 1.50% per annum (2018: 0.13% to 1.50% per annum).

## 8 Short-term investments

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

	Consolidated and separate financial statements
	Trading Baht
<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>	402,335,293
Additions	302,707,877
Disposals	(302,707,877)
Gains on fair value measurement during the year	5,459,556
<b>At 31 December 2019</b>	407,794,849

As at 31 December 2019 and 2018, the summary of short-term investments is as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
<b>Trading investment</b>		
Equity securities	402,335,293	400,000,000
Gains on fair value adjustment	5,459,556	2,335,293
<b>Fair value</b>	<b>407,794,849</b>	<b>402,335,293</b>

As at 31 December 2019, short-term investments are investments in Money Market Funds. The fair value of financial instruments in level 2 is based on the net asset value by reference to the asset management company.

**9 Trade and other receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Trade receivables - third parties	974,183,582	1,072,388,344	909,448,208	1,067,680,830
Trade receivables - related parties (Note 31.2)	-	-	166,558,169	3,051,950
<u>Less</u> Allowance for doubtful debt	(75,903,018)	(73,035,359)	(67,859,092)	(72,596,977)
Trade receivables, net	<u>898,280,564</u>	<u>999,352,985</u>	<u>1,008,147,285</u>	<u>998,135,803</u>
Trade accounts receivable under investigation	1,784,272,009	1,785,084,727	1,784,272,009	1,785,084,727
<u>Less</u> Allowance for doubtful debt	(1,784,272,009)	(1,785,084,727)	(1,784,272,009)	(1,785,084,727)
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	(170,344,286)	(170,344,286)	(170,344,286)	(170,344,286)
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	39,108,758	33,050,207	34,448,078	31,568,926
Withholding tax receivable	1,940,164	5,831,544	-	5,402,079
Interest receivable	17,033,120	16,902,181	10,034,366	10,032,147
Advance payments	5,125,257	3,112,229	4,650,420	2,904,485
Prepaid expenses	35,048,506	35,620,572	30,379,008	28,901,810
<u>Less</u> Allowance for doubtful debt	(97,443,441)	(102,606,934)	(90,672,122)	(95,835,615)
Other receivables, net	<u>41,432,601</u>	<u>32,530,036</u>	<u>29,459,987</u>	<u>23,594,069</u>
Total trade and other receivables, net	<u>939,713,165</u>	<u>1,031,883,021</u>	<u>1,037,607,272</u>	<u>1,021,729,872</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.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Within 3 months	895,796,629	994,285,903	1,004,226,918	994,283,165
3 - 6 months	125,248	4,985,077	104,727	4,881,949
6 - 12 months	4,086,452	3,200,000	3,869,972	3,200,000
Over 12 months	74,175,253	69,917,364	67,804,760	68,367,666
	974,183,582	1,072,388,344	1,076,006,377	1,070,732,780
<u>Less</u> Allowance for doubtful account	(75,903,018)	(73,035,359)	(67,859,092)	(72,596,977)
Trade account receivables, net	<u>898,280,564</u>	<u>999,352,985</u>	<u>1,008,147,285</u>	<u>998,135,803</u>

## 10 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finished goods	201,482,108	161,885,684	189,055,487	161,651,927

The cost of inventories recognised as expense and included in cost of sales of the Group and the Company was amounting to Baht 12,705.67 million and Baht 12,698.86 million, respectively (2018: Baht 13,090.61 million for both the Group and the Company).

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

Movement of investments property classified as held-for-sale during the year ended 31 December 2019 is as follows:

	Consolidated and separate financial statement
	Land Baht
Opening net book value	63,125,569
Disposal	(63,125,569)
Closing net book value	-

On 26 July 2019, the Company sold and transferred land which was an investment property classified as held-for-sale in the consolidated and separate statements of financial position, amounting to Baht 63.13 million to individual person at a price of Baht 166.50 million. The Company recognised gain on disposal amounting to Baht 103.37 million as other income in the consolidated and separate statement of income.

## 12 Investments in subsidiaries

### 12.1 Movements of investments in subsidiaries

Movement of investments in subsidiaries for the year ended 31 December 2019 is as follows:

	Separate financial statement
	Investment in cost method Baht
Opening net book value	262,149,065
Increase in investment	170,000,000
Closing net book value	432,149,065

On 14 February 2019, WP Gas Company Limited, a subsidiary, increased its share capital amounting to Baht 170 million by issuing 17 million of ordinary shares, with par value of Baht 10 each. The Company subscribed all newly issued shares of WP Gas Company Limited. The aforementioned investment does not affect the shareholdings interest of the Company in WP Gas Company Limited.

## 12 Investments in subsidiaries (Cont'd)

### 12.2 Principal subsidiaries

The Group comprises of the subsidiaries listed below as at 31 December 2019 and 2018. 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	
			2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
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
Subsidiary of WP Gas Company Limited								
Thai Gas Corporation Company Limited	Thailand	Trading of gas	-	-	79.99	-	20.01	-
Subsidiary of Thai Gas Corporation Company Limited								
Premier Carrier Company Limited	Thailand	Transportation of gas	-	-	99.99	-	0.01	-

During the first quarter of 2019, the Group invested in Thai Gas Corporation Company Limited ("TG") representing 80.00% of its interests. The Group classified this investment as investment in subsidiaries. Details of business combination is disclosed in Note 30.

Subsequently, on 27 February 2019 the Group disposed 1 share of TG representing 0.01% of its interests to individual person for a total consideration of Baht 154 and recognised gain from disposal amounting to Baht 135 as other components of equity in the consolidated statement of financial position. As a result of disposal, the Group's interests decreased from 80.00% to 79.99%.

Total non-controlling interests is Baht 17,939,031 (2018: Baht 31,063) of which Baht 17,908,112 belongs to Thai Gas Corporation Company Limited. The non-controlling interests in respect of other subsidiaries are not material.

12 Investments in subsidiaries (Cont'd)

12.2 Principal subsidiaries (Cont'd)

**Summarised financial information on subsidiaries with material non-controlling interests**

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations

**Summarised consolidated statement of financial position**

	<b>Thai Gas Corporation Company Limited</b>
	<b>At 31 December 2019</b>
	<b>Baht</b>
Current assets	110,367,985
Current liabilities	(193,389,914)
Total current net assets	(83,021,929)
Non-current assets	190,425,826
Non-current liabilities	(17,863,338)
Total non-current net assets	172,562,488
Net assets	89,540,559

**Summarised consolidated statement of comprehensive income**

	<b>Thai Gas Corporation Company Limited</b>
	<b>For the period from</b>
	<b>27 February to</b>
	<b>31 December 2019</b>
	<b>Baht</b>
Revenue	893,144,645
Net loss	(7,152,131)
Total comprehensive loss	(7,152,131)
Loss allocated to non-controlling interests	(1,430,426)

**Summarised consolidated statement of cash flows**

	<b>Thai Gas Corporation Company Limited</b>
	<b>For the period from</b>
	<b>27 February to</b>
	<b>31 December 2019</b>
	<b>Baht</b>
Net cash generated from operating activities	31,769,870
Net cash used in investing activities	(3,850,463)
Net cash used in financing activities	(6,373,924)
<b>Net increase in cash and cash equivalents</b>	<b>21,545,483</b>



**13 Other long-term investments**

	<b>Consolidated financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Cost	79,500	79,500
<u>Less</u> Allowance for loss on impairment	(79,500)	(79,500)
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. As at 31 December 2019, Picnic Marine Co., Ltd. has been discontinued.

**14 Investment properties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>As at 1 January</b>				
Cost	3,161,900	66,287,469	3,161,900	66,287,469
<u>Less</u> Accumulated depreciation	-	-	-	-
Net book amount	3,161,900	66,287,469	3,161,900	66,287,469
<b>For the year ended 31 December</b>				
Opening net book amount	3,161,900	66,287,469	3,161,900	66,287,469
Additions	12,955,384	-	12,955,384	-
Transfer from property, plant and equipment (Note 15)	31,156,750	-	12,000,000	-
Transfer to investment property classified as held-for-sale	-	(63,125,569)	-	(63,125,569)
Depreciation	(20,655)	-	(20,655)	-
Closing net book amount	47,253,379	3,161,900	28,096,629	3,161,900
<b>As at 31 December</b>				
Cost	47,274,034	3,161,900	28,117,284	3,161,900
<u>Less</u> Accumulated depreciation	(20,655)	-	(20,655)	-
Net book amount	47,253,379	3,161,900	28,096,629	3,161,900
Fair value	56,667,883	4,349,620	34,355,383	4,349,620

The fair value of investment properties as at 31 December 2019 were valued by an independent professional appraiser based on market values on value in use basis. 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 financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Rental income	872,796	1,540,605	592,431	1,540,605

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15 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 2018									
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
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

15 **Property, plant and equipment (Cont'd)**155

WP Energy Public Company Limited  
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For the year ended 31 December 2019

15 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
At 1 January 2018									
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
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

**WP Energy Public Company Limited**  
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**15 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 2019									
Opening 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
Additions	-	1,920,737	1,369,000	6,158,125	87,547,383	3,517,236	130,000	280,080,388	380,722,869
Disposals, net	-	-	(11)	-	(50)	(67)	-	-	(128)
Disposal from financial lease, net	-	(6,465,009)	-	-	-	-	-	-	(6,465,009)
Transfer in (out)	-	26,688,266	17,492,418	7,986,708	-	589,434	-	(56,256,826)	(3,500,000)
Transfer to investment property (Note 14)	(12,000,000)	-	-	-	-	-	-	-	(12,000,000)
Write-off, net	-	-	-	(71,961)	-	-	-	(2,377,361)	(2,449,322)
Depreciation charge	-	(52,259,337)	(23,759,495)	(14,352,032)	(141,702,696)	(3,452,581)	(146,926)	-	(235,673,067)
Closing net book amount	296,708,033	337,100,027	175,347,640	87,018,882	1,266,858,051	6,143,819	582,285	349,593,628	2,519,352,365
At 31 December 2019									
Cost	330,555,983	1,115,474,521	884,342,430	257,208,232	4,023,614,003	61,064,776	8,893,354	349,593,628	7,030,746,927
Less Accumulated depreciation	-	(462,403,418)	(654,349,334)	(170,189,350)	(2,508,910,446)	(54,686,228)	(8,311,069)	-	(3,858,849,845)
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	296,708,033	337,100,027	175,347,640	87,018,882	1,266,858,051	6,143,819	582,285	349,593,628	2,519,352,365

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

The Group is a lessor comprise machine, gas tank and equipment leased by a Group to third parties under operating leases;

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Cost	10,493,961	9,873,731	10,493,961	9,873,731
<u>Less</u> Accumulated depreciation	(9,434,690)	(8,886,197)	(9,434,690)	(8,886,197)
Net book amount	<u>1,059,271</u>	<u>987,534</u>	<u>1,059,271</u>	<u>987,534</u>

Lease rentals amounting to Baht 2.11 million (2018: Baht 2.11 million) are included in profit or loss.

Land, machine and equipment of Baht 400.43 million and Baht 323.60 million have been pledged as security for borrowings (Note 21.3) and bank guarantee (Note 33), respectively (2018: Baht 369.58 million and Baht 323.60 million, respectively).

Depreciation has been charged into the following categories of expenses:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Cost of sale	240,057,552	227,356,062	225,869,165	216,309,455
Selling expenses	22,975,204	29,074,546	-	-
Administrative expenses	11,196,094	12,079,215	9,803,902	10,607,021
	<u>274,228,850</u>	<u>268,509,823</u>	<u>235,673,067</u>	<u>226,916,476</u>

Borrowing cost of Baht 9.49 million (2018: Baht 2.32 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 6.13% (2018: 6.03%) was used representing the actual borrowing cost of the loan used to finance the project.

16 Goodwill

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>As 1 January</b>				
Cost	33,494,192	33,494,192	9,189,600	9,189,600
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	33,494,192	33,494,192	9,189,600	9,189,600
<b>For the year ended 31 December</b>				
Opening net book amount	33,494,192	33,494,192	9,189,600	9,189,600
Acquisition of filling plant	317,602	-	317,602	-
Acquisition of subsidiary (Note 30)	91,446,104	-	-	-
Write-off	(3,400,700)	-	(3,400,700)	-
Closing net book amount	121,857,198	33,494,192	6,106,502	9,189,600
<b>At 31 December</b>				
Cost	121,857,198	33,494,192	6,106,502	9,189,600
<u>Less</u> Provision for impairment	-	-	-	-
Net book amount	121,857,198	33,494,192	6,106,502	9,189,600

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Goodwill allocation to;</b>				
Transportation	24,304,592	24,304,592	-	-
Trading of LPG	91,446,104	-	-	-
Gas station	5,788,900	9,189,600	5,788,900	9,189,600
Filling Plant	317,602	-	317,602	-
Total	121,857,198	33,494,192	6,106,502	9,189,600

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

	Transportation	Trading of LPG	Gas Station	Filling Plant
Gross margin <sup>1</sup>	14.22%	6.10%	100.00%	100.00%
Growth rate <sup>2</sup>	3.00%	0.00%	0.00%	0.00%
Discount rate <sup>3</sup>	12.80%	15.56%	12.42%	12.42%

<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.

The carrying amount of the goodwill has been reduced to reflect the recoverable amount of the cash - generating units by recognising loss from write-off in goodwill. The loss from write-off has been included in income statement.



17 Intangible assets

Consolidated financial statements			
	Trademarks Baht	Computer software Baht	Total Baht
<b>At 1 January 2018</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

**WP Energy Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**17 Intangible assets (Cont'd)**

	Consolidated financial statements						
	Trademarks	Computer software	Computer software under installation	License	Gas storage contract	Butane contract	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 31 December 2019</b>							
Opening net book amount	-	33,495,584	-	-	-	-	33,495,584
Acquisition of subsidiary (Note 30)	-	719,481	-	-	13,271,000	2,013,453	16,003,934
Additions	-	3,601,991	15,000	6,941,176	-	-	10,558,167
Disposal from finance lease, net	-	(187,453)	-	-	-	-	(187,453)
Amortisation charge	-	(4,982,462)	-	(127,730)	(2,225,165)	(2,013,453)	(9,348,810)
Closing net book amount	-	32,647,141	15,000	6,813,446	11,045,835	-	50,521,422
<b>At 31 December 2019</b>							
Cost	300,000,000	86,073,923	15,000	6,941,176	13,271,000	2,013,453	408,314,552
Less Accumulated amortisation	(71,277,544)	(53,426,782)	-	(127,730)	(2,225,165)	(2,013,453)	(129,070,674)
Provision for impairment	(228,722,456)	-	-	-	-	-	(228,722,456)
Net book amount	-	32,647,141	15,000	6,813,446	11,045,835	-	50,521,422

17 Intangible assets (Cont'd)

	Separate financial statements		
	Trademarks Baht	Computer software Baht	Total Baht
<b>At 1 January 2018</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
<b>For the year ended 31 December 2019</b>			
Opening net book amount	-	30,487,635	30,487,635
Additions	-	3,500,000	3,500,000
Amortisation charge	-	(4,353,592)	(4,353,592)
Closing net book amount	-	29,634,043	29,634,043
<b>At 31 December 2019</b>			
Cost	300,000,000	80,069,475	380,069,475
<u>Less</u> Accumulated amortisation	(71,277,544)	(50,435,432)	(121,712,976)
Provision for impairment	(228,722,456)	-	(228,722,456)
Net book amount	-	29,634,043	29,634,043

Amortisation charge recognised in profit and loss that are related to intangible assets are included in administrative expense.

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.

**18 Prepaid rents**

	<b>Consolidated and separate financial statements</b>
	<b>Baht</b>
<b>At 1 January 2018</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>
<b>For the year ended 31 December 2019</b>	
Opening net book amount	48,911,434
Amortisation charge	(5,493,776)
Closing net book amount	<u>43,417,658</u>
<b>At 31 December 2019</b>	
Cost	141,139,145
<u>Less</u> Accumulated amortisation	(96,471,259)
Allowance for decrease in value	(1,250,228)
Net book amount	<u>43,417,658</u>

**19 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>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	277,863	4,162,318	154,641	4,074,641
Deferred tax assets to be recovered after 12 months	11,529,700	4,666,481	9,998,486	3,634,886
	<u>11,807,563</u>	<u>8,828,799</u>	<u>10,153,127</u>	<u>7,709,527</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(2,448,343)	(4,065,134)	(914,542)	(467,059)
Deferred tax liabilities to be settled after 12 months	(16,036,169)	(71,662)	(104,968)	(71,662)
	<u>(18,484,512)</u>	<u>(4,136,796)</u>	<u>(1,019,510)</u>	<u>(538,721)</u>
<b>Deferred tax, net</b>	<u>(6,676,949)</u>	<u>4,692,003</u>	<u>9,133,617</u>	<u>7,170,806</u>

**19 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>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
At 1 January	4,692,003	(443,790)	7,170,806	7,373,299
Acquisition of subsidiaries (Note 30)	(17,419,644)	-	-	-
Charged (credited) to profit or loss	4,564,069	5,135,793	814,450	(202,493)
Charged to other comprehensive income	1,486,623	-	1,148,361	-
At 31 December	<u>(6,676,949)</u>	<u>4,692,003</u>	<u>9,133,617</u>	<u>7,170,806</u>

The movements in deferred tax assets and liabilities during the year are as follows:

	<b>Consolidated financial statements</b>				
	<b>At 1 January 2019 Baht</b>	<b>Increase from acquisition of subsidiaries Baht</b>	<b>Charged (credited) to profit or loss Baht</b>	<b>Charged to other comprehensive income Baht</b>	<b>At 31 December 2019 Baht</b>
<b>Deferred tax assets</b>					
Provision for employee benefit obligations	4,666,481	-	1,684,455	1,486,623	7,837,559
Allowance for doubtful account	4,162,318	-	(1,175,396)	-	2,986,922
Finance leases	-	-	983,082	-	983,082
	<u>8,828,799</u>	<u>-</u>	<u>1,492,141</u>	<u>1,486,623</u>	<u>11,807,563</u>
<b>Deferred tax liabilities</b>					
Revaluation of assets	(3,598,075)	(17,419,644)	5,442,764	-	(15,574,955)
Depreciation	(71,662)	-	(1,923,353)	-	(1,995,015)
Gain on investment in trading securities	(467,059)	-	(447,483)	-	(914,542)
	<u>(4,136,796)</u>	<u>(17,419,644)</u>	<u>3,071,928</u>	<u>-</u>	<u>(18,484,512)</u>

	<b>Consolidated financial statements</b>		
	<b>At 1 January 2018 Baht</b>	<b>Charged (credited) to profit or loss 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>

**19 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 2019 Baht	Charged (credited) to profit or loss Baht	Charged to other comprehensive income Baht
<b>Deferred tax assets</b>			
Provision for employee benefit obligations	3,634,886	1,487,553	1,148,361
Allowance for doubtful account	4,074,641	(1,175,396)	-
Finance leases	-	983,082	-
	<u>7,709,527</u>	<u>1,295,239</u>	<u>1,148,361</u>
			<u>10,153,127</u>
<b>Deferred tax liabilities</b>			
Depreciation	(71,662)	(33,306)	-
Gain on investment in trading securities	(467,059)	(447,483)	-
	<u>(538,721)</u>	<u>(480,789)</u>	<u>-</u>
			<u>(1,019,510)</u>

	Separate financial statements		
	At 1 January 2018 Baht	Charged (credited) to profit or loss 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>

Presentation in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred income tax assets	10,788,052	8,290,078	9,133,617	7,170,806
Deferred income tax liabilities	(17,465,001)	(3,598,075)	-	-
Deferred income tax, net	<u>(6,676,949)</u>	<u>4,692,003</u>	<u>9,133,617</u>	<u>7,170,806</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.

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has not recognised deferred tax asset from tax losses of Baht 4.68 million (2018: Baht 2.69 million). These tax losses will expire in 2024.

**20 Trade and other payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Trade accounts payables - third parties	729,921,673	793,816,743	719,739,807	785,427,119
Amount due to related parties (Note 31.2)	-	-	22,935,978	12,486,922
Other payables	170,183,346	108,412,896	168,815,288	105,714,558
Accrued expenses	60,892,026	57,538,532	53,015,746	58,352,332
Advances received	28,587,795	48,194,173	26,991,391	48,194,123
	<u>989,584,840</u>	<u>1,007,962,344</u>	<u>991,498,210</u>	<u>1,010,175,054</u>

**21 Borrowings**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Current</b>				
Short-term borrowing from financial institutions	20,000,000	-	-	-
Finance lease liabilities	-	-	-	-
Current portion of long-term borrowings	46,512,000	46,512,000	46,512,000	46,512,000
Total current borrowings	<u>66,512,000</u>	<u>46,512,000</u>	<u>46,512,000</u>	<u>46,512,000</u>
<b>Non-current</b>				
Long-term borrowings	116,896,500	163,408,500	116,896,500	163,408,500
Total non-current borrowings	<u>116,896,500</u>	<u>163,408,500</u>	<u>116,896,500</u>	<u>163,408,500</u>
<b>Total borrowings</b>	<u>183,408,500</u>	<u>209,920,500</u>	<u>163,408,500</u>	<u>209,920,500</u>



## 21 Borrowings (Cont'd)

### 21.1 Finance lease liabilities

The movement in finance lease liabilities can be analysed as follows:

	<b>Consolidated financial statements</b>		
	<b>Finance lease payables Baht</b>	<b>Deferred interest Baht</b>	<b>Finance lease liabilities Baht</b>
<b>At 1 January 2018</b>	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
<b>At 31 December 2018</b>	-	-	-
<b>At 1 January 2019</b>	-	-	-
Liabilities acquired in a business combinations (Note 30)	6,366,497	(558,097)	5,808,400
Cash outflows:			
Repayment	(6,366,497)	-	(6,366,497)
Non-cash changes:			
Amortised deferred interest	-	558,097	558,097
<b>At 31 December 2019</b>	-	-	-

	<b>Separate financial statements</b>		
	<b>Finance lease payables Baht</b>	<b>Deferred interest Baht</b>	<b>Finance lease liabilities Baht</b>
<b>At 1 January 2018</b>	323,849	(334)	323,515
Cash outflows:			
Repayment	(323,849)	-	(323,849)
Non-cash changes:			
Amortised deferred interest	-	334	334
<b>At 31 December 2018</b>	-	-	-

### 21.2 Short-term borrowings

Movements in short-term borrowings are analysed as follows:

<b>For year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening net book amount	-	-	-	-
Liabilities acquired in a business combinations (Note 30)	19,992,573	-	-	-
Cash in (out) flows:				
Additions	96,928,152	-	-	-
Repayment	(96,920,725)	-	-	-
Closing net book amount	20,000,000	-	-	-

## 21 Borrowings (Cont'd)

### 21.3 Long-term borrowings

Movements in long-term borrowings are analysed as follows:

For year ended 31 December	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Opening net book amount	209,920,500	245,894,625
Cash outflows:		
Repayments	(46,512,000)	(35,974,125)
Closing net book amount	163,408,500	209,920,500

Maturity of long-term borrowings is as follows:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Within 1 year	46,512,000	46,512,000
Between 1 year and 5 years	116,896,500	163,408,500
	163,408,500	209,920,500

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated and separate financial statements			
	Carrying amount		Fair value	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term borrowings	163,408,500	209,920,500	163,445,672	210,261,897

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 5.53% (2018: 6.03%) and are within level 2 of the fair value hierarchy.

Long-term borrowings are collateralised by pledge of land and equipment amounting to Baht 400.43 million (2018: Baht 369.58 million) (Note 15).

### 21.4 Borrowing facilities

The Group have the following undrawn committed borrowing facilities:

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
Floating rate - expiring beyond one year	487,428,110	487,428,110

## 21 Borrowings (Cont'd)

### 21.5 Interest rate

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Short-term borrowings	MLR - 1.95	-	-	-
Long-term borrowings	MLR - 0.50	MLR - 0.50	MLR - 0.50	MLR - 0.50
Finance lease liabilities	7.27	-	-	MLR

## 22 Short-term provision

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
<b>Provision for tax assessments</b>		
<b>At 1 January</b>	8,087,409	53,397,993
Payment	-	(6,310,584)
Reversal	(8,087,409)	(39,000,000)
<b>At 31 December</b>	-	8,087,409

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. However, the management believes that the Company does not have the obligation to these liabilities; therefore, the Company reversed this short-term provision.

## 23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position:				
Retirement benefits	41,363,046	23,332,413	31,354,001	18,174,430
Profit or loss charge included in operating profit for:				
Retirement benefits	11,545,937	6,694,183	9,113,940	5,962,422
Remeasurement for:				
Retirement benefits	7,433,113	-	5,741,807	-

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.

**23 Employee benefit obligations (Cont'd)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
At 1 January	23,332,413	21,231,795	18,174,430	16,281,533
Liabilities acquired in a business combinations (Note 30)	2,416,764	-	-	-
Current service cost	4,206,987	6,009,331	3,280,664	5,429,256
Past service cost	6,265,577	-	5,061,565	-
Interest expense	1,073,373	684,852	771,711	533,166
	<u>37,295,114</u>	<u>27,925,978</u>	<u>27,288,370</u>	<u>22,243,955</u>
Remeasurements:				
Loss from change in demographic assumptions	1,875,765	-	1,336,294	-
Loss from change in financial assumptions	5,343,242	-	5,187,184	-
Experience loss (gain)	214,106	-	(781,671)	-
	<u>7,433,113</u>	<u>-</u>	<u>5,741,807</u>	<u>-</u>
Benefits payments	<u>(3,365,181)</u>	<u>(4,593,565)</u>	<u>(1,676,176)</u>	<u>(4,069,525)</u>
At 31 December	<u>41,363,046</u>	<u>23,332,413</u>	<u>31,354,001</u>	<u>18,174,430</u>

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The significant actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 %</b>	<b>2018 %</b>	<b>2019 %</b>	<b>2018 %</b>
Discount rate	1.71 - 3.16	3.30	1.71	3.30
Salary growth rate	3.00 - 5.00	3.00 - 4.00	4.50	4.00

Sensitivity analysis for each significant assumption used is as follows:

		<b>Consolidated financial statements</b>					
		<b>Impact on defined benefit obligation</b>					
<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>			
<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</b>		
Discount rate	1%	1%	Decrease by 10%	Decrease by 9%	Decrease by 11%	Increase by 10%	
Salary growth rate	1%	1%	Increase by 13%	Increase by 11%	Increase by 11%	Decrease by 10%	
		<b>Separate financial statements</b>					
		<b>Impact on defined benefit obligation</b>					
<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>			
<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2018</b>		
Discount rate	1%	1%	Decrease by 11%	Decrease by 9%	Decrease by 13%	Increase by 10%	
Salary growth rate	1%	1%	Increase by 13%	Increase by 11%	Increase by 11%	Decrease by 10%	

## **23 Employee benefit obligations (Cont'd)**

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, although this will be partially offset by an increase in the value of the plans' bond holdings

The weighted average duration of the defined benefit obligation is 14.23 years (2018: 12.53 years).

Expected maturity analysis of undiscounted retirement benefits:

		<b>Consolidated financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2019	Retirement benefits	732,413	1,020,019	9,827,669	100,862,400	112,442,501
		<b>Consolidated financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2018	Retirement benefits	1,314,190	980,027	6,342,778	59,302,931	67,939,926
		<b>Separate financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2019	Retirement benefits	162,269	834,931	6,900,088	84,634,819	92,532,107
		<b>Separate financial statements</b>				
		<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2018	Retirement benefits	926,123	535,690	5,034,261	45,485,201	51,981,275

**24 Deposits received**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Deposits received for small-sized gas cylinders	2,145,011,331	2,113,533,986	2,144,932,686	2,113,533,986
Provision for deposits received for small-sized gas cylinders	1,271,277,565	1,271,277,565	1,271,277,565	1,271,277,565
	<b>3,416,288,896</b>	<b>3,384,811,551</b>	<b>3,416,210,251</b>	<b>3,384,811,551</b>

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.

**25 Legal reserve**

	<b>Consolidated and separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
At January 1	-	-
Appropriation during the year	15,042,919	-
At 31 December	<b>15,042,919</b>	<b>-</b>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**26 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Transportation income	125,054,760	128,789,137	122,256,348	128,789,137
Interest income	8,427,208	7,675,341	9,928,722	10,551,975
Rental income	11,662,860	10,659,224	13,272,666	14,512,186
Cylinder maintenance income	21,170,280	15,983,358	21,170,280	15,983,358
Gain on disposal of investment property classified as held for sale	103,374,431	-	103,374,431	-
Gain on disposals of equipment	12,074,634	21,797,009	8,594,019	14,478,048
Others	29,544,812	66,304,901	32,644,091	63,800,699
	<b>311,308,985</b>	<b>251,208,970</b>	<b>311,240,557</b>	<b>248,115,403</b>

## 27 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of finished goods purchased	13,872,667,295	13,492,285,934	13,108,968,959	13,492,285,934
Depreciation	274,249,505	268,509,823	235,693,722	226,916,476
Employee benefit expenses	209,713,391	173,625,291	112,382,243	171,664,898
Cylinders repairing costs	57,842,869	55,347,280	57,840,410	55,347,280
Transportation expenses	57,204,035	61,800,545	153,324,986	159,093,826
Sales promotion and advertising expenses	105,523,620	93,322,090	87,764,155	92,402,990
Service fee for LPG reserve	11,970,000	23,846,994	16,030,000	23,846,994
Rental and service fees	54,669,725	55,693,654	58,211,098	53,573,209
Amortisation	9,348,810	5,067,844	4,353,592	4,620,477
Reversal of bad debt and doubtful debts expense	(5,845,480)	(1,853,755)	(5,377,562)	(2,002,212)
Financial advisor fee	2,911,757	14,361,920	2,879,657	14,361,920

## 28 Income tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax:				
Current tax on profits for the year	73,237,043	69,798,963	72,650,144	68,654,837
Adjustments in respect of prior year	69,440	2,396,561	-	2,396,561
<b>Total current tax</b>	<b>73,306,483</b>	<b>72,195,524</b>	<b>72,650,144</b>	<b>71,051,398</b>
Deferred tax:				
(Increase) decrease in deferred tax assets (Note 19)	(1,492,141)	381,731	(1,295,239)	(94,892)
(Decrease) increase in deferred tax liabilities (Note 19)	(3,071,928)	(5,517,524)	480,789	297,385
<b>Total deferred tax</b>	<b>(4,564,069)</b>	<b>(5,135,793)</b>	<b>(814,450)</b>	<b>202,493</b>
<b>Income tax</b>	<b>68,742,414</b>	<b>67,059,731</b>	<b>71,835,694</b>	<b>71,253,891</b>



## 28 Income tax (Cont'd)

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>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Profit before tax	357,806,305	388,541,764	391,017,126	413,753,776
Tax calculated at a tax rate of 20% (2018: 20%)	71,561,261	77,708,352	78,203,425	82,750,755
Tax effect of:				
Income subject to tax	263,627	52,768	23,266	52,768
Income not subject to tax	(1,949,194)	(7,945,069)	(1,889,194)	(7,962,069)
Expense not deducted for tax purpose	513,689	247,340	376,973	147,623
Expense deducted at greater amount	(4,974,756)	(6,409,578)	(4,878,776)	(6,236,609)
Adjustment in respect of prior period	69,440	2,396,561	-	2,396,561
Difference in tax rates of a SME subsidiary	(135,000)	(206,750)	-	-
Temporary difference which no deferred income tax recognised	214,406	-	-	-
Tax losses for which no deferred tax asset was recognised	3,178,941	1,216,107	-	104,862
Tax charge	68,742,414	67,059,731	71,835,694	71,253,891

The weighted average applicable tax rate was 19.21% (2018: 17.26%).

## 29 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>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit attributable to ordinary shareholders of the Company (Baht)	290,494,480	321,481,690	319,181,432	342,499,885
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)	0.56	0.62	0.62	0.66

There are no potential dilutive ordinary shares in issue during 2019.

### 30 Business combination

On 27 February 2019, WP Gas Company Limited, a subsidiary of the Company, has acquired 1,094,400 shares of Thai Gas Corporation Company Limited, for a total consideration of Baht 168.80 million. The investment represents 80.00% of its interests.

The consideration paid for Thai Gas Corporation Company Limited, and the amounts of the assets acquired and liabilities assumed recognised on 27 February 2019, an acquisition date are as follows:

	<b>Baht</b>
Cash	168,800,256
<b>Total consideration</b>	<b>168,800,256</b>

**The assets and liabilities recognised as a result of the acquisition are as follows:**

Cash and cash equivalents	10,526,256
Trade and other receivables	57,266,906
Inventories	25,673,528
Other current assets	2,196,756
Restricted cash	21,283,489
Property, plant and equipment	176,381,000
Intangible assets	719,481
Butane contract	2,013,453
Gas storage contract	13,271,000
Other non-current assets	1,288,750
Trade and other payables	(166,295,960)
Short-term borrowings from financial institutions	(19,992,573)
Current portion of finance lease liabilities	(5,808,400)
Other current liabilities	(1,994,588)
Employee benefit obligations	(2,416,764)
Deferred tax liabilities	(17,419,644)
Total identifiable net assets	96,692,690
<u>Less</u> Non-controlling interest	<u>(19,338,538)</u>
<b>Total identifiable net assets of the Group</b>	<b>77,354,152</b>
<b>Goodwill (Note 16)</b>	<b>91,446,104</b>

a) *Non-controlling interest*

The Group has chosen to recognise the non-controlling interest at its net identifiable assets of subsidiary for this acquisition according to the proportion of ownership interest.

b) *Expenses related to the acquisition of subsidiary*

Expenses related to the acquisition of subsidiary amount of Baht 0.51 million are recognised as administrative expenses in profit or loss in the consolidated financial statements for the year ending 2019.

### 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's major shareholders are Poompanmoung family, Mr. Aiyawatt Srivaddhanaprabha, Mr. Chatchaval Jiaravanon and Mr. Paisal Panichavong which own 31.11%, 16.39%, 7.20% and 4.67% of the Company's paid-up share capital, respectively.

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

Relationships with related parties:

<b>Name of entities</b>	<b>Country of nationality / incorporation</b>	<b>Nature of relationships</b>
Eagle Intertrans Co., Ltd.	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
Thai Gas corporation Co., Ltd.	Thailand	Subsidiary of WP Gas, 79.99% shareholding
Premier Carrier Co., Ltd.	Thailand	Subsidiary of Thai Gas Corporation, 99.99% shareholding
Key management personnel		Person 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

**31.1 Transactions with related parties**

Transactions with related parties for the year ended 31 December 2019 and 2018 are as follows:

	<b>Separate financial statement</b>	
	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
<b>Sales of goods and services</b>		
Subsidiaries	811,436,389	20,617,976
<b>Other income</b>		
Subsidiaries	7,056,735	4,970,540
<b>Interest income</b>		
Subsidiaries	2,160,855	3,311,918
<b>Purchases of goods and services</b>		
Subsidiaries	239,448,216	160,980,433
<b>Rental expense</b>		
Subsidiaries	9,559,368	9,664,414

31 Related-party transactions (Cont'd)

31.2 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the period ended in relation to transactions with related parties are as follows:

	Separate financial statement	
	2019 Baht	2018 Baht
<b>Trade receivables – related parties</b>		
Subsidiaries	166,558,169	3,051,950
<b>Other non-current assets</b>		
Subsidiaries	1,261,600	-
<b>Amount due to related parties</b>		
Subsidiaries	22,935,978	12,486,922
<b>Accrued expenses</b>		
Subsidiaries	46,830	2,980,851
<b>Other current liabilities</b>		
Subsidiaries	572,289	-

31.3 Short-term loans to related parties

	Separate financial statement	
	2019 Baht	2018 Baht
<b>Short-term loans to related parties:</b>		
Subsidiaries	35,000,000	35,000,000

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 bear interest rate of MLR per annum. Such loans have no movements for the year.

31.4 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other short-term employee benefits	28,662,501	23,774,975	20,328,109	19,787,687
Retirement benefits	678,202	339,163	473,780	268,343
	29,340,703	24,114,138	20,801,889	20,056,030

## **32 Commitments**

### **32.1 Capital commitments**

As at 31 December 2019, the Company has capital commitments contracted for constructing gas storage tank amounting to Baht 246.78 million (2018: Baht 452.50 million).

### **32.2 Non-cancellable operating leases - where a Group 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, land, office buildings, office equipment and vehicles.

The future aggregate minimum lease payments under non-cancellable operating leases (excluding Value Added Tax) are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Not later than 1 year	57,447,967	33,750,134	53,546,083	36,327,472
Later than 1 year but not later than 5 years	182,210,073	137,797,030	170,863,974	137,307,463
Over 5 years	274,924,005	304,258,613	266,201,992	304,258,613
	<u>514,582,045</u>	<u>475,805,777</u>	<u>490,612,049</u>	<u>477,893,548</u>

## **33 Bank guarantees**

As at 31 December 2019, 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 1,201.42 million (2018: Baht 1,079.42 million). Bank deposits amounting to Baht 647.39 million (2018: Baht 640.85 million), land and machinery amounting to Baht 193.60 million and Baht 130.00 million, respectively (2018: Baht 193.60 million and Baht 130.00 million, respectively), are pledged as collateral for the bank guarantees (Note 15).

There are also outstanding bank guarantees given on behalf of the Group to the third parties in respect of the normal course of business amounting to Baht 0.66 million (2018: Baht 0.20 million). Bank deposits amounting to Baht 0.66 million (2018: Baht 0.20 million) is pledged as collateral for the bank guarantees.

In addition, the Group and the Company place bank deposits amounting to Baht 10.00 million and Baht 9.33 million, respectively (2018: Baht 9.23 million for both the Group and the Company) as collateral for borrowing from financial institutions.

## **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. However, the management of the Company does not anticipate for any loss in respect of such litigation case, hence the contingent liability has not yet been provided.

### **Litigations of WP Energy Public Company Limited**

- 34.2 In 2017, a construction company who constructs 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 which the Company has ordered to postpone the construction temporarily. In November 2018, the Primary Court ordered the Company to pay the compensation with interest amounting to Baht 15.58 million. The Company made a payment for such compensation on 28 February 2019. Therefore, this case is closed.

**34 Litigations (Cont'd)**

**Litigations of WP Energy Public Company Limited (Cont'd)**

- 34.3 In 2018, the Company has been sued and claimed for damages by an individual for lack of reasonable care as a professional LPG distributors. This caused the plaintiff severe burns. The plaintiff has requested the Civil Court to order the Company to pay the compensation for damages amounting to Baht 1.18 million. In June 2019, prosecutor dismissed the related criminal case. Therefore, the Company filled a pleading to the Court to dismiss the civil case the Company being sued. The case is currently under the court's proceedings. However, the management of the Company does not anticipate for any loss in respect of such litigation case, hence the contingent liability has not yet been provided.
- 34.4 In 2018, a construction company who constructs 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. In June 2019, the Primary Court ordered the Company to pay the compensation with interest amounting to Baht 9.92 million. Subsequently, the Company filed an appeal to the Appeal Court and this case is currently under the Appeal Court's proceedings. However, the management of the Company does not anticipate for any loss in respect of such litigation case, hence the contingent liability has not yet been provided.
- 34.5 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. In November 2019, the Primary Court ordered the Company to pay the sales discounts amounting to Baht 0.61 million including interest at the rate of 7.5 percent per year from the date of filing. Subsequently, the plaintiff has filed an appeal for an extension to the Appeal Court and the case is currently under the Appeal Court's proceedings. However, the management of the Company does not anticipate for any loss in respect of such litigation case, hence the contingent liability has not yet been provided.

**35 Events occurring after the reporting date**

- 35.1 The Company to invest in all newly issued shares of WP Gas Company Limited, a subsidiary of the Company, by investing in 3 million ordinary shares of a par value of Baht 10 per share, totalling Baht 30 million. There is no effect to the shareholding interest in WP Gas Company Limited after share subscription. WP Gas Company Limited received shares subscription totalling Baht 30 million from the Company and registered the capital increase with the Ministry of Commerce on 24 January 2020.
- 35.2 The Company to invest in all newly issued shares of WP Solutions Company Limited, a subsidiary of the Company, by investing in 0.20 million ordinary shares of a par value of Baht 10 per share, totalling Baht 2 million. There is no effect to the shareholding interest in WP Solutions Company Limited after share subscription. WP Solutions Company Limited received shares subscription totalling Baht 2 million from the Company and registered the capital increase with the Ministry of Commerce on 24 January 2020.
- 35.3 WP Solutions Company Limited to invest in all newly issued shares of WP Sollar Company Limited, a subsidiary of WP Solutions Company Limited, by investing in 0.10 million ordinary shares of a par value of Baht 10 per share, totalling Baht 1 million. There is no effect to the shareholding interest of WP Solutions Company Limited in WP Sollar Company Limited after share subscription. WP Sollar Company Limited received shares subscription totalling Baht 1 million from the WP Solutions Company Limited and registered the capital increase with the Ministry of Commerce on 20 February 2020.
- 35.4 At the Board of Directors held on 22 January 2020, resolution was passed to approve interim dividends in respect of nine-month operating results ended 30 September 2019 by cash of Baht 0.20 per share totalling to Baht 103.70 million. The dividends were distributed to the shareholders on 20 February 2020.



บริษัท ดับบลิวพี เอ็นเนอร์ยี่ จำกัด (มหาชน)



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