



ANNUAL REPORT



PT , the nation's leading full-service energy company
PTG ENERGY PUBLIC COMPANY LIMITED

GO FOR *max*

GO FOR **max**



Vision

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

Mission

1. To create the utmost satisfaction for all partners, employees, and customers
2. To manage with professionalism and continuous improvement to generate revenue for and add value to the organization and all partners
3. To be responsible and accountable to the welfare of society and the environment

Value



Customer Service

We listen and we understand because we care. Your wants and your expectations are central to what we do every day.



Team Work

The roles and responsibilities as a member of a team are to participate in the work and problem solving and to exchange thoughts and experience. At PTG, we work as a team.



Integrity & Ethics

We operate on principles. We trust in honesty. We respect rules and regulations. Our employees, managers, and teams all perform with the highest integrity.



Continuous Improvement

New ideas, new processes, and new systems, we continuously find the ways to effectively improve our operations.

CONTENT



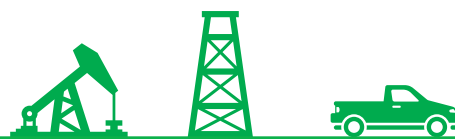
002	Message from the Chairman	060	Dividend Policy
004	Report of the Audit Committee	061	Management Structure
006	The Report of the Corporate Governance Committee	077	Detail of the Directors
008	Report of the Nomination and Remuneration Committee	087	Detail of the Executives
009	The Board of Directors	094	Corporate Governance
011	Financial Highlights	119	Corporate Social Responsibility
013	General Information and Other Significant Information	126	Related Party Transactions
020	Awards of the Year	140	Management Discussion and Analysis
023	Company Overview	147	Report of the Board of Directors' Responsibility for Financial Statements
029	Nature of Business	148	Independent Auditor's Report
048	Direction of Business Development	152	Statement of Financial Position
050	Risk Factors	155	Statement of Income
055	Enterprise Internal Control and Risk Management	156	Statement of Comprehensive Income
058	Securities Information and Shareholders	157	Statement of Changes in Equity
		159	Statement of Cash Flows
		162	Notes to the Consolidated and Separate Financial Statements

Message from the Chairman



Pol. Gen. Soontorn Saikwan

Chairman of the Board
of Directors



Dear Valued Shareholders,

In 2016, the Company has witnessed tangible growth and expansion; from core business operations, acquisition of alliances to strengthen the business and the increasing number of products and services in the service stations by way of systematically and effectively integrating the Company's resources in order to deliver services that suit customers' needs in all geographical areas over Thailand, both in big cities and remote areas, for Thai people to use products and services that are of the same standard, according to the slogan "Wherever there are Thais, PT will reach out there to be the number one service provider in Thailand". Moreover, the Company will also be continuously improving its operations to achieve goals and to uplift the competitive edge, as well as lay foundation for sustainability in the future.

The Company's net profit in 2016 stood at 1,073 million Baht, accounting for 65% growth, which is considered the most outstanding operating performance so far. This is indicative of staff members' dedication and unity for having collaboratively driven consistent growth, despite the oil price scenario and challenging economic conditions. In this regard, crude oil price dropped by 26 USD/barrel at the beginning of 2016, while at the end of the year, it remained at around 54 USD/barrel. Also, domestic economic landscape is still making recovery at a rather slow pace.

During the end of 2016, the Company had increased the number of service stations in more than 625 districts all over Thailand, accounting for 67% of the total number of districts in the country. It is the Company's target to have 100% coverage and the Company has also secured business alliances with Fuel Pipeline Transportation (FPT) and AMA Marine in order to facilitate faster and more effective oil transportation. Furthermore, the Company also formed alliances with large corporations and engaged potential entrepreneurs to operate businesses in the services stations as part of the Company's community development project.

Besides, the Company intended to jointly invest in the renewable energy project together with alliances with essential expertise in coherence with the government's renewable energy development policy. Projects that are under construction are; Thailand's first integrated palm industry project, which is operated by PPP Green Complex Co., Ltd., and it is expected that the first production of biodiesel will be available for sales by 2017, and the other project is the world's first ethanol production plant from cassava pulp,

operated by Innotech Green Energy Co., Ltd., with cooperation from the National Innovation Agency and the New Energy and Industrial Technology Development Organization (NEDO) of Japan by using new innovation to create value-added features to cassava pulp to produce alternative energy for Thai people in a sustainable way.

The Company abides by the principle of good governance in operating and managing the business, including anti-corruption mindset and active development of the society, community and environment. Speaking of which, the Company seeks to provide educational opportunities and employ local people in order to enhance the quality of lives of staff members and people in areas surrounding the service stations and distribution centers all over the country. The Company also emphasizes the importance of safety of the communities, as seen from the Outstanding Petroleum Transportation Award in the safety category from Oil Industry Environmental Safety Group Association. Also, the Company is determined to continuously develop the organization to be of the international standard in organizational management.

On behalf of the PTG Energy PCL's Board of Directors, I would like to express gratitude for your trust in our determination to generate growth for the business to meet with the promised target. This has enabled us to be selected among the "SET50" and selected by SET to receive honorable reward "Best CEO Award" and "Best Company Performance Award." The Company intends to continue expanding the integrated energy business in order to sustainably generate values in the future and to maintain the operating performance with strict adherence to the principle of good governance and social responsibility. It is our great honor to earn your trust in our willingness to elevate operational standards even further. Finally, I would like to extend gratitude towards the management team and all staff members for giving your best efforts, enabling the Company to make tangible progress. Also, I would like to thank valued shareholders, customers, business alliances, partners, financial institutions, government offices and all groups of stakeholders for giving us trust and support, which has earned us continuous success all along.

Pol. Gen. 
(Soontorn Saikwan)

Chairman of the Board of Directors

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of PTG Energy Public Company Limited consists of three independent directors. The Audit Committee carried out its duties as assigned by the Board of Directors in accordance with the Audit Committee Charter and in agreement with the regulations of the Stock Exchange of Thailand (SET). There is one Audit Committee who has sufficient knowledge and experience to reliably audit the financial statements.

In 2016, the Audit Committee held 12 meetings by all of the Audit Committee attended the meetings, and the Audit Committee reported the conclusion of all meetings four times to the Board of Directors by the meeting attendance summary of each Audit Committee as follows:

Audit Committee Members	No. of times present/ total no. of meetings
1. Mr. Supote Pitayapongpat	12/12
2. Associate Prof. Dr. Wanchai Rattanawong	12/12
3. Mr. Vuthichai Duangratana	12/12

The Audit Committee has performed the duties within the scope of the responsibilities stipulated in the Charter of the Audit Committee as follows.

1. Review the process of conducting and disclosure of the financial report of the Company to be correct, completed, sufficient, reliable, and timely.
2. Consider related transactions and items that may lead to a conflict of interest to be complied with the laws and regulations of the Stock Exchange of Thailand.
3. Review the internal control system of the Company to be appropriate and effective by considering the result of internal audit and proposing recommendations of the

auditors and internal auditors on internal control system to the Board of Directors in order to improve the efficiency and effectiveness of the internal control of the Company, and also monitoring the implementation of such recommendations. Moreover, the Board of Directors considered that in the year 2016, the internal control system of the Company is sufficient and appropriate without any faults.

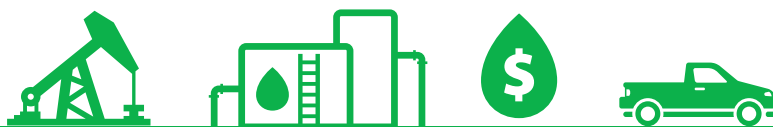
4. Review the performance of the internal audit department to ensure an effectiveness of internal audit system and an independent structure of the department. The Audit Committee will join the consideration, approval, appointment, dismissal, and transfer as well as the determination and adjustment of the remuneration of Chief of the Internal Auditor and the approval of the internal audit plan, and allow the Chief of the Internal Auditor to discuss or contact with the Audit Committee immediately when problems or issues found whether official or unofficial.

5. Review the Audit Committee Charter to appropriately cover current contents and compliance with the operations of the Company.

6. Review the Company's operations to be in compliance with Securities and Exchange Acts, SET regulations and standards or laws and regulations pertaining to the business of the Company.

7. Review the Company to see that it has a development of good corporate governance continuously as well as providing guidance and recommendations that the Company needs to develop.

8. Review the Company to have an appropriate, efficient, and effective standard of a risk management system by in cooperation with the management to consider and comment on the reports and inform a progress on a risk management of the Company.



9. Review the Company's operations to be complied with Anti-Corruption policy.

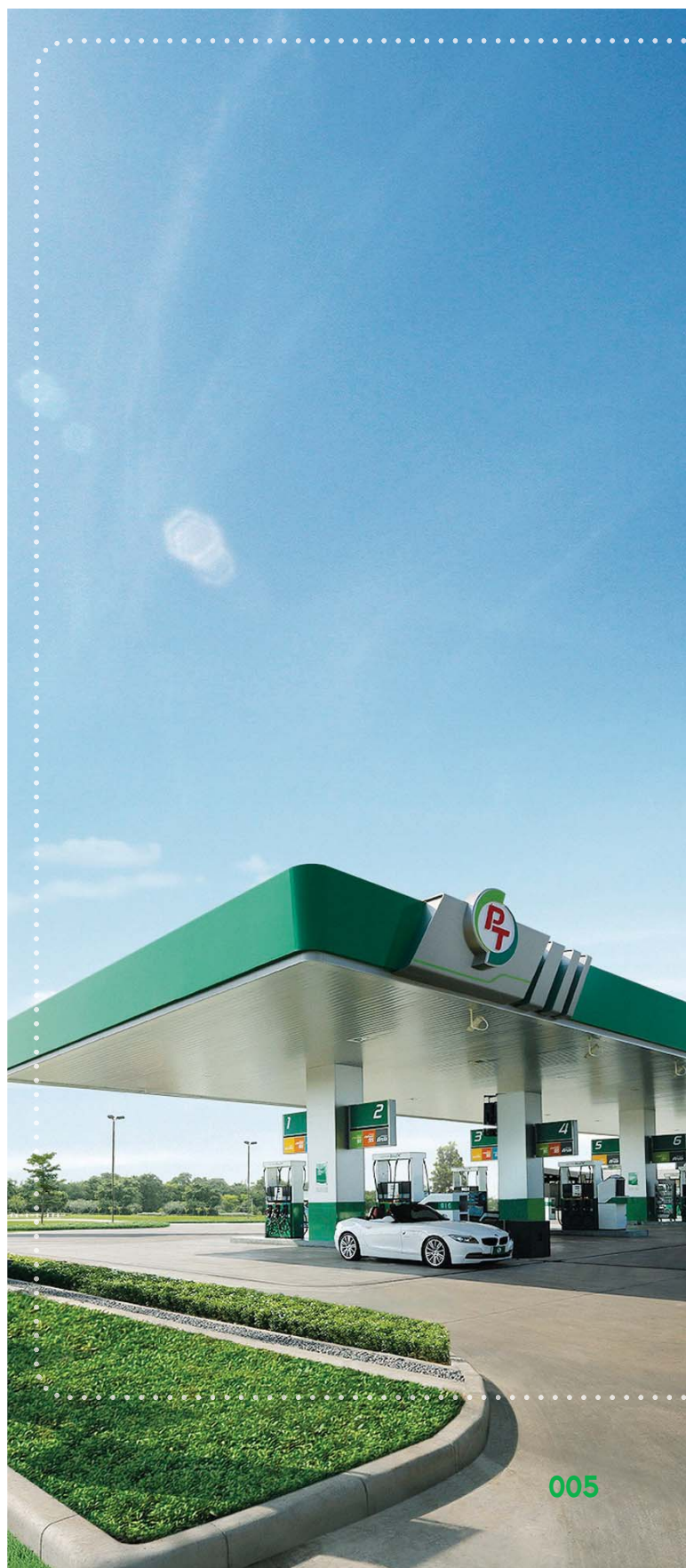
10. Consider complaints received from Whistle-blower and follow up to ensure that the Company has an independent investigation process and an operation to solve those problems. In the year 2016, the Audit Committee has considered the total of 10 complaints received from Whistle-blower.

11. Consider the nomination and remuneration of the auditors with regard to the independence, reliability, adequacy of resources, quality of work, experience of the persons assigned to be the auditors of the Company, and performance of the auditors in the past year. The Audit Committee has considered and nominated the auditors of PricewaterhouseCoopers ABAS Co., Ltd. (PWC) to be the auditors of the Company for 2017 with an audit fee of Baht 4,328,000 with no additional payment.

According to the above duties of the Audit Committee, the Committee thought that in the year 2016, the Company provided financial reports that are accurate, completed, and reliable. The Company also commanded appropriate internal control system, compliance with Securities and Exchange Acts, SET regulations and standards or laws and regulations relevant to its businesses.

On behalf of the Audit Committee

Mr. Supote Pitayapongpat
Chairman of the Audit Committee



The Report of the Corporate Governance Committee

Dear Shareholders,

PTG Energy Public Company Limited has been continuously focusing on “good corporate governance” which also is the Company’s policy and mission that the management and employees must follow and comply. The implementation that is explicit, efficient and related to international standard would support the management system to comply with corporate governance that is transparent and leads to the sustainability.

In order to operate business as guidelines mentioned above, the Board of Directors appointed the Committee of Corporate Governance consisting of both independent directors and non-executive directors including;

1. Mr. Supote Pitayapongpat
Chairman of the Corporate Governance Committee
2. Assoc. Prof. Dr. Wanchai Rattanawong
Corporate Governance Committee
3. Mr. Krairawee Sirikul
Corporate Governance Committee
4. Mr. Rangsun Puangprang
Secretary of the Corporate Governance Committee

Moreover, in 2016, the Corporate Governance Committee held a total of 5 meetings to review and monitor performance on good corporate governance, and the summary is as follows.

The Corporate Governance

1. Rights of Shareholders

- The Company allowed shareholders to propose matters to be included in the agenda for the Annual General Meeting of Shareholders for the year 2016 and to nominate individuals who had qualifications required by the law to be elected as a director prior to the Annual General Meeting of Shareholders for the year 2016 on the Company’s website, www.ptgenergy.co.th, under the section of “Investor Relations” and the topic of “Shareholder Information”. The shareholders could propose the agenda and/or individuals

who met the qualifications since 16 November 2015 until 31 December 2015.

- Since 23 March 2016 onwards, the Company posted the Notice of Annual General Meeting of Shareholders for the year 2016 with the related documents on the Company’s website, [www.ptgenergy.co.th/Investor Relations/Shareholder Information/Annual General Meeting](http://www.ptgenergy.co.th/Investor%20Relations/Shareholder%20Information/Annual%20General%20Meeting). This is to provide shareholders the sufficient time to consider the agenda and related documents for the meeting.

- The Company allowed shareholders to give a proxy to an independent director or any person to attend the meeting on their behalves with the Letter of Authorization provided by the Company along with the notice of the meeting. In 2016, the proposed independent director for the Company was Mr. Supote Pitayapongpat.

2. Equal Treatments to Shareholders

- The Company’s policy prohibits directors and the management to trade the Company’s securities for 1 month before the financial statements was published to the public.

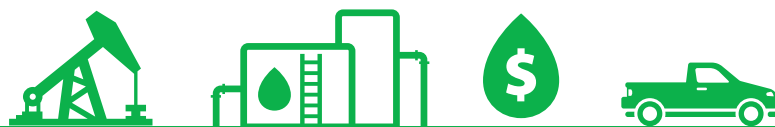
- The Company reported a change in shareholding of directors and the management in the Board of Directors on a quarterly basis.

3. Taking into account, the role of stakeholders

- The Company has provided a channel for complaints on misconducting by law, unethical financial reporting or deficient internal control. The purpose was for stakeholders to be involved in monitoring the Company’s interests more effectively by sending an e-mail to whistleblower@pt.co.th as well as a regular mail to the internal audit.

4. Information Disclosure and Transparency;

- The Company has the policy to disclose information through SET’s Electronic Listed Company Information Disclosure (ELCID) together with the Company’s website (www.ptgenergy.co.th) for reporting financial and general information complying with the rules of SEC as well as SET. Moreover, there is other information that has an impact on



the Company's security price and the decision making of shareholders, investors and other stakeholders of the Company.

- The Company has determined the roles of investor relations section to communicate with shareholders, investors and analysts on a regular basis.

- The Company approved "the policy of information disclosure to the public" and "code of conduct for investor relations officers" to achieve equality and justice for all stakeholders. In addition, it will be the best practices of the directors, the management and employees of PTG Energy Group in the future.

5. Responsibilities of the Board of Directors

- The Board of Directors approved several policies such as the policy of giving or receiving gifts, assets, or any other benefits, the policy of anti-corruption, morals and ethics handbook, etc.

- The Company separated power, duties and responsibilities of each committee, the Chairman of the Board of Directors, and Chief Executive Officer and President as well as the explicit policy when taking a position of committee in other companies.

- The Company held the meeting for directors who were non-executives on 15 June 2016 and the meeting for the Board of Directors together with the management on 6 December 2016.

6. Policy on Good Corporate Governance

- The Board of Directors reviewed the policy of good corporate governance on the Amendment No.6 to be appropriate to the business operations of the Company and to comply with the law which would be defined in each certain period.

- The Board of Directors approved a plan for good corporate governance to be used as a tool to enhance the business operation standard to the international standard as well as to build confidence in all stakeholders. Additionally, this is to promote and encourage employees of PTG Energy Group to act upon good corporate governance policy.

7. Anti-Corruption

- The Company provided the "anti-corruption training program" for employees of PTG Energy Group for 12 times along with the regular participation in the training courses relating to good corporate governance that was organized by external agencies.

- The Company established guidelines for authority decentralization in the management system as well as the authority for decision making and actions in several positions.

- The Company approved a policy for internal transactions among PTG Energy Group and subsidiaries or partners involving in interests or conflicts of interests.

The Operating Result of the Good Corporate Governance Committee for the year 2016

1. The Company was certified to be a member of "Private Sector Collective Action Coalition against Corruption (CAC)" from 10 July 2015 to 10 July 2018.

2. The Company was evaluated on the corporate governance of listed companies in Thailand (CGR) for the year 2015 by Thai Institute of Director (IOD) to be in the level of "Very Good".

3. The Company was evaluated on the quality of the Annual General Meeting of Shareholders for the year 2016 by Thai Investors Association (TIA) with the score of 100%.

(Mr. Supote Pitayapongpat)

Chairman of the Corporate Governance Committee

Report of the Nomination and Remuneration Committee

Dear shareholders,


PTG Energy Public Company Limited gives importance to the nomination process to find qualified candidates for director positions and selection process based on such established nomination process. The company also emphasizes on choosing appropriate types of compensation packages, as well as on following the compensation package protocols for directors and executives in order to promote Good Corporate Governance. As such, the company appointed Nomination and Remuneration Committee.

To adhere to the above guidelines, the Board of Director Meeting No. 2/2016 held on Feb 25th, 2016 resolved to appoint the Nomination and Remuneration Committee comprised of independent directors and non-executive directors as follows:

1. Mr. Vutichai Duangratana
Chairman of Nomination and Remuneration Committee
2. Assoc. Prof. Dr. Wanchai Rattanawong
Member of Nomination and Remuneration Committee
3. Mr. Krairawee Sirikul*
Member of Nomination and Remuneration Committee
4. Mr. Surasak Songvarakulpan
Secretary of Nomination and Remuneration Committee

Note: - * Mr. Krairawee Sirikul was appointed on December 23rd, 2016 in place of Mr. Manit Nitiprateep, who had resigned from the position

Nomination and Remuneration Committee is responsible for determining policies, guidelines, and methodologies in the nomination of the company's directors, sub-committees, and Chief Executive Officer and Managing Director to present to and get approval from the Board of Director and/or Annual General Meeting of Shareholders, for determining policies for all compensations and other benefits, the amount of compensations and other benefits provided to the company's directors, sub-committees, and Chief Executive Officer and Managing Director, and determining guidelines of performance evaluation of company's directors, sub-committees, and Chief Executive Officer and Managing Director in their annual performance review. Nomination and Remuneration Committee held a total of 5 meetings during 2016.



(Mr. Vuthichai Duangratana)
Chairman of Nomination and Remuneration Committee

THE BOARD OF DIRECTORS

PTG Energy group of companies



Annual Report 2016



Mr. Pitak Ratchakitprakarn

Director
Member of the Executive Committee
Chairman of the Risk Management Committee
President and Chief Executive Officer



Pol. Gen. Soontorn Saikwan
Chairman of the Board of Directors
Independent Director



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



Mr. Pongsak Vachirasakpanich
Director
Chairman of the Executive Director



Mr. Vuthichai Duangratana
Director
Member of Audit Committee
Chairman of the Nomination -
and Remuneration Committee
Independent Director



Mrs. Chatkaew Gajasen
Director
Member of Audit Committee



Mrs. Jarusrak Nitayanurak
Director



Assoc. Prof. Dr. Wanchai
Rattanawong
Director
Member of the Audit Committee
Member of the Corporate -
Governance Committee
Member of Nomination-
and Remuneration Committee
Independent Director



Mr. Krairawee Sirikul
Director
Member of the Corporate -
Governance Committee
Member of Nomination-
and Remuneration Committee



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

Financial Highlights

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

	2016		2015		2014		2013	
	THB (mn)	%	THB (mn)	%	THB (mn)	%	THB (mn)	%
Financial Position								
Total assets	12,527	100	7,805	100	6,596	100	5,935	100
Total liabilities	7,937	63	3,804	49	2,997	45	2,747	46
Total shareholders' equity	4,589	37	4,001	51	3,599	55	3,188	54
Income Statement								
Revenue from sales and services	64,591	100	53,678	100	55,124 ^{/1}	100	47,716	100
Gross profit	5,459	8.5	3,954	7.4	3,087	5.6	2,282	4.8
EBITDA	2,749	4.3	1,718	3.2	1,291	2.3	857	1.8
Net profit	1,073	1.7	651	1.2	487	0.9	312	0.7
	2016		2015		2014		2013	
	THB (mn)	%	THB (mn)	%	THB (mn)	%	THB (mn)	%
Cash Flows Statement								
Cash receipts from operating activities	3,225		2,079		1,438		605	
Cash payments in investing activities	(4,768)		(2,071)		(1,473)		(1,187)	
Cash payments in financing activities	1,887		(28)		(168)		699	
Net increase (decrease) in cash and cash equivalents	344		(20)		(203)		117	
Beginning balance	293		313		516		399	
Ending balance	637		293		313		516	

Remark : ^{/1} Included petroleum product subsidies of Baht 22.84 million for the national retail oil price reduction announcement by the Energy Policy & Planning Office on 28 August 2014.



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

Financial Ratios		2016	2015	2014	2013
Liquidity Ratio					
Current ratio	Times	0.56	0.65	0.93	1.20
Quick ratio	Times	0.26	0.30	0.41	0.52
Cash flows ratio	Times	0.82	0.80	0.67	0.33
Account receivable turnover	Times	827.59	590.63	481.51	364.80
Average collection period	Days	0.43	0.61	0.75	0.99
Inventory turnover	Times	50.25	46.94	40.85	42.05
Inventory days	Days	7.16	7.67	8.81	8.56
Account payable turnover	Times	23.24	29.56	35.17	38.21
Account payable days	Days	15.49	12.18	10.24	9.42
Cash Cycle	Days	(7.89)	(3.90)	(0.68)	0.13
Profitability Ratio					
Gross profit margin	%	8.45	7.37	5.60	4.78
Operating profit margin	%	2.06	1.61	1.20	0.94
Other profit margin	%	0.31	0.29	0.26	0.29
Net profit margin	%	1.66	1.21	0.88	0.65
Return on equity	%	24.99	17.13	14.34	13.70
Efficiency Ratio					
Return on assets	%	10.56	9.04	7.77	6.36
Return on fixed assets/1	%	37.40	31.19	29.02	25.45
Assets turnover	Times	6.37	7.48	8.82	9.74
Financial Ratio					
Debt to equity ratio	Times	1.73	0.95	0.83	0.86
Interest bearing debt to equity ratio	Times	0.87	0.36	0.30	0.35
Interest coverage ratio	Times	28.69	49.98	33.64	13.93
Debt service coverage ratio	Times	0.89	0.93	0.84	0.33
Dividend payout ratio as a percentage of net profit according to the separate financial statements ^{/2}	%	87.21 ^{/3}	98.24	80.12	94.57
Stock Information					
Earning per share	Baht per share	0.64	0.39	0.29	0.19
Annual average closing price	Baht per share	21.97	12.11	4.20	3.93
Annual dividend payment	Baht per share	0.30 ^{/3}	0.15	0.05	0.06

Source: the Company

Remarks: ^{/1} Return on fixed assets was calculated from property, plant and equipment, and prepaid leasehold right and land rental.

^{/2} Dividend payout ratio as a percentage of net profit according to the separate financial statements was calculated from the total amount of dividends paid out during the operating year.

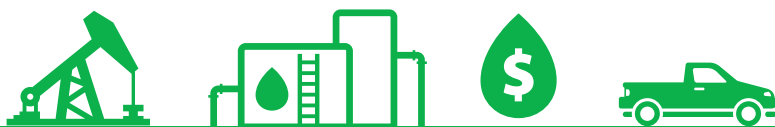
^{/3} Including the interim dividend for 2016 first-half results at the rate of Baht 0.10 per share and the dividend for 2016 second-half results at the rate of Baht 0.20 per share which will be proposed to the 2017 Annual General Meeting of Shareholders' approval on 21 April 2017.

General Information and Other Significant Information

General Information and Other Significant Information

Company Information as of 31 December 2016

Name and Head Office Address	PTG Energy Public Company Limited (PTG) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389 Homepage : www.ptgenergy.co.th
Registration No.	0107538000703
Type of Business	<ol style="list-style-type: none"> 1. Fuel retailing at petrol stations managed by the Company (COCO petrol stations). 2. Fuel wholesaling to <ol style="list-style-type: none"> 1) dealers for sales at petrol stations managed by such dealers (DODO petrol stations) 2) Other petrol traders 3) Industrial operators that need fuel in business operations 3. Fuel logistics services
Authorized Capital (Baht)	1,670,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	1,670,000,000
Par Value (Baht/Share)	1
Shareholding (%)	-



Investment Information as of 31 December 2015

Name and Head Office Address	Petroleum Thai Corporation Co., Ltd. (PTC) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105535099511
Type of Business	1. Fuel trader under Section 11 and LPG stations 2. Minimart business at petrol stations and LPG stations
Authorized Capital (Baht)	439,980,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	6,000,000
Par Value (Baht/Share)	73.33
Shareholding (%)	99.99

Name and Head Office Address	Pyramid Oil Co., Ltd. (PMO) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105552004590
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.98

Name and Head Office Address	Alpine Oil Co., Ltd. (APO) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105552004522
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.97

Name and Head Office Address	Empire Oil Co., Ltd. (EPO) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105554077471
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.98

Name and Head Office Address	Everest Oil Co., Ltd. (EVO) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105554093280
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.98

Name and Head Office Address	Andes Oil Co., Ltd. (AND) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105554147673
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.97

Name and Head Office Address	Atlas Oil Co., Ltd. (ATL) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105554147681
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.97

Name and Head Office Address	Olympus Oil Co., Ltd. (OLP) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105555130588
Type of Business	Fuel trader under Section 10
Authorized Capital (Baht)	1,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	10,000
Par Value (Baht/Share)	100
Shareholding (%)	99.97

Name and Head Office Address	PTG Green Energy Co., Ltd. (Former name - Pyrenees Oil Co., Ltd.) (PTGGE) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105555130570
Type of Business	Fuel trader under Section 10 Generate and distribute renewable energy
Authorized Capital (Baht)	100,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	1,000,000
Par Value (Baht/Share)	100
Shareholding (%)	99.99

Name and Head Office Address	Punthai Coffee Co., Ltd. (PUN) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105555139534
Type of Business	Coffee shop operation under the name "Punthai Coffee"
Authorized Capital (Baht)	300,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	3,000,000
Par Value (Baht/Share)	100
Shareholding (%)	99.99

Name and Head Office Address	PTG Logistics Co., Ltd. (PTGLG) 90 CW Tower A 33 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105558135688
Type of Business	Fuel, gas, and goods logistics services, including passenger transportation by land, sea, air both domestically and internationally
Authorized Capital (Baht)	400,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	4,000,000
Par Value (Baht/Share)	100
Shareholding (%)	99.99

Name and Head Office Address	Empire Service Solution Co., Ltd. (ESS) 27/70 Moo 4, Lat Sawai, Lam Luk Ka, Pathum Thani 12150 Telephone : 0 2024 8663-4, 0 2101 1743 Facsimile : 0 2101 1744
Registration No.	0135559015813
Type of Business	Business of management system, management of equipment and machines, including to provide services regarding programs, instructions and software relating to such business.
Authorized Capital (Baht)	10,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	100,000
Par Value (Baht/Share)	100
Shareholding (%)	60.00

Name and Head Office Address	Innotech Green Energy Co., Ltd. (IGE) 90 CW Tower A 43 rd Floor, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Telephone : 0 2168 3377 - 88 Facsimile : 0 2168 3379, 0 2168 3389
Registration No.	0105559190020
Type of Business	Business of manufacturing and distribution of ethanol, biofuel from cassava or starch or starch-related products, ethanol production plants, biogas power plants, biomass power plants and other types of power plants.
Authorized Capital (Baht)	100,000,000
Type of Stock	Common
Amount of Total Shares Issued and Paid (Shares)	1,000,000
Par Value (Baht/Share)	100
Shareholding (%)	59.99 (Shares held through PTG Green Energy Co., Ltd.)

References

Registrar Contact Address	Thailand Securities Depository Co., Ltd. 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone : 0 2229 2800 Facsimile : 0 2654 5427 Homepage : www.set.or.th/tsd E-mail : SETContactCenter@set.or.th SET Contact center : 0 2009 9999
Auditor Contact Address	PricewaterhouseCoopers ABAS Ltd. 179/74-80 Bangkok City Tower 15 th Floor, Sathorn Tai Road, Toongmahamek, Sathorn, Bangkok 10120 Telephone : 0 2344 1000 Facsimile : 0 2286 5050
Legal Consultant Contact Address	LS Horizon Co., Ltd. 93/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10120 Telephone : 0 2627 3443 Facsimile : 0 2627 3250



Awards of the Year



The Company received the “Best CEO Award” from the Stock Exchange of Thailand in the SET Awards 2016 ceremony. This award is bestowed upon top executives who display outstanding leadership, lead the organization to success, adhere to ethical values in managing the organization, possess vision and strategic capabilities, place focus on investor relations activities and see the importance of the society and businesses that facilitate sustainable viability of the organization.

Furthermore, the Company received the “Best Company Performance Award” for companies whose value of securities ranges between 30,000-100,000 million Baht according to the market price from the Stock Exchange of Thailand in the SET Awards 2016 ceremony. Major criteria are based on the operating performance, corporate governance rating and rules compliance of the Stock Exchange of Thailand regarding the disclosure and quality of the Company’s financial statements.



The Company was ranked as a “Very Good” in the Corporate Governance Report of Thai Listed Companies 2016 by the Thai Institute of Directors.



The Company has been granted an approval to join in the membership of the Thai Collective Action Coalition against Corruption (CAC); a private organization that supports listed companies to regulate policies and guidelines in countering against all sorts of corrupt acts.



TIS certificate 9001-2552 (ISO 9001:2008) awarded to companies that have quality management system for the storage and distribution of oil products in the fuel tank under the certificate of ISO certification standards (Masci).



TIS certificate 17025-2548 (ISO/IEC 17025:2005) is a certificate given to a testing laboratory which can test and/or calibrate. The certificate contained quality management and academic requirement which is the standard that can be applied to all corporate conducting testing or calibrating activity under the certification from Ministry of Industry, Industrial Standard Office.



63 petrol stations of the Company received certificates for White Factory. The certificate was given to the company that conducted activity to enhance knowledge, understanding to prevent and remedy the drug and extended the result to communities surrounding. Campaign were hosted by Welfare and Labor Protection Department where 63 petrol stations were acclaimed this year.

The Bronze Award was granted following the “19,000 Liters of Oil” issue by the Technology Promotion Association (Thailand-Japan) for the achievement on Kaizen for Office initiative in the 12th Thailand Kaizen Award 2016. This award is indicative of the Company’s competency and staff members’ potential in continuously improving their work performance and the organization through analysis, improvement of system and work processes in order to enhance the convenience, speed and accuracy in service provision both for service centers and in the office.



Eight of the Outstanding Driver Awards in the safety category have been granted by the Oil Industry Environmental Safety Group Association (IESG) in Safety Awards 2016 ceremony. This reflects members’ compliance with laws and regulations, possession of required licenses that can be inspected at all times, with no records of dishonest conducts or suspicious acts of dishonesty in transporting oil, and with a concrete policy in safety, health and environment.



The Company received Honorable Fame for the Clean Toilet for Tourism. The certificate was given to company that have outstanding toilet, in total 376 petrol stations, and pass the criteria which are (Healthy : H), (Accessibility : A), and (Safety : S) by the Tourism and Sports Ministry and the Department of Public Health.



Service Station Development Project Award has been granted to 35 service stations by the Department of Internal Trade, Ministry of Commerce, reflecting the Company’s standard in quantity measurement as seen from its accurate oil meter and good quality of oil, with impressive service and strict standard in cleanliness and hygiene. This indicates the Company’s emphasis on benefits of consumers using PT service stations.



Company Overview

Vision, Objectives, Goals, and Company Business Strategy

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

Vision

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

Mission

1. To create the utmost satisfaction for all partners, employees, and consumers;
2. To manage with professionalism and continuous improvement to generate revenue for and add value to the organization and all partners;
3. To be responsible and accountable to the welfare of society and the environment.

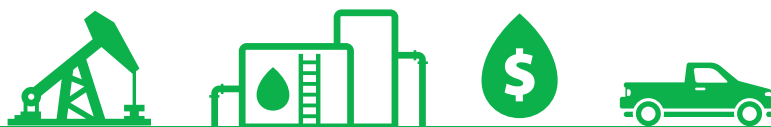
The Company has continued to achieve the target and strategy to expand into other related energy businesses in order to improve the organization’s business operating capability to meet the future energy demand. The Company focuses on sustainable energy sector as well as the development of economy, society and environment by promoting the appreciated use of energy and enhancing the quality of people’s life. The major project is Palm Complex, Biodiesel (B100) production from palm oil which is the key ingredient of diesel. The project is expected to start its production and be able to distribute in 2017.

In addition, the Company was approved by the Board of Directors to do the joint venture in Innotech Green Energy Company Limited. It is the manufacturer and distributor of ethanol from cassava pulp with the partners specializing in cassava, and there are also Japanese experts in fermentation to support in technology for ethanol production. Recently, the project is in the process of design in which it is expected to produce and distribute in 2020.

The Company has been focusing on PTG Eco-system by building the experience in the use of goods and services to consumers with the alliance under the slogan of “Wherever Thai people are, PT will be there to become number 1 in Thai’s heart”. The implementation is to build the relationship with consumers through PT Max Card, the member card that recently involves 5.6 million members in total, as well as social media such as Facebook and Line Application. The Company has also planned to develop CRM system to meet customers’ needs and satisfactions because the service is the first priority of the Company.

The Company values its service as the number one priority and maintains its strategy to continuously expand its PT petrol stations both under COCO (Company-Owned Company-Operated) and under DODO (Dealer-Owned Dealer-Operated) models in order to cover all areas in each province throughout the country, in line with the Company’s policy, 1-District-1-Station, and to ubiquitously ensure PT consumers of its high standard service and Euro 4 high quality fuel. In this regard, the Company places more weight on stations expansion through the COCO model due to the Company’s right to own and operate, which be able to easily ensure the quality control and efficient service along with rapid expansion. In 2016, the Company had 1,407 service stations in total, which had 1,194 of COCO stations and 213 of DODO stations.

The Company’s strategic focus is also on the effective cost management through the transportation system managed by the company with the total of 407 trucks along with other land and pipeline transportation partners to strengthen the entire logistics system. Furthermore, this includes 9 oil depots located over the country, and the tenth depot is also under the construction in order to support the future growth of the Company.



The Company intends to maximize its organizational efficiency and trusts that good corporate governance and management excellence are keys to transparent, fair, and accountable operation. Thus, the Company has laid out clear policies for the Company Directors, Executives, and employees to adhere to as operational guidelines. Further, the Company has agreed to sign the Collective Action Coalition against Corruption in Private Sector as well as set up Anti-Corruption Policy and assigned internal roles and responsibilities, guidelines, and regulations to ensure sustainable growth.

Significant changes and major development

2016

- The Extraordinary General Meeting of Shareholders No.1/2016; 1. approved PTG Logistics Company Limited, the subsidiary, to purchase shares of Ama Marine Company Limited (“AMA”), the provider of marine and land transportation of liquid, of 518,000 shares (32.01% of the total shares) amounting to THB 621.60 million. 2. approved bond issuance in the amount not exceeding THB 4,000 million or in other currencies with the equivalent amount for the purpose of business operation and expansion.
- The Company issued bonds of THB 1,700 million over 3 years to support the business expansion as per the Company’s goal and strategy.
- The Company was approved by the Board of Directors to establish Empire Service Solution Company Limited to provide the service of installation, inspection, repair of fuel dispensers, service stations and all types of equipment. The Company would hold 60,000 shares with the par value of THB 100 per share (60.00% of the total shares).
- There was the restructuring of shareholders in Ratchakitprakan family by transferring some shares to Ratchakit Holding Company Limited to support the long-term business governance of the family. After the share transfer, Ratchakit Holding Company Limited held 25.12% of the total shares, and most of the shares are still held by the existing holders. Nevertheless, such restructuring does not impact to the company’s policies and management system.

- The Company launched its new engine oil product, “PT Maxnitron”, with high quality by using Syn4Max technology that can increase the efficiency of base oil to synthetic oil for the engine to be clean and efficiently work. The product will be on shelf of all PT gas stations.
- The Company was approved by the Board of Directors for PTG Green Energy Company Limited, the company’s subsidiary, to do the joint venture with Eiamburapa Company Limited in order to establish Innotech Green Energy Company Limited to produce and distribute ethanol, biofuel from cassava pulp or starch as the renewable energy expansion plan of the Company. However, the subsidiary holds 600,000 shares with the par value of THB 100 per share (60.00% of the total shares).
- By the end of the year, the company had 1,407 gas stations in total, and the members of Max Card increased to 5.6 million members as of 31 December 2016, as planned.
- The Company receive honorable rewards from SET “Best CEO Award” and “Best Company Performance Award.”

2015

- The Company was ranked as a “Very Good” in the Corporate Governance Report of Thai Listed Companies 2015 by the Thai Institute of Directors.
- The Company received a certificate of participation in the private company group of anti-corruption to support the collaboration in anti-corruption under good corporate governance which is prepared by the Prevention and Suppression of Corruption Regiment Centre (NCC).
- The Company received Investor Relations Awards 2015 - the award given to the listed company that have outstanding investor relations with the market price of securities between 3,000-10,000 million baht. The award was organized by the Stock Exchange of Thailand.
- The Company paid for the investment of joint venture with Tha Chang (Bang Saphan) Palm Oil Company Limited (which later changed the name to PPP Green Complex Company Limited (“PPP”) at the amount of 349.80 million THB in accordance with the joint venture

agreement in Palm Complex project, which was signed in November 2014 and amended in December 2014.

- The Company and the joint venture partner, PPP Green Complex Company Limited, signed a contract to purchase machinery and equipment used in the production of Palm Company project.
- The Company began to provide LPG service stations for LPG consumers to receive quality and standardized products and services.
- The subsidiary registered a change of name from Pyrenees Oil Company Limited ("PRN") to PTG Green Energy Company Limited ("PTGGE").
- The subsidiary, PTG Logistics Company Limited ("PTGLG"), was established with the paid-up capital of 1 million THB, divided into 10,000 shares with 100 THB per share. The objective is to transport, load and unload fuel, gas and petroleum product as well as other products including passengers by land, sea and air for both domestic and international transportations.
- The Company signed a 7-year contract for 250 billion THB to trade oil with Thai Oil Public Company Limited from 2015 to 2021 in order to build confidence and stability in efficient product supply in accordance with the policy to expand service stations in the future.
- The Company has the resolution proposed to the Extraordinary General Meeting regarding 32.01% shareholding in AMA Marine Company Limited after the approval of the Company's Board of Directors. AMA Marine Company Limited engages in liquid transportation service by both sea and land in which the Company foresees the efficiency and opportunity in the future growth of logistics business.
- The Company has the resolution proposed to the Extraordinary General Meeting regarding debenture issuance at the amount not exceeding 4,000 million THB to support the Company and its subsidiaries' business operations and expansions.
- The Company acquired shares of FPT engaging in the pipeline business as the Company focused on the potential of fast and safe oil unloading as well as the future improvement.
- The Company expanded its 222 PT service stations comprising of 204 COCO stations and 18 DODO stations. As a result, at the end of the year, the Company had 1,150 PT service stations in total with the increasing Max Card members up to 3.8 million members as of 31 December 2015. Furthermore, there are totally 56 E20 gasohol stations.

2014

- In December, the Company has entered into a joint venture agreement in the Palm Complex, an all-in-one project for manufacturing and distributing palm oil, starting from growing palms for production process all the way to producing Biodiesel (B100) and cooking oil.

The three co-investors involved in the transaction are:

- 1) Tha Chang (Bang Saphan) Palm Oil Co., Ltd. holding 30% equity stake.
- 2) PTG Energy Public Company Limited holding 40% equity stake.
- 3) R&D Kasetpattana Co., Ltd. holding 10% equity stake.

In this regard, the project construction will commence in Q1/2015 and the entire project is expected to be completed within 2017.

- The Company has opened 212 new petrol stations with 192 stations as COCO and 20 stations as DODO stations, resulting in a total of 951 petrol stations across the country at the end of the year. In addition, the Company has also increased Gasohol E20 distribution, as another viable alternative for consumers, through 22 of its petrol stations.
- The Company has invested in renovating and improving two large-scaled petrol stations with modernity and variety of services at Khao Pho, in Prachuab Khiri Khan province, and at Chainat Rest Area, in Chainat province. The Company expects the supplementary businesses at these stations to be opened in Q2/2015.
- The Phitsanulok Tank Farm was opened for operation, in January, as the 8th tank farm, located in Bueng-Pra Sub-District, Muang District, Phitsanulok province. Having the storage capacity of 7.7 ML for services rendered to 63 petrol stations in the vicinity with a turnover of 10 ML per month. The tank farm will accommodate future expansion of fuel supply area coverage in the Northern part of the country. 8 provinces are currently served by the Phitsanulok Tank Farm, namely Chiang Rai, Phayao, Nan, Lumpang, Phrae, Uttaradit, Sukhothai, and Phitsanulok.
- The Company officially opened another tank farm in Nakhon Sawan Province, in September, as its 9th tank farm, located in Muong Hak Sub-District, Payuhakiri District, Nakhon Sawan Province. Having the storage capacity of 6.6 ML for services rendered to 44 petrol stations in the vicinity with a turnover of 7 ML per month

or 84 ML per year on average. The tank farm will accommodate future expansion of fuel supply area coverage in the Northern and Central parts of the country. 6 provinces are currently served by the Nakhon Sawan Tank Farm, namely Chainat, Uthaitani, Nakhon Sawan, Pichit, Kampangeth, and Tak.

- The Company set its Anti-Corruption Policy and announced its inception to be used with Company personnel including the Board of Directors, Executives, and all its employees in order to ensure integrity, transparency, and morality in its business operations; social responsibility; and, consideration for all related parties through good corporate governance.

- The Company places importance on human resources development as an integral part of business expansion by promoting job specialization and skills enhancement. Great emphasis is placed on training for employees both on operative and administrative level in order to enhance their potential both through hard skills and soft skills. This year, the human resources development comprised:

- 1) Establishing a training center in Panus Nikhom District, Chonburi province, as the central training center for managers at PT COCO stations to ensure the same standard everywhere. This also includes a training center for logistics personnel or Company truck drivers at Nong Khae Tank Farm, in Nong Khae District, Saraburi province. In this regard, emphasis is placed on operational safety which is of utmost importance.

- 2) Conducting a quarterly internal communication activity via "CEO Talk" to ensure unidirectional understanding of corporate objectives and strategies for all employees.

- 3) Implementing Kaizen techniques as operational system improvement measures both on the operating and administrative levels to enhance operating efficiency and reinforce core values in continuous improvement. The activity received great cooperation from the employees, thus enabling and encouraging constructive feedbacks and suggestions for improvement, from all levels of employees, which is geared toward a more systematic operation, continuous improvement, excess time reduction, resulting in better cost management and long-term sustainability.

- Setting up new IT policy to improve information system and communication network in order to efficiently support business operations. This pertains to

information source quality control, critical data access security, and emergency protocols. The company has introduced ERP system for internal process support by storing information within a centralized database for ease of information linkage, while utilizing maintenance management system with equipment storage, maintenance management, and parts changing in order to effectively create and store maintenance historical information. Furthermore, the Company has created infrastructure and servers to securely and effectively improve the network.

- Being certified with The International Ship and Port Facility Security (ISPS) Code, in accordance with the Department of Marine and Maritime, for the seaport at Mae Klong Tank Farm in Samut Songkhram province to prevent threats of terrorism or other unsafe acts against sea transport, ensuring the Company-valued security measures.

- Implementing the CRM system for marketing and sales promotion, as well as accommodating the Max Card membership rewards program. By December 31, 2014, the number of Max Card holders is expected to have reached 2.4 million. The Company has gathered consumer data from the CRM system and analyzed consumer behavior for each person in order to better serve their needs and to accurately record points and prize redemption. Currently, points can now be accumulated from purchases made at Punthai Coffee.

- Joining the "Full-liter petrol station campaign" and became certified by the Department of Internal Trade in accordance with the Measurement Act of 1999. Each petrol station is equipped with a standard 5-liter measuring device for calibrating and ensuring accurate volume of PT quality petroleum.

- Valuing safety and control of maintenance standard for petrol stations on a continuous basis. Normally, Preventive Maintenance standard is verified every 4 months. In addition, the Company also set service standards and service quality follow-up process to ensure that services provided at the petrol stations meet the standards set by the Mystery Shopper, which serves as an excellent tool in evaluating the true quality of petrol station services. In this regard, the Company is able to improve the petrol station area management system in order to enhance transparency in managing the retail spaces more efficiently, in accordance with the Company's commitment to continuous improvement.

- Being entrusted and selected as the major sponsor in Pra Dabos Foundation's Project for the second

consecutive year. More importantly, the Company recognizes the importance of human capital development, thus it provided support in the forms of vocational scholarship and educational tools for students of Pra Dabos. In this regard, PTG customers nationwide had an opportunity to take part in the donation campaign, between August and September 2014, in which the donation amount contributed by the gross petrol sales volume and additional fund raising totaled Baht 15 Million.

Shareholding Structure of the Company Group

The Company and subsidiaries conduct retailing and wholesaling of fuel as the core business. In addition, the Company also operates convenience stores, under PT Max Mart brand, and coffee shops, under Punthai Coffee brand, at PT petrol stations to provide convenience and meet the demand of the consumers. Moreover, the Company has renewable energy business, manufacturing and distribution of Biodiesel (B100) and cooking oil.

PTG Energy Public Company Limited (PTG)

99.99 %	Petroleum Thai Corporation Co., Ltd. (PTC)	99.97 %	Andes Oil Co., Ltd. (AND)	99.99 %	PTG Logistics Co., Ltd. (PTGLG)
99.98 %	Pyramid Oil Co., Ltd. (PMO)	99.97 %	Atlas Oil Co., Ltd. (ATL)	60.00 %	Empire Service Solution Co., Ltd. (ESS)
99.97 %	Alpine Oil Co., Ltd. (APO)	99.97 %	Olympus Oil Co., Ltd. (OPL)	59.99 %	Innotech Green Energy Co., Ltd. (IGE)
99.98 %	Empire Oil Co., Ltd. (EPO)	99.99 %	PTG Green Energy Co., Ltd. (PTGGE)		
99.98 %	Everest Oil Co., Ltd. (EVO)	99.99 %	Punthai Coffee Co., Ltd. (PUN)		

Nature of Business Operations of the Company and Subsidiaries

Company	Type of Business	Shareholding
PTG Energy Public Company Limited (PTG)	<ul style="list-style-type: none"> Retail oil service stations under the PT brand with the management of the Company Wholesale oil to: <ul style="list-style-type: none"> Other oil traders Distributors of oil companies to distribute to gas stations under their own management. Industry operators requiring the oil fuel to run their businesses. 	-
Petroleum Thai Corporation Co., Ltd. (PTC)	<ul style="list-style-type: none"> Oil trader under Section 11 and LPG Inconvenience stores in petrol and LPG stations 	99.99%
Pyramid Oil Co., Ltd. (PMO)	<ul style="list-style-type: none"> Oil trader under Section 10 	99.98%
Alpine Oil Co., Ltd. (APO)	<ul style="list-style-type: none"> Oil trader under Section 10 	99.97%

Company	Type of Business	Shareholding
Empire Oil Co., Ltd. (EPO)	• Oil trader under Section 10	99.98%
Everest Oil Co., Ltd. (EVO)	• Oil trader under Section 10	99.98%
Andes Oil Co., Ltd. (AND)	• Oil trader under Section 10	99.97%
Atlas Oil Co., Ltd. (ATL)	• Oil trader under Section 10	99.97%
Olympus Oil Co., Ltd. (OLP)	• Oil trader under Section 10	99.97%
PTG Green Energy Co., Ltd. (PTGGE)	<ul style="list-style-type: none"> • Oil trader under Section 10 • Business investment in renewable energy related business such as biomass, waste and solar power plants 	99.97%
Punthai Coffee Co., Ltd. (PUN)	• Coffee shop under the name of “Punthai Coffee”	99.99%
PTG Logistics Co., Ltd. (PTGLG)	• Logistics business to transport, load and unload fuel, gas and petroleum product as well as other products including passengers by land, sea and air for both domestic and international transportations.	99.97%
Empire Service Solution Co., Ltd. (ESS)	• Business of management system, management of equipment and machines, including to provide services regarding programs, instructions and software relating to such business.	60.00%
Innotech Green Energy Co., Ltd. (IGE)	• Business of manufacturing and distribution of ethanol, biofuel from cassava or starch or starch-related products, ethanol production plants, biogas power plants, biomass power plants and other types of power plants.	59.99%



Nature of Business

Business Overview

The core businesses of the Company and subsidiaries are retailing and wholesaling of fuel. The Company purchases most of the fuel directly from Thai Oil Public Company Limited (“Thai Oil” or “TOP”) and transport them from TOP refineries to customers by its own tanker truck fleet. In general, the Company sold the fuel both directly and indirectly to automobile users and users of other types (e.g. farmers using fuel for agricultural machines, etc.) via PT petrol stations.

In addition, the Company owned 9 tank farms with the total capacity of 200.52 million liters. In addition, the 10th tank farm is under construction. These depots are located throughout the country for stocking at each of the fuel transported from Thai Oil prior to further distribution to the Company’s petrol stations or its customers in fuel wholesaling business and the industrial sector in order to increase transportation efficiency, shorten delivery time, and reduce transportation cost. Moreover, the Company frequently inspects its product to ensure product quality.

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

1) Fuel Products

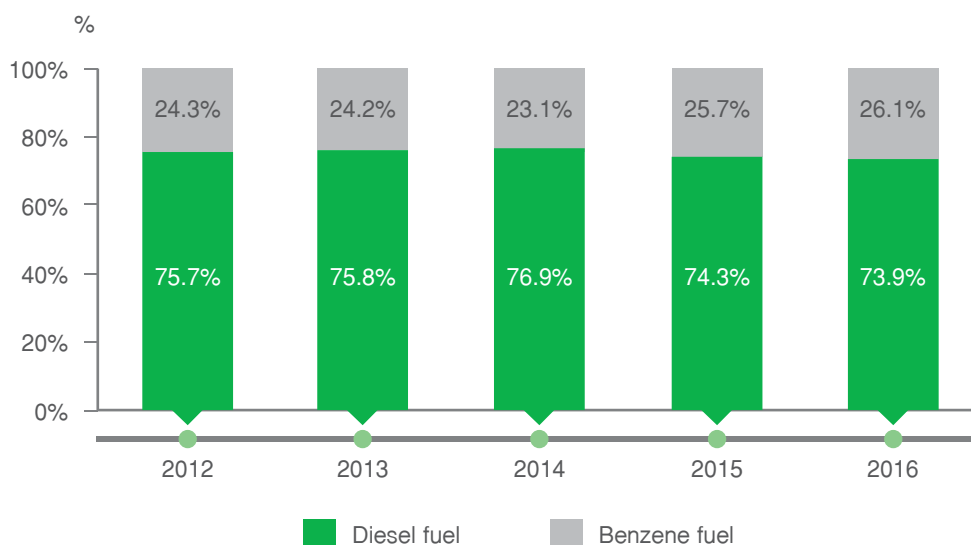
Fuel products of the Company and subsidiaries can be divided into 2 main types as follows:-

1.1) Diesel, which is high-speed diesel fuel (hereinafter called “diesel fuel”);

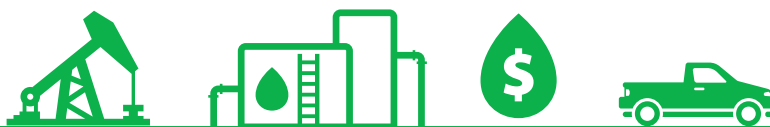
1.2) Benzene, which comprises octane-95 benzene, gasohol 95 (E20), gasohol 95 (E10) and gasohol 91 (E10) (hereinafter called “benzene fuel”).

Mostly, the Company sells diesel fuel because user of cars for commercial purpose are, both directly and indirectly, its main customers. For this reason, volume of fuel sold is in line with the type of cars registered in Thailand, which are largely diesel engine powered.

Sales proportions of diesel fuel and benzene fuel from 2012 - 2016



Source: The Company



2) Non-fuel Products

Apart from fuel sales, the Company sells daily-use consumer goods via convenience stores, PT Mart and PT Max Mart, in PT petrol stations, as well as provides premium coffee via Punthai coffee shops. Moreover, the Company not only provides spaces for rent at PT petrol stations, but also sells a variety of lubricating oils including high quality lubricant under its own brand 'PT Maxnitron' which was launched on 4Q/2016.

The Company also provides its customers and other fuel traders with more services related to fuel trade. Major services include logistics services for fuel wholesalers that have no tankers truck fleet of their own, and fuel storage services for other fuel traders.

Nature of Core Business Groups of the Company

The Company's significant operations can be divided according to characteristics of products and services, target groups, and distribution channels into 5 core business groups, namely:

1. Fuel Sales at PT Petrol Stations

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

1.1) Fuel retailing via the Company's petrol stations, where fuel is sold directly to automobile users via the petrol stations owned and operated by the Company, or the so-called COCO petrol stations.

The Company operates fuel retailing business via COCO petrol stations under the management of Petroleum Thai Corporation Co., Ltd. (PTC), the Company's subsidiary.

Fuel sold at COCO petrol stations include both diesel fuel and benzene fuel. Sales proportion of the two fuel varies from station to station, relying mainly on target customer demand for each fuel type at a specific COCO petrol station.

Characteristics of Customers and Target Group

Target customers for fuel retailing via the Company's petrol stations are fuel users in the vicinity of COCO petrol stations, namely:-

- 1) Transport service providers and manufacturers using vehicles for goods transport, which are located in communities surrounding COCO petrol stations or often go by COCO petrol stations;
- 2) Farmers using fuel for agricultural machines, or living or working near COCO petrol stations;
- 3) People using automobiles and motorcycles in their daily life, who reside in communities surrounding COCO petrol stations.

The Company focuses on selling fuel to target customers, since they regularly need fuel in their daily life or work. To reach these target customers, the Company primarily invests in COCO petrol stations near communities or its main target customers.

Distribution Channels

The Company sells fuel directly to target customers via COCO petrol stations. Over the past years, the Company has been increasing the number of COCO petrol stations for a wider distribution channel to reach more target customers throughout Thailand.

The Company pursues COCO petrol station expansion through various natures of investments, in which it may buy or rent petrol stations from proprietors who are discontinuing the business. The Company determines suitable patterns of investment by considering the proprietors' conditions, e.g. terms of contract, rental fee and increase. This is accompanied by risk analysis and investment worthiness assessment, covering such aspect as location of property, locations of PT petrol station and other petrol stations nearby, characteristics and number of existing or prospective customers, sales projections, amount of investment and expenditure required for station renovation, rates of return, and etc.

Competitive Strategies

The Company puts emphasis on sales of quality and high-standard fuel to customers to establish confidence in and satisfaction of PT petrol stations' products and services. Over 86% of fuel sold at PT petrol stations are purchased directly from Thai Oil, which is one of the largest refinery companies of very high standard and one of the nation's major fuel suppliers, thus ensuring standardization of fuel quality. As the tanker fleet owned and operated by the Company is used in transporting and distributing fuel from Thai Oil refineries to its COCO petrol stations nationwide, the Company can control fuel quality and prevent fuel contamination, and adulteration that may occur if the transportation is handled by unqualified and unethical operators.

Moreover, the Company has built a fuel oil testing laboratory at Mae Klong Tank Farm to examine the quality of petrol randomly retrieved in the course of transport, from Thai Oil refineries to the Company's tank farms and COCO petrol stations across the country. The Company also sets up a mobile lab unit to carry out random on-site inspection for fuel quality at both PT COCO and DODO petrol stations, in order to give the customers confidence that fuel sold at each PT petrol station are of equal quality and standard to those produced by refineries.

In relation to marketing and public relations, the Company engages in sales promotion activities continually to encourage higher-volume and constant purchases among target customers. One example is giveaway of drinking water or other sales promotion items for an indicated purchase value, where sales promotion items may vary from area to area, depending on characteristics of target customers in the area. Another is PT petrol station membership program, where customers applying for membership are entitled to special benefits such as reward point collection or redemption newsletter, service privileges at PT petrol stations, privileges to participate in other exclusive sales promotion activities in the future, etc. Besides, the Company uses internet tools and social media like its website (www.ptgenenergy.co.th) and Facebook (www.facebook.com/ptstation) for disclosing corporate information and publicizing its marketing activities to customers and the general public.

The Company also places great importance on good relations between PT petrol stations and surrounding communities. In recruiting full-time employees, it therefore has a policy to give special consideration to applicants living near its petrol stations, so PT petrol station staff understand the nature of local customers and render proper services. This policy not only enables the staff to stay close to their families, but also promotes a good image of PT petrol stations.

1.2) Fuel wholesaling to the Company's dealers

The Company sells fuel to its dealers who manage the petrol stations owned and operated by them, or the so-called DODO petrol stations. The Company and subsidiaries as fuel traders under Section 10 sell fuel to DODO petrol stations operators, which are fuel dealers who are permitted by the Company to use PT trademark ("the Company's dealers").

Petrol station operators wishing to become the Company's dealers have to sign a petroleum dealer appointment agreement with the Company first. According to the petroleum dealer appointment agreement, the Company's dealers shall buy fuel from the Company, with an aggregate volume of purchase not less than the amount specified therein. Likewise, the Company shall sell fuel to its dealers at a price that allows the dealers to receive a profit share ("marketing margin for dealers") not less than the rate specified under the agreement. However, the Company may increase the already-agreed marketing margin for dealers in some periods of time, so that the dealers receive a proper and fair profit share. In determining the marketing margin for dealers, the Company will take its gain on marketing margin into close consideration.

Fuel sold at DODO petrol stations are both diesel fuel and benzene fuel, similar to those at COCO petrol stations. However, the proportion and volume for trade of each fuel type are decided at the discretion of each dealer. The Company merely serves as the supplier and seller of fuel for them. Each dealer is responsible for the internal administration of DODO petrol stations, including personnel management and control.

Characteristics of Customers and Target Group

Target customers for the business of fuel wholesaling to PT petrol station operators are persons and juristic persons wishing to undertake petrol station business, namely 1) petrol station operators who are dealers of other fuel traders, 2) petrol station operators who are not fuel dealers, and 3) persons and juristic persons are land owners and wish to undertake petrol station business. These persons and juristic persons find the Company's dealership conditions interesting, and share the same business goals with the Company.

Distribution Channels

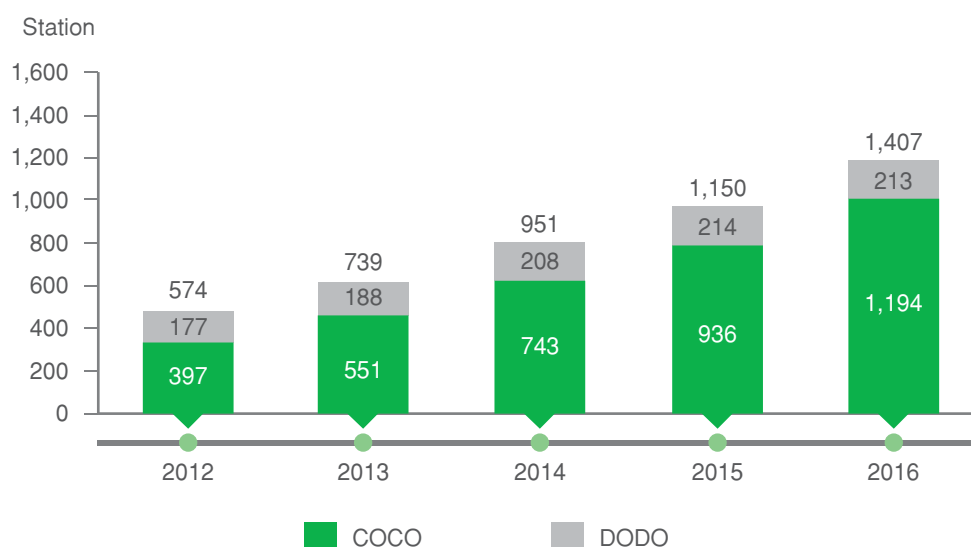
Aside from taking care of and giving advice to the Company's dealers and customers, sales staff at tank farms are responsible for seeking petrol station operators who desire to be the Company's dealer. In addition, business development staff have made incessant effort to locate operations with the potential of becoming COCO petrol stations. Some petrol station operators, with whom business development staff met, want to continue the current petrol station business, yet want to buy fuel from the Company and also be the Company's dealer. Information review concerning petrol station

operators by the sales and business development staff, the Company is able to gain better access to target customers.

Competitive Strategies

Since day one of operation as fuel dealers, the Company's dealers receive continual supports in various forms. The Company provides its dealers with materials and accessories for station revamping, such as paints for decoration, tall poles for PT logo and price displays, TOP trademark flags as fuel quality assurance, and other displays, together with uniforms for pump attendants. Moreover, the Company assigns an engineering and maintenance team to give advice and assistance necessary for renovation of petrol stations, in order that the dealers' petrol stations are of the same pattern and quality as COCO petrol stations. In terms of marketing support, it offers the dealers some discounts on sales promotion items such as drinking water and other sales promotion products, so the sales promotion campaigns at DODO petrol station can be run in a similar way as they are at COCO petrol stations. The Company provides guidance on force count service and inventory management as well.

Number of Petrol Stations by Types at the end of 2012 - 2016



Source: The Company

Number Petrol Stations by Region at the end of 2014 – 2016

COCO stations

Region	2014		2015		2016	
	Stations	%	Stations	%	Stations	%
1. Bangkok and vicinity	73	9.8	91	9.7	96	8.0
2. Northern region	114	15.3	128	13.7	254	21.3
3. Central region	116	15.6	172	18.4	68	5.7
4. Northeastern region	258	34.7	297	31.7	386	32.3
5. Eastern region	58	7.8	63	6.7	92	7.7
6. Western region	53	7.1	72	7.7	145	12.1
7. Southern region	71	9.6	113	12.1	153	12.8
Total	743	100.0	936	100.0	1,194	100.0

Source: The Company

DODO stations

Region	2014		2015		2016	
	Stations	%	Stations	%	Stations	%
1. Bangkok and vicinity	13	6.3	13	6.1	2	0.9
2. Northern region	28	13.5	29	13.5	49	23.0
3. Central region	36	17.3	35	16.4	8	3.8
4. Northeastern region	78	37.5	82	38.3	80	37.6
5. Eastern region	12	5.8	13	6.1	16	7.5
6. Western region	14	6.7	13	6.1	27	12.7
7. Southern region	27	13.0	29	13.5	31	14.6
Total	208	100.0	214	100.0	213	100.0

Source: The Company

2. Fuel Wholesaling to Other Fuel Traders and Industrial Operators

The Company and subsidiaries as fuel traders under Section 10 operate business of fuel wholesaling to other fuel traders and industrial operators. They are another customer group with huge volume of fuel purchase and for numerous purposes, e.g. reselling fuel to other fuel traders, selling fuel to individual users, or using such fuel in the production process in factories, etc.

Characteristics of Customers and Target Group

Target customers for the business of wholesaling fuel to other fuel traders and industrial operators include:

- 1) Other fuel wholesalers, which are fuel wholesalers who buy fuel for the purpose of reselling fuel to other traders, independent petrol station

operators, or industrial operators that need fuel in business operations, thus acting as the middlemen. In the fuel trade industry, a wholesaler of this nature is called a “jobber.”

- 2) Independent petrol station operators, which are operators of small-scale petrol stations who are not dealers of major fuel traders. Consequently, they may not display any trademarks at the petrol stations or use their own logos.

- 3) Industrial operators that need fuel in business operations, for example construction business that needs fuel for machines, logistics business that needs fuel for vehicles, agricultural business that needs fuel for farm machineries, industrial plants that use fuel in production, etc.

Distribution Channels

Apart from seeking petrol station operators who wish to be the Company's dealers, sales staff are assigned to regularly gather information on fuel retailers and wholesalers as well as industrial operators in their respective responsible areas, in order to look for retailers, wholesalers and industrial operators who make regular purchases or have high volume of consumption.

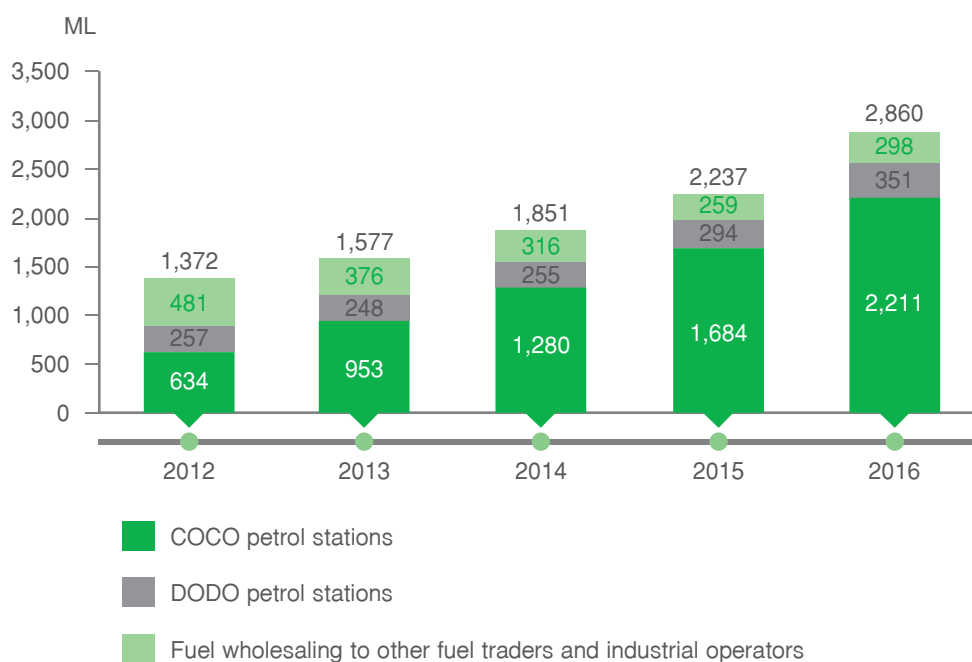
Competitive Strategies

The Company places a top priority on product quality and punctual delivery of fuel to customers, so it keeps investing in tanker trucks to support the increasing daily delivery workload due to growing sales volume. Owning a large tanker truck fleet with high combined cargo

capacity, the Company is capable of supplying a huge quantity of fuel per load. Appropriate and efficient tanker truck management contributes to the delivery continuity of tanker truck fleet, while efficient fuel reserve management at each tank farm enables the Company to make fuel deliveries according to customer demand.

In addition, the Company lends its customers some tools for fuel storage and dispensing equipment, e.g. fuel tanks, fuel dispensers, etc., and helps install the equipment at the customers' business site, as a facilitation given to customers who are fuel retailers or industrial operators that need fuel for vehicles or machineries.

Sales Volume of Fuel Trading Businesses



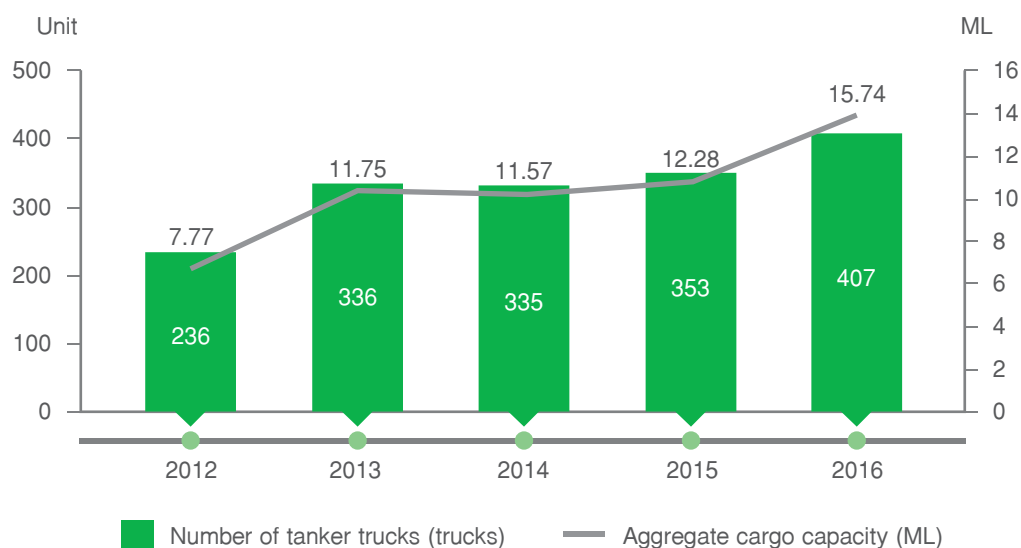
Source: The Company

3. Fuel Logistics Business

Fuel logistics business is related to fuel sales. The Company has registered as a fuel transporter under Section 12 of the Fuel Trade Act of 2000, and invests in a large tanker truck fleet of its own. Tankers of the Company can be divided into 2 groups: 1) Tanker trucks with a maximum cargo capacity of 20,000 liters ("10-wheeler trucks"), and 2)

Tanker semi-trailers with a cargo capacity exceeding 20,000 liters ("tanker trailers"). These truck fleets are responsible for distributing fuel products to COCO stations, wholesalers, and for managing the inventories internally. The size of the fleet has been growing correspondingly with the growth in fuel sales revenues and the increasing number of PT petrol stations over the past period.

Number of Tanker Trucks and Aggregate Cargo Capacity at the end of 2012 - 2016



Source: The Company

Characteristics of Customers and Target Group

Users of the Company's fuel logistics service can be divided into 2 groups as follows:

- 1) PTC and subsidiaries as fuel traders under Section 10.
- 2) Fuel wholesalers buying fuel from the Company and subsidiaries, i.e. the Company's dealers, jobbers, operators of petrol stations not using PT trademark, and industrial operators that need fuel in business operations.

Most of the Company's fuel logistics services are rendered to PTC and subsidiaries as fuel traders under Section 10.

Distribution Channels

In the process of fuel logistics to PTC and subsidiaries as fuel traders under Section 10, the logistics staff are notified of requests for daily logistics services by tank farm staff who receive purchase orders from COCO

petrol stations in their respective areas, and also notified of fuel supply information by supply staff. Logistics staff then arrange for tanker trucks and plan the work schedule in order to sufficiently and appropriately deliver fuel to COCO petrol stations as well as transport fuel from refineries to each tank farm.

As for fuel logistics to fuel wholesalers, sales coordinators, upon receiving purchase orders from customers, shall inquire the customers about the means of transportation in order to organize the time and queue for suitable loading of fuel by the Company's and customers' tanker trucks. In case the customers do not own a tanker truck and have not hired any transportation services, the sales coordinators shall offer them the Company's fuel logistics services. Then, the sales coordinator will propose fuel prices inclusive of logistics fees to an interested customer for consideration. When the customer sends back the approved purchase order, the sales coordinator will coordinate with logistics staff on arrangement of tanker truck for fuel delivery to the customer.

Competitive Strategies

The Company focuses on building customer confidence in its fuel logistics services. To this end, the Company directs truck drivers to double-check documents relating to loading/unloading and delivery of fuel in order to prevent delivery of the wrong fuel type or quantity. Furthermore, uses of oil seals for securing both unloading and loading valves together with GPS system for monitoring drivers' behaviors help boost customer confidence in the Company's logistics services. It also emphasizes fast and punctual delivery of fuel, in an effort to keep customers satisfied with its fuel logistics services.

4. Gas Sales at PT Petrol Stations

The Company operates gas LPG sales business at PT petrol stations in which were owned and operated by the Company, or the so-called COCO petrol stations which was operated under the management of Petroleum Thai Corporation Co., Ltd. (PTC), the Company's subsidiary. The Company expects to provide the quality service to the LPG automobile users in standard service stations on par with petrol stations. The Company launched its LPG retailing in 2015 and as of 2016, LPG sales volume equaled to 30.38 million liters, higher than last year which was able to sell at 3.36 million liters. In 2016, the Company had 58 LPG stations, 31 out of 58 are the standalone stations, while the rest are located in petrol stations.

Characteristics of Customers and Target Group

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

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

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

Distribution Channels

The Company has been increasing the number of LPG stations for a wider distribution channel to reach more target customers throughout Thailand.

The Company pursues LPG station expansion through various natures of investments, in which it may buy or rent LPG stations from proprietors who are discontinuing the business. The Company determines suitable patterns of investment by considering the proprietors' conditions, e.g. terms of contract, rental fee and increase. This is accompanied by risk analysis and investment worthiness assessment, covering such aspect as location of property, locations of PT station and other petrol and LPG stations nearby, characteristics and number of existing or prospective customers, sales projections, amount of investment and expenditure required for station renovation, rates of return, and etc.

Competitive Strategies

The Company puts emphasis on sales of quality and high-standard LPG to customers to establish confidence in and satisfaction of PT petrol stations' products and services.

LPG product sold in PT service stations was acquired directly from reliable Section 7 standard service traders registered by the Department of Energy Business. In this case, the service providers will deliver LPQ directly to all service stations nationwide.

In relation to marketing and public relations, the Company engages in sales promotion activities for the customer to receive services and privileges as in petrol stations, including giving away of drinking water or other sales promotion items for an indicated purchase value. Another is PT membership program, where customers applying for PT Max Card membership are entitled to special benefits such as reward point collection or redemption newsletter, service privileges at PT petrol stations, privileges to participate in other exclusive sales promotion activities in the future, etc. Besides, the Company uses internet tools and social media like its website (www.ptgenergy.co.th) and Facebook (www.facebook.com/ptstation) for disclosing corporate information and publicizing its marketing activities to customers and the general public.

5. Minimart Business and Punthai Coffee Business

The Company sells daily-use consumer goods at PT petrol stations to users of station services and residents of nearby areas. PTC invests in and manages the original

convenience stores under the name PT Mart ("PT Mart stores") and modern convenience stores under the name Max Mart ("Max Mart stores") both in COCO and DODO stations.

The Company's investment is made mainly in convenience stores at PT COCO petrol stations, in order to promote favorable image of services and to facilitate users of PT petrol stations. The Company selects appropriate stations to invest in by considering 1) number of users of station services and sales volume at the stations, 2) location of petrol stations at which the stores will be situated, taking into account the nearby residential communities, business areas and significant government offices, as well as roadways that link to the petrol stations, and 3) size of PT petrol stations, either with a free space large enough for constructing a convenience store, or with an already-built convenience store.

In 2014, the Company changed its minimart's management direction to effectively develop the operations and to better respond to the customers' needs. In this regard, the Company has refurbished all PT Marts into PT Max Mart to enhance sales potential by restructuring the stores and modernizing them with more attractive appeals and cleanliness. In 2016, the Company continued renovating its minimarts, remained 1 branch left still under the renovating process. It expects to add 70 more of PT Max Marts in 2017

in order to fulfill the services to PT service stations throughout the country.

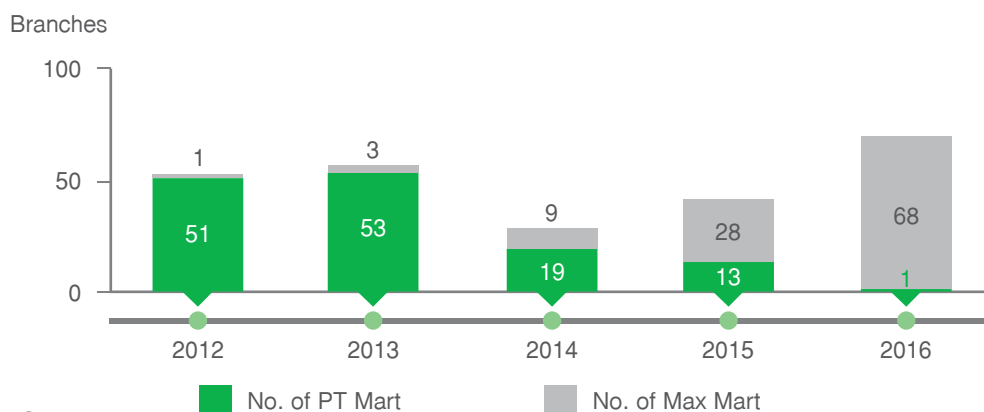
The Company not only invested in minimart business, but also invested in coffee shop business, operated under the brand "Punthai". In 2016, there were 53 branches of Punthai Coffee Shop opened inside PT stations both COCO and DODO types, and outside service stations such as Don Muang International Airport or department stores. For coffee shops that opened within PT fuel stations, the Company selects appropriate stations to invest in by considering 1) number of users of station services and sales volume at the stations, 2) location of petrol stations at which the shops will be situated, taking into account the nearby residential communities, business areas and significant government offices, as well as roadways that link to the petrol stations, and 3) size of PT petrol stations, either with a free space large enough for constructing a coffee shop, and 4) selects location outside petrol station to invest in by considering number of population around that particular area and rental fee and agreement that are worth investing. Punthai plans to expand 150 branches more in 2017 in order to increase its brand awareness to Thai people.

Characteristics of Customers and Target Group

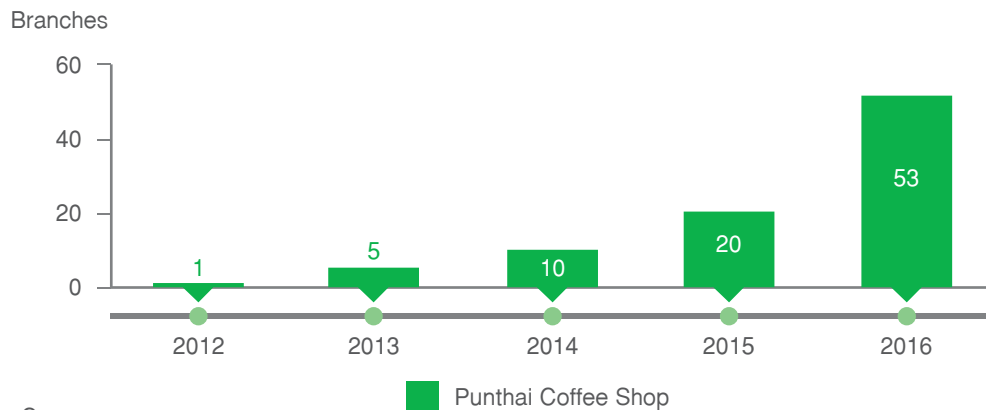
Target customers for Minimart business and Punthai Coffee Business inside and outside PT petrol stations consist of 1) fuel buyers at PT petrol stations, and 2) residents of communities near Minimart and Punthai Coffee Location.

Distribution Channels

Number of PT Mart and PT Max Mart Stores



Number of Punthai Coffee Shop



Source: The Company

Competitive Strategies

Regarding minimart business, the Company places importance on providing quality products from manufacturers renowned for high production and safety standard, and endeavors to select products that fulfill the demand of target customers in each area, based on sales record of each item. If a product is not popular among target customers, the Company will reduce the quantity ordered or cancel purchase order for it in order to correspond to target customer demand at each store. In addition, it arranges joint marketing campaigns between convenience stores and the petrol stations, by offering users of petrol station services a discount or a purchase privilege on goods in the store under the conditions specified by the Company.

Regarding Punthai Coffee business, the Company places importance on the selection of coffee bean and raw material with high standard in order to create quality menu of food and beverage for the customers. There are marketing campaigns jointed between the coffee shops and the fuel stations, by offering customers of petrol station services a discount or a purchase privilege on menus in the coffee shop under the conditions specified by the Company.

brands at COCO petrol stations and also to the Company's dealers for further distribution at DODO petrol stations, and from renting out spaces at COCO petrol stations to retail operators, such as coffee shops, auto garages and etc., for their business operations.



6. Sales of Other Products and Services

Other revenues of the Company are partly from providing oil storage services for other fuel traders. Also, the Company earns other revenues from sales of both its own lubricating products under 'PT Maxnitron' brand and other

Revenue Structure of the Company and Subsidiaries from 2013-2015

Revenue Structure	2014	2015		2016			
Business	Operated by	MB	%	MB	%	MB	%
1) Revenue from fuel sales through PT petrol stations	PTG and subsidiaries						
1.1) Revenue from fuel retailing through the Company's petrol stations (COCO petrol stations)	PTC	38,506.66	69.7	40,475.73	75.2	49,941.16	76.9
1.2) Revenue from fuel wholesaling through the Company's dealers (DODO petrol stations)	PTG and subsidiaries (accept PTC)	7,513.06	13.6	6,828.44	12.7	7,521.46	11.6
2) Revenue from fuel wholesaling to other fuel traders and industrial operators	PTG and subsidiaries (accept PTC)	8,694.91	15.7	5,864.88	10.9	6,021.54	9.3
3) Revenue from LPG retailing through the Company's LPG stations (COCO LPG stations)	PTC	-	-	43.35	0.1	356.48	0.6
4) Revenue from fuel logistics business	PTG	35.87	0.1	46.35	0.1	49.56	0.1
5) Revenue from minimart business and coffee shop business	PTC and PUN	242.47	0.4	271.61	0.5	431.84	0.6
6) Other revenues *	PTG and subsidiaries	276.53	0.5	304.36	0.5	604.49	0.9
Total revenues		55,269.49	100.0	53,834.72	100.0	64,926.53	100.0

Source : The Company

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

Industry Review

Domestic Petrol Refinery

At the end of 2016, there were a total of 7 large-scale commercial oil refinery operators in Thailand shown in the table below:

Crude refining capacities, daily oil refining volumes and refinery utilization rates at the end of 2016

Unit: 1,000 barrels/day	Crude Refining Capacity	Daily Oil Refining Volume	Refinery Utilization Rate (%)
Thai Oil	275.00	337.58	122.76
Star	165.00	175.22	106.19
Bangchak	120.00	100.38	83.65
IRPC	215.00	185.38	86.22
ESSO	177.00	135.14	76.35
PTTGC	280.00	161.28	57.60
Fang	2.50	0.78	31.20
Total	1,234.50	1,095.76	88.76

Source: Energy Policy and Planning Office, Ministry of Energy

Even though, in 2016, oil refining volume decreased by 3% compared to last year, domestic oil refining volume is still on a continually increasing trend in the past 12 years or Cumulative Annual Growth Rate (CAGR) equaled to 1.41% which responding to the rising domestic oil demand due to population growth and domestic economic expansion, illustrated by a hike in crude refining capacity from 1.014 million barrels/day in 2004 to 1.234 million barrels/day in 2016 which has 1.65% of CAGR. The perpetual higher demand for oil spurs more investment efforts for greater refining capacity among oil refinery operators. At present, the refinery utilization is at 88.76%.

Petroleum derived from crude oil can be refined into various types of fuel, divided into 5 major categories: 1) Diesel fuel 2) Benzene fuel 3) Fuel oil 4) Aviation fuel 5) Kerosene.

Fuel obtained from crude refinery are largely diesel fuel and benzene fuel. Most of fuel produced by large-scale oil refinery operators in the country are distributed domestically, especially diesel fuel and benzene fuel sold by the Company. Fuel production volumes, domestic sales volumes, and ratios of sales volume to production volume in 2012 to 2016 are as follows:

	2012	2013	2014	2015	2016
Diesel fuel					
Production volume (million liters)	25,124.6	25,524.9	24,068.1	27,139.2	25,696.3
Domestic sales volume (million liters)	20,564.6	20,891.9	21,065.2	21,920.7	22,651.7
Ratio of sales volume to production volume (%)	81.9	81.8	87.5	80.8	88.2
Benzene fuel					
Production volume (million liters)	9,150.1	9,853.3	9,886.5	11,151.5	11,981.4
Domestic sales volume (million liters)	7,705.0	8,233.0	8,567.1	9,713.5	10,679.3
Ratio of sales volume to production volume (%)	84.2	83.6	86.7	87.1	89.1
Fuel oil					
Production volume (million liters)	6,138.1	5,939.6	5,667.4	5,716.1	5,665.3
Domestic sales volume (million liters)	2,363.3	2,175.1	2,092.8	2,061.7	2,278.2
Ratio of sales volume to production volume (%)	38.5	36.6	36.9	36.1	40.2
Aviation fuel					
Production volume (million liters)	5,857.8	6,680.1	6,602.0	7,042.9	7,018.5
Domestic sales volume (million liters)	5,091.4	5,562.4	5,513.1	6,033.4	6,467.9
Ratio of sales volume to production volume (%)	86.9	83.3	83.5	85.7	92.2
Kerosene					
Production volume (million liters)	75.9	694.9	1,098.0	1,354.6	2,223.1
Domestic sales volume (million liters)	13.4	11.0	10.8	10.6	11.0
Ratio of sales volume to production volume (%)	17.7	1.6	1.0	0.8	0.5
Total products					
Production volume (million liters)	46,346.5	48,692.8	47,322.0	52,404.3	52,584.6
Domestic sales volume (million liters)	35,737.7	36,873.4	37,249.0	39,739.9	42,088.1
Ratio of sales volume to production volume (%)	77.1	75.7	78.7	75.8	80.0

Source : Department of Energy Business, Ministry of Energy

Domestic Distribution Channels for Diesel and Benzene

According to domestic sales volume of diesel and benzene by types of business, fuel sales in petrol station business account for the largest portion of diesel and benzene distribution. Sales volume of diesel and benzene in Thailand from 2012 to 2016 are shown below.

	2012		2013		2014		2015		2016	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
Diesel fuel										
Petrol stations	11,992.83	58.3	12,331.58	59.0	12,691.90	60.3	3,634.63	62.2	14,702.35	64.9
Transportation	750.76	3.7	779.99	3.7	779.76	3.7	752.33	3.4	705.52	3.1
Industries	1,083.18	5.3	1,112.13	5.3	1,164.48	5.5	1,297.95	5.9	1,257.40	5.6
Electricity generation	50.33	0.2	135.17	0.6	62.72	0.3	105.57	0.5	73.03	0.3
Government and state enterprises	577.14	2.8	525.49	2.5	529.62	2.5	587.77	2.7	613.92	2.7
Others	2,319.11	11.3	2,280.33	10.9	2,087.79	9.9	1,757.07	8.0	1,845.47	8.1
Fuel traders under Section 10	3,791.28	18.4	3,727.25	17.8	3,748.96	17.8	3,785.38	17.3	3,454.04	15.2
Total volume	20,564.63	100.0	20,891.94	100.0	21,065.22	100.0	21,920.70	100.0	22,651.73	100.0
Benzene fuel										
Petrol stations	6,273.10	81.4	6,769.42	82.2	7,167.14	83.7	8,177.99	84.2	9,121.46	85.4
Transportation	33.47	0.4	31.33	0.4	26.35	0.3	31.37	0.3	29.55	0.3
Industries	56.95	0.7	48.96	0.6	41.38	0.5	43.57	0.4	43.87	0.4
Electricity generation	-	-	0	0	0	0	0	0	0.04	0.0
Government and state enterprises	44.78	0.6	44.08	0.5	43.77	0.5	43.80	0.5	46.12	0.4
Others	437.86	5.7	473.97	5.8	456.34	5.3	413.48	4.3	471.22	4.4
Fuel traders under Section 10	858.80	11.1	865.27	10.5	832.21	9.7	1,003.26	10.3	967.03	9.1
Total volume	7,704.96	100.0	8,233.03	100.0	8,567.19	100.0	9,713.47	100.0	10,679.29	100.0

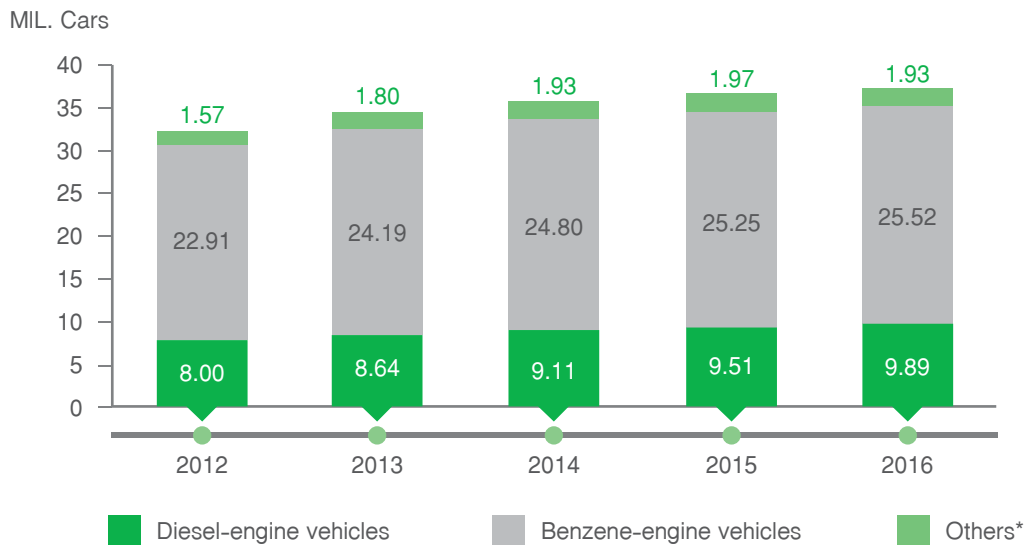
Source : Department of Energy Business, Ministry of Energy

Domestic Demand for Diesel and Benzene

Domestic consumption of diesel and benzene has a tendency to increase steadily. In particular, fuel sale in petrol station business is escalating due mainly to domestic vehicle used that tends to grow every year. According to the Department of Land Transport, total registered vehicles can divide into 2 groups, Diesel-engine vehicles and Benzene-

engine vehicles. Number of Diesel-engine vehicles increased from 8 million cars in 2012 to 9.89 million cars in 2016, or up by CAGR 5.45%. On the other hand, Benzene-engine vehicles increased from 22.91 million cars in 2012 to 25.52 million cars in 2016, or up by CAGR 2.73%. In this regard, petrol service station business can increase its sales volume from consistently increasing in number of new cars.

Number of vehicles registered with the Department of Land Transport at the end of 2012 - 2016



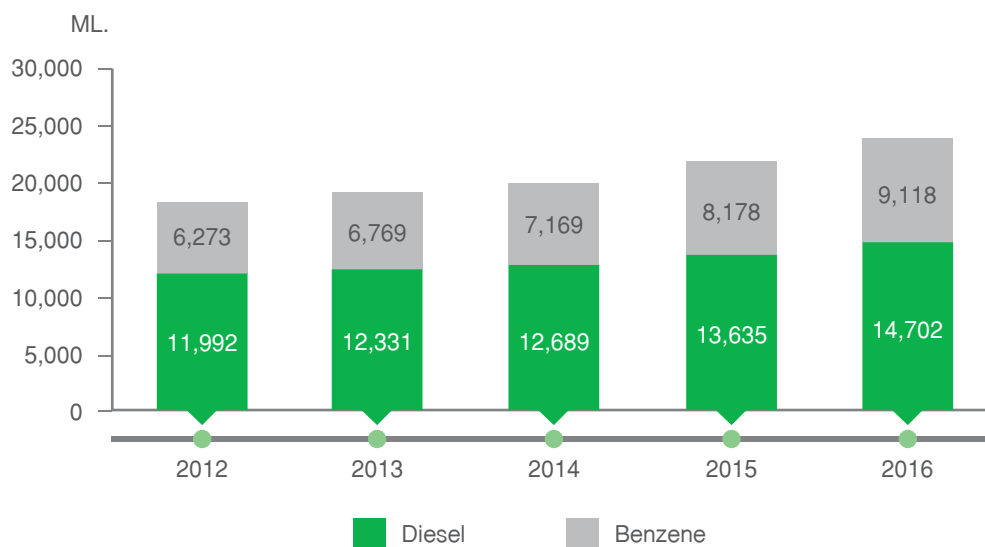
Source : Department of Land Transport

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

In addition, most Benzene and Diesel products are sold through petrol service stations which distributed diesel 64.9% of Thailand's diesel total sales volume, and benzene 85.4% of benzene total sales volume of the country.

According to the Department of Energy Business, the Diesel and Benzene consumption through petrol stations in 2016 increased by 7.83% and 11.54% YoY, respectively.

Benzene and Diesel Volumes through Fuel Service Stations in Thailand

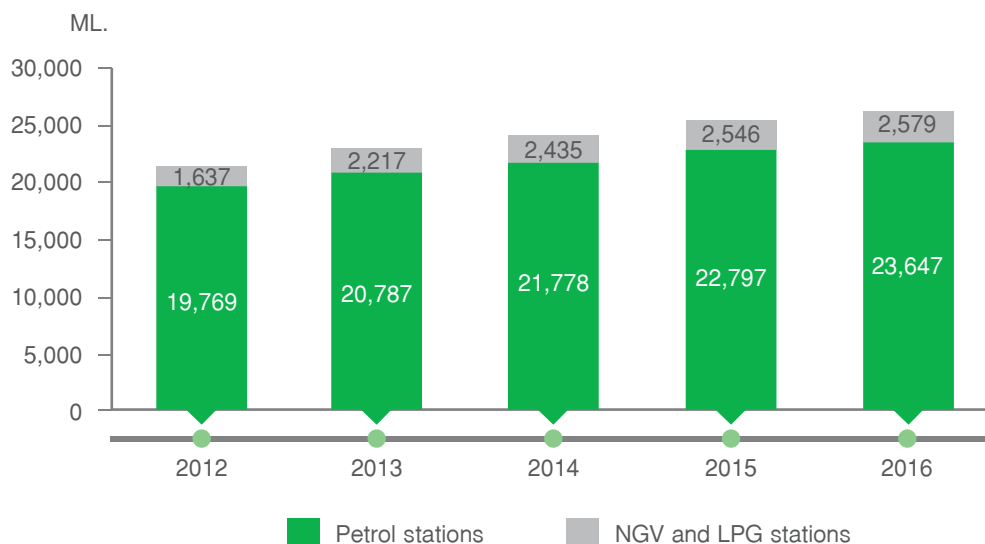


Source: Department of Land Transport

Types of Fuel Service Station in Thailand

The number of fuel service stations in the country tends to expand constantly, caused chiefly by the rising trend of fuel demand. Fuel service stations can be categorized into 2 types:

The Proportion of Petrol Stations and Natural Gas Stations



Source : Department of Energy Business, Ministry of Energy

Furthermore, petrol and natural gas station can be divided by characteristics of operators as follows:-

1. Petrol or natural gas stations operated by large and medium fuel traders. Trademarks of these fuel traders shall be displayed at the petrol or natural gas stations.
2. Petrol or natural gas stations operated by dealers appointed by large and medium fuel traders. These dealers are therefore permitted to display trademarks of these fuel traders at their petrol or natural gas stations.
3. Petrol or natural gas stations operated by independent operators who undertake small stations and may not be dealers of large fuel traders. Therefore, these service stations may not display any trademarks, or display the operators' own logos.

Different groups of operators have different target customers. Thus, their courses of business operations differ, for example one may aim to provide services on main roads that carry heavy traffic, while another in communities in order to sell fuel to users in such communities, etc.

Market Competition

A continuing expansion in domestic oil demand attracts a lot of operators into fuel sale business, both as retailers and wholesalers. Fuel sale operators are then diverse in nature, ranging from retailers who own and operate only one petrol station, small and medium traders who own no petrol station but act as fuel wholesale middlemen, to large fuel traders operating fuel retailing and wholesaling businesses who own oil refineries and tank farms in various parts of Thailand along with petrol stations undertaken under their own trademarks. The current list of medium and large fuel traders is as follows:

- 1) PTT Public Company Limited ("PTT")
- 2) Thai Oil Public Company Limited ("Thai Oil")
- 3) Esso (Thailand) Public Company Limited ("Esso")
- 4) Shell (Thailand) Co., Ltd. ("Shell")
- 5) Bangchak Petroleum Public Company Limited ("Bangchak")
- 6) Chevron (Thailand) Co., Ltd. ("Chevron")
- 7) IRPC Public Company Limited ("IRPC")
- 8) PTG Energy Public Company Limited ("the Company")
- 9) Susco Public Company Limited ("Susco")

Market share of domestic fuel sales by medium and large fuel traders from 2012 to 2016

	2012		2013		2014		2015		2016	
	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)	Volume (ML)	Share (%)
1) PTT	10,072.54	35.6	10,683.97	36.6	10,986.04	37.0	11,813.71	37.3	2,617.28	37.8
2) ESSO	4,373.59	15.5	4,540.82	15.6	4,239.04	14.3	4,518.58	14.3	4,350.20	13.0
3) Bangchak	3,481.56	12.3	3,861.94	13.3	3,893.57	13.1	4,305.65	13.6	4,527.06	13.6
4) Shell	3,246.54	11.5	3,099.34	10.6	3,453.29	11.7	3,586.73	11.3	3,836.01	11.5
5) Chevron	2,511.58	8.9	2,228.86	7.7	2,406.28	8.1	2,417.88	7.6	2,611.86	7.8
6) IRPC	2,032.27	7.2	2,072.99	7.1	1,764.18	6.0	1,894.24	6.0	1,816.05	5.4
7) Thaioil ^{3/}	1,396.17	4.9	1,470.48	5.0	1,656.03	5.6	1,970.10	6.2	2,407.73	7.2
8) Susco ^{2/}	522.82	1.8	428.28	1.5	436.47	1.5	465.44	1.5	503.33	1.5
9) Company ^{1/}	177.51	0.7	254.22	0.9	333.62	1.1	358.76	1.1	380.50	1.1
10) Others	455.02	1.6	484.06	1.7	467.77	1.6	303.84	1.1	332.93	1.0

Source : Department of Energy Business, Ministry of Energy

Notes : ^{1/} Volume shown in the table above refers to the quantity of fuel sold by fuel traders under Section 7 to customers (including fuel traders under Sections 10 and 11 buying fuel from fuel traders under Section 7). Therefore, the Company's fuel sales volume shown above refers to the quantity of fuel sold solely by the Company as a fuel trader under Section 7 to its customers. This does not include the quantity of fuel sold by the Company's subsidiaries being fuel traders under Sections 10 and 11. In this regard, Fuel sold by the Company and subsidiaries altogether amounted to 1,372.17 million liters in 2012, to 1,577.50 million liters in 2013, to 1,850.95 million liters in 2014, to 2,237.23 million liters in 2015, and to 2,860.09 million liters in 2016.

^{2/} Susco Public Company Limited acquired shares of Petronas Retail (Thailand) Co., Ltd. on October 9, 2012.

^{3/} Fuel volume shown in the table above refers to the quantity of fuel sold by fuel traders under Section 7 to customers who are not fuel traders under Section 7. Therefore, Thai Oil's fuel sales volume shown above is lower than its actual annual production volume, because Thai Oil sells a vast quantity of oil output to fuel traders under Section 7.

Most of the large and medium fuel traders sell diesel and benzene fuel via petrol stations operated under their respective trademarks. These petrol stations are either stations operated by the large and medium fuel traders or station operated under franchise by dealers of said large and medium fuel traders. Meanwhile, independent petrol station operators sell fuel via their own petrol stations,

without bearing trademarks of the large and medium fuel traders. Over the past period, number of petrol and natural gas stations has been expanding in line with continual increase in domestic oil and gas consumption. Number of petrol and natural gas stations of each trader at the end of 2013 to 2016 is shown below.



The number of service stations in Thailand

Unit: Stations	2013		2014		2015		2016	
	Number	%	Number	%	Number	%	Number	%
PTT ^{1/}	1,610	7.0	1,652	6.9	1,725	6.8	1,825	6.9
PTG ^{2/}	743	3.2	951	3.9	1,150	4.5	1,407	5.4
Bangchak	1,074	4.7	1,070	4.4	1,072	4.2	1,075	4.1
ESSO	516	2.2	511	2.0	534	2.1	542	2.1
Shell	515	2.2	489	2.1	491	1.9	498	1.9
Chevron	366	1.6	359	1.5	362	1.4	368	1.4
Susco ^{3/}	220	0.7	218	0.7	217	0.9	217	0.8
Others	17,960	78.4	18,963	78.5	19,792	78.2	20,294	77.4
Total ^{4/}	23,004	100.0	24,213	100.0	25,343	100.0	26,226	100.0

Source : Department of Energy Business, Ministry of Energy

Notes : ^{1/} Including PTT petrol stations under the management of PTT Retail Management Co., Ltd.

^{2/} Number of the Company's petrol stations in the table above refers to the number of petrol stations registered with the Department of Energy Business at period end. However, the number reported slightly differs from the actual number in service in each period because some newly-opened or terminated petrol stations are still in the process of filing registration with the Department.

^{3/} Included Susco Dealers (former Petronas) which is operated under Susco Group

^{4/} The number of petrol stations of some fuel traders in the table above consists of both petrol and natural gas stations.

Number of Thailand petrol and gas stations in 2016 equaled to 26,226 stations, up by 3,222 stations YoY, and has increasing CAGR from 2013 to 2016 of 4.5%. These factors resulted from the increasing trend of oil and gas consumption of the country, together with the high competition among petroleum retail business that were trying to improve or modernize their service stations and brand images in order to receive satisfaction from the customers and increase their competitive efficiency in the industry.

Supply and Storage of Products

1. Supply of Fuel Products

The Company's fuel are supplied mainly by Thai Oil's refinery. The petrol the Company purchased from Thai Oil in 2015 and 2016 accounted for 84% and 86% of total purchased quantity, respectively, enabling the Company to get better terms and prices from Thai Oil than it does from other fuel traders and jobbers. Nevertheless, the Company also buys fuel partially from jobbers in the following cases:

- 1) Purchase of fuel for distribution to fuel retailers and wholesalers in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in said area. The Company

is therefore unable to purchase fuel from Thai Oil, and transport of fuel from other Thai Oil tank farms or distribution facilities is not worthwhile as well.

- 2) Purchase of fuel for the portion exceeding the monthly offtake quantity agreed upon with Thai Oil. In this regard, the Company may buy fuel from jobbers if the terms and prices offered by jobbers are significantly better than those by Thai Oil.

2. Supply of LPG Products

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

3. Storage of Fuel Products

The Company has invested in scores of tank farms for stocking at each the fuel transported from Thai Oil prior to further distribution to the Company's petrol stations (COCO petrol stations) and its customers in fuel wholesaling business and the industrial sector. At present, the Company has 9 tank farms, as follows:

Tank Farm	Capacity (ML)
1. Chum Phon Tank Farm, Chum Phon province	26.54
2. Mae Klong Tank Farm, Samut Songkhram province	113.69
3. Pak Phanang Tank Farm, Nakhon Si Thammarat province ^{1/}	19.80
4. Nam Phong Tank Farm, Khon Kaen province	4.46
5. Lampang Tank Farm, Lampang province	3.87
6. Nong Khae Tank Farm, Saraburi province	5.30
7. Pak Thong Chai Tank Farm, Nakhon Ratchasima province	12.52
8. Phitsanulok Tank Farm, Phitsanulok province	7.69
9. Nakhon Sawan Tank Farm, Nakhon Sawan province	6.65
Total	200.52

Notes : ^{1/} In the past, Pak Phanang Tank Farm was the distribution facility for supplying fuel to petrol stations and customers in the lower South (from Nakhon Si Thammarat to Narathiwat). As small sales volume in the said area made the business not worth the management expenses, the Company therefore suspended the operation of Pak Phanang Tank Farm. However, if fuel sales volume in the lower South is high enough, the Company may consider using it as the distribution facility again.

The Company's tank farms in all regions of Thailand contribute to its ability to transport and delivery fuel to target customers in each business segment effectively and efficiently. Advantages of tank farms in fuel transport and delivery as well as fuel wholesaling business operations as follows:

- 1) Fuel delivery takes a relatively short time. The Company can promptly fulfill urgent demand for fuel since the fuel is transported to and stored at its tank farms, readily available for delivery.
- 2) Cost of fuel transport per liter is low, attributing to the combined operations of tanker trailers for long-haul delivery and 10-wheeler trucks for short-distant distribution.
- 3) The Company is able to use each tank farm as a sales office, so as to reach the target customers in each area more efficiently.

Supply and Storage of Non-fuel Products

Consumer Goods for Sales at PT Mart and Max Mart

The Company set up a distribution center (DC) in Pathum Thani province to serve as warehouse for keeping the stock of consumer goods for PT Mart and PT Max Mart, as well as distribution hubs in Nakhon Ratchasima Province to serve as the centers for distributing goods to PT Mart and Max Mart stores in responsible areas. These distribution facilities have their own trucks for delivering merchandise to PT Mart and PT Max Mart stores under their responsibility. Each truck is assigned with regular delivery route and destination stores, therefore the time period between one delivery and the next ("goods delivery cycle time") for each convenience store will differ dependent on number of stores and the delivery route for which each truck is responsible. For this reason, the time period between one set of orders and the next ("order cycle time") of these convenience stores shall be equal to the goods delivery cycle time.

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

In any case, the distribution center is not required to handle purchase orders for some types of goods, which include short-life products, such as milk and bread, and locally-produced or locally-based goods, such as ice and souvenirs. The Company assigns the convenience store managers to make purchase requests for short-life fresh products to the Minimart Management Division at the Head Office. Minimart management staff will subsequently place purchase orders with the producers, with instruction for the delivery of goods to certain PT Mart and Max Mart stores. As for the locally-produced or locally-based goods, the Company permits the store managers to place purchase orders, for the goods as approved by the Company only, with the local producers permitted by the Company to be suppliers for the stores. Nonetheless, the quantity and value of purchases not made via the distribution center are relatively small when compared to purchases via the distribution center.

Apart from receiving purchase orders from PT Mart and Max Mart stores in the responsible areas, staff at the distribution center and distribution hubs are also responsible for managing stock to ensure availability of consumer goods for supplying to each convenience store. The distribution staff

submit purchase orders for consumer goods to the minimart management staff at the Head Office via software similar to the one used in convenience stores. The order cycle time for each product item depends on the delivery cycle time of each producer, and the suitable quantity of each purchase is calculated by multiplying the average quantity of goods to be distributed to convenience stores in a day by the number days of an order cycle time, and then subtracting the number of current inventory in the facility. Upon receipt of purchase orders from the distribution center and distribution hubs, the minimart management staff place orders with the producers, with instruction for the delivery of goods to the center and the hubs.

Engine Lubricants for Sale at PT Petrol Stations

In 4Q/2016, the Company launched lubricant products under its own brand 'PT Maxnitron' selling at PT stations throughout the country directly which had members of PT Max Card as a first target group. The Company not only sells its new product, PT Maxnitron, but also sells engine lubricants of other leading brands through PT COCO petrol stations and its dealers for further sale at their DODO petrol stations. Sales staff are assigned to manage a suitable level of lubricant stock at each tank farm to match the volume sold at COCO petrol stations and the demand of the Company's dealers.

Environmental Impacts and Safety

Recognizing the importance of environmental impacts and safety, the Company has established Safety Division to analyze and examine each of the Company's business activity that may affect safety of the operating staff and other related parties, including the environmental impacts arising from the Company's operations. Operation Manual and Incident Prevention and Control Manual have been issued to staff in related units. Staff of each unit are required to thoroughly study and strictly follow these manuals. Emergency drills are carried out regularly, especially the fire extinguisher trainings at petrol stations and tank farms, the rescue trainings for tanker truck accident, etc.

Moreover, the Company is a member of the Oil Industry Environmental Safety Group Association (IESG), established with the aim of enhancing safety standards, developing personnel related to safety and environment, promoting collaboration among large petroleum business operators for the prevention and handling of oil spill into water supplies or on land, along with emergency responses. The Company delegates its safety and environment staff to participate in IESG activities. Over the past period, the Company, IESG and governing sector have been regularly organizing training programs on incident preventions. It also provides staff and equipment in many emergency rescues.

Direction of Business Development

With its strong growth, PTG Energy Public Company Limited has become one of Thailand's leading energy companies. The Company carry out business operations steadily and aims to add value to the businesses consistently for a sustainable growth along with good corporate governance and responsibility of social and environment, emphasizing the importance of boosting staff's potential, knowledge and ability in order to improve the Company continuously. We are determined to become a leader in the comprehensive energy business and win the hearts of Thai people.

The Company places high value on delivering quality products and services through its networks that are consistantly extending over all provinces and starting to set foot in districts all over the country, begining with the service stations located on minor roads to those located on main roads in rural areas and, finally, to the ones located in Bangkok and peripheral areas. The company is determined to elevate the standard of PT fuel stations to comprehensively provide quality products and services to the customer needs in each location, introducing PT Max Card that links privileges and benefits offered to currently more than 5.6 million members. The company is resolute to continously increase its cutomer base by raising the number of fuel service stations.

Besides fuel service station business, the Company also places its interest on other business that 1. supports its core business, 2. enhances the Company's rate of return and promotes long-term grwoth potential, and 3. create enovironmental and social balance, leading to major investment in the recent periods, including Palm Complex Industry Project, the first comprehensive palm oil production facility in Thailand that cover the entire palm oil production services from palm fruit extraction to biodiesel manufacturing. Biodiesel produced is to be mixed with diesel oil for sale in fuel stations and Olein cooking oil. Other projects include Ethanol Project, which add value to the agricultural waste (cassava waste) and support domestic farmers, investment in the pipeline oil transportation business and investment in the marine fluid transportation and inland fluid transportation business, the latter significantly strengthening the company transportation system. The company's direction is to invest in a variety of businesses to diversify the risks arising from relying only on the oil business which may results in fluctuation of performance. The company is resolute to

create energy security and respond to all type of needs prevailing in the energy business.

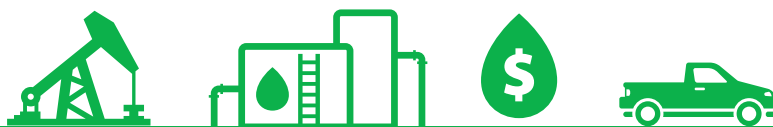
Well aware that personnel is at the heart of business drive and growth, PTG has put in place a policy aiming for sustainable development. It, consequently, set up a specialized training and learning academy to improve knowledge, skills, and potential of its staff, as well as to promote leadership skill, knowledge management, and innovation creation. All of these development areas are addressed in PTG's short-term (3-year) and medium-term (5-year) human resource development plan in order to support success of the company's strategies and business objectives. At the same time, the company focuses on establishing an organization culture "PTG Way", which aims at establishing a unique and consistent work culture by introducing 4 values:

Customer Service	Full quality, Full service
Teamwork	Grow together for tenable bond
Integrity & Ethics	Act righteously to achieve sustainable growth
Continuous Improvement	Have courage to think and act, learn for excellence

These 4 values will serve as a common foundation of thoughts, decision-making and problem-solving processes to shape desired behaviors that will drives the company to reach its objectives and visions.

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

- 1) Training is designed based on the company's core values to encourage its staff to understand the principles, concepts, and teamworking culture to achieve the company objectives and visions.
- 2) All new staff members are provided with basic training sessions related to operations, so that they understand the work process and abide by it accordingly



with safety and in accordance with the Company's standards and regulations.

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

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

5) Leadership training programs are designed to help the company's staff develop necessary skills for leadership positions. Covering multiple aspects, including human resource management, work management, and corporate strategy formation. The Company offered many leadership training programs, such as Business Leadership Development program, and Coaching for Management Skill program.

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

- Kaizen is "self-improvement" on a regular basis. It improves our staff's work process in order to develop the efficiencies of themselves and of their departments. This aims to maximize effectiveness and reduce work load and costs. Regarding the internal Kaizen activity promotion, this led PTG to won "Bronze Award" for increasing transportation volume by utilizing the same resources. This award was given by the Techninology Promotion Association (Thailand-Japan).

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

PTG is determined to drive the business to sustainable growth based on the Principle of Good Corporate Governance, as well as to continuously improve the organization and the potentials of its human resource to propel the company to achieve its objectives of being a true leading service provider in Thailand's comprehensive energy business.



Risk Factors

The following statements entail significant risk factors that can have adverse effects on the Company. Apart from risk factors disclosed herein, there may be other risks currently unknown to the Company or considered as insignificant for the time being, yet they may become important risk factors in the future. These risks may have significant effects on the Company's business, financial status, operating results, liquidity or sources of fund.

In addition, forward-looking statements which are the opinions of the Company at the time of this report, e.g. such terms and phrases as "believe that", "expect that", "anticipate that", "plan to", "intend to", "approximately," or financial projections, future projects, operating performance anticipation, business expansion plans, change of applicable laws, government policies and anticipation of future circumstances, do not guarantee future operating results or circumstances. The actual results could differ materially from those anticipated or estimated in said statements. In this section, information referring or related to the government or economy on the whole has been derived from disclosed information or abridged from the government publication or other sources. The Company has not examined or verified the accuracy of such information at all.

1. Risks from uncertainties in fuel sale profits due to oil price volatility and state mechanism

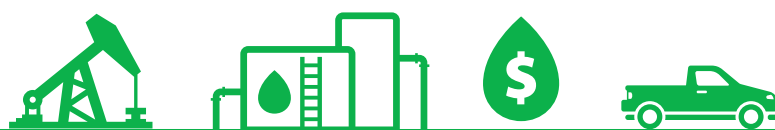
Prices of fuel sold by the Company and/or purchased from refineries or other fuel traders may fluctuate according to such factors as 1) global economic situation, especially in the region with relatively high fuel consumption, 2) world fuel demand and supply, 3) relevant state regulations domestically and overseas, etc., which are beyond the Company's control. Volatility of fuel prices can directly affect both retail and wholesale sale prices of fuel, leading to possible increase or decrease in demand for and sales volume of fuel along with a change in the value of inventory, mostly the reserved fuel. Therefore, fuel price volatility can impact the Company's financial status and operating results.

However, the Company focuses on selling fuel to target customers with regular demand, i.e. individual consumers using fuel in their daily lives and businesses, and industrial operators using fuel in their operations. In addition, the Company has 90% of total sales volume from service stations. Demand for sales volume of fuel in these groups do not easily change in response to fluctuating oil prices. The Company has no policy to reserve fuel for speculation; the amount currently reserved is only for legal requirement and sales to customers in each area.

Despite oil price volatility, the Company's ratio of profit to sales per liter will remain unaffected if the marketing margin does not change. This is because retail fuel price is the sum total of ex-refinery price plus marketing margin. Therefore, if marketing margin, tax rate, and fund contributions do not change, the retail fuel price shall be adjusted according to the change in the ex-refinery price alone. For this reason, the Company believes that oil price volatility will not materially affect its financial status and operating results.

2. Risks from the inability to develop personnel knowledge, capability, and skills to accommodate corporate growth

PTG Energy Public Company Limited has a commitment to develop the ability to operate business continuously and sustainably in order to step into the leading provider of integrated energy business in the country. Therefore, the company has expanded its business rapidly by investing in new businesses, investing in other related energy businesses as well as expanding existing businesses to grow in various businesses. In order to upgrade and expand its business appropriately, the company needs to prepare personnel to be adequate; the company also needs to develop personnel to prepare to support the existing businesses and new businesses and to replace management who will retire soon. If the Company is unable to prepare personnel who have specialized experience to meet the needs of the company, it will affect businesses including achieving long-term goals of



the organization. Therefore, the Company has leveraged to develop highly qualified personnel to support the business expansion including supporting the improvement of the personnel's expertise, skills and knowledge by focusing on training employees in management, operations, and supportive departments as well as promoting high-potential employees to have the opportunity to develop in their career growth along with the success of the Company. The Company has adopted Career Management as a guideline to prepare and encouraged all employees to have more knowledge and experience according to the Model that the Company has set up in order to support mission and create value for the Company continuously by using this as a framework and a guideline for the management and development of staff at all levels. To determine the Company's professional line, it depends on the direction of the business. The development will be divided into two groups which are management and employees. The management group (equivalent to an Assistant Director or above) will be trained to be as a Group Leader Development to support the demand of the management of the Company both in quantity and quality, and the employee group (equivalent to a manager or below) will be trained to support the need of the business of each department to accommodate future business growth.

The purpose of the management is a mechanism for all employees to set a goal and a plan to develop themselves for their future career paths and to create value in their works in which will be consistent with the goals and the direction of the company in the form of the appropriated training including the rotation of the current responsibilities based on the career path so that employees can develop their skills and expertise from their experiences in their new positions along with the nomination of the employees to meet the responsibilities and the abilities of the employees, and this will make the employees to be ready for being a manager in the future. Also, this will show that the Company is committed to keep the personnel who have the ability to lead the company to achieve their goal. Moreover, the

Company has set a training plan clearly and systematically to allow the management group and the employee group to be trained throughout their working life, and this can create value to the Company because of the faith in the power of learning will make the Company grow steadily and sustainably.

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

The company pays attention on expanding PT service stations continuously including both PT stations which the company operates (PT stations providing COCO type of fuel and gas) and PT stations that dealers operate (PT stations providing DODO type of fuel and gas). As a result, the numbers of PT service stations are increased to be 1,407 stations. By the end of 2016, considering the numbers of PT service stations, found out the most of the service stations which increased mostly are PT stations providing COCO type of fuel and gas in which the company operates this type of PT service stations around 1,194 stations.

By the end of the year 2016, the Company has aimed to increase the numbers of PT stations providing COCO type of fuel and gas approximately 370 stations. In 2017, the increase of the numbers of PT stations providing COCO type of fuel and gas continuously may affect the management and service quality to be below standard including controlling and operating within PT service stations, developing management system and database system in compliance with the increase of the numbers of PT stations, recruiting employees who are competent enough to accommodate the increase of the numbers of PT service stations, and management and distribution of fuel products within new PT service stations to be the same as existing PT service stations.

If the Company is unable to manage the new PT service stations effectively, it may affect the satisfaction of the customers and the company's operations in the future. In order to reinforce the creation of maximum satisfaction to customers who use the service, the Company has improved the management of the stations including for managing and

controlling within PT service stations, the Company has prepared a plan for recruiting employees at the stations in advance in accordance with the expansion of the stations in the future especially the station managers and district managers will be important in the management of the station. For corporate governance within the stations, the Company will consider the inside personnel who have enough knowledge and ability by the Company will transfer the station managers with great experience and the ability to work to the new stations or acting as district managers to manage the new service stations to have the same performance as the existing stations. In addition, for the quality of service, the Company has a policy of recruiting employees at service stations by focusing on personnel who live close to the stations so that they will understand and be able to provide service to the local customers. This will help reducing the turnover rate effectively. The Company also provides training within the stations as well as monitoring the quality of services on a quarterly basis, and provides a channel to receive complaints from service users through PT Call Center to lead to the development and continuous improvement which is an important guideline to push the Company to achieve its goals in the professional management and to meet the highest customer satisfaction with the service in the future.

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

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

The Company has reduced the risks from inability to acquire locations for expansion of PT petrol stations by appointing the business development to search for stations that have the potential to operate gas and petrol in order to rent space by dividing staffs according to the space. In order to reach its potential area as a target is "One District One Station", the business development needs to visit all potential stations. The Company has implemented GIS system in order to increase the effectiveness of the search. The GIS system has been developed for the use within the Company in gathering all data of petrol and gas stations across the country in order to analyze the potential area and its location.

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

Furthermore, in order to continuously operate the business and enhance the opportunity in the long-run, the Company will enter into a lease agreement of more than 10 years with renewal rights for the investment in COCO petrol stations. If a station makes a continuous growth of sales volume, the Company might offer to purchase the station when the original lease agreement expires. On the contrary, if the station's performance is lower than expected, the Company may not renew the agreement or even terminate the lease before its expiry. Therefore, the Company believes that its selection process and method of investment in COCO petrol stations are appropriate.

5. Risk of Safety and Environment

The Company was established to operate in the energy sector including fuel and gas. From risk assessment on safety and environment, some risk areas that were found, needed to be protected and controlled which are tank farms, PT stations, and the transportation of fuel. As the fuel and

gas are flammable in which if the employees perform their duties negligently, this may cause accidents such as leakage, explosion, and fire, and so on, and this also may cause damage to life, property, and the environment in which will affect directly to the reputation, financial position, and operation of the Company.

Therefore, the Company has set a risk appetite and an unacceptable risk in which it has also set rules and regulations in order to protect the damage before it occurs continuously. The Company has established a Department of Safety and Environment to analyze and safety check PT stations, tank farms, and transportation. Moreover, the company has developed the management of safety by providing control systems on significant risks including promoting activities and raising awareness of the dangers (Kiken Yochi Training), implementing Key Risk Indicator to check and warn, and implementing Behavior Based Safety system to reduce the risks from the employees. The Company has also implemented a safety system in transportation systems such as training for safe driving, using a GPS system to monitor details of travelling and installed surveillance cameras in vehicles to evaluate the driving habits which can be used for training new employees. For the safety at PT stations, the Company has prepared a manual operation, a guide to prevent and protect when emergency situations occurring at the stations. Furthermore, the Company has trained all employees at the stations the Emergency Exercise every year as well. For a safety at tank farms, the Company has informed employees about safety rules before entering the flammable zones. the Company sets the rule that anyone who is not involved in the operation cannot enter to farm tanks before permission. Do not bring anything that might cause a spark in the operation area, and sets a rule and regulation to protect and solve problems on the leakage of fuel into the river for the farm tanks which can be received the fuel through water including Mae Klong tank farm and Chumphon tank farm. In addition, in order to be ready for emergency situations, the Company pays attention on training and practicing on emergency plans every year to all related parties including employees, and internal and external agencies.

The Company has passed the audit from the government agencies related to the industry and environment, and the company never faced the problem about not passing the standard of the government agencies. Moreover, the

Company also has an insurance coverage on the damages that may occur to the lives of employees and assets of the company including people living in areas close to the tank farms. Therefore, the Company believes that it has reduced the chances of accidents occurred inside the tank farms and reduced the impact and prevented damage to the Company and the environment to be at an acceptable level in which it will not affect its financial position and the operation of the organization. However, from the result that the Company has improved to prevent the risk of safety and the environment, the numbers of accidents that cause loss of life, the accidents that cause the strike, and any other accidents are significantly decreased from the previous year. As a result, the Company still has to set rules and regulation on safety to be stricter according to the risks concerning Safety and Environment of the Company.

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

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

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

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

7. Compliance Risk

The business of the Company is distributing refined fuels through PT gas stations that are managed by the management. PTG distributes refined fuels to distributors, other traders, industrial operators who use fuels to run their business, retail gas through gas stations, and fuel transport business. According to all section mentioned above, the total revenue from fuel and transportation businesses equaled to the 63,841 million in 2016 or equivalent to 99% of total sales and service revenue. The ability to grow the business will be depended on the government policies in each period including the change in corporate governance policies on energy, energy prices, rules and regulations, such as the increase in tax rates for fuels, the decrease in the proportion of biodiesel blends, the announcement on increasing LPG prices in the future, etc. in which this may affect the cost of sales and services and the expansion of the company which will make the company to have less revenue and profits.

As a result, the Company has managed these risks by analyzing and monitoring corporate governance policies on energy, energy prices, and the impacts. The company has also planned to accommodate such changes by cooperating with the government in attending the meeting and activities with the government agencies to provide information and monitor the movement closely. Moreover, the Company has assigned the corporate governance to oversee the rules and regulations that will be amended or newly announced and to be a center to collect and consider the rules and regulations that may affect to the Company, and the Company has assessed the impact that might affect the Company as well. In addition, the Company will review and monitor the progress of the development, and monitor the performance of many departments which are managed by senior executives, the Risk Management Committee, and the Corporate Governance Committee to comply with the rules and regulation related to the Company.



Enterprise Internal Control and Risk Management

PTG Energy Public Company Limited has recognized the importance of good enterprise internal control system in which can prevent and manage the risk or any damages occurring to the Company and all stakeholders. Therefore, the Board of Directors operates the business and prepares accurate and reliable financial statements in accordance with its goals, objectives, laws, and regulations in order to protect assets from fraud and damages.

The Company has an internal control system based on the COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which consists of five elements and 17 principles as a guideline of the internal control system of the Company. The Company also provides an assessment of the adequacy of the internal control system at least once a year by the approval of the Audit Committee and the Board of Directors of the Company. In the Board of Directors' Meeting No.1/2017 held on January 26, 2017, the Board of Directors considered that the internal control system of the Company is sufficient and appropriate which can be summarized as follows:

1. Control Environment

The Board of Directors and management encourage employees to be honest and ethical in work by including this in the core value of the Company, and this has been announced to all employees. In the year 2016, the Company arranged PTG Way event in which the objective was to inform all employees and make them understand about the core value of the Company so that the employees can apply this core value into their work. In addition, the Company has an organizational structure that supports the implementation of the management, and the Company also has the internal auditors reporting directly to the Audit Committee. For human resource, the Company has selected the suitable persons joining the Company by providing official Job Description, and has explained this to the person in charge so that they will know and understand about their duties and responsibilities, and the Company has supported all employees by providing training programs in order to

teaching knowledge and skills needed to perform their works.

2. Risk Assessment

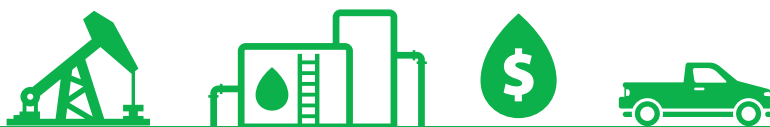
The Risk Management Committee is appointed by the Board of Directors to oversee the risk management of the Company to be appropriate, efficient, and effective. The Committee has identified risks that may affect the business operations of both organizations and institutions, and the Committee has also analyzed risks that may occur due to the internal and external factors. Moreover, the Committee has formulated the risk management policy as a guideline of the risk management that may affect the objectives of the Company. The management and staff at all levels are responsible for risk management as stated in a Risk Management manual including management processes as well.

3. Control Activities

The Company has established policies and procedures relating to all transactions, and also determined the scope of authority and hierarchy of approval of each level clearly. Furthermore, the Company has collected the information of major shareholders, directors, executives, and related persons as well as related parties for the purpose of monitoring and auditing of transactions or items that may lead to a conflict of interest, and the Company has established the policy on doing related transactions in compliance with the criteria of the Stock Exchange of Thailand as well in order to prevent any opportunities or benefits of the Company to their own uses.

4. Information & Communication

The Company has prepared to provide completed and sufficient information to the Audit Committee for decision making, and the Company has also prepared to provide the notification of the meeting or the document related to the agenda in the meeting to the Audit Committee before the meeting in order to be ready for the meeting. Moreover, the Company has prepared a meeting report including comments or observations of the Committee in considering



topics. The Company has provided investor relations as a channel of communication between the Company and stakeholders outside the Company. Furthermore, the Company has provided a channel for complaints so that individuals can report clues about fraud or corruption within the Company (Whistle-blower). In the year 2016, the Audit Committee has considered the total of 10 complaints received from Whistle-blower.

5. Monitoring Activities

The Company has determined the guideline of the internal audit reports of the Internal Audit department to report directly to the Audit Committee, and also encouraged the internal auditors to act in compliance with International Standards for the Professional Practice of Internal Auditing: IIA which the internal auditors are responsible for monitoring and evaluating the effectiveness of the internal control activities of the Company based on the internal audit plan as approved by the Audit Committee. Moreover, the internal auditors shall provide recommendations to the executives in order to improve the efficiency and effectiveness of the internal control of the Company and report to the Audit Committee.

Risk Management

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

- Executives and all employees are responsible for risk management by following the roles, duties, responsibilities, and risk management processes defining in risk management manual.
- Executives and all employees must report the risk

assessment and prioritize in accordance with the Company's risk management manual, and they also provide a way to manage the risks. This report must be presented to the superiors.

- To define risk management process in a systematic way and manage the risks affecting the achievement of the Company's objectives with regard to performance along with good internal control, transparency, integrity, accountability and suitability so that the risks will be at the level that the Company can accept which will help the Company to operate the risk management to be the same direction.

- To set guidelines to prevent and reduce risks in order to avoid damage or unexpected loss affecting business and to make stakeholders to be more confident.

- Executives and all employees must apply the principles of risk management which is consistent with good corporate governance to perform as a part of their daily work for the enterprise, department, and process in order to maximize the opportunity and reduce uncertainty in the overall operation of the Company.

- When executives and employees see or know about any risks that may affect the Company, they have to report that risks to involved people immediately in order to further handling.

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

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

Head of Internal Audit

The Audit Committee has considered and appointed Miss Sumaree Panniyom to be the Chief Internal Auditor of the Company as she has considerable experience with the internal audit for more than 15 years, and she has been trained in courses related to the internal audit as well as understand related activities, and the operations of the Company. Therefore, the Company thought that she suit with this position in which the consideration, approval, appointment, dismissal, and transfer of the Chief Internal Auditor of the Company must be approved by the Audit Committee.

Name : Ms. Sumaree Panniyom

Position : Assistant to Executive - Internal Audit

Education

- Bachelor of Business Administration Program (BBA) in Accounting - Rajamangala University of Technology
- Master of Business Administration (MBA) in Management - Phranakhon Si Ayutthaya Rajabhat University
- Internal Audit Certificate Program (IACP) Class 10 certified by Federation of Accounting Professions
- Internal Audit Program: Prepare Course for Certified Internal Auditor (Pre-CIA) Class 19 on January 23, 2010-July 18, 2010 certified by Faculty of Commerce and Accountancy, Chulalongkorn University

Work Experiences

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

Training Courses: organized by

1. Thailand Institute of Directors (IOD)
 - "Successful Formulation & Execution Strategy (SFE)" Class 24/2015
 - "How to Develop a Risk Management Plan" Class 8/2015
 - "Ethical Leadership Program (ELP)" Class 1/2015
 - "Risk Management Committee Program (RMP)" Class 3/2014

- Anti-Corruption: The Practical Guide (ACPG)" Class 4/2013
2. The Institute of Internal Auditors of Thailand (IIAT)
 - "Ethical Audit"
 - "Audit Manager Tools and Techniques"
 - "Certified Internal Audit"
 - "Compliance and Compliance Audit"
 - "Operational Auditing"
 - "Fraud Audit"
 3. Federation of Accounting Professions
 - "Working paper for defensive measure of corruption in enterprise" 8/2016
 - "IT Audit"
 - "Business Management for Internal Audit Class 2"
 - "Fraud Audit"
 - "Internal Auditing Certificate Program (IACP) Class 10"
 - "COSO 2013"
 - "Special Considerations in Auditing Financial Instruments"
 - "Integrated Audit"
 - "COSO-ERM"
 - "Risk Identification"
 4. Other Institutions
 - "Coaching Skills Workshop"
 - "ITIL Foundation Certification and Workshop"
 - "ISO 9001:2015 Introduction & Internal Auditor Course"
 - "7 Habits by PacRim Group"
 - "ACL for The Beginner"
 - "Microsoft Project 2003"
 - "Safety Committee"
 - "Introduction to ISO 9001:2000"

Securities Information and Shareholders

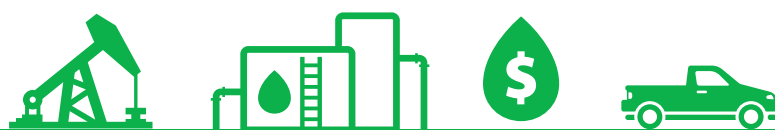
1. Securities Information

As of December 31, 2016, the Company has paid-up registered capital of Baht 1,670.00 million, divided into 1,670.00 million ordinary shares with a par value of Baht 1.00 each.

2. Shareholders

Major shareholders of the Company as of December 31, 2016 can be summarized as follows:

Top 10 Major Shareholders ^{1/}	No. of shares	%
1. Ratchakitprakarn Family ^{2/}	551,617,760	33.03
• Ratchakit Holding Co., Ltd.	419,504,000	25.12
• Mr. Pipat Ratchakitprakarn	64,125,400	3.84
• Mr. Pitak Ratchakitprakarn	39,239,634	2.35
• Mrs. Chatkaew Gajaseni	11,892,500	0.71
• Mrs. Kotchakorn Piboondhamasak	5,436,290	0.33
• Ms. Chantawarat Chandrasardula	4,283,300	0.26
• Mr. Khemmapope Gajaseni	2,897,936	0.17
• Ms. Lapat-on Gajaseni	1,659,400	0.10
• Mr. Sahadchai Gajaseni	1,434,300	0.09
• Ms. Pakjira Ratchakitprakarn	1,145,000	0.07
2. Mr. Sakanan Wijitthanarak	212,916,500	12.75
3. Vachirasakpanich Family ^{3/}	146,936,300	8.80
• Mr. Pongsak Vachirasakpanich	100,300,000	6.01
• Mr. Veerasak Vachirasakpanich	46,636,300	2.79
4. Nitayanurak Family ^{4/}	81,840,440	4.90
• Mrs. Jarusrak Nitayanurak	77,849,140	4.66
• Mr. Kamolake Thosakul	3,160,000	0.19
• Mr. Thanavit Thosakul	456,300	0.03
• Mr. Shanisit Nitayanurak	375,000	0.02
5. The Hong Kong and Shanghai Banking Corporation Limited, Fund Services Department	53,245,000	3.19
6. Mr. Pracha Dumrongsutthipong	46,930,000	2.81
7. Mr. Paniang Pongsatha	41,173,300	2.47
8. Pooshutvanitshakul Family ^{5/}	24,009,900	1.44
• Mr. Choosak Pooshutvanitshakul	9,712,900	0.58
• Mr. Techat Pooshutvanitshakul	5,000,000	0.30
• Ms. Poonya Pooshutvanitshakul	5,000,000	0.30
• Mr. Sunthorn Rachakijprakan	2,200,000	0.13
• Mr. Thanakrit Ratchakitprakarn	498,000	0.03
• Mrs. Sukwasa Pooshutvanitshakul	497,000	0.03
• Mr. Pisan Ratchakitprakarn	484,000	0.03
• Mr. Sutivuth Ratchakitprakarn	418,000	0.03
• Ms. Thunyathorn Ratchakitprakarn	200,000	0.01



Top 10 Major Shareholders ^{1/}	No. of shares	%
9. Mrs. Pennapa Pongsuraphan	21,581,100	1.29
10. Mr. Pichai Vichakaphan	14,621,600	0.88
Total shares held by Top 10 Major Shareholders	1,194,871,900	71.55
Total shares	1,670,000,000	100.00

Note : ^{1/} Does not include shareholders from Thai NVDR Ltd., which is a subsidiary of the Stock Exchange of Thailand, established with the purpose of promoting investment activities for investors, especially foreigners, so as to be able to invest in common stocks without the constraint of the Foreign Limit that withholds the right to vote during company meeting.

^{2/} Ratchakitprakarn Family comprises: 1) Ratchakit Holding Co., Ltd., the holding company of Ratchakitprakarn's family; 2) Mr. Pipat Ratchakitprakarn, elder brother of Mr. Pitak Ratchakitprakarn; 3) Mr. Pitak Ratchakitprakarn, the Company's Director, Executive Director, Risk Management Committee, and President & Chief Executive Officer; 4) Mrs. Chatkaew Gajaseni, the Company's director, Executive Director, Risk Management Committee, and elder sister of Mr. Pitak Ratchakitprakarn; 5) Mrs. Kotchakorn Piboondhamasak, elder sister of Mr. Pitak Ratchakitprakarn; 6) Ms. Chantawarat Chandrasardula, spouse of Mr. Pitak Ratchakitprakarn; 7) Mr. Khemmapope Gajaseni, son of Mrs. Chatkaew Gajaseni; 8) Ms. Lapat-orn Gajaseni, daughter of Mrs. Chatkaew Gajaseni; 9) Mr. Sahadchai Gajaseni, son of Mrs. Chatkaew Gajaseni; and 10) Ms. Pakjira Ratchakitprakarn, younger sister of Mr. Pitak Ratchakitprakarn.

^{3/} Vachirasakpanich Family comprises: 1) Mr. Pongsak Vachirasakpanich, the Company's Director and Executive Director; and 2) Mr. Veerasak Vachirasakpanich, father of Mr. Pongsak Vachirasakpanich.

^{4/} Nitayanurak Family (formerly Nadtasomboon Family) comprises: 1) Mrs. Jarusrak Nitayanurak (formerly Lertlak Nadtasomboon), the Company's Director; 2) Mr. Kamolake Thosakul, younger brother of Mrs. Jarusrak Nitayanurak; 3) Mr. Thanavit Thosakul, younger brother of Mrs. Jarusrak Nitayanurak; and 4) Mr. Shanisit Nitayanurak, son of Mrs. Jarusrak Nitayanurak.

^{5/} Pooshutvanitshakul Family comprises: 1) Mr. Choosak Pooshutvanitshakul, spouse of Mrs. Sukwasa Pooshutvanitshakul; 2) Mr. Techat Pooshutvanitshakul, son of Mrs. Sukwasa Pooshutvanitshakul; 3) Ms. Poonya Pooshutvanitshakul, daughter of Mrs. Sukwasa Pooshutvanitshakul; 4) Mr. Sunthorn Rachakijprakan, father of Mrs. Sukwasa Pooshutvanitshakul; 5) Mr. Thanakrit Ratchakitprakarn, elder brother of Mrs. Sukwasa Pooshutvanitshakul; 6) Mrs. Sukwasa Pooshutvanitshakul, Vice President of Procurement; 7) Mr. Pisan Ratchakitprakarn, younger brother of Mrs. Sukwasa Pooshutvanitshakul; 8) Mr. Sutivuth Ratchakitprakarn, elder brother of Mrs. Sukwasa Pooshutvanitshakul; and 9) Ms. Thunyathorn Ratchakitprakarn, younger sister of Mrs. Sukwasa Pooshutvanitshakul.

Dividend Policy

Dividend Policy of the Company

The Company has a policy to pay dividends to shareholders at the rate of no less than 30% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to the Company's operations and management. This is contingent upon the condition that the Company has sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as the Board of Directors and/or the shareholders deems appropriate. The Board of Directors' resolution for dividend payment shall be proposed to the meeting of shareholders for approval, except for interim dividend payment, which can be approved by the Board of Directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.

Dividend Policy of Subsidiaries

PTC, a subsidiary operating fuel retailing business via the petrol stations, and Punthai Coffee, a subsidiary operating coffee shop business at the Company's petrol stations, have a policy to pay dividends to shareholders at the rate of no less than 30% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to their operations and management. This is contingent upon the condition that they have sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as their respective board of directors and/or the shareholders deem appropriate. Resolution by the board of directors for dividend payment shall be proposed to the meeting of



shareholders for approval, except for interim dividend payment, which can be approved by the board of directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.

Subsidiaries which are fuel traders under Section 10 have a policy to pay dividends to shareholders at the rate of no less than 90% of net profit according to the separate financial statements after taxes, legal reserve, and other reserves (if any). However, the dividend payment is subject to change depending on operating performance, financial position, liquidity, the need for working capital, investment and business expansion plans, market conditions, suitability, and other factors relating to their operations and management. This is contingent upon the condition that they have sufficient cash for business operations and that it will result in the maximum benefit of the shareholders as their respective board of directors and/or the shareholders deem appropriate. Resolution by the board of directors for dividend payment shall be proposed to the meeting of shareholders for approval, except for interim dividend payment, which can be approved by the board of directors, and subsequently reported to the general meeting of shareholders for acknowledgement at the next meeting.



Board of Directors

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

Members of the Board of Directors as of 31 December 2016

No.	Name	Position(s)	The Resignation Date
1.	Pol. Gen. Soontorn Saikwan	Chairman of the Board of Directors Independent Director	25 May 2012 27 April 2012
2.	Mr. Supote Pitayapongpat	Director, Independent Director Chairman of the Audit Committee Chairman of the Corporate Governance Committee	25 May 2012 13 May 2014 13 November 2014
3.	Mr. Pongsak Vachirasakpanich ^{1/}	Director Member of the Executive Committee	27 April 2012 29 January 2016
4.	Mr. Vuthichai Duangratana ^{2/}	Director, Independent Director Member of the Audit Committee Chairman of the Nomination and Remuneration Consideration Committee	29 January 2016 29 January 2016 25 February 2016
5.	Mr. Pitak Ratchakitprakarn ^{3/}	Director Executive Director Chairman of Risk Management President and Chief Executive Director	18 December 2002 25 May 2012 25 May 2012 1 March 2006
6.	Mrs. Chatkaew Gajasen ^{1/}	Director Member of the Executive Committee	28 April 2011 25 May 2012
7.	Mrs. Jarusrak Nitayanurak	Director	18 January 2007
8.	Assoc. Prof. Dr. Wanchai Rattanawong	Director, Independent Director Member of the Audit Committee Member of the Corporate Governance Committee Member of the Nomination and Remuneration Consideration Committee	24 April 2014 24 April 2014 13 November 2014 25 February 2016
9.	Mr. Krairawee Sirikul ^{4/}	Director Member of the Corporate Governance Committee Member of the Nomination and Remuneration Consideration Committee	23 December 2016 23 December 2016 23 December 2016
10.	Mr. Rangsun Puangprang ^{5/}	Director Member of the Executive Committee Member of the Risk Management Committee Executive Vice President Company Secretary	14 December 2005 25 May 2012 3 December 2013 1 January 2010 25 May 2012

Notes : ^{1/} Director who has experience related to the Company's business

^{2/} Appointed from the Board of Directors meeting no. 1/2016 on 29 January 2016, which effective from 29 January 2016 onwards

^{3/} Authorized Director of the Company who also is the executive.

^{4/} Appointed from the Board of Directors meeting no. 7/2016 on 23 December 2016, which effective from 23 December 2016 onwards

^{5/} Authorized director of the Company, serve as the executive, the secretary to the Board of Directors, and the Secretary to the Corporate Governance Committee

Director Resignation during 2016

No.	Name	Position	The Resignation Date
1.	Mr. Thien Mekanontchai	Director, Independent Director Member of the Audit Committee Member of the Corporate Governance Committee	18 January 2016
2.	Mr. Manit Nitiprateep	Director Member of the Corporate Governance Committee Member of the Nomination and Remuneration Consideration Committee	18 October 2016

Report of Changes in Securities Holding of Directors and Executive Directors

No.	Name	Ordinary Shares: PTG Energy PCL (Number of Shares)		Increase/(Decrease) of Shares During the Fiscal Year
		As of 31 December 2016 ^{1/}	As of 31 December 2015 ^{2/}	
Directors				
1.	Pol. Gen. Soontorn Saikwan	-	-	-
	Spouse and underage children	-	-	-
2.	Mr. Supote Pitayapongpat	100,000	100,000	-
	Spouse and underage children	-	-	-
3.	Mr. Pongsak Vachirasakpanich			
	Spouse and underage children	100,300,000	100,300,000	
	Mr. Vuthichai Duangratana	100,000	(has not held the position)	-
4.	Spouse and underage children	-	-	-
	Mr. Pitak Ratchakitprakarn	39,239,634	129,865,734	(90,626,100)
5.	Spouse and underage children	-	-	-
	Mrs. Chatkaew Gajaseni	11,892,500	34,069,000	(22,176,500)
6.	Spouse and underage children	-	-	-
	Mrs. Jarusrak Nitayanurak	77,849,140	77,849,140	-
7.	Spouse and underage children	-	-	-
	Assoc. Prof. Dr. Wanchai Rattanawong	-	6,000	(6,000)
8.	Spouse and underage children	-	-	-
	Mr. Krairawee Sirikul	-	(has not held the position)	-
9.	Spouse and underage children	-	-	-
	Mr. Rangsun Puangprang	510,200	510,200	-
10.	Spouse and underage children	-	-	-

Note : ^{1/} Book closing date as of 30 December 2016

^{2/} Book closing date as of 30 December 2015

No. Name		Ordinary Shares: PTG Energy PCL (Number of Shares)		Increase/(Decrease) of Shares During the Fiscal Year
		As of 31 December 2016 ^{1/}	As of 31 December 2015 ^{2/}	
Executive Directors				
1.	Mr. Chaiwat Lertvanarin ^{3/}	-	(has not held the position)	-
	Spouse and underage children	-	-	-
2.	Mrs. Sukwasa Pooshutvanitshakul	495,274	485,274	10,000
	Spouse and underage children	9,712,900	9,712,900	-
3.	Mr. Thatree Kerdboonsong	344,113	344,113	-
	Spouse and underage children	-	-	-
4.	Mr. Surasak Songvorakulpan	346,964	346,964	-
	Spouse and underage children	-	-	-
5.	Mr. Chaitas Wanchai	48,031	190,031	(142,000)
	Spouse and underage children	142,000	142,000	-
6.	Flt. Lt. Satta Suparp	312,100	312,100	-
	Spouse and underage children	-	-	-
7.	Mr. Suwatchai Pitakwongsaporn	1,315,000	1,315,100	-
	Spouse and underage children	-	-	-
8.	Mrs. Wipa Boonpalit	30,000	-	30,000
	Spouse and underage children	-	-	-
9.	Mr. Chalong Tiratraipusit	5,000	(had not held the position)	-
	Spouse and underage children	-	-	-

Notes : ^{1/} Book closing date as of 30 December 2016

^{2/} Book closing date as of 30 December 2015

^{3/} Appointed from the Board of Directors meeting no. 6/2016 on 15 June 2016, which effective from June 16, 2016 onwards

Board of Directors Structure

1. The Board of Directors consist of the number of directors, which is specified by the shareholders meeting, shall not be less than 5 directors. Moreover, the Board of Directors at least 3 directors or one-third of the total directors, whichever is higher, shall be independent directors who possess qualification as specified by the requirement of the office of Securities and Exchange Commission and Stock Exchange of Thailand ("SET")

2. The Board of Directors elects a director as the Chairman of the Board, provided that the elected director shall be an independent director.

3. The Company Secretary is appointed by the Board of Directors, which can be the Executive Vice President or other person, that the Board of Directors deems appropriate, to assist in the arrangements for the Board meetings, e.g. confirming schedules, preparing agenda items, sending meeting notices together with supporting documents, etc. Under the first paragraph of Section 89/15 and 89/16 of the Securities and Exchange Act of 1992 (as amended)

The duties and authorities of the Board of Directors and top executives are clearly segregated. The Board of Directors is responsible for policy making and supervision of the management at a policy level, while the executives for management of operations according to the prescribed policies. The Company has specified that the Chairman of the Board is an independent director and shall not be either the Chairman of the Executive Committee or the Chief Executive Officer and President, thereby distinctly segregating the policy making and supervision duties from the day-to-day management. This also enables the Company to retain a sound balance of power and to prevent centralization of authority by any person. Moreover, the Company has laid down and put in writing the scope of duties and authorities of the Board of Directors, sub-committees and the Chief Executive Officer and President so that the scope of their operational responsibilities can be clearly defined.

Term of Office

1. One-third of the Board of directors is required to retire every year on the Annual General Meeting. The directors who retire shall be those who have been longest in office since their last election. In the case that the number of retired directors cannot be divided into one-third, the number of directors nearest to one-third shall retire.

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

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

3.1 Death

3.2 Resignation

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

3.4 Resigned by resolution of the Board of Director Committee

3.5 Resigned by virtue of the court order

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

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

Directors' Qualifications

Qualifications and prohibited characteristics of directors

The candidates nominated for appointment as directors shall have the following qualifications and shall not possess any of the following prohibited characteristics:

1. being qualified and not having any prohibited characteristics under the law on public limited companies, the law on securities and exchange and any other relevant laws as well as the Articles of Association and the good corporate governance of the company;

2. having knowledge, capability, independence and ability to perform director's duties with responsibility, due care and loyalty;

3. being able to devote sufficient time, having suitable age, being in a good physical and mental health, being able to regularly attend the Board of Director's meetings, being

well-prepared prior to meeting, being creative in the meetings, being straight-forward, being confident in giving opinion at the meetings and/or being a businessman with good reputation, good record of work performance and ethics, as well as being accepted by society;

4. having knowledge and skills which are essential to the business of the Company;

5. should not be holding a director position in several companies at the same time;

6. not being prohibited persons to be appointed as directors as prescribed by relevant governmental agencies, nor having any characteristic indicating a lack of appropriateness in respect of trustworthiness to manage a business in which the public are shareholder

7. Present to the Board of Director Committee and/or the shareholders at the AGM depended on the approvals.

8. A director that may have conflict of interest on a particular matter must not participate in consideration of the particular issue.

9. Placing importance on a majority votes by shareholders attending the meeting. In the event where the votes on both side equal, the Chairperson will have a second vote to judge the resolution.

Consider the appropriate qualification, experiences and expertise in different professions, abilities and experiences in Company's business, and qualified or having prohibited character as stipulated by Public Company Limited Act.

Directors with authorized signatory

According to the Company's regulations, the directors with authorized signatories, who were Mr. Pitak Ratchakitprakarn and Mr. Rangsang Puangprang, shall sign together with the Company seal.

Scope of Authority and Duties of the Board of Directors

1. Supervise and manage the Company, discharge their duties with integrity in compliance with the laws, the Company's objectives and articles of association including resolutions of shareholders meetings, as well as safeguard the Company's interests and exercise accountability to shareholders.

2. Formulate policies and business direction of the Company, as well as monitor and oversee to ensure the management's effective and efficient performance of the established policies and plans under the good corporate governance in order to maximize economic value and shareholders' wealth.

3. Oversee to ensure that the management treats all stakeholders on the basis of ethical values and equality.

4. Consider and formulate the annual budget plan, revise such plan to be appropriate to and consistent with the Company's policies and business direction, as well as inspect and control the management's efficient implementation of budgets according to the annual budget plan.

5. Monitor the Company's business operations regularly, and secure compliance with the laws and terms of relevant agreements. In this regard, the management is assigned to report on a quarterly basis on performance and other significant matters of the Company to the Board of Directors meeting for acknowledgement in order to enable effective business operations.

6. Ensure that the Company's accounting system, financial reporting system, internal control and internal audit are effective and reliable.

7. Play a vital role in risk management, by implementing appropriate and adequate risk management guidelines and measures in tandem with regular monitoring.

8. Consider and approve and/or give opinions on the execution of significant transactions and connected transactions to be proposed to shareholders meetings for approval in accordance with criteria, conditions and procedures specified by relevant laws and regulations and/ or the Company's articles of association and/or resolutions of shareholders meetings.

9. Ensure that annual reports of the Company or the Board of Directors are prepared in compliance with relevant laws or regulations, as well as report to the shareholders regularly and accurately on both positive and negative aspects of the current business status and future business direction, together with sufficient reasons for entering to said transactions.

10. Consider and approve an organizational structure suitable for business operations, which include establish subcommittees, nominate and appoint experienced and competent directors or persons qualified to sit in the subcommittees, and determine the scope of authority, duties and responsibilities of such sub committees.

11. Consider and appoint the Chief Executive Officer and President, and determine the scope of authority, duties, and responsibilities of the position, as well as appoint the annual performance evaluation in order to be used in remuneration consideration process.

12. Consider and set out the annual remuneration structure and criteria for appropriate remuneration for directors, executives, and employees, taking into account proper factors such as performance assessment results, positions, scope of

duties and responsibilities, qualifications, knowledge, abilities and suitable remuneration rates comparable to those in the same industry.

13. Consider appropriate remuneration rate for directors in accordance with the criteria specified by the Board of Directors, and propose such rate to the shareholders meeting for consideration and approval.

14. Nominate and propose knowledgeable, competent, and experienced persons fully qualified under the relevant laws and regulations to the shareholders meeting for approval as the Company's directors.

15. The Board of Directors may authorize one or more directors or any other persons to, under the supervision of the Board, perform any acts on its behalf. It may also delegate certain authorities to said persons as it deems appropriate and for a period of time it deems appropriate. Such authorization and delegation can be rescinded, revoked, changed or amended if appropriate, and must be made in writing or clearly recorded as the Board's resolution in the minutes of the Board of Directors meeting, with a clearly-defined scope of delegated authority. In addition, the authorized persons shall not have an authority to approve any transactions which they or potential interested persons ("potential interested persons" shall be as defined by the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have an interest in or may involve a conflict of interest in any other form with the Company, except for approval of transactions made in accordance with the policies and criteria already approved by the shareholders meeting or the Board of Directors meeting.

16. Set up regulatory policies for supervising and monitoring and an effective support system for anti-corruption, as well as delegate the management to enforce said measures against corruption in order to ensure that management recognizes the importance and emphasizes of the anti-corruption measures and mindset within the organization.

17. Conduct performance evaluation of the Chief Executive Officer & President and the first four Executive members next-in-line to the Chief Executive Officer & President in a consecutive manner in order to evaluate the performance of the Chief Executive Officer & President and the first four Executive members next-in-line to the Chief Executive Officer & President at least once per year.

18. Hold any other authorities, duties, and responsibilities as prescribed by relevant laws and regulations, the Company's articles of association, and resolutions of shareholders meetings.

Voting Rights

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

Approval Authority of the Board of Director

The Board prepares criteria of approval with the following objectives.

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

Approval criteria includes:

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

Board of Directors Meetings

1. The Board of Directors should organize formal meetings at least 6 times a year and special meetings as appropriate. To allow the directors ample time and sufficient information for consideration, the Company shall notify them of the agenda items and submit to them the meeting notice and agenda supporting documents no less than 7 business days prior to the meeting date. Except where it is a matter of necessity and urgency to preserve the rights or interests of the Company, the meeting may be called by other means no less than 7 business days prior to the meeting date.

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

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

4. In the event of voting at the Board of Director meeting, there must be the Directors not lower than 2 out of 3 of total number of the Directors.

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

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

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

The Board of Director Meeting Attendance Summary during 2016^{1/}

No.	Name	The Board of Directors		The Audit Committee		The Executive Management Committee		Risk Management Committee		Corporate Governance Committee		Nomination and Remuneration Committee		The Board of Directors		BE ^{2/}		EGM ^{4/}		AGM ^{5/}	
		7 Meetings	12 Meetings	12 Meetings	14 Meetings	4 Meetings	4 Meetings	4 Meetings	4 Meetings	5 Meetings	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting	1 Meeting
1.	Pol. Gen. Soontorn Saikwan	7/7	-	-	-	-	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
2.	Mr. Supote Pitayapongpat	7/7	12/12	-	-	-	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
3.	Mr. Pongsak Vachirasakpanich	7/7	-	-	14/14	-	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
4.	Mr. Vuthichai Duangratana ^{6/}	6/7	12/12	-	-	-	-	-	-	5/5	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
5.	Mr. Pitak Ratchakitprakarn ^{1/}	7/7	-	-	-	4/4	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
6.	Mrs. Chatkaew Gajasen	7/7	-	-	14/14	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
7.	Mrs. Jarusak Nitayanurak	7/7	-	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
8.	Assoc. Prof. Dr. Wanchai Rattanawong	7/7	12/12	-	-	-	-	-	4/4	5/5	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
9.	Mr. Krairawee Sirikul ^{7/}	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Mr. Rangsun Puangprang	7/7	-	-	13/14	3/4	-	-	-	-	-	-	-	1/1	1/1	1/1	1/1	1/1	1/1	1/1	1/1
Meeting Attendance Proportion (%)		98	100	98	87	87	100	87	100	87	100	100	100	100	100	100	100	100	100	100	100
Director Resignation during fiscal year 2016																					
1.	Mr. Thien Mekanontchai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1/1	1/1
2.	Mr. Manit Nitiprateep	4/5	-	-	-	-	-	-	2/3	2/3	1/1	-	-	1/1	1/1	-	-	1/1	1/1	1/1	1/1

Note : ^{1/} 2016 Meeting schedule was set beforehand at The Board of Directors meeting no. 7/2015 on 26 October 2015.

^{2/} The meeting was on 15 June 2016

^{3/} The meeting was on 6 December 2016

^{4/} The meeting was on 15 January 2016

^{5/} The meeting was on 22 April 2016

^{6/} Appointed from the Board of Directors meeting no. 1/2016 on 29 January 2016, which effective from 29 January 2016 onwards

^{7/} Appointed from the Board of Directors meeting no. 7/2016 on 23 December 2016, which effective from 23 December 2016 onwards

The Board of Director Committee revised the detail and policy observance and significant criteria annually at the Board of Directors meeting no. 7/2016 on 23 December 2016, as follows:

1. Vision Mission and Core Value of the Company
2. Charter of the Board of Director Committee
3. Charter of the Executive Committee
4. Charter of the Audit Committee
5. Charter of the Risk Management Committee
6. Charter of the Corporate Governance Committee
7. Charter of the Nomination and Remuneration Consideration Committee
8. Corporate Governance Policy
9. Anti-corruption Policy
10. Risk Management Policy
11. Information Technology Policy
12. Code of Conduct
13. Succession Plan

Executives


Executives as of 31 December 2016

No.	Names	Positions
1.	Mr. Chaiwat Lertvanarin	Executive Vice President
2.	Mrs. Sukwasa Pooshutvanitshakul	Executive of Procurement Department
3.	Mr. Thatree Kerdboonsong	Executive of the Office of the President
4.	Mr. Surasak Songvorakulpan	Executive of the Office of the President
5.	Mr. Chaitas Wanchai	Executive of Station Management Department
6.	Fit. Lt. Satta Suparp	Executive of Information Technology Department
7.	Mr. Suwatchai Pitakwongsaporn	Executive of Sales Department
8.	Mrs. Wipa Boonpalit	Executive of the Office of the President
9.	Mr. Chalong Tiratraipusit	Executive of Corporate Communication

The Company's Secretary

To be complied with the good corporate governance principles of the listed company under the committee's responsibility and the Securities and Exchange Act Section 89/15 and 89/16, the Board of Directors meeting no.5/2012, held on 25 May 2012, had resolutions to appoint Mr. Rangsan Puangprang to be the Company's Secretary, effective from 25 May 2012 onwards.

Profile of Company's Secretary



Mr. Rangsan Puangprang

Director (Authorized Director) (14/12/05)
Member of Risk Management Committee (03/12/13)
Company Secretary (25/05/12)
Member of Executive Committee (25/05/12)
Executive Vice President (01/01/10)
51 Years

Education
Master of Business Administration
National Institute of Development Administration

Bachelor of Business Accounting
Second Class Honor Ramkhamhaeng University

Training of Secretary
By Thai Institute of Directors (IOD)

- CSP Program class 50/2013
- BRP Program class 10/2013
- CRP Program class 5/2013

Working Experiences
2016 - Present Chairman of the Board of Director
Innotech Green Energy Co., Ltd.
2016 - Present Director Fuel Pipeline Transportation Limited
2015 - Present Director PTG Logistics Co., Ltd.
2014 - Present Director PTP Green Co., Ltd.
2013 - Present Acting Director - Accounting and Finance
Department PTG Energy PLC.
2013 - 2014 Acting Director - Minimart Management
Department Petroleum Thai Corporation Co., Ltd.

- 2013 - Present Risk Management Committee PTG Energy PLC.
2012 - 2013 Vice Chairman - Risk Management Committee
PTG Energy PLC.
2012 - 2013 Director Punthai Coffee Co., Ltd.
2012 - Present Director
PTG Green Energy Co., Ltd.
(Formerly Pyrenees Oil Co., Ltd.)
2012 - Present Director Olypus Oil Co., Ltd.
2011 - Present Director Atlas Oil Co., Ltd.
2011 - Present Director Andise Oil Co., Ltd.
2011 - Present Acting Director - Information Technology
Department PTG Energy PLC.
2011 - 2013 Acting Director - General Administration Department
PTG Energy PLC.
2011 - Present Director Everest Oil Co., Ltd.
2011 - Present Director Empire Oil Co., Ltd.
2010 - Present Assistant Managing Director PTG Energy PLC.
2009 - Present Director Alpine Oil Co., Ltd.
2009 - Present Director Pyramid Oil Co., Ltd.
2006 - Present Director Petroleum Thai Corporation Co., Ltd.
2006 - 2014 Director Century Oil Co., Ltd.
2005 - Present Director / Executive Director PTG Energy PLC.
2005 - 2010 Executive of Accounting and Finance Department
PTG Energy PLC.

Training

By Thai Institute of Directors (IOD)

- 2015 CDC Program Association, class 9/2015
2014 DCP Program Association, class 197/2014
SFE Program Association, class 21/2014
2013 RCC Program Association, class 16/2013
CRP Program Association, class 5/2013
BRP Program Association, class 10/2013
CSP Program Association, class 50/2013
2009 DAP Program Association, class 79/2009

By NIDA Business School

- 2015 Profession CFO Creation Project, class 2009

By Stock Exchange of Thailand

- 2015 Strategic CFO in Capital Markets Program Association,
class 1/2015

By Stock Exchange of Thailand and Institute of Internal Auditors of Thailand

- 2014 Going to Good to Great in IT Fraud Prevention

Scope of Role and Responsibility

1. Arrange and maintain the documents, i.e. director registration, invitation letters of committee meetings, reports of committee meetings, company annual reports, invitation letters of shareholder meetings, reports of shareholder meetings.

2. Keep reports of conflict of interest which are reported by directors or executives and, in compliance with Section 89/14, make copies for Chairman of the Board and Chairman of Audit Committee within 7 days from the report receiving date.

3. Provide advice about the related regulations and law and the corporate governance code of conduct of regulatory activity to the committee.

4. Coordinate with internal units in the company to ensure they follow the resolutions of Board of Directors and shareholder meeting. Coordinate with supervisory units, such as SEC, and supervise the information disclosure and submit information report to the supervisory units and the public completely as required by law.

5. Arrange the orientation to the new appointed directors.

Remuneration for Directors, Executives, and Employees

Remuneration for the Board of Directors

The Annual General Meeting of Shareholders for the year 2016, which was held on 22 April 2016, approved the remuneration for the Directors as follows:

The Board of Directors

Remuneration	2016
1. Monthly Remuneration	
1.1 Chairman	THB 60,000 per month
1.2 Director	THB 40,000 per person per month
2. Meeting Allowance	
2.1 Chairman	THB 10,000 per time
2.2 Director	THB 10,000 per person per time * only the attendees
3. Traveling Expenses	Reimburse only actual traveling expenses * accept commuting in Bangkok and vicinity
4. Special Compensation or Bonus	
4.1 Chairman	Will receive an additional 25% of the special remuneration or bonus entitles to the directors.
4.2 Director	Will receive the special compensation or bonus at the same rate similar to other companies in the same industry In this regard, the total amount of special compensation and bonus of Chairman and Directors would not be over THB 15,000,000 per year
5. Other Compensation	None

The Executive Directors

Remuneration	2016
1. Monthly Remuneration	
1.1 Chairman	THB 40,000 per month
1.2 Director	THB 20,000 per person per month
2. Meeting Allowance	
2.1 Chairman	THB 10,000 per time
2.2 Director	THB 10,000 per person per time * only the attendees
3. Traveling Expenses	Reimburse only actual traveling expenses * accept commuting in Bangkok and vicinity
4. Other Compensation	None

The Audit Committee

Remuneration	2016
1. Monthly Remuneration	
1.1 Chairman	THB 40,000 per month
1.2 Director	THB 30,000 per person per month
2. Meeting Allowance	
2.1 Chairman	THB 10,000 per time
2.2 Director	THB 10,000 per person per time * only the attendees
3. Traveling Expenses	Reimburse only actual traveling expenses * accept commuting in Bangkok and vicinity
4. Other Compensation	None

The Corporate Governance Committee

Remuneration	2016
1. Meeting Allowance	
1.1 Chairman	THB 12,500 per time
1.2 Director	THB 10,000 per person per time * only the attendees
2. Other Compensation	None

The Nomination and Remuneration Consideration Committee

Remuneration	2016
1. Meeting Allowance	
1.1 Chairman	THB 12,500 per time
1.2 Director	THB 10,000 per person per time * only the attendees
2. Other Compensation	None

The Company considered the information to determine Executive compensation to be accordance with Thai Institute of Directors or IOD, guidance for determine Director compensation and good practices for director management, composition and level of remuneration, the information for Executive compensation from other companies in the same industry, business growth and profit growth of the Company.

The Remuneration of the Board of Directors in 2016

Unit: Baht

No.	Name	Monthly Remuneration	Meeting Allowance of the Committees					Traveling Expenses	Special Compensation or Bonus	Total
			BoD	Audit Committee	Executive Committee	CG Committee	Nomination and Remuneration Committee			
1.	Police General Soontorn Saikwan ^{2/}	720,000	80,000	-	-	-	-	-	370,215.40	1,170,215.40
2.	Mr. Supote Pitayapongpat ^{3/}	960,000	80,000	120,000	-	62,500	-	-	296,172.32	1,518,672.32
3.	Mr. Pongsak Vachirasakpanich ^{4/}	942,666.67	80,000	-	150,000	-	-	-	296,172.32	1,468,838.99
4.	Mr. Vuthichai Duangratana ^{5/}	777,000	70,000	120,000	-	-	62,500	-	-	1,029,500
5.	Mr. Pitak Ratchakitprakarn ^{6/}	720,000	80,000	-	150,000	-	-	-	296,172.32	1,246,172.32
6.	Mrs. Chatkaew Gajasen	720,000	80,000	-	150,000	-	-	70,781.76	296,172.32	1,316,954.08
7.	Mrs. Jarusrak Nitayanurak	480,000	80,000	-	-	-	-	-	296,172.32	856,172.32
8.	Assoc. Prof. Dr. Wanchai Rattanawong	840,000	80,000	120,000	-	50,000	50,000	-	296,172.32	1,436,172.32
9.	Mr. Krairawee Sirikul ^{7/}	-	-	-	-	-	-	-	-	-
10.	Mr. Rangsun Puangprang ^{6/}	720,000	80,000	-	140,000	-	-	-	296,172.32	1,236,172.32
Resignation Directors during the year of 2016										
1.	Mr. Thien Mekanontchai	39,666.67	-	-	-	-	-	-	296,172.32	335,838.99
2.	Mr. Manit Nitiprateep	381,935.48	50,000	-	-	20,000	20,000	-	296,172.32	768,107.80

Notes: ^{1/} The Chairman receives an additional 25% of special compensation and bonus the Director receives Director received special compensation and bonus in accordance with other companies in the same industry

^{2/} Chairman of the Board of Director

^{3/} Chairman of the Audit Committee and Chairman of the Corporate Governance Committee

^{4/} Chairman of the Nomination and Remuneration Consideration Committee

^{5/} Excludes the remuneration as an Executive

^{6/} Chairman of the Executive Committee

^{7/} Appointed from the Board of Directors meeting no. 7/2016, was held on 23 December 2016, which effective from 23 December 2016 onwards

The Remuneration of the Directors and Executives in 2015 and 2016

Remuneration for Directors

Description	2016		2015	
	Number (persons)	Amount (Mil. Baht)	Number (persons)	Amount (Mil. Baht)
Monthly salary	10	7.30	11	7.55
Meeting allowance	10	1.98	11	1.94
Traveling expenses	1	0.07	1	0.07
Special compensation or bonus	10	3.03	11	2.36
Other compensation	10	-	-	-
Total Compensation	10	12.38	11	11.91

Note : The Company had the Directors and officers liability insurance (D&O) with the total limits of liability equaled to Baht 300 million.

Remuneration for Executives

Description	2016		2015	
	Number (persons)	Amount (Mil. Baht)	Number (persons)	Amount (Mil. Baht)
Monthly Bonus and OT	11	51.56	11	43.81
Other compensation, such as provident fund ^{1/} , social security and others	11	5.86	11	5.32
Total Compensation	11	57.42	11	49.13

Note : ^{1/} The Company provides the provident fund with the contribution rate between 3-6% of the employees' salary.

The remuneration policy for president and Chief Executive Officer

The Company considered the information to determine Executive compensation to be accordance with Thai Institute of Directors or IOD, guidance for determine Director compensation and good practices for director management, composition and level of remuneration, the information for Executive compensation from other companies in the same industry, business growth and profit growth of the Company.

Remuneration for Employees

Description	2016		2015	
	Number (persons)	Amount (Mil. Baht)	Number (persons)	Amount (Mil. Baht)
1) Salary, bonus and overtime pay	8,636	1,343.39	7,732	1,031.15
2) Other remunerations, i.e. provident fund contribution, social security fund contribution, and other welfare benefits	8,636	103.14	7,732	81.97
Total	8,636	1,446.53	7,732	1,113.12

Number of Employees As of 31 December 2016

No.	Line Function	The Company	Subsidiaries
1	Company Secretary Office	5	0
2	Office of the President	2	0
3	Internal Audit Department	61	0
4	Corporate Governance Department	6	0
5	Law Department	13	0
6	Corporate Communication Department	15	0
7	Corporate Policy and Strategy Department	5	0
8	Safety and Environment Department	22	0
9	Quality Assurance and QMR Department	27	0
10	Operations Department	189	0
11	Transportation Business Department	539	133
12	Engineering Department	76	0
13	Sales Department	81	0
14	CRM Department	4	0
15	Information Technology Department	79	0
16	Accounting and Finance Department	98	0
17	Procurement Department	29	0
18	HRM Department	61	0
19	Bangkok and Vicinity Operations Department	0	1,381
20	Eastern Operation Department	0	674
21	Central Operation Department	0	682
22	Northern Operation Department	0	1,135
23	Southern Operation Department	0	1,081
24	Western Operation Department	0	453
25	Lower North Eastern Operation Department	0	1,573
26	Upper North Eastern Operation Department	0	900
27	Commerce Management Department	0	6
28	Activity and Sales Promotion Department	0	7
29	Station Support Department	0	97
30	Station Operation Department	0	1
31	Minimart Management Department	0	331
32	General Department	0	182
Total		1,312	8,636

Labor-related Disputes over the Past 3 Years

- None -

Employee Development Policy

Knowledge and Potential Improvement Policy for Employees

The Company recognized that the personnel in every unit and level were important for the business and organization development. Since the Company's goal was to be the leading full-service energy company of the country, the Company encouraged the development of employees' knowledge, skills, and capability to continuously improve their performance. In 2016, the Company provided the training courses to employees for the average of 7.94 hours/ person/ year and also had the policy to develop the working system and process in order for every employee to know and be capable for his/her responsible job. The Company also support employees for the career path with the following policy framework:

1) The Company provides training for the better understanding of the Company's core values and have the same vision and goals.

2) Basic knowledge training for new employees, in order to enable all new employees to gain a clear understanding of their jobs and operate correctly and safely according to the Company's regulations.

3) Annual training, in order to enable the employees to regularly refresh their knowledge about risk prevention and safety in work.

4) The Company encourage the trainings that develop the professions and working skills of the employees in various departments, for example, service standard program, arts of communication and negotiation program.

5) The Company offered many leadership training programs in order to help the employees develop necessary skills for leadership positions, for instance, Business Leadership Development program, coaching for Management Skill program and Strategy Executive program.

6) Training for continuous improvement and increasing work operating efficiency, such as;

- Kaizen activity is the activity that support the continuous improvement of the quality and efficiency of work, employees, and department.
- Employee feedback sessions is the activity that encourage employees to send their suggestions in order to improve the efficiency and quality of working matters, cultures, or environment and get rid of the current issues they found.

Detail of the Directors



Pol. Gen. Soontorn Saikwan

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

Director and Independent Director (27/04/12)

72 Years

Education

Master of Arts in Political Science

Ramkhamhaeng University

Bachelor of Public Administration in Political Science

Royal Police Cadet Academy Samphran

Shareholding (%)

As of December 31, 2016

Self : -none-

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

2 Companies (^{1/}, ^{2/})

Working Experiences

2016 - Present	Director Millcon Steel Industries PLC.
2013 - Present	Chairman of the Board of Directors Millcon Burapa Co., Ltd.
2013 - Present	Vice Chairman of the Board of Directors / Independent Director Millcon Steel PLC. ^{1/}
2012 - Present	Chairman of the Board of and Independent Director PTG Energy PLC.
2012 - 2014	Chairman of the Audit Committee PTG Energy PLC.
2008 - 2011	Selected Senator The Senate of Thailand
2007 - 2013	Chairman of the Board of Directors / Independent Director Millcon Steel PLC.
2005 - Present	Independent Director Vanachai Group PLC. ^{2/}


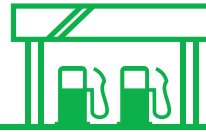
Training

By Thai Institute of Directors (IOD)

2015	DCP Program Association, class 201/2015
	MFM Program Association, class 9/2013
	MIA Program Association, class 15/2013
	MFR Program Association, class 18/2013
	MIR Program Association, class 14/2013
	ACP Program Association, class 42/2013
	DAP Program Association, class 41/2005

By Federation of Accounting Professions

2014	Audit Committee Financial Expert By Thailand National Defence College
2014	Audit Committee Financial Expert
1993	National Defence Course, (NDC Certificate), class 1993



Mr. Supote Pitayapongpat

Chairman of the Corporate Governance Committee (13/11/14)
Chairman of the Audit Committee (13/05/14)
Director and Independent Director (25/05/12)
75 Years

Education
Bachelor of Accounting Thammasat University

Bachelor of Commerce Thammasat University

Shareholding (%)
As of December 31, 2016
Self : 0.0060

Including shares held by spouse or underage children
-none-

Relationship with Company's Executive(s)
-none-

Position in Other Listed Companies

1 listed company ^(1/)

Working Experiences

2016 - Present	Director Dhipaya Life Assurance PLC. ^{1/}
2014 - Present	Chairman of the Corporate Governance Committee PTG Energy PLC.
2014 - Present	Chairman of the Audit Committee PTG Energy PLC.
2012 - 2014	Member of Audit Committee PTG Energy PLC.
2012 - Present	Director / Independent Director PTG Energy PLC.
2003 - Present	Director / Executive Director Siam-Best Trading Co., Ltd

Training

By Thai Institute of Directors (IOD)

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

By Federation of Accounting Professions

2014	Audit Committee Financial Expert
------	----------------------------------



Mr. Pongsak Vachirasakpanich

Director (27/04/12)

Chairman of the Executive Director (29/01/16)

49 Years

Education

Master of Business Administration (XMBA)

Strategic Management

Thammasat University

Bachelor of Economic Money Finance and

International Monetary

Thammasat University

Shareholding (%)

As of December 31, 2016

Self : 6.0060

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present Chairman of the Executive Director
PTG Energy PLC.

2014 - Present Director
PPP Green Complex Co., Ltd.

2012 - Present Director
PTG Energy PLC.

2012 - 2016 Executive Director
PTG Energy PLC.

2010 - Present Director
Hi-Light Mansion Co., Ltd.

2006 - Present Director
Legal Brains Co., Ltd.

2005 - Present Director
New Bang Pho Apartment Co., Ltd.

2003 - Present Director
Puriphat Property Co., Ltd.

2002 - Present Managing Director
P.S.V. Property Co., Ltd.

Training

By Thai Institute of Directors (IOD)

2014 DCP Program Association, class 197/2014

2012 DAP Program Association, class 96/2012

By Bangkok Metropolitan Bank PLC.

MINI MBA Chulalongkorn University

By King Prajadhipok's Institute

Advance Certificate in Public Administration and Public Law,
Class 6



Mr. Vuthichai Duangratana

Director and Independent Director (29/01/16)
Chairman of the Nomination and Remuneration Consideration Committee (29/01/16)
Member of Audit Committee (29/01/16)

60 Years

Education

PhD of Economics Universite de Paris

Master of Economics Universite de Paris

Bachelor of Economics Universite de Paris

Shareholding (%)

As of December 31, 2016

Self : 0.0060

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present Chairman of the Nomination and Remuneration Consideration Committee/
 Member of Audit Committee/ Director/
 Independent Director PTG Energy PLC.

2013 - 2016 Deputy Permanent Secretary
 Ministry of Commerce

2013 - 2013 General Inspector
 Ministry of Commerce

2010 - 2013 Deputy Permanent Secretary of General
 Department of International Trade Promotion
 Ministry of Commerce

2010 - 2010 Deputy Permanent Secretary Department
 of Trade Negotiations
 Ministry of Commerce

2003 - 2010 Minister Counselor for Commercial Affairs
 Paris, France

Training

By Thai Institute of Directors (IOD)

2014 AACCP Program Association, class 23/2016
 2014 DCP Program Association, class 198/2014

By Capital Market Academy

2015 Capital Market Academy, class 20

By The Comptroller General's Department

2014 Advance

By Thailand National Defence College

2012 - 2013 National Defence Course of Government
 Sector, Private Sector, and Politics, class 6



Mr. Pitak Ratchakitprakarn

Chairman of the Risk Management Committee and Executive Director (25/05/12)

President and Chief Executive Officer (01/03/08)

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

52 Years

Education

Master of Business Administration

Prince of Songkla University

Bachelor of Science (Fishery) Kasetsart University

Shareholding (%)

As of December 31, 2016

Self : 2.3497

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

Brother of Mrs. Chatkaew Gajasen

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present	Director Ratchakit Holdings Co., Ltd.
2015 - Present	Chairman of the Board of PTG Logistics Co., Ltd.
2015 - Present	Acting Director-Minimart Management Department Petroleum Thai Corporation Co., Ltd.
2015 - 2016	Acting Director-Quality and Safety Department Executive of Operations PTG Energy PLC.
2015 - 2016	Acting Director Operations Department PTG Energy PLC.
2014 - Present	Director PTP Green Complex Co., Ltd.

2014 - Present	Acting Director -Logistics PTG Energy PLC.
2013 - 2016	Acting Director- Office of the President PTG Energy PLC.
2013 - 2014	Acting Director -Market of Customer Relation PTG Energy PLC.
2012 - 2015	Acting Director -Human Resources PTG Energy PLC.
2012 - Present	Chairman of Risk Management Committee / Executive Committee PTG Energy PLC.
2012 - Present	Chairman of the Board Pun Thai Coffee Co., Ltd.
2012 - Present	Chairman of the Board of Directors PTG Green Energy Co., Ltd. Formerly (Formerly Pyrenees Oil Co., Ltd.)
2011 - Present	Chairman of the Board of Directors Olympus Oil Co., Ltd.
2011 - Present	Chairman of the Board of Directors Atlas Oil Co., Ltd.
2011 - Present	Chairman of the Board of Directors Andise Oil Co., Ltd.
2011 - Present	Chairman of the Board of Directors Everest Oil Co., Ltd.
2011 - 2013	Chairman of the Board of Directors Empire Oil Co., Ltd.
2009 - Present	Acting for Vice President of Marketing PTG Energy PLC.
2009 - Present	Chairman of the Board of Directors Alpine Oil PLC.
2007 - Present	Chairman of the Board of Directors Pyramid Oil PLC.
2007 - Present	Chairman of the Board of Directors / Managing Director Petroleum Thai Corporation PLC.
2007 - 2012	Chairman of the Board of Directors / Chief Executive Committee PTG Energy PLC.
2006 - Present	President / Chief Executive Officer PTG Energy PLC.
2005 - 2012	Director RD Kasetpattana Co., Ltd. (Formerly R & D Kasetpattana Co., Ltd.)
2002- Present	Director PTG Energy PLC.
1999 - Present	Director P & C Group Co., Ltd.
1999 - Present	Director Satun Aqua Marine Culture Co., Ltd.
1999 - Present	Director S.C.S. Capital Corporation Co., Ltd.

Training

By Thai Institute of Directors (IOD)

2014	DCP Program Association, class 198/2014
	DAP Program Association, class 92/2011
	SFE Program Association, class 8/2010

By Capital Market Academy

Chief Executive Program Association, class 20



Mrs. Chatkaew Gajasen

Director (28/04/11)

Executive Director (25/05/12)

59 Years

Education

Master of Public Administration
National Institute of Development Administration

Master of Science (Environmental Science)
Kasetsart University

Bachelor of Laws Ramkhamhaeng University

Bachelor of Science (Chemistry) Kasetsart University

Shareholding (%)

As of December 31, 2016

Self : 0.7121

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

Sister of Mr. Pitak Ratchakitprakarn

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present Director Ratchakit Corporation Co., Ltd.

2016 - Present Director Ratchakit Holdings Co., Ltd.

2014 - Present Director Paramount Oil Co., Ltd.

2013 - Present Director P & C Satun Pattana Co., Ltd.

2013 - Present Director of Quality and Safety
BK Trading Co., Ltd.

2012 - Present Executive Director PTG Energy PLC.

2012 - 2014 Director Geer Auto Car Co., Ltd.

2011 - Present Director PTG Energy PLC.

2010 - Present Director / Agency / Real estate agent at
Jit Kaew Co., Ltd.

2010 - Present Owner / Partner
Chut Thong Roongrueng Partnership

2007 - Present Director Siam Bird's Nest Products Co., Ltd.

2005 - Present Director / Manager
RD Kasetpattana Co., Ltd.
(Formerly R & D Kasetpattana Co., Ltd.)

2004 - Present Director Siam South Sea Bird's Nest Co., Ltd.

2003 - 2015 Director P & C Aquas Marine Co., Ltd.

2000 - Present Director / Managing Director
CK Five Trading Co., Ltd.

1999 - Present Director Satun Aqua Marine Feed Co., Ltd.

1996 - Present Director / Managing Director
N & C Minimart Co., Ltd.

1996 - Present Director / Managing Director
KTP Petroleum Co., Ltd.

1993 - Present Director Odean Southern Center Co., Ltd.

1993 - Present Director / Managing Director
P & C Petroleum Co., Ltd.

1991 - Present Director / Managing Director
P & C Group Co., Ltd.

1989 - Present Director
Satun Aqua Marine Culture Co., Ltd.

Training

By Thai Institute of Directors (IOD)

2014 DCP Program Association, class 198/2014

2011 DAP Program Association, class 92/2011



Mrs. Jarusrak Nitayanurak

(Formerly Mrs. Lertlak Nadtasomboon)

Director (18/01/07)

72 Years

Education

Secondary Education

Indrapichai School Surat Thani

Shareholding (%)

As of December 31, 2016

Self : 4.6616

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experience in the Past 5 Years

2007 - Present Director PTG Energy PLC.

2003 - Present Director Pubadin Co., Ltd.

Training

By Federation of Accounting Professions

2014 DCP Program Association, class 198/2014

2012 DAP Program Association, class 96/2012



Assoc. Prof. Dr. Wanchai Rattanawong

Director/ Independent Director (24/04/14)

Member of Corporate Governance Committee (13/11/14)

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

Member of Nomination and Remuneration

Consideration Committee (25/02/16)

53 Years

Education

Ph.D. (Manufacturing Engineering)

Swinburne University of Technology, Melbourne, Australia

M.Eng. (Computer Integrated Manufacturing)

Swinburne University of Technology, Melbourne, Australia

Master of Education (Physics) M.Ed. (Physics)

Srinakharinwirot University (Prasarnmitr)

Bachelor of Education (Physics) B.Ed. (Physics)

Srinakharinwirot University (Bang Saen)

Shareholding (%)

As of December 31, 2016

Self : -none-

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present	Director Sonic Interfreight Co., Ltd.
2016 - Present	Member of Nomination and Remuneration Consideration Committee PTG Energy PLC.
2014 - Present	Corporate Director / Director / Independent Director / Member of the Audit Committee PTG Energy PLC.
2012 - 2015	Senior Vice President for Corporate Capacity Development/ Dean, Faculty of Engineering University of the Thai Chamber of Commerce
2011 - Present	Director New Frontier Consultant Co., Ltd.
2008 - 2011	Vice Director - Planning and Development Department/ Acting Director - Logistics Research Center University of the Thai Chamber of Commerce

Training

By Thai Institute of Directors (IOD)

2015	DCP Program Association, class 201/2015
2014	DAP Program Association, class 110/2014 AACP, class Association, class 16/2014

By Thailand National Defence College

2012	Diploma, National Defence College, The National Defence Course class 2012
------	--



Mr. Krirawee Sirikul

Director (23/12/16)

Member of Corporate Governance Committee (23/12/2016)

Member of Nomination and Remuneration Consideration
Committee (23/12/16)

60 Years

Education

Master of Public Administration (Public Policy)
Western Carolina University, NC, USA

Bachelor of Business Administration
(Columbia Senior Executive Program)
Columbia University, NY, USA

Shareholding (%)

As of December 31, 2016

Self : -none-

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present	Director/ Member of Nomination and Remuneration Consideration Committee/ Member of Corporate Governance Committee PTG Energy PLC.
2015 - 2016	Ambassador Ministry of Foreign Affair of the Kingdom of Thailand

Training

By Thai Institute of Directors (IOD)

(During Training)DAP Program Association, class 136/2017



Mr. Rangsun Puangprang

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

Member of Risk Management Committee (03/12/13)

Company Secretary (25/05/12)

Member of Executive Committee (25/05/12)

Executive Vice President (01/01/10)

51 Years

Education

Master of Business Administration

National Institute of Development Administration

Bachelor of Business Administration (Accounting)

Second Class Honor Ramkhamhaeng University

Shareholding (%)

As of December 31, 2016

Self : 0.0306

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Position in Other Listed Companies

-none-

Working Experiences

2016 - Present	Chairman of the Board of Director Innotech Green Energy Co., Ltd.
2016 - Present	Director Fuel Pipeline Transportation Limited
2015 - Present	Director PTG Logistics Co., Ltd.
2014 - Present	Director PTP Green Co., Ltd.
2013 - Present	Acting Director - Company Secretary / Accounting and Finance Department PTG Energy PLC.
2013 - 2014	Acting Director - Minimart Management Department Petroleum Thai Corporation Co., Ltd.
2013 - Present	Risk Management Committee PTG Energy PLC.
2012 - 2013	Vice Chairman - Risk Management Committee PTG Energy PLC.
2012 - 2013	Director Punthai Coffee Co., Ltd.
2012 - Present	Director PTG Green Energy Co., Ltd. (Pyrenees Oil Co., Ltd.)
2012 - Present	Director Olypus Oil Co., Ltd.
2011 - Present	Director Atlas Oil Co., Ltd.
2011 - Present	Director Andise Oil Co., Ltd.
2011 - Present	Acting Director - Information Technology Department PTG Energy PLC.
2011 - 2013	Acting Director - General Administration Department PTG Energy PLC.
2011 - Present	Director Everest Oil Co., Ltd.
2011 - Present	Director Empire Oil Co., Ltd.
2010 - Present	Assistant Managing Director PTG Energy PLC.
2009 - Present	Director Alpine Oil Co., Ltd.
2009 - Present	Director Pyramid Oil Co., Ltd.
2006 - Present	Director Petroleum Thai Corporation Co., Ltd.
2006 - 2014	Director Century Oil Co., Ltd.
2005 - Present	Director / Executive Director PTG Energy PLC.
2005 - 2010	Executive of Accounting and Finance Department PTG Energy PLC.

Training

By Federation of Accounting Professions

2015	CDC Program Association, class 9/2015
2014	DCP Program Association, class 197/2014 SFE Program Association, class 21/2014
2013	RCC Program Association, class 16/2013 CRP Program Association, class 5/2013 BRP Program Association, class 10/2013 CSP Program Association, class 50/2013
2009	DAP Program Association, class 79/2009

By NIDA Business School

2015	Profession CFO Creation Project, class 2009
------	---

By Stock Exchange of Thailand

2015	Strategic CFO in Capital Markets Program Association, class 1/2015
------	---

By Stock Exchange of Thailand and Institute of Internal Auditors of Thailand

2014	Going to Good to Great in IT Fraud Prevention
------	---

Detail of the Executives

Mr. Chaiwat Lertvanarin

Member of Risk Management Committee (14/07/16)

Executive Vice President (16/06/16)

57 Years

Education

Master of Business Administration

Ramkhamhaeng University

Bachelor of Science Kasetsart University

Shareholding (%)

-none-

Spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experience in the Past 5 Years

2016 - Present Executive Vice President
PTG Energy PLC.

2012 - 2015 First Executive Vice President
Kiatnakin Bank

Training

Others

2016 PTG Smart Marketing and CRM "Coaching Skills Workshop" Enabling the PTG Way through coaching.

Mrs. Sukwasa Pooshutvanitshakul

Member of Risk Management Committee (01/10/13)

Director of Procurement (25/05/12)

50 Years

Education

Master of Business Administration (Money)

National Institute of Development Administration

Bachelor of Business Administration (Accounting)

Second Class Honors Prince of Songkla University, Hatyai Campus

Shareholding (%)

As of December 31, 2016

Self : 0.0297

Including shares held by spouse or underage children

0.5816

Relationship with Company's Executive(s)

Cousin of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajasenri

Working Experiences

2016 - Present Director Innotech Green Energy Co., Ltd.
2013 - Present Director of Procurement PTG Energy PLC.
2013 Director of the Office of the President
PTG Energy PLC.

2012 - Present Risk Management Committee
PTG Energy PLC.

2011 Director Andise Oil Co., Ltd.

2011 Director Atlas Oil Co., Ltd.

2007- 2013 Manager of Accounting and Finance
Department PTG Energy PLC.

Training

By Thai Institute of Directors (IOD)

2012 SFE Program Association, class 16/2012

Other training

2014 The Management of Supplier and
Performance Evaluation
How to Evaluate Procurement and Conduct
the Procurement Report
Negotiation Technique for Procurement
2013 Introduction and Internal Auditor ISO 9001

Mr. Thatree Kerdboonsong

Executive of the Office of the President (01/09/12)
Director of Risk Management Committee (25/05/12)
61 Years

Education

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

Shareholding (%)

As of December 31, 2016
Self : 0.0206

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

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

Working Experiences

2016 - Present Director
Empire Service Solution Co., Ltd.
2016 - Present Director
AMA Marine PCL
2013 - Present Director of the Office of the President
PTG Energy PLC.
2012 - Present Member of Risk Management Committee
PTG Energy PLC.
2010 - 2014 President of Logistics Department
PTG Energy PLC.

Training

By Thai Institute of Directors (IOD)
2016 DAP Program Association, class 129/2016
2012 SFE Program Association, class 16/2012

Mr. Surasak Songvorakulpan

Executive of the Office of the President (01/01/15)
Member of Risk Management Committee (25/05/12)
51 Years

Education

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

Shareholding (%)

As of December 31, 2016
Self : 0.0208

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2016 - Present Acting Executive of Quality Assurance and
QMR Department PTG Energy PLC.
2016 - Present Acting Executive of Safety and Environment
Department PTG Energy PLC.
2016 - Present Acting Executive of Operations Department
PTG Energy PLC.
2015 - Present Acting Director - Executive of Human
Department PTG Energy PLC.
2015 - Present Director of the Office of the President
PTG Energy PLC.
2013 - 2014 Acting Director - Quality and Safety
Department PTG Energy PLC.
2012 - Present Risk Management Committee
PTG Energy PLC.
2012 - 2014 Director - Operation Department
PTG Energy PLC.
2010 - 2011 Executive Officer
Petroleum Thai Corporation Co., Ltd.

Training

By Thai Institute of Directors (IOD)
2014 SFE Program Association, class 21/2014
2016 Talent Management & Career Development
Master, class 2016

Mr. Chaitas Wanchai

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

48 Years

Education

Master of Science (Economics) Kasetsart University
Bachelor of Science (Fishery) Kasetsart University

Shareholding (%)

As of December 31, 2016

Self : 0.0029

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2016 - Present Director Innotech Green Co., Ltd.
2016 - Present Director AMA Marine PLC.
2016 - Present Executive of Station Management Department
Petroleum Thai Corporation Co., Ltd.
2016 - Present Acting Executive of Business Development
Petroleum Thai Corporation Co., Ltd.
2016 - Present Acting Executive of Engineering
Petroleum Thai Corporation Co., Ltd.
2016 - Present Acting Executive
Petroleum Thai Corporation Co., Ltd.
2009 - 2010 Acting Director - Minimart Management
Department Petroleum Thai Corporation Co., Ltd.
2013 Acting Director - Purchasing Department
PTG Energy PLC.
2013 - Present Director - Station Management Department
Petroleum Thai Corporation Co., Ltd.
2012 - Present Risk Management Committee PTG Energy PLC.
2010 - 2012 Acting Director - Retail Division
Petroleum Thai Corporation Co., Ltd.

Training**By Thai Institute of Directors (IOD)**

2016 DAP Program Association, class 129/2016
2015 SFE Program Association, class 16/2012

Other Training

2015 Turning Consumer Data Analytic Smart Marketing
2014 Modern Marketing Management

Flt. Lt. Satta Suparp

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

52 Years

Education

Master of Science (Computer Science)
Chulalongkorn University
Bachelor of Science (Statistics) Chiang Mai University

Shareholding (%)

As of December 31, 2016

Self : 0.0187

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2016 - Present Director Empire Service Solution Co., Ltd.
2015 - Present Vice President of Information Technology
PTG Energy PLC
2014 - 2015 Vice President of Marketing and Customer
Relation PTG Energy PLC.
2013 - 2014 Vice President of Marketing Customer
Relation PTG Energy PLC.
2013 Executive Officer of the Office of the
President PTG Energy PLC.
2012 - 2013 Administrative Officer 10
In Office of the President PTG Energy PLC.
2011 - 2012 Administrative of Central Officer 10
In Office of the President PTG Energy PLC.
2011 Administrative Officer 10
Central Administrative PTC
Petroleum Thai Corporation Co., Ltd
2007 - 2011 Senior Manager - Policy & Planning
PTG Energy PLC.

Training**By Thai Institute of Directors (IOD)**

2012 SFE Program Association, class 16/2012

Other Training

2016 Big Data Certification Course
2015 Digital Marketing Conference 2015

Mr. Suwatchai Pithakwongsaporn

Executive of Sales (01/01/15)

Member of Risk Management Committee (25/05/12)

44 Years

Education

Master of Economics (Business Economics)
Kasetsart University

Bachelor of Economics (Business Economics)
University of the Thai Chamber of Commerce

Shareholding (%)

As of December 31, 2016

Self : 0.0787

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2015 - Present	President of Sales PTG Energy PLC.
2013 - 2015	Senior Manager of Sales / Manager of Sales / Senior Manager of Sales and Marketing / Senior Manager of Marketing PTG Energy PLC.
2011 - 2012	Administrative Officer 10 In Office of the President PTG Energy PLC.
2011	Acting for President of Marketing/ Senior Manager of Marketing PTG Energy PLC.
1996 - 2001	Sales PTG Energy PLC.

Training

By Thai Institute of Directors (IOD)

2012 SFE Program Association, class 16/2012

Other Training

2016	Advance Certificate in Democracy of Politics and Government for Senior Executive
2015	Smart Marketing
2014	Modern Marketing Management

Mrs. Wipa Boonpalit

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

53 Years

Education

Master of Business and Administration (EX-MBA)
(Money and Marketing) Sripatum University

Bachelor of Political Science (Public Administration)
Ramkhamhaeng University

Bachelor of Arts (Tourism Management)
Kasetsart University

Bachelor of Hamburgerology
McDonald's Hamburger University

Shareholding (%)

As of December 31, 2016

Self : 0.0018

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2016 - Present	Executive of General Management Punthai Coffee Co., Ltd.
2015 - Present	President of Office of the President PTG Energy PLC.
2015	General Manager Dream House (Thailand) Co., Ltd.
2013 - 2014	Chief Operating Officer Evolution Capital PLC.
2007 - 2013	Chief Operating Officer Mudman Co., Ltd

Training

- Basic Operation Course from McDonald's Hamburger University, Singapore
- Advance Operation Course from McDonald's Hamburger University, Oak Brook, Illinois, USA
- Operation Consultant' Class/ McOpCo from McDonald's Mid-Management Development, Oak Brook, Illinois, USA
- Customer Management Best Practice, Nestle Training Course, Singapore
- Leading Change for Results, College of Management, Mahidol University, Bangkok, Thailand
- High Performance Company Leadership, Nestle, Thailand

Mr. Chalong Tiratraipusit

Member of Risk Management Committee (01/10/16)

Executive of Corporate Communication (01/10/16)

51 Years

Education

Bachelor of Business and Administration (Marketing)

Ramkhamhaeng University

Shareholding (%)

As of December 31, 2016

Self : 0.0003

Including shares held by spouse or underage children

-none-

Relationship with Company's Executive(s)

-none-

Working Experiences

2016 - Present Director

Empire Service Solution Co., Ltd.

2016 - Present Executive of Corporate Communication

Department PTG Energy PLC.

2016 - 2016 Executive of Office of the President

PTG Energy PLC.

Training

Others

2016

Coaching Clinic

Coaching Skills Workshop Enabling the PTG

Way through coaching

Coaching Skills Workshop Creating PTG

Way with CEO

PTG Smart Marketing and CRM

2015

PTG Next Generation Leaders

The 7 Habits of Highly Effective People

The Tenure of the Executives and Those with Governing Authority in the Subsidiaries and Related Companies as of 31 December 2016

Company Name	Pol. Gen. Soontorn Saikwan	Mr. Supote Pitayapongpat	Mr. Pongsak Vachirasakpanich	Mr. Vuthichai Duangratana	Mr. Pitek Ratchakitprakam	Mrs. Chatkaew Gajasen	Mrs. Jarusak Nitayanurak	Assoc. Prof. Dr. Wanchai Rattanawong	Mr. Krairawee Sirikul	Mr. Rangsun Puangprang	Mr. Chaiwat Lertvanarin	Mrs. Sukwasa Poosutvanitshekul	Mr. Thatree Kerdboonsong	Mr. Surasak Songvorakulpan	Mr. Chaitas Wanchai	Flt. Lt. Satta Suparp	Mr. Suwetchai Pitakwongsaporn	Mrs. Wipa Boonpalit	Mr. Chalong Tiratraipusit
Main Company																			
PTG Energy PLC	x	/	/	/	/	#	/	/	/	/	#	#	#	#	#	#	#	#	#
Subsidiaries																			
Petroleum Thai Corporation Co., Ltd.				x						/									
Pyramid Oil Co., Ltd.				x						/									
Alpine Oil Co., Ltd.				x						/									
Empire Oil Co., Ltd.				x						/									
Everest Oil Co., Ltd.				x						/									
Andes Oil Co., Ltd.				x						/									
Atlas Oil Co., Ltd.				x						/									
Olympus Oil Co., Ltd.				x						/									
PTG Green Energy Co., Ltd.				x						/									
Punthai Coffee Co., Ltd.				x						/									
PTG Logistics Co., Ltd.				x						/									
Empire Service Solution Co., Ltd.												/				/			/
Innotech Green Co., Ltd.									x		/				/				
Joint Venture																			
PPP Green Complex Co., Ltd. (formerly "Tha Chang (Bang Saphan) Palm Oil Co., Ltd.)			/	/						/									
Fuel Pipeline Transportation Ltd.										/									
AMA Marine Co., Ltd.												/			/				
Related Companies																			
Millcon Burapha Co., Ltd.	/																		
Millcon Steel Industry Co., Ltd.	/																		
Millcon Steel PLC	/																		
Vanachai Group PLC	/																		
Siam South Sea Bird's Nest Co., Ltd.					/+														
Siam-Best Trading Co., Ltd.		/o																	
Dhipaya Life Assurance PLC.		/																	
New Bangpho Apartment Co., Ltd.			/																
P.S.V. Property Co., Ltd.			/																
Puripat Property Co., Ltd.			/																
Legal Brains Co., Ltd.			/																
Highlight Mansion Co., Ltd.			/																
P & C Group Co., Ltd.			/	/	#+														

The Tenure of the Executives and Those with Governing Authority in the Subsidiaries and Related Companies as of 31 December 2016

Company Name	Pol. Gen. Soontorn Saikwan	Mr. Supote Phayapongpat	Mr. Pongsak Vachirasakpanich	Mr. Vuthichai Duangratana	Mr. Pitak Ratchakitprakarn	Mrs. Chatkaew Gajasen	Mrs. Jansrak Nitayanurak	Assoc. Prof. Dr. Wanchai Rattanawong	Mr. Krairawee Sinkul	Mr. Rangsun Puangprang	Mr. Chaivat Lertvanarin	Mrs. Sukwasa Poosutvanitshakul	Mr. Thatrie Kerdboonsong	Mr. Surasak Songvorakulpan	Mr. Chaitas Wanchai	Flt. Lt. Satta Suparp	Mr. Suwatchai Pitakwongsaporn	Mrs. Wipa Boonpait	Mr. Chalong Tiratrapusit
Satun Aquamarine Feed Supply Co., Ltd.				+	/+														
Satun Aquamarine Culture Co., Ltd.				+	/+														
S.C.S Land Development Co., Ltd.				/+															
P & C Convenience Store Co., Ltd.				+	+														
K.O.C. Import Export Co., Ltd.				+	+														
KTP Petroleum Co., Ltd.					/#+														
Jitkaew Co., Ltd.					/+														
Chatthong Rungrueng Ordinary Partnership					/o+														
CK Five Trading Co., Ltd.					/#+														
B.K. Trading Co., Ltd.					/+														
Siam Bird's Nest Products Co., Ltd.					/														
Paramount Oil Co., Ltd.					/														
P & C Petroleum Co., Ltd.					/#+														
P & C Satun Pattana Co., Ltd.					/+														
RD Kasetpattana Co., Ltd.					/#														
N & C Minimart Co., Ltd.				+	/#+														
Odean Southern Center Co., Ltd.					/+														
Gear Auto Car Co., Ltd.					+														
Essilor Logistics Co., Ltd.					+														
Pubadin Co., Ltd.						/													
New Frontier Consultant Co., Ltd.								/											
Sonic Interfreight Co., Ltd.								/											
University of the Thai Chamber of Commerce								#											
Ratchakit Holdings Co., Ltd.				/	/														
Ratchakit Corporation Co., Ltd.					/														

Note : x = Chairman of the Board of Directors; - = Vice Chairman of the Board of Directors; / = Director;
 * = President and Chief Executive Officer; # = Executive; # = the Management; o = Governing Authority^{1/} ;
 + = Major Shareholders^{2/}

^{1/} Governing Authority means

- 1) Holding of shares with voting right of a juristic person in an amount exceeding fifty percent of the total number of voting rights of such juristic person;
- 2) Having control of majority voting rights in the shareholders' meeting of any juristic person, whether directly or indirectly or any other reasons;
- 3) Having control over appointment or removal of at least half of all directors, whether directly or indirectly.

^{2/} Major shareholders means shareholders who, whether directly or indirectly, hold more than 10% of the total voting rights of that juristic person.

Corporate Governance

Corporate Governance Policy

PTG Energy Public Company Limited or “The Company” realized that the good corporate governance is the key factor to support the organization’s efficiency and transparency. This standard would lead the company’s business to achieve the international standard and raise the trust of all stakeholders. Thus, the Company has designated the good corporate governance policy in written and set the annually review session for the policy and guideline.

Nevertheless, the Company has been and will continue to improve its good corporate governance policy to the best.

Section 1 Right of Shareholders

The Company recognizes the importance of the right of shareholders, especially the basic rights to buy, sell and transfer securities held by them, to share profit of the Company, to sufficiently obtain news and information of the Company, to attend and exercise their votes at the meeting of shareholders, etc. The Company has thus laid down pertinent policies and procedures in order to protect shareholder rights as well as to support and facilitate the exercise of their rights, as follows:

General Meeting of Shareholders

Actions prior to the Day of Shareholders General Meeting of Shareholders

1) The Company announced the criteria for the shareholder’s right to propose the agenda of the Annual General Meeting of Shareholders and the names of candidates for the 2016 director election in [www.ptgenergy.co.th/investor relations/shareholder information](http://www.ptgenergy.co.th/investor%20relations/shareholder%20information). The shareholders could review their rights, methods and timeline to propose the meeting agenda and/or the names of qualified candidates from November 16, 2015 until December 31, 2015.

2) To provide convenience and more lead time to review the agenda and information of the meetings for shareholders, the Company publicized the invitation letter of 2016 Annual General Meeting of Shareholders and the

meeting documents (in Thai and English version), such as the 2015 annual report, the financial statement ending December 31, 2015, the profiles of candidates for the director positions, the definition of independent directors, the proxy form A, B, and C, the registration conditions, the required documents for the shareholder meeting, the appointment of proxy holder and the vote casting, the information of the independent directors whom the Company proposed to be the proxies, the Company’s regulations related to the shareholder meeting and the map of the meeting venue, etc. in [www.ptgenergy.co.th/investor relation/shareholder information/shareholder meeting](http://www.ptgenergy.co.th/investor%20relation/shareholder%20information/shareholder%20meeting) from March 23, 2016 onwards, and also in the Stock Exchange of Thailand’s news release.

3) In case that the shareholders were not be able to attend the meeting, the Company enables them to appoint Mr. Supote Pitayapongpat, Executive Director, Chairman of Audit Committee, Chairman of Corporate Governance Committee and Independent Director or any person as a proxy to attend the meeting on their behalf by using one of the proxy forms attached with the invitation letter.

4) The Company has the policy to support and provide convenience to shareholders and institutional investors. In 2016, the Company held the meeting at the easy-for-travelling location, that is, the Meeting Room 3-4, Queen Sirikit National Convention Center, located at no. 60, New Ratchadapisek Road, Klong Toey subdistrict, Klong Toey district, Bangkok.

Actions on the Day of Shareholders General Meeting of Shareholders

1) The Company has the policy to support and provide convenience to shareholders and institutional investors. In 2016, the Company held the meeting at the easy-for-travelling location, that is, the Meeting Room 3-4, Queen Sirikit National Convention Center, located at no. 60, New Ratchadapisek Road, Klong Toey subdistrict, Klong Toey district, Bangkok.

2) The Company prepared the stamps, photo copy machines, and the company officers to help review the documents, provide information and convenience to the shareholders on the meeting day. The registration was opened for shareholders from 12 p.m. onwards.

3) The Company used the technology for the registration system and vote counting to provide convenience and time saving for shareholders. The process was VDO recorded to be publicized in the Company's website.

4) The Company provided the auditor and the legal counsel to ensure the meeting was conducted in accordance with the law and the Company's regulations.

5) The Company enabled all shareholders to have the equal rights to freely share their opinions, comments or questions in each agenda before the vote casting. The directors and executives related to the agenda were required to be present in the meeting to answer the questions. The questions, answers and significant comments were recorded in the minute of the meeting for further review by shareholders.

6) Shareholders who are directors or executives with the conflict of interest in any agenda shall not have the right to vote in such agenda.

Actions after the Day of Shareholders General Meeting of Shareholders

1) The Company disclosed the resolutions from the Annual General Meeting of Shareholders. The report of complete and accurate information shall be arranged for the further inspection of shareholders and publicized for all shareholders' awareness.

2) The Company took the shareholders' advice and comments into consideration and found the way to continuously improve the Annual General Meeting of Shareholders.

Section 2 Equitable Treatment of Shareholders

Recognizing the importance of all shareholder groups, i.e. executive shareholders, non-executive shareholders, minority shareholders and foreign shareholders, the Company has adopted a policy to facilitate fair treatment of shareholders as follows:

1) At a meeting where director election is considered, the Company shall give the shareholders an opportunity to cast their votes on an individual basis. Accordingly, the shareholders exercise the right to elect any nominees qualified as directors to safeguard their interests, thereby promoting diversity among directors who would truly represent the shareholders.

2) Directors, executives and staff being aware of inside information are prohibited from revealing said information to third or uninvolved parties. In addition, the Company has a policy preventing directors, executives and employees from using non-public inside information acquired as a result of

their positions to trade the Company's securities. Directors and executives are also prohibited from trading the Company's securities during the period of 1 month before the financial statements are publicly disclosed, which the Company announced this policy quarterly throughout 2016.

3) Directors and executives are informed of the duty to report changes in their securities holding to the Office of the SEC in pursuant to Section 59 of the Securities and Exchange Act of 1992 (as amended). In this regards, the Directors and the top Executives is required to report to the Board of Directors or an appointed person on selling or buying the Company's shares 1 day earlier.

Section 3 Roles of Stakeholders Consideration

The Company treated all groups of stakeholders fairly and strictly complied with the legal requirements and related regulations. The Company developed Ethics and code of conduct handbook in which the contents are shown as follows:

- Message from the Chairman
- Part 1 Core Business
- Part 2 The conflict of interest and the control of confidential information
 - Part 3 The responsibility for PTG Energy group of companies and assets of the group of company
 - Part 4 Good corporate governance
 - Part 5 The policy related to good practices of corporate governance

In order to recognize the human rights and labor practices, the Company set the human rights and labor policies to treat all people equally. Moreover, the Company is willing to support and promote the human rights and avoid the violation act. In addition, the Company will treat employees with fairness according to the labor laws and regulations.

Along with support Promote human rights And avoid any action A violation of human rights They will also treat employees in accordance with labor laws And regulations Fairly relevant

Treatment of Shareholders

The Company has a policy to treat all shareholders equitably and not to perform any action in violation or infringement of shareholders' rights. It endeavors to safeguard shareholder rights and maximize their satisfaction, taking into account the sustainable growth of the Company, addition of corporate value, consistent and proper returns, along with adherence to the good corporate governance principles.

In 2016, in addition to the content mentioned in “Section 1: The Rights of Shareholders” and “Section 2: The Equal Treatment to Shareholders”, the Company also publicized the sufficient information to shareholders and strengthened the good relationship with shareholders and investors by communicating through many activities as follows:

- 1) Held an Analyst Meeting with investors and analysts every quarter.
- 2) Participated in the Stock Exchange of Thailand’s activities to support the investment and publicized information of the Company, such as Opportunity Day and Thailand Focus.
- 3) Provided the Company Visits for investors to ask about the company’s business direction and strategy.
- 4) Held the Road Show activities to meet investors in Thailand.

Treatment of Employees

The Company realized the importance of the employees which seeing them as the valuable assets of the company and the fundamental of success. Therefore, the Company not only provided employees welfare and safety, but also emphasized on the development of potential, knowledge, talent and skills of them and encouraged the good corporate culture and working atmosphere, including the suitable remuneration consideration. All employees were treated equally and fairly with the following resolutions:

Communications and Activities for Employees

- 1) The Company had the policy of providing continuous treatment to employees and increasing two way communications between the executives and employees, for example, the CEO Talk or the meetings between CEO and staff at each level to build the confidence and to communicate the company’s policy, objectives, and direction to the low level staff who were the key drive of the organization.
- 2) The Company set up the “PTG WAY” project in order to build the fundamental of teamwork which is the corporate culture. The four company values which are unique key success factors were as follows:

Customer Service	Full quality, Full service
Teamwork	Grow together for tenable bond
Integrity & Ethics	Act righteously to achieve sustainable growth
Continuous Improvement	Have courage to think and act, learn for excellence

They are fundamental of the principle ideas, decision making and problem solving in order to create the same behavior for all that leads to the company’s goal and vision.

- 3) The Company realized the importance of employee sustainability and set up the Employee Engagement Survey which let the company know the engagement level, the issues and the needs of employees. The survey result was utilized for further plans to build the employee engagement to the company every year.

- 4) The Company supported employees to take courses relevant to the Company’s business direction in order to improve their potential which would finally support the Company’s growth.

- 5) The Company continuously provided the internal and external training courses to employees in 2016. The average time of training that each employee took per year was 7.94 hours/person.

Remuneration and Employee’s Welfare

The remuneration to employee policy is defined as appropriated and in compliance with the Company’s business performance both in short term and long term as follows:

Short term incentive

The Company has policy to pay for performance which is deemed as the key strategy of compensation management at present time. This is to motivate employees in the organization to show their performances. The objectives and key performance indicators are clear evaluation factors to help improve the human resource management. The Company have various kinds of incentives as needed to meet employees’ responsibilities as follows:

- 1) Annual Bonus is set as a variable pay which is considered from the Company’s business performance as first priority in order to get employees in the whole organization to have the same goal. The payment is considered from the individual performance evaluation.

- 2) Commission plan for the sales achievement or new branch expansion shall be paid to the sales team which is the significant drive for the organization’s income. The payment is paid based on the monthly performance, quarterly performance or each short-term performance.

- 3) Oil loss control incentive is the reward for employees who are able to control the oil loss, counting from receiving oil to oil storage and oil supply to create the credibility in the process efficiency.

4) Service standard incentive is set to motivate employees to provide the best services to customers in order to achieve high customer satisfaction.

Long term incentive

The company has policy to motivate employees to deliver long term performance to the organization by providing the rights to buy stock option of the Company. The higher profit the company gets, the higher value the employees' stock option will be. So are earnings per share and dividends which continue to increase from the improving business performance.

1) The Company provides the welfare and basic benefits as required by law, including the social security and provident fund. Employees will continuously be informed.

2) The Company continuously joins the external party's survey of salary benchmarking in order to build the confidence in the organization's compensation and welfare plan which is fair for both internal and external equity. This shall also give motivation for efficient performance to employees.

3) The Company has policy to provide better health care welfare than the legal requirement to employees in order to support them to deliver the performance with efficiency. The Company also set the Welfare Committee election in the organization to share the concept and suggestion for the good welfare of the personnel. Employees are also encouraged to participate in the internal activities and external activities with communities in neighborhood area.

Statistics of accidents and sickness at work 2015-2016

Company	2016 (Person)	2015 (Person)
PTG Energy PLC.	0	0
Petroleum Thai Corporation Co., Ltd.	7	15
Punthai Coffee Co., Ltd.	0	0
PTG Logistics Co., Ltd.	0	0
Total	7	15

Treatment of Customers

The Company focuses on strengthen customer satisfaction by delivering quality products that meet their demand, disclosing complete and up-to-date information of products and services without misleading them, and honoring contracts, agreements or conditions made with the customers on a transparent and equitable basis. Confidentiality of customers shall be preserved at all times, and not be

exploited for personal gain or for the interests of other related parties. Moreover, the customers can send the complaints directly to Internal Audit Department through these channels as follow:

E-mail: whistleblower@pt.co.th

Address: Internal Audit Department

PTG Energy PLC.

90 CW Tower A 33rd floor

Ratchadapisek Road, Huaikwang, Huaikwang

Bangkok 10310

Treatment to Trading Partner

The Company sets the criteria to strictly evaluate and to select the trading partner according to contract, agreement or conditions without any demand for, receive or pay any dishonest benefits and to keep trading secrets of trading partners. If the Company cannot follow the conditions, agreement, and contract obligations, the Company has to inform trading partners at their earliest and find the common approaches to solve problems. The Company's policy to give or receive gifts or assets or other benefits is in compliance with the good corporate governance and anti-corruption policy, which the Company ask for collaboration from other related parties not to send any presents or offer any celebrating treats.

Treatment to Creditor

The Company commits to do business with principles and disciplines to create confidence to creditor by strictly following the trade agreement of every trade creditor and financial institution, especially the debt payment, terms of guarantee, responsibility, transparency, information disclosure, or any facts that will damage trade creditor. In any case when the Company cannot follow the condition, the staff who has direct responsibility of the case will communicate to creditor to assure that the creditor will fairly be informed.

Treatment to Trading Competitors

The Company has policy to conduct business in an ethical manner, treating competitors equally and competing fairly. The Company will not seek for confidential information of trading competitors with inappropriate approaches and does not support any action that discredits, alleges, incriminates or attacks competitors without any unfounded information.

Treatment to Community, Society and Environment

The Company emphasizes the sustainable coexistence with the community and society by encouraging employees to

develop their conscious mind and realize their roles, duties and responsibilities to the community, society and environment. The Company sets and regularly reviews the policy and safety plan, occupational health, stability and environment to be able to control and evaluate employees' performance.

The executive concept, "If the small fire can be controlled, the following impact and damage will also be small." led to the basic fire-fighting training for employees at all levels which assured the Company that employees would be able to respond to the emergency situation. The Company also initiated the CSR SAFETY BY PT STATION activity to transfer knowledge to the community, schools and local government agencies to enable them to control the situation to a certain level. Furthermore, the Company supported the efficient energy saving and encouraged employees to have conscious mind and be responsible for the community, society and environment. The Company did not support any activity that could harm the society or morality and/or lead to vices.

Section 4 Information Disclosure and Transparency

Recognizing the significance of accurate, complete, sufficient and timely disclosure of information to shareholders, investors and the general public, the Company has a policy to publish via the SET's system and its website (www.ptgenergy.co.th) corporate information, namely financial reports and information, general information as required by the Securities and Exchange Commission and the Stock Exchange of Thailand, along with other information that may affect the price of the Company's securities or the decisions of shareholders, investors, and stakeholders, also to ensure that the law and regulations the Company was following are rightful and transparent, the examples are as follow;

1) The Company arranged the reports as required by the law related to the director or executive director of the Company and reported to SEC as follows:

- 1.1) Shareholding report of the Company when the directors or executive directors were appointed (form 59-1) within 30 days of the effective date.
- 1.2) Report of the change in the Company's shares holding when there was any purchases, sales or transfer transactions of the Company's shares (form 59-2) within 3 days of the change date.
- 1.3) Disclosure of the names of the committees and executives of the Company issuing the securities (form 35-E1) in the data base within 7 days of the effective date.

2) The directors and executive directors must report the conflict of interest of their own or other related persons as follows:

- 2.1) Report when appointed for the directors or executive directors for the first time.
- 2.2) Report when there was any change in the conflict of interest information.
- 2.3) Report annually
- 2.4) Directors and executives must report their conflict of interest to the Company secretary offices and submit the copy to Internal Audit Department.

3) The Company's information was publicized through the following channels:

- 3.1) Electronics system of SEC and SET
- 3.2) Annual Statement (form 56-1) and Annual Report (form 56-2)
- 3.3) Company's website www.ptgenergy@gmail.com
- 3.4) Investor relation unit for the direct contact with investors in and out of the country.

In addition, all employees are required to discharge their duties solely for the maximum benefits of the Company. All actions and decisions shall be made in accordance with the Company's regulations and procedures, and not be influenced by personal intents of the makers or their family members, close relatives or other acquaintances.

All employees are also prohibited from exploiting or using inside information corruptly for personal gain or for the interests of their families or associates, and must safeguard the Company's inside information and documents without disclosing them to third and/or uninvolved parties. Use of shared inside information by employees must be in the scope of duties and responsibilities assigned specifically to each.

Investor Relations

The Company understands the importance of information communication, which is crucial to the decision-making of its investors, as well as strong relations between the Company and the investors. Thus, the Company has set up the Investor Relations (IR) Department in order to carry out various activities pertaining to Investor Relations affairs and to become a centralized information management hub for the Company. In this regard, the IR Department shall disclose all relevant information, in compliance with the regulations set out by the Security Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with completeness, accuracy, credibility, punctuality, and consistency. Such

information includes general information and financial reports, namely financial statements, quarterly and annual Management Discussion and Analysis (MD&A), as well as news and updates through IR's website for the benefits of shareholders, analysts, investors, and any interested individual both domestically and internationally. Furthermore, Investor Relations activities also promote the Company's business conduct in accordance with the principles of good corporate governance by aligning IR's slogan, "swift communications, transparent information, service-minded, standing by investors." The IR Department contact information is as follows:

- PTG Energy Public Company Limited
Investor Relations Department
90 CW Tower A 33rd Floor, Ratchadaphisek Road,
Huaykwang, Bangkok 10310
- ir@pt.co.th
- Telephone: +66 2168 3377 - 88
- Facsimile: +66 2168 3379, +66 2168 3389

In 2016, the Company and the IR Department have facilitated various activities pertaining to the dissemination of business operations and relevant information for investors, shareholders, and related parties.

Summary of Investor Relations Department's Activities in 2016

Activities	Frequency (times)
The Annual General Meeting to the Shareholders	1
Analyst Meeting	4
Meeting with the Executives (Company Visit)	61
Opportunity Day (hosted by SET)	4
Thailand Focus (hosted by SET)	1
Road Show	3
Conference Call	7
Information inquiry via e-mail and telephone	6 times/week
Press Conference	1

Section 5 Responsibilities of the Board of Directors

1. Sub-Committees

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

The Company's Committees, as of December 31, 2016, were comprised of:

1) Audit Committee

The Board of Directors approved the establishment of Audit Committee, appointed from independent directors who were qualified for the securities law and SEC's regulations, on May 25, 2012. The Audit Committee Directors as of December 31 2016 are as follows:

Name	Position in Audit Committee	Meeting Attendances	
		Attendances (Time)	(%)
1. Mr. Supote Pitayapongpat ^{1/}	Chairman of the Audit Committee	12/12	100
2. Assoc. Prof. Dr. Wanchai Rattanawong	Member of the Audit Committee	12/12	100
3. Mr. Vuthichai Duangratana	Member of the Audit Committee	12/12	100

Notes : ^{1/} Member of Audit Committee who is capable of auditing reliability of financial statement

^{2/} Secretary of Audit Committee is Ms. Sumaree Panniyom

Scope of Authority and Duties of the Audit Committee

1. Committee Charter

- (1) Set up the Audit Committee Charter to state their duties.
- (2) The content stated in the charter shall have clear meaning, definition and direction, including the duties of the Audit Committee.
- (3) Review and make the Audit Committee Charter up to date, complied with the Company's direction and effectively executed, for at least once a year.

2. Financial Reporting

- (1) Review to ensure that the preparation and information disclosure of the Company's quarterly and annual financial reports are accurate, complete, sufficient, reliable and timely, by coordinating with the external auditors and executives responsible for preparation of the financial reports.

3. Related Transactions and Transactions with Potential Conflicts of Interest

- (1) Review that connected transactions and transactions with potential conflicts of interest are in compliance with the laws and the SET's regulations in order to ensure that these transactions are reasonable and in the best interests of the Company.
- (2) Review that the disclosure of information regarding connected transactions or related transactions or transactions that may involve conflicts of interest is accurate and complete.
- (3) Considered the "Assessment of the adequacy of the internal control system" to ensure the Company had efficient control system for at least once a year.

4. Internal Control

- (1) Review to ensure that the Company's internal control system is appropriate and effective.
- (2) Consider audit results and recommendations of the external auditors and the internal audit office on the internal control system, propose said recommendations to the management for further improvements, and follow up the progress.

5. Internal Audit

- (1) Review to ensure that the Company's internal audit unit is independent and the internal audit system is effective.
- (2) Review activities and structure of the Internal Audit Division, and approve the Charter of the Internal Audit Office.

(3) Participate in the approval to the appointment, rewarding, transfer, removal or dismissal as well as the remuneration of the manager of Internal Audit Division, to ensure that the unit can perform duties independently.

(4) Review with the manager of Internal Audit Division the internal audit plan, especially on matters concerning internal control system and financial management process.

(5) Consider and give opinions and remarks in relation to budget and staffing of the Internal Audit Division, to propose to the Management for approval.

(6) Consider the audit plans and the scope of works of internal auditors, external auditors as well as internal audit advisor (if any) to ensure that they are mutually supportive and to avoid duplication of works.

6. Auditing

(1) Consider and propose the appointment of auditors and audit fees, including removal thereof. External auditors with independence are selected based on the credibility, adequacy of resources, work load of the audit firm, past experiences of staff assigned to audit the Company's statements, together with performance in the previous year. The Audit Committee shall propose the matter to the Board of Directors for approval.

(2) Review the scope and approach of audit proposed by the external auditors, and consider reasons for changes of audit plan (in case the plan is changed afterward).

(3) Suggest the external auditors to review or audit any transactions deemed necessary and material in the course of auditing the Company's and subsidiaries' statements.

(4) Review the auditors' reports, propose recommendations for improvements to the management, and follow up the progress.

(5) Consider the adequacy and efficiency of coordination between the external and internal auditors.

(6) Take due action and inspect the issue without delay upon being notified by the external auditors of any suspicious circumstance that the Chief Executive Officer and President or any person responsible for the Company's operations commits an offence under the second paragraph of Section 281/2, Sections 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, as well as report results of preliminary inspection to the SEC and the external auditors within 30 days from the date being notified.

7. Compliance with Relevant Laws and Regulations

(1) Review to ensure the Company's compliance with the Securities and Exchange Act, the SET's regulations or the laws relating to the Company's business.

8. Reporting of the Audit Committee

(1) The Audit Committee shall submit performance report to the Board of Directors meeting for acknowledgement and consideration at least once a quarter.

(2) The annual performance report of the Audit Committee shall be prepared with details as specified by the SET and signed by the Chairman of the Audit Committee, as well as disclosed in the Company's annual report.

(3) During the discharge of duties, if a transaction or action that may materially affect the Company's status and performance is found or suspected, the Audit Committee shall immediately report the matter to the Board of Directors in order to rectify the circumstance within the period deemed appropriate. Such transactions or actions include:

(3.1) Transactions with conflicts of interest;

(3.2) Fraud, or irregularity or material defect in the internal control system;

(3.3) Violation of the Act, the SET's regulations or the laws relating to the Company's business.

(4) If the Board of Directors or the executives fail to rectify the transaction or action identified in (3.1), (3.2) and (3.3) above within the appropriate period, any member of the Audit Committee may report such transaction or action to the SEC or the SET.

9. Good Corporate Governance

(1) Review to ensure the Company's continual process of good corporate governance development, as well as provide guidelines and recommendations necessary for improvement.

(2) Promote good corporate governance values by encouraging the Company to set the topic as a regular agenda for the Board of Directors meeting and annual general meeting of shareholders.

(3) Monitor to ensure that the Chairman of the Audit Committee receives copies of reports on interests under Section 89/14 within 7 business days from the date on which the Company has received such reports.

10. Risk Management

(1) Review to ensure that the Company's risk management process runs systematically, effectively and efficiently under appropriate standards.

(2) Consider, jointly with the Risk Management Committee, the risk management panel and the management, and give opinions regarding reports on risk management results and progress.

11. Anti-Corruption Measures

Review the Company's operations according to anti-corruption measures. If found or suspected any items, or any action that could result in a significant impact on the financial position and business performance of the Company, including fraud or corruption, the Audit Committee shall report such cases to the Board of Directors in order to rectify the situation within the period deemed appropriate by the Audit Committee.

12. Other Responsibilities

(1) Carry out any other tasks as assigned by the Board of Directors with the concurrence of the Audit Committee. The Audit Committee is responsible to the Board of Directors according to the duties and responsibilities assigned by the Board of Directors, while the responsibilities for all corporate activities toward third parties still lie with the entire Board of Directors.

(2) Review and revise the Charter of the Audit Committee at least annually in order to keep it up-to-date and proper to the Company's business circumstances.

(3) Discharge duties as specified by additional notifications of the SET.

(4) Oversee that a whistleblower system is established, in case employees or stakeholders have doubts or discover any actions suspicious of being violation of or non-compliance with the laws, rules, regulations, business ethics or corporate governance policies, in order to ensure the whistleblowers that the Company has independent investigation process and appropriate monitoring activities.

(5) Oversee any special investigations as necessary.

Term of Office

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

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

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

4. In the event that the positions on the Board becomes vacant for some other reason than rotation, the Broad of

Directors may elect a qualified person as a replacement to fill that position only for the remaining term without delay. The new director will remain in his/her position only for the remaining term of the independent directors he/she replaces.

5. The Audit Committee shall vacate the office when:

- (1) Term completion
- (2) Disqualified
- (3) Death
- (4) Resignation

(5) Being removed

(6) Being sentenced by final judgment or the legal order for imprisonment except the offenses committed by negligence or minor offense

(7) Being incapacitated person or quasi-incompetent

(8) Bankruptcy

Meetings : at least once a quarter

2) Executive Committee

Board of Directors approved the establishment of the Executive Committee on May 25, 2012. They were appointed from the Company's independent directors who were qualified for the securities law and SEC's regulations. The list of the Executive Committee as of December 31, 2016 was as follows:

Name	Position in Executive Committee	Meeting Attendances	
		Attendances (Time)	(%)
Mr. Pongsak Vachirasakpanich	Chairman of the Executive Committee	14/14	100
Mr. Pitak Ratchakitprakarn	Member of the Executive Committee	14/14	100
Mrs. Chatkaew Gajasen	Member of the Executive Committee	14/14	100
Mr. Rangsun Puangprang	Member of the Executive Committee	13/14	92

Note : ^{1/} Mr. Nopparat Chantanaves appointed as Secretary of Executive Committee

Scope of Authority and Duties of the Executive Committee

1. Consider the business plan and annual budget for proposing to the Board of Directors.

2. Formulate the Company's financial and investment policies, determine investment policy direction in line with corporate policies, and approve investment criteria as well as investment proposals according to the Company's regulations.

3. Consider and take action on key matters relating to the Company's operations.

4. Consider and provide recommendations on projects of all types that are proposed to the Board of Directors.

5. Consider and appoint directors of subsidiaries or joint ventures, according to shareholding ratio of the Company or the terms agreed by shareholders of subsidiaries or joint ventures (if any).

6. Oversee and monitor that the Company's administration results comply with the policies, business plans, and annual budget determined and approved by the Board of Directors, as well as regularly report such results to the Board of Directors.

7. Consider matters that the Chief Executive Officer and President proposes to the Executive Committee for consent or approval.

8. Approve recruitment, appointment, removal and transfer of senior employees at the senior executive vice president level or other equivalent positions.

9. Approve matters concerning the Company's finances and assets in accordance with the approval criteria.

10. Assign or advise the Chief Executive Officer and President to consider or perform any activities as the Committee deems appropriate.

11. Appoint working panels to consider any matters as the Committee deems appropriate.

12. Consider and propose matters deemed appropriate to be notified to the Board of Directors for acknowledgement, consent, or approval.

13. Consider and approve matters concerning the opening or closing of bank accounts with all commercial banks at which the Company uses services, including requests for special or extra services in relation to all the accounts the Company has with all commercial banks.

14. Consider any other matters or perform any other duties as assigned by the Board of Directors.

The Executive Committee's authority as well as delegation of authority to other persons as the Committee deems

appropriate shall not include the authority or delegation of authority to approve any transactions in which the Executive Directors and delegated persons or their related persons may have conflicts of interest or benefits in any other forms against the Company's or subsidiaries' interests, or transactions beyond the Company's or subsidiaries' normal business scope. Such transactions must be proposed to the Board of Directors meeting and/or the shareholders meeting for consideration and approval in accordance with the Company's articles of association or relevant laws.

Term of Office

1. The terms of service of the Executive Committee was equal to the terms of service of the Company's Directors. These terms of service shall end in the Annual General Meeting of Shareholders.

2. The Executive Committee whose term of service is ended will be allowed to be reappointed but will not be automatically renewed.

3. Apart from the expired term, the Executive Committee shall immediately be terminated from the position upon;

3.1 Death

3.2 Resignation

3.3 Lack of qualifications and being prohibited according to Public Limited Companies Act, B.E. 2535 (1992) (including any amendments)

3.4 The Board of Directors' resolution to vacate the position

3.5 The Court's resolution to vacate the position

Meetings : at least once a month

3) Risk Management Committee

The Board of Directors approved the establishment of the Risk Management Committee on May 25, 2012, appointed from directors and/or executives and/or professionals who had expertise on risk management or on the Company's business industry and were qualified for the securities law and SEC's regulations. The list of the Risk Management Committee as of December 31, 2016 was as follows:

Name	Position in Risk Management Committee	Meeting Attendances	
		Attendances (Time)	(%)
1. Mr. Pitak Ratchakitprakar	Chairman of the Risk Management Committee	4/4	100
2. Mr. Rangsun Puangprang	Member of Risk Management Committee	3/4	75
3. Mr. Chaiwat Lertvanarin ^{1/}	Member of Risk Management Committee	1/2	50
4. Mrs. Sukwasa Pooshutvanitshakul	Member of Risk Management Committee	3/4	75
5. Mr. Thatree Kerdboonsong	Member of Risk Management Committee	4/4	100
6. Mr. Surasak Songvorakulpan	Member of Risk Management Committee	3/4	75
7. Mr. Chaitas Wanchai	Member of Risk Management Committee	4/4	100
8. Flt. Lt. Satta Suparp	Member of Risk Management Committee	4/4	100
9. Mr. Suwatchai Pitakwongsaporn	Member of Risk Management Committee	1/4	25
10. Mr. Chalong Tiratraipusit	Member of Risk Management Committee	4/4	100
11. Mr. Nopparat Chantanaves	Member of Risk Management Committee	4/4	100
12. Ms. Patchanok Worasakyotin	Member of Risk Management Committee	3/4	75
13. Ms. Supapan Mahasarakul	Member of Risk Management Committee	3/4	75

Note : ^{1/} Appointed as Risk Management Committee on July 14, 2016.

^{2/} Mr. Rerkchai Tunhachaiboon appointed as Secretary of Risk Management Committee

Scope of Authority and Duties of the Risk Management Committee

1. Review and make recommendations on the Risk Management Policy and framework before presenting to the Board of Directors to consider for approval, assign the management to act in compliance with the policy and guidelines, and assign the management to report the performance to Risk Management Committee.

2. Review and recommend on the Risk Appetite and Risk Tolerance which are complied with the corporate strategy.

3. Review and improve the enterprise risk management system to be continuously effective and set an evaluation to monitor the risk management both in normal and crisis situation complying with the policy and guideline of the company.

4. Conduct an assessment and analyze risks in key areas in accordance with the current situation systematically and continuously in order to ensure that the risk assessment covers all stages of the business according to the good corporate governance, and make recommendations on how to prevent the risk when it occurs unexpectedly or reduce the risk to be at an acceptable level.

5. Review risk management reports focusing on the important risks to the company and manage risks appropriately.

6. The Risk Management Committee has the authority to request the management or related persons to clarify the information in written form or attend the meeting with the Risk Management Committee to clarify or provide information about risks, duties, and responsibilities verbally as this is their duties to cooperate with the Risk Management Committee.

7. Supervise and support on risk management against fraud and corruption through risk assessment regarding to fraud and corruption, and review how to prevent or protect the company from fraud and corruption.

8. To perform any other tasks as assigned by the Board of Directors.

Term of Office

1. The Risk Management Committee shall be in office for a three-year term from the date the Board of Directors has approved the appointment.

2. The Risk Management Committee, whose term has expired, can be re-appointed if approved by the Board of Directors.

3. Apart from the expired term, the Risk Management Committee shall immediately be terminated from the position upon;

3.1 Death

3.2 Resignation

3.3 Lack of qualifications and being prohibited according to Public Limited Companies Act, B.E. 2535 (1992) (including any amendments)

3.4 The Board of Directors' resolution to vacate the position

3.5 The Court's resolution to vacate the position

Meetings : at least 4 times a year

4) Corporate Governance Committee

The Board of Directors approved the establishment of the Corporate Governance Committee on November 13, 2014, appointed from the Company's directors who were qualified for securities law and SEC's regulations. The list of the Corporate Governance Committee as of December 31, 2016 is as follows:

Name	Position in Corporate Governance Committee	Meeting Attendances	
		Attendances (Time)	(%)
1. Mr. Supote Pitayapongpat	Chairman of the Corporate Governance Committee	4/4	100
2. Assoc. Prof. Wanchai Rattanawong	Member of the Corporate Governance Committee	4/4	100
3. Mr. Krirawee Sirikul ^{1/}	Member of the Corporate Governance Committee	-	-

Note : ^{1/} Appointed as the Corporate Governance Committee Director on December 23, 2016

^{2/} Mr. Rangsun Puangprang appointed as Secretary of Audit Committee

Scope of Authority and Duties of the Corporate Governance Committee

1. Consider and make recommendations regarding the framework of Good Corporate Governance and Corporate Social Responsibility to ensure that it is appropriate for the structure of PTG Energy Group, as well as make adjustments to ensure agreement with the international guidelines and present to the board of directors for approval.

2. Give advice, suggestions, as well as recommendations to the management division concerning any operations according to Good Corporate Governance policy, corporate social responsibility, morality, and business ethics.

3. Conduct an audit together with the management concerning the Company's operations according to Good Corporate Governance policy and Corporate Social Responsibility as determined by the Corporate Governance

Committee and disclosed in the annual report. If any matters are failed to be carried out accordingly, such matters must be notified with sufficient reasons given.

4. Consider and provide recommendations on policy framework, implementation plan, and development guidelines on corporate social responsibility aspect with good standard and sustainability.

5. Formulate operations procedure to follow the Good Corporate Governance policy, to be in accordance with the policies of the Group, as well as approve guidelines and related recommendations.

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

7. Consider the issues that may affect PTG Energy Group's image.

Term of Office

1. The terms of service of the Corporate Governance Committee was equal to the terms of service of the Company's

Directors. These terms of service shall end in the Annual General Meeting of Shareholders.

2. The Corporate Governance Committee whose term of service is ended will be allowed to be reappointed but will not be automatically renewed.

3. Apart from the expired term, the Corporate Governance Committee shall immediately be terminated from the position upon;

3.1 Death

3.2 Resignation

3.3 Lack of qualifications and being prohibited according to Public Limited Companies Act, B.E. 2535 (1992) (including any amendments)

3.4 The Board of Directors' resolution to vacate the position

3.5 The Court's resolution to vacate the position

Meetings : at least once a quarter

5) Nomination and Remuneration Consideration Committee

The Board of Directors approved the establishment of the Nomination and Remuneration Consideration Committee on January 29, 2016, appointed from the Company's directors who were qualified for securities law and SEC's regulations. The list of the Corporate Governance Committee as of December 31, 2016 is as follows:

Name	Position in Nomination and Remuneration Consideration Committee	Meeting Attendances	
		Attendances (Time)	(%)
1. Mr. Vuthichai Duangratana	Chairman of the Nomination and Remuneration Consideration Committee	5/5	100
2. Assoc. Prof. Dr. Wanchai Rattanawong	Member of the Nomination and Remuneration Consideration Committee	5/5	100
3. Mr. Krirawee Sirikul ^{1/}	Member of the Nomination and Remuneration Consideration Committee	-	-

Note: 1/ Appointed as the Nomination and Remuneration Consideration Committee Director on January 29, 2016.

2/ Mr. Surasak Songvarakulpan appointed as the Secretary of the Nomination and Remuneration Consideration Committee

Scope of Authority and Duties of the Corporate Governance Committee

Nomination

1. Set the policy, criteria and process of the nomination of the Company's Board of Directors, Committees, Chief Executive Officer and Managing Director and propose to the Board of Directors and/or the Annual General Meeting of Shareholders for consideration and approval.

2. Consider the qualification of the candidates for Executive Directors, Committees, Chief Executive Officer and Managing Director, based on knowledge, experiences and expertise

relevant to the Company's interests, including time dedication and the attempt to perform the duties of directors, committees and Chief Executive Officer and Managing Director.

3. Set the process to recruit, select and nominate the candidates who were qualified for the corporate identity and ensure the compliance with the regulations and related law stating the nomination of the Board of Directors, Committees, Chief Executive Officer and Managing Director, and proposed to the Board of Directors and/or the Annual General Meeting of Shareholders for consideration and approval.

4. Consider the qualifications of the independent directors to meet the criteria of Capital Market Supervisory Board, SEC and other related announcements.

5. Supervise the Board of Directors and Committees to ensure the appropriate size and components that fit the organization and be updated to the changing environment. The Board of Directors and Committees must be comprised of the persons with knowledge, skills, talents and experiences.

6. Prepare the succession plan for Chief Executive Officer, Managing Director and authorized persons and propose to the Board of Directors for approval.

7. Disclose the policy and nomination process in the Company's annual report.

8. Consider or manage other matters as assigned from the Board of Directors.

Remuneration Consideration

1. Set up the payment policy of all remuneration and fringe benefits, including compensation and other benefits to Board of Directors, Committees, Chief Executive Officer and Managing Director, with the clear and transparent criteria and propose to Board of Directors for approval and/or propose to the Annual General Meeting of Shareholders for agreement on the case by case basis.

2. Review the appropriateness of all remuneration and other benefits payments based on the general practice of the same industry or the Company's business performance, business size and the expertise and experiences of the Board of Directors, Committees, Chief Executive Officer and Managing Director.

3. Review the proposal of the management on the remuneration payment policy, the compensation plan and other benefits, in addition to salary of employees in the

Company group. Propose the proposal to the Board of Directors for approval.

4. Set the guideline for the performance evaluation of the Board of Directors, Committees, Chief Executive Officer and Managing Director in order to consider for their annual bonus.

5. Announce the policy and detail of the remuneration criteria in the Company's annual report.

6. Consider or manage other matters as assigned from the Board of Directors.

Term of Office

1. The terms of service of the Nomination and Remuneration Consideration Committee was equal to the terms of service of the Executive Director. These terms of service shall end in the Annual General Meeting of Shareholders.

2. The Nomination and Remuneration Consideration Committee whose term of service is ended will be allowed to be reappointed but will not be automatically renewed.

3. Apart from the expired term, the Nomination and Remuneration Consideration Committee shall immediately be terminated from the position upon;

3.1 Death

3.2 Resignation

3.3 Lack of qualifications and being prohibited according to Public Limited Companies Act, B.E. 2535 (1992) (including any amendments)

3.4 The Board of Directors' resolution to vacate the position

3.5 The Court's resolution to vacate the position

Meetings : at least once a quarter

2. The Performance Evaluation of the Board, Committees, Chief Executive Officer and Managing Director

The Board of Directors required the regular performance evaluation of the Board of Directors and Committees, both as a group and as an individual, in order to monitor the working performance of the Board of Directors for at least once a year. The criteria of the performance evaluation on the percentage basis is as follows:

Performance Level	Performance Evaluation of Committee (%)	Performance Evaluation of Director (%)
Excellent	91-100	91-100
Very good	81-90	81-90
Good	61-80	61-80
Need improvement	41-60	41-60
Unsatisfied	<40	<40

The evaluation summary is as follows:

Performance evaluation of the Committee consisted of:

1. Structure and Qualifications of the Board of Directors
2. Roles and Responsibilities of the Board of Directors
3. Meeting of Board of Directors
4. Duties of Directors
5. Relations with Management
6. Director and Executive Development

Performance evaluation of the Directors consisted of:

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

The performance evaluation result for the Board of Directors in 2016

Committee Name	Performance Evaluation of Committee (%)	Performance Evaluation of Director (%)
The Board of Directors	96.67	95.74
The Audit Committee	100	100
The Executive Committee	100	100
The Risk Management Committee	95.40	95.20
The Corporate Governance Committee	91.41	91.25
The Nomination and Remuneration Consideration Committee	90.13	93.18

Performance evaluation of the Chief Executive Officer and President

The Board of Directors has arranged to put in place a performance evaluation of the Chief Executive Officer and President in order to regularly review the performance of the Chief Executive Officer and President at least once a year, the detail is as follows:

Section 1: Progress of the work plan

Section 2: Performance Evaluation consisted of:

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

Section 3: CEO Development

The criteria of the performance evaluation on the percentage basis is as follows:

Performance Level	Performance Evaluation of committee (%)
Excellent	91-100
Very good	81-90
Good	61-80
Need improvement	41-60
Unsatisfied	<40

The performance evaluation score for the Chief Executive Officer and President was 96.11% in 2016.

3. The Orientation to Directors

The Company provided the orientation for all new directors with the orientation documents containing the following key information:

- 1) Presentation of the company business profile by Chief Executive Officer and Managing Director.
- 2) The Company structure and the names of Board of Directors, Committees and Management team.
- 3) Introduction of subsidiaries
- 4) The key meeting schedule of the Company
- 5) The Board of Directors Charter, the Committees Charter stating the effective committee positions and important policies, such as the criteria of significant information usage, the anti-corruption policy, the corporate governance policy, etc.
- 6) Company profile and annual report
- 7) The policy of Company's securities trading.

4. Director and Executive Development

Directors attended and passed the training courses from Thai Institute of Directors Association (IOD) which are as follow:

Name	Position	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Successful Formulation & Execution of Strategy (SFE)	Advance Audit Committee Program (AAP)	Chartered Director Class (CDC)	Othres
1. Pol. Gen. Soontorn Saikwan	Chairman of the Board of Director Independent Director	DCP 201/2015	DAP 41/2005	ACP 42/2013					MFM 9/2013 MIR 14/2013 MIA 15/2013 MFR 18/2013
2. Mr. Supote Pitayapongpat	Director Chairman of the Audit Committee Chairman of the Corporate Governance Committee Independent Director	DCP 197/2014	DAP 96/2012	ACP 42/2013					MFM 9/2013 MIR 14/2013 MIA 14/2013 MFR 17/2013
3. Mr. Vuthichai Duangratana	Director Member of the Audit Committee Chairman of the Nomination and Remuneration Consideration Committee Independent Director	DCP 198/2014					AACP 23/2016		
4. Mr. Pitak Ratchakitprakarn	Director Member of the Executive Committee Chairman of the Risk Management Committee President & Chief Executive Officer	DCP 198/2014	DAP 92/2011			SFE 8/2010			
5. Mrs. Chatkaew Gajaseni	Director Member of Executive Committee	DCP 198/2014	DAP 92/2011						
6. Mrs. Jarusrak Nitayanurak	Director	DCP 198/2014	DAP 96/2012						
7. Mr. Pongsak Vachirasakpanich	Director Chairman of the Executive Committee	DCP 197/2014	DAP 96/2012						

Name	Position	Director		Director Accreditation		Audit Committee Program		Role of the Compensation Committee (RCC)		Successful Formulation & Execution of Strategy (SFE)		Advance Audit Committee Program (AAP)		Chartered Director Class (CDC)		Others
		Certification Program (DCP)	(DCP)	Program	(DAP)	Program	(ACP)	Program	(RCC)	Program	(SFE)	Program	(AAP)	Program	(CDC)	
8. Assoc. Prof. Dr. Wanchai Flattawong	Director	DCP 201/2015	DAP 110/2014									AACP 16/2014				
	Member of the Audit Committee															
	Independent Director															
	Member of the Corporate Governance Committee															
	Member of the Nomination and Remuneration Consideration Committee															
9. Mr. Krairawee Sirikul	Director	During the Attendance of DAP 136/2017														
	Member of the Corporate Governance Committee															
	Member of the Nomination and Remuneration Consideration Committee															
10. Mr. Rangsun Puangprang	Director	DCP 197/2014	DAP 79/2009													
	Member of the Executive Committee															BRP 10/2013
	Member of the Risk Management Committee															CRP 5/2013 CSP 50/2013
Resigned Director during 2016																
1. Mr.Thien Mekanontchai	Director	DAP 202/2015	DAP BJC/2004													
	Member of Audit Committee															MFV 9/2013
	Member of Corporate Governance Committee															MIR 14/2013
	Independent Director															MIA 14/2013 MFR 17/2013
2. Mr.Manit Nitiprateep	Director	DAP 126/2016														
	Member of the Corporate Governance Committee															
	Member of the Risk Management Committee															

The seminar and training courses attended by Board of Directors in 2016

Board name	Training courses/ seminars
1. Pol. Gen. Soontorn Saikwan	- Corporate Governance VS Corporate Performance: Duty or Choice
2. Mr. Supote Pitayapongpat	- Principles of Good Corporate Governance
3. Mr. Vuthichai Duangratana	- Principles of Good Corporate Governance
4. Mr. Pitak Ratchakitprakarn	- Principles of Good Corporate Governance
5. Mrs. Chatkaew Gajasen	- CEO Club: Global Mega Trend: Future of Mobility and Impacts to Personal Lives
6. Mrs. Jarusrak Nitayanurak	- Principles of Good Corporate Governance
7. Mr. Pongsak Vachirasakpanich	- Principles of Good Corporate Governance
8. Assoc. Prof. Dr. Wanchai Rattanawong	- Principles of Good Corporate Governance
9. Mr. Krairawee Sirikul	- Orientation to new directors
10. Mr. Rangsun Puangprang	- CG Forum 1/2016 Ethics : Good Governance Consciousness
	- CG Forum 2/2016 Honesty, Caution, Protection for Director
	- Principles of Good Corporate Governance
	- CG Forum 3/2016 "Corruption in the Organization : the preventable and controllable dark danger"
Directors resigned during the year of 2016	
1. Thien Mekanontchai	-
2. Mr. Manit Nitiprateep	- Principles of Good Corporate Governance

Nomination of Directors and Top Executives

Nomination of Independent Directors

The Company has a policy to appoint independent directors in a number not less than one-third of the total directors, yet not less than 3 persons. In nominating persons for independent directors, the Board of Directors shall jointly select qualified persons based on knowledge, abilities, past experiences and other appropriate qualities, including required qualifications and prohibited characteristics according to the Public Limited Companies Act, Securities and Exchange Act., notifications of the Capital Market Supervisory Board along with relevant notifications, regulations and/or rules. The Board of Directors shall subsequently propose selected persons to the shareholders meeting for approval to the appointment thereof.

Qualifications of independent directors are as follows

1) Holding shares not exceeding 1% of the total shares with voting rights of the Company, its parent company, subsidiary, affiliate, the Company's major shareholders or controlling persons, including shares held by related persons of such independent director.

2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child of the executive, major shareholder, controlling person or person to be nominated as executive or controlling person of the Company or its subsidiary.

4) Having no business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company in the manner which may impede his/her independent discretion; and neither being nor used to be a significant shareholder (holding more than 10% of the total shares with voting rights of the Company, including those held by related persons), or a controlling person of those having business relationship with the Company, its parent company, subsidiary, affiliate,

major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

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

6) Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not be a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing status has ended for not less than 2 years.

7) Neither being nor used to be a professional service provider of any kind, including legal or financial advisor, who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company; and not being a significant shareholder, controlling person or partner of such professional service provider, unless the foregoing status has ended for not less than 2 years.

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

9) Not operating any business of the same nature as and in competition with that of the Company or its subsidiary to a significant extent; or not being a significant

partner in a partnership, or an executive director, employee, staff or advisor who receives salary or a shareholder holding more than 1% of the total shares with voting rights of any other company that operates any business of the same nature as and in competition with that of the Company or its subsidiary to a significant extent.

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

After an independent director being appointed with qualifications as stated in 1) to 9) above may be assigned by the Board of Director to make decisions on business operations of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company, provided that it is in the manner of collective decision where such independent director shall not be regarded as an executive director.

In case an independent director involves or used to involve in a business relationship or provision of professional services for a consideration exceeding the amount specified in 4) and 6) above, he/she shall be granted a relaxation thereof if the Board of Directors has considered, based on Section 89/7 of the Securities and Exchange Act of 1992, and opined that the appointment of such person does not affect his/her performance and independent opinions. The notice of shareholders meeting shall disclose in the agenda on appointment of independent director the following information:

(a) The nature of business relationship or professional services that makes such person lack the specified qualifications;

(b) Reasons and necessity for retaining or appointing such person as an independent director;

(c) Opinions of the Board of Directors regarding the proposal to appoint such person as an independent director.

Scope of Authority and Duties of the Independent Directors

Make decisions on business operations of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company, provided that it is in the manner of collective decision where such independent director shall not be regarded as an executive director.

The Separation of Position of Chairman of the Board, Chief Executive Officer and Managing Director

The Independence of Chairman of the Board

The Scope, Authority and Duty of Chairman of the Board

1) Supervise the operation of Board of Directors, Committees, Chief Executive Officer, Directors and General Manager to ensure the compliance with the law, the Company's objectives and regulations, and the shareholder's meeting resolutions with honesty, for the interest of the Company and the accountability to shareholders.

2) Supervise the operation to be in accordance with the Company's policy and direction. Monitor and supervise the Board of Directors, Committees, Chief Executive Officer and Managing Director to follow the Company's policy and regulations efficiently and effectively under the good corporate governance to maximize the economic value and shareholders' wealth.

3) Preside the Board of Directors meetings with following duties:

3.1) Consider the meeting agenda together with Chief Executive Officer and Managing Director.

3.2) Ensure that the Board of Directors receive the accurate and complete information about the meetings in time.

3.3) Conduct meetings according to the agenda, the company's regulations and the law.

3.4) Encourage all directors to the full discussion and opinion sharing.

3.5) Control the meeting efficiency and state clear meeting resolutions to the meetings.

3.6) Cast the vote in case there is a tie vote in the Board of Directors meeting.

4) Preside the shareholder meetings in accordance with the agenda, the company's regulations and the law. Allocate appropriate time and open the chances for the fair share of shareholder's opinions. Conduct the questions and answers session for shareholders as appropriate and transparent.

5) Encourage the directors who were not in executive positions to have the meetings among themselves as necessary in order to discuss about the management issues of their interests with no involvement of management team.

6) Encourage and support the efficient anti-corruption and assign Chief Executive Officer and Managing Director to lead the anti-corruption measure implementation to ensure that the anti-corruption is recognized by Chief Executive

Officer and Managing Director as the corporate culture.

7) Support the good relationship between the Board of Directors and management team.

8) Supervise the Board of Director for the appropriate structure and components.

9) Supervise the performance evaluation of the Board of Directors, Committees, Chief Executive Officer and Managing Director for at least once a year.

10) Conduct other duties as stated in the law, the related company's rules and regulations, and the shareholder meeting's resolutions.

Scope, Authority and Duty of Chief Executive Officer and Managing Director

1) Establish and propose the policy, objectives, and strategy of the Company's business for the Board of Directors' approval.

2) Execute the Company's operation according to the policy, objectives, business plan and strategic plan as approved by the Board of Directors.

3) Delegate and/or give authority to other persons to work on his/her behalf in some cases within the scope of the approved authority guideline, regulations or orders stated by the Board of Directors.

4) Arrange the company operation report and propose the important issues to the Executive Board regularly.

5) Be representative of the company in the contact with external parties.

6) Set up the operation guideline for anti-corruption measures and procedures. Support the resources and communications to ensure that staff in all levels and related departments know and understand the anti-corruption policy, guideline, measures and procedures. Encourage the company groups to consider and apply these anti-corruption measures and procedures at the appropriate level. Take the comments or suggestions of the Board of Directors and Committees into consideration. Review the appropriateness of the systems, measures, and procedures to ensure the update to the changes in business, rules, regulations and legal requirements. Report the examination result of the anti-corruption measures to the Corporate Governance Committee for at least once a quarter or as deem appropriate. Have authority to conduct all other transactions related to the anti-corruption.

7) Conduct other duties as assigned from the Executive Committee and/or the Board of Directors.

Nomination of Top Executives/ Succession Plan

PTG Energy Group ("The Company") has the transparent recruitment plan for Chief Executive Officer and Chief Managing Director and Managing Director ("Chief Executive of the Organization"). The Company is confident to get the professional chief executive who was independent from major shareholders. The Nomination and Remuneration Consideration Committee arranges the succession plan and propose to the Board of Directors for consideration. The recruitment process starts from selecting the talented and good persons, focusing on the young talents. The Company provides development and career path for them to be the future leaders. High potential persons passing the performance evaluation process will be developed following the Individual Development Plan. High potential persons will be offered challenging assignments and job rotation to develop their leadership skills and all aspects of work. This arrangement will help the organization fill in the Chief Executive Officer vacancy whenever it happens.

As for the recruitment of the Company's Chief Executive Officer, the Nomination and Remuneration Consideration Committee shall consider the candidates who have skills and professional experiences that meet the Company's business requirements and bring benefits to the Company and must not have potential conflict of interest. The candidate's names will be proposed to the Board of Directors for approval.

In addition to recruitment and nomination of the Chief Executive Officer, the Company also prepare the succession plan by selecting the persons who are qualified for the succession consideration. They will be developed to be ready for the position in the future. This process will give confidence in the Company's business operation and performance to shareholders, investors and all stakeholders.

The Board of Directors set the policy of Chief Executive Officer Nomination stating that the candidate could be external person or internal person as long as he/she is qualified in order to be updated with the situation during such period. The qualified person shall be selected by the Nomination and Remuneration Committee which clearly sets the criteria and process of the nomination.

Furthermore, in order to maximize the benefits out of the Chief Executive Officer selection, the Board of Directors

assigned management team to supervise "Human Resource Management Department" to provide skill development training to Chief Executive Officer, executives, and other high potential positions. The Board of Directors also set the development direction to create the role and responsibility rotation to provide well-rounded experiences to executives. Employees from the director level ("Executive") or higher can apply for the Chief Executive Officer candidates if they are qualified for the stated criteria.

Procedures:

1. The Nomination and Remuneration Consideration Committee identifies the positions that need succession plan, including Chief Executive Officer and Chief Managing Director, Managing Director, Deputy Managing Director, and Director of every department.
2. The Nomination and Remuneration Consideration Committee identifies the required qualifications and competency of Chief Executive Officer.
3. The Nomination and Remuneration Consideration Committee identifies the Executive from the Director level or higher who has potential to fill in the succession plan of Chief Executive Officer.
4. Chief Executive Officer and Chief Managing Director or Managing Director is assigned to do capability and performance evaluation of the Executives whose qualifications meet the required competency level in order to prepare his/her individual development plan in order to reduce the competency gap.
5. Management team is assigned to supervise the training and development of the potential executives' competency.
6. Chief Executive Officer and Chief Managing Director or Managing Director manages to set the role and responsibility rotation of the potential executives and have Deputy Managing Director attend the Board of Directors meetings to gain experiences and readiness for the corporate management.
7. Chief Executive Officer and Chief Managing Director or Managing Director reports the result of the individual development plan of the potential executives to the Nomination and Remuneration Committee periodically.
8. The Nomination and Remuneration Committee shall regularly review the details and conclude the result of Chief Executive Officer's succession plan every year and report to the Board of Directors for at least once a year.

Corporate Governance of Subsidiaries and Associates

Policy of Director and Executive to hold positions in other company

Board of Directors shall be able to hold the Director positions in no more than 5 other listed companies. This shall be in compliance with the policy and practice of the director position holding in other company and shall get prior approval of the Board of Directors with the detail as follows:

1. Inform the position holding in other company or organization to the Nomination and Remuneration Committee.
2. The Nomination and Remuneration Committee proposes to Board of Directors for approval.
3. The Company's Secretary discloses the information in the annual information report (form 56-1) and annual report (form 56-2).

Insider Trading Policy/ Internal Audit and Risk Management

Board of Directors sees the importance of Internal Control and establishes Internal Control unit to examine the internal control system of the Company to ensure the efficiency and effectiveness. This will assure the Company that each unit has appropriate policy and practice and has good internal control system. The Internal Control unit shall arrange the report and propose to Audit Committee directly.

Furthermore, the Board of Directors sees the importance of the risk management and establishes Risk Management Committee to help the Board of Directors set the risk management policy and direction of the total organization for the management's execution. The Company requires the Risk Management Committee to report any risks that could possibly be the obstacles of the current or future business, along with recommendation or policy to make those risks acceptable. The Risk Management Committee also has to regularly report the result of the policy and direction implementation of the management to the Board of Directors.

Use of Inside Information

The Company puts great emphasis on overseeing and prohibiting its directors, executives and employees from using non-public material inside information for personal gain or for the interests of persons related to them, as well

as from trading the Company's securities. Accordingly, the Company has laid down guidelines preventing exploitation of inside information by the directors, executives and employees as follows:

- 1) Directors, executives, and employees at all levels are prohibited from disclosing confidential and/or inside information of the Company to non-related parties or persons.
- 2) Directors, executives, and employees at all levels are prohibited from utilizing confidential and/or inside information of the Company for their own or any other persons' direct or indirect interests of personal gain or for the interests of any other persons, either directly or indirectly and no matter whether they receive any benefits in return.
- 3) Directors, executives, and employees at all levels being aware of the Company's non-public operating results or inside information that may affect the price of the Company's securities are prohibited from buying or selling the Company's securities until said information is released to the public. This prohibition shall apply to spouses and minor children of such persons. Violation of this regulation shall be regarded as a serious and legally punishable offence.
- 4) Directors and executives shall understand and acquaint themselves with the duty to report their securities holding and the holding of securities by their spouse and minor children, including changes thereof, to the Office of the SEC in pursuant to Section 59, as well as with penalty provisions in pursuant to the Securities and Exchange Act of 1992 (as amended) and the regulations of the Stock Exchange of Thailand.
- 5) The Company has established disciplinary actions against any persons utilizing or disclosing the Company's inside information to the extent that may damage the Company. The disciplinary actions shall be considered and taken as appropriate to the case, which include verbal warning, written warning, probation as well as termination of directors, executives or employees by means of dismissal, deposition or discharge, as the case maybe.

Code of Conduct

To conduct the business for the highest benefits of shareholders and stakeholders, the Board of Directors have the policy to focus on both goal achievement and how to achieve the goal.

Thus the Board of Directors stated the goal and how to achieve the goal in the vision, mission, values, principles, policy and ethics in order for the Board of Directors, Executives, and employees of PTG Energy Group to acknowledge and practice accordingly in treating employees, shareholders, investors, customers, partners, competitors, stakeholders and society according to PTG Energy Group's standard.

Conflict of Interest

The Company shall consider the potential conflict of interest transaction for the best interest of the Company and shareholders. The Company has policy to prevent conflict of interest that could occur from connected transactions. The persons who connect to or have conflict of interest in the connected transactions must inform the Company about their relationship or connection and must be abstain from considering or making comments or approving the transactions.

The connected transactions are considered base on price and condition with the same approach as the transactions with external persons and need to be in compliance with the securities and exchange law and rules, announcement, order or requirements of the Capital Market Supervisory Board. The Audit Committee has duty to consider and comment on the connected transactions and proposes to the Board of Directors. The Company requires the disclosure of the detail of connected transactions in the annual information report (form 56-1) and the annual report (form 56-2).

Report generation of conflict of interest of Directors, Executives, and related parties

The Company approved to conduct the conflict of interest report of Director, Executives and related parties in order to follow the related transaction of the report and perform the duties cautiously.

Campaigns encouraging Good Corporate Governance and Business Ethics

Corporate Governance Committee has authority to encourage and consider the procedure related to corporate governance not only by appointing the Corporate Governance Committee which has President and Chief Executive Officer as the Chairman of the Committee, but also conducting good corporate governance plan in order to be a guideline of effective organization improvement and

continuously create confidence among stakeholders.

Anti-Corruption

PTG Energy Group ("Group") is committed to conducting its business with integrity, transparency, morality, and responsibility toward society and all stakeholders. The Board of Director approved to conduct the anti-corruption policy on October 25, 2014 clearly stated that the Group shall not compensate government officials or private entities in return for business advantages or improper acquisition. It shall oppose those individuals involved in any form of corruption, such as inquiring, proposing, or accepting bribes; extortion; activities giving rise to conflicts of interest; money laundering; embezzlement; misuse of expenditure allocated for gifts, hospitality, traveling, donation, financial support, and accommodation; political contribution; investment in society and community activities; corruption through contact with government officials, trading partners, representatives, and other intermediaries; corruption through joint ventures; inappropriate utilization of company assets; corruption through mergers and acquisitions, as well as unfair treatment of minority shareholders. The Group shall not allow any corruption behavior to foster within the organization by putting in place risk assessment and guidelines that require all levels of personnel, ranging from directors, executives, and all levels of employees to comply with legal regulations and ethical principles.

Furthermore, the Company also identifies Integrity and Ethics as the values of the Company and sets the anti-corruption practice as the policy, for example, the policy of giving and receiving gifts, assets, or other benefits, information technology policy that requires the confidential keeping and insider trading control, etc. Everyone in the Company, including directors, executives, employees, must acknowledge such policies, treat them as principles, and publicize them on the Company's website or public download.

In order to create the concrete practice which reflects the intention and commitment against corruption, the Company exploits the policies and practices as follows:

- The Company signed the letter of intent to join the Collective Action Coalition Against Corruption (CAC) on October 28, 2014 and was accepted to be a member from July 10, 2015 until July 10, 2018, by Thai Institute of Directors (IOD).

- The Company communicates and supports the anti-corruption policy by arranging the orientation lecture to new employees to have them acknowledge, understand and recognize the importance of the principles and practices.

- The Company announced the “No Gift Policy” in all occasions through e-mail and on the Company’s website to create the working standard of no return policy.

In addition to the policies and practices implementation, the Company also defines the roles and duties of directors, executives and other personnel as follows:

- The Board of Directors have roles and responsibilities for setting up the policy, supervising, monitoring, and supporting the effective anti-corruption system. The Board of Directors assign management team to implement such anti-corruption policy and ensure that management team realizes the importance of the anti-corruption and recognizes it as a corporate culture.

- The Corporate Governance Committee has roles and responsibilities for the policy review as deemed necessary in order to be align with the business changes, rules, regulations and related law. The Corporate Governance Committee approves on the revision and proposes for Board of Directors’ approval, makes comments and useful advice to management team for further plan and implementation.

- The Audit Committee has roles and responsibilities to review the Company’s operation according to the anti-corruption policy and to review financial report, internal control system, and internal audit to ensure that every unit performs efficiently, complies with the law and regulations ethically. Should there be any founding of or questions about any potential transaction or action that has significant effect on the company group’s financial status and performance, including corruption, the Audit Committee must report to the Board of Directors immediately to take corrective action within the period that the Board deem appropriated.

- The Risk Management Committee has roles and responsibilities to supervise and support the implementation of the risk management and anti-corruption actions by assessing the anti-corruption risk or review the anti-corruption policy as needed.

- The Chief Executive Officer and Chief Managing Director and management team have roles and responsibilities to define the anti-corruption policy and direction and the anti-corruption practice, to provide resources, communication and support to employees at all levels and relevant persons to have knowledge and

understanding of the policy, practice, anti-corruption policy, and process of anti-corruption action.

The management team also has to support the company group to consider the implementation of the anti-corruption policy and practice as deemed appropriate. The management team shall execute the comments or advice of the Board of Directors and Committees and also review to update the systems, policies and practices to the changes in business, rules, regulations and law acts. The report of the anti-corruption inspection shall be proposed to the Corporate Governance Committee for at least once a quarter or as deemed appropriate.

- The Company’s Secretary Office has roles and responsibilities to encourage and support the operational practices of committees, executives and employees at all levels to be complied with the good corporate governance regulations and the anti-corruption policy.

Anti-Corruption Measures

1. This Anti-Corruption Policy covers the whole spectrum of human resource management ranging from nomination and selection of personnel, promotion, training, performance assessment, to compensation. Supervisors are responsible for communicating with their subordinates to enforce Anti-Corruption Policy in the business conduct under supervision and for monitoring to make sure that such enforcement is effective.

2. In order to comply with Anti-Corruption Policy, refer to guidelines specified in the Principle of Good Governance, polices and guidelines for stakeholder treatment, as well as regulations and relevant manuals of the Group and other guidelines to be determined in the future.

3. To clearly illustrate the operation highly prone to fraud and corruption, the Group demands in writing that its directors, executives, and all level of employees be thorough and careful when engaging in the following matters:

3.1 Neutrality and political support

The Group has a political-neutrality policy. It will not directly or indirectly support or engage in activities having interest in political parties, including the use of the Group’s resources in the activities that will sabotage the Group’s political neutrality and/or cause damages from engaging in such activities.

3.2 Donation for charity and financial support

The Group has a policy to monitor and control donation for charity or several forms of financial support to ensure that such activities will not be used as a vehicle for fraud and corruption. In so doing, the Group will determine clear, precise, and effective procedures and controls that can be regularly reviewed and whose document can be conveniently tracked.

3.3 Gifts, welcome banquets, and other expenses

The Group requires that receiving or giving of gifts and souvenirs, holding welcome banquets, giving and receiving assets or other benefits must be done in the manner consistent with those specified in Policy for giving or receiving gifts, assets, or other benefits.

4. Directors, executives, and all level of employees of the Group who violate or do not comply with this policy will receive punishment specified in the laws or regulations of the Group. Note that the Group will not demote, punish, or give unfavorable treatment to persons who refuse to commit fraud and corruption, even though such refusal may undermine the Group's business opportunities.

5. The Group will communicate with its personnel about Anti-Corruption Policy and relevant measures, as well as about various channels to inform traces of, give recommendations on, or report fraud and corruption incidences, using several means, such as executive and employee orientations and Moodle system or other appropriate channels, to build knowledge and understanding about practical application of the policy.

6. The Group determined the rule to disburse expenses, gifts, or assets by setting limits and approval criteria. It also demands that all disbursement have clear evidence to make sure that the expenses, gifts, or assets disbursed are not used as objects of fraud and corruption or used to support any political personnel. Details and information of every disbursement must be reviewed by Internal Audit Department to ensure that such disbursement is in compliance with the measures and procedures ruled by the Group.

7. The Group arranged to have auditing procedures for its sales, marketing, procurement, contract and legal work and other functions to regularly monitor, control, and prevent the risk of fraud and corruption and to ensure that the works are done according to procurement and disbursement rules by requiring that details of transactions be reviewed by Internal Audit Department.

8. The Group arranged to have internal control system covering finance, accounting, information recording and storage, and other procedures in the Group that are relevant to anti-fraud and anti-corruption measure by requiring that details of procedures be reviewed by Internal Audit Department in order to ensure that such procedures are in compliance with the measures and procedures ruled by the Group.

9. The Group arranged to have risk management system to prevent and combat against frauds and corruption by analyzing corruption risks, determining risk level, formulating proper measure to deal with the risks assessed, and constantly tracking the progress of risk management plan.

10. The Group arranged to have internal audit process to ensure that its internal control and risk management system established support the Group to achieve its target, to review each unit's operation and make sure that such operation is in compliance with rules and regulations, to help identify flaws in and give recommendation to improve operating systems to be effective and efficient consistent with the Principle of Good Corporate Governance.

11. The Group arranged to have channels in which information of fraud and corruption can be informed, complaints on illegal or unethical actions can be filed, and information of incorrect financial statements and flaws in internal control system can be communicated to responsible parties to facilitate all stakeholders to more efficiently help protect the benefits of the Group. The channels are disclosed in the Company's website www.ptgenergy.co.th under "Corporate Governance."

12. The Group will review the details and the compliance of this Anti-Corruption Policy at least once a year.

Remuneration of Auditor

The Annual General Meeting of Shareholders of 2016 approved the appointment of 4 auditors who were approved by the Audit Committee and the Board of Directors. The consideration was made on their performance, the independence and the remuneration. The auditors from Price Waterhouse Coopers ABAS Co., Ltd. were approved and appointed to be the Company's and subsidiaries' auditors for the financial year ending December 31, 2016. The names of the auditors were as follows:

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

The auditors mentioned above have neither relations nor any stake in the Company, subsidiaries, the Executives, major shareholders or other related person. Thus, the auditors are free to audit and express their opinions. Currently, Ms. Amornrat Permpoonvatanasuk has signed in the Financial Statements since 2014 while Mr. Prasit Yuengsirikul, Mr. Somchai Jinnovert, and Mr. Vichien Khingmontri have not signed in the Company's Financial Statements for 2 years since 2014.

In addition, in the case that the assigned auditors are unable to perform the work, the audit company will provide other authorized auditors to perform the work instead and set the audit fee of Baht 3,926,992.50 (Three million, nine hundred twenty-six thousand, nine hundred ninety-two and five tenths Baht) which includes quarterly review of the Company's Financial Statements and its subsidiaries'.

The audit fee increased by Baht 1,085,523.50 (One million, eighty-five thousand, five hundred twenty-three and five tenths Baht) or up by 38% from last year due to higher number of transactions. The audit fee of the year 2016 is shown below:

Fees	2016
Annual Audit fees and quarterly review of financial statement (Baht)	3,688,125.00
Other services (Baht)	238,867.50
Total	3,926,992.50

Other services fee apart from audit fee include travelling, allowance, and postage expenses

Corporate Social Responsibility

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

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

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

Responsibility to Customers

Maximum Quality with Every Liter

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

Fuel Quality Inspection

The Company has a dedicated Quality Control Department, working at a fuel testing laboratory at Mae Klong Tank Farm, to inspect the quality of petrol randomly retrieved during its operating process, starting from a tanker truck prior to its delivery to an oil tanker all the way to the PT stations. In this regard, the Company has dispatched testing staff from the fuel oil testing laboratory to inspect fuel quality at its stations, using a mobile lab equipped with mandatory fuel testing equipment, to collect random samples during various processes as specified by the Company’s guidelines

for further testing at the fuel testing laboratory. Thus, the testing laboratory staff can perform on-site quality tests at all PT stations without prior notice. This will ensure that PT customers will receive highest quality fuel that meets the Company’s standards.

Full-liter Petrol Station

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

Fair Treatment of Employees

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

The Company encourages continuous development of employee capabilities and skills by offering up-to-date training courses suitable for future business expansion, as well as providing scholarship for employees seeking knowledge and skills development outside the Company, which is geared toward continuous improvement of the Company. The Company also urges employees to provide feedbacks and suggestions internally for improvement within each department. As for new employees, the Company also provides mentoring system in which the seasoned veterans will mentor the rookies.

In addition, the Company has delegated the Department of Employee Relations and Communications to maintain Employer-Employee relations, which leads to satisfactory productivity, motivation, and morale, by introducing some helpful tools created by Thailand Health Promotion Foundation, with the belief that happy employees equal higher productivity. In 2015, the Company supported various



activities, including employees' fitness conditioning by renting out sports facilities, such as badminton courts and football field, for employees to use after work free of charge. The Company also held an annual sports day, encouraged participation in sports league, arranged for annual health check-up with more stringent inspections for those prone to higher risks, e.g. employees working with fuel and chemicals.

Anti-Corruption

The Company was approved to become a member of Collective Action Coalition (CAC) on 10 July, 2015. In this regard, Directors, Executives, and all levels of employees within the Company are prohibited from engaging in or accepting any kind of fraud and corruption under any circumstances, and are required to strictly comply with the Anti-Corruption Policy. In addition, the Company also provided training on Anti-Corruption to its employees as well as promoted its Anti-Corruption policy on the Company's Moodle system and the Company's website.

The Company arranged to have channels in which leads on

fraud and corruption can be reported, complaints on illegal or unethical actions can be filed, and information of incorrect financial statements and flaws in internal control system can be communicated to responsible parties to enable participation from all stakeholders in overseeing the Company's benefits more effectively. The policy and communication channels are disclosed on the Company's website at www.ptgenergy.co.th under "Corporate Governance."

Safety and Environment Responsibility

Realizing the utmost importance of safety and environmental impact, the Company strictly adheres to the requirements by law. The Company has also established the Safety and Environment Section to analyze and monitor the Company's operations in the areas that may impact the safety of operating staff and other related parties. In this regard, the Company has created Operation Manual and Incident Prevention Manual as well as provided emergency response training for employees and other related parties via joint activities arranged through relevant agencies in order to ensure continuous transfer of emergency rescue knowledge related to petroleum products.



According to the concept of management, "If you can control the small fire, the severity and damage will be smaller as well", this is the beginning of paying attention to basic fire fighting for all employees at all levels in the organization, which makes the management to be more confident on the emergency response plan of employees, and the management also pays attention to the surrounding community by arranging activity CSR Safety by PT Station as a channel of knowledge transfer to the community, schools, and local government agencies by the management expects that if a fire happens, the community, schools, and local government agencies will be able to control the situation.

- Pho Chai PT Station - July 11, 2016



- Tha Tum PT Station - July 18, 2016



- Thawi Watthana PT Station (Thongsook College) - August 10, 2016



- Sam Chuk PT Station (Samchukratnapokaram School) - August 15, 2016



- Lampang PT Station (Chae Hom Wittaya School) - Dec 20, 2016



Through its previous operations, the Company has been certified by official entities related to the industry and the environment, as well as received numerous certifications for its service stations, safety, and environment. This includes the participation in the White Workplace program, in 63 petrol stations, created by the Department of Welfare and Labor Protection, and for becoming a member of the Oil Industry Environmental Safety Group Association (IESG), established with the aim of enhancing safety standards, developing personnel related to safety and environment, promoting collaboration among large petroleum business operators for the prevention, and handling of oil spill into water supplies or on land, along with emergency responses. The Company delegates its safety and environment staff to participate in IESG activities. Over the past period, the Company, IESG and governmental sector have been regularly organizing training programs on incident preventions. It also continuously provides staff and equipment in many emergency rescues, as well as, place importance on environment for instance, the Company regularly rehearsed its pollution mitigation action plan around its jetty at Mae Klong and Chumphon Tank Farms.



In addition, six of the Company's tank farms have been certified for their quality management system under ISO 9001:2008 for receiving, storage, and distribution of fuel within the tank farm. In the meantime, three other tank farms are under preparation for the certification process.

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

Society and Community Development

Job Opportunity and Skill Development for the Community

The Company has continuously expanded its stations throughout the country. Its expansion target is to cover all the areas with 1- District-1-Station concept. In this regard,

the Company placed great emphasis on hiring from the local area, so that prospective employees would have unparalleled understanding and provide appropriate care toward the local customers. At the end of 2016, the Company has employed 9,948 people of which 8,636 (86% of total employees) were from their respective local areas. The Human Resources Department had set up hiring booths in various areas to provide more convenience for applicants.

In addition, the Company also planned to promote local job opportunities by encouraging local SMEs in each area to set up shops and conduct their business at PT service stations. This is to enhance the potential in local entrepreneurs and to enhance economic growth within the communities.

Education Development and Communities Relations

1. "PT Fills the Country with Jobs" project

The project has established in 2013, driven by the Company's belief that having vocational knowledge can help people find jobs and advance in their career. In this regard, PT has supported "Phra Dabos Foundation," a public charity that serves His Majesty the King's initiatives by helping those who lack access to education to have vocational skills to build their career and to become upstanding citizens.

In addition, to ensure that the project "PT Fills Jobs in the Country" is continuously and completely carried out, the Company has set up a plan to support Phra Dabos Foundation for 4 years in a row through various funding schemes as follows:

- | | |
|--------------------------------------|---|
| 1st Project (2013) | "Phra Dabos School and Phra Dabos on Tour Project," PT supports the activities of and the advertising of Phra Dabos Foundation to help those in need of knowledge and vocations. |
| 2nd Project (2014) | "Luk Phra Dabos Project," PT supports tools and the first set of equipment to participants of the project to start their career. |
| 3rd Project (2015) | "Luk Phra Dabos SME Project," PT supports the training of SME business planning to participants of the project. |
| 4th Project (2016) | "PT Luk Phra Dabos Shop," PT gives Luk Phra Dabos (students of Phra Dabos Foundation) the rights and opportunities to use the area in PT service stations throughout Thailand to set up their stores and automobile repair shops. |
| 5th Project (2017) | "Phra Dabos School (PT)," PT supports the expansion of Phra Dabos Schools, vocational knowledge distribution centers, to cover the areas all over Thailand. |

In 2016, the Company has continued to execute the “PT Fills Jobs in the Country : Year 4” campaign, with the focus on articulating business concepts and execution plan and learning from practices. In this regard, the Company has purchased furniture for Punthai coffee shops which serve as learning venues for students to build and practice their skills,

so they are equipped with abilities to operate their own business successfully in the future. Furthermore, the Company has encouraged community engagement through one of its projects that contributes 5 Satangs per liter sold in all PT service stations in Thailand throughout the month of November.



2. “PT Volunteer” Project

The Company has always supported and contributed to community development activities in order to improvement the livelihood of those living in remote areas surrounding PT tank farms and service stations all throughout the country. PT employees' participation was also encouraged to raise awareness and induce personal sacrifice toward public benefit. In 2016, the Company's activities included:

“PT comes together and shares happiness with children in remote areas” activity was held at Border Patrol Police Learning Center, Ban Khiliti Lang, Chalee Sub-District, Thong Pha Poom District, Kanchanaburi. The Company joined the Match Group, a working body for children and youth development, in their project to enhance the quality of life and share happiness for students in remote areas. This particular event was arranged on National Children's Day, which included recreational activities and friendly sports competition and concluded with the Company awarding scholarship and stationery to the youth in the community.



“Holding hands with good people, PT takes you to the temple” activity was held at Nern Lang Tao Temple, Ban Chang Sub-District, Panatnikom District, Chonburi, PTG Energy staff members and their families, together with Ban Chang Sub-District Administration Organization officers, cleaned the monks’ living quarters around the temple court areas, restrooms and the outside of the chapel. This is in order for employees to be aware of the importance of preserving Buddhism and to prepare the venue for community members to give alms to Buddhist monks on Buddhist holy days as well as to hold ordination ceremony using the same venue.



PTG Energy staff members jointly participated in “PT Reforestation” activity at Khao Nampu Environment and Wildlife Learning Center, Khaopu Wildlife Sanctuary, Pa Salakphra District, Kanchanaburi, and “Back to the Nature” activity; featuring the making of seed bombs which comprise of seeds of wild plants mixed with fertilizer and covered with clay. Participants hiked along the walking trail to study the environment and shoot seed bombs. All of these activities are under the supervision and knowledge provision of the Sanctuary’s officers. Apart from getting more knowledge and having fun, everybody got to take part in increasing green spaces to the forests and to the Mother Nature.



The Company held “PT Giving Back to the Society Year 2” activity at the orphanage, Srakaew Temple, Pa Moke District, Ang Thong, to encourage morale and spirits in living their lives, as well as to provide physical and moral support. This activity also urged new generation of employees to realize the value of lives and the significance of family institutions. On this occasion, PTG Energy staff members provided lunch and daily essentials to be distributed to those in needs.



“Paint Your Dreams” activity at Wat Khung Thaleo School, Ban Pueng Sub-District, Ban Mee District, Lopburi featured the painting activity on school buildings to brighten up the atmosphere. Furthermore, some goods from Punthai coffee shops and staff members’ personal belongings were donated to the school.



PTG Energy staff members held the activity in honor of HM the late King Rama IX at Ban Kroke Rokfa School and PT service station Chai Badan 2 branch, Chai Badan District, Lopburi. Participants painted toys, desks, and chairs, held an exhibition and donated books related to HM the late King Bhumibol Adulyadej’s royal guidance on education and royal duties related to soil, water, wind and fire for the school library. Also, everybody planted a small garden in front of the library as well as planted trees and painted the walls to improve the landscape of PT service station Chai Badan 2 branch as well.



Related Party Transactions

Summary of Related Transactions between the Company and Persons with Potential Conflicts to Interest in 2015 and 2016

The Company and subsidiaries had entered into related transactions with persons with potential conflicts of interest (as defined by the notification regarding issuance and offering of securities), relationships of which could be summarized as follows:

Person with Potential Conflicts of Interest	Relationship*
1) P&C Petroleum Co., Ltd. ("P&C") P&C registered its incorporation on 18 June 1993 to operate fuel retailing and wholesaling businesses. P&C is one of the Company's dealers and jobber, buying or selling fuels with the Company.	<ul style="list-style-type: none"> - P&C is related to the Company as its shares are held by the Company's related persons, as follows: <ul style="list-style-type: none"> o Mrs. Chatkaew Gajaseni (the Company's director), 20.92% of P&C's issued and paid-up capital as of 31 December 2016; o Closed relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajaseni, 44.46% of P&C's issued and paid-up capital as of 31 December 2016. - The Company and P&C have 1 joint director namely: Mrs. Chatkaew Gajaseni, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President & Chief Executive Officer), directly holds 0.71% and indirectly holds about 0.63% of the Company's issued and paid-up capital (through Ratchakit Holding Co., Ltd.).
2) KTP Petroleum Co., Ltd. ("KTP") KTP registered its incorporation on 5 September 1996 to operate fuel wholesaling business. KTP is a jobber, buying and selling fuels with the Company.	<ul style="list-style-type: none"> - KTP is related to the Company as its shares are held by the Company's related persons as follows: <ul style="list-style-type: none"> o Mrs. Chatkaew Gajaseni (the Company's director), 15.70% of KTP's issued and paid-up capital as of 31 December 2016; o Close relatives of Mr. Pitak Ratchakitprakarn and Mrs. Chatkaew Gajaseni, 33.35% of KTP's issued and paid-up capital as of 31 December 2016; o P&C, 25.00% of KTP's issued and paid-up capital as of 31 December 2016. - The Company and KTP have 1 joint director namely: Mrs. Chatkaew Gajaseni, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President & Chief Executive Officer), directly holds 0.71% and indirectly holds about 0.63% of the Company's issued and paid-up capital (through Ratchakit Holding Co., Ltd.).
3) Pubadin Co., Ltd. ("Pubadin") Pubadin registered its incorporation on 25 September 1992 to operate petrol station business. Pubadin is one of the Company's dealers.	<ul style="list-style-type: none"> - Pubadin is related to the Company as its shares are held by the Company's related person as follows: <ul style="list-style-type: none"> o Mrs. Lertlak Nadtasomboon (the Company's director), 65.00% of Pubadin's issued and paid-up capital as of 31 December 2016. - The Company and Pubadin has 1 joint director namely: Mrs. Lertlak Nadtasomboon, who holds 4.66% of the Company's issued and paid-up capital.

Person with Potential Conflicts of Interest	Relationship*
<p>4) RD Kasetpattana Co., Ltd. ("RD")</p> <p>RD registered its incorporation on 5 April 2005 to operate palm cultivation and distribution business.</p>	<ul style="list-style-type: none"> - RD is related to the Company as its directors and shareholders are related to the Company as follows: <ul style="list-style-type: none"> o Mr. Pitak Ratchakitprakarn is a director of the Company, who directly holds 2.35% and indirectly holds about 5.47% of the Company's share through Ratchakit Holding Co., Ltd. and directly holds 6.40% and indirectly holds about 5.76% of RD's share (through Ratchakit Corporation Co., Ltd.) as of 31 December 2016; o Mrs. Chatkaew Gajasen is a director of the Company, who directly holds 0.71% and indirectly holds about 0.63% of the Company's share through Ratchakit Holding Co., Ltd. and is a director of RD, who directly holds 6.40% and indirectly holds about 5.76% of RD's share (through Ratchakit Corporation Co., Ltd.) as of 31 December 2016. <p>Notes : Ratchakitprakarn Family directly holds 7.91% and indirectly holds 25.12% of the Company's issued and paid-up capital, Ratchakitprakarn Family directly and indirectly holds 100% of RD's shares</p>
<p>5) A.M.A. Logistics Co., Ltd ("AMAL")</p> <p>AMAL registered its incorporation on 10 July 2014 to operate liquid products transportation service by tank truck.</p>	<ul style="list-style-type: none"> - AMAL is a subsidiaries of AMA Marine Co., Ltd., which is a connected party of the Company, having a major shareholder and directors who are a close relative of directors and managements of the Company as follows: <ul style="list-style-type: none"> o Ratchakitprakarn Family o Gajasen Family o Phiboonthammasak Family o Pooshutvanitshakul Family
<p>6) CK Five Trading Co., Ltd. ("CK5")</p> <p>CK registered its incorporation on 29 September 1993 to operate fuel retailing and wholesaling businesses.</p>	<ul style="list-style-type: none"> - CK5 is related to the Company as its directors and shareholders are related to the Company as follows: <ul style="list-style-type: none"> o Mrs. Chatkaew Gajasen, Managing Director of CK5, holds 28.00% of CK5's shares as of 31 December 2016; - The Company and P&C have 1 joint director namely: Mrs. Chatkaew Gajasen, who is the elder sister of Mr. Pitak Ratchakitprakarn (the Company's director, and the President & Chief Executive Officer), directly holds 0.71% and indirectly holds about 0.63% of the Company's issued and paid-up capital (through Ratchakit Holding Co., Ltd.).
<p>7) Accele Logistic Co., Ltd. ("AL")</p> <p>AL registered its incorporation on 8 September 2014 to operate fuel liquid products transportation service by road.</p>	<ul style="list-style-type: none"> - AL is related to the Company as the Company's directors are major shareholders in AL and close relatives of the Company's directors are the director of AL; <ul style="list-style-type: none"> o Mrs. Chatkaew Gajasen, the Company's director who directly holds 0.71% and indirectly holds about 0.63% of the Company's issued and paid-up capital (through Ratchakit Holding Co., Ltd.) and holds 23.00% of AL's issued and paid-up capital as of 31 December 2016; o Close relative of Mrs. Chatkaew Gajasen and Mr. Pitak Ratchakitprakarn holds 100.00% of AL's issued and paid-up capital as of 31 December 2016.

Person with Potential Conflicts of Interest	Relationship*
8) Airports of Thailand PCL ("AOT") AOT registered its incorporation on 1 July 1979 to operate the airport business, including other related activities associate with airport basis.	<p>- AOT was related to the Company as its director was related to the Company as follows:</p> <ul style="list-style-type: none"> o Mr. Manit Nitiprateep, who was the Company's Director, Member of Corporate Governance Committee, and Member of the Nomination and Remuneration Committee, who held 0.01% of the Company's issued and paid-up capital as of 30 September 2016, also AOT's Independent Director, Chairman of Nomination Committee, and Member of Audit Committee, holding none of AOT's shares as of 30 September 2016. <p>Notes : Mr. Manit Nitiprateep has resigned from the Company's Director, Member of the Corporate Governance Committee, and Member of the Nomination and Remuneration Committee since 18 October 2016.</p>

Note : *Shareholding in the Company is the proportion as of 31 December 2016, unless stated.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
1. P&C Petroleum Co., Ltd. ("P&C")	Revenue from sales of goods o By the Company o By subsidiaries - The Company sells fuels wholesale to P&C, which is the Company's dealer.	209.76 209.76 -	204.21 204.21 -	- Fuel sale to P&C is conducted in a normal course of business. The Company sells fuels to P&C, one of its dealers, at a daily quantity ordered by P&C at the price and under the trading conditions specified in the Dealer Appointment Agreement between the Company and P&C. The price and trading conditions given to P&C are set based on the same principles as to other dealers.
	Revenue from promotional activities o By the Company o By subsidiaries	1.11 1.11 -	1.06 1.06 -	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Other revenues o By the Company o By subsidiaries	0.01 0.01 -	0.004 0.004 -	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to P&C, and other trading conditions are set based on the same principles as to other dealers.
	Trade account receivable o The Company o Subsidiaries - P&C is liable for trade account payable incurred from fuel purchase from the Company under the payment terms agreed between the Company and P&C.	- - -	1.74 1.74 -	- The Company grants P&C a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 7 days.
	Cost of goods purchased o The Company o Subsidiaries	1,869.83 499.25 1,370.58	1,795.89 588.16 1,207.73	- The Company needs to buy fuels from jobbers for sales to customers operating fuel retailing and wholesaling businesses in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in the said area. The Company is therefore unable to purchase fuels from Thai Oil, and transport of fuels from other Thai Oil tank farms or other distribution facilities is not worthwhile. The sales price and trading conditions are as specified in the Fuel Supply Agreement between the Company and P&C, which are approximate to the trading conditions and wholesale prices offered by other jobbers in such area.
	Trade account payable o The Company o Subsidiaries - The Company is liable for trade account payable incurred from fuel purchase from P&C under the payment terms agreed between the Company and P&C.	- - -	19.30 6.79 12.51	- The Company receives a credit line from P&C for purchase of fuels for further distribution in the lower South. The credit term granted by P&C is 7 days according to the Fuel Supply Agreement between the Company and P&C.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
2. KTP Petroleum Co., Ltd. ("KTP")	Revenue from sales of goods	44.67	39.23	- Fuel sale to KTP is conducted in a normal course of business. The Company sells fuels wholesale to KTP, one of its dealers, in a daily quantity ordered by KTP at the price and under the trading conditions specified in the Petroleum Dealer Appointment Agreement between the Company and KTP. The price and trading conditions given to KTP are set based on the same principles as to other dealers.
	o The Company	41.43	35.39	
	o Subsidiaries	3.24	3.84	
	- The Company sells fuels wholesale to KTP, which is the Company's dealer.			
	Revenue from promotional activities	0.24	0.20	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points' accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	o By the Company	0.24	0.20	
	o By subsidiaries	-	-	
	Other revenues	0.002	0.001	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to KTP, and other trading conditions are set based on the same principles as to other dealers.
	o By the Company	0.002	0.001	
	o By subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Trade account receivable	-	0.27	- The Company grants KTP a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 7 days.
	o The Company	-	0.27	
	o Subsidiaries	-	-	
	- KTP is liable for trade account payable incurred from fuel purchase from the Company under the payment terms agreed between the Company and KTP.			
	Cost of goods purchased	30.58	82.12	- The Company needs to buy fuels from jobbers for sales to customers operating fuel retailing and wholesaling businesses in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in the said area. The Company is therefore unable to purchase fuels from Thai Oil, and transport of fuels from other Thai Oil tank farms or other distribution facilities is not worthwhile. The sales price and trading terms are agreed between the Company and KTP, which are approximate to the trading conditions and wholesale prices offered by other jobbers in such area.
	o The Company	1.21	0.03	
	o Subsidiaries	29.37	82.09	
	- Company and subsidiaries also purchase fuels from KTP for sales at PT petrol stations operated by PTC (COCO petrol stations) and to the Company's dealers in the lower South.			
3. Pubadin Co., Ltd. ("Pubadin")	Revenue from sales of goods	121.73	128.72	- Fuel sales to Pubadin is conducted in a normal course of business operation of the Company in which the Company sells fuel wholesale to Pubadin, one of its dealers, at a daily quantity ordered by Pubadin at the price and under the trading conditions specified in the Dealer Appointment Agreement between the Company and Pubadin. The price and trading conditions given to Pubadin are set based on the same principles as to other dealers.
	o By the Company	121.73	128.72	
	o By subsidiaries	-	-	
	- The Company and subsidiaries sell fuels wholesale to Pubadin, which is the Company's dealer.			

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Revenue from asset rental o By the Company o By subsidiaries - The Company receives petrol station rental from Pubadin under the terms and conditions specified in the Petrol Station Rental Agreement between the Company and Pubadin (details are disclosed in Part 2, No. 5 re operating assets, No. 5.2.2 significant agreements on renting and renting out spaces for business operations)	0.72 0.72 -	0.72 0.72 -	- The Company agrees to rent out one service to Pubadin to operate its business by stipulating that Pubadin must become one the Company's dealers. According to the Service Station Rental Agreement and the Petroleum Dealer Appointment Agreement between the Company and Pubadin, Pubadin is required to buy fuel at no less than the minimum amount specified in the agreement. Thus, aside from the monthly rental fee received, the Company also makes profits from selling fuel to Pubadin as one of its dealers. In this regard, the Company considers the rental fee based on expected income and various risks by making a comparison between operating the station on its own and allowing a dealer to operate the station. - The Company agrees that target customer groups in such area are mostly industrial operators who would like long-term line of credit. If the Company operated the service station in said area, it would have to maintain higher working capital than operating in other areas. In addition, the Company would also bear a risk from debt collection from each of its customers. While agreeing to let Pubadin rent out the station, in which the Company sells fuel to Pubadin, eliminates said debt collection risk.
	Revenue from Transportation o By the Company o By subsidiaries - The Company charges Pubadin transport and loading/unloading fees for each delivery of fuels to Pubadin.	0.66 0.66 -	0.68 0.68 -	- In selling fuel to Pubadin, the Company also provides fuel transport service for each transaction as Pubadin has no tanker trucks of its own. Pubadin, therefore, hires the Company's fuel transport services. The fees charged by the company are based on market rates and are of the same rates charged to customers in general. The fees vary according to the distance of delivery.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Revenue from promotional activities o By the Company o By subsidiaries	0.13 0.13 -	0.11 0.11 -	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	Other revenues o By the Company o By subsidiaries	0.001 0.001 -	0.001 0.001 -	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC, charged to Pubadin, and other trading conditions are set based on the same principles as to other dealers.
	Land Rental Cost o By the Company o By subsidiaries	0.06 - 0.06	0.06 - 0.06	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, rent Pubadin space in its petrol station under PT brand to operate Punthai coffee shop. In this regard, the rental fee and conditions are set based on the agreement between the Company and Pubadin, are considered from the cost occurred.
	Electricity Cost o By the Company o By subsidiaries	0.07 - 0.07	0.06 - 0.06	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, used the utility services in DODO stations (under PT brand which managed by Pubadin) to operate Punthai coffee shop. In this regard, the rate of utilities and conditions are set based on the agreement between the Company and Pubadin, and considered from the cost occurred.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Trade Account Receivable	4.47	5.11	- The Company grants Pubadin a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 30 days which is conducted in a normal course of business.
	o By the Company	4.47	5.11	
	o By subsidiaries	-	-	
	- Pubadin is liable for trade account payable incurred from fuel purchase from the Company and subsidiaries under the payment terms agreed between the Company and Pubadin.			
	Other Trade Account Payable (Accrued Expenses)	0.01	0.01	- Other trade account payable was the rental and utility expenses for Punthai Coffee Co., Ltd, a subsidiary of the Company. The payment term is conducted in a normal course of business which the Company have received from renting and using utilities as to other parties.
	o The Company	-	-	
	o Subsidiaries	0.01	0.01	
4. RD Kasetpattana Co., Ltd. ("RD")	Revenue from sales of goods	2.05	2.16	- Fuel sales to R&D is conducted in a normal course of business operation of the Company in which the Subsidiaries sell fuel retail to R&D for use in its operations. In this regard, the price and trading conditions are specified according to Petroleum Sales Agreement, upon which the Company and R&D agree, based on the same conditions given to other customers.
	o The Company	-	-	
	o Subsidiaries	2.05	2.16	
	- Subsidiaries sells fuel retail to RD for use in operations.			
	Trade Account Receivable	0.14	0.06	- The Company grants RD a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is conducted in a normal course of business.
	o The Company	-	-	
	o Subsidiaries	0.14	0.06	
5. A.M.A. Logistics Co., Ltd ("AMAL")	Revenue from sales of goods	61.58	30.37	- Fuel sale to AMAL is conducted in a normal course of business. The Company sells fuels to AMAL, one of its customers, at a daily quantity ordered by AMAL at the price and under the trading conditions specified in the Appointment Agreement between the Company and AMAL. The price and trading conditions given to AMAL are set based on the same principles as to other transport customers.
	o The Company	-	-	
	o Subsidiaries	61.58	30.37	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Trade Account Receivable	1.95	3.54	- The Company grants AMAL a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is 7 days.
	o The Company	-	-	
	o Subsidiaries	1.95	3.54	
	Cost of Transportation (Petroleum Products)	243.74	113.13	- The Company hires AMAL to service petroleum transportation, between refinery and depots, as a normal course of the Company's business. The service fee is charged in line with the market rate.
	o The Company	139.84	113.13	
	o Subsidiaries	103.90	-	
	Trade Account Payable (Accrued Expenses)	23.47	6.85	- The Company receives a credit line from AMAL for fuel transportation service based on the payment term in a normal course of business that AMAL gives to its clients.
	o The Company	-	6.85	
	o Subsidiaries	23.47	-	
	- The Company is liable for trade account payable incurred from receiving services from AMAL according to an agreement with AMAL.			
6. CK Five Trading Co., Ltd. ("CK5")	Income from sales of goods	96.33	50.07	- Fuel sale to CK5 is conducted in a normal course of business. The Company sells fuels wholesale to CK5, one of its dealers, in a daily quantity ordered by CK5 at the price and under the trading conditions specified in the Petroleum Dealer Appointment Agreement between the Company and CK5. The price and trading conditions given to CK5 are set based on the same principles as to other dealers.
	o The Company	96.33	50.07	
	o Subsidiaries	-	-	
	- The Company sells fuels wholesale to CK5, which is the Company's dealer.			
	Revenue from promotional activities	0.41	0.19	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. The Customers can redeem the points at participating PT stations throughout the country. Therefore, the Company has charged the promotional fee, which calculated from monthly points accumulation, to the participating dealers. The fee is charged based on the Company's actual costs and it is charged in the same rates as to other dealers.
	o The Company	0.41	0.19	
	o Subsidiaries	-	-	

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
	Other revenues o The Company o Subsidiaries	0.005 0.005 -	0.002 0.002 -	- The Company has organized promotional activities by launching PT Max Card in the participating petrol stations under PT brand nationwide. The customers, who subscribe to the member card, can collect and redeem the points for variety products specified by the Company. Thus, the Company has provided EDC machines to the participating dealers. In this regard, the rate for EDC and trading condition are set based on the same principles as to other dealers.
	Trade Account Receivable o The Company o Subsidiaries - CK5 is liable for trade account payable incurred from fuel purchase from the Company under the payment terms followed a normal course of business.	0.89 0.89 -	2.08 2.08 -	- The Company grants RD a credit line based on such factors as nature of business, financial status, operating performance, duration as the Company's customer and payment record. The term of payment is conducted in a normal course of business.
	Cost of goods purchased o The Company o Subsidiaries - Company and subsidiaries also purchase fuels from CK5 for sales at PT petrol stations operated by PTC (COCO petrol stations) and to the Company's dealers in the lower South.	579.90 163.50 416.40	- - -	- The Company needs to buy fuels from jobbers for sales to customers operating fuel retailing and wholesaling businesses in the lower South (from Nakhon Si Thammarat to Narathiwat) as there are no Thai Oil tank farms or distribution facilities in the said area. The Company is therefore unable to purchase fuels from Thai Oil, and transport of fuels from other Thai Oil tank farms or other distribution facilities is not worthwhile. The sales price and trading terms are agreed between the Company and CK5, which are approximate to the trading conditions and wholesale prices offered by other jobbers in such area.
	Trade Account Payable (Accrued Expenses) o The Company o Subsidiaries - The Company is liable for trade account payable incurred from receiving services from CK5 according to an agreement with CK5.	3.26 3.26 -	- - -	- The Company receives a credit line from CK5 for fuel transportation service based on the payment term in a normal course of business that CK5 gives to its clients.

Person with the Potential Conflicts of Interest	Nature of Transaction	Value of Related Transactions (Million Baht)		Necessity and Appropriateness of Related Transaction
		2016	2015	
7. Accele Logistic Co., Ltd. ("AL")	Other revenues o The Company o Subsidiaries - Gain on assets sold (Tank Trucks)	- - -	0.22 0.22 -	- The Company buys fuel tanker trucks for the capacity of 45,000 liters and gradually sells fuel tanker trucks that has a longer service lifetime and lesser capacity, such as a 30,000-liter tanker truck. During the year of 2015, the Company sold fuel tanker trucks, capacity of 30,000 liters, to AL at the market price.
8. Airports of Thailand PCL ("AOT")	Service Cost o The Company o Subsidiaries - Service cost for Punthai Coffee Co., Ltd.	0.02 - 0.02	- - -	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, rent AOT space in Don Mueang International Airport to operate Punthai coffee shop. In this regard, the service cost for utilizing its space is set based on the agreement between the Company and AOT, and are considered from the cost occurred.
	Land Rental Cost o By the Company o By subsidiaries - Rental cost for Punthai Coffee Co., Ltd.	0.15 - 0.15	- - -	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, rent AOT space in Don Mueang International Airport to operate Punthai coffee shop. In this regard, the rental fee and conditions are set based on the agreement between the Company and AOT, and are considered from the cost occurred.
	Other Costs o By the Company o By subsidiaries - Property tax for Punthai Coffee Co., Ltd.	1.61 - 1.61	- - -	- Punthai Coffee Co., Ltd, a subsidiaries of the Company, rent AOT space in Don Mueang International Airport to operate Punthai coffee shop. In this regard, the property tax and conditions are set based on the agreement between the Company and AOT, and are considered from the cost occurred.

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

The Procedures for Related Party Transaction Approval

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

1. The trading agreement is reasonable and would be conducted in the same situation with the bargaining power without the individual influence in the status as the Directors, Executives, or related person or
 - a. The transaction that the Company and/or subsidiaries purchase or sell goods or receive or provide services to other partners besides the Directors, the Executives, and/or the related person, or buyer or seller or providing services in the market. The products and services must have standard characteristics and prices, or the Company can find data regarding the products and services using the same standard in comparison with the transactions with Directors, Executives, and/or related person, and
 - b. The transaction that has price and trading conditions and other agreements similar to the Company's transactions and/or subsidiaries' transactions made with other entities.

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

Policy or the trend of related party transaction in the future

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

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

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

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

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

3. Providing services and/or obtaining services related to the business operations among the Company, its subsidiaries and persons who may have a conflict of interests, or connected persons which support a normal business transaction. The cost of services and trading conditions or other agreements are similar to those received and paid to other parties.

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

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



Management Discussion and Analysis

PTG Energy PLC (“the Company”) is strongly determined to be one of Thailand’s leading energy companies. Consequently, the Company significantly expands its standard fuel stations and deliver quality products and services along with the intention to improve the organization sustainably by mainly placing importance on good corporate governance and responsibility of social and environment. In 2016, the Company extended its businesses, added value to the products and services, and cooperated with alliances who specialize in various business sectors in order to strengthen and build a strong business foundation.

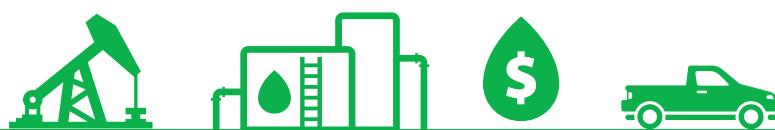
The Company focuses on providing services through 1,407 PT fuel stations divided into 1,194 COCO and 213 DODO stations. The Company is still the leader of rapid station expansion by applying different strategies from others. The growth of station expansion is 29% CAGR. In 2016, the total sales volume was 2,860 million liters, up by 28% YoY. The increase in sales volume was from the station expansion and higher amount of Same Store Sales. Currently, the proportion of sales volume through petrol stations (retail channel) equaled to 90% of total sales volume (an increase from 88% last year). This indicates that the Company was being trusted in quality of products and services by the customers. In this regard, a new customer has turned into a regular customer with PT Max Card membership. At the end of 2016, the number of PT Max Card holders was at 5.6 million members, an increase from 3.8 million members last year. The portion of sales volume from PT Max Card members was 69% of total sales from retail channel, compared to 66% of total sales from retail channel last year.

Besides the sales volume growth, the financial results also increased as expected. The Company’s revenue from sales and services equaled to Baht 64,591 million, up by only 20% YoY, less than the volume growth at 28% YoY because the petroleum price per liter declined by 7% YoY. The higher gross profit of Baht 5,459 million, up by 38% YoY, was from effective supply chain management and the Government’s policy in adjusting petroleum price structure to reflect actual cost, even though the price adjustment in Q4 was not correlate with the higher cost. The SG&A was Baht 4,333 million, up by 33% YoY, mainly from continual

expansion of PT stations expansion in accordance with the policy. Moreover, the Company had the profit from issuing newly ordinary shares of the Company’s associate (AMA Marine Public Company Limited). Thus, the Company recognized the total of Baht 94 million before tax and Baht 68 million after tax. This reflected in the increase in EBITDA at Baht 2,749 million, up by 60% YoY, and net profit at Baht 1,073 million, up by 65% YoY.

The Company aims to strengthen core business by expanding the business that has growth potential to create long-term value for the organization. Therefore, the Company always selectively choose quality products and services to the customers. The Company intends to increase the revenue of non-oil businesses portion, which currently accounted for only 2% of the total revenues, from an increase in Punthai coffee shops, Max Mart convenience stores, and launching of high quality lubricant under “PT Maxnitron” brand. Furthermore, the Company aims to invest in auto care services in order to provide full services to the customers.

With great emphasis on continuous building a strong business foundation, together with the social and environment responsibility, the Company has invested in renewable energy businesses in order to meet an increasing demand of Biodiesel and Ethanol in the future. These project is also to support renewable energy policy of the government and to promote Thailand’s agriculture related to the energy crops. The highlighted projects are the first Palm Complex project in Thailand under PPP Green Complex Co., Ltd., which is expected to fully operate in 2017, and the Ethanol Production from cassava pulp under Innotech Green Energy Co., Ltd., which the technology is supported by National Innovation Agency (Thailand), New Energy and Industrial Technology Development Organization (Japan), and Supporo Holding Co., Ltd. The new technology applied in this project will turn cassava pulp (waste), which is discarded at present, into a valuable raw material for ethanol production for sustainable renewable energy usage for Thai people.



Operating Performance Analysis

Revenue from sales and services

The Company's revenue from sales and services was Baht 64,591 million an increase of 20% YoY, which was attributed mainly to the oil business through fuel retailing under PT brand, accounted for 89% of revenue from sales and services. Even though the retail price per liter slightly decreased only 7% YoY, the sales volume still continuously increased to 2,860 million liters, up by 28% YoY. In addition, the Company has been mainly focusing on retail channel. This resulted in an increase in retail proportion which accounted for 90% of the total sales volume, up from 88% last year. The revenue from sales and services can be further segregated as follows:

Revenue from sales was Baht 64,542 million, up by Baht 10,910 million or 20% YoY. The sales revenue accounted for 99.92% of the total revenue from sales and services. In this regard, the sales revenue can be categorized into 2 main groups; revenue from fuel sales and revenue from sales of other products

- Revenue from fuel sales; the main income of the Company was at Baht 63,841 million, up by Baht 10,628 million or 20% YoY which was due to the higher sales volume. Moreover, the sales revenue can be distributed by the following sales channels.

Income Through each Sales Channel	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from fuel retailing through the Company's service stations (COCO stations)	49,942	78	40,476	76	38,507	70
2. Revenue from wholesaling to the Company's dealers (DODO stations)	7,521	12	6,828	13	7,513	14
3. Revenue from fuel wholesaling to other fuel traders and industrial operators	6,022	9	5,865	11	8,695	16
4. Revenue from fuel retailing through the Company's LPG stations (COCO stations)	356	1	43	0	-	-
Total revenue from fuel sales	63,841	100	53,212	100	54,715	100

The Company's revenue through the retail channel grows continuously. In year 2014, the Company retail fuel sales accounts for 84% of total fuel sales. In year 2016, this figure is at 91% of total fuel sales, which is in accordance with the Company's forecast where sales through the retail channel is prioritized. Moreover, in year 2016, the Company has a total of 1,407 stations. The Company is selectively expand

COCO and DODO stations in the high potential location in order to deliver quality products and services at standard stations under PT brand.

The Company's revenue from fuel wholesaling to other fuel traders and industrial operators is forecasted to decline due to price competition among fuel traders causing the gross

profit margin to be quite low. However, the Company still continues to whole sale fuel to other fuel traders as long as the price remains within suitable trading range for both parties.

- Revenue from sales of other products was Baht 701 million, up by Baht 282 million, or 67% YoY. In this regard, the Company's revenue is derived from sales of other products which include 1. sales of consumer goods via convenience stores at PT service stations 2. Punthai Coffee Shops 3. sales of lubricating oils for various types of engine, and 4. other products sold at PT service stations. Nevertheless, the Company recognizes the potential in this revenue stream and has various plans to increase this portion, especially the revenue from Punthai Coffee. At the end of 2016, the Company has a total of 53 Punthai stores for both inside and outside PT stations, such as in the department stores and Don Meaung International Airport. Currently, the revenue from sales of other products accounted for only 1.1%.

Revenue from services amounted to Baht 50 million, up by Baht 3 million or 7% YoY from fuel logistics services for fuel traders which wholesales fuel for other retailers, and industrial operators who do not have tanker trucks but wish to use the Company's services. In any case, the Company provides fuel logistics services to company PTC and other subsidiaries which are fuel traders under Section 10.

Revenues from assets for lease and other servicees and other revenues

The Company's other revenues amounted to Baht 335 million, up by Baht 178 million or 114% YoY. The main increase was from the profit from issuing newly ordinary shares of the Company's associate (AMA Marine Public Company Limited) at the total of Baht 94 million (before tax) or Baht 68 million (after tax). In addition, this also included the profit sharing from associate company, such as Fuel Pipeline Transportation Co., Ltd. The revenue from asset rentals and other services also increased from fuel storage for other fuel traders at the Company's tank farms and from space rentals arisen from PTC's renting out spaces at COCO service stations to retail operators, such as coffee shops, restaurants, auto garages, etc., for other business operations. The Company also earned interest income from deposits at financial institutions and revenue from PT Max Card members who redeemed points.

Cost of sales of goods and services

The Company's cost of sales of goods and services amounted to Baht 59,133 million, up by Baht 9,409 million or 19% YoY. The main contributing factor was from the increase in sales volume. With different strategy, this resulted in an efficient cost management. In this regard, the cost of sales of goods and services is made up of services as follow:

Cost of sales of goods was Baht 59,102 million, up by Baht 9,404 million or 19% YoY. The cost of the sales of goods can divided into 2 groups, namely cost of sales of fuel and cost of sales of other products

- Cost of sales of fuel (includes petroleum products and LPG) amounted to Baht 58,571 million, up by Baht 9,223 million or 19% YoY. The main cost of fuel sales was from petroleum products, accounting for 99.50% of the cost of Fuel Sale, down from 99.93% last year due to higher proportion of LPG sales which the Company just started this business in 2015. The Company expects that the cost of sales of fuel will continue to grow in accordance with station expansion and same store sales growth.

- Cost of sales of other products amounted to Baht 530 million, up by Baht 180 million or 51% YoY. The increase in these costs was from selling more of other products which in line with the Company's target to expand the non-oil business portion, including convenience stores under Max Mart, Punthai coffee business, lubricate business, and other automobile supplies. This cost tends to increase due to the Company's intention to grow the non-oil business.

Cost of services was Baht 31 million, up by Baht 5 million or 21% YoY. The cost of services is made up of cost of fuel logistics services comprising of fuel cost for tanker trucks, depreciation of tanker trucks and component parts, and tanker trucks insurance. In this regard, the cost of fuel logistics services, according to the consolidated financial statement, increase in line with an increase in services rendered to other outside parties. This cost has a tendency to increase in line with the growth in fuel retailing businesses. Nevertheless, with effective management of logistics system and Company Owned Company Operated (COCO) stations, the Company had more flexibility in effectively managing fuel stock.

Gross profit

The Company's gross profit amounted to Baht 5,459 million, up by Baht 1,505 million or 38% YoY. The main contributing factor is from the increase in fuel sales and increase in marketing margin especially through the benefits of Economy of Scale and the Company's COCO stations expansion (COCO receives highest margin per liter compared to other channels), resulting in a gross profit margin of 8.45%, up from 7.37% last year.

Selling and administrative expenses

The Company's selling and administrative expenses amounted to Baht 4,333 million, up by Baht 1,085 million or 33% YoY where the expenses has a tendency to increase with business growth. However, the Company notices that the selling and administrative expenses increased in a reducing rate compared to last year. The Company will continue to control the expense according to the targets. The main components of the expenses are employee remuneration, amortized rental and leasehold right, depreciation expenses, and advertising and sales promotion expenses.

- The employee remuneration amounted to Baht 1,905 million, up by Baht 341 million or 22% YoY. Employee remuneration consists of salary, bonus, welfare benefit, contributions to social security fund, and compensation fund. The main contributing factor is from the increase in the number of employees to accommodate the Company's continuous business expansion in retail fuel sales, other related businesses, and non-oil businesses. In any case, the Company expects employee remuneration to increase with the expansion of the Company.

- Amortized rentals and leasehold rights amounted to Baht 638 million, up by Baht 212 million or 50% YoY due to the continuous increase in the number of COCO stations in line with the Company's strategy. Moreover, it is the Company's strategy to increase its number of COCO stations through renting service stations which are at favourable locations from proprietors with discontinuing business by signing long-term contracts. With the locations varying from service stations at main roads and secondary roads, in Bangkok or its perimeter provinces. Currently, COCO proportion accounted for 85% of total station. In any case, the Company has defined policies to control rental fees to be in an acceptable degree while effectively increasing the value of rented service stations.

- Depreciation expenses amounted to Baht 551 million, up by Baht 215 million or 64% YoY as a result of the Company's to invest in the ownership of service stations, tanker trucks, and tank farms in order to enable efficient management of supply chain cost. The main factors for an increase in depreciation expenses was from buildings, building renovations and equipments, to modernize the stations for supporting other retail businesses. The Company expected that the depreciation expenses will keep increasing due to the business expansion in coherence with the aims of the Company.

- Advertising and sales promotion expenses amounted to Baht 398 million, up by Baht 175 million or 79% YoY, mainly because of the brand promoting through TV advertisement, broadcast, billboards and digital media, for instance, "Fresh Oil" campaign, 'Win Number Win Million' campaign, in order to arise awareness of PT brand as well as maintain the relationship with both existing and new customers continuously.

Financial cost

The Company's financial cost amounted to Baht 125 million, up by Baht 80 million or 176% YoY. This is the result of the debenture issuance amounted to Baht 1,700 million for the investment of related businesses which can help supporting the business operation, reducing costs, and increasing long-term profitability. The investment of related businesses includes the additional investment to maintain its shareholding in PPP Green Complex Company Limited, producer and distributor of biodiesel and olein, an investment in AMA Marine Public Company Limited, a provider of marine and land transportation of liquid. In addition, the Company invested in Fuel Pipeline Transportation Company Limited, a provider of aviation fuel pipeline transportation and ground fuel pipeline transportation system in order to enable strong and effective logistics management system. The Company also has been upgraded credit rating from Tris to BBB+ as a result of a growth in the Company's performance. With credit rating of BBB+, the Company tends to get lower financial cost. In addition, the Company aims to select various financial instruments to get most suitable interest rate for source of capital.

Income tax

The Company's paid income tax amounted to Baht 262 million, up by Baht 91 million or 53% YoY. The income tax paid each year tends to increase as earnings before income tax increase year by year.

Net profit

The Company's net profit amounted to Baht 1,073 million, up by Baht 423 million or 65% YoY. Net profit per share was 0.64 Baht per share, up from 0.39 Baht per share last year, due to the increase in fuel sales volume in both new and existing stations, coupled with the increase in marketing margin because of the Government's policy in the restructuring of petroleum price structure to reflect real fuel prices. This resulted in the Company's net profit margin of 1.7%, up by 1.2% YoY. The Company plans to increase its net profit margin through better supply chain management and non-oil business expansion.

Financial position and significant financial ratios

The Company's reported total asset value amounted to Baht 12,527 million, total liabilities amounted to Baht 7,937 million, and shareholders' equity of Baht 4,589 million. The details of the Company's financial position are as follow:

Assets

In 2016, the Company's reported total asset amounted to Baht 12,527 million, up by Baht 4,721 million or 60% YoY. The main contributing factor to the increase in total asset value is from land, buildings and equipment, leasehold rights and prepaid rental, and investments in a joint venture, an associate, and other long-term investment, with details as follow:

- Land, buildings and equipment owned by the Company amounted to Baht 5,800 million, up by Baht 1,192 million or 26% YoY due to the increase in the number of COCO stations, which is in accordance with the growth target that the Company has set. The land, buildings and equipments includes 1,194 COCO service stations, 9 tank farms (the 10th tank farm is under the construction) and 407 tanker trucks to support continuous growth in sales volume and service stations. The Company expects that land, buildings, and equipment will increase during the rapid business expansion.
- Leasehold rights and rental amounted to Baht 1,404 million, up by Baht 582 million or 71% YoY due to the Company's strategy in emphasis on renting quality service stations with business performance that the Company is confident of, from proprietors with discontinuing business by signing long-term contracts, with the locations varying from service stations at main roads and secondary roads, which

is in accordance with the standards that the Company has specified. The Company also focuses on renting the service stations in Bangkok or its perimeter provinces due to high consumption in those areas. With the rapid expansion throughout the country, the customers will get familiar with PT brand, trust in quality of the products, and will eventually become regular customers.

- Investment in a joint venture, and associate, and other long-term investment amounted to Baht 2,125 million. This includes the investment in PPP Green Complex Company Limited, the manufacture and distributor of biodiesel (B100) to mix in diesel in accordance with the Government's policy to promote renewable energy; the investment in AMA Marine Company Limited, the provider of marine and land transportation of liquid; the investment in Fuel Pipeline Transportation Company Limited, the transporter of aviation fuel and petroleum through pipelines in order to maximize logistics system of the company.

Liabilities

The Company's reported total liabilities amounted to Baht 7,937 million, up by Baht 4,133 million or 109% YoY. The main contributing factor to the increase in total liabilities is from trade and other payables, and debentures for the expansion of businesses, with details as follow:

- Trade and other payables amounted to Baht 3,654 million, up by Baht 1,502 million or 70% YoY. The main contributing factor to trade payables arose from fuel purchases from Thai Oil, which increased in line with growing fuel sales volume. The Company expects the trade payables to go up in response to higher sales volume, especially the sales volume through fuel retailing business. Currently, the Company utilizes credit line for fuel purchase resulting in higher trade and other payables.
- Debentures amounted to Baht 1,692 million, which is an increase from the previous year. The Company invested its money in businesses that help reducing costs of the Company, strengthening its long-term profitability, and maximizing the efficiency of transporation management as mentioned earlier.

Shareholder's equity

The Company's shareholder's equity (excluding non-controlling interests) amounted to Baht 4,575 million, up by

Baht 574 million or 14% YoY. The main contributing factor to the increase in shareholders' equity is from the increase in retained earnings. In this case, the Company had issued and paid-up capital of Baht 1,670 million, a share premium of Baht 1,185 million, and accumulated profit of Baht 1,636 million

Suitability of capital structure

At the end of 2016, the Company has a debt to equity ratio of 1.73 times, up from 0.95 times from the previous year. The main reason was due to higher trade and other payables from sales volume growth and higher long-term loans from debenture issuance according to the investment in partners as mentioned above. Interest-bearing debt to equity ratio is 0.87 times, up from 0.36 times from the previous year. The Company controls debt to equity ratio to be less than 2 times. However, if the project is considered to generate solid returns to the Company, the ratio may exceed 2 times in a short-term.

Liquidity

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

- Cash flow from operations amounted to Baht 3,225 million, up by Baht 1,145 million or 55% YoY. The Company has profit before corporate income tax amounted to Baht 1,336 million, up by Baht 514 million or 62% YoY. The Company still has a strong cash flow due to the investment for the expansion of the PT COCO stations and the recognition of the PT brand, resulting in higher sales of fuel, coupled with the effective cost management, led to an increase in marketing margin.

Regarding the liquidity ratio, the Company has an average inventory day of 7.16 days, down from 7.67 days from the previous year due to the effective logistics management system. This allows the Company to have more flexible in managing its supply chain to reduce the risk of fluctuation of fuel prices. The Company has an average collection period of 0.43 day, down from 0.61 day from the previous year due to higher sales through retail channel. The Company has an average payment period of 15.49 days, up from 12.18 days from the previous year. This resulted in the Company to have a cash cycle of -7.89 days, up from -3.90 days from the previous year. The Company expects that cash cycle will show more negative in the future. The higher minus

cash cycle indicates that the Company's inventory turnover and collection period is faster than its payment period to fuel traders, resulting in lower working capital reflecting effective management of capital.

- Cash flow from investment amounted to Baht 4,768 million, up by Baht 2,697 million or 130% YoY as a result of business expansion. The increase was from the acquisition of leasehold rights and rental, and fixed assets as part of the Company's crucial strategy to expand its COCO stations, as well as the investment in the joint venture and the associate company. Moreover, the Company used cash flow from operation and debenture issuance for last year's investment.
- Cash flow from financing amounted to Baht 1,887 million, where the Company has short-term loans and loan repayment amounted to Baht 6,300 million and Baht 5,800 million, respectively, arising from fuel purchases. In addition, the Company issued debentures and had long-term loans amounted to Baht 1,700 million and Baht 491 million, respectively, in order to expand the business and to adjust the capital structure. Moreover, the Company paid for financial liabilities related to tanker trucks long-term leasing contracts which amounted to Baht 277 million, and paid dividend to the shareholders of the Company which amounted to Baht 501 million.

Significant financial ratios

Current ratio

The Company has a current ratio of 0.56 times, down from 0.65 times from the previous year, due to the Company's internal cash flow from its operations to invest in the rapid expansion of service stations. In any case, the Company plans to have its capital investments optimally restructured through application of long-term loans and the debenture issuance for new projects.

Return on Equity ratio

The Company has a return on equity ratio of 24.99%, up from 17.13% from the previous year. The return on equity ratio continues to increase from the increase in net profit and the improvement in the performance of the Company. The Company aims to increase this ratio in the future.

Return on asset ratio

The Company has a return on asset ratio of 10.56%, up from 9.04% from the previous year. The increase in the

return on asset ratio indicates consistent improvement in efficiency of the Company's performance.

Interest Coverage Ratio

The Company has a interest coverage ratio of 28.69 times, down from 49.98 times from the previous year. The decrease in the interest coverage ratio was from the rapid business expansion. Also, the Company has an increase in liabilities from debenture issuance. By the way, the Company focusses on the investment with quick returns, so it will not affect the financial liquidity.

Debt to equity ratio

The Company has a debt to equity ratio of 1.73 times, up from 0.95 times from the previous year. The main reason was due to higher trade and other payables from sales volume growth and higher long-term loans from debenture issuance according to the investment in partners as mentioned above. Interest-bearing debt to equity ratio is 0.87 times, up from 0.36 times from the previous year. The Company controls debt to equity ratio to be less than 2 times. However, if the project is considered to generate solid returns to the Company, the ratio may exceed 2 times in a short-term.

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

Marketing margin volatility

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

sold, thus if there are significantly decreases in fuel sales from the Company and its subsidiaries or if there are decreases in the revenue due to government's fuel price control measures in the future, the operations of the Company and its subsidiaries might be affected.

Nevertheless, the Company believes that its average fuel sales volume per service station will continue to grow. Previously known only to a specific group of customers, with the modernization, active advertising and the introduction of the PT Max Card to promote sales in service stations, securities listing on the SET and the expansion of service stations in Bangkok and its perimeter provinces, the Company expects the service stations to acquire a wider brand awareness and higher average sales volume. As for risks on marketing margin, the Company believes that the effects, if any, would be only short-term. If the government sees the necessity for price control in the long term, it needs to cushion fuel retailers and wholesalers from adverse impacts on their abilities to distribute fuels to general users by issuing such measures as the reduction of Oil Fuel Fund contribution rate, the provision of subsidy from Oil Fuel Fund for operators, etc. Following the support measures of the government, the marketing margin should resume its appropriate level.

Report of the Board of Directors' Responsibility for Financial Statements

The Company's Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and all financial information disclosed in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, using appropriate accounting policies applied consistently and with adequate disclosure of important information in the notes to the financial statements in order to provide the shareholders and general investors with reliable and adequate information of financial status.

In this regard, the Board of Directors has appointed the Audit Committee, comprising skilled independent directors, to review the quality of the financial statements and to assess the internal control system. The Audit Committee's Report regarding these matters has been presented in this Annual Report.

The Board of Directors views that the Company's internal control system can assure that the Company's financial statements have reflected its financial status and operating performance accurately in all material aspects.

Pol. Gen.



(Soontorn Saikwan)

Chairman of the Board of Directors

Independent Auditor's Report

To the shareholders of PTG Energy Public Company Limited

My opinion

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

What I have audited

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

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSA"). 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 the 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. I determine one key audit matter: Acquisition of investment in an associate. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Acquisition of investment in an associate</p> <p>As disclosed in note 10- Investments in subsidiaries, a joint venture and an associate, the Group paid cash consideration of Baht 621.60 million to acquire 518,000 ordinary shares of AMA Marine Public Company Limited (“AMA Marine”), which engages in transportation services. Management identified the acquisition of AMA Marine as an investment in an associate by applying the definition in TAS 28 (revised 2015) “Investments in Associates and Joint Venture” and the accounting standard requires the management to apply the concepts in TFRS 3 (revised 2015) “Business Combination” for the purpose of determining fair value of the net identifiable assets acquired and reviewing purchase price allocation (“PPA”). The fair value of net identifiable assets are presented as part of investment cost.</p> <p>The management determined that the fair value of the net identifiable assets acquired is Baht 238.98 million, mainly comprised Baht 168.47 million relating to vessels and Baht 25.54 million relating to the customer relationship. The valuations of net identifiable assets acquired were performed as a part of the purchase price allocation.</p> <p>I focused on the identification of the fair values of the vessels and the customer relationship arising from the acquisition of investment in AMA Marine because the valuation methodology and assumptions used in the financial model involved significant judgment made by the management. Key assumptions used for the valuation of vessels included market price of comparable vessels adjusted with the remaining useful life and of customer relationship included revenues and profit growth rates, expected changes to overhead costs and discounted rates.</p>	<p>I performed the following procedures in order to obtain evidence of the management’s assessment of acquisition of investment in AMA Marine and determination of fair value of net identifiable assets acquired:</p> <ul style="list-style-type: none"> • Reviewed management’s assessment that the acquisitions of investment in AMA Marine should be accounted for as the investment in an associate. • Assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date and also evaluated management’s procedures for determining the fair values of the net identifiable assets acquired. • Evaluated the competency, qualifications, experience and independence of management’s experts. • Tested the calculation of fair values of the vessels and customer relationship and also challenged management’s judgement in relation to the following: <ul style="list-style-type: none"> - the assumptions used in the cash flow forecasting, for example remaining useful life, revenues and profit growth rates, expected changes to overhead costs and discounted rates, by comparing these assumptions to available public information; and - the discounted rate by assessing the model of cost of capital and other inputs in the model. <p>As a result of the procedure performed, I determined that the assessment of the acquisition of the investment was appropriately performed in accordance with the definition and requirement set out in TAS 28 and the assumptions used in identifying the fair values of vessels and customer relationship were reasonable and in line with the accounting for the purchase price allocation.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, 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's 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's 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 TSA 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 TSA, 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's 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's 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.



Amornrat Pearmpoonvatanasuk
Certified Public Accountant (Thailand) No. 4599
Bangkok
23 February 2017

PTG Energy Public Company Limited

Statement of Financial Position

As at 31 December 2016

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	636,962,412	293,382,564	162,149,383	26,151,162
Short-term investments - Available-for-sale	7	2,745,404	3,072,635	793,499	1,132,432
Trade and other receivables, net	8	675,325,972	556,297,898	434,494,051	638,076,480
Short-term loans to a third party		-	1,000,000	-	-
Short-term loans to related parties	32.5	-	-	2,128,840,353	1,220,791,063
Current portion of long-term loans to third parties		780,000	780,000	600,000	600,000
Current portion of a long-term loan to a related party	32.6	-	-	15,000,000	15,000,000
Inventories, net	9	1,525,149,704	982,941,182	255,634,849	267,192,577
Total current assets		2,840,963,492	1,837,474,279	2,997,512,135	2,168,943,714
Non-current assets					
Long-term loans to third parties, net		2,560,000	3,340,000	-	600,000
Long-term loan to a related party, net	32.6	-	-	10,000,000	25,000,000
Investments in subsidiaries	10	-	-	1,177,644,322	600,394,322
Investment in a joint venture	10	644,208,790	354,475,326	640,000,000	348,800,000
Investment in an associate	10	757,241,615	-	-	-
Other long-term investment	11	723,093,785	-	-	-
Investment property, net	12	209,407,866	92,268,027	131,685,083	98,902,242
Property, plant and equipment, net	13	5,800,009,818	4,608,129,647	1,985,137,724	2,027,429,602
Prepaid leasehold right and land rental, net	14	1,403,511,056	821,173,093	2,319,758	2,765,675
Intangible assets, net	15	79,561,360	47,263,838	72,434,090	40,061,875
Deferred tax assets, net	24	14,171,583	-	-	-
Other non-current assets	16	51,842,981	41,154,344	9,438,363	5,109,579
Total non-current assets		9,685,608,854	5,967,804,275	4,028,659,340	3,149,063,295
Total assets		12,526,572,346	7,805,278,554	7,026,171,475	5,318,007,009

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Financial Position (continued)

As at 31 December 2016

		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts from a financial institution	17	306,225,068	187,067,839	-	-
Trade and other payables	18	3,653,628,137	2,151,616,447	648,049,271	575,709,689
Short-term loans from financial institutions	19	500,000,000	-	-	-
Short-term loans from related parties	32.7	-	-	233,120,900	228,328,400
Current portion of finance lease liabilities, net	20	244,392,348	263,507,620	207,540,627	262,186,162
Current portion of long-term loans from financial institutions	21.1	274,678,781	114,318,781	158,068,781	58,068,781
Income tax payable		99,079,184	89,262,868	6,852,492	-
Total current liabilities		5,078,003,518	2,805,773,555	1,253,632,071	1,124,293,032
Non-current liabilities					
Finance lease liabilities, net	20	314,039,897	383,860,736	175,264,333	381,254,166
Long-term loans from financial institutions, net	21.1	678,769,270	495,381,385	260,229,270	251,631,385
Debentures, net	22	1,691,597,388	-	1,691,597,388	-
Retirement benefit obligations	23	49,650,399	40,487,446	36,226,252	31,198,879
Deferred tax liabilities, net	24	74,901,873	48,029,429	46,448,027	45,947,323
Other non-current liabilities	25	50,339,185	30,838,779	19,680,910	15,226,439
Total non-current liabilities		2,859,298,012	998,597,775	2,229,446,180	725,258,192
Total liabilities		7,937,301,530	3,804,371,330	3,483,078,251	1,849,551,224

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Financial Position (continued)

As at 31 December 2016

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	26				
Authorised share capital					
- 1,670,000,000 ordinary shares					
at par value of Baht 1 each		1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Issued and paid-up share capital					
- 1,670,000,000 ordinary shares					
paid-up of Baht 1 each		1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Premium on share capital	26	1,185,430,000	1,185,430,000	1,185,430,000	1,185,430,000
Retained earnings					
Appropriated					
- Legal reserve	27	81,305,616	52,525,033	81,305,616	52,525,033
Unappropriated		1,635,827,602	1,092,139,190	606,340,366	560,487,588
Other components of equity		2,684,968	720,740	17,242	13,164
Total equity attributable to owners					
of the parent		4,575,248,186	4,000,814,963	3,543,093,224	3,468,455,785
Non-controlling interests		14,022,630	92,261	-	-
Total equity		4,589,270,816	4,000,907,224	3,543,093,224	3,468,455,785
Total liabilities and equity		12,526,572,346	7,805,278,554	7,026,171,475	5,318,007,009

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Income

For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
Revenue from sales and services		64,591,400,891	53,677,749,661	9,352,765,228	9,285,814,289
Costs of sales and services		(59,132,865,195)	(49,723,845,300)	(8,369,907,561)	(8,512,884,622)
Gross profit		5,458,535,696	3,953,904,361	982,857,667	772,929,667
Revenue from assets for lease and other services		84,431,559	64,296,613	477,995,122	361,079,003
Dividends income		6,224,448	-	311,982,020	183,839,655
Other income		112,252,526	92,674,628	158,985,669	115,203,772
Selling expenses		(3,522,049,296)	(2,616,887,547)	(743,762,562)	(606,468,123)
Administrative expenses		(811,173,060)	(631,612,997)	(445,631,353)	(397,850,417)
Finance costs		(124,903,770)	(45,332,724)	(109,418,436)	(50,719,607)
Dilution gains in investment in an associate	10.1	94,454,099	-	-	-
Share of profit from investments in a joint venture and an associate, net	10.1	37,772,532	4,986,739	-	-
Profit before income tax		1,335,544,734	822,029,073	633,008,127	378,013,950
Income tax	29	(262,149,172)	(171,287,983)	(57,396,473)	(38,016,062)
Profit for the year		1,073,395,562	650,741,090	575,611,654	339,997,888
Profit (loss) attributable to:					
Owners of the parent		1,073,447,288	650,721,958	575,611,654	339,997,888
Non-controlling interests		(51,726)	19,132	-	-
Profit for the year		1,073,395,562	650,741,090	575,611,654	339,997,888
Earnings per share					
Basic earnings per share	30	0.64	0.39	0.34	0.20

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Profit for the year		1,073,395,562	650,741,090	575,611,654	339,997,888
Other comprehensive income					
Item that will not be reclassified to profit or loss					
- Remeasurements of retirement benefit obligations, net of tax		-	1,059,936	-	379,108
Items that will be reclassified subsequently to profit or loss					
- Change in value of available-for-sale financial assets, net of tax	7	15,780	32,883	4,078	13,894
- Share of other comprehensive income of a joint venture and an associate accounted for using the equity method	10.1	1,948,448	688,587	-	-
Other comprehensive income for the year, net of tax		1,964,228	1,781,406	4,078	393,002
Total comprehensive income for the year		1,075,359,790	652,522,496	575,615,732	340,390,890
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,075,411,516	652,503,364	575,615,732	340,390,890
Non-controlling interests		(51,726)	19,132	-	-
Total comprehensive income for the year		1,075,359,790	652,522,496	575,615,732	340,390,890

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Attributable to owners of the parent													Consolidated financial statements	
Other components of equity														
Other comprehensive income (expense)														
Retained earnings														
Share of other comprehensive income of a joint venture and an associate														
Total other components of equity														
Total owners of the parent														
Non-controlling interests														
Total equity														
Note	Baht	Premium on share capital	Legal reserve	Unappropriated	Available-for-sale investments	Income of a joint venture and an associate	Share of other comprehensive income of a joint venture and an associate	Other comprehensive income (expense)	Total owners of the parent	Non-controlling interests	Total equity	Baht	Baht	
Opening balance as at 1 January 2015														
Changes in equity for the year														
	-	1,185,430,000	35,525,139	707,857,190	(730)	-	(730)	3,598,811,599	83,174	3,598,894,773				
Dividend paid	-	-	-	(250,500,000)	-	-	-	(250,500,000)	(10,345)	(250,510,345)				
Legal reserve	-	-	16,999,894	(16,999,894)	-	-	-	-	-	-				
Investment in a subsidiary of non-controlling interests	-	-	-	-	-	-	-	-	300	300				
Total comprehensive income for the year	-	-	-	651,781,894	32,883	688,587	721,470	652,503,364	19,132	652,522,496				
Closing balance as at 31 December 2015														
	1,670,000,000	1,185,430,000	52,525,033	1,092,139,190	32,153	688,587	720,740	4,000,814,963	92,261	4,000,907,224				
Opening balance as at 1 January 2016														
Changes in equity for the year														
Dividend paid	-	-	-	(500,978,293)	-	-	-	(500,978,293)	(17,980)	(500,996,273)				
Legal reserve	-	-	28,780,583	(28,780,583)	-	-	-	-	-	-				
Investment in a subsidiary of non-controlling interests	-	-	-	-	-	-	-	-	14,000,075	14,000,075				
Total comprehensive income (expense) for the year	-	-	-	1,073,447,288	15,780	1,948,448	1,964,228	1,075,411,516	(51,726)	1,075,359,790				
Closing balance as at 31 December 2016														
	1,670,000,000	1,185,430,000	81,305,616	1,635,827,602	47,933	2,637,035	2,684,968	4,575,248,186	14,022,630	4,589,270,816				

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2016

Separate financial statements										
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings				Other comprehensive income (expense)		Total other components of equity	
			Baht	Legal reserve	Unappropriated	Available-for-sale investments	Total components of equity	Baht		
									Baht	Baht
Opening balance as at 1 January 2015										
Changes in equity for the year										
Dividend paid	-	-	-	35,525,139	487,610,486	(730)	(730)	3,378,564,895		
Legal reserve	-	-	-	16,999,894	(16,999,894)	-	-	(250,500,000)		
Total comprehensive income for the year	-	-	-	-	340,376,996	13,894	13,894	340,390,890		
Closing balance as at 31 December 2015										
	1,670,000,000	1,185,430,000	52,525,033	560,487,588	13,164	13,164	3,468,455,785			
Opening balance as at 1 January 2016										
Changes in equity for the year										
Dividend paid	-	-	-	(500,978,293)	-	-	(500,978,293)			
Legal reserve	-	-	28,780,583	(28,780,583)	-	-	-	-		
Total comprehensive income for the year	-	-	-	575,611,654	4,078	4,078	575,615,732			
Closing balance as at 31 December 2016										
	1,670,000,000	1,185,430,000	81,305,616	606,340,366	17,242	17,242	3,543,093,224			

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax for the year		1,335,544,734	822,029,073	633,008,127	378,013,950
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation	28	1,288,924,038	851,127,642	169,150,015	143,370,984
- Amortisation of deferred financing fee		3,149,400	-	3,149,400	-
- Provision for decommissioning costs		754,517	89,349	621,049	41,963
- (Reversal of) allowance for doubtful accounts, net		(5,803,711)	(1,567,880)	(6,168,924)	20,499
- Revenue from dividend income		(6,224,448)	-	(311,982,020)	(183,839,655)
- Retirement benefit expenses		9,162,953	8,352,053	5,506,206	5,549,952
- Gains on disposals of assets		(6,077,013)	(12,012,904)	(8,610,446)	(11,828,235)
- Loss on write-off of assets	13, 15	10,837,524	9,715,790	1,719,547	485,570
- Gains on disposals of short-term investments		(56,989)	(910,620)	(56,989)	(910,620)
- (Reversal of) impairment charge of assets	12	(12,683,689)	1,578,621	(12,683,689)	-
- Reversal allowance for decrease in inventory value and obsolescence		(5,026,218)	(2,169,570)	(4,363,248)	(2,561,240)
- Interest income		(1,122,199)	(1,089,796)	(94,894,875)	(45,011,573)
- Interest expenses		117,632,237	45,327,969	106,269,036	50,714,852
- Dilution gains in investment in an associate	10.1	(94,454,099)	-	-	-
- Share of profit from investments in a joint venture and an associate, net	10.1	(37,772,532)	(4,986,739)	-	-
Cash flows before changes in operating assets and liabilities		2,596,784,505	1,715,482,988	480,663,189	334,046,447
Changes in operating assets and liabilities:					
- Trade and other receivables		3,439,865	32,360,649	240,053,978	(262,874,789)
- Inventories		(537,182,304)	267,185,463	15,920,976	287,181,943
- Other non-current assets		(10,688,637)	(2,726,501)	(4,328,784)	(74,781)
- Trade and other payables		1,514,830,723	254,387,531	68,017,757	(19,338,539)
- Retirement benefit obligations paid		-	(2,425,990)	-	(2,425,990)
- Other non-current liabilities		15,746,942	467,718	1,373,366	4,010,994
Cash generated from operations		3,582,931,094	2,264,731,858	801,700,482	340,525,285
- Interest received		1,122,199	1,089,796	64,592,250	109,492,344
- Interest paid		(117,185,969)	(45,249,635)	(98,835,680)	(66,403,169)
- Income tax paid		(241,795,121)	(140,888,733)	(50,043,278)	(24,916,515)
Net cash receipts from operating activities		3,225,072,203	2,079,683,286	717,413,774	358,697,945

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Cash Flows (continued)

For the year ended 31 December 2016

		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Notes	Baht	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Payments for leasehold right and land rental	14	(1,335,212,340)	(937,265,120)	(252,579)	(252,000)
Proceeds from short-term investments, net		400,000	160,803,973	400,000	160,803,973
Payments for purchases of invesment property		(41,642)	-	-	-
Payments for purchases of property, plant and equipment		(1,841,273,277)	(957,430,328)	(209,922,043)	(161,165,534)
Proceeds from disposals of plant and equipment		77,712,278	35,807,636	77,702,750	33,431,670
Payments for purchases of intangible assets		(42,139,641)	(24,346,357)	(39,013,368)	(22,005,418)
Dividends received		6,224,448	-	311,982,020	183,839,655
Payments for short-term loans to related parties	32.5	-	-	(17,494,355,500)	(14,766,829,700)
Proceeds from short-term loans to related parties	32.5	-	-	16,586,306,210	14,566,724,000
Proceeds from a long-term loan to a related party	32.6	-	-	15,000,000	15,000,000
Proceeds from a short-term loan to a third party		1,000,000	-	-	-
Payments for a short-term loan to a third party		-	(1,000,000)	-	-
Proceeds from a long-term loan to a third party		780,000	780,000	600,000	600,000
Acquisition of investments in subsidiaries, a joint venture and an associate	10.1	(912,800,000)	(348,800,000)	(862,450,000)	(348,800,000)
Acquisition of other long-term investment	11	(723,093,785)	-	-	-
Incorporation of new subsidiaries	10.1	-	-	(6,000,000)	(999,700)
Net cash payments in investing activities		(4,768,443,959)	(2,071,450,196)	(1,620,002,510)	(339,653,054)
Cash flows from financing activities					
Payments for finance leases		(277,405,301)	(274,503,088)	(262,273,124)	(272,526,138)
Proceeds from bank overdrafts from a financial institution, net		119,157,229	187,067,839	-	-
Proceeds from short-term loans from financial institutions		6,300,000,000	2,250,000,000	-	-
Payments of short-term loans from financial institutions		(5,800,000,000)	(2,550,000,000)	-	-
Proceeds from short-term loans from related parties	32.7	-	-	1,694,637,000	2,450,460,000
Payments of short-term loans from related parties	32.7	-	-	(1,689,844,500)	(2,302,751,600)
Proceeds from long-term loans from a financial institution		491,400,000	640,950,000	200,000,000	340,950,000
Payments of long-term loans from a financial institution		(147,652,114)	(31,249,834)	(91,402,114)	(31,249,834)
Proceeds from debentures		1,700,000,000	-	1,700,000,000	-
Payments on deferred financing fee		(11,552,012)	-	(11,552,012)	-
Dividends paid to shareholders	31	(500,978,293)	(250,500,000)	(500,978,293)	(250,500,000)
Dividends paid to non-controlling interests of subsidiaries		(17,980)	(10,345)	-	-
Proceeds from paid-up shares of subsidiaries from non-controlling interests		14,000,075	300	-	-
Net cash receipts from (payments in) financing activities		1,886,951,604	(28,245,128)	1,038,586,957	(65,617,572)

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Statement of Cash Flows (continued)

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents	343,579,848	(20,012,038)	135,998,221	(46,572,681)
Beginning balance	293,382,564	313,394,602	26,151,162	72,723,843
Ending balance	636,962,412	293,382,564	162,149,383	26,151,162
Cash and cash equivalents are made up as follows:				
- Cash on hand and deposits at financial institutions - maturities within three months	636,962,412	293,382,564	162,149,383	26,151,162
	636,962,412	293,382,564	162,149,383	26,151,162
Non-cash transactions as at 31 December				
- Purchases of investment property by payables	243,967	-	-	-
- Purchases of plant and equipment by payables	122,436,507	139,764,166	3,930,539	11,388,593
- Purchases of equipment under finance lease agreements	188,469,190	181,789,953	1,637,756	181,789,953
- Purchases of intangible assets by payables	7,173,190	3,354,800	7,173,190	3,305,500
- Disposals of plant and equipment by receivables	-	68,733	-	-

The accompanying notes are an integral part of the financial statements.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

1 General information

PTG Energy Public Company Limited (the “Company”) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 90, CW Tower A Building, 33rd Floor, Ratchadapisek Road, Huay Kwang, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group engages in business of trading of petroleum products, gas product, supplies and equipment for oil service station and consumable products and transportation.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 February 2017.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies and to disclose the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 3.

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

2.2 Accounting standards and revised financial reporting standards and related interpretations (collectively the “accounting standards”) are effective for the accounting periods beginning on or after 1 January 2016 and adopted by the Group

2.2.1 Accounting standards with significant changes and do not have a significant impact to the Group are as follows:

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

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.2 Accounting standards and revised financial reporting standards and related interpretations (collectively the “accounting standards”) are effective for the accounting periods beginning on or after 1 January 2016 and adopted by the Group (continued)

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

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

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.3 Accounting standards and revised financial reporting standards and related interpretations (collectively the "accounting standards") are effective for accounting periods beginning on or after 1 January 2017 and are not early adopted by the Group

2.3.1 Accounting standards with significant changes:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS 41 (revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

The Group's management is assessing and considering an impact which may occur from adoption of the aforementioned standards. Significant changes in those accounting standards are summarised as below.

- TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:
 - Materiality: an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
 - Disaggregation and subtotals: line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
 - Notes: confirmation that the notes do not need to be presented in a particular order.
 - OCI arising from investments accounted for under the equity method: the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.
- TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.
- TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.
- TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016). While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.
- TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in joint ventures and associates in its separate financial statements using the equity method.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.3 Accounting standards and revised financial reporting standards and related interpretations (collectively the “accounting standards”) are effective for accounting periods beginning on or after 1 January 2017 and are not early adopted by the Group (continued)

2.3.1 Accounting standards with significant changes: (continued)

- TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.
- TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.
- TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.
- TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’ or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.
- TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity’s investment activities.
- TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.
- TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.3 Accounting standards and revised financial reporting standards and related interpretations (collectively the “accounting standards”) are effective for accounting periods beginning on or after 1 January 2017 and are not early adopted by the Group (continued)

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

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 (revised 2016) Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, an associate, and a joint venture

2.4.1 Subsidiaries

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

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

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

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

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

Intercompany transactions, balances and unrealised gains between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset on transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. Dividend income from subsidiaries is recognised when the right to receive payment is established.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

A list of the Group's subsidiaries is shown in Note 10.

2.4.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, an associate, and a joint venture (continued)

2.4.3 Disposal of subsidiaries

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

2.4.4 Associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes customer relationship and goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate if that gain or loss is required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

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

A list of the Group's associate is shown in Note 10.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, an associate, and a joint venture (continued)

2.4.5 Joint venture

A joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Investments in joint arrangements are classified as either joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets to the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities.

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

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

In the separate financial statements, investments in joint ventures are accounted for using the cost method less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investment in a joint venture is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the statement of income.

A list of the Group's joint venture is shown in Note 10.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the functional and presentation currency of the Group.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

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

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.5 Foreign currency translation (continued)

2.5.3 Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses of each statement of income and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other comprehensive income in the statement of comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.6 Cash and cash equivalents

In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less. In the consolidated and separate statement of financial position, bank overdrafts are shown in current liabilities.

2.7 Investments

Investments other than investments in subsidiaries, an associate and a joint venture are classified into three categories: trading investments, available-for-sale investments and other long-term investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

2.7.1 Trading investments

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

2.7.2 Available-for-sale investments

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.7 Investments (continued)

2.7.3 Other long-term investment

Investment in non-marketable equity security is classified as other long-term investment.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to a published price. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Other long-term investment is carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

2.8 Trade receivables

Trade receivables are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.9 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined under the following methods:

Petroleum products	Moving average method
Consumable products	Weighted average method
Other products	Weighted average method

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.10 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land and land improvement and building and building improvement held for earning rentals and for a currently undetermined future use. The Group has not determined whether it will use the land and land improvement and building and building improvement as owner-occupied property or as capital appreciation.

Land and land improvement are not depreciated. Depreciation on building and building improvement is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives which is 10 - 40 years.

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

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

2.11 Property, plant and equipment

An item of property, plant and equipment is stated at cost less any accumulated depreciation and any accumulated allowance for decrease in value. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which the branch incurs either when the item is acquired or as a consequence of having used the item during a particular period.

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

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, except for land which is considered to have an indefinite life to their residual values over their estimated useful lives, as follows:

Building	10, 20 and 40 years
Building improvement	5 and 20 years
Tools and equipment	5, 10, 20 and 40 years
Office furniture and equipment	5 and 10 years
Vehicles	5 and 10 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.13).

Gains and losses on disposals of assets are determined by comparing the proceeds with the carrying amount and are recognised within other of assets gains or losses - net in profit or loss.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time required to complete and prepare the asset for its intended use. 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 as expenses in profit or loss.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.12 Intangible assets

2.12.1 Leasehold right

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

2.12.2 Trademarks and computer software licenses

Separately acquired trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 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.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.13 Impairment of assets

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

2.14 Leases - where the Group is the lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance costs so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The assets acquired under finance lease are depreciated over the shorter period of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.15 Borrowings

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

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

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

2.16 Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in an associate and a joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation, etc.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.17 Employee benefits (continued)

2.17.1 Defined benefit plan - retirement benefits

The Group provides for post-employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.17.2 Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to profit or loss in the year to which they relate.

2.18 Provisions

2.18.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

2.18.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the building improvement. The recognised provision for decommissioning costs is based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the building improvement.

2.19 Share capital

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

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the services performed to date as a percentage of total services to be performed.

Rental income is recognised according to accrual basis.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (continued)

2.21 Customer loyalty programmes

Where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.

The Group has traded the products and services to customers with the customer loyalty programmes which are the cumulative points from refill of petroleum products and purchase of food and beverage and redeem as petroleum products or other commodities in next time without any payment. The customer loyalty programmes are measured at fair value.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23 Segment reporting

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

3 Critical accounting estimates, assumptions and judgements

Accounting estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During 2016, the Group makes critical estimates, assumptions and judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year which is estimate of the acquisition of investment in an associate.

Estimate of the acquisition of investment in an associate

The Group recognised the investment in an associate by determining fair value of the net identifiable assets acquired and reviewing purchase price allocation in accordance with the concepts in TFRS 3 (revised 2015) "Business Combination". The fair value of the net identifiable assets acquired mainly related to vessels and customer relationship which are presented as part of investment cost as described in Note 2.4.4.

The fair value of these acquired identifiable assets is based on valuation techniques. The valuation models require significant judgement and assumptions made by the management. Key assumptions used for the valuation include market price of comparable vessels adjusted with the remaining useful life and of customer relationship included revenues and profit growth rates, expected changes to overhead costs and discounted rates. The management must also make assumptions about the useful life of the customer relationship.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

4 Financial risk management

The Group's activities expose it to a variety of financial risks which include market risk (including market prices for petroleum products risk and interest rate risk), credit risk, liquidity risk and capital risk.

4.1 Market risk

(a) Market prices for petroleum products risk

The Group's financial results can be significantly affected by volatility and cyclical movement in the market prices for petroleum products that are not predictable. Given its large size and the long-term nature of its business, the Group expects that this risk will be moderated over time.

(b) Interest rate risk

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

The interest rate risk arises from borrowings with those issued at variable interest rates. The Group continually optimises the mix in its borrowing facilities to maximise financing flexibility whilst minimising financing cost.

4.2 Credit risk

Credit risk is managed on a Group basis. Credit risk primarily arises from credit exposures to wholesale and retail trade customers, including outstanding receivables and committed transactions. Credit risk in respect of balances outstanding with related parties has been assessed to be low due to the overall strength of the Group.

For trade customers, risk evaluations are performed internally which include reviews of financial positions, business success indicators, past experience and other factors. Individual risk limits are set based on the resultant internal ratings in accordance with limits set by the management. Risk categories are established for individual customers based on internal credit guidelines ranging from very low to very high risk. The risk categories are intended to reflect the risk of payment default by a customer and are similar to the rating scales established by external rating agencies.

4.3 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserve of cash and cash equivalents and maintaining number of committed credit facilities from banks. The Group reviews requirements for future cash flows through the completion of an annual finance plan review. The finance plan review is completed for the forthcoming year to ensure that estimates of future requirements are analysed such that appropriate facilities can be made available.

Liquidity risk may also arise if customers are not able to settle obligations to the Group within the normal credit term. To manage this risk, the Group periodically assesses financial viability of customers and may require certain customers to provide bank guarantees or other similar instruments.

4.4 Capital risk

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In the future, the Group may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Group completes a finance plan which seeks to establish positions for the current and future years' dividend projections.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

5 Segment information - consolidated financial statements

The Group has two reporting segments which comprise sales of petroleum products, gas product, supplies and equipment for oil service stations and consumable products and transportation. The segment information is presented on the same basis that is used for internal reporting purpose as provided to the chief operating decision maker ("the Chief Executive Officer").

For the year ended 31 December 2016			
	Sales Baht	Transportation income Baht	Total Baht
Revenue from sales and services	64,541,836,452	49,564,439	64,591,400,891
Costs of sales and services	(59,101,664,860)	(31,200,335)	(59,132,865,195)
Segment results	5,440,171,592	18,364,104	5,458,535,696
Other income			202,908,533
Selling expenses			(3,522,049,296)
Administrative expenses			(811,173,060)
Finance costs			(124,903,770)
Dilution gains in investment in an associate			94,454,099
Share of profit from investments in a joint venture and an associate, net			37,772,532
Profit before income tax			1,335,544,734
Income tax			(262,149,172)
Profit for the year			1,073,395,562
Other comprehensive income for the year			1,964,228
Total comprehensive income for the year			1,075,359,790

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

The Group generates revenue from sales and services by mostly utilising the assets located in Thailand and sales are mostly originated in Thailand. There is no customer who generates significant revenue to the Group.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

6 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	282,816,572	167,597,702	560,000	560,000
Deposits at financial institutions				
- Current accounts	118,216,335	89,876,685	20,095,280	18,366,492
- Savings accounts	235,929,505	35,908,177	141,494,103	7,224,670
Total cash and cash equivalents	636,962,412	293,382,564	162,149,383	26,151,162

The deposits of the Group and the Company comprise deposits at local financial institutions. As at 31 December 2016, deposits at financial institutions bore interest at rates from 0.25% to 0.75% per annum (2015: 0.10% to 0.50% per annum)

7 Short-term investments - Available-for-sale

As at 31 December 2016, the summaries of short-term investments are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
As at 1 January 2015		
Opening net book value	162,933,105	161,011,891
Additions	2,542,000,000	2,542,000,000
Disposals	(2,701,893,353)	(2,701,893,353)
Change in fair value of available-for-sale securities	32,883	13,894
As at 31 December 2015	3,072,635	1,132,432
As at 1 January 2016		
Opening net book value	3,072,635	1,132,432
Additions	200,000,000	200,000,000
Disposals	(200,343,011)	(200,343,011)
Change in fair value of available-for-sale securities	15,780	4,078
As at 31 December 2016	2,745,404	793,499

As at 31 December 2016 and 2015, the available-for-sale securities represent General Fixed Income Fund, a fair value by using quoted bid prices that are directly observable and referred to thaimutualfund.com (Level 2).

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

8 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables	73,509,663	62,336,076	45,054,842	41,182,663
Trade receivables from related parties	7,453,794	12,795,660	146,649,583	413,518,902
Total trade receivables	80,963,457	75,131,736	191,704,425	454,701,565
<u>Less</u> Allowance for doubtful accounts	(136,853)	(9,496,864)	(108,925)	(6,277,849)
Trade receivables, net	80,826,604	65,634,872	191,595,500	448,423,716
Deposits for goods	175,101	16,350,819	165,101	7,024,122
Refundable value added tax	128,036,770	104,770,241	97,761,808	95,643,603
Current portion of prepaid leasehold right and land rental (Note 14)	389,009,437	274,508,335	549,927	549,927
Prepaid expenses	39,332,867	34,759,940	28,742,815	29,978,173
Accrued income	14,937,912	19,971,494	12,321,934	19,177,739
Amounts due from related parties	-	-	99,794,904	28,504,284
Others	42,813,053	56,551,669	3,562,062	8,774,916
Total other receivables	614,305,140	506,912,498	242,898,551	189,652,764
<u>Less</u> Allowance for doubtful accounts	(19,805,772)	(16,249,472)	-	-
Other receivables, net	594,499,368	490,663,026	242,898,551	189,652,764
Trade and other receivables, net	675,325,972	556,297,898	434,494,051	638,076,480

Outstanding trade receivables are analysed by aging as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not overdue	68,581,463	50,322,280	182,531,785	438,460,544
Overdue below 3 months	10,847,305	13,942,657	8,913,306	9,500,166
Overdue 3 - 6 months	1,313,602	208,903	259,334	104,217
Overdue 6 - 12 months	-	375,923	-	340,958
Over 12 months	221,087	10,281,973	-	6,295,680
Total trade receivables	80,963,457	75,131,736	191,704,425	454,701,565
<u>Less</u> Allowance for doubtful accounts	(136,853)	(9,496,864)	(108,925)	(6,277,849)
Trade receivables, net	80,826,604	65,634,872	191,595,500	448,423,716

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

9 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Petroleum products	1,261,952,647	818,127,729	212,920,963	224,634,312
Consumable goods	53,620,222	32,262,259	-	-
Gas product	4,405,624	2,157,254	-	-
Other products	130,576,208	57,311,812	25,422,914	20,949,488
Goods in transit	76,035,325	79,548,668	17,334,548	26,015,601
Total	1,526,590,026	989,407,722	255,678,425	271,599,401
Less Allowance for decrease in inventory value				
- Petroleum products	(51,912)	(5,199,953)	(43,576)	(4,406,824)
Allowance for obsolescence				
- Consumable goods	(1,388,410)	(1,266,587)	-	-
Inventories, net	1,525,149,704	982,941,182	255,634,849	267,192,577

The Group and the Company had the petroleum products with a value of Baht 6.74 million (2015: Baht 200.01 million) and Baht 8.09 million (2015: Baht 180.19 million) respectively, which are carried at net realisable value, this being lower than cost.

According to the Ministry of Energy's regulations, the Company is required to reserve petroleum products at 1% of the total domestic purchase. As at 31 December 2016, petroleum products included minimum mandatory reserve amounting to Baht 102.13 million (2015: Reserve petroleum products at 1% amounting to Baht 68.13 million) which were net of allowance for decrease in inventory value.

10 Investments in subsidiaries, a joint venture and an associate

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Investments in subsidiaries (Note 10.2)	-	-	1,177,644,322	600,394,322
Investments in a joint venture (Note 10.3)	644,208,790	354,475,326	640,000,000	348,800,000
Investments in an associate (Note 10.4)	757,241,615	-	-	-
	1,401,450,405	354,475,326	1,817,644,322	949,194,322

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.1 The movements of the investments in subsidiaries, a joint venture and an associate can be analysed as follows:

For the years ended 31 December	Consolidated financial statements	
	2016 Baht	2015 Baht
Opening book value	354,475,326	-
Acquisition of investment in an associate	621,600,000	-
Acquisition of the investments in a joint venture	-	348,800,000
Additional paid-up share capital of a joint venture	291,200,000	-
Dilution gains in investment in an associate	94,454,099	-
Share of profit from the investments in a joint venture and an associate, net	37,772,532	4,986,739
Share of other comprehensive income (expense) of a joint venture and an associate		
- Unrealised gains (loss) on investments in marketable securities		
- available-for-sale, net of income tax	(688,587)	688,587
- Exchange difference on translation	2,588,420	-
- Gains from remeasurements of retirement benefit obligations, net of income tax	48,615	-
Closing book value	1,401,450,405	354,475,326

For the years ended 31 December	Separate financial statements	
	2016 Baht	2015 Baht
Opening book value	949,194,322	599,394,622
Additional paid-up share capital of subsidiaries	571,250,000	-
Incorporation of subsidiaries	6,000,000	999,700
Acquisition of the investments in a joint venture	-	348,800,000
Additional paid-up share capital of a joint venture	291,200,000	-
Closing book value	1,817,644,322	949,194,322

10.1.1 The significant movements of the investments in subsidiaries during the year ended 31 December 2016.

Direct holding by the Company - Subsidiaries

PTG Logistics Company Limited

On 19 February 2016, the Company paid for additional ordinary shares of PTG Logistics Company Limited at Baht 100 per share for 3.99 million shares, totalling Baht 399 million. Consequently, the shareholding interest in PTG Logistics Company Limited increased from 99.97% to be 99.99%.

Empire Service Solution Company Limited

Empire Service Solution Company Limited was incorporated in Thailand on 16 August 2016. The Company holds 60% of its total registered shares, totalling Baht 6 million. The Company paid for the additional share capital amounting to Baht 3 million on 16 August 2016 and Baht 3 million on 2 November 2016.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

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

10.1.1 The significant movements of the investments in subsidiaries during the year ended 31 December 2016. (continued)

PTG Green Energy Company Limited

On 30 September 2016, the Company acquired 0.99 million additional ordinary shares of PTG Green Energy Company Limited at the price of Baht 100 per share, totalling Baht 99 million. Consequently, the shareholding interest in PTG Green Energy Company Limited increased from 99.97% to be 99.99%. The Company partially paid for the additional share capital amounting to Baht 24.75 million on 30 September 2016.

Punthai Coffee Company Limited

On 23 December 2016, the Company acquired 2.95 million additional ordinary shares of Punthai Coffee Company Limited at the price of Baht 100 per share, totalling Baht 295 million. The Company partially paid for the additional share capital amounting to Baht 147.50 million on 26 December 2016.

Indirect holding by the Company - Subsidiaries

Innotech Green Energy Company Limited

Innotech Green Energy Company Limited was incorporated in Thailand on 6 December 2016. The Company holds 59.99% of its total registered shares, totalling Baht 59.99 million. The Company partially paid for the additional share capital amounting to Baht 14.99 million on 6 December 2016.

10.1.2 The significant movements of the investment in a joint venture during the year ended 31 December 2016.

Direct holding by the Company - A joint venture

PPP Green Complex Company Limited

At the Board of Directors' Meeting no. 3/2016 dated 29 March 2016, the directors approved the Company to acquire of 291,200 additional ordinary shares of PPP Green Complex Company Limited ("PPP Green") at the price of Baht 1,000 per share, totalling Baht 291.20 million in the same proportion as its original investment. The Company fully paid for the additional share capital. PPP Green registered its share capital with the Ministry of Commerce on 1 April 2016.

As at 31 December 2016, a palm complex owned by PPP Green was under construction.

10.1.3 The significant movements of the investment in an associate during the year ended 31 December 2016.

An associate indirectly held by the Company

AMA Marine Public Company Limited (formerly "AMA Marine Company Limited")

On 29 February 2016, the Group paid for newly-issued ordinary shares of AMA Marine Public Company Limited ("AMA Marine") which operates in business of transportation, at Baht 1,200 per share for 518,000 shares, totalling Baht 621.60 million, representing 32.01% of the total issued and paid-up share capital of AMA Marine.

On 18 May 2016, AMA Marine has registered its transformation from the limited company to be the public limited company with the Ministry of Commerce and has changed par value of the ordinary shares from the existing par value of Baht 100 per share to Baht 0.50 per share and number of the shares from 1,618 thousand shares to 323,600 thousand shares. The Group consequently holds 103,600 thousand ordinary shares with no change in the investment proportion of AMA Marine.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

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

10.1.3 The significant movements of the investment in an associate during the year ended 31 December 2016. (continued)

In December 2016, AMA Marine issued newly ordinary shares of 108,000 thousand shares at the price equivalent Baht 9.99 per share (par value of Baht 0.50 per share), totalling Baht 1,078.92 million to the director, management and employees of AMA Marine and initial public offering. As the result, the investment proportion held by the Group has been diluted to 24% of total shares. The Group recognised the dilution gains of Baht 94.45 million in the consolidated statement of income for the year ended 31 December 2016.

AMA Marine was listed on the Market on Alternative Investment (MAI) on 22 December 2016.

The Group measured the fair value of net assets acquired of AMA Marine at the acquisition date. Detail of the consideration paid and the fair value of net assets purchased recognised are as follows:

	Consolidated financial statements Baht
Fair value of vessels for oil and chemical transportation	168,468,630
Fair value of other net assets acquired	52,546,704
Customer relationship (presented in investment in an associate)	25,543,980
Deferred tax liabilities (presented in investment in an associate)	(7,577,807)
Goodwill (presented in investment in an associate)	382,618,493
Total purchase consideration	<u>621,600,000</u>

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.2 Investments in subsidiaries

The subsidiaries incorporated in Thailand are as follows:

	Nature of business	Paid-up share capital		Proportion of ordinary shares directly held by the Group (%)		Cost Method		Dividends for the year		Separate financial statements	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
Petroleum Thai Corporation Co., Ltd.	Service stations	439,980,000	439,980,000	99.99	99.99	586,397,022	586,397,022	239,997,920	239,997,920	149,998,700	149,998,700
Pyramid Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.98	99.98	999,800	999,800	44,991,000	44,991,000	1,099,780	1,099,780
Alpine Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.97	99.97	999,700	999,700	14,995,500	14,995,500	22,493,250	22,493,250
Empire Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.98	99.98	999,800	999,800	11,997,600	11,997,600	9,998,000	9,998,000
Everest Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.98	99.98	999,800	999,800	-	-	-	-
Andes Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.97	99.97	999,700	999,700	-	-	-	-
Atlas Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.97	99.97	999,700	999,700	-	-	249,925	249,925
PTG Green Energy Co., Ltd. and its subsidiary	Trading of petroleum products	25,750,000	1,000,000	99.99	99.97	25,749,700	999,700	-	-	-	-
- Subsidiary											
Innotech Green Energy Co., Ltd.	Production and trading of ethanol	25,000,000	-	59.99	-	-	-	-	-	-	-
Olympus Oil Co., Ltd.	Trading of petroleum products	1,000,000	1,000,000	99.97	99.97	999,700	999,700	-	-	-	-
Punthai Coffee Co., Ltd.	Trading of food and beverage	152,500,000	5,000,000	99.99	99.99	152,499,700	4,999,700	-	-	-	-
PTG Logistics Co., Ltd.	Transportation	400,000,000	1,000,000	99.99	99.97	399,999,700	999,700	-	-	-	-
Empire Service Solution Co., Ltd.	Construction service	10,000,000	-	60.00	-	6,000,000	-	-	-	-	-
						1,177,644,322	600,394,322	311,982,020	311,982,020	183,839,655	183,839,655

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

The total non-controlling interest for the year is Baht (51,726). The non-controlling interest in respect of all subsidiaries is not material.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.3 Investments in a joint venture

The joint venture has share capital consisting solely of ordinary shares. The details of the investment in a joint venture which incorporated in Thailand are as follows:

	Business	Consolidated and separate financial statements	
		Portion of Investment (%)	
		2016	2015
PPP Green Complex Company Limited	Manufacturing and distribution of palm oil	40	40

PPP Green is a joint venture between the Company and Thachang Green Energy Company Limited and R&D Kasetpattana Company Limited. PPP Green operates in a palm oil product manufacturing and distribution business. PPP Green is a strategic partnership for the Group, decreasing its liabilities and risks in supplying raw materials for diesel's oil production process. The Company has a 40% interest in PPP Green. PPP Green is a private company.

Summarised financial information for investments in a joint venture

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

Summarised statement of financial position

As at 31 December	2016 Baht	2015 Baht
Current assets		
Cash and cash equivalents	92,395,573	42,433,116
Other current assets	123,418,495	226,994,278
Total current assets	215,814,068	269,427,394
Non-current assets	1,604,341,691	631,048,612
Total assets	1,820,155,759	900,476,006
Current liabilities		
Financial liabilities	75,000,000	5,532,059
Other current liabilities	130,943,802	4,635,284
Total current liabilities	205,943,802	10,167,343
Non-current liabilities	3,689,982	4,120,349
Total liabilities	209,633,784	14,287,692
Net assets	1,610,521,975	886,188,314

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.3 Investments in a joint venture (continued)

Summarised statement of comprehensive income

For the years ended 31 December

	2016 Baht	2015 Baht
Other income	7,636,014	9,798,468
Operating expenses	(9,580,885)	(9,186,064)
Profit (loss) from operations	(1,944,871)	612,404
Income tax	-	(17,675)
Post-tax profit (loss) from operation	(1,944,871)	594,729
Other comprehensive income (expense)	(1,721,468)	1,721,468
Total comprehensive income (expense)	(3,666,339)	2,316,197

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

Reconciliation of summarised financial information

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

	2016 Baht
Summarised financial information	
Opening net assets as at 1 January	886,188,314
Increased capital	728,000,000
Loss for the year	(1,944,871)
Other comprehensive expense	(1,721,468)
Closing net assets as at 31 December	1,610,521,975
Interest in a joint venture (40%)	644,208,790
Carrying value	644,208,790
	2015 Baht
Summarised financial information	
Opening net assets as at acquisition date	883,237,780
Profit for the period from 26 January to 31 December	1,229,066
Other comprehensive income from 26 January to 31 December	1,721,468
Closing net assets as at 31 December	886,188,314
Interest in a joint venture (40%)	354,475,326
Carrying value	354,475,326

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.4 Investments in an associate

The associate has share capital consisting solely of ordinary shares. The details of the investments in an associate which incorporated in Thailand are as follows:

	Business	Consolidated financial statements	
		Portion of Investment (%)	
		2016	2015
AMA Marine Public Company Limited (formerly "AMA Marine Company Limited")	Transportation	24	-

AMA Marine is an associate between PTG Logistics Company Limited, which is a subsidiary of the Company and Ratchakitprakarn Family. As at 31 December 2016, the Company has a 24% interest in AMA Marine.

Summarised financial information for investments in an associate

Set out below is the summarised financial information for AMA Marine which is accounted for using the equity method.

Summarised statement of financial position as at 31 December 2016

	Baht
Current assets	
Cash and cash equivalents	1,241,947,680
Other current assets	89,184,264
Total current assets	1,331,131,944
Non-current assets	2,038,022,222
Total assets	3,369,154,166
Current liabilities	
Financial liabilities	222,257,468
Other current liabilities	63,842,845
Total current liabilities	286,100,313
Non-current liabilities	
Financial liabilities	850,813,721
Other non-current liabilities	46,295,330
Total non-current liabilities	897,109,051
Total liabilities	1,183,209,364
Net assets	2,185,944,802

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

10 Investments in subsidiaries, a joint venture and an associate (continued)

10.4 Investments in an associate (continued)

Summarised statement of comprehensive income for the year ended 31 December 2016

	Baht
Transportation income	965,490,105
Costs of services	(674,599,191)
Gross profit	290,890,914
Other income	3,695,192
Selling expenses	(36,425,561)
Administrative expenses	(81,702,190)
Finance costs	(34,709,319)
Profit from operations	141,749,036
Income tax	(6,089,282)
Post-tax profit from operations	135,659,754
Other comprehensive income	9,104,279
Total comprehensive income	144,764,033

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

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in an associate.

	2016 Baht
Summarised financial information	
Opening net assets as at acquisition date	746,583,903
Profit for the period from 29 February to 31 December	123,071,123
Other comprehensive income from 29 February to 31 December	11,289,114
Closing net assets as at 31 December	880,944,140
Closing net assets as at 31 December (32.01%)	238,981,507
Dilution gains in investment in an associate	94,454,099
Interest in an associate (32.01%) from 29 February to dilution date	35,730,749
Interest in an associate (24%) from dilution date to 31 December	5,456,767
Goodwill	382,618,493
Carrying value	757,241,615

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

11 Other long-term investment

Other long-term investment represented an investment in Fuel Pipeline Transportation Limited in the proportion of 9.55% of the total shares. The Group acquired 4,979.40 thousand ordinary shares of Fuel Pipeline Transportation Limited with a par value of Baht 5 per share at Baht 80 per share from a third party, totalling Baht 398.35 million on 19 January 2016.

On 16 May 2016, the Group acquired 64,948.42 newly-issued thousand ordinary shares of Fuel Pipeline Transportation Limited with a par value of Baht 5 per share, totalling Baht 324.74 million in the same proportion as its original investment. The Group partially paid the additional share capital at Baht 2.50 per share, totalling Baht 162.37 million and paid the remaining on 14 October 2016.

As at 31 December 2016, the Group holds 69,927.82 thousand ordinary shares of Fuel Pipeline Transportation Limited with a par value of Baht 5 per share. The Group fully paid for 4,979.40 thousand ordinary shares at Baht 80 per share and fully paid for 64,948.42 thousand ordinary shares at Baht 5 per share, totalling Baht 723.09 million.

12 Investment property, net

	Consolidated financial statements			
	Land and land improvement Baht	Building and building improvement Baht	Construction in progress Baht	Total Baht
As at 1 January 2015				
Cost	119,089,625	50,854,700	-	169,944,325
<u>Less</u> Accumulated depreciation	-	(38,931,109)	-	(38,931,109)
Provision for impairment	(29,106,818)	(9,514,928)	-	(38,621,746)
Net book value	89,982,807	2,408,663	-	92,391,470
For the year ended 31 December 2015				
Opening net book value	89,982,807	2,408,663	-	92,391,470
Depreciation charge	-	(123,443)	-	(123,443)
Closing net book value	89,982,807	2,285,220	-	92,268,027
As at 31 December 2015				
Cost	119,089,625	50,854,700	-	169,944,325
<u>Less</u> Accumulated depreciation	-	(39,054,552)	-	(39,054,552)
Provision for impairment	(29,106,818)	(9,514,928)	-	(38,621,746)
Net book value	89,982,807	2,285,220	-	92,268,027
For the year ended 31 December 2016				
Opening net book value	89,982,807	2,285,220	-	92,268,027
Additions	-	-	285,609	285,609
Transfer in (out)	-	41,642	(41,642)	-
Depreciation charge	-	(3,177,472)	-	(3,177,472)
Reclassification, net	-	41,499,363	65,848,650	107,348,013
Reversal of impairment	3,692,145	8,991,544	-	12,683,689
Closing net book value	93,674,952	49,640,297	66,092,617	209,407,866
As at 31 December 2016				
Cost	119,089,625	96,218,646	66,092,617	281,400,888
<u>Less</u> Accumulated depreciation	-	(46,054,965)	-	(46,054,965)
Provision for impairment	(25,414,673)	(523,384)	-	(25,938,057)
Net book value	93,674,952	49,640,297	66,092,617	209,407,866

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

12 Investment property, net (continued)

	Separate financial statements		
	Land and land improvement Baht	Building and building improvement Baht	Total Baht
As at 1 January 2015			
Cost	124,168,185	50,854,700	175,022,885
<u>Less</u> Accumulated depreciation	-	(38,931,109)	(38,931,109)
Provision for impairment	(27,551,163)	(9,514,928)	(37,066,091)
Net book value	96,617,022	2,408,663	99,025,685
For the year ended 31 December 2015			
Opening net book value	96,617,022	2,408,663	99,025,685
Depreciation charge	-	(123,443)	(123,443)
Closing net book value	96,617,022	2,285,220	98,902,242
As at 31 December 2015			
Cost	124,168,185	50,854,700	175,022,885
<u>Less</u> Accumulated depreciation	-	(39,054,552)	(39,054,552)
Provision for impairment	(27,551,163)	(9,514,928)	(37,066,091)
Net book value	96,617,022	2,285,220	98,902,242
For the year ended 31 December 2016			
Opening net book value	96,617,022	2,285,220	98,902,242
Depreciation charge	-	(3,100,848)	(3,100,848)
Reclassification	23,200,000	-	23,200,000
Reversal of impairment	3,692,145	8,991,544	12,683,689
Closing net book value	123,509,167	8,175,916	131,685,083
As at 31 December 2016			
Cost	147,368,185	50,854,700	198,222,885
<u>Less</u> Accumulated depreciation	-	(42,155,400)	(42,155,400)
Provision for impairment	(23,859,018)	(523,384)	(24,382,402)
Net book value	123,509,167	8,175,916	131,685,083

As at 31 December 2016, a part of investment property (land) of Baht 40.97 million in the company financial statements was leased by its subsidiaries for using in its operation (2015: Baht 17.77 million).

As at 31 December 2016, investment property of the Group and the Company had fair value amount of Baht 284.06 million and Baht 331.00 million, respectively (2015: Baht 176.42 million and Baht 307.80 million, respectively) which were revalued by the independent valuer.

In previous years, the Company recognised an impairment provision for land and building held for an undetermined future use due to the indicator of higher net book value than fair value less costs of disposal. For the year ended 31 December 2016, impairment provision amounting to Baht 12.68 million was reversed due to higher fair value than net book value.

The Group and the Company changed the purpose of some building and improvement from own use to be held for earning rental. Therefore, during 2016 the Group and the Company reclassified such building and improvement from property, plant and equipment to investment property of Baht 107.35 million and Baht 23.20 million, respectively.

13 **Property, plant and equipment, net**

	Consolidated financial statements						
	Land and land improvement Baht	Building and building improvement Baht	Tools and equipment Baht	Office furniture, fixture and equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
As at 1 January 2015							
Cost	537,794,139	1,461,607,406	1,881,046,817	90,202,266	1,590,194,592	305,558,845	5,866,404,065
Less Accumulated depreciation	-	(601,062,288)	(984,579,167)	(47,609,370)	(405,521,808)	-	(2,038,772,633)
Provision for impairment	(15,133,647)	(501,789)	(2,562,686)	(131,436)	-	-	(18,329,558)
Net book value	522,660,492	860,043,329	893,904,964	42,461,460	1,184,672,784	305,558,845	3,809,301,874
For the year ended 31 December 2015							
Opening net book value	522,660,492	860,043,329	893,904,964	42,461,460	1,184,672,784	305,558,845	3,809,301,874
Additions	8,645,685	71,207,407	356,154,179	21,447,609	193,081,343	599,973,512	1,250,509,735
Disposals, net	-	(1,962,081)	(3,020,542)	(48,433)	(18,832,409)	-	(23,863,465)
Write off, net	(203,760)	(7,691,054)	(1,749,895)	(64,049)	(7,032)	-	(9,715,790)
Transfer in (out)	132,400	421,286,946	60,930,051	1,120,537	-	-	-
Depreciation charge	-	(111,072,755)	(195,344,984)	(14,433,257)	(95,673,090)	-	(416,524,086)
Impairment charge	-	(1,459,119)	(119,502)	-	-	-	(1,578,621)
Closing net book value	531,234,817	1,230,352,673	1,110,754,271	50,483,867	1,263,241,596	422,062,423	4,608,129,647
As at 31 December 2015							
Cost	546,368,464	1,938,327,516	2,271,295,991	110,208,034	1,691,186,684	422,062,423	6,979,449,112
Less Accumulated depreciation	-	(706,013,935)	(1,157,859,532)	(59,592,731)	(427,945,088)	-	(2,351,411,286)
Provision for impairment	(15,133,647)	(1,960,908)	(2,682,188)	(131,436)	-	-	(19,908,179)
Net book value	531,234,817	1,230,352,673	1,110,754,271	50,483,867	1,263,241,596	422,062,423	4,608,129,647

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

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

	Consolidated financial statements						
	Land and land improvement Baht	Building and building improvement Baht	Tools and equipment Baht	Office furniture, fixture and equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
For the year ended 31 December 2016							
Opening net book value	531,234,817	1,230,352,673	1,110,754,271	50,483,867	1,263,241,596	422,062,423	4,608,129,647
Additions	35,601,491	134,381,914	515,480,025	49,697,479	271,549,333	1,008,703,513	2,015,413,755
Disposals, net	-	(4,101,616)	(5,425,163)	(39,041)	(62,069,445)	-	(71,635,265)
Write off, net	(1,977,159)	(7,579,320)	(1,135,247)	(142,900)	(1)	-	(10,834,627)
Transfer in (out)	-	653,044,363	70,546,420	7,077,320	-	(730,668,103)	-
Reclassification, net	(11,391,754)	(20,422,355)	-	-	-	(75,533,904)	(107,348,013)
Depreciation charge	-	(252,619,302)	(254,885,922)	(19,858,125)	(106,352,330)	-	(633,715,679)
Closing net book value	553,467,395	1,733,056,357	1,435,334,384	87,218,600	1,366,369,153	624,563,929	5,800,009,818
As at 31 December 2016							
Cost	568,601,042	2,679,817,871	2,828,552,216	164,344,286	1,795,657,797	624,563,929	8,661,537,141
Less Accumulated depreciation	-	(944,800,606)	(1,390,535,644)	(76,994,250)	(429,288,644)	-	(2,841,619,144)
Provision for impairment	(15,133,647)	(1,960,908)	(2,682,188)	(131,436)	-	-	(19,908,179)
Net book value	553,467,395	1,733,056,357	1,435,334,384	87,218,600	1,366,369,153	624,563,929	5,800,009,818

13 Property, plant and equipment, net (continued)

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

13 Property, plant and equipment, net (continued)

	Separate financial statements					
	Land and land improvement Baht	Building and building improvement Baht	Tools and equipment Baht	Office furniture, fixture and equipment Baht	Vehicles Baht	Construction in progress Baht
For the year ended 31 December 2016						
Opening net book value	309,961,417	161,320,290	217,291,322	21,878,181	1,242,514,397	74,463,995
Additions	24,100,000	21,240,428	24,614,213	28,830,470	11,268,548	96,508,142
Disposals, net	-	(3,781,052)	(3,350,572)	-	(61,960,680)	-
Write off, net	-	(1,397,387)	(305,277)	(16,883)	-	-
Transfer in (out)	-	22,618,633	15,111,687	1,016,000	-	(38,746,320)
Reclassification, net	(34,591,754)	11,391,754	-	-	-	-
Depreciation charge	-	(23,380,362)	(29,151,138)	(8,336,837)	(93,973,491)	-
Closing net book value	299,469,663	188,012,304	224,210,235	43,370,931	1,097,848,774	132,225,817
As at 31 December 2016						
Cost	299,469,663	448,148,242	882,947,111	71,553,810	1,495,045,097	132,225,817
Less Accumulated depreciation	-	(260,135,938)	(657,167,789)	(28,182,879)	(397,196,323)	-
Provision for impairment	-	-	(1,569,087)	-	-	-
Net book value	299,469,663	188,012,304	224,210,235	43,370,931	1,097,848,774	132,225,817

During the year of 2016, additions of the Group and the Company included Baht 188.47 million (2015: Baht 181.79 million) and Baht 1.64 million (2015: Baht 181.79 million), respectively assets leased under finance leases (where the Group and the Company are the lessee).

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

13 Property, plant and equipment, net (continued)

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost - capitalised finance leases	1,396,233,366	1,344,437,428	1,202,823,540	1,337,859,037
<u>Less</u> Accumulated depreciation	(264,590,776)	(222,940,919)	(258,117,870)	(221,901,223)
Net book value	<u>1,131,642,590</u>	<u>1,121,496,509</u>	<u>944,705,670</u>	<u>1,115,957,814</u>

14 Prepaid leasehold right and land rental, net

	Consolidated financial statements Baht	Separate financial statements Baht
For the year ended 31 December 2015		
Opening book value	584,287,981	3,781,530
Payments for prepaid leasehold right and land rental	937,265,120	252,000
Amortisation of prepaid leasehold right and land rental	(425,871,673)	(717,928)
Total	1,095,681,428	3,315,602
<u>Less</u> Current portion of prepaid leasehold right and land rental (Note 8)	(274,508,335)	(549,927)
Closing net book value	<u>821,173,093</u>	<u>2,765,675</u>
For the year ended 31 December 2016		
Opening book value	1,095,681,428	3,315,602
Payments for prepaid leasehold right and land rental	1,335,212,340	252,579
Amortisation of prepaid leasehold right and land rental	(638,373,275)	(698,496)
Total	1,792,520,493	2,869,685
<u>Less</u> Current portion of prepaid leasehold right and land rental (Note 8)	(389,009,437)	(549,927)
Closing net book value	<u>1,403,511,056</u>	<u>2,319,758</u>

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

15 Intangible assets, net

	Consolidated financial statements		
	Computer software and trademark Baht	Software in progress Baht	Total Baht
As at 1 January 2015			
Cost	39,309,635	7,461,000	46,770,635
<u>Less</u> Accumulated amortisation	(14,555,914)	-	(14,555,914)
Net book value	<u>24,753,721</u>	<u>7,461,000</u>	<u>32,214,721</u>
For the year ended 31 December 2015			
Opening net book value	24,753,721	7,461,000	32,214,721
Additions	20,885,427	2,772,130	23,657,557
Transfer in (out)	8,254,080	(8,254,080)	-
Amortisation charge	(8,608,440)	-	(8,608,440)
Closing net book value	<u>45,284,788</u>	<u>1,979,050</u>	<u>47,263,838</u>
As at 31 December 2015			
Cost	68,449,142	1,979,050	70,428,192
<u>Less</u> Accumulated amortisation	(23,164,354)	-	(23,164,354)
Net book value	<u>45,284,788</u>	<u>1,979,050</u>	<u>47,263,838</u>
For the year ended 31 December 2016			
Opening net book value	45,284,788	1,979,050	47,263,838
Additions	11,493,741	34,464,290	45,958,031
Write off, net	(2,897)	-	(2,897)
Transfer in (out)	1,082,500	(1,082,500)	-
Amortisation charge	(13,657,612)	-	(13,657,612)
Closing net book value	<u>44,200,520</u>	<u>35,360,840</u>	<u>79,561,360</u>
As at 31 December 2016			
Cost	81,021,884	35,360,840	116,382,724
<u>Less</u> Accumulated amortisation	(36,821,364)	-	(36,821,364)
Net book value	<u>44,200,520</u>	<u>35,360,840</u>	<u>79,561,360</u>

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

15 Intangible assets, net (continued)

	Separate financial statements		
	Computer software and trademark Baht	Software in progress Baht	Total Baht
As at 1 January 2015			
Cost	21,035,454	7,461,000	28,496,454
<u>Less</u> Accumulated amortisation	<u>(3,987,530)</u>	<u>-</u>	<u>(3,987,530)</u>
Net book value	<u>17,047,924</u>	<u>7,461,000</u>	<u>24,508,924</u>
For the year ended 31 December 2015			
Opening net book value	17,047,924	7,461,000	24,508,924
Additions	18,523,288	2,772,130	21,295,418
Transfer in (out)	8,254,080	(8,254,080)	-
Amortisation charge	<u>(5,742,467)</u>	<u>-</u>	<u>(5,742,467)</u>
Closing net book value	<u>38,082,825</u>	<u>1,979,050</u>	<u>40,061,875</u>
As at 31 December 2015			
Cost	47,812,822	1,979,050	49,791,872
<u>Less</u> Accumulated amortisation	<u>(9,729,997)</u>	<u>-</u>	<u>(9,729,997)</u>
Net book value	<u>38,082,825</u>	<u>1,979,050</u>	<u>40,061,875</u>
For the year ended 31 December 2016			
Opening net book value	38,082,825	1,979,050	40,061,875
Additions	8,416,768	34,464,290	42,881,058
Transfer in (out)	1,082,500	(1,082,500)	-
Amortisation charge	<u>(10,508,843)</u>	<u>-</u>	<u>(10,508,843)</u>
Closing net book value	<u>37,073,250</u>	<u>35,360,840</u>	<u>72,434,090</u>
As at 31 December 2016			
Cost	57,312,090	35,360,840	92,672,930
<u>Less</u> Accumulated amortisation	<u>(20,238,840)</u>	<u>-</u>	<u>(20,238,840)</u>
Net book value	<u>37,073,250</u>	<u>35,360,840</u>	<u>72,434,090</u>

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 31 December				
Deposits	42,159,078	31,123,340	6,960,021	2,396,510
Prepaid withholding tax	2,423,413	2,488,910	2,421,793	2,374,916
Prepaid corporate income tax	7,260,490	7,542,094	56,549	338,153
Total other non-current assets	<u>51,842,981</u>	<u>41,154,344</u>	<u>9,438,363</u>	<u>5,109,579</u>

17 Bank overdrafts from a financial institution

As at 31 December 2016, bank overdrafts from a financial institution represented the bank overdrafts of a subsidiary which were unsecured and bore interest at the rate of MOR minus certain margin per annum. The Company subsequently repaid on 11 January 2017.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

18 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payables	3,056,704,176	1,597,435,608	446,178,338	391,516,964
Other payables	229,404,464	150,611,370	48,761,836	47,848,818
Trade payables to related parties	26,730,833	26,149,601	25,845,274	15,803,068
Amounts due to related parties	11,961	9,098	27,149,556	13,573,084
Deferred revenue:				
- Customer loyalty programmes	61,218,159	39,449,325	11,075,851	-
Accrued expenses	279,558,544	337,961,445	89,038,416	106,967,755
Total trade and other payables	3,653,628,137	2,151,616,447	648,049,271	575,709,689

19 Short-term loans from financial institutions

As at 31 December 2016, short-term loans from financial institutions represented promissory notes of a subsidiary amounting to Baht 500 million which are unsecured, bearing interest at the fixed rates per annum. The repayments of principal and payments of interest are due on 6 January 2017 and 9 January 2017.

The fair value of short-term loans from financial institutions equal their carrying amount, as the impact of discounting is not significant.

20 Finance lease liabilities, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	261,501,072	286,588,154	219,582,093	285,114,241
Over 1 year but less than 3 years	243,770,117	342,682,620	161,626,665	340,056,117
Over 3 years but less than 5 years	84,793,007	59,475,205	19,892,449	59,374,484
	590,064,196	688,745,979	401,101,207	684,544,842
<u>Less</u> Future interest paid of finance lease liabilities	(31,631,951)	(41,377,623)	(18,296,247)	(41,104,514)
Present value of finance lease liabilities, net	558,432,245	647,368,356	382,804,960	643,440,328

Finance lease liabilities excluded future interest paid are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finance lease liabilities, net	558,432,245	647,368,356	382,804,960	643,440,328
<u>Less</u> Current portion of finance lease liabilities, net	(244,392,348)	(263,507,620)	(207,540,627)	(262,186,162)
	314,039,897	383,860,736	175,264,333	381,254,166

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

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

21 Long-term loans from financial institutions

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current portion of long-term loans from financial institutions	274,678,781	114,318,781	158,068,781	58,068,781
Long-term loans from financial institutions, net	678,769,270	495,381,385	260,229,270	251,631,385
Total long-term loans from financial institutions	953,448,051	609,700,166	418,298,051	309,700,166

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

Long-term loans from financial institutions of the Group

The Group had long-term loans denominated in Thai Baht with local financial institutions which were unsecured as follows:

Number	Outstanding balance as at 31 December 2016 (Baht)	Outstanding balance as at 31 December 2015 (Baht)	Interest rate per annum	Principal repayment term	Interest payment period
1	174,019,444	214,177,778	THBFIX (3M) plus a certain margin	On the first day of the month	On the first day of the month
2	77,611,940	95,522,388	THBFIX (3M) plus a certain margin	On the first day of the month	On the first day of the month
3	243,750,000	300,000,000	THBFIX (3M) plus a certain margin	On the first day of the month	On the first day of the month
4	166,666,667	-	Fixed rate	On the last day of the month	On the last day of the month
5	291,400,000	-	THBFIX (6M) plus a certain margin	On the last day of the month	On the last day of the month
Total	953,448,051	609,700,166			

Long-term loans from financial institutions of the Company

The Company had long-term loans denominated in Thai Baht with local financial institutions which were unsecured as follows:

Number	Outstanding balance as at 31 December 2016 (Baht)	Outstanding balance as at 31 December 2015 (Baht)	Interest rate per annum	Principal repayment term	Interest payment period
1	174,019,444	214,177,778	THBFIX (3M) plus a certain margin	On the first day of the month	On the first day of the month
2	77,611,940	95,522,388	THBFIX (3M) plus a certain margin	On the first day of the month	On the first day of the month
3	166,666,667	-	Fixed rate	On the last day of the month	On the last day of the month
Total	418,298,051	309,700,166			

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

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

21 Long-term loans from financial institutions (continued)

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

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from financial institutions				
- at fixed rate	166,666,667	-	166,666,667	-
- at floating rate	786,781,384	609,700,166	251,631,384	309,700,166
Total long-term loans from financial institutions	953,448,051	609,700,166	418,298,051	309,700,166

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	274,678,781	114,318,781	158,068,781	58,068,781
Later than 1 year but not later than 5 years	678,769,270	457,275,124	260,229,270	232,275,124
Later than 5 years	-	38,106,261	-	19,356,261
Total long-term loans from financial institutions	953,448,051	609,700,166	418,298,051	309,700,166

21.4 Credit facilities

As at 31 December 2016, the Group had available credit facilities from financial institutions amounting to Baht 667.65 million (2015 : Baht 59.05 million).

22 Debentures, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Debentures, net	1,691,597,388	-	1,691,597,388	-
Less Current portion of debentures, net	-	-	-	-
Debentures, net	1,691,597,388	-	1,691,597,388	-

On 19 February 2016, 8 July 2016 and 1 August 2016, the Company issued the specific Thai Baht and unsecured debentures amounting to Baht 1,500 million, Baht 100 million and Baht 100 million, respectively. The principal redemption is three-year from the issuance date. The debentures bear interest at a fixed rate per annum and the interest payment shall be paid every three-month. The Company is required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio at the level as specified in the contract.

As at 31 December 2016, the carrying amount of the debentures approximated their fair value.

The weighted average effective interest rate of the debentures of the Group and the Company is 4.44% per annum.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

23 Retirement benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Statement of financial position	49,650,399	40,487,446	36,226,252	31,198,879
Remeasurements of retirement benefit obligations (Restated)	-	(1,325,043)	-	(473,885)

The Group provides for post-employment benefits, payable to employees under the labour laws applicable in Thailand.

The movements in the defined benefit obligations over the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 1 January	40,487,446	35,886,426	31,198,879	27,918,430
Current service cost	7,915,637	7,312,017	4,553,829	4,716,292
Interest expense	1,247,316	1,040,036	952,377	833,660
	49,650,399	44,238,479	36,705,085	33,468,382
Remeasurements:				
Gains from change in demographic assumptions	-	(6,506,433)	-	(5,899,141)
Loss from change in financial assumptions	-	6,055,492	-	4,935,010
Experience (gains) loss	-	(874,102)	-	490,246
	-	(1,325,043)	-	(473,885)
Transfer to a subsidiary	-	-	(478,833)	-
Transfer from a subsidiary	-	-	-	630,372
	-	-	(478,833)	630,372
Payments from plans:				
Benefit payments	-	(2,425,990)	-	(2,425,990)
As at 31 December	49,650,399	40,487,446	36,226,252	31,198,879

During the year of 2016, 64 staff of the Company were transferred to a subsidiary (2015: Transferred from a subsidiary 32 staff). The Company has transferred retirement benefit obligations of these staff to a subsidiary.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

23 Retirement benefit obligations (continued)

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	2.97 - 4.03	2.97 - 4.03	2.97	2.97
Salary growth rate	2.00 - 6.00	2.00 - 6.00	2.00 - 6.00	2.00 - 6.00
Turnover rate	0.00 - 50.00	0.00 - 50.00	0.00 - 29.00	0.00 - 29.00
Pre-retirement mortality rate	0.06 - 1.66	0.06 - 1.66	0.06 - 1.66	0.06 - 1.66

Consolidated financial statements			
	Change in assumption	Impact on defined benefit obligations	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 7.73% - 18.03%	Increase by 8.60% - 22.28%
Salary growth rate	1.00%	Increase by 7.69% - 21.60%	Decrease by 7.05% - 17.88%
Life expectancy	1 Year	Increase by 0.76% - 1.13%	Decrease by 0.75% - 1.11%

Separate financial statements			
	Change in assumption	Impact on defined benefit obligations	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 7.73%	Increase by 8.60%
Salary growth rate	1.00%	Increase by 7.69%	Decrease by 7.05%
Life expectancy	1 Year	Increase by 0.76%	Decrease by 0.75%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligations recognised within the statement of financial position.

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

The weighted average durations of the Group's defined benefit obligation are between 23.19 years and 30.87 years and those of the Company's defined benefit obligation are 23.19 years.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

24 Deferred income taxes

The deferred tax assets and deferred tax liabilities in the statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets	14,171,583	-	-	-
Deferred tax liabilities	(74,901,873)	(48,029,429)	(46,448,027)	(45,947,323)
Deferred income taxes, net	(60,730,290)	(48,029,429)	(46,448,027)	(45,947,323)

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	13,314,229	4,440,853	1,058,230	376,100
Deferred tax assets to be recovered after more than 12 months	48,360,857	35,610,295	23,506,603	16,573,831
	61,675,086	40,051,148	24,564,833	16,949,931
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(19,736,011)	(25,947,250)	(16,533,870)	(24,048,111)
Deferred tax liabilities to be settled after more than 12 months	(102,669,365)	(62,133,327)	(54,478,990)	(38,849,143)
	(122,405,376)	(88,080,577)	(71,012,860)	(62,897,254)
Deferred income taxes, net	(60,730,290)	(48,029,429)	(46,448,027)	(45,947,323)

The gross movement of the deferred income taxes account is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 1 January	(48,029,429)	(41,065,725)	(45,947,323)	(30,069,688)
Charged to profit or loss (Note 29)	(12,700,861)	(6,698,597)	(500,704)	(15,782,858)
Charged to other comprehensive income	-	(265,107)	-	(94,777)
As at 31 December	(60,730,290)	(48,029,429)	(46,448,027)	(45,947,323)

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Consolidated financial statements						
	Allowance for doubtful accounts Baht	Provision for impairment of investment properties - land Baht	Provision for impairment Baht	Provisions Baht	Advertising production expenditure Baht	Others Baht	Total Baht
Deferred tax assets							
As at 1 January 2016	5,041,210	5,932,033	3,667,479	7,178,750	3,540,007	14,691,669	40,051,148
Charged/(credited) to profit or loss	(1,080,765)	(738,429)	-	2,020,903	5,806,870	15,615,359	21,623,938
As at 31 December 2016	3,960,445	5,193,604	3,667,479	9,199,653	9,346,877	30,307,028	61,675,086
As at 1 January 2015	5,338,778	5,932,033	3,352,094	7,843,062	1,543,640	7,296,891	31,306,498
Charged/(credited) to profit or loss	(297,568)	-	315,385	(399,205)	1,996,367	7,394,778	9,009,757
Credited to other comprehensive income	-	-	-	(265,107)	-	-	(265,107)
As at 31 December 2015	5,041,210	5,932,033	3,667,479	7,178,750	3,540,007	14,691,669	40,051,148

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows: (continued)

	Consolidated financial statements				
	Station renovation expenditure Baht	Finance leases Baht	Investment in an associate accounted for using the equity method Baht	Others Baht	Total Baht
Deferred tax liabilities					
As at 1 January 2016	(25,183,323)	(38,042,585)	-	(24,854,669)	(88,080,577)
Charged/(credited) to profit or loss	2,253,399	2,807,377	(27,128,323)	(12,257,252)	(34,234,799)
As at 31 December 2016	(22,929,924)	(35,235,208)	(27,128,323)	(37,111,921)	(122,405,376)
As at 1 January 2015	(28,078,518)	(28,012,281)	-	(16,281,424)	(72,372,223)
Charged/(credited) to profit or loss	2,895,195	(10,030,304)	-	(8,573,245)	(15,708,354)
As at 31 December 2015	(25,183,323)	(38,042,585)	-	(24,854,669)	(88,080,577)

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows: (continued)

	Separate financial statements					
	Allowance for doubtful accounts Baht	Provision for impairment of investment properties - land Baht	Provisions Baht	Advertising production expenditure Baht	Others Baht	Total Baht
Deferred tax assets						
As at 1 January 2016	1,255,570	5,510,233	5,270,160	3,540,007	1,373,961	16,949,931
Charged/(credited) to profit or loss	(1,233,785)	(738,429)	1,230,731	5,806,870	2,549,515	7,614,902
As at 31 December 2016	21,785	4,771,804	6,500,891	9,346,877	3,923,476	24,564,833
As at 1 January 2015	1,251,470	5,510,233	5,808,394	1,543,640	110,280	14,224,017
Charged/(credited) to profit or loss	4,100	-	(443,457)	1,996,367	1,263,681	2,820,691
Credited to other comprehensive income	-	-	(94,777)	-	-	(94,777)
As at 1 January 2015	1,255,570	5,510,233	5,270,160	3,540,007	1,373,961	16,949,931

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows: (continued)

	Separate financial statements		
	Finance leases Baht	Others Baht	Total Baht
Deferred tax liabilities			
As at 1 January 2016	(38,042,585)	(24,854,669)	(62,897,254)
Charged/(credited) to profit or loss	3,635,114	(11,750,720)	(8,115,606)
As at 31 December 2016	(34,407,471)	(36,605,389)	(71,012,860)
As at 1 January 2015	(28,012,281)	(16,281,424)	(44,293,705)
Credited to profit or loss	(10,030,304)	(8,573,245)	(18,603,549)
As at 31 December 2015	(38,042,585)	(24,854,669)	(62,897,254)

Deferred tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of Baht 25.65 million (2015: Baht 8.52 million) in respect of losses amounting to Baht 128.23 million (2015: Baht 42.59 million) that can be carried forward against future taxable income. Losses amounting to Baht 128.23 million expire during 2017 to 2021 (2015: Baht 42.59 million expire during 2017 to 2020).

25 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
As at 31 December	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deposits received from customers for purchase	29,649,729	16,136,745	1,097,587	1,873,755
Retention from franchisees	14,688,554	12,439,021	14,448,367	12,298,833
Decommissioning provision	6,000,248	2,246,784	4,134,956	1,053,851
Other non-current liabilities	654	16,229	-	-
Total other non-current liabilities	50,339,185	30,838,779	19,680,910	15,226,439

26 Share capital and premium on share

	Number of shares Shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 31 December 2016 and 2015	1,670,000,000	1,670,000,000	1,185,430,000	2,855,430,000

The total number of authorised ordinary shares is 1,670,000,000 shares with a par value of Baht 1 per share. All issued shares are fully paid.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

27 Legal reserve

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	52,525,033	35,525,139	52,525,033	35,525,139
Appropriation during the year	28,780,583	16,999,894	28,780,583	16,999,894
Closing balance	81,305,616	52,525,033	81,305,616	52,525,033

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

28 Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at net profit:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Changes in inventories	(542,208,522)	265,015,893	11,557,728	284,620,703
Depreciation and amortisation of assets	650,550,763	425,255,969	168,451,519	142,653,056
Amortisation of prepaid leasehold right and land rental (Note 14)	638,373,275	425,871,673	698,496	717,928
Repair and maintenance expenses	107,553,949	91,351,906	6,553,369	12,791,287
Retirement benefit expenses (Note 23)	9,162,953	8,352,053	5,506,206	5,549,952
Staff costs	1,904,552,017	1,563,653,167	656,495,167	609,967,234
Advertising and promotion expenses	398,318,879	223,091,336	222,542,427	112,787,342

29 Income taxes

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax	249,448,311	164,589,386	56,895,769	22,233,204
Deferred tax (Note 24)	12,700,861	6,698,597	500,704	15,782,858
Total income taxes	262,149,172	171,287,983	57,396,473	38,016,062

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

29 Income taxes (continued)

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before tax	1,335,544,734	822,029,073	633,008,127	378,013,950
Tax calculated at a tax rate of	20	20	20	20
The result of the accounting profit multiplied by the income tax rate	267,108,947	164,405,815	126,601,626	75,602,790
Tax effect of:				
Income not subject to tax	(30,128,175)	(3,833,749)	(70,234,003)	(38,785,273)
Expenses not deductible for tax purpose	8,030,857	6,483,242	1,028,850	1,198,545
Tax losses for the year for which no deferred income tax assets was recognised	17,137,543	4,232,675	-	-
Income taxes	262,149,172	171,287,983	57,396,473	38,016,062

The weighted average applicable tax rates for the Group and the Company were 19.63% and 9.07%, respectively (2015: 20.84% and 10.06%, respectively).

30 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares issued and paid-up during the year.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to owners of the parent (Baht)	1,073,447,288	650,721,958	575,611,654	339,997,888
Weighted average number of ordinary share in issue (Shares)	1,670,000,000	1,670,000,000	1,670,000,000	1,670,000,000
Basic earnings per share (Baht)	0.64	0.39	0.34	0.20

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2016 and 2015.

31 Dividends

At the Board of Directors' Meeting no. 5/2016 dated 11 August 2016, the directors approved the payment of interim dividends in respect of the operating results for the period ended 30 June 2016 for 1,670 million shares at Baht 0.10 per share, totalling Baht 167 million. These dividends were paid on 9 September 2016.

At the Annual General Shareholders' Meeting dated 22 April 2016, the shareholders approved the payment of dividends in respect of the operating results for the period of 2015 for 1,670 million shares at Baht 0.20 per share, totalling Baht 334 million. These dividends were paid on 19 May 2016.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries, and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are Ratchakit Holding Company Limited and Wijitthanarak Family, holding 25.12% and 12.75% of the Company's shares, respectively. The Company's remaining shares are widely held.

The information on the Company's subsidiaries, a joint venture and an associate is provided in Note 10.

Other related parties are the parties of which their shareholders are intimate of the Company's directors or of which the Company's director is their shareholder.

As described in note 10.1.3, the Group acquired an investment in AMA Marine for newly-issued ordinary shares. The acquisition of such investment was resulted in the change of the classification of transaction with AMA Marine from other related parties to an associate. Therefore, the business transactions after 29 February 2016 and balances due to/due from as at 31 December 2016 are classified as related party transactions with an associate.

The following material transactions are carried out with related parties:

32.1 Revenue from sales and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Sales				
- Subsidiaries	-	-	575,023,579	1,291,000,181
- An associate	61,583,393	-	-	-
- Other related parties	476,432,271	456,308,827	471,145,260	419,946,836
Transportation income				
- Subsidiaries	-	-	912,859,316	934,171,908
- Other related parties	655,269	676,850	655,269	676,850

Selling prices for subsidiaries and other related parties are closed to market prices and the credit terms are closed to credit terms for other customers.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions (continued)

The following material transactions are carried out with related parties: (continued)

32.2 Other income and expenses

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from rental and other services				
- Subsidiaries	-	-	214,635,943	164,456,244
- Other related parties	720,000	720,000	720,000	720,000
Management income				
- Subsidiaries	-	-	231,988,395	169,838,503
Other income				
- Subsidiaries	-	-	4,078	1,682,328
- Other related parties	18,060	223,649	18,060	223,649
Interest income				
- Subsidiaries	-	-	94,044,768	44,143,093
Purchases of goods				
- Subsidiaries	-	-	11,510,727	65,437,154
- Other related parties	2,480,313,445	1,878,009,299	663,953,799	588,182,559
Transportation expenses				
- Subsidiaries	-	-	12,341,990	-
- An associate	243,742,064	-	139,835,617	-
- Other related parties	-	113,134,463	-	113,134,463
Rental expenses				
- Other related parties	205,820	60,000	-	-
Utility expenses				
- Subsidiaries	-	-	1,461,665	2,237,231
- Other related parties	70,764	62,576	-	-
Promotion expenses				
- Subsidiaries	-	-	24,990,903	72,122
Interest expenses				
- Subsidiaries	-	-	9,763,669	11,086,471
Fuel expenses				
- Subsidiaries	-	-	6,729,522	3,951,909
Other service expenses				
- Other related parties	21,873	-	-	-
Other expenses				
- Subsidiaries	-	-	3,692,718	160,600
- Other related parties	1,613,391	-	-	-

The above transactions with related parties were carried out as indicating in the agreements except purchases of goods which the selling prices are closed to market prices.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions (continued)

The following material transactions are carried out with related parties: (continued)

32.3 Trade receivables from and trade payables to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables				
- Subsidiaries	-	-	141,283,480	404,324,221
- An associate	1,946,958	-	-	-
- Other related parties	5,506,836	12,795,660	5,366,103	9,194,681

Outstanding trade receivables from related parties are analysed by aging as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not overdue	7,444,063	12,292,648	146,649,583	413,134,135
Overdue below 3 months	9,731	503,012	-	384,767
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	<u>7,453,794</u>	<u>12,795,660</u>	<u>146,649,583</u>	<u>413,518,902</u>

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payables				
- Subsidiaries	-	-	22,589,164	2,154,437
- An associate	23,474,723	-	-	-
- Other related parties	3,256,110	26,149,601	3,256,110	13,648,631

32.4 Amounts due from and amounts due to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Amounts due from related parties				
- Subsidiaries	-	-	52,534,352	11,546,357
- Other related parties	-	-	-	-
Amounts due to related parties				
- Subsidiaries	-	-	25,875,603	11,676,697
- Other related parties	11,961	9,098	-	-

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions (continued)

The following material transactions are carried out with related parties: (continued)

32.5 Short-term loans to related parties and related interests

The movements of short-term loans to subsidiaries can be analysed as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	1,220,791,063	1,020,685,363
Loans advanced during the year	-	-	17,494,355,500	14,766,829,700
Loan repayments received during the year	-	-	(16,586,306,210)	(14,566,724,000)
Closing balance	-	-	2,128,840,353	1,220,791,063

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest receivables (Included in amounts due from related parties)				
- Subsidiaries	-	-	47,260,552	16,957,927
	-	-	47,260,552	16,957,927

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income				
- Subsidiaries	-	-	92,600,182	41,935,135
	-	-	92,600,182	41,935,135

The Company entered into short-term loan agreements with subsidiaries to provide the subsidiaries a total credit facility not exceeding Baht 1,400 million. The short-term loans denominated in Thai Baht are unsecured, bearing interest at the rate of MLR minus a certain margin per annum. The repayment of principal and payment of interest shall be paid at call.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions (continued)

The following material transactions are carried out with related parties: (continued)

32.6 Long-term loan to a related party and related interests

The movements of a long-term loan to a subsidiary can be analysed as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	40,000,000	55,000,000
Loan repayments received during the year	-	-	(15,000,000)	(15,000,000)
Closing balance	-	-	25,000,000	40,000,000
<u>Less</u> Current portion of a long-term loan to a related party	-	-	(15,000,000)	(15,000,000)
Long-term loan to a related party, net	-	-	10,000,000	25,000,000

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	-	-	1,444,586	2,207,958
- A subsidiary	-	-	1,444,586	2,207,958

On 29 December 2011, the Company entered into a long-term loan agreement with a subsidiary to provide a subsidiary a total credit facility not exceeding Baht 100 million. A long-term loan denominated in Thai Baht is unsecured, bearing interest at the rates of 5% per first three years and MLR minus a certain margin onwards. The repayment of principal and payment of interest is to be made on monthly basis. The maturity date shall be on 28 December 2018.

The fair value of a long-term loan to a related party equal their carrying amount, as the impact of discounting is not significant.

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

32 Related party transactions (continued)

32.7 Short-term loans from related parties and related interests

The movements of short-term loans from subsidiaries can be analysed as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	228,328,400	80,620,000
Loans advanced during the year	-	-	1,694,637,000	2,450,460,000
Repayments of loans during the year	-	-	(1,689,844,500)	(2,302,751,600)
Closing balance	-	-	233,120,900	228,328,400

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest payables (Included in amounts due to related parties)				
- Subsidiaries	-	-	1,273,953	1,896,387
	-	-	1,273,953	1,896,387

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest expenses				
- Subsidiaries	-	-	9,763,669	11,086,471
	-	-	9,763,669	11,086,471

The Company entered into short-term loans with subsidiaries to obtain a total credit facility not exceeding Baht 200 million. The short-term loans denominated in Thai Baht are unsecured, bearing the interest at the rate of MLR minus a certain margin per annum. The repayment of principal and payment of interest shall be paid at call.

32.8 Directors and managements remuneration

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term employee benefits	65,216,289	59,170,497	62,218,430	56,634,859
Post employee benefits	4,589,275	5,264,726	4,151,730	4,917,939
Total directors and managements remuneration	69,805,564	64,435,223	66,370,160	61,552,798

PTG Energy Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

33 Commitments and significant agreements

33.1 Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Property, plant and equipment and Investment property	589,424,522	75,926,166	38,787,152	17,423,067
Intangible assets	50,064,000	-	50,064,000	-
	<u>639,488,522</u>	<u>75,926,166</u>	<u>88,851,152</u>	<u>17,423,067</u>

Operating lease commitments - where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases for land, building and construction and for office rental are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	622,254,344	455,578,597	30,898,839	21,226,936
Later than 1 year but not later than 5 years	1,965,399,244	1,272,389,929	70,800,996	42,310,622
Later than 5 years	4,666,269,200	2,456,606,074	10,845,750	20,277,750
	<u>7,253,922,788</u>	<u>4,184,574,600</u>	<u>112,545,585</u>	<u>83,815,308</u>

Commitments under letters of guarantee

As at 31 December 2016, the Group and the Company had commitments under letters of guarantee with financial institutions for sale and purchase agreements with suppliers and other purposes for totalling Baht 1,415.03 million and Baht 302.16 million, respectively.

33.2 Credit facilities

As at 31 December 2016, the Group and the Company had the available credit facilities from financial institutions amounting to Baht 6,061.81 million and Baht 35 million, respectively. The Group's credit facilities excluded the amount of Baht 300 million which the Group had requested the financial institution to approve the waiving of a debt covenant.

33.3 Significant agreement

Sale and Purchase Agreements

The Group entered into Sale and Purchase Agreements ("the agreements") with suppliers. The suppliers agreed to provide the Group with gasoline; product type and price are stated in the agreements. The agreements have been effective since the signing date and can be extended with the conditions being mutually agreed by the parties.



GO FOR max

PTG Energy Public Company Limited
90 CW TOWER A (33rd Floor),
Ratchadaphisek Road, HuayKwang
Bangkok, Thailand 10310



www.ptgenergy.co.th