



THAI OIL PUBLIC COMPANY LIMITED
ANNUAL REPORT 2015

Journey of Thailand's Energy Partnership



VISION

*A LEADING FULLY INTEGRATED
REFINING AND PETROCHEMICAL COMPANY
IN ASIA PACIFIC*

MISSION

*TO BE IN TOP QUARTILE
ON PERFORMANCE
AND RETURN ON INVESTMENT*

*TO CREATE A HIGH-PERFORMANCE ORGANIZATION
THAT PROMOTES TEAMWORK, INNOVATION
AND TRUST FOR SUSTAINABILITY*

*TO EMPHASIZE GOOD CORPORATE GOVERNANCE
AND COMMIT TO
CORPORATE SOCIAL RESPONSIBILITY*

Investors can acquire the Company's information
from the Disclosure Report concerning additional information (Form 56 – 1)
as shown in www.sec.or.th or the Company's website at www.thaioilgroup.com

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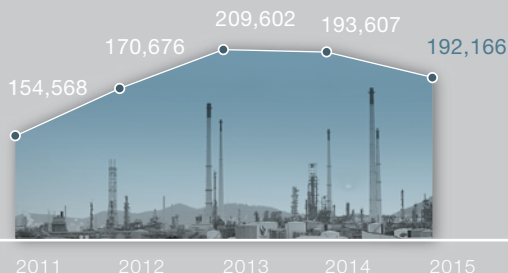
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Financial Statements

FINANCIAL HIGHLIGHTS

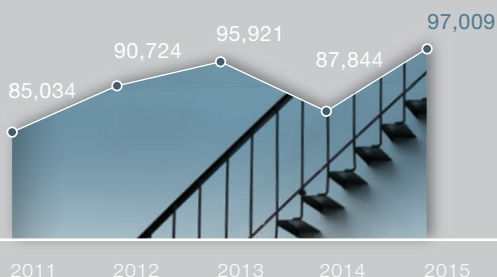
TOTAL ASSETS

192,166
Million Baht



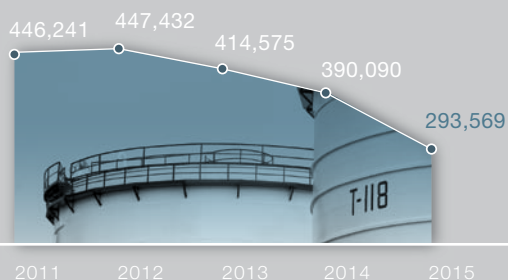
TOTAL EQUITY

97,009
Million Baht



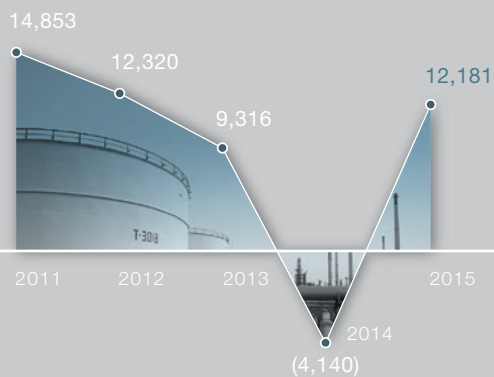
SALES REVENUE

293,569
Million Baht



NET PROFIT / (LOSS)

12,181
Million Baht



		2015	2014 ⁽¹⁾	2013 ⁽¹⁾	2012	2011 ⁽²⁾
OPERATING						
Sales Revenue	Million Baht	293,569	390,090	414,575	447,432	446,241
EBITDA	"	25,492	2,651	22,337	20,350	28,760
Net Profit / (Loss)	"	12,181	(4,140)	9,316	12,320	14,853
Basic Earnings / (Loss) per Share	Baht / Share	5.97	(2.03)	4.57	6.04	7.28
FINANCIAL						
Total Assets	Million Baht	192,166	193,607	209,602	170,676	154,568
Total Liabilities	"	95,157	105,763	113,681	79,952	69,534
Total Equity	"	97,009	87,844	95,921	90,724	85,034
FINANCIAL RATIOS						
Interest Coverage Ratio	Times	7.4	0.7	5.9	8.7	13.5
Current Ratio	"	5.0	2.7	2.6	2.9	3.1
Net Debt to Equity Ratio	"	0.2	0.4	0.3	0.2	0.3
Return on Equity	Percent	13.9	(4.7)	10.2	14.8	19.7
Return on Assets	"	6.3	(2.1)	4.5	7.6	9.9
STOCK DATA						
Annual average :						
Daily closing stock price	Baht / Share	53.50	50.40	64.60	65.10	69.80
Market Capitalization	Million Baht	109,141	102,817	131,786	132,806	142,394
Dividend Payment	Baht / Share	2.70⁽³⁾	1.16	2.30	2.70	3.30
Dividend Yield ⁽⁴⁾	Percent	5.0	2.3	3.6	4.2	4.7
Book Value	Baht / Share	45.28	40.88	44.97	42.42	38.96

Notes:

⁽¹⁾ Thaioil Group has adopted new and revised Thai Financial Reporting Standard 10 (TFRS 10) on Consolidated Financial Statements which is effective for Annual Accounting periods beginning on or after January 1, 2015, having an effect on the restatement of Financial Statements as of December 31, 2013 and 2014 as well as the Income Statements and Cash Flow Statements as of December 31, 2014.

⁽²⁾ The statement of the financial position as at December 31, 2011 have been reclassified to conform to the presentation in the 2012 Financial Statements.

⁽³⁾ Including the interim dividend for 2015 half-year results at the rate of Baht 0.90 per share which was paid on September 25, 2015, and the remaining dividend 1.80 Baht per share is to be proposed to the 2016 Annual General Meeting of Shareholders' approval.

⁽⁴⁾ Calculated from the Annual average : Daily closing stock price.

MESSAGE FROM THE BOARD OF DIRECTORS



Mr. Kurujit Nakornthap

Chairman of the Board

Thai Oil Public Company Limited



Mr. Atikom Terbsiri

Chief Executive Officer and President

Thai Oil Public Company Limited



To the Shareholders

This was another year in which Thai Oil Public Company Limited and its subsidiaries faced numerous challenges. Still, with clear direction of business policies, strategies and goals; preparedness and thorough risk management; and cooperation of the Board of Directors (Board), executives, and employees, Thailoil Group survived the test with flying colors, evidenced in satisfactory performance outcomes, and contributed to the growth of Thailand's economy, society, and environment with good balance. Under the principles of good corporate governance, for the past 54 years, our businesses have grown sustainably while we remain a leader in enhancing national energy security.

The world economy this year—mainly in the US, EU, and Asia—was dominated by volatile, rock-bottom oil prices, coupled with the appreciation of US Dollar Currency and intensifying competition in the refining and petrochemical businesses, which have inevitably affected our businesses. Recognizing such impacts, the Board and executives were relentlessly prepared and implemented the oil risk hedging, foreign currency risk management, efficiency improvement, process cost management program, and search for business growth opportunity. As a result, Thailoil Group this year posted remarkable growth, with a net profit of Baht 12,181 million.

While the industrial sector and the domestic economy turned sluggish this year, Thairoil Group remained committed to strengthening its core businesses in parallel with continuing strategic expansion to downstream businesses to lay down a firm foundation and enhance its competitiveness. This year's accomplishments included Global Power Synergy Plc's Initial Public Offering (IPO), Thairoil Marine's procurement of crew boats for offshore operations, and the founding and inauguration of an R&D center at the Thailand Science Park in Pathum Thani, which houses research supporting Thairoil Group's future businesses. Due for commercial operations in 2016 are the Linear Alkyl Benzene (LAB) Project to add value to benzene under LABIX Co., Ltd., and the construction of new SPP power plants under TOP SPP Co., Ltd. Additionally, we have investigated the investment in logistics and public utilities and launch the Clean Fuel Project (CFP). Concurrently, Thairoil Group is still eyeing business investment opportunities in the ASEAN markets, for ASEAN represents the potential of massive economic growth and high energy demand. If all the mentioned projects pay off, Thairoil Group will become a leading world-class refinery in Asia Pacific as envisioned, enhancing national and regional energy security, while being equipped with businesses matching industrial trends and future changes in energy consumption.

Besides our commitment to professionalism, the Board considers it Thairoil Group's obligation to develop communities and society while looking after the environment through assorted business processes and activities under the good corporate governance and ethics. To this end, the knowledge and expertise associated with energy leadership of over 50 years have been extended to remote communities. This year the highlighted projects for sustainability are the

construction of the Thairoil Building at Laem Chabang Hospital; Kamnoetvidya Science Academy (KVIS) and Vidyasirimedhi Institute of Science and Technology (VISTEC) Project in collaboration with PTT Group; and Mae Jo Hydropower Community Project in Chiang Mai. Thairoil Group also highly value safety, environment, occupational health among employees and contractors, and communities around the refinery, evident in our world leading safety statistics.

Our business success under the above-mentioned policies accompanies the recognition and accolades of our pride at both international and national levels, including membership certification of Dow Jones Sustainability Indices (DJSI) in the Emerging Markets group for the third year running and the top score in the Global Energy Industrial group for the second year running, together with the recognition by RobecoSAM Yearbook as a sustainability leader in the oil and gas industry, again with a top score. In Thailand, the Company earned the Stock Exchange of Thailand (SET) Sustainability Awards 2015 and the Thailand Sustainability Investment award from SET as a role-model listed company for sustainable business.

For over 54 years, Thairoil Group has been an eminent energy security leader in Thailand. Please rest assured that the Board of Directors, the executives, and all employees will remain committed to driving the Group with quality, efficiency, strength, and prompt responsiveness to dynamic business circumstances. We are poised to become a leading regional entity responsible for the enhancement of energy security and greater competitiveness for Thailand. We aimed to balance and develop Thailand's economy, society, and environment through long-term value establishment for shareholders and all stakeholders with fairness under the principles of good corporate governance.

THAI OIL
PUBLIC COMPANY
LIMITED

MEMBER OF

Dow Jones
Sustainability Indices

In Collaboration with RobecoSAM



ROBECOSAM
Sustainability Award
Industry Leader 2016



ROBECOSAM
Sustainability Award
Gold Class 2016

Thaioil's commitment to sustainable business conduct is realized through the risk management concerning the environment, society, and corporate governance under the five-year sustainability master plan. The Operational Excellence is adopted to ensure the excellent performance and efficient operation. Sustainability activities as disclosed in Sustainability Report, in line with G4 Guidelines by Global Reporting Initiatives (GRI G4), are aimed to respond to the expectation of all stakeholders.

3rd
year

Thaioil is listed as a member of 2015 Dow Jones Sustainability Indices' Emerging Markets of the Oil and Gas Industry Group with sustainability performance in economic, social, and environmental aspects for the third consecutive year.

TOP

Retaining the Energy Industry Group Leader Position in 2015 for the second consecutive year



Thaioil is announced by RobecoSAM as Oil and Gas Industry Leader in the Gold Class level - the first among 122 oil and gas companies.

Journey *of* Thailand's Energy Partnership

For half a century, Thaipol has been steadfast and determined to continuously improve its capability in order to retain the position of Thailand's leading refinery and, at the same time, enhance and drive forward Thailand's economy and energy security under the good corporate governance. With the balance of economic, social, and environmental dimensions, Thaipol is now ready to move forward to sustainability, striding side by side with Thai society to brighter future.

EXPERIENCE
REFINED

-
Thaioil is the first privately-owned refinery in the country that grows and responds to Thailand's energy demand for more than half a century.

Being side by side on the journey, the Company has played an important role in enhancing Thailand's energy security, and driving the economy forward.

Past



OPERATIONAL EXCELLENCE
DRIVEN

-

With more than 50 years of experience and expertise on the path of energy business, Thairoil is always determined to achieve the operational excellence adopting the efficient management, and at the same time, enhance the well-being of communities around the refinery through Thairoil Group's Community Health and Learning Center.

Present



FUTURE SUSTAINED

Thaioil focuses on continuously improving the capacity in order to adjust its strategies against the changing energy demand. The Company remains committed to become a leading fully integrated refining and petrochemical company in Asia Pacific. The Company also aims to help develop Thailand's economy, society well-being, and environment to grow together in balance.

We will keep on improving to ensure Thaioil as a sustainable organization which always operates under the good corporate governance.



Believe you can *and*
YOU'RE
HALFWAY THERE.

-

THEODORE ROOSEVELT

Action *is*
THE FOUNDATIONAL KEY
TO ALL SUCCESS.

-

PABLO PICASSO

WHEN YOU know
the destination,
THE PATH IS EASY.

-

RATMIR TIMASHEV

Energy REFINED
Innovation INITIATED
Experience UTILIZED

-
THAI OIL PLC

AUDIT COMMITTEE REPORT



Mr. Chulasingsh Vasantasingh
Chairman of the Audit Committee
Thai Oil Public Company Limited

To the Shareholders

Appointed by the Board of Directors (Board), the Audit Committee (AC) consists of three independent directors; chaired by Mr. Chulasingsh Vasantasingh with two independent directors as members, namely Ms. Chularat Suteethorn and Mr. Siri Jirapongphan. In 2015, the AC composition changed due to the resignation of Mr. Suvit Maesincee effective from August 17, and the Board meeting No. 10/2015 on October 30, appointed Mr. Siri Jirapongphan, replacing Mr. Suvit Maesincee.

All three members command pertinent experience in law, economics, finance and accounting, engineering, and the petroleum, petrochemical, and energy businesses. They are, therefore, qualified to review the credibility of financial statements against the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Independently, the AC undertook its duties under the charter approved by the Board, which aligned with the requirements and good practices of SEC and SET. This year, the AC held

seven meetings, including consultations with the executives, the internal auditors, and the external auditors as applicable. The AC also held the meeting with the external auditors excluding the executives. The summary of the AC performance this year is as followed:

1. Financial Statements: The AC reviewed essential information of both quarterly and annual financial statements for the Company and its subsidiaries, about which clarification was given by the external auditors and executives. It was found that Thairoil Group's financial statements and disclosure in the notes to the financial statements, with the external auditors' unqualified opinion, conformed to Thai Financial Reporting Standards (TFRS) and aligned with the International Financial Reporting Standards (IFRS). In the meeting with the external auditors excluding the executives, the significant data and internal control system relating to financial audit including major obstacles faced during the audit were discussed. The external auditors reported no material observation was filed; assessment of the internal control system was suitable; and no data concealment was found.

2. Connected Transactions: In reviewing connected transactions or those potentially posing conflicts of interest with Thairoil Group under SET's and SEC's announcements on information disclosure and connected transactions, the AC concluded that Thairoil Group observed regular business practices, exercised fairness and sensibility, and produced no siphoning of benefits. Further, optimal considerations were given to the Company's business conduct in order to maintain the Company's and its shareholders' benefits. The AC also reviewed such information disclosure to ensure accuracy and completeness.

3. Risk Management: The AC reviewed the Company's risk management process to ensure that it was suitable, and continuously improved to ensure effectiveness; the condition of which is one of the good corporate governance elements. It was found that Thailoil Group assessed, analyzed, and revised its risks in line with changes in internal and external circumstances. The Group also executed the risk management following the policies and processes as planned, ensuring the effectiveness and target-and-strategy-based benefit both short-term and long-term of Thailoil Group.

4. Internal Controls: The AC reviewed Thailoil Group's internal control system for the year 2015 to be reasonably assured that the Company's operation is done effectively and efficiently, achieving the objectives and targets as planned. The Company assessed the internal control system by asking the executives to complete the adequacy survey under the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The result, agreed and approved by the AC and the Board, showed that the Company's internal control system adequately suited its businesses, leading to efficient and effective performance.

5. Internal Audit Supervision: Reporting directly to the AC, the Corporate Internal Systems Audit Department has its independence to review and approve the annual internal audit plans, supervise the audit work against plans, advise on the auditing, and assess the performance of Vice President - Corporate Internal System Audit. The AC concluded that the Corporate Internal Systems Audit Department completed its supervision duty.

6. Compliance with the Law: The AC reviewed and ensured the Company's strict compliance with legislation related to securities and exchange, SEC and SET regulations, and relevant laws, concluding that no violation has been done over the year 2015.

7. Appointment of the External Auditors for 2016:

In selecting the external auditors, the AC considered many aspects such as the auditor's independence, competence and skill, experience in energy business auditing including the reasonable audit fee. The AC, henceforth, advised the Board to seek approval from the shareholders' meeting for Mr. Winid Silamongkol, CPA registration No. 3378, Mr. Charoen Phosamritlert, CPA registration No. 4068, Mr. Vairoj Jindamaneepitak, CPA registration No. 3565, or Mr. Waiyawat Korsamanchaiyakij, CPA registration No. 6333, as the external auditor team for the year 2016.

In the year 2015, the Audit Committee concluded that Thai Oil Public Company Limited valued efficient and effective business conduct, prepared material credible financial statements in line with generally accepted accounting principles, sufficiently disclosed the connected transactions with potential conflicts of interest, commanded good corporate governance and suitable concise risk management and internal control system, and fully and righteously complied with laws legislations and regulations related to its businesses.

The Audit Committee and the Corporate Internal Systems Audit Department have prepared and been ready for any differences and changes in the new regulations to be announced in the coming years.

January 29, 2016

On behalf of the Audit Committee



(Mr. Chulasingh Vasantasingh)

Chairman of the Audit Committee
Thai Oil Public Company Limited

NOMINATION AND REMUNERATION COMMITTEE REPORT



Gen. Jiradej Mokkahasmit
Chairman of the Nomination and Remuneration Committee
Thai Oil Public Company Limited

To the Shareholders

The Board of Directors (Board) appointed the Nomination and Remuneration Committee (NRC) following the corporate governance guidelines for listed companies. The Board also approved the NRC Charter utilized as the framework of its duties and the clear definition for its member composition and qualifications. The NRC consists of at least three directors; most of whom must be independent and none of whom is the Chairman of the Board or the executive director. Moreover, the NRC members must be knowledgeable and experienced, must understand the qualifications, duties, and responsibilities, and must devote adequate time to the fulfillment of the NRC duties.

Observing its Charter, the NRC deliberated recruitment criteria, approaches, and processes including defined the Board-Committees suitable compensation for the Board to consider before proposing in the shareholders

meetings for approval each year. The CEO/President's compensation, also deliberated by the NRC, was proposed for the Board approval.

The Nomination and Remuneration Committee consists of (as of December 31, 2015)

- | | |
|--|---|
| 1. Gen. Jiradej Mokkahasmit | Chairman of the
Nomination and
Remuneration Committee
(Independent Director) |
| 2. Mr. Thaworn Phanichaphan | Member of the
Nomination and
Remuneration Committee
(Independent Director) |
| 3. Mr. Nuttachat Charuchinda | Member of the
Nomination and
Remuneration Committee |
| 4. Adjunct Professor
Dr. Thosaporn Sirisumphand | Member of the
Nomination and
Remuneration Committee
(Independent Director) |

Meetings and Performance in 2015

The NRC performed all the duties stated in the Charter; the committee met six times with 100% attendance, as shown on page 106.

The summary of the meetings are as followed:

1. Endorsed the draft amendment to its own Charter before seeking approval from the Board so that the committee could efficiently perform its duties under

- a clear scope of responsibility, covering all key tasks under the principles of good corporate governance.
2. Recruited and shortlisted qualified persons for the Board consideration before tabling their names to the shareholders meeting for approval to replace directors who completed their terms in 2015, with due regards for experience, technical competencies, and skills. The composition of the NRC must include directors whose qualifications are diverse and match the corporate skills matrix, without gender or nationality discrimination.
 3. Based the Board compensation for the year 2015 on criteria suiting their responsibilities and associated the compensation with the Company's overall performance and its dividend payout ratio as well as compared with peer listed companies.
 4. Recruited and shortlisted qualified persons for the Board approval of the appointment in replace of directors who resigned before completing their terms; also, recruited and shortlisted directors for seats in the Board-Committees.
 5. Encouraged the Company to allow minor shareholders, at least three months ahead of the 2016 Annual General Meeting of Shareholders from October 1 to December 31, 2015, to propose agenda items and nominate directors for appointment, through the Company's website.
- January 11, 2016
On behalf of the Nomination and Remuneration Committee



(Gen. Jiradej Mokkahasmit)

Chairman of the Nomination and
Remuneration Committee
Thai Oil Public Company Limited

CORPORATE GOVERNANCE COMMITTEE REPORT



Adjunct Professor Dr. Thosaporn Sirisumphand
Chairman of the Corporate Governance Committee
Thai Oil Public Company Limited

To the Shareholders

In doing its business, Thai Oil Public Company Limited has relentlessly paid attention to the principles of good corporate governance (CG) and business ethics. To ensure continuous CG development, the Board of Directors (Board) established the Corporate Governance Committee (CGC) to supervise, monitor, and support the business conduct under the policy and guidelines concerning CG and business ethics. Appointed to this committee were Adjunct Professor Dr. Thosaporn Sirisumphand as chairman, and Mr. Thaworn Phanichaphan and Mr. Yongyut Jantararotai as members.

This year the CGC held three meetings as planned. All members were present at all meetings and thoroughly performed their respective duties as stated in the CG Charter and as assigned by the Board. The performance was summarized and presented to the Board for

acknowledgment. Throughout the year, the CGC gave consideration and endorsement to CG activities and plans as follows:

1. Developing, Improving, and Ensuring Compliance with Laws, Regulations, and Best Practices

- >> Giving endorsement to and recommendations on the plan for organizing the 2015 Annual General Meeting of Shareholders (AGM), successfully held under CG principles and AGM checklist by the Thai Investors Association (TIA), the Thai Listed Companies Association (TLCA) and the Securities and Exchange Commission (SEC). The CGC also acknowledged the 2015 AGM quality assessment, while providing recommendations for further improvement.
- >> Defining rules and scheduling the period from October 1 to December 31, 2015, for shareholders to propose the agenda items for and the director candidate name to be elected in the 2016 AGM.
- >> Giving consideration for developing the Company's CG practice guidelines to ensure compliance with SET's Principles of Good Corporate Governance for Listed Companies, Corporate Governance Report of Thai Listed Companies (CGR), and ASEAN CG Scorecard and tabling them for the Board's approval. The guidelines include:
 - Reviewing of the regulations concerning independent directors' tenure
 - Defining additional regulations about the meeting quorum of Board

- >> Giving consideration on the assessment outcomes of the CGR and ASEAN CG Scorecard projects, while providing recommendations for improvement of the Company's CG practice guidelines to ensure alignment with the projects' assessment criteria and recommendations.

2. Promoting Compliance with the CG Policy, Anti-Corruption Policy, and Sustainable Development

- >> Giving approval on the draft amendment policy on social and environmental responsibilities to ensure alignment with the strategies and current business context.
- >> Giving endorsement to the CG development plan for 2016, which includes anti-corruption and treatment for each group of stakeholders, while giving acknowledgement of past performance, in which fair treatment to each stakeholder was stressed. The CGC called for further actions to raise CG and anti-corruption practices to national and international standards. Also, another recommendation was to continually and efficiently nurture the principles of good corporate governance and business ethics among staff in Thairoil Group.
- >> Giving endorsement to the Corporate Social Responsibility (CSR) Development Plan for 2016 and giving acknowledgement of past performance. The CSR Development Plan covers education, conservation of the environment, energy, and natural resources, and quality of life of people in the community, as well as development of remote communities utilizing the Company's strength and expertise in energy.

- >> Giving endorsement to the Sustainable Development (SD) plan for 2016, while acknowledging SD success. The CGC gave recommendations for improvement of the SD plan and development of future SD challenges.

3. Performance and Assessment

- >> Giving endorsement to the draft amendment CGC Charter before tabling it to the Board for approval.
- >> Giving endorsement to the assessment outcomes of the Board performance in 2014 and to the assessment form of the Board performance in 2015.

As a result of strict adherence to the principles of good corporate governance, Thairoil's CG performance was well recognized at both national and international levels throughout 2015, as evidenced by the following:

International Level

- >> Membership of the Dow Jones Sustainability Indices (DJSI) in the Emerging Markets group for three consecutive years (2013–2015), with the top score and recognition as Energy Industry Group Leader and Oil & Gas Industry Group Leader.
- >> Best Corporate Governance 2015 – Thailand award at the World Finance Corporate Governance Awards 2015 event, organized by UK-based World Finance Magazine.
- >> One of the TOP 50 ASEAN PLCs in the ASEAN CG Scorecard project, organized by ASEAN Capital Markets Forum (ACMF), whose members represent SEC in six ASEAN countries: Thailand, Indonesia, Malaysia, the Philippines, Singapore, and Vietnam.

- >> The Strongest Adherence to Corporate Governance award for four consecutive years, and the Best Strategic CSR award from Alpha Southeast Asia, a leading magazine specializing in institution investment, banking, and capital markets in Southeast Asia.
- >> The Asset Corporate Awards 2015 (Platinum Level) from Hong Kong-based magazine named the Asset for the second year running.

National Level

- >> Honorable mention award for Transparent Organization from the 5th NACC Integrity Awards project for 2015, organized by the National Anti-Corruption Commission.
- >> Achieving the score of 95 from Corporate Governance Report of Thai Listed Companies assessment for 2015, conducted by Thai Institute of Directors (IOD), the Company was ranked 'Excellent' (90-100 points) for the seventh straight year.
- >> Board of the Year for Distinctive Practices Award at 2015 Board of the Year Awards event, organized by IOD in collaboration with SET, TLCA, Thai Chamber of Commerce, Federation of Thai Industries (FTI), Thai Bankers' Association, and Federation of Thai Capital Market Organizations (FETCO).
- >> SET Sustainability Awards 2015 (the combination of Top CG Report Awards and Best CSR Awards at the SET Awards event) and Thailand Sustainability Investment Awards 2015 at the SET Sustainability Awards 2015 event, organized by SET.
- >> Level 5 Extended, the ultimate level of Sustainability Development Assessment on Anti-Corruption Progress Indicators for Listed Companies, conducted by SEC in collaboration with Thaipat Institute.
- >> ESG 100 Certificate from Thaipat Institute, recognized as a top-100 listed company in Thailand with outstanding business performance and environmental, social, and governance (ESG) promotion, as assessed among 567 SET-listed companies.
- >> CSR-DIW Continuous Award for 2015 from the CSR-DIW project to promote industries with social responsibilities for the fourth consecutive year, presented by the Department of Industrial Works, Ministry of Industry.
- >> Outstanding award at the 2015 Thailand Energy Awards event for the renewable-energy category (On-Grid type) from Mae Jo Community Hydropower Plant Project, Ban Pao, Mae Tang, Chiang Mai, organized by Department of Alternative Energy Development and Efficiency, Ministry of Energy.

These success and awards are evidence for Thairoil's corporate governance and business ethics standards. They reflect the effective cooperation of the Board, the executives, and employees in observing the principles of good corporate governance in parallel with their social and environmental responsibilities. The CGC is confident that Thairoil will grow further along the sustainability path. The business will win

trust and produce benefits for stakeholders, society, and the country, and will ultimately gain international acceptance.

January 14, 2016

On behalf of the Corporate Governance Committee



(Adjunct Professor Dr. Thosaporn Sirisumphand)

Chairman of the Corporate Governance Committee

Thai Oil Public Company Limited

RISK MANAGEMENT COMMITTEE REPORT



Mr. Nuttachat Charuchinda
Chairman of the Risk Management Committee
Thai Oil Public Company Limited

To the Shareholders

In 2015, the volatile world oil price situation posed a series of challenges to the refining business, directly affecting the bottom lines. The Risk Management Committee (RMC), thus, held the meetings more often than originally planned, to monitor and manage the risks under such changing circumstances, and to support the Board of Directors (Board) in steering corporate risk management to achieve business goals, while promoting confidence and credibility among investors and stakeholders. The current RMC consists of four competent and experienced members as followed:

1. Mr. Nuttachat Charuchinda Chairman of the Risk Management Committee
2. Mr. Thammayot Srichuai Member of the Risk Management Committee
3. Mr. Noppadol Pinsupa Member of the Risk Management Committee
4. Mr. Atikom Terbsiri Member of the Risk Management Committee

Performance in 2015

The RMC, as stated in the RMC Charter, defined and revised the corporate risk management scope, policy, and processes as well as provided recommendations on suitable approaches for efficient business conduct and in line with strategic directions and business plans. The RMC also constantly supported and improved the risk management practices throughout the Company against international standards to become the Company's culture. In 2015, the RMC held a total of seven meetings, summarized below:

1. Acknowledged and endorsed for the Board consideration the crude oil and refined product risk hedging and impacts for Q4/2014 and Q1, Q3, Q4/2015, and fiscal year 2015, and the inventory risk hedging and impacts for December 2015 including the impacts of oil reserve lowering due to the government's policy. The oil risk hedging has saved the Company Baht 1,489 million loss from volatile oil prices.
2. Acknowledged the impacts and measures on foreign exchange risk hedging and the summary of the RMC performance in 2015.
3. Endorsed for the Board consideration the following items:
 - 3.1 Report of the Risk Management Committee for the year 2014
 - 3.2 Thailoil Group's corporate risks and Key Risk Indicators (KRIs) for 2015
 - 3.3 The amendment of the personnel, stated in the RMC Charter, to be appointed as the RMC secretary

3.4 Risk management in considering the Clean Fuel Project (CFP) technology and Basic Design Package (BDP) together with related budgets

3.5 Corporate risks and Key Performance Indicators (KPIs) for the year 2016

4. Reviewed and endorsed for the Board consideration the sale of crude oil to business partners for storage and the repurchase within specified periods; the amendment of oil price and spread risk hedging target for the year 2015; and the amendment of the inventory risk hedging target for the year 2015.

In conclusion, in the view of the Risk Management Committee, this past year Thaioil has developed the corporate risk management system to cover all aspects of risks, and continuously commanded the risk management practices in line with prevailing circumstances. The RMC held the meetings regularly to promptly review key and urgent risks; thus, resulting in Thaioil Group's effective, suitable, and manageable risk management practices.

December 18, 2015

On behalf of the Risk Management Committee



(Mr. Nuttachat Charuchinda)

Chairman of the Risk Management Committee

Thai Oil Public Company Limited

THAIOIL GROUP'S VISION, MISSION, AND OPERATING STRATEGIES

For over 54 years of operation in energy business, Thaioil Group has refined knowledge and competency, turning itself into an organization filled with potential for production, marketing, and management in Thailand's energy industry well on the way to becoming a centenary organization.

This year, Thaioil Group remains committed to its vision to become a leading fully integrated refining and petrochemical company in Asia Pacific. The goal is to boost up operating efficiencies, return on investment, and sustainable growth with balance in economic, social, and environmental aspects, carrying out **missions** as followed:

01

To be in the top quartile on performance and return on investment

02

To become a high-performance organization that promotes teamwork, innovation, and trust for sustainability

03

To emphasize good Corporate Governance (CG) and commit to Corporate Social Responsibility (CSR)

As a Strategy-Focused Organization, Thaioil Group constantly reviews its vision and business directions so as to develop its caliber and increase its competitiveness in parallel with business growth, and preparedness for emerging challenges and increasingly intensifying competition. Thaioil Group's approach to sustainable growth consists of the following key strategies:

1. Operational Excellence in search of TOP Profit Improvement

Thaioil Group focuses on maintaining process safety and reliability, efficiency of output and energy consumption, flexibility of output, sales of quality products matching customers demand, and cost maintaining for competitiveness. It is also ensured that the corporate risk management covers investment, operation, and business continuity management aspects, supporting its path to become the "Most Reliable Company".

2. Growth Execution

With the focus on growth of the Company's core business and diversified businesses, Thaioil Group strives to add product values, lower volatility of earnings, and diversify investment risks. Meanwhile, the Company plans to expand businesses into Indonesia, Vietnam, and Myanmar, aiming for more customer bases, thus enhancing its performance and long-term competitiveness.

3. Business Excellence & Sustainability

Thaioil Group focuses on enhancing preparedness to achieve its strategic goals through the investment portfolio management project designed to increase the proportion of new businesses in line with industrial trends and future energy consumption. The Company also prioritizes the study, research, and development on personnel administration with a focus on forging readiness, skills, knowledge, and competence to enhance the capability to drive the group toward success, to support overseas business growth and emerging businesses, while maintaining balance among economic, social, and environmental aspects under sustainability management framework.

SUMMARY OF BUSINESS ACHIEVEMENTS IN 2015

Net Profit

12,181
million Baht

Utilization

108% 

Operating Cash Cost

1.5
USD
per barrel

1. Robust performance amid world economic downturn and volatile crude oil price

The year 2015 was another year in which Thairoil Group conducted proactive business management while the world economy and global society were facing unrest in Europe and the Middle East amid crude oil glut, resulting in weak prices of more than 26 USD per barrel, which caused the Company's oil stock loss. However, the refinery industry posted improvement due to small number of new refinery entries, resulting in Accounting Gross Refinery Margin (GRM) and Accounting Gross Integrated Margin (GIM) at 5.9 and 7.2 USD per barrel respectively.

Due to the Company's commitment in operational excellence, the performance in the year 2015 is regarded as good, marked by a net profit of Baht 12,181 million despite the oil stock loss. The Company also continued its commitment to process efficiency, marked by 108% refinery utilization, superior to those posted by other domestic and regional refineries. Other highlights were customer focus and proactive price risk management. Above all, the Company represented Thailand's major refined product producer, with a domestic sale proportion of 31% of the total domestic consumption.

In addition, Thairoil Group boasted 1.5 USD per barrel in operating cash cost management, a considerably low figure comparing to other leading peers in the same industry.

2. Leader in sustainable business management, evidenced in member of Dow Jones Sustainability Indices (DJSI) Emerging Markets in 2015 for the third consecutive year, as well as Energy Industry Group Leader with the top assessment score for the second consecutive year

The year 2015 represented another year of pride in which the Company was selected as a member of DJSI Emerging Markets for the third consecutive years, with the top assessment score among the Energy Industry Group for the second consecutive years, based on a survey of 192 companies worldwide. This proved the Company's business caliber in economic, environmental, and social aspects in harmony with the safety requirements and systematic risk management for sustainable growth. As a result, the confidence in the Company was instilled among business partners, investors, and financial institutions, leading to worldwide acceptance.

Aiming for relentless improvement in all work processes, the Company executed its 2014-2018 Sustainable Development Master Plan, resulting in its support to greenhouse gas (GHG) emission reduction of 26,827 tons of carbon dioxide through the more than 19 projects that increase the efficiency of energy; increase the production capacity and sale of biodiesel; and realize the quality control of air and water sources to be in line with or higher than all government standards, laws, and regulations. These led to an improvement in community surroundings and an absence of incidents harming the environment, including significant leaks and spills of oil and chemicals. This year, the Company declared a policy on human rights in the workplace as a guideline for fairness among employees and stakeholders. The Company also announced the Suppliers' Code of Conduct to convey and promote sustainable business conduct throughout the supply chains (see additional details in the 2015 Sustainability Report).

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Industry Leader 2016

ROBECOSAM
Sustainability Award
Gold Class 2016

Reduction of
Carbon dioxide
Emission



The Company was also named in the RobecoSAM (conduct DJSI assessment) Yearbook as the Oil & Gas Industry Leader in Sustainability, with the top assessment score among 122 oil and gas producers worldwide.

3. Achievement of production excellence and integrated management

Aiming for the synergy within Thairoil Group, the Company focuses on the “Group Integration” among the refining, aromatics, and lube base oil businesses. Production and distribution plans are jointly laid down, leading to maximum efficiency and product outputs of higher prices and higher quality than typical refineries which can keep up with the market demand. As a result, the Company’s GRM rose by about 0.40 USD per barrel.

The Company’s key strategy is margin improvement. This year, the major benefits were derived from the refining of more diverse unconventional crude oil; energy efficiency improvement at Crude Distillation Unit-3 (CDU-3) and Propane Deasphalting Unit (PDA); greater volumes of gasoline, Treated Distillate Aromatics Extract (TDAE), Treated Residue Aromatics Extract (TRAЕ), and Mild Extract Solvate (MES); and inventory management. These contributed to the Company’s position among leading refineries worldwide in operational availability, gradually-reduced energy intensity index, and stabilization of competitive costs.

In addition, the Company has cultivated among employees adherence to safety as the core operating value, buoyed by an outstanding Total Reportable Case Frequency (TRCF) among the 10th percentile of the oil and gas group



Outstanding
TRCF

-
among the 10th percentile of
the oil and gas group

9th
year

recognized by Oil and Gas UK Benchmarking for the ninth consecutive years. In order to maximize the potential, the Company has joined PTT Group in administering as a group; for example, consultative meetings on business and price outlooks and PTT Group’s Operational Excellence project, with all collaboration based on commercial.

4. Proactive marketing strategies and risk management

The Company values the management of marketing strategies, defining the key to success as the management of cordial relations with domestic and international customers. Moreover, the high quality of products against standards, timely delivery, product diversity, prompt and precise service, problem resolution for customers, and safety standards for merchandise delivery secure 80% domestic sales of production



Customer
Satisfaction

100%

capacities, and increase sales volume from expanding market to ASEAN countries. The Company also values improvement to cater to customers' needs. This year the Company boosted speed and efficiency of the lorry loading and launched seminars to educate and address customers' queries about service and product quality. Finally, it regularly publicized knowledge and analytical reports on the oil industry for customers, resulting in an outstanding customer satisfaction score of 100% this year.

The Company successfully expanded markets both domestically and internationally signing the seven-year oil supply agreement worth more than Baht 250 billion with PTG Energy Plc for mutual sustainable growth. In addition, TOP Solvent Co., Ltd. expanded the product sale channels to the UAE, Costa Rica, and Cambodia, among a total of 33 export markets; at the same time,

PTT Group's product sales channels in Vietnam was executed via TOP SOLVENT (VIETNAM) LLC. Finally, Sak Chaisidhi Co., Ltd. successfully expanded export markets after capacity expansion.

Being aware of the inherent risk of the business, the Company focused on proactive risk management practices by monitoring uncertainty arising from both external and internal risk factors potentially affecting business and investment in the short-term and long-term. This year, oil risk hedging and foreign currency risk management, executed to counter the volatility of the oil price and currency exchange rates, added Baht 1,489 million to the performance outcomes.

In addition, the Company elevated its corporate risk management to cover three dimensions naming strategic risk, operational risk, and business continuity management, while systematically expanding its way of conduct under the same framework to subsidiaries so as to uplift the execution efficiency and accommodate the international business expansion.

5. Project success and continued implementation based on strategic plan

The Company prides itself on being a Strategic-Focused Organization, with relentless revision of business strategies. This year, the increasingly volatile markets and severe competition necessitated clear strategies to readily address dynamic business circumstances so that the Company may achieve its goal of becoming the region's refining and petrochemical business leader in performance, business growth, and long-term sustainability.

This year, the Company was proud to have executed three successful projects: first, Global Power Synergy Plc's Initial Public Offering (IPO) in May to raised funds for business expansion; second, Thairoil Marine's acquisition of three additional crew boats for offshore work totaling to 14 crew boats; third, the establishment and inauguration of a Research and Development Center at the Thailand Science Park in Pathum Thani to house research work for group researchers in support of business operation and strategies that can be beneficial and add value to Thairoil Group.

One of the ongoing projects is LABIX Co., Ltd.'s Linear Alkyl Benzene (LAB) production to add value to benzene. The joint venture between Thai Paraxylene Co., Ltd. and Mitsui & Co., Ltd., whose production processes are linked to the Company's production infrastructure, is due for commercial production in early 2016.

The Company also plans for the investment in logistics and public utilities, namely a project to expand the distribution capacities of paraxylene and jet fuels in Sriracha, a project to expand the lorry loading—now on construction process and due for operation in 2016, and a project to expand jetty 7 and 8 to increase exporting capacity, enhance the transportation safety and reduce the shipment congestion of petroleum and petrochemical products.

As for SPP power generation, the new power plant by TOP SPP Co., Ltd. is on construction process under the SPP project, with a 239-megawatt and a 498-ton per hour steam capacity and a due for commercial operating date in 2016.

The Company is now studying on the Clean Fuel Project (CFP) and expects to conclude the investment plan by 2017. When the project is completed and pays off successfully, Thairoil Group will become a world leading oil refinery in Asia Pacific. For overseas expansion, Thairoil Group is investigating the investment opportunities in Indonesia, Vietnam, and Myanmar—all of which are known for high energy demand.

Finally, Thairoil Group has focused on long-term sustainability reinforcement through an investment in portfolio management to restructure and add new businesses that align with industrial trends and future change in energy consumption. The Group has also focused on a support-function project, including personnel development, finance, treasury, social and environmental responsibility, and research innovations, in pursuit of a balance between business growth and conviction among shareholders and stakeholders.

6. Excellence in corporate governance, social responsibility, and fair treatment toward stakeholders

Apart from the commitment to becoming a High-Performance Organization, the executives encourage the Company to fully observe social and environment responsibility and sustainable development achieved through assorted business processes and activities. As a result, the Company has won extensive acceptance from the business and industrial sectors.

Thairoil Group also recognizes and prioritizes safety for employees, contractors, the surrounding communities, evidenced in the safety record being ranked among the

world best. The Company truly believes that sustainable growth must accompany the development of communities, society, and environment, achieved through management with clear targets under the good corporate governance and business ethics. This year, Thaioil Group has officially announced “Policy on Social and Environmental Responsibility” in order to be the guideline implemented through all the Group, focusing on developing communities surrounding the refinery and covering every dimension namely health and life quality in the communities, education, religion, tradition and culture, environment, and nature preservation. The community development is executed based on the Principle of Tripartite under the “5 together” principles, evidenced in many significant projects; for example, the construction of the Thaioil Building at Laem Chabang Hospital with the funding for supporting and developing sustainable communities. On the national level, in order to tackle the draught crisis, the Company has developed the Canal and Community Building for Sufficiency Economy project in Buriram, to ensure the all-year water source for agriculture. Also, the Company in collaboration with Mae Jo Community has initiated Baan Mae Jo Hydro Power Plant utilizing water from reservoir to generate electricity, the project of which is awarded “Outstanding Renewable-Energy Award for On-Grid Renewable Energy” at Thailand Energy Awards 2015 event. This project is Thailand’s first hydropower plant operated by local community with the capability to generate income by selling surplus electricity to the Provincial Electricity Authority (PEA). Utilizing expertise on energy and engineering, the Company continuously initiates and develops projects on energy and natural

resources, in order to leverage the quality of life of the people in the communities under H.M King’s Philosophy of Sufficiency Economy.

Thaioil Group is committed to the application of knowledge and expertise accrued in its half a century of energy industry leadership along with operational excellence, excellent corporate governance, responsibility for society, environment and communities, and maximum satisfaction among stakeholders, to enhance the Company’s business strength and to ensure sustainable growth and eventually become the centenary organization standing side-by-side with Thailand in the sustainable manner.

The Company’s commitment and successes have contributed to many awards from leading agencies and organizations as detailed in the Milestones of 2015 on page 34.

MILESTONES OF 2015

01

JANUARY



Thaioil Named the World's Oil and Gas Industry Leader 2015

Thaioil was named in the Sustainability Yearbook 2015 as RobecoSAM's Industry Leader 2015, No. 1 worldwide for sustainability in the oil and gas industry from a field of 135 participating oil and gas companies. The Company received the top corporate sustainability assessment scores and earned the RobecoSAM Gold Class 2015 for the second successive year.

02

FEBRUARY

DJSI Celebration

Thaioil accepted a Plaque of Honor (Sustainability) from the Prime Minister Gen. Prayut Chan-O-Cha in recognition of its membership of Dow Jones Sustainability Indices (DJSI) 2014 for two consecutive years, reflecting its commitment to sustainable growth in its business conduct.



03

MARCH



ESG 100

Thaioil accepted an ESG 100 Certificate from Thaipat Institute in recognition of the top-100 Thai listed companies with outstanding environmental, social, and governance (ESG) performance based on the assessment on 567 Thai listed companies in the Stock Exchange of Thailand (SET).

04

APRIL



Annual General Meeting of Shareholders 2015

Thaioil held its 2015 Annual General Meeting of Shareholders on April 3, 2015, which was well attended. Operating results were reported, and issues of concerns related to its performance were addressed, reflecting operation transparency and bolstering shareholders' confidence.

Thailand Top Company Awards 2015

Thaioil took a Top Innovative Company towards Sustainable Development Award at Thailand Top Company Awards 2015 event. The awards went to business entities with outstanding performances and consistent research and development of creative ideas, leading to innovations and adding value and stability.

Asian Excellence Recognition Awards 2015

Thaioil was named a regional leader at the 5th Asian Excellence Recognition Awards 2015, organized by Corporate Governance Asia magazine, a leading magazine in Hong Kong and Asia.

- Asia's Best CFO (Investor Relations) Award: Mrs. Prisana Praharnkhasuk, Executive Vice President - Finance and Accounting
- Best Investor Relations by Company Award

05

MAY



TBCSD Awards 2015

Thaioil accepted an Honorary Award from the Thailand Business Council for Sustainable Development (TBCSD) in recognition of its commitment to sustainable growth in an environmentally and socially responsible manner for 22 years (1993-2015) at the TBCSD: The Economy Movement to Sustainable Development Goals 2015 event.

06

07

08

JUNE

TOP and PTG Signed Long-Term Oil Supply Contract

Thaioil signed a seven-year oil supply contract with PTG Energy Plc to ensure adequacy and quality of products for sustainable business.

USD Debenture Redemption

Thaioil repaid USD denominated debentures of USD 350 million (Baht 11,590 million)



JULY

Shareholders Site Visit 2015

Thaioil held its annual site visit for shareholders twice this year, each with 100 participants, to promote understanding of its businesses and forge confidence in the investment, echoing operating transparency and executives' vision for operating toward sustainable growth.

AUGUST

**Construction of Thaioil Building at Laem Chabang Hospital**

Thaioil Group held a foundation stone laying ceremony for the construction of the "Thaioil Building" at Laem Chabang Hospital. Recognizing the inadequacy of emergency units for the Laem Chabang communities and urgent needs by the communities and the people in the vicinity for handy, timely treatment in emergencies, Thaioil Group initiated a project to reduce mortality and the disability rate with sponsorship of over Baht 100 million.

SEPTEMBER



PTT Group CG Day 2015

Thaioil, together with PTT Group, jointly organized PTT Group CG Day 2015 under the theme, “Shade of Sharing....Passing the Power Forward”. The opening ceremony was attended by the Corporate Governance Committee and high-level executives of the listed companies within PTT Group. This annual event promotes good corporate governance principles, enhances solidarity among employees, and drives the CG campaign toward international standards.

Zero Accident Campaign 2015

Thai Lube Base Plc won the Ministry of Labour’s Plaque of Honor at “Gold Level” for the second consecutive year, in recognition of its zero-major-accident workplace for outstanding safety, occupational health, and work environment management.

Interim Dividends

Thaioil paid the year’s interim dividends for 2,040,027,873 shares at 0.90 Baht per share, totaling Baht 1,836 million.

CSR-DIW Continuous Awards 2015

Thaioil won a CSR-DIW Continuous Award 2015, presented by the Department of Industrial Works, Ministry of Industry, for its outstanding performance meeting CSR-DIW standard criteria and ISO 26001. It had submitted a project on Construction of Tap Water Storage Tank, Ban Chak Yai Chin School, as a community development project as required by the department for award consideration.

DJSI 2015

Thaioil was named by RobecoSAM, the assessor for the Dow Jones Sustainability Indices (DJSI), for the Energy Industry Group Leader award, the World’s No. 1 for sustainability in the energy industry, from a field of 192 energy companies in 2015. Thaioil scored 90 points (percentile 100), the highest ever in the industry, and retained the world leadership for the second consecutive year.

Alpha Awards 2015

Thaioil earned five awards from Alpha Southeast Asia magazine this year: one award at the regional level and four awards at the national level.

Regional Level

- The Strongest Commitment to Sustainable Energy in Southeast Asia for four consecutive years

National Level

- The Strongest Adherence to Corporate Governance for three consecutive years
- The Best Strategic CSR for three consecutive years
- The Best Senior Management IR Support for the first year
- The Most Consistent Dividend Policy for the first year



10

OCTOBER

SET Sustainability Awards 2015

Thaioil won two awards at the SET Sustainability Awards 2015 event:

- SET Sustainability Awards 2015, given to outstanding listed companies recognized as role models in sustainable business conduct
- Thailand Sustainability Investment Awards 2015 in recognition of listed companies ranked on the list of stocks called Thailand Sustainability Investment

**Quality Person of the Year 2015**

Mr. Atikom Terbsiri, Thaioil's CEO and President, accepted the 2015 Role Model in Business Sector: Energy and Infrastructure award from the Foundation of Science and Technology Council of Thailand (FSTT), at the Quality Person of the Year 2015 event.

Best Corporate Governance 2015, Thailand

Thaioil was nominated by the World Finance Magazine, a leading UK-based financial and businesses journal, for the Best Corporate Governance 2015: Thailand award, the sole Thai winner of this world-class award.

11

NOVEMBER

**Board of the Year Awards 2015**

On behalf of the Board of Directors, Mr. Kurujit Nakornthap, Chairman of the Board, was presented the Board of the Year for Distinctive Practices at the Board of the Year Awards 2015, organized by Thai Institute of Directors (IOD) in collaboration with the SET, Thai Chamber of Commerce, Federation of Thai Industries, Thai Bankers' Association, Thai Listed Companies Association, and Federation of Thai Capital Market Organization.

Thaioil and PTT Signed Pipeline and Jetty Service Contract

Thaioil entered into a contract with PTT Plc for the service of PTT's pipeline and jetty for paraxylene under the Sriracha Terminal Synergy Project to increase the efficiency of product throughput. This cooperation was another step in asset synergy in PTT Group to enhance its international competitiveness.

12

DECEMBER

ASEAN CG Scorecard

Thaioil was presented with the TOP 50 ASEAN PLCs Award at the ASEAN Corporate Governance Conference & Awards event, held at the Manila Polo Club, Manila, the Philippines. The awards were based on a CG survey of listed companies in ASEAN. The TOP ASEAN PLCs are regionally recognized for their CG performance.

Thailand Energy Awards 2015

Thaioil accepted the Outstanding Renewable Energy Award for On-Grid Renewable Energy for Mae Jo Community Hydropower Plant Project in Chiang Mai, at the Thailand Energy Awards 2015 event. The awards go to companies with outstanding performances in energy conservation and renewable energy development, and a role model for other organizations.

SET Awards 2015

Thaioil took the SET Best Investor Relations Awards for SET-listed companies with market capitalizations of Baht 30,00-100,000 million at the SET Awards 2015 event, organized by SET and the Money & Banking magazine, based on performance assessment under SET's criteria and an opinion survey among analysts.



Special-Mention Award for Transparency

Thaioil was presented with a special-mention award for organization transparency at the 5th NACC Integrity Awards 2015, held as part of the International Anti-Corruption Day (Thailand), organized by the Office of the National Anti-Corruption Commission.

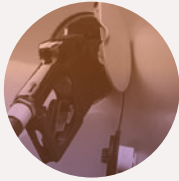
The Asset Corporate Awards 2015-Platinum Award

Thaioil accepted the All-Round Excellence: Platinum Award for its outstanding performance in management, corporate governance, social and environmental responsibility, and investor relations from The Asset Excellence in Management and Corporate Governance Awards 2015, organized by The Asset magazine, Asia's leading financial magazine.

Outstanding Sustainability Report Awards 2015

Thaioil won the Sustainability Report Award-Outstanding from the Sustainability Report Awards 2015, organized by CSR Club of the Thai Listed Companies Association in conjunction with the Office of the Securities and Exchange Commission (SEC) and Thaipat Institute. The assessment criteria covered completeness of the report comprising of sustainability issues at corporate strategic level in economic, social, and environment, certification by a third party, and concise, understandable, and effective structure of communication.

MARKET REVIEW 2015 AND INDUSTRY OUTLOOK



Crude Oil and Refined Products

- 2015** The world oil price moved in the lower range with a yearly average of 51 USD per barrel; since the market was still pressured by the oversupply and the world fragile economic condition.
- 2016** Dubai crude oil price is expected to move within a range of 30-40 USD per barrel, due to the continuous oversupply and the possibility of more crude oil exports from Iran.



Aromatics

- 2015** The Paraxylene market in 2015 plummeted from the previous year, due to the excessive supply in the market and China's sluggish economics.
- 2016** The Paraxylene market in 2016 is expected to be stable, compared to that of last year, being pressured by the surge of supply from new Paraxylene plants and the stagnant demand growth.



Lube Base Oil and Bitumen Market

- 2015** The lube base oil market in 2015 dropped from the previous year, echoing the crude oil price volatility since late 2014 and the oversupply in the market.
- 2016** The lube base oil market in 2016 is expected to be stagnant, due to the sluggish world demand and the continuous oversupply.

Market Review 2015

Global Market and Economy in 2015

The International Monetary Fund (IMF) forecasted in October 2015 the global economic growth of the year 2015 at 3.1%, a contraction from 3.4% estimated in 2014 and the lowest record since the financial crisis in 2009. The sluggish world economics resulted from the stagnant business growth of the developing countries at 4% dropping from 2014 growth at 4.6%, impacted by China's declining economy. China's economics, which is considered the world's second largest economy, was at a six-year bottom due to falling capital investment and sluggish manufacturing, as well as export shrinkage. These resulted from China's economic reform to ease dependence on exports and industrial investment, and stress more on domestic consumption. Meanwhile,

the investment confidence in China's economy fell in parallel with the volatile stock market.

The economic growth of developed countries, however, was forecasted to climb steadily from 1.8% in 2014 to 2.0% this year, in line with the economic recovery of the US and the EU. The continuous recovery of business activities in the household, labour and property sectors, including US' better business direction, prompted the US Federal Reserve (Fed) to consider raising the interest rate from 0-0.25%, the lowest record since 2009. At the same time, the EU economics has also been recovering, following the liquidity injection under the Quantitative Easing (QE) measures introduced by the European Central Bank (ECB), and commercial banks' less strict control on loans to support investments. Moreover, Greece's debt crisis has been unraveled, resulting in the regaining of the confidence in investment and economy of the country and EU as a whole. Since Japan's economics was still slackening due to the sluggish exports and household sector spending as well as the decreasing inflation rate, the Bank of Japan (BOJ) thus remained the implementation of QE measures injection Yen 80 trillion each year into the market.

Crude Oil and Refined Products in 2015 World Market

The world crude oil price was moving within the range of 31-67 USD per barrel this year with an average of 51 USD per barrel, a dramatic fall from 97 USD per barrel.

This is because the market was pressured by the oversupply by both OPEC and non-OPEC members maintaining a high production volume. Moreover, China's sluggish economy and US Fed policy on the increase of interest rate have posted concerns and price volatility in the crude oil market, resulting in the sensitive condition of the world economics.

The Dubai crude oil price in Q1/2015 continuously dropped resulting from OPEC members' insistence on steadily maintaining the capacity and output at more than 30 million barrels per day in order to maintain the market share won from non-OPEC members. Moreover, the gradual increase in US crude oil production rate, despite the reduction of the investment in oil and gas exploration and production by many US oil companies, as well as the strongest dollar in the past 12 years, posted pressure on crude oil price. Nevertheless, the geopolitical risks caused the concern on the possibility of tight crude oil supply, shoring the crude oil price in a short period of time. The geopolitical risks are, for example, the protracting battle between Islamic States (IS) in Iraq and Syria, the conflict between Russia and Ukraine, the internal political unrest in Yemen and Libya, and the unresolved nuclear agreement between Iran and other five United Nations (UN) permanent members including US, UK, France, China, Russia plus Germany (P5+1 members).

The oil price climbed during Q2/2015 after the war outbreak in Yemen between the Houthi rebellious forces and Arabian coalition forces led by Saudi Arabia, leading

to global market concerns on possible escalation of the fighting, which could affect the export of crude oil from the Middle East. Additionally, the US production rate Slowed down after the deferral exploration and production affected by falling crude oil price. The US crude inventory also fell in the same period from the highest amount of 491 million barrels in April, due to the resumption of domestic refinery shutdowns in Q1 in preparation to support the driving season in the US (May-September). The crude oil market was, however, still facing the oversupply crisis with concerns on the resurrection of crude exports from Iran, which was likely to increase after the negotiation between Iran and P5+1 members could be concluded, limiting the capability of nuclear power in exchange for the cancellation of the economic sanctions. In the mean time, OPEC maintained its production capacity at 30 million barrels per day without reducing the total output to help maintain the crude oil price.

The price, however, weakened again in Q3/2015 under the pressure from concerns on possible economic hard landing in China, the world's second largest oil consumer, after stock market crashes pulled down stock prices by 40% to the lowest price in August, compared to the highest in June. Stock market volatility affected the confidence of investors in the overall economy of China. Moreover, the Caixin PMI (Purchasing Managers' Index – a market indicator to the near future economic growth for China) fell to the lowest record in the past six years at 47.2. The index figure lower than 50 indicated the China's sluggish manufacturing industry; the data of which caused the concerns on lower-than-government

target of China's economic growth at 7%. The market was under the oversupply pressure throughout the year, while the OPEC insisted on maintaining their overall production over 31 million barrels per day, amid fears of crude export resumption from Iran in early 2016 after the negotiation conclusion between Iran and P5+1 members on limiting the capability of nuclear power in exchange for the lifting of sanctions. However, the US crude output fell from the highest record of 9.6 million barrels per day in June to 9.1 million barrels per day in September. Many US oil companies slowed down the crude oil exploration and production evidenced in the decrease in oil rigs due to the stagnant crude oil price.

The Dubai crude price fell further in Q4/2015 to the lowest record in the past 11 years amid the oversupply crisis after the failure at the OPEC meeting on December 4, 2015 to limit the output capacity for the next 6-month period, due to a lack of certain projection of crude supply to the world market by Iran. Consequently, more than 31.5 million barrels per day were produced by the OPEC for the period. The oversupply could be reflected by the global excess crude inventory soaring to touch the highest record of 3,000 million barrels, leading to concerns on the continued glut through 2016. The fear was aggravated by excess supply from the US entering the market after US politicians have approved a measure to lift the 40-year ban on crude oil exports. With the resolution on interest rate increase 0.25% passed in the Fed meeting in December, the US currency strengthened, putting more pressure on the crude price.

The refining market overview in 2015, on the other hand, was much more positive this year than last, mainly

because of the lower cost of fuel used in the production which was in line with the crude oil price. The wider gasoline spread over Dubai crude oil price due to gasoline demand grew consecutively as a result of low retail selling price, and the tight supply of gasoline, resulted from the close of many refineries in the US, Taiwan, and particularly Singapore with an emergency shutdown of the gasoline producing unit, were factors supporting more positive condition of the refining market. The diesel and jet fuel supply increased and their spreads over Dubai crude oil price were pressured. The export of diesel and jet fuel was higher, resulting from the surge of diesel and jet fuel supply after the opening of two major refineries, and China's sluggish economy.

Domestic Market for Refined Products in 2015

The domestic economic growth in the year 2015 was recorded at 2.9% (Economic Report on November 16, 2015, Office of the National Economic and Social Development Board - NESDB), against 0.9% of the same period in the previous year. The factor supporting this growth was the growth of tourism sector comparing to the same period in the previous year. In addition, the domestic growth in the last quarter of the year 2015 was realized due to the government stimulus package especially the household expense and measures on supporting the farmers and alleviating the impact from drought. However, the greater-than-predicted decrease in export value has sent Thailand's economics to the lowest rate of growth comparing to other large-business-scale countries in ASEAN: Indonesia's economic growth was

at 4.7%, Malaysia 4.9%, and the Philippines 5.2%.

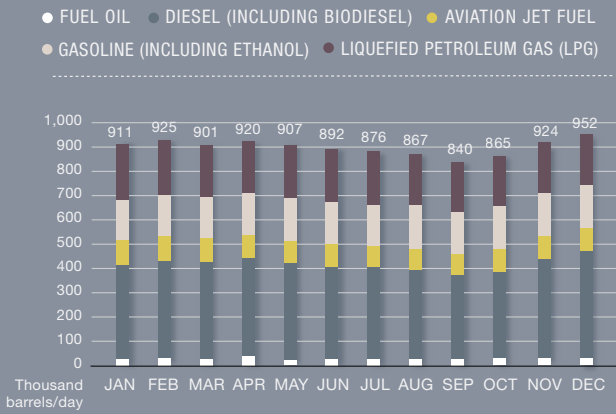
The domestic demand for refined petroleum products this year rose 1.9% as a result of very low oil price. The consumption of gasoline increased by 13.3%, mostly E20 and E85 gasohol, due to a sharp surge in the number of modern passenger vehicles. The consumption growth of diesel registered at 4.0%, following the rapid drop in diesel retail prices; in the mean time, the consumption growth of jet fuel jumped to 9.7% from more tourists, particularly from China. The consumption of fuel oil, however, dropped by 1.4%, as the industrial and power generation sectors turned to use the natural gas instead since its price was lower than that of fuel oil, as well as the government encouraged the power plant to lower the usage of fuel oil to reduce the pollution.

The average total domestic refining output this year amounted to 1,037,000 barrels per day, against 936,400 barrels per day in 2014, since there was no shutdown of any facilities this year. Regarding the share of total refining output, the Company still retains the largest share of 27% of the overall national refining capacity.

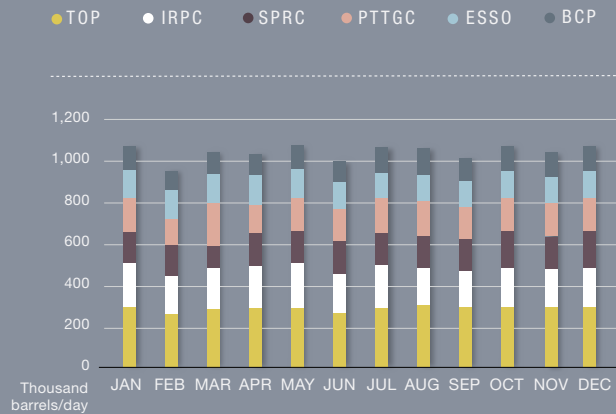
Aromatics Market in 2015

The paraxylene market in 2015 plummeted from the year before, due to the excessive supply in the market resulting from the commissioning of new paraxylene plants in Asia, totaling 6.5 million tons per year in 2014. This year, the total capacity of 2.4 million tons per year came on stream from new paraxylene plants in Algeria, China, Kazakhstan, and partly the capacity expansion project in Thailand. At the same time, since the price of

DOMESTIC DEMAND FOR REFINED PRODUCTS IN 2015

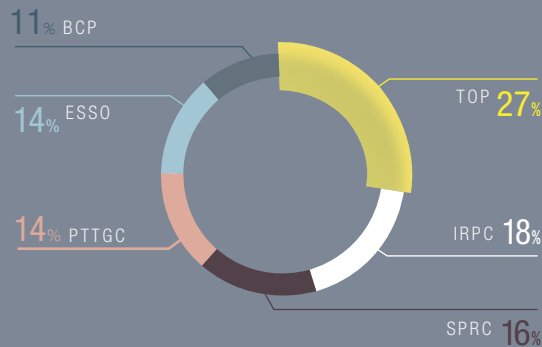


DOMESTIC REFINING CAPACITY IN 2015



Source : Department of Energy Business (DOEB), Ministry of Energy (January - December 2015)

PERCENTAGE OF 2015 TOTAL REFINING CAPACITY IN THAILAND



Source : Department of Energy Business (DOEB), Ministry of Energy (January - December 2015)

crude oil - the raw material of petrochemical products - dropped continuously, the paraxylene price was also under pressure. Moreover, China's sluggish economics caused the slowdown of demand growth of polyester – Paraxylene downstream products, and the surplus of Purified Terephthalic Acid (PTA) – the raw material of polyester, resulting in the reduction of production capacity and the paraxylene demand. Fortunately, the paraxylene market could maintain its growth due to the following three reasons: first, the inauguration of a new 2.3-million-ton-per-year aromatics plant in India was postponed to 2016; second, another aromatics plant in China with a capacity of 1.6 million tons per year caught a fire and shut down in April; third, an aromatics plant in Singapore with a capacity of 800,000 million tons per year was closed for the entire year. Some aromatics plants decided

to deploy the feedstock for paraxylene to produce gasoline instead, since the demand for gasoline was higher, resulting in the decrease of surplus in the market.

Due to the dramatic fall of the crude oil price, the benzene market this year went down in parallel, pressuring the price of such downstream product as benzene especially in the US. In 2015, on one hand, the price of benzene in the US and Asian markets is almost at the same level, obstructing the benzene manufacturers in Asian to export the product to the US. On the other hand, the gross profit of the olefins plants was higher resulting in the increase of production capacity with more amount of benzene as byproduct. The factor pressuring the benzene market was the surplus from the increasing production capacity of 2.6 million tons per year in 2014 and another 780,000 tons per year in 2015. Additionally, China's sluggish economy slowed down the demand for benzene downstream products which are considered the luxury ones. Nevertheless, the gross profit from styrene monomer, a downstream product of benzene, grew in Q2 and Q3 this year, shoring up the demand for benzene in the market. The start-up in 2015 of another plant producing downstream products of benzene, or equal the use of benzene as feedstock at 1.5 million tons per year, and the sharp surge of gasoline in the market, somewhat reduced the benzene supply since aromatic producers turned to produce gasoline instead of benzene.

Lube Base Oil and Bitumen Market in 2015

The lube base oil market in 2015 dropped from the year before, echoing the crude oil price volatility since late 2014 and a glutted market. Even when Group I lube base plants in Europe with a total capacity of 1,488,000 million tons per annum were closed down because of the use of higher-quality lube base oil in line with stricter pollution measures, the total market supply was still way above the total demand. The world's total demand growth for lube base oil was 0.8%, a drop from 1.1% in the last three-year period. The supply, however, plunged down during March to July 2015, as many Group I, Group II and Group III plants in Asia shut down for maintenance. The lube base price exceeded 400 USD per ton in Q2/2015 under seasonal demand in the agricultural sector. However, the demand later in the year evidently dropped in parallel with the falling crude oil price. The resumption of supply after the shutdown drove down the lube price especially the Group I lube base oil. However, with the falling price of fuel oil in parallel with crude oil, the spread between fuel oil and lube base oil was slightly narrower, decreasing by 60 USD per ton from 2014, which was still at a satisfying level supported by the weaker fuel oil price.

On the contrary, the growth of bitumen market surged from 2014, supported by the demand from China, Indonesia and Vietnam. Despite the sluggish economy, the demand for bitumen in China was still very high in order to complete road construction projects under the five-year national economic development plan #12 by the end of 2015. Demand in Vietnam was high to support the completion of many infrastructure projects in

preparation for the ASEAN Economic Community (AEC) integration, set for late 2015. Demand in Indonesia was down earlier this year because of poor disbursement from the national budget; however, it soared from September through the end of 2015 after the acceleration of the disbursement system. The plunge of crude oil price due to the pressure from the oversupply, caused the fuel oil price to dramatically drop and contribute to shoring up bitumen price over fuel oil price at 55 USD per ton which was the highest in the history.

Solvent Market in 2015

The demand for solvents this year inched up from 2014, resulting from the government measures later in the year. These measures included the acceleration and stimulation of state disbursement, capital investment in mega-infrastructures, and state investments in the promotion of businesses operated by small medium enterprises (SMEs), resulting in more solvent demand in the last quarter of the year. However, because of the sluggish domestic economy, export below target, and the imbalance between demand and supply of solvents, the market competition heated up diminishing each product's profitability per unit. The supply of solvents from the Northeastern bloc, including China, South Korea and Japan rose during the falling crude price, leading the price of certain feedstock, particularly propylene, to decline. Many more downstream products were processed to reflect higher competition. The economics of the countries in the Northeastern bloc were shrinking; especially China which adopted the regression-manner economic growth, since the government would like to control the economic growth at low but stable rates.

The demand for solvents in China therefore dropped. Through all the year 2015, surplus solvents were exported to Southeast Asian countries.

Petroleum Transportation Industry in 2015

The crude oil, petroleum and petrochemical product transportation in 2015 grew at a satisfying level because of higher imports from neighboring countries, resulting in continuous transportation demand. Even though there were a lot of vessels from China entering the Southeast Asia region, the transportation demand still grew causing the 2015 freight fee to maintain the same figure as the previous year. Since late 2014, although the crude oil price dramatically dropped, the transportation fee of very large crude carriers (VLCC) was still stable and likely to sharply increase due to the surge in oil and storage demand, the incident of which resulted from the cancellation of the economic sanction imposed on Iran by the UN, especially the boycott of Iran's oil export.

The continuous drop of crude oil price since 2014 as well as the forecast of further drop in 2016, caused the exploration and production companies to reduce the production capacity and slow down new projects, resulting in subduing demand for crew boats, and AFRAMAX for offshore oil storage.

Ethanol Market in 2015

Demand for ethanol to blend for domestic gasohol sale this year continued to rise from last year. As of October 2015, demand for gasohol rose by 12.6%, and the daily average consumption of ethanol reached 3.5 million liters per day. The continuous surge of ethanol demand was

driven mainly by the government policy and measures to promote various grades of gasohol through pricing mechanisms, and the falling oil price in the world market leading to cheaper refined products which significantly contributed to more gasohol demand. Moreover, modern vehicles are generally equipped with E20 and E85 combustion engines, and hence, more service stations selling E20 and E85 gasohol. These contributed to more gasohol consumption.

In 2015, the total ethanol nameplate capacity, as of June 2015, was up to 5.04 million liters per day, an increase from the previous year from one more molasses-based and two more cassava-based plants. Out of the total, capacity per day 1.83 million liters of ethanol was produced from cassava, 0.23 million liters from sugar cane juice and the remaining 2.98 million liters from molasses.

The ethanol price this year, however, fell slightly from last year, pressured by the weakening world oil price. The price competition was therefore unavoidable, pushing down the price of ethanol produced from cassava to be comparable to those produced from molasses.

Power Industry in 2015

With the 2.9% GDP growth (gross domestic product, or national economic growth), a sign of economic recovery from 2014, the power demand determined by EGAT's actual generated volume and purchased from private producers grew by 3.3% this year at 182,446 million kWh. For 2015, the peak power demand was recorded at 14.02 hours on June 11, 2015 at 27,346 megawatts (MW), a 1.5% increment from the previous year.

Market Review 2016

Global Market and Economy

The International Monetary Fund (IMF) forecasted in October 2015 the global economic growth of the year 2016 at 3.6%, a positive expansion from 3.1% in 2015. In general, this prediction is driven by the developed countries including the US, EU countries, and Japan, whose economic growth figures are set to rise from that of 2015. However, the IMF states that the falling price of commodities and volatility of money markets has posted more risks to the 2016 global economy growth. In addition, the economy of the world's second largest country as China, is predicted to slow down, reflecting the shrinkage of export growth and sluggish manufacture, resulting from the economic restructure policy implemented by the Chinese government focusing on domestic consumption and lower dependence on exports and industrial investment.

Major Contributing Factors to the 2016 Global Economy

The US: The US economy is on a rise with expected growth of 2.8% in 2016, an increase from 2.6% recorded in 2015. The main contributing factors include the strong recovery of employment rates and labor markets, the increasing household spending, and the resurrection of property markets. Nevertheless, economic expansion is capped by limited growth on exports affected by a stronger US Dollar Currency and weak economy of their trade partners. Following the economic recovery, the US Federal Reserve (Fed) has decided to adjust the record-low interest rate of 0-0.25% implemented

since 2009. The adjustment of interest rate will be implemented cautiously and gradually since the impact on the economics and financial market must be considered to ensure its stability and achievement.

EU: The economic growth for the EU is expected to rise slightly from 1.5% in 2015 to 1.6% in 2016 with the continuous rise in household consumption as the main contributing factor. Moreover, the continuous expansion of export growth as a result of weaker Euro, under the quantitative easing (QE) measures launched by the European Central Bank (ECB), supports the EU economic growth. With the lending stimulation of commercial banks, the higher market liquidity and the economic confidence have been boosted up; while the unemployment rate tends to gradually decrease. However, due to the low inflation, the ECB may consider posting more stimulus such as increasing loans on assets or collateral and cash injection to further increase market liquidity. The QE measure introduced by the ECB includes liquidity injection of 60 billion EUR per month, totaling EUR 1.1 trillion at the end of September 2016, to stimulate the economic expansion of the EU and drive the inflation to around 2%.

China: China's economic growth is expected to rise at a slower pace from 6.3% in 2015 to 6.9% in 2016, affected by the stagnant industrial production and the investment in assets. This results from the economic restructure policy aimed to become less dependent on exports and investment in the industrial sector, but more so to spur domestic consumption. However, the Chinese government is likely to launch additional

measures to soften the economic landing. These measures include an allocation of funds for major physical infrastructure, a proactive fiscal policy to accelerate approvals for infrastructure investments, and a provision of capital for local government agencies to expedite debt-restructuring processes.

Crude Oil and Refined Products in 2016 World Market

The Dubai crude oil price is expected to move within a 30-40 USD per barrel range during 2016 due to the stagnant crude oil supply growth from non-OPEC bloc, lowering the investment in exploration and production during the low-oil-price period, while growing the demand for refined products caused by the drop of gasoline price. The International Energy Agency (IEA), in its December 2015 report, issues a forecast of global demand for crude oil to rise by 1.2 million barrels in 2016, lower than that of 2015 which increase from 2014 by 1.8 million barrels. The IEA predicts that the oversupply situation is likely to remain through 2016. Moreover, Iran has successfully concluded the negotiation on its nuclear project with the P5+1 members in exchange for the lifting of sanctions. This will inevitably increase more crude oil supply in the world market.

Crude Supply: The global crude supply in 2016 will continue to outpace demand, resulting in a continual market oversupply. The supply increase from Iran will top up the excessive crude supply in the world market, following the successful negotiation between Iran and the P5+1 members and the lifting of sanctions. An additional capacity of 500,000-700,000 barrels

per day is expected around mid-2016, rising from the previously capped export of 1 million barrels per day. At the same time, OPEC is likely to maintain its total production of more than 31 million barrels per day, particularly by Saudi Arabia and Iraq. The IEA, however, predicts that the world crude supply will grow at a slower pace comparing to that of 2015, mainly from the lower output from the non-OPEC group of around 600,000 barrels per day, of which 400,000 barrels per day come from the US, resulting from a decrease and deferral of production and drilling activities. This is reflected in the report of the continual decrease of oil rigs in the US from 1,609 in October 2014 to 538 in December 2015, equivalent to 60% under the falling oil price situation.

Demand for Refined Products: The global demand for refined products in 2016 is expected to continuously expand by 1.2 million barrels per day rising from 96.9 million in 2015 (IEA Report 2015). This increasing demand is driven mainly by the low oil price and the relatively stable global economic growth, predicted by the IMF in October 2015, at 3.6% which is resulted from the developing country such as India's demand, likely to increase in accordance with its business growth. Moreover, the economics of such developed countries as the US and the EU members is expected to recover, causing the increase of refined product demand. However, the demand for refined product of China, the world's second largest oil consumption, may decreasingly grow compared to that of 2015. This stagnant growth results from the sluggish economic growth rate including China's economic reformation focusing on enhancing

the domestic demand growth while diminishing the dependence on exports and industrial investment.

Regional Refining Capacity: The combined Asia Pacific and Middle Eastern refining capacity in 2016 is set to rise by 250,000 barrels per day, due to the closure of refineries in Taiwan, Australia, and China.

Geopolitical Instability: The battle among Islamic States (IS), Iraq, and Syria continues. The violence is likely to extend especially after the IS took over major cities in Iraq, including Ramadi, an entrance to Baghdad, the capital of Iraq. This has put more pressure on the Iraqi government to heighten its security measures to stop further invasion from the IS to other major cities, particularly Basrah, where major oil fields are located. Meanwhile, the IS has taken over the Jazal oil field, the last major oil field under Syrian government control. Although Syria is not a major oil producer, the battle violence could escalate and affect oil fields operated by other countries in the Middle East. The situation could lead to a shortage of crude supply and drive the oil price up periodically. On the other hand, the successful nuclear negotiation conclusion between Iran and the P5+1 members on July 14, 2015 was achieved with an agreement for Iran to limit its nuclear development capability in exchange for the lifting of sanctions, including oil exports boycott imposed earlier by the United Nations. In order to produce and export with its full capacity, time is needed for Iran to revive its production equipment and facilities before exporting additional approximate 1 million barrels per day to the world market.

Seasons and Natural Disasters: Apart from seasonal demand for different type of oil, natural disasters usually have effects on the world oil price. For example, hurricanes in the Gulf of Mexico affect the crude oil production and refining capacity, and so do the tropical storms and typhoons in the Pacific and South China Seas to the refining capacities in Asia Pacific.

State Policies: The falling world oil price creates the opportunity for the government in developing countries to reduce local retail subsidies and increase taxes on oil and other fuels in order to stabilize national trade balances and strengthen their budgetary burdens. Despite the sharp fall of the world oil price, many countries continue to maintain their policies to support the development and use of environmentally friendly alternative-energy sources.

Domestic Market for Refined Products in 2016

The Office of the National Economic and Social Development Board (NESDB) projected Thailand's economics to grow at 3.0-4.0% in 2016 (Thailand Economic Report, NESDB, November 16, 2015). The primary factors are government spending and investment under an accelerated disbursement, nationwide transport and logistic infrastructure development, and a series of economic stimulus measures, including subsidies on the cost of living for low-income earners. The International Monetary Fund (IMF), however, states in its January 2016 report the world economic growth forecast at 3.6%, supporting the export recovery and enhancing the tourism growth and higher number of tourists. In the private sector, the consumption expenditure is expected

to recover from that of last year, in line with the higher household income base and severe drops in the oil price. Higher investment by the private sector, determined by the higher number of approvals from the Board of Investment (BOI) including those in infrastructure, will also contribute to the economic growth of 2016. However, downturn risks still exist, including capital movement and volatile foreign exchange, particularly the depreciation of the Chinese Yuan Currency due to the adoption of free flow of money and trade, which directly affects exports. The US Fed's possible further rise of the interest rate from the current level of 0-0.25% to 0.25-0.50% is another significant impact on the Thai economy in 2016.

The demand for refined products in 2016 is expected to expand 1.6% from 2015 as a result of the rising national economic growth from 2.9% to 3.0-4.0%, contributed by higher household spending and tourism recovery. Considering by type, gasoline consumption is expected to grow by 4.0%, diesel by 2.2%, and jet fuel by 2.6%. LPG consumption is, however, expected to drop by 1.5%. The essential factor to be closely monitored in 2016 is the long-term integrated energy plan (2015-2036) implemented by the Ministry of Energy, including the reduction of commercial gasoline and gasohol products for retail trade in order to promote the use of alternative fuels.

Aromatics Market in 2016

The paraxylene market in 2016 is expected to be stable compared to that of last year. The demand growth rate of polyester, used for textile and Polyethylene Terephthalate

(PET) bottle industry, will maintain at 5.5%. The market is also pressured by additional supplies from new paraxylene plants in India, Saudi Arabia, and China, totaling capacity of 4.3 million tons per year. The paraxylene market, nevertheless, is supported by the commissioning of new purified terephthalic acid (PTA) plants in Netherlands, China, India, and Taiwan with the total capacity of 2.4 million tons per year. This extra supply is equivalent to the paraxylene precursor of 1.6 million tons per year. In addition, several high-operating-cost paraxylene producers tend to reduce their production capacity to 80% to optimize their production. Besides, higher demand for gasoline drives certain producers to deploy the aromatics precursor to produce more gasoline instead of paraxylene. This somewhat helps limit the market glut.

The benzene market in 2016 is set to rise, reflecting higher demand in Asia and the commissioning of new downstream plants, totaling benzene precursor capacity of 1.4 million tons per year, which is higher than the benzene production capacity of 1.1 million tons per year. The global demand for benzene continues to grow at 3.2%, rising from that of 2015 at 2.5% and mainly contributed by the industrial sector: including electronics, toy, packaging, furniture, and electrical appliances, in line with the continuous world economic growth which ensures higher benzene demand. The US is still the primary importer of benzene from Asia at 2.2 million tons per year. China's sluggish economy, however, may affect the demand for benzene; since, China is the world's largest producer of styrene monomer with benzene as the precursor. Moreover, certain olefins plants may

increase their production capacities which result in more aromatics byproducts, especially benzene, and thus affect the benzene market.

Lube Base Oil and Bitumen Market in 2016

The lube base oil market in 2016 is expected to be stagnant due to the sluggish world demand growth at 0.8% or around 300,000 tons per annum. The global supply, however, continues to rise leading to the postponement of many new lube base oil plant launches such as the Group II and Group III refineries operated by ADNOC, the national oil company of the United Arab Emirates with a total production capacity of 620,000 tons per annum, postponing from late 2015 to 2016. China National Offshore Oil Corporation's (CNOOC) Group II lube base refinery with the capacity of 600,000 tons per year is also postponed from 2016 to 2017. The total production capacity reported to be commissioned in 2016 is 1,900,000 tons per year. Meanwhile, the Group I refineries in Europe and the US are reported to close down reducing the production capacity by 745,000 tons per year in early 2016. However, More Group I refineries with high operating costs are expected to shut down through all the year, keeping the lube base oil market from weakening further.

The bitumen market in 2016 is believed to rise continuously, especially the market in such Southeast Asian countries as Indonesia and Vietnam after the ASEAN Economic Community (AEC) official integration in early 2016. With a significant increase in road and rail transport construction in the mentioned countries, the demand for bitumen in the region soars. With the

national infrastructure development policy launched by the Thai Government with a total budget of over Baht 1.79 trillion during 2015-2017, the demand for bitumen in Thailand is likely to be stabilized.

Solvent Market in 2016

The overall solvent demand in 2016 is projected to increase from that of 2015 in parallel with the world's gradual economic growth amid the economic slowdown in China, Myanmar, and Vietnam. Higher demand for solvents is expected from the US, India, Indonesia, and Thailand in line with their economic recovery. The market is, however, still in a glut with oversupply from Northeastern Asia, including China, Japan, and Taiwan. With the falling oil price, the cost of solvent production becomes lower, and more solvents are produced, flooding the market. Moreover, it is forecasted that solvents from the Middle East will enter the market around mid-2016. Since certain refined product prices such as aromatics are still low, some producers use more of these products as precursors to produce solvents. The overall solvent market in Asia is, therefore, expected to grow at 3-4% per year on average.

The solvent market in Thailand in 2016 is also set to grow at 3-4%, in parallel with the national economic growth and export recovery from negative growth last year. The market competition, however, will surge for the supply of certain products increases due to the import from Northeastern and Middle East countries. For the locally-produced refined products, such as aromatics, the production capacity is likely to decrease as the price of paraxylene continues to stay low; otherwise, the market could find itself in oversupply.

Petroleum Transportation Industry in 2016

The crude oil, petroleum and petrochemical product transportation in 2016 grows at a satisfying level because of higher imports from neighboring countries, resulting in continuous transportation demand. The freight fee in 2016 is expected to be at the same level as that of 2015. Moreover, the demand for very large crude carriers (VLCC) tends to be stable since the US has lifted the measure limiting oil export as well as the demand for crude oil of refineries has surged in accordance with the increase of refined product demand.

The forecasted continuously low crude oil price in 2016, caused the exploration and production companies to reduce the production capacity and slow down new projects, resulting in subduing demand for crew boats, and AFRAMAX for offshore oil storage.

Ethanol Market in 2016

The demand for ethanol in 2016 is expected to increase to around 3.7-3.8 million liters per day in line with the continual increase of E10 E20 and E85 gasohol demand, after the implementation of the state policy on the promotion of gasohol through the retail market mechanisms. The demand growth of ethanol in 2016 is also set to rise from that of 2015 due to the increasing number of new automobiles and service stations with E20 and E85 gasohol.

An additional production capacity of 0.2-0.5 million liters per day is expected to enter the local market, including one or two cassava-based ethanol plants currently under construction and set for commissioning in mid-2016.

The ethanol price, however, is set to decline, compared to that of previous year, due to the lower prices of such raw materials as cassava and molasses. The cassava price is affected by the drop of cassava and cassava chips export to China due to China's sluggish economy, as well as China's falling corn price. Similarly, molasses price is set to fall due to the excessive supply of sugar canes. Moreover, some ethanol producers have turned to sugarcane juice and raw sugar instead of molasses.

Power Industry in 2016

The domestic peak power demand is projected to 28,470 megawatts (MW), rised by 4.1% in 2016, with a higher total power reserve of 37.7%, partly in preparation for new power generation plants in 2016: namely, Hongsa Power Plant #T1 (491 MW), North Bangkok Power Plant #S2

(828 MW), Khanom Power Plant #S2 (930 MW) and small power producers (SPP) (1,305 MW). Although 748 MW from Khanom Power Plant #C1 and #T2 (totaling 748 MW) will be off the grid in 2016, the overall power generation capacity is set to increase by 2,806 MW. The overall power generated and purchased in 2016 is expected to grow by 3.5% to 187,750 million MW. Natural gas continues to be the primary source of power generation, accounting for 64.0%. Other fuels for power generation are coals (24.8%), increasing slightly from that of 2015, followed by hydro and alternatives.

In 2016, there will be a planned shutdown of gas production facilities in Myanmar and JDA-A18 which will inevitably affect the power generation and supply to Thailand. Details of these plans and recommended mitigations are as followed:

Scheduled shutdown period	Gas field	Mitigation
March 1-4, 2016	Yadana	To be substituted by fuel oil, diesel, and gas from the East
March 19-28, 2016	Zawtika	To be substituted by LNG and hydropower from Laos
April 9-18, 2016	Yetakun	To be substituted by LNG and hydropower from Laos
April 14-17, 2016	Yadana	To be substituted by LNG and hydropower from Laos
May 26-July 7, 2016	JDA-A18	To be substituted by fuel oil and diesel

Source : The 2016 Supplement paper for the lecture on energy generation and transmission system, Electricity Generating Authority of Thailand

Power installation and decommissioning plan for 2016

Month	Power Plant	Fuel Source	Megawatts (MW)	Regional location
January	North Bangkok #C2	Blending of natural gas from the East and the West	828	Bangkok Metropolis
March	Hongsa #T3	Coal	491	North
June	Khanom #C2	Natural gas from the Gulf of Thailand	930	South
June	Khanom #C1 and #T2 decommissioning	Natural gas from the Gulf of Thailand	(748)	South
January - December	Small power producers (SPP)	Natural gas and renewables	1,305	

Source : The 2016 Supplement paper for the lecture on energy generation and transmission system, Electricity Generating Authority of Thailand

Additionally, the drought crisis in 2016 tends to exist and is expected to have an effect on hydropower generation plants utilizing water from various dams, particularly located in the Chao Phraya and Mae Klong river plains. Substitutions are essential to maintain the overall output. For the power plants with the cooling process using huge amount of water, such as the Mae Moh coal-fired units, it is necessary to seek and implement the measure alleviating the impact from water scarcity; for example, the so-called “cycle of concentration” or recycling of water at the cooling tower, the search for other water sources, the plant maintenance rescheduling and piping reserve water from the Mae Chang reservoir.

PRODUCTION PROCESS, PROCESS DEVELOPMENT, AND QUALITY, SECURITY, SAFETY & OCCUPATIONAL HEALTH AND ENVIRONMENT MANAGEMENT



Production Process
Execute integrated production plan for highest effectiveness



Quality Management
Maintain current standard and improve quality to international standard



Security, Safety and Occupational Health
Operate based on safety to protect lives and properties of stakeholders



Environment
Implement environment management with balance of society, environment, and economics



Production Process and Process Development

Oil and Petrochemical Refinery

Thaioil's average capacity this year was 296,000 barrels per day, representing 108% of the nameplate capacity. For the same period, Thai Lube Base Plc (TLB) and Thai Paraxylene Co., Ltd. (TPX) processed their production capacities at 230,000 tons per year (or 86% of the nameplate capacity) and 681,000 tons per year (or 81% of the nameplate capacity) respectively. These three companies operated under the jointly integrated production plan for overall optimization.

The Fluidized Catalytic Cracking Unit and the Hydrocracking Unit-2 underwent the planned shutdown in May and November respectively for machinery inspection, equipment maintenance and catalysts replacement. The shutdown was completed earlier than planned with

high efficiency, ensuring normal operation and quick response to fuel demand. To maintain and increase its competitive advantages, Thaioil proceeded with projects to increase refining unit efficiency and optimize production processes for maximum value, summarized as follows:

ISO Management System Monitoring and Assessment in September 2015

1. Underwent reassessment of Quality Management Systems (ISO 9001), Environmental Management System (ISO 14001), Occupational Health and Safety Management System (TIS 18001 and BS OHSAS 18001), and Integrated Management System (IMS) for TLB and TPX.
2. Achieved certification of Energy Management Systems (ISO 50001) surveillance for CDU-3 and all refining units of TLB.

3. Commenced and completed the integration among all departments and upgrade the Information Security Management System (ISO/IEC 27001) to version 2013, the latest version. Recertification was granted in April 2015.

Thaioil

>> Launched the Margin Improvement Project, covering various aspects of Thaioil Group's operations, resulting in enhanced margin of 0.40 USD per barrel, equivalent to around Baht 1,500 million. The project achieved the target as originally planned. Achievements included the identification of 11 more new types of crude oil with prices and qualities suitable for Thaioil's process, efficient product distribution management, gasoline production increase in response to higher market demand, integration of production process improvement and energy conservation, higher domestic product distribution, and efficiency improvement of Thaioil's tanker fleet management.

>> Initiated more than 10 efficiency improvement programs for energy consumption, leading to energy cost-saving 142 million Baht per year and the reduction of greenhouse gas (GHG) emissions of approximately 24,750 tons of carbon dioxide per year. Outstanding programs included:

- Installation of new air filters in the co-generation units, resulting in energy cost-saving of 46 million Baht per year;
- Reduction of amine in the contaminant removal units, resulting in cost-saving of 35 million Baht per year;
- Improvement of the utility unit to produce more raw water for refining processes, while lowering the output

from the seawater desalination unit, resulting in a reduction of process expenses of 35 million Baht per year;

- Installation of a Real-Time Optimization (RTO) system in the utility units to increase the efficiency of the steam and electricity generation processes, resulting in cost-saving of 27 million Baht per year;
- Launch of repair and replacement of the heat-insulating coat, covering main water pipes and heat exchangers to minimize heat losses, as well as investigation, repairing, and improvement of steam-traps throughout the process. Both programs resulted in cost-saving of 13 million Baht per year;
- Promotion of energy conservation awareness in Thaioil Group's office areas under a theme of "Offices to Conquer Global Warming". The promotion also included a change of light bulbs to LED bulbs, resulting in energy cost-saving 1.4 million Baht per year. This project was subsidized by the Department of Alternative Energy Development and Efficiency (DEDE) under the 2015 government energy conservation program to replace and improve machinery and equipment for higher efficiency.

>> Commissioned a major turnaround (MTA) in the Fluidized Catalytic Cracking Unit to maintenance the equipments, such as repair heat insulators of the regenerator and replacement of catalyst filters (cyclones) in chemical reactors. The MTA period was 26 days, against the 29-day plan, providing more operating margin around Baht 15 million.

>> Installed additional equipment at the Crude Distillation Unit-2 tower and the Hydrotreating unit-1 to reduce

pipe corrosion from chloride, providing opportunities to refine lower and cheaper crude oil, as well as to produce more long residue for TLB's lube base oil production.

- >> Performed a shutdown of Hydrocracking Unit-2 to replace the expired catalyst with the new one, resulting in optimal efficient operation.
- >> Reviewed and adjusted fuels usage in the refining process to match changes in crude prices and pricing structures of various fuels in order to minimize energy expenses.
- >> Improved the Continuous Catalyst Regeneration Platformer Unit to minimize energy consumption by reducing the amount of reverse gas flow through the gas compressor.
- >> Modified gasoline pipelines to the jetty to increase piping efficiency and reduce the use of gasoline base for pipe-cleaning after transferring oil to tankers.
- >> Adjusted some storage for fuel oil to gasoline base, responding to customers' needs and reducing the time for truck transfer by up to two hours.

TLB

- >> Achieved marketing and product development for new grades lube base oil, extracts, and bitumens, enhancing competitive advantages in the market, such as the new development of Mild Extract Solvate (MES) for the automotive tire market.
- >> Received the Zero Accident Award for the second consecutive year, presented by the Department of Labour Protection and Welfare, Ministry of Labour.

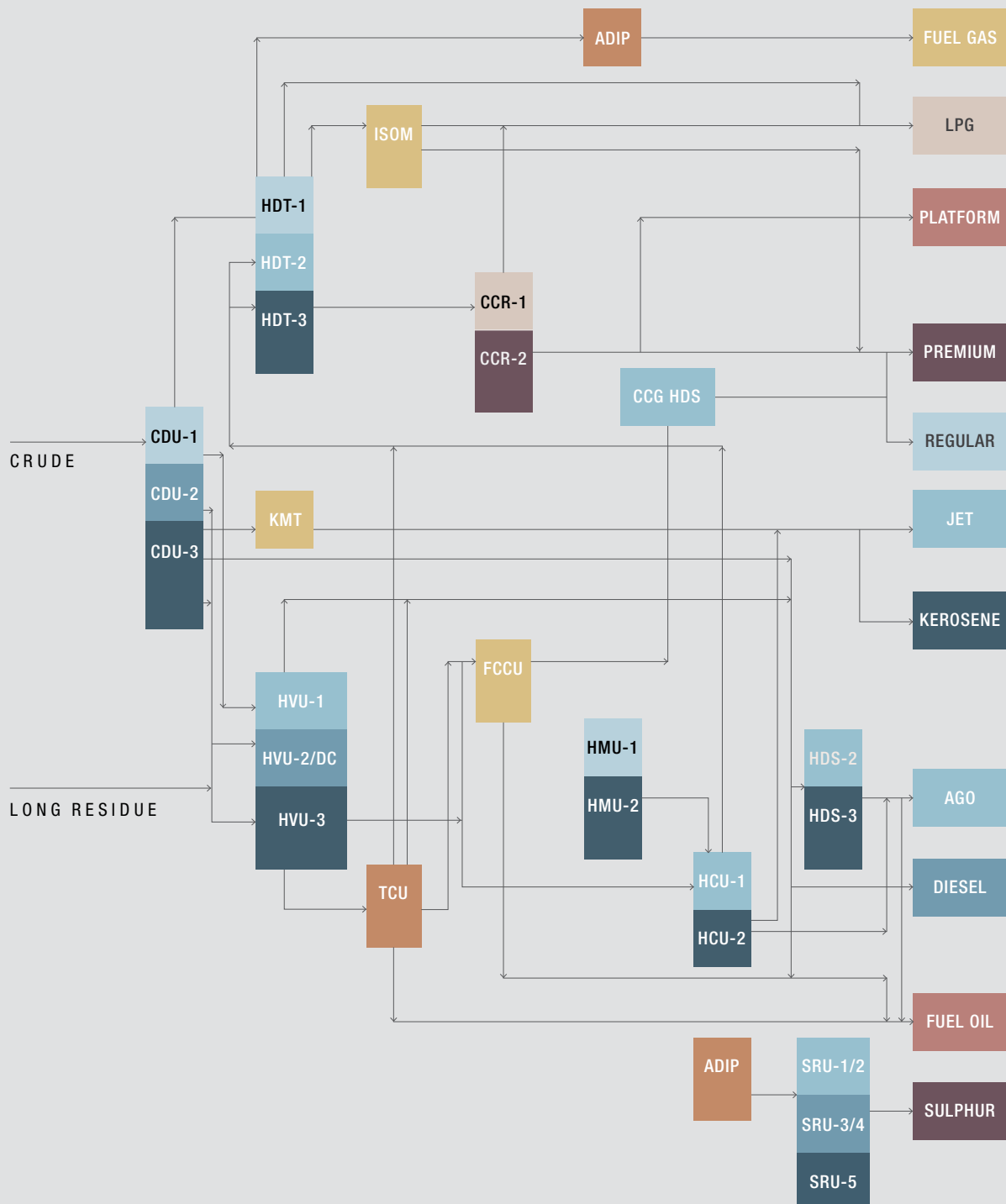
>> Generated the Operational Availability higher than the target, resulting from the reduction of shutdown period.

- >> Significantly increased the energy consumption efficiency index above the target, due to the installation of heat exchangers in the Propane Deasphalting Unit (PDA) to recycle heat loss to the system, together with other energy conservation programs.
- >> Changed the light bulbs in the office to LED bulbs. This project was subsidized by DEDE under the 2015 government energy conservation program to replace and improve machinery and equipment for higher efficiency.

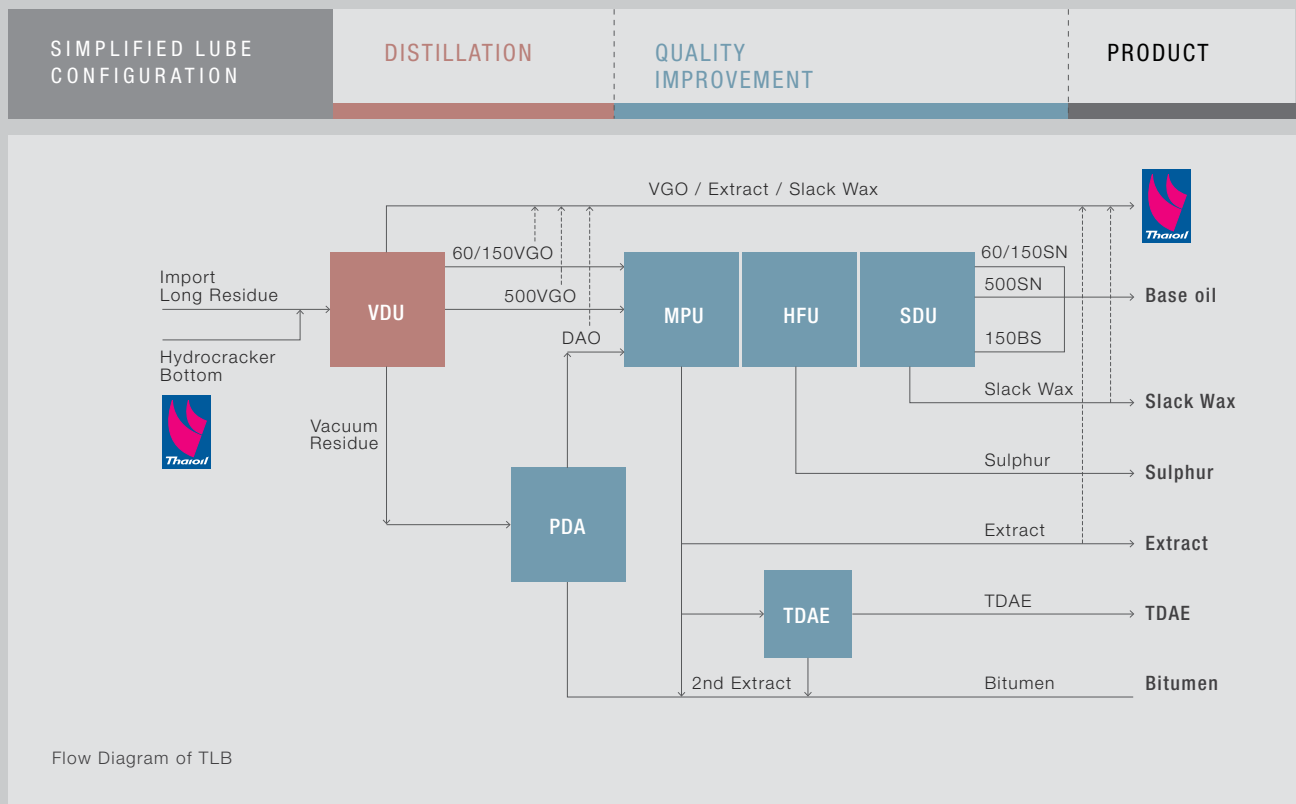
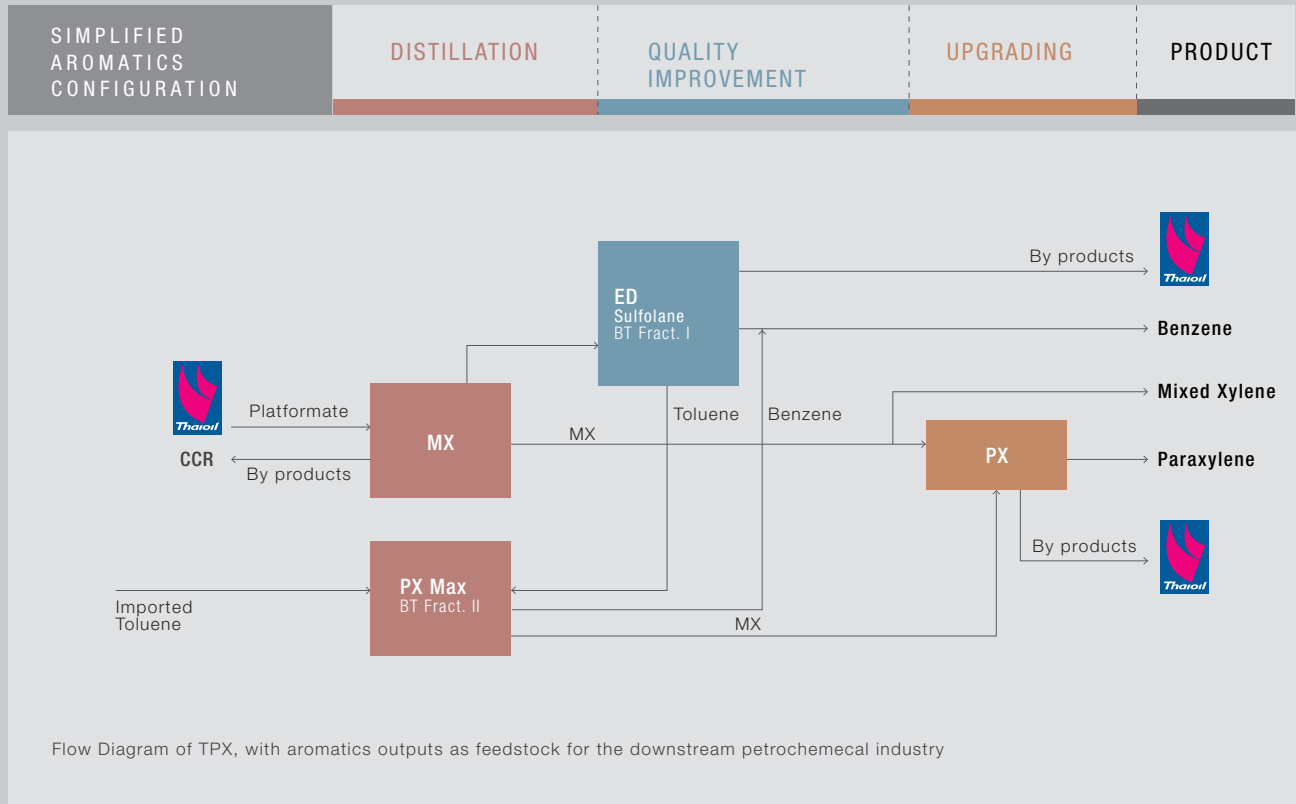
TPX

- >> Implemented the Bypass Feed project by the Xylene Rerun Column (XRC) unit, which bypass the qualified feed through to the PAREX unit saving the operating cost for the XRC unit.
- >> Enforced the temperature reduction of waste gas in the furnace burners to increase the efficiency.
- >> Implemented the project to lower excess oxygen in the furnace burners for further energy conservation.
- >> Introduced other energy conservation programs, including the change of light bulbs to LED bulbs. This project was subsidized by DEDE under the 2015 government energy conservation program to replace and improve machinery and equipment for higher efficiency.

CRUDE AND FEEDSTOCK REFINING PROCESSES INCLUDING PETROCHEMICAL AND LUBRICATING OIL PROCESSING OF THAI OIL GROUP



Flow Diagram of Thaioil Refinery, a complex refinery in Thailand



Refining Performance Assessment

Thaioil successfully maintained its refining capability throughout 2015, with operating safety performance statistics at the top quartile of the oil and gas industry. The total reportable case frequency (TRCF) was 0.53, which was better than the target. The cash operating cost was also outstanding against the target.

For production efficiency, Thaioil implemented many projects to ensure margin improvement and achieved as planned. Most of profit margins were from the procurement of high-quality and reasonably-priced crude oil and crude feedstock, effective planning and management production, energy conservation projects, increases in domestic product distribution, and efficiency of tanker fleet management.

With reference to the Solomon Benchmarking in 2014, a global survey on energy conservation, Thaioil's energy efficiency was ranked in the 1st Quartile in Worldwide/

Region/GOC3 group, indicating the Company's very high competitive capability of energy cost. In 2015, Thaioil Group improved the production process and succeeded in energy saving of 152.7 million Baht per year, as well as a further reduction about 26,827 tons of carbon dioxide emissions.

Quality, Security, Safety & Occupational Health, and Environmental Management

Thaioil Group has adopted integrated international standards on management of quality, security, safety & occupational health, environment, energy and social responsibility:

1. TIS 9001 Quality Management
2. TIS 14001 Environmental Management
3. TIS 18001 Occupational Health and Safety Management
4. BS OHSAS 18001 Occupational Health and Safety Management System

TRCF
(Total Reportable Case Frequency)

0.53
per million
working hours

Energy Efficiency
was ranked in the Worldwide

1
st
Quartile
in Worldwide /
Region /
GOC3

**Succeeded in
energy saving**

152.7
million Baht
per year

5. IMS: Integrated Management System
6. Integration of Operational Excellence (OpEx), Process Safety Management (PSM), a standard of the National Fire Protection Association (NFPA), and American Petroleum Institute (API)'s API 750.

The Company has maintained and continuously improved all its management systems for more than 54 years. Thaioil Group strictly adheres to their policies on the management of quality, security, safety & occupational health, environment, energy, and social responsibilities for all following aspects.

- >> Development of quality products to meet customers' needs and satisfaction under standard management systems, laws and regulations, as well as other related standards and specifications.
- >> Formulation of a systematic risk management plan, control and minimize operation risks including physical, chemical, biological, and psychosocial aspects, to prevent incidents that may adversely impact businesses, community and environment, and cause injuries or illness to workers, and to suitably support the use of the workforce.
- >> Defining and applying business targets and goals to control and reduce potential impacts from international-standard business processes covering occupational health, safety, environment, responsibility to customers, society, and communities, efficiency on energy consumption, climate change, prevention of oil spill and chemical leaks, and water resource management – all these accompany reviews, monitoring, and inspection for continuous improvement.

- >> Allocation of resources and adequate support on information and technology to comply with the policies on quality, security, safety & occupational health, environment, energy management, and social responsibility.
- >> Promotion of continuous development, revision, and updates of policies and practices to keep up with changes in business, laws, technological development, and environmental and social circumstances.

Thaioil remains committed to leveraging appropriate management standards to develop suitable practices for sustainable development.

Security Management

The Company enforces its strict security measures to safeguard Thaioil Group's employees, properties, data, and reputation from security threats arising from internal and external factors corresponding with risk levels. All executives and employees are strictly committed to Thaioil Group's policies on quality, security, safety & occupational health, environment, energy management, and social responsibility, conforming to the Universal Declaration of Human Rights, including

- >> Continually define and review operating plans for security measures for threats. Create networking for plans and coordinate on sharing of intelligence with the public and private sectors. Organize security drills for emergency response teams responsible to evaluate and improve efficiency to the maximum.
- >> Supervise and promote best security and safety practices under the Security and Safety Handbook for Employees of Thaioil Group to ensure employees' safety both on duty and off duty.

- >> Develop a security management master plan to prevent and minimize accidents, security incidents, and incidents pertaining to safety & occupational health, and work environment, leading to the increase in work efficiency, promotion and participation of all employees of Thailoil Group and contractors on sustainable practices on security, safety & occupational health, and environment.
- >> Initiated a Safe-White-Green project to forge security awareness among employees and contractors of Thailoil Group. The project included drug tests for contractors and support for them to minimize, abstain, and abandon the use of drugs and continue to live and work a long life.

Occupational Health and Safety Management

As a prudent operator in the refining business, safety is the utmost importance. With maximum attention and awareness, Thailoil Group's operating target is to become the zero-accident organization for employees, contractors, and stakeholders to prevent loss of life and damage to properties.

Operating Strategy on Safety and Occupational Health of Thailoil Group

- >> Develop and continuously improve safety leadership for individuals, leading to an organizational safety culture.
- >> Always promote safety in work processes.
- >> Constantly promote good occupational health for employees and contractors.

Personal Safety

The principle "Safety start from an individuals" is the key for workers. With the goal of an organizational safety

culture, Thailoil initiated the Safety Leadership Program for the third consecutive year, to stimulate and promote all employees to participate and develop personal safety leadership, which eventually leads the entire organization to operational excellence. The program was also intended to advance the employee maturity safety level to Level 4 by 2018. All safety activities and plans have been incorporated with the five-year master plan, including monthly monitoring and efficiency evaluation.

Process Safety

Recognizing that process safety is the heart of overall operations, all process of Thailoil Group operate their activities under the most efficient management systems and international standards in all aspects of safety & occupational health, and environment. All safety staff are the specialists and the safety committees were formed with more than 50% of the operators as members. These committees manage safety for the entire organization, monitor, and inspect the entire operations to comply with Thailoil Group standards. They also provide safety knowledge and understanding to all employees, and uplift operation safety to be in line with the targets. This year, the Company has communicated about "Refinery and Petrochemical Risk Management & Loss Prevention" with all new employees in the orientation program, safety workshops and training, and safety e-learning to enhance safety awareness on operations and unsafe consequences.

Emergency Preparedness and Crisis Management

This year, Thailoil Group organized 45 operational emergency drills among employees including the external groups, comprising of local government agencies,

Security, Safety & Occupational Health, and Environmental Management Strategy

SAFE

Maximum Safety



WHITE

Drug-Free
Organization



GREEN

Zero Complaint
from Communities



municipality, and the Army's Military Unit 14. Safety training classes were provided to operators and related group to review roles and duties, as well as rehearsal of the emergency plans. The Company also conducted inspection on emergency tools and equipment, emergency and crisis management plan reviews, to ensure maximum efficiency and effectiveness in preparation of emergencies and crises.

Occupational Health

To prevent health risks from exposure to hazardous chemicals, Thaioil Group has adopted International Labour Organization (ILO) work practices and guidelines. The operators have to participate in an annual health risk assessment to classification of risk levels for individuals.

Thaioil also organized a "Fit for Work" program during 2015 to assess the physical fitness of employees after illnesses or injuries from work or during off duty before work resumption. The program targeted full physical fitness assessment of all such employees. There were six employees under the program this year.

Additionally, the Company closely monitored the outbreak of the infections disease such as Influenza, thoroughly inspected the suspicious area, and routinely provided information on preventive measures.

SAFE WHITE GREEN

For three consecutive years, Thaioil Group has continued its Safe White Green strategy to improve safety, occupational health, and environmental management systems with all contractors toward reduction of accidents and incidents related to security, safety, and environment, not only for their employees and contractors but also for all stakeholders, particularly the communities surrounding the refinery.

SAFE: Maximum Safety

To achieve maximum safety in all its operations, Thaioil Group invites 40 contract companies to attend a safety workshop to enhance communication, coordination on plans and targets, and to jointly develop operating improvements on all aspects of safety, security and environmental management. Thaioil continues to support this activity and will promote to conduct an assessment report for continuous improvement.

WHITE: Drug-Free Organization

To become a drug-free organization, Thailoil has constantly launched a series of campaigns for the prevention of drug use in cooperation with related government agencies, and defined a campaign goal of less than 1.1% of persons with traces of drugs per a set of sampling. Since its inception, test results have shown a significant, constant drop from 2.65 in 2013, to 2.22 in 2014, and to 0.31 in 2015. The Company also provides support to those workers who failed the tests to attend the minimize-abstain-abandon program with periodic, systematic physical tests and monitoring, and eventually gives opportunities for them to resume working for the Company.

GREEN: Zero Complaint from Communities

With its commitment to operating with zero impact on the environment and surrounding communities, Thailoil Group initiated a monthly satisfaction survey and obtained feedback directly from all surrounding communities, operated by the Environment and Public Relations Committee in collaboration with the Tripartite Committee, comprising of the municipality, the communities, and Thailoil Group. The committees manage the communities' concerns, thus able to solve problems and able to cope with their needs. The committees also obtain direct input from communities for further improvements. This year, there is no reporting on major complaint case. Each time that the complaint has been received, the responsible unit is to keep record and forward the matter to relevant parties, along with tracking its progress, in accordance with the Company's regulations.

TOP Group QSHE Day

With its long-term vision and mission toward an operation excellence organization on QSHE (quality, safety & occupational health, and environment), Thailoil Group, including Thailoil, TLB, TPX and Thailoil Energy Services Co., Ltd., organized the TOP Group QSHE Day 2015 under a theme of "QSHE Avengers to OpEx" for all employees and contractors. The event was intended to reiterate awareness and promote an organizational culture on quality, security, safety & occupational health, environmental, and energy conservation management.

Environmental Management

Under the Environmental Master Plan for 2012-2016 in response to challenges demanded by various stakeholders, including communities, licensing agencies, Thailoil Group business plans, and operating practices for environmental excellence, Thailoil Group defined its environmental management scope under balance of social, environmental, and economic (Triple Bottom Line). The 2012-2016 Environmental Master Plan was drafted with more than 50 years of work experience in the energy industry, and covers nine various development plans.

1. Governance Structure

Thailoil Group continued with ISO 14001 to steer and develop environmental management in 2015. Incorporated with Eco-Industry framework, Global Reporting Initiative (GRI), and Dow Jones Sustainability Indices (DJSI), the integrated approach was further applied to include input and participation with all stakeholders through the ISO 26000 operations standard on CSR under the CSR-DIW project. Thailoil scored 92 out of 100 this year on the appraisal on environmental management, ranked as No. 1 in the global competition.

2. Technical Procedures

To comply with the business code of conduct on engagement with surrounding communities, the public and environment, and to operate with zero damage to natural resources and the surroundings, the Company constantly pursued its environmental management and nurtured awareness of accountability to social and environment responsibility to all levels of employees. Thairoil clearly defined corporate governance (CG) policy on quality, security, safety & occupational health, the environment, energy management, and social responsibility, and communicated these policies and procedures through various channels such as CG e-learning, orientation, training classes and seminars, particularly those on environmental issues, including STA.1 – safety, security and environment in refinery, in-house and external environmental training courses, such as energy conservation, and TOP Group QSHE week. All operations and communications through the years were driven to fully comply with the requirements stated in the ISO 14001 standard. The Company's environmental management has constantly been developed and advanced toward operational excellence and can be transferred from generation to generation via the knowledge management (KM) system.

3. Climate Strategy

With its commitment to the conservation of natural resources, particularly fuels and energy, Thairoil Group appointed the Energy and Loss Committee (E&L) with continued responsibilities for planning, monitoring, and improving energy management. Moreover, to strive for the leading position in the 1st Quartile of the Asia-Pacific-region refinery on efficient energy consumption and GHG emission reduction, the Company developed and

put in place a 10-year Energy Management Master Plan for 2010-2019.

4. Water Resource Management

A systematic water resource management is vital to minimize the risk from lack of water in the production process and to avoid possible conflicts with local communities on water usage. The Company is prepared to provide the auditable information to the public on the volumes and conditions of water used. Under the development framework to sustainably increase efficiency on water management, Thairoil Group conducted several studies and initiated the Water Resource Management Master Plan, covering all aspects of water management including continuous efficiency improvement of water used in production process, water supply and effective usage of water resources, as well as the development of the business continuity plan on water crisis to ensure uninterrupted operations during periods of severe drought.

5. Eco-Efficiency Performance

In addition to fully complying with measures and conditions set forth in the Environmental Impact Assessment (EIA) reports and environmental regulatory controls and laws, Thairoil Group has taken additional steps in its production process toward environmental quality:

>> Air Pollution – The management process covered the entire range of work and activities from the designing stage, maintenance planning, control of sulfur contents in fuels at sources, selection of tools and equipment, and clean processing, as well as emission of air and impurities. Changes were made at the furnace burners to Ultra-Low NO_x to reduce nitrogen oxides arising from all processing units. After a series of studies,

chemical filters were replaced with bio-filters to remove volatile organic and hydrocarbon compounds since reactions of Volatile Organic Compounds (VOCs) with microbes is environmentally friendly, and the process is less dependent on chemicals. The Company's environmental management on air pollution also included development and installation of accompanying systems on continuous monitoring, measuring and assessing air quality.

- >> Water Pollution – Under the most cost-effective natural resource consumption concept of 3Rs (Reduce, Reuse, Recycle), the principles of wastewater treatment began with the reduction of wastewater quantity and segregation of waste. The process was redesigned to reduce the water volumes and prolong the cycle times of water used in the cooling tower. While striving for the highest efficiency in the wastewater treatment system, the current quality of treated wastewater fell within an acceptable range.
- >> Industrial Waste – The current industrial waste management system began from waste inventory, 3Rs (Reduce, Reuse, Recycle) of industrial waste, full control of waste storage, transport, and transfer for safe disposal. All these processes were handled in line with technical principles and all regulatory controls. The Company is committed to continuing its efforts to find the solution toward the zero discharge and landfill of industrial waste by 2020.

6. Biodiversity

As a responsible corporate citizen to the habitat and natural resources surrounding the refinery, Thailoil Group fully commits itself to continuously studying, monitoring

and tracking mechanisms on the fertility and diversity of organisms under the measures stipulated in the EIA report for each project.

7. Supplier and Contractor Program

Management of suppliers and contractors is a crucial factor for sustainable operations. Good management practices of suppliers and contractors also demonstrate full responsibility to the public and the environment. The Company therefore defined and developed their management programs in areas pertaining to the environment and society. All suppliers and contractors were encouraged to perform their duties in full compliance with the regulations issued by Thailoil Group, and to participate in the Safe-White-Green campaign and the CSR-DIW initiative to clearly demonstrate their responsibility to society.

8. Environmental Audit

After operating under the ISO 14001 management framework and continuous improvement for years, Thailoil Group has achieved and sustained zero major corrective action (NC major = 0) under environmental audit assessed by the Management System Certification Institute (Thailand). The Company is also pursuing its environmental management under GRI guidelines, including audit, assurance and reporting.

9. Management Information Solutions

To strive for sustainable operation management, Thailoil Group is on process of studying and developing the environmental database arrangement in the hope of upgrading the system to such international level as the environmental dashboard, Life-Cycle Assessment and Life-Cycle Inventory (LCA/LCI), CO₂ footprint, and water footprint.

Under the 2012-2016 Environmental Master Plan framework, an annual management review for improvement is mandatory enhancing the Company's vision and mission toward the commitment to social responsibility, as well as to satisfaction of and engagement with stakeholders, leading to Thailoil Group's sustainable growth.

Environmental Education and Training for Employees

The Company has defined its business code of conduct on community, social, and environmental management under the principle of "harmless activities to the natural resources and the surroundings, and continuous nurturing of all employees the awareness of responsibility to society and environment". Under this commitment, the Company has clearly defined operating practices educating and training employees on environmental conservation, and assigned the Quality Management Department to be in charge of designing and developing program focusing on conveying and sharing knowledge of the corporate environmental policy with all employees from day one, especially to those in the operators, technicians and engineers who are directly involved in the environmental stewardship and conservation. Some of the training courses are STA.1 – Safety, Security and Environment in Refinery and TOP Group QSHE week, in-house and external environmental training courses for employees, specific environmental classes for managers, supervisors, and operators in charge of wastewater treatment, industrial waste, air pollution, and courses on energy and environmental conservation. Engineers directly responsible for each production unit are encouraged to attend more than 20 technical process training courses run by technology owners and vendors.

Meanwhile, Thailoil continuously applies the leading environment certification systems and administration system including ISO 14001 and ISO 26001 through the CSR-DIW program. A series of campaigns have been continuously organized to promote awareness of environmental conservation among the employees. Related activities in these campaigns include routine environmental inspection on process area, cost-effective exploitation of resources in offices, such as lights-off after the use of meeting rooms, suitable temperature control in the office, tapwater saving, and electronic communication wherever possible to reduce paper use.

The outcomes of these activities are routinely reported to the executives. Moreover, Thailoil has conducted an annual management reviews leading to a cycle of continuous improvement of the system, draft of the annual work plans, and communication with all employees for effective implementation.

FUTURE PROJECTS

AEC

Ensure stable and sustainable business growth

Expand the market and the investment

Empower the integration into ASEAN Economic Community

Thaioil Group's strategic investment plan is designed to establish sustainable business growth to become a leading integrated refining and petrochemical company in Asia Pacific, which can support the Company's integration in ASEAN Economic Community (AEC), and create opportunities for market expansion, new investment, and new business prospects among AEC country members.

The investment plan focuses on adding value to existing products, and reducing risks from tailoring new products to meet market demand. The Company also prioritizes the capacity expansion, as well as investment in efficiency and competitiveness improvement. Business development activities such as logistics services for petroleum and petrochemical products, international business expansion, and business model adjustment to cope with constant market changes exemplify Thaioil's investment plan to maximize profits for stakeholders.

Ongoing Projects

Linear Alkyl Benzene (LAB) Production by LABIX Co., Ltd.

Thai Paraxylene Co., Ltd. (TPX) and Mitsui & Co., Ltd., jointly founded LABIX Co., Ltd. (LABIX) on July 11, 2013, under a 75:25 ownership structure as Thailand's first LAB producer with a capacity of 100,000 tons per annum, using benzene and kerosene from Thairoil as the main feedstock to produce LAB, the prime raw material for detergents. The latest and environmental-friendly production technology from UOP LLC. is selected by LABIX and connected to Thairoil's processing facilities to optimize operating efficiency and increase business competitive advantage. The project investment is about USD 400 million.

When LABIX starts its production, the LAB products can cover the domestic demand of 72,000 ton per annum, and generate extra income for Thailand from LAB exports to other markets in Southeast Asia. Thairoil is fully confident that the LAB project would increase Thailand's potential to become the detergent production and export hub in Southeast Asia market.

The project is now 99% completed and scheduled for completion and commissioning in Q1/2016, in time to reap benefits from the inaugurated AEC market.

Cogeneration Power Plant Construction (New SPP)

One of Thairoil's strategies is the diversification of investment risks from the high-risk refining and petrochemical business with cyclical returns, to the low-risk power generation business with constant margins and revenue

structure. The power business also secures the electricity and steam supply to Thairoil Group. In 2011, Thairoil's two cogeneration power plant projects qualify as the power producer under the long-term power supply contract (firm contract) in the 90-MW capacity category of the Small Power Producer (SPP). The project investment is about USD 380 million.

The project is now 98% completed. Synchronization of the first project's system with that of the Provincial Electricity Authority (PEA) was tested in November 2015, with the commercial operating date set on April 1, 2016. The second project, now progressing as planned, is scheduled for commercial production on June 1, 2016.

Sriracha Logistics Development

In synergy with PTT Plc, Thairoil is developing a transport and logistics system in Sriracha, a combination of three sub-projects as followed:

1. Project to improve efficiency of jet fuel distribution:

The pipeline system is modified to increase the distribution channels of jet fuels to the lorry loading of Chonburi Terminal Co., Ltd., instead of jetty distribution. The project increases the flexibility of product distribution and reduces PTT Group's overall transportation costs. With the total investment value of around Baht 60 million, the project is now in progress and due for completion in Q1/2016

2. Project to improve efficiency of paraxylene distribution:

A new pipeline is constructed to distribute the product to large vessels (10,000 deadweight tonnage) at a wharf in PTT's Sriracha Depot. This would increase

distribution channels and sales patterns to meet more diverse demand from customers. The project, costing around Baht 426 million, is now under construction and due for completion in 2016. Thaioil already signed a contract with PTT on November 4, 2015, by which PTT is bound to provide services for paraxylene loading facilities and wharf

- 3. Project to expand the lorry loading capacity** from 10 to 15 million liters per day so as to meet the increasing market demand and to boost up the speed and flexibility of petroleum product distribution. The project investment is around Baht 1,870 billion. After the completion of the expansion, expected in Q1/2017, the lorry loading will be the largest and most efficient in the Eastern part of Thailand.

Projects under Feasibility Studies

Clean Fuel Project (CFP)

Regional economic expansion has continuously boosted demand for petrochemical and petroleum products in the transportation sector. The situation, coupled with the awareness of the responsibility for climate change and global warming problems, prompted Thaioil to study the CFP Project to turn the fuel oil into a product of higher value with lower sulfur content to reduce environmental impacts. The study covers the improvement of the production process and the change for higher-technology machinery to lower production costs and take in more diverse feedstock. The higher amount of petroleum products will enhance Thailand's energy security and at the same time boost up exports to neighboring countries in AEC with high energy demand. The project is now in the engineering design stage to assess the investment budget.

Solvent Business Expansion

Being companies in Thaioil Group, Sak Chaisidhi Co., Ltd., the country's largest solvent producer, and TOP Solvent Co., Ltd., pursue the technological development in solvents focusing on niche products and environmental-friendly products. Both companies collaborate to expand the product line to satisfy customers' diverse needs as well as to expand the business and distribution channels to overseas markets.

Specialty Products

Thaioil ponders the feasibility of turning commodity products, the Company's core products, into specialty products of higher value. Studies were made to develop both light and heavy products into chemical products, Treated Distillate Aromatics Extract (TDAE), products for the food and medical industry, and other specialty products demanded by the market.

Thaioil Marine's Fleet Expansion

Thaioil Marine Co., Ltd., is determined to become a fleet leader among PTT Group and in Asia Pacific in response to the expansion of energy, petroleum, and petrochemical market. The acquisition of more vessels was planned to support sustainable growth of PTT Group and Thaioil Group. A larger fleet poses an advantage for product shipment in PTT Group while offshore crew boats are serving customers in the oil exploration and production sector in the region. The attempt to expand the fleet aims to enhance Thailand's energy security.

Overseas Investment Growth

To become a leading integrated refining and petrochemical company in the region, Thaioil plans overseas investment in its most competent areas.

Initially, the investment will be directed to AEC member countries with the high potential of growth.

Thaioil has continuously sought energy investment opportunities in Myanmar and, together with PTT Plc, joined the bidding for Thanlyin refinery modernization in 2014. Unfortunately, no bidding winner was announced by the Myanmar government. Later, Thaioil and PTT Plc were selected to take part in a study to construct a new refinery in Myanmar under the energy cooperation between Thailand's Ministry of Energy and its counterpart in Myanmar. An agreement was signed on June 15, 2015.

Indonesia is viewed as another country with high potential of growth. Thaioil is seeking viable investment opportunities in refining, petrochemical, and related industries.

Thaioil's overseas expansion also covers Vietnam, where TOP SOLVENT (VIETNAM) LLC. was launched together with the expansion to related businesses.

Other Business Opportunities

The current intensive market competition makes it necessary and vital for Thaioil to expand the existing business and venture into new ones to enhance its strength and be prepared for changes. The Company has plans for both domestic and international expansion through business allies and mergers and acquisitions (M&A), focusing on the business that can create synergy with and add value to the existing business. Thaioil also seeks new businesses by leveraging its knowledge and skills as well as the long-term experience to become a future sustainable business leader.

HUMAN RESOURCE AND ORGANIZATION DEVELOPMENT



Higher average score in
Human Capital Development Criteria
of Dow Jones Sustainability Indices (DJSI)

From

77 → 89

to



Succeed to
foster the guild of
executive successors

Promote high-potential employees
to executives, equal to

89%

of all executive
positions

Human Resource Development

Employees are the core essence in driving business success. With systematic human resource management, Thairoil Group aims to develop employees competence throughout their service periods to drive business growth in a sustainable manner. This year, the Company's recruitment process was implemented under the "SPEED" strategy, through which as much as 85% of new recruits under the business plan were recruited. As for future leaders, Thairoil successfully created a Successor Pool for Management Position and managed to meet 89% of the requirement for executive posts.

Regarding employees' retention, the Company continuously followed the five-year HR Sustainable Development Master Plan. A proof of the attempt is the formulation of its human rights policy, in which respect for others' rights is observed among employees and other stakeholders without discrimination, in line with the Universal Declaration of Human Rights. The master plan also involves management of Specialist Track to develop and retain high-potential employees in the Company's core business, which is a way to add sustainable value to the refining and petrochemical businesses. As a result, Thairoil's DJSI average score in the Human Capital Development criteria for 2015 climbed from 77 to 89 points.

Moreover, the Company formulated its HR Strategy Roadmap for short-, medium-, and long-term implementation. The roadmap primarily aims to develop capable and ethical employees who are loyal, while bringing the Company

to a High-Performance and Healthy Organization. To this end, preparations are needed in three dimensions:

1. People Readiness

1.1 To command the sufficient number of employees to support business expansion, the Company searched for new recruits through various channels, in view of the competitive market. It laid down a **4B** strategy, which represents **Build**: to recruit and develop fresh graduates; **Buy**: to acquire high-potential candidates from the market; **Borrow**: to arrange for secondment between companies; and **Bring-in**: to arrange for some fixed-term contracts. The strategy was found to be an efficient tool to attract candidates in each category. The recruitment branding and marketing technique was also applied to complement the 4B strategy.

1.2 Regarding employee development to meet impending challenges and business growth, the Company has planned to improve the Thairoil Group Development Blueprint by drawing up a development master plan for each position. The task is to systematically and continuously develop and strengthen employees' competence.

2. HR System Reliability

The Company is still going ahead with the development of its HR management systems to ensure modernity and agreement with the situation as well as the changing needs. Development includes the design of flexible employees' benefits to attract and retain employees, and the offering of one-stop-service to facilitate employees.

3. HR Cost Efficiency

To ensure HR management efficiency, the Company constructed a tangible method for assessment of HR development projects. It based its performance-scoring on impacts on the business and return on investment by looking into investment values of projects, responses to business strategy and direction, determination for operational excellence, and impacts on the majority of the employees. Moreover, this year, the Company developed its own human capital index as a standard tool for assessing employees' preparedness against appropriate investment. The human capital index will be one of the standards that lead to better HR cost efficiency.

Organization Development

With clear business directions which stimulated good progress, Thaioil Group is set to leapfrog with strength and sustainability. This year, the Company made itself ready in organization development with a focus on efficiency and effectiveness to support its strategies and business directions.

1. Achieving Effective Organization Design

To support growth, the Company devised its own approach for organization and staffing design under its business strategy. It also reviewed and improved scopes of work to encourage work flow and cooperation among employee, which produced exceptional results in manpower optimization.

2. Drive Value Creation

Knowledge Management (KM) is what the Company focused on to become a learning organization to give

support for its subsidiaries to achieve sustainable growth, raise employee competence, and make Thaioil Group a High-Performance Organization (HPO). To this end, it follows COSSAI Model – Thaioil's own knowledge management method made up of two vital parts: 1) establishment of a KM system, and 2) knowledge-sharing for application. The Company tried to promote the learning and knowledge-sharing culture in the organization with various tools, including Knowledge-Sharing Activity, Community of Practice, and KM Portal (Knowledge Base). As for KM Portal, in particular, it assigned the KM working team to continuously develop a knowledge-base activity in Thaioil Group and raise efficiency in organizing knowledge, while increasing access to knowledge within Thaioil Group.

3. Business Process Efficiency

The Company reviewed and improved its business processes with an emphasis on raising efficiency and transparency with strict adherence to corporate governance principles. It defined the framework and method for monitoring operations and required all employees to comply with rules and regulations as well as relevant laws. Under this approach, high-level executives and Board members can rest assured that the Company will conduct its business with transparency, honesty, and accountability according to the Compliance Framework & Process. The Company, moreover, improved the process of electronic transactions to facilitate employees and customers, both inside and outside the office, and ensure speed of work.

4. Culture Driven by Leaders

The Company still encourages the Culture Driven by Leaders, in which leaders are bound to gain employee's confidence through Inspire, Trust, and Care. It allows leaders to design their own methods for generate such culture among their team members. Then, it will follow up the outcomes of the attempt by holding an experience-sharing session, a supportive factor for an efficient work culture.

BOARD OF DIRECTORS

MR. KURUJIT NAKORNTHAP

Director (Non-Executive)
and Chairman of the Board
Age 60 Yrs.



Director Term Duration

- >> Director (Non-Executive) (Appointed on September 12, 2014 : 1 year 3 months)
- >> Chairman of the Board (Elected on September 26, 2014 : 1 year 3 months)

Board-Committee Term Duration

- None -

Education

- >> Bachelor of Science (Special Distinction) in Petroleum Engineering, University of Oklahoma, U.S.A.
- >> Master of Science in Petroleum Engineering, University of Oklahoma, U.S.A
- >> Ph.D. in Petroleum Engineering, University of Oklahoma, U.S.A

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Accreditation Program (DAP 64/2007)
- >> Audit Committee Program (ACP 32/2010)
- >> Role of Compensation Committee (RCC 12/2011)
- >> R-CF-Chairman Forum (R-CF 2/2013)
- >> Collective Action Against Corruption Conference (C-Conference 1/2014)

Other Trainings

- >> National Defence Course Class 51, National Defence College
- >> Top Executive Program in Commerce and Trade (TEPCoT) Class 3, Commerce Academy, University of the Thai Chamber of Commerce
- >> The 2nd Training Course on Administrative Justice for Executives, Office of the Administrative Courts of Thailand
- >> Training Course for Executives Class 13, Capital Market Academy
- >> Energy Literacy for the World Class 1, Thailand Energy Academy
- >> Bhumipalung Phandin Course for Executives Class 2, Chulalongkorn University
- >> Civil Service Executive Program: Visionary and Moral Leadership, Class 46, Office of the Civil Service Commission
- >> Senior Executive Program (SEP) Class 60, London Business School, United Kingdom
- >> Training Course on Leadership for Change, Right Livelihood Foundation, Matchon Publishing Group
- >> Systematic Problem Solving and Decision Making (SPSDM), Office of the Civil Service Commission in cooperation with ACI Consultants Co., Ltd.

Working Experience in the 5 Preceding Years

2007 – 2014	Director, Esso (Thailand) Plc
2008 – 2010	Director-General, Department of Mineral Fuels, Ministry of Energy
2010 – Jul 2014	Deputy Permanent Secretary, Ministry of Energy
2011 – 2014	Director, Electricity Generating Authority of Thailand
Jul – Sep 2014	Director-General, Department of Mineral Fuels, Ministry of Energy
Oct 2014 – Jun 2015	Deputy Permanent Secretary, Ministry of Energy
Jun 2015 – Sep 2015	Permanent Secretary, Ministry of Energy
Oct 2015 – Present	Member of National Reform Steering Assembly
Nov 2015 – Present	Chairman of Energy Affairs Committee, National Reform Steering Assembly

Other Positions

1. Listed Company	- None -
2. Public Company	- None -
3. Limited Company	- None -
4. Other Organizations / Institutions (2)	
>> Member of the Council of State	
>> Co-Chairman (Thailand), Malaysia-Thailand Joint Authority	
5. State Enterprise	- None -
% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

MR. CHULASINGH VASANTASINGH

Independent Director (Non-Executive)
and Chairman of the Audit Committee
Age 65 Yrs.



Director Term Duration

- >> Independent Director (Non-Executive)
(Appointed on November 29, 2013 : 1 year 4 months)
- >> Independent Director (Non-Executive)
(Re-elected on April 3, 2015 : 8 months)

Board-Committee Term Duration

- >> Member of the Audit Committee
(Appointed on November 29, 2013 : 1 year 4 months and completed the term on April 2, 2015)
- >> Chairman of the Audit Committee (Elected on May 8, 2014 : 11 months and completed the term on April 2, 2015)
- >> Member of the Audit Committee (Re-elected on April 3, 2015 and appointed on April 24, 2015 : 8 months)
- >> Chairman of the Audit Committee (Elected on May 11, 2015 : 7 months)

Education

- >> Bachelor of Laws (Honors), Chulalongkorn University
- >> Barrister at Law, the Institution of Legal Education
- >> Master of Comparative Law, University of Illinois, U.S.A.
- >> Honorary Doctorate Degree in Laws, Ramkhamhaeng University
- >> Honorary Doctorate Degree in Laws, Chulalongkorn University
- >> Honorary Doctorate Degree in Laws, Yonok University
- >> Certificate, Harvard Business School, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 35/2003)
- >> Finance for Non-Finance Director (FND 7/2003)
- >> Understanding the Fundamental of Financial Statements (UFS 1/2006)
- >> Audit Committee Program (ACP 17/2007)
- >> DCP Refresher Course (DCP Re 1/2008)
- >> Financial Institutions Governance Program (FGP 4/2012)

Other Trainings

- >> National Defence Course Class 388, National Defence College
- >> Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 8, King Prajadhipok's Institute
- >> Training Course for Executives Class 5, Capital Market Academy
- >> Energy Literacy for the World Class 1, Thailand Energy Academy
- >> Top Executive Program in Commerce and Trade (TEPCoT) Class 5, Commerce Academy, University of the Thai Chamber of Commerce
- >> Bhumpalung Phandin Course for Executives Class 1, Chulalongkorn University
- >> Audit Committee Seminar-Get Ready for the Year End

Working Experience in the 5 Preceding Years

2005 – 2009	Deputy Attorney General, Office of the Attorney General
2009 – 2013	Attorney General, Office of the Attorney General
2010 – 2013	Independent Director and Chairman of the Audit Committee, PTT Plc
	Independent Director and Chairman of the Audit Committee, Thai Airways International Plc
2010 – 2014	Independent Director and Chairman of the Audit Committee, Krungthai Bank Plc
2011 – May 2015	President, Chulalongkorn University Alumni Association

Other Positions

1. Listed Company (4)

- >> Independent Director, Chairman of the Nomination and Remuneration Committee, and Member of the Audit Committee, Global Power Synergy Plc
- >> Independent Director, Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee, Quality House Plc
- >> Independent Director, TPI Polene Plc
- >> Independent Director and Chairman of the Board, AQUA Corporation Plc

2. Public Company (1)

- >> Director and Chairman of the Audit Committee, Tanachart Insurance Plc

3. Limited Company

- None -

4. Other Organizations / Institutions (3)

- >> Adjunct Professor, Chulalongkorn University
- >> Member of the Council of State
- >> Director, Property Management Office, Chulalongkorn University

5. State Enterprise

- None -

% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

MS. CHULARAT SUTEETHORN

Independent Director (Non-Executive)
and Member of the Audit Committee
Age 61 Yrs.

**Director Term Duration**

- >> Independent Director (Non-Executive)
(Appointed on September 20 2013 : 1 year 7 months)
- >> Independent Director (Non-Executive)
(Re-elected on April 3, 2015 : 8 months)

Board-Committee Term Duration

- >> Member of the Audit Committee
(Appointed on September 20, 2013 : 1 year 7 months and completed the term on April 2, 2015)
- >> Member of the Audit Committee (Re-elected on April 3, 2015 and appointed on April 24, 2015 : 8 months)

Education

- >> Bachelor of Economics (Banking and Finance) (2nd Class Honors), Kasetsart University
- >> Master of International Development Studies (Economic Policy and Planning), Institute of Social Studies, Netherlands

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Accreditation Program (DAP 40/2005)
- >> Director Certification Program (DCP 72/2006)
- >> Finance for Non-Finance Director (FND 28/2006)
- >> Finance Statement for Director (FSD 10/2010)
- >> Audit Committee Program (ACP 39/2012)
- >> The Role of Chairman Program (RCP 28/2012)
- >> Financial Institutions Governance Program (FGP 4/2012)
- >> Role of the Nomination and Governance Committee (RNG 3/2012)
- >> Anti-Corruption for Executive Program (ACEP 10/2014)
- >> Director Certification Program Update (DCPU 4/2015)
- >> Role of the Compensation Committee (RCC 20/2015)

Other Trainings

- >> Civil Service Executive Program: Visionary and Moral Leadership, Class 41, Office of the Civil Service Commission
- >> Strategic Thinking and Executive Action, Kellogg Executive Program, Northwestern University, U.S.A.
- >> The Joint State-Private Sector Course Class 19, National Defence College
- >> Advanced Security Management Program Class 1, National Defence College
- >> Training Course for Executives Class 12, Capital Market Academy
- >> Top Executive Program in Commerce and Trade (TEPCoT) Class 5, Commerce Academy, University of the Thai Chamber of Commerce
- >> Energy Literacy for the World Class 3, Thailand Energy Academy
- >> Thammasat Leadership Program Class 4, Thammasat University
- >> Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 18, King Prajadhipok's Institute
- >> Audit Committee Seminar-Get Ready for the Year End

Working Experience in the 5 Preceding Years

2009 – 2011	Fiscal Policy Advisor, Fiscal Policy Office, Ministry of Finance
2010 – 2014	Director, Deposit Protection Agency
2011 – 2012	Inspector General, Ministry of Finance
2011 - 2014	Executive Director, Thailand Tobacco Monopoly
2012 – 2014	Director-General, Public Debt Management Office, Ministry of Finance Director, the Government Saving Bank
Jul 2014 - Oct 2014	Director, MCOT Plc
2014 - 2015	Vice Minister for Finance, Ministry of Finance

Other Positions

1. Listed Company	- None -
2. Public Company	- None -
3. Limited Company	- None -
4. Other Organizations / Institutions	- None -
5. State Enterprise	- None -
% of Shareholding in Thairoil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

MR. SIRI JIRAPONGPHAN

Independent Director (Non-Executive)
and Member of the Audit Committee
Age 61 Yrs.



GEN. JIRAJEJ MOKKHAMMIT

Independent Director (Non-Executive)
and Chairman of the Nomination
and Remuneration Committee
Age 61 Yrs.



Director Term Duration

>> Independent Director (Non-Executive)
(Appointed on October 30, 2015 and effective from November 1, 2015 : 2 months)

Board-Committee Term Duration

>> Member of the Audit Committee
(Appointed on October 30, 2015 and effective from November 1, 2015 : 2 months)

Education

- >> Bachelor of Engineering (Chemical Engineering) (Honor)
California Institute of Technology, U.S.A.
- >> Doctor of Philosophy (Chemical Engineering)
Massachusetts Institute of Technology, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 77/2006)
- >> Director Luncheon Briefing (M-DLB 2/2008)

Other Trainings

- >> Audit Committee Seminar-Get Ready for the Year End

Working Experience in the 5 Preceding Years

2010 – Present Executive Director, Petroleum Institute of Thailand

Other Positions

1. Listed Company - None -
 2. Public Company - None -
 3. Limited Company - None -
 4. Other Organizations / Institutions (1)
 - >> Director and Secretary, Petroleum Institute of Thailand Foundation
 5. State Enterprise - None -
- % of Shareholding in Thaioil - None -
Conflict of Interest - None -
Family Relation with Other Directors - None -
Dispute in the 10 Preceding Years - None -

Director Term Duration

- >> Independent Director (Non-Executive)
(Appointed on November 21, 2011 : 1 year 5 months)
- >> Independent Director (Non-Executive)
(Re-elected on April 2, 2013 : 2 years 8 months)

Board-Committee Term Duration

- >> Member of the Nomination and Remuneration Committee
(Appointed on February 10, 2012 : 1 year 2 months,
completed the term on April 1, 2013)
- >> Member of the Nomination and Remuneration Committee
(Re-elected on April 2, 2013, appointed on April 26, 2013 : 2 years 8 months)
- >> Chairman of the Nomination and Remuneration Committee
(Elected on April 10, 2014 : 1 year 8 months)

Education

- >> Bachelor of Science Class 24, Chulachomkiao Royal Military Academy
- >> National Defence College

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Accreditation Program (DAP 16/2004)

Other Trainings

- >> Infantry Officer Advance Course, Australia
- >> Infantry Officer Advance Course, Fort Benning, U.S.A.
- >> Mandatory Course Class 65, Command and General Staff College
- >> Energy Literacy for the World Class 3, Thailand Energy Academy

Working Experience in the 5 Preceding Years

2008 – 2009 Deputy Commander, 1st Army Area, Royal Thai Army
2009 – 2010 Commander, 1st Army Corps, Royal Thai Army
2010 – 2012 Deputy Chief of Staff, Royal Thai Army
2012 – 2013 Assistant Commander in Chief, Royal Thai Army
2013 – 2014 Chairman of the Advisory Board, Royal Thai Army
2014 – Present Member of the National Legislative Assembly

Other Positions

1. Listed Company - None -
 2. Public Company - None -
 3. Limited Company - None -
 4. Other Organizations / Institutions (1)
 - >> Member of the National Legislative Assembly
 5. State Enterprise - None -
- % of Shareholding in Thaioil - None -
Conflict of Interest - None -
Family Relation with Other Directors - None -
Dispute in the 10 Preceding Years - None -

MR. THAWORN PHANICHAPHAN

Independent Director (Non-Executive)
Member of the Nomination
and Remuneration Committee
and Member of the
Corporate Governance Committee
Age 65 Yrs.

**ADJUNCT PROFESSOR**

DR. THOSAPORN SIRISUMPHAND
Independent Director (Non-Executive)
Chairman of the
Corporate Governance Committee
and Member of the Nomination
and Remuneration Committee
Age 55 Yrs.

**Director Term Duration**

- >> Independent Director (Non-Executive)
(Appointed on November 29, 2013 : 5 months)
- >> Independent Director (Non-Executive)
(Re-elected on April 2, 2014 : 1 year 8 months)

Board-Committee Term Duration

- >> Member of the Corporate Governance Committee
(Appointed on November 29 2013 : 5 months, and completed the term on April 1, 2014)
- >> Member of the Nomination and Remuneration Committee
(Re-elected on April 2, 2014 and appointed on April 25, 2014 : 1 year 8 months)
- >> Member of the Corporate Governance Committee
(Appointed on May 29, 2015 : 7 months)

Education

- >> Bachelor of Laws (Honors), Chulalongkorn University
- >> Barrister at Law, The Institution of Legal Education
- >> Master of Laws, Chulalongkorn University

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Understanding the Fundamental of Financial Statements (UFS 8/2007)
- >> Director Certification Program (DCP 108/2008)
- >> Director Accreditation Program (DAP 73/2008)
- >> Audit Committee Program (ACP 22/2008)

Other Trainings

- >> National Defence Course Class 13, National Defence College
- >> Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 14, King Prajadhipok's Institute

Working Experience in the 5 Preceding Years

2007 – 2013	Deputy Attorney General, Office of the Attorney General
2010 – Feb 2015	Director, Financial Institutions Development Fund
2010 – Oct 2015	Director (Legal), Deposit Protection Agency
2011 – Mar 2015	Qualified expert in Legal, Anti-Money Laundering Board
Present	Senior Public Prosecutor, State Attorney Commission

Other Positions

1. Listed Company - None -
 2. Public Company - None -
 3. Limited Company - None -
 4. Other Organizations / Institutions (3)
 - >> Chairman of Legal Counsel Committee, Office of the Narcotics Control Board
 - >> Chairman of Legal Counsel Committee, Anti-Money Laundering Board
 - >> Senior Public Prosecutor, State Attorney Commission
 5. State Enterprise - None -
- % of Shareholding in Thaioil - None -
- Conflict of Interest - None -
- Family Relation with Other Directors - None -
- Dispute in the 10 Preceding Years - None -

Director Term Duration

- >> Independent Director (Non-Executive)
(Appointed on May 25, 2012 : 2 years 11 months)
- >> Independent Director (Non-Executive)
(Re-elected on April 3, 2015 : 8 months)

Board-Committee Term Duration

- >> Member of the Corporate Governance Committee
(Appointed on June 22, 2012 : 2 years 10 months and completed the term on April 2, 2015)
- >> Chairman of the Corporate Governance Committee
(Appointed on August 31, 2013 : 1 year 8 months and completed the term on April 2, 2015)
- >> Member of the Nomination and Remuneration Committee
(Appointed on September 26, 2014 : 7 months and completed the term on April 2, 2015)
- >> Member of the Nomination and Remuneration Committee
(Re-elected on April 3, 2015 and appointed on April 24, 2015 : 8 months)
- >> Member of the Corporate Governance Committee
(Re-elected on April 3, 2015 and appointed on April 24, 2015 : 8 months)
- >> Chairman of the Corporate Governance Committee
(Elected on July 22, 2015 : 5 months)

Education

- >> Bachelor of Public Administration (Honors), Chulalongkorn University
- >> Master of Public Administration, Pi Alpha Alpha
(National Honor Society for Public Affairs and Administration),
Northern Illinois University, U.S.A.
- >> Ph.D. in Policy Analysis, Public Administration, and Comparative Politics,
Northern Illinois University, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 80/2006)
- >> Finance for Non-Finance Director (FND 30/2006)
- >> Director Certification Program Update (DCPU 4/2015)

Other Trainings

- >> Training Course for Executives Class 10, Capital Market Academy
- >> Training Course on Advanced Justice Process for Executives Class 15,
Judicial Training Institute
- >> Energy Literacy for the World Class 4, Thailand Energy Academy
- >> Corporate Governance : Effectiveness and Accountability in the Boardroom 2014,
Kellogg School of Management, Northwestern University, U.S.A.

MR. YONGYUT JANTARAROTAI

Director (Non-Executive)
and Member of the
Corporate Governance Committee
Age 56 Yrs.



Working Experience in the 5 Preceding Years

2002 – 2013	Secretary, Office of the Public Sector Development Commission
2012 – 2013	Independent Director, Siam Commercial Bank Plc
2013 – 2014	Independent Director and Chairman of the Corporate Governance Committee, PTT Plc Independent Director and Chairman of the Good Corporate Governance and Corporate Social Responsibility Committee, CAT Telecom Plc Secretary, Office of the Higher Education Commission
2014 – 2015	Advisor, Prime Minister's Office

Other Positions

1. Listed Company	- None -
2. Public Company	- None -
3. Limited Company	- None -
4. Other Organizations / Institutions (4)	
>> Chairman of the Independent Committee of Follow-up and Assessment, Political Development Council, King Prajadhipok's Institute	
>> Member of the Follow-up and Assessment Committee, King Prajadhipok's Institute	
>> Advisor to Executive Board, Thailand Institute of Justice (Public Organization)	
>> Managing Director, Thailand Management Association	
5. State Enterprise	- None -
% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

Director Term Duration

>> Director (Non-Executive) (Appointed on April 2, 2014 : 1 year 8 months)

Board-Committee Term Duration

>> Member of the Corporate Governance Committee
(Appointed on April 25, 2014 : 1 year 8 months)

Education

>> Bachelor of Engineering (Civil Engineering), Kasetsart University

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Corporate Governance for Executives Program (CGE 5/2015)

Other Trainings

>> Civil Service Executive Program Class 59, Office of the Civil Service Commission
>> National Defence Course Class 52, National Defence College
>> Training Course on Government Fiscal Management for Executives Class 1,
Comptroller General's Department
>> The 6th Training Course on Administrative Justice for Executives,
Office of the Administrative Courts of Thailand

Working Experience in the 5 Preceding Years

Jul 13, 2011	Director, Bureau of Energy Studies
Jan 1, 2012	Expert on Energy Strategy, Central Administration
Jan 16, 2012	Director, Bureau of Public Participation Cooperation
Mar 18 – Oct 31, 2013	Director, Office of the Minister, Ministry of Energy
Nov 1, 2013 – Nov 16, 2014	Assistant for Permanent Secretary, Ministry of Energy
Nov 17, 2014 – Sep 30, 2015	Deputy Director General of the Department of Alternative Energy Development and Efficiency, Ministry of Energy
Oct 1, 2015 – Present	Inspector, Ministry of Energy

Other Positions

1. Listed Company	- None -
2. Public Company	- None -
3. Limited Company	- None -
4. Other Organizations / Institutions	- None -
5. State Enterprise	- None -
% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

MRS. SRIWAN EAMRUNGROJ

Director (Non-Executive)
Age 58 Yrs.

**MR. TANASAK WAHAWISAN**

Independent Director (Non-Executive)
Age 57 Yrs.

**Director Term Duration**

>> Director (Non-Executive) (Appointed on September 25, 2015 and effective from October 1, 2015 : 3 months)

Board-Committee Term Duration

- None -

Education

>> Bachelor of Engineering (Mechanical Engineering) (2nd Class Honors), Chulalongkorn University
>> Master of Business Administration, Thammasat University

Director Training Courses of Thai Institute of Directors Association (IOD)

>> The Board's Role in Mergers and Acquisitions (M&A 1/2011)
>> Director Certification Program (DCP 160/2012)
>> Special Seminar (R-SS 5/2008)

Other Trainings

>> The Strategy Challenge (TSC) Program, Class 2010, IMD Business School, Switzerland
>> INSEAD Business School, Class 2010, INSEAD Executive Education, France
>> Advance Management Program (AMP), Class 183/2012, Harvard Business School, U.S.A.
>> The Strategic Marketing Management Program, Class 2014, Stanford Graduate School of Business, U.S.A.

Working Experience in the 5 Preceding Years

2009 – 2011	Executive Vice President, Strategy & Portfolio Management, PTT Plc
2011 – 2015	Executive Vice President, Petrochemicals and Refining Business Unit, PTT Plc Secondment to PTT Global Chemical Plc as Executive Vice President, Marketing Commercial and Supply
Present	Senior Executive Vice President, Corporate Strategy, PTT Plc

Other Positions**1. Listed Company (1)**

>> Senior Executive Vice President, Corporate Strategy, PTT Plc

2. Public Company

- None -

3. Limited Company (2)

>> Director, PTT Asahi Chemical Co., Ltd.
>> Director, PTT MCC Biochem Co., Ltd.

4. Other Organizations / Institutions

- None -

5. State Enterprise

- None -

% of Shareholding in Thaioil

- None -

Conflict of Interest

- None -

Family Relation with Other Directors

- None -

Dispute in the 10 Preceding Years

- None -

Director Term Duration

>> Independent Director (Non-Executive) (Appointed on May 29, 2015 : 7 months)

Board-Committee Term Duration

- None -

Education

>> Bachelor of Arts (Political Science), Chulalongkorn University
>> Master of Arts, the Ohio State University, U.S.A.
>> Master of Arts, University of Denver, U.S.A.
>> Doctor of Philosophy, University of Denver, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Certification Program (DCP 85/2007)
>> Director Accreditation Program (DAP 61/2007)
>> Corporate Governance for Capital Marketing Intermediaries (CGI 5/2015)

Other Trainings

- None -

Working Experience in the 5 Preceding Years

2007 – 2010	Managing Director, Pacific Assets Plc
2001 – Present	Executive Advisor, Apollo (Thailand) Co., Ltd.

Other Positions**1. Listed Company (1)**

>> Independent Director, Member of the Audit Committee, and Member of the Risk Management Committee, Seamico Securities Plc

2. Public Company (1)

>> Independent Director and Member of the Audit Committee, Advance Finance Plc

3. Limited Company (2)

>> Director, Apollo (Thailand) Co., Ltd.
>> Director, PHM International Co., Ltd.

4. Other Organizations / Institutions (1)

>> Lecturer, Institute of Diplomacy and International Studies, Rangsit University

5. State Enterprise

- None -

% of Shareholding in Thaioil

- None -

Conflict of Interest

- None -

Family Relation with Other Directors

- None -

Dispute in the 10 Preceding Years

- None -

MR. NUTTACHAT CHARUCHINDA

Director (Non-Executive)
Chairman of the
Risk Management Committee
and Member of the Nomination
and Remuneration Committee
Age 60 Yrs.



Director Term Duration

- >> Director (Non-Executive) (Appointed on May 25, 2012 : 11 months)
- >> Director (Non-Executive) (Re-elected on April 2, 2013 : 2 years 8 months)

Board-Committee Term Duration

- >> Member of the Risk Management Committee
(Appointed on June 22, 2013 : 10 months and completed the term on April 1, 2014)
- >> Member of the Risk Management Committee
(Re-elected on April 2, 2013, appointed on April 26, 2013 and resigned on September 26, 2014 : 1 year 5 months)
- >> Member of the Nomination and Remuneration Committee
(Appointed on January 24, 2014 : 2 years)
- >> Member of the Risk Management Committee
(Appointed on September 25, 2015 : 3 months)
- >> Chairman of the Risk Management Committee
(Elected on October 12, 2015 : 2 months)

Education

- >> Bachelor of Engineering, Chiangmai University
- >> Master of Business Administration, Thammasat University

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 129/2010)

Other Trainings

- >> Program for Global Leadership (PGL), Harvard Business School, U.S.A.
- >> Oxford Energy Seminar, UK
- >> Break through Program for Senior Executives (BPSE),
International Leading Business School (IMD), Lausanne, Switzerland
- >> The Joint State-Private Sector Course Class 20, National Defence College
- >> Training Course for Executives Class 15, Capital Market Academy
- >> Energy Literacy for the World Class 3, Thailand Energy Academy

Working Experience in the 5 Preceding Years

2005 – 2009	Executive Vice President, Natural Gas Vehicle, PTT Plc
2009 – 2010	Executive Vice President, International Trading Business Unit, PTT Plc
2010 – 2011	Senior Executive Vice President, Corporate Strategy, PTT Plc
2011 – 2013	Chief Operating Officer, Downstream Petroleum Business Group, PTT Plc
2013 – Sep 2015	Chief Operating Officer, Upstream Petroleum & Gas Business Group, PTT Plc

Other Positions

- 1. Listed Company (1)**
 - >> Advisor to PTT Plc
 - 2. Public Company** - None -
 - 3. Limited Company (2)**
 - >> Director and Chairman of the Board of Directors,
PTT Energy Resources Co., Ltd.
 - >> Advisor to National Power Supply Co., Ltd.
 - 4. Other Organizations / Institutions** - None -
 - 5. State Enterprise** - None -
- % of Shareholding in Thaioil - None -
Conflict of Interest - None -
Family Relation with Other Directors - None -
Dispute in the 10 Preceding Years - None -

MR. THAMMAYOT SRICHUAI

Director (Non-Executive)
and Member of the
Risk Management Committee
Age 57 Yrs.

**MR. NOPPADOL PINSUPA**

Director (Non-Executive)
and Member of the
Risk Management Committee
Age 51 Yrs.

**Director Term Duration**

>> Director (Non-Executive) (Appointed on April 3, 2015 : 8 months)

Board-Committee Term Duration

>> Member of the Risk Management Committee
(Appointed on September 25, 2015 : 3 months)

Education

>> Bachelor of Engineering (Electrical Power Engineering),
Rajamangala University of Technology

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Corporate Governance for Executives Program (CGE 5/2015)

Other Trainings

>> Advanced Training Course on Energy for Executives Class 1, Ministry of Energy
>> Joint Staff Program Class 47, National Defence Studies Institute,
Supreme Command Headquarter (Royal Thai Armed Force Headquarter)
>> Civil Service Executive Program: Visionary and Moral Leadership, Class 56,
Office of the Civil Service Commission
>> National Defence Course Class 52, National Defence College

Working Experience in the 5 Preceding Years

2007 - 2014	Deputy Director General of the Department of Alternative Energy Development and Efficiency, Ministry of Energy
Oct 1, 2014 – Present	Director General of the Department of Alternative Energy Development and Efficiency, Ministry of Energy

Other Positions

1. Listed Company	- None -
2. Public Company	- None -
3. Limited Company	- None -
4. Other Organizations / Institutions	- None -
5. State Enterprise	- None -
% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

Director Term Duration

>> Director (Non-Executive) (Appointed on September 25, 2015 and effective from
October 1, 2015 : 2 months)

Board-Committee Term Duration

>> Member of the Risk Management Committee
(Appointed on September 25, 2015 and effective from October 1, 2015 : 2 months)

Education

>> Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
>> Master of Engineering (Electrical Engineering), Chulalongkorn University

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Certification Program (DCP 146/2011)
>> Financial Statement for Director (FSD 12/2011)

Other Trainings

>> G-20 Y Summit 2015, France
>> Mitsui-HBS Global Management Academy 2015, Japan and U.S.A.
>> Training Course on Advanced Justice Process for Executives Class 19,
Judicial Training Institute
>> PTT Leadership Development Program III,
PTT Leadership and Learning Institute (PLLI)
>> Breakthrough Program for Senior Executives,
International Leading Business School (IMD), Lausanne, Switzerland
>> Assessor Training Program, Office of Thailand Quality Award
>> Financial Statements for Directors by PTT Plc.

Working Experience in the 5 Preceding Years

2007 – 2009	Vice President - Natural Gas Distribution Pipeline System, PTT Plc
2010 – 2012	Executive Vice President - Natural Gas Distribution Pipeline System, PTT Plc
2012 – 2014	Executive Vice President - Natural Gas Vehicle, PTT Plc
2015	Senior Executive Vice President, Global Power Synergy Plc
Oct 2014 – Sep 2015	President, Global Power Synergy Plc
Oct 2015 – Present	Executive Vice President and (Acting) Senior Executive Vice President - Gas Business Unit, PTT Plc

Other Positions

1. Listed Company (1)	>> Senior Executive Vice President - Gas Business Unit, PTT Plc	
2. Public Company		- None -
3. Limited Company (3)	>> Director and Chairman of the Board, Amata Natural Gas Distribution Co., Ltd. >> Director and Chairman of the Board, PTT Natural Gas Distribution Co., Ltd. >> Director, Ratchaburi Power Co., Ltd.	
4. Other Organizations / Institutions		- None -
5. State Enterprise		- None -
% of Shareholding in Thaioil		- None -
Conflict of Interest		- None -
Family Relation with Other Directors		- None -
Dispute in the 10 Preceding Years		- None -

MR. ATIKOM TERBSIRI

Director (Executive),
Member of the
Risk Management Committee,
Chief Executive Officer
and President,
and the Secretary to the
Board of Directors
Age 53 Yrs.



Director Term Duration

- >> Director (Non-Executive) (Appointed on September 12, 2014 : 1 month)
- >> Director (Executive) (Appointed on September 26, 2014 and effective from October 1, 2014 : 6 months, completed the term on April 2, 2015)
- >> Director (Executive) (Re-elected on April 3, 2015 : 8 months)

Board-Committee Term Duration

- >> Member of the Risk Management Committee (Appointed on October 1, 2014 : 6 months and completed the term on April 2, 2015)
- >> Member of the Risk Management Committee (Appointed on April 3, 2015 : 8 months)

Education

- >> Bachelor of Business Administration, Assumption University
- >> Master of Business Administration (Finance & International Business), High Distinction, Armstrong University, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 125/2009)

Other Trainings

- >> Energy Literacy for the World Class 6, Thailand Energy Academy
- >> The State, Private Sector and Political Sectors Course Class 5, National Defence College
- >> Advanced Security Management Program Class 1, National Defence College
- >> Training Course for Executives Class 17, Capital Market Academy
- >> Executive Education Program, Harvard Business School, Harvard University, U.S.A.

Working Experience in the 5 Preceding Years

2009 – 2011	Senior Executive Vice President, IRPC Plc
2011 – 2013	President, IRPC Plc
2013 – Sep 2014	Senior Executive Vice President - Petrochemicals & Refining Business Unit, PTT Plc
Oct 2014 – Present	Chief Executive Officer and President, Thai Oil Plc

Other Positions

1. Listed Company (2)

- >> Senior Executive Vice President - Downstream Petroleum Business Group, PTT Plc
- >> Director and Member of the Risk Management Committee, Global Power Synergy Plc

2. Public Company (1)

- >> Director and Chairman of the Board, Thai Lube Base Plc

3. Limited Company (7)

- >> Director and Chairman of the Board, Thai Paraxylene Co., Ltd.
- >> Director and Chairman of the Board, LABIX Co., Ltd.
- >> Director and Chairman of the Board, Thaioil Power Co., Ltd.
- >> Director and Chairman of the Board, TOP SPP Co., Ltd.
- >> Director and Chairman of the Board, Thaioil Solvent Co., Ltd.
- >> Director and Chairman of the Board, TOP Solvent Co., Ltd.
- >> Director and Chairman of the Board, Thaioil Marine Co., Ltd.

4. Other Organizations / Institutions (10)

- >> Board of Committee, Foundation for Industrial Development, Plastics Institute of Thailand
- >> Honorable Director of Board of Committee, Center of Excellence on Petrochemical and Materials Technology, S&T Postgraduate Education and Research Development Office, Chulalongkorn University
- >> Member of Trustee (as Company representative), Petroleum Institute of Thailand
- >> Director, Policy Planning on Materials Technology Development, National Science Technology and Innovation Policy Office
- >> Director, Thai Industries Estate Foundation
- >> Director, Rayong Institute of Science and Technology
- >> Director, Rayong Science Academy Foundation
- >> Member of Expert Council, Vidyasirimedhi Institute of Science and Technology
- >> Executive Director, Thailand Energy Academy
- >> Executive Director, Thailand Swimming Association

5. State Enterprise

- None -

% of Shareholding in Thaioil

- None -

Conflict of Interest

- None -

Family Relation with Other Directors

- None -

Dispute in the 10 Preceding Years

- None -

MR. TWARATH SUTABUTR

Director (Non-Executive)
and Member of the
Risk Management Committee
Age 45 Yrs.

**Director Term Duration**

>> Director (Non-Executive) (Appointed on September 12, 2014 : 4 months)

Board-Committee Term Duration

>> Member of the Risk Management Committee
(Appointed on September 26, 2014 : 4 months)

Resigned from Directorship February 1, 2015

Education

>> Bachelor of Engineering (Civil Engineering), Chulalongkorn University
>> Master of Engineering (Soil Mechanics), Asian Institute of Technology
>> Ph. D. in Engineering (Civil & Environmental Engineering),
Massachusetts Institute of Technology, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Certification Program (DCP 115/2009)
>> Financial Statements for Directors (FSD 4/2009)

Other Trainings

>> Advance Management Program (AMP), INSEAD, France
(Scholarship for Executives, Office of the Civil Commission)
>> Top Executive Program in Commerce and Trade (TEPCoT) Class 6,
Commerce Academy, University of the Thai Chamber of Commerce
>> TLCA Executive Development Program (EDP) Class 9, Capital Market Academy
>> Civil Service Executive Program Class 61, Office of the Civil Service Commission
>> Advanced Training Course on Energy for Executives Class 2, Ministry of Energy
>> New Wave Leader Class 3, Office of the Civil Commission
>> Infrastructure in a Market Economics, Harvard University, Cambridge, U.S.A.
(Scholarship for Executives, Office of the Civil Commission)
>> e-Government Executives Program (e-GEP) Class 5,
Electronic Government Agency (Public Organization)

Working Experience in the 5 Preceding Years

2006 – 2009	Director, Bureau of Policy and Strategy, Ministry of Energy
2007 – 2009	Spokesperson, Ministry of Energy
	Director, Division of Communication and Public Consent, Office of Nuclear Power Plant Project Development, Ministry of Energy
2009 – Sep 2014	Deputy Director General of the Department of Alternative Energy Development and Efficiency, Ministry of Energy
Oct 2014 – Jul 2015	Deputy Permanent Secretary, Ministry of Energy and Spokesperson of Ministry of Energy
Jul 2015 – Present	Director, Energy Policy and Planning Office, Ministry of Energy

Other Positions**1. Listed Company (1)**

>> Director, PTT Exploration and Production Plc

2. Public Company

- None -

3. Limited Company

- None -

4. Other Organizations / Institutions (2)

>> Advisor to the Committee of Thai Green Institute
>> Member of the National Research Council of Thailand

5. State Enterprise

- None -

% of Shareholding in Thaioil

- None -

Conflict of Interest

- None -

Family Relation with Other Directors

- None -

Dispute in the 10 Preceding Years

- None -

MR. PRAIPOL KOOMSUP

Independent Director (Non-Executive)
and Member of the
Corporate Governance Committee
Age 67 Yrs.



MR. BOWON VONGSINUDOM

Director (Non-Executive)
and Member of the
Risk Management Committee
Age 61 Yrs.



Director Term Duration

>> Independent Director (Non-Executive)
(Appointed on September 12, 2014 : 7 months)

Board-Committee Term Duration

>> Member of the Corporate Governance Committee
(Appointed on September 26, 2014 : 7 months)

Resigned from Directorship April 8, 2015

Education

>> Bachelor of Economics, University of Western Australia, Australia
>> Master of Economics, Thammasat University
>> Ph. D. in Economics, Yale University, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Accreditation Program (DAP 52/2006)
>> Director Certification Program (DCP 91/2007)

Other Trainings

- None

Working Experience in the 5 Preceding Years

1972 – 2012	Professor, Faculty of Economics, Thammasat University
2008 – 2011	Member of the Monetary Policy Committee, Bank of Thailand
2010	Member of the Prime Minister's (Mr. Abhisit Vejjajiva's) Economic Advisory Committee
1993 – 2015	Committee Member, Energy Conservation Promotion Fund
Oct 2014 – Aug 2015	Vice Minister, Ministry of Energy
Oct 2014 – Sep 2015	Member of the National Reform Council
Present	Independent Researcher

Other Positions

- | | |
|--|----------|
| 1. Listed Company | - None - |
| 2. Public Company | - None - |
| 3. Limited Company | - None - |
| 4. Other Organizations / Institutions | - None - |
| 5. State Enterprise | - None - |

% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

Director Term Duration

>> Director (Non-Executive) (Appointed on January 23, 2015 : 6 months)

Board-Committee Term Duration

>> Member of the Risk Management Committee
(Appointed on January 23, 2015 and effective from February 1, 2015 : 5 months)

Resigned from Directorship June 15, 2015

Education

>> Bachelor of Engineering (Chemical Engineering), Chulalongkorn University
>> Master of Engineering (Chemical Engineering), Chulalongkorn University
>> Master of Business Administration (Management),
Sasin Graduate Institute of Business Administration, Chulalongkorn University

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Accreditation Program (DAP 76/2008)
>> Director Certification Program (DCP 209/2015)

Other Trainings

>> The Joint State-Private Sector Course Class 17, National Defence College

Working Experience in the 5 Preceding Years

2009 – 2010	Senior Executive Vice President - Operation, PTT Aromatics and Refinery Plc
2010 – 2011	Senior Executive Vice President, PTT Plc Secondment to PTT Aromatics and Refinery Plc as Chief Executive Officer and President
2011 – 2013	Senior Executive Vice President, PTT Plc Secondment to PTT Global Chemical Plc as President
2013 – 2014	Senior Executive Vice President, PTT Plc Secondment to PTT Global Chemical Plc as Chief Executive Officer and President

Other Positions

- | | |
|---|----------|
| 1. Listed Company | - None - |
| 2. Public Company | - None - |
| 3. Limited Company (2) | |
| >> Chairman of the Board, PTT Phenol Co.,Ltd. | |
| >> Director, Thai Tank Terminal Co.,Ltd. | |
| 4. Other Organizations / Institutions (4) | |
| >> Chairman of the Board, Water Institute for Sustainability,
the Federation of Thailand Industries | |
| >> Vice Chairman, the Federation of Thailand Industries | |
| >> Advisor to the Chemical Engineering Committee,
the Engineering Institute of Thailand | |
| >> Specialist for Competency Test (Senior Professional Engineer),
Chemical Engineering, Industrial Engineering | |
| 5. State Enterprise (1) | |
| >> Director, Metropolitan Waterworks Authority | |

% of Shareholding in Thaioil	- None -
Conflict of Interest	- None -
Family Relation with Other Directors	- None -
Dispute in the 10 Preceding Years	- None -

MR. APISAK TANTIVORAWONG

Independent Director (Non-Executive)
and Chairman of the
Risk Management Committee
Age 62 Yrs.

**MR. SUVIT MAESINCEE**

Independent Director (Non-Executive)
and Member of the Audit Committee
Age 53 Yrs.

**Director Term Duration**

- >> Independent Director (Non-Executive) (Appointed on April 10, 2007 : 3 years)
- >> Independent Director (Non-Executive) (Re-elected on April 2, 2010 : 3 years)
- >> Independent Director (Non-Executive) (Re-elected on April 2, 2013 : 2 years 8 months)

Board-Committee Term Duration

- >> Member of the Corporate Governance Committee (Appointed on June 25, 2010 : 2 years 10 months and completed the term on April 1, 2013)
- >> Chairman of the Corporate Governance Committee (Elected on July 14, 2011 : 1 year 9 months)
- >> Member of the Risk Management Committee (Appointed on June 22, 2012 : 10 months)
- >> Chairman of the Risk Management Committee (Elected on July 12, 2012 : 9 months)
- >> Member of the Risk Management Committee (Re-elected on April 2, 2013 and appointed on April 26, 2013 : 2 years 4 months)
- >> Chairman of the Risk Management Committee (Elected on May 29, 2013 : 2 years 3 months)
- >> Member of the Audit Committee (Appointed on July 26, 2013 and resigned on September 17, 2013 : 2 months)

Resigned from Directorship August 17, 2015**Education**

- >> Bachelor of Engineering (Chemical Engineering) Chulalongkorn University
- >> Master of Business Administration, Industrial Management, University of Tennessee, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Certification Program (DCP 18/2002)

Other Trainings

- >> The Joint State-Private Sector Course Class 16, National Defence College

Working Experience in the 5 Preceding Years

2004 – 2012	President, Krungthai Bank Plc
2007 – 2009	Chairman, ASEAN Bankers Association
2007 – 2010	Member of the Board of Investment Committee Member, Thai Asset Management Corporation (TAMC) Chairman, Thai Bankers Association
2013 – Aug 16, 2015	Independent Director, Member of the Audit Committee, and Chairman of the Risk Management Committee, Bangkok Glass Plc Independent Director, Synnex (Thailand) Plc Independent Director, Indorama Ventures Plc Independent Director, Quality House Plc
2014 – Aug 16, 2015	Director and Member of the Nomination, Compensation, and Corporate Governance Committee, Siam Commercial Bank Plc
2014 – Aug 16, 2015	Vice Chairman of Financial Management Committee, Charoen Pokphand Group

Other Positions

1. Listed Company - None -
 2. Public Company - None -
 3. Limited Company - None -
 4. Other Organizations/ Institutions (1)
 - >> Minister, Ministry of Finance (Graciously appointed by H.M. the King on August 19, 2015)
 5. State Enterprise (1)
 - >> Chairman of the Board, Bank for Agriculture and Agricultural Co-operatives
- % of Shareholding in Thaioil - None -
Conflict of Interest - None -
Family Relation with Other Directors - None -
Dispute in the 10 Preceding Years - None -

Director Term Duration

- >> Independent Director (Non-Executive) (Appointed on September 12, 2014 : 11 months)

Board-Committee Term Duration

- >> Member of the Audit Committee (Appointed on September 26, 2014 : 11 months)

Resigned from Directorship August 17, 2015**Education**

- >> Bachelor of Pharmaceutical Sciences, Mahidol University
- >> Master of Business Administration, National Institute of Development Administration (NIDA)
- >> Ph. D. in Marketing, Kellogg Graduate School of Management, Northwestern University, U.S.A.

Director Training Courses of Thai Institute of Directors Association (IOD)

- >> Director Accreditation Program (DAP 60/2006)
- >> Audit Committee Program (ACP 37/2011)

Other Trainings

- None -

Working Experience in the 5 Preceding Years

2008 – Aug 17, 2015	Director, Sasin Institute for Global Affairs (SIGA) Sasin Graduate Institute of Business Administration of Chulalongkorn University
2008 – Aug 17, 2015	Independent Director and Member of the Audit Committee, Berli Jucker Plc
2009 – Aug 17, 2015	Member of the Nomination and Remuneration Committee, Berli Jucker Plc
2011 – Apr 2014	Independent Director and Member of the Audit Committee, Krungthai Card Plc
2011 – Aug 17, 2015	Independent Director and Member of the Audit Committee, G Capital Plc
Jul 2011 – Aug 17, 2015	Independent Director and Member of the Audit Committee, Siam Food Products Plc

Other Positions

1. Listed Company - None -
 2. Public Company - None -
 3. Limited Company - None -
 4. Other Organizations / Institutions (1)
 - >> Deputy Minister of Commerce (Graciously appointed by H.M. the King on August 19, 2015)
 5. State Enterprise - None -
- % of Shareholding in Thaioil - None -
Conflict of Interest - None -
Family Relation with Other Directors - None -
Dispute in the 10 Preceding Years - None -

MR. CHANSIN TREENUCHAGRON

Director (Non-Executive)
and Member of the
Risk Management Committee
Age 56 Yrs.



Director Term Duration

>> Director (Non-Executive) (Appointed on October 1, 2014 : 1 year)

Board-Committee Term Duration

>> Member of the Risk Management Committee
(Appointed on August 28, 2015 : 1 month)

Resigned from Directorship October 1, 2015

Education

>> Bachelor of Economics, Thammasat University
>> Master of Economics, Chulalongkorn University

Director Training Courses of Thai Institute of Directors Association (IOD)

>> Director Certification Program (DCP 85/2007)
>> Director Accreditation Program (DAP 93/2011)
>> Financial Statements for Directors (FSD 12/2011)
>> Director Luncheon Briefing (M-DLB 1/2013)
>> Director Dinner Talk (M-DDT 1/2014)
>> Chartered Director Class (CDC 10/2015)

Other Trainings

>> Training Course on Executive Relations Development, Class 1, Directorate of Civil Affairs
>> Training Course, Class 35, Air War College
>> Senior Executive Program (SEP) Class 20, Sasin Graduate Institute of Business Administration of Chulalongkorn University
>> Advanced Senior Executive Program (ASEP) Class 5/2553, Kellogg & Sasin, Chicago, U.S.A.
>> PTT Executive Leadership, General Electric, GE, New York, U.S.A.
>> Public Economics Management for Executives Class 10, King Prajadhipok's Institute
>> Leadership Excellence through Awareness and Practice (LEAP), INSEAD, Singapore and France
>> Leadership Development Program III Class 1/2014
>> National Defence Course Class 57, National Defence College

>> Energy Literacy for the World Class 7, Thailand Energy Academy

Working Experience in the 5 Preceding Years

2009 – 2011	Executive Vice President - Corporate Business Planning, IRPC Plc
2010 – 2012	Managing Director, IRPC Oil Co., Ltd.
2010 – 2012	Managing Director, Thai ABS Co., Ltd.
2011 – 2012	(Acting) Senior Executive Vice President - Corporate Business Planning, IRPC Plc
2011 – 2013	Senior Executive Vice President - Port and Asset Management Business, IRPC Plc
2013 – Sep 2014	Senior Executive Vice President - Corporate Commercial and Marketing, IRPC Plc
Oct 2014 – Present	Senior Executive Vice President - Corporate Strategy, PTT Plc
Oct 2015 – Present	Senior Executive Vice President - Petrochemicals & Refining Business Unit, PTT Plc

Other Positions

1. Listed Company (2)

>> Senior Executive Vice President - Petrochemicals & Refining Business Unit, PTT Plc
>> Director, IRPC Plc

2. Public Company

- None -

3. Limited Company (1)

>> Director and Chairman of the Board, PTT Green Energy (Thailand) Co., Ltd.

4. Other Organizations / Institutions

- None -

5. State Enterprise

- None -

% of Shareholding in Thaioil

- None -

Conflict of Interest

- None -

Family Relation with Other Directors

- None -

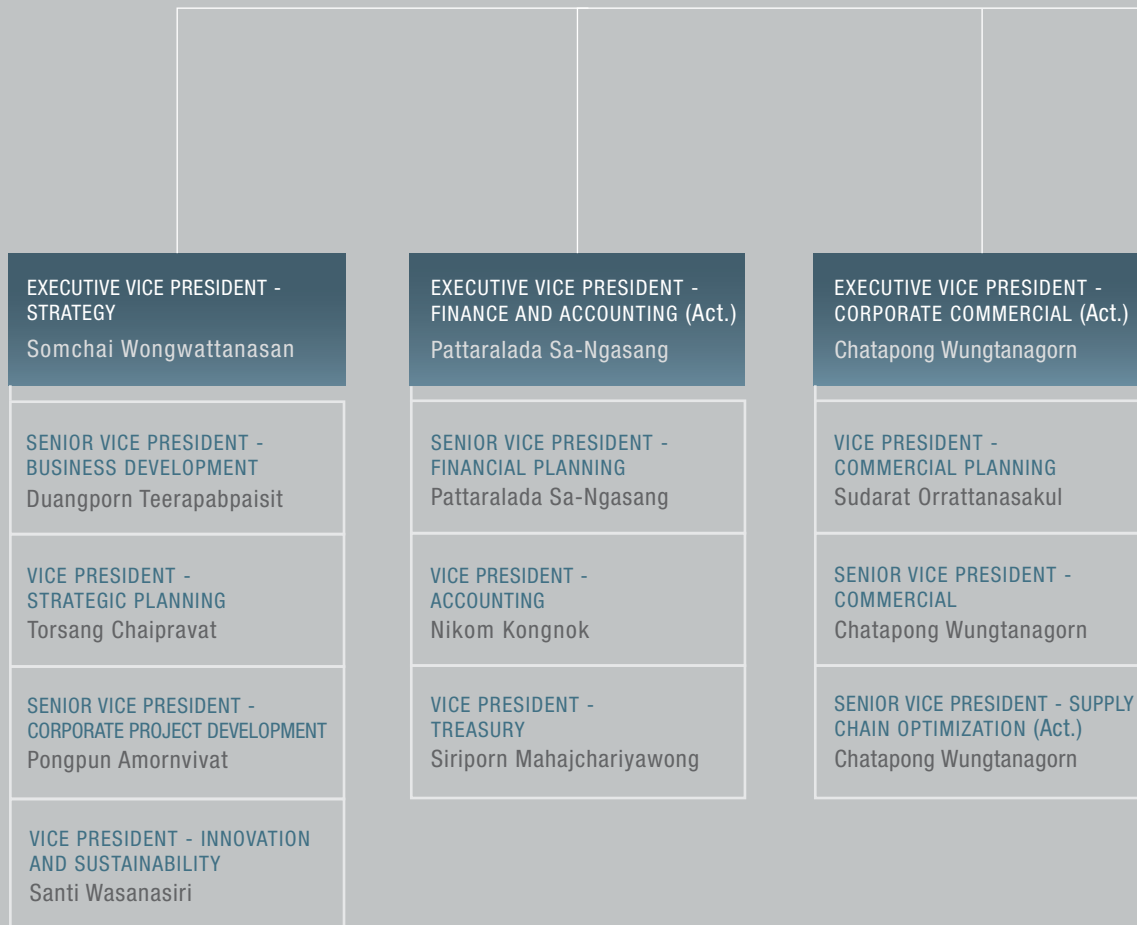
Dispute in the 10 Preceding Years

- None -

MANAGEMENT ORGANIZATION

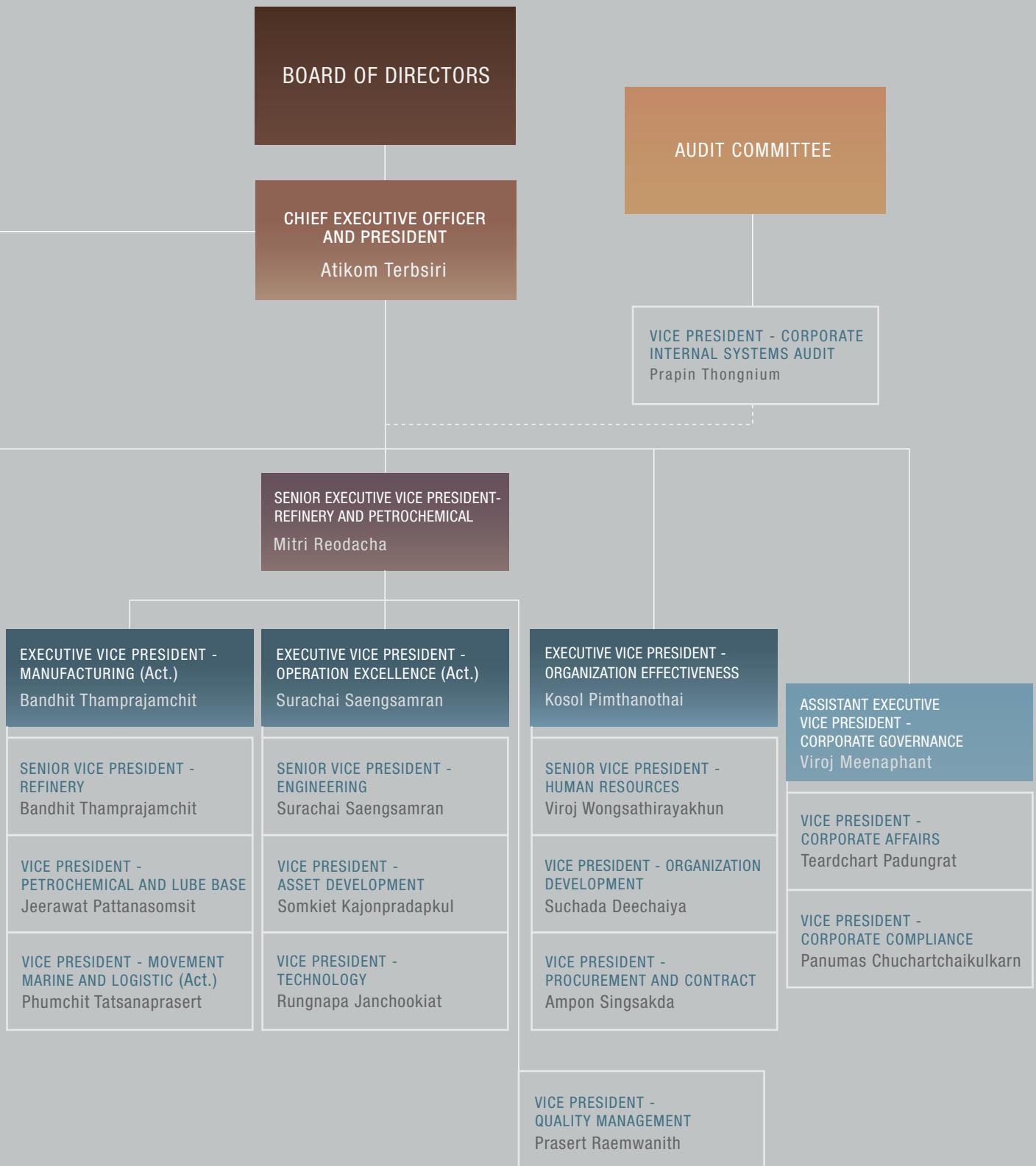
As of December 31, 2015

Managing Director - TLB
Managing Director - TPX
Managing Director - TM
Managing Director - TES
Managing Director - TP
Managing Director - TET
Managing Director - TS
Managing Director - SAKC
Managing Director - LABIX
Managing Director - TOP SPP



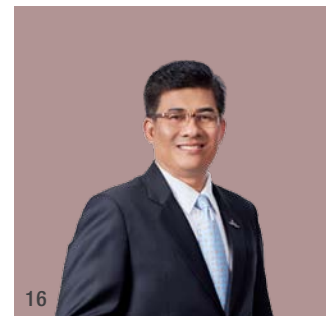
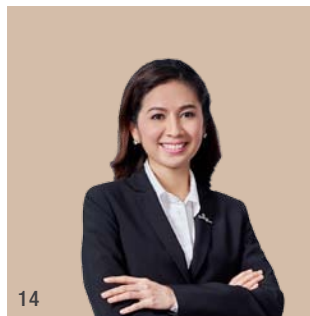
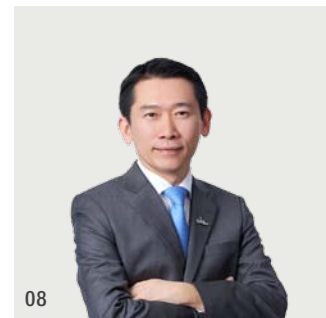
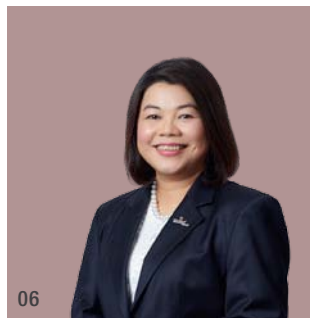
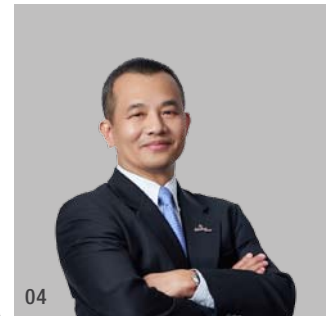
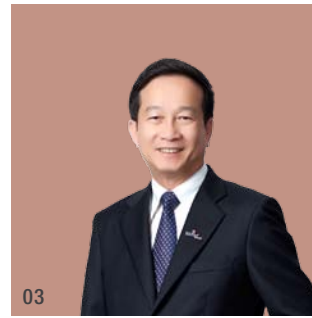
Remark:

01/05/2009 >> Nitas Krongvanitchayakul - assignment to TM : TM-MD
01/01/2013 >> Viroj Wongsathirayakhun - assignment to TES : TES-MD
10/01/2013 >> Klahan Tochamnanvit - assignment to GPSC
11/07/2013 >> Suchart Monyanont - assignment to LABIX : LABIX-MD
01/02/2015 >> Charlee Balmongkol - assignment to TOP-SPP and TP : TOP SPP-MD and TP-MD
16/02/2015 >> Jeerawat Pattanasomsit - assignment to TLB and TPX : TLB-MD and TPX-MD
07/05/2015 >> Acharee Tiyabhorn - assignment to TS : TS-MD
01/10/2015 >> Pattaralada Sa-NGasang - assignment secondment to PTT
12/10/2015 >> Ampon Singsakda - assignment to LABIX : LABIX-DMD



EXECUTIVES

As of December 31, 2015



01 MR. ATIKOM TERBSIRI

Chief Executive Officer and President

02 MR. MITRI REODACHA

Senior Executive Vice President - Refinery and Petrochemical

03 MR. KOSOL PIMTHANOTHAI

Executive Vice President - Organization Effectiveness

04 MR. SOMCHAI WONGWATTANASAN

Executive Vice President - Strategy

05 MR. CHATAPONG WUNGTANAGORN

Executive Vice President - Corporate Commercial (Act.)

Senior Vice President - Commercial

Senior Vice President - Supply Chain Optimization (Act.)

06 MS. PATTARALADA SA-NGASANG

Executive Vice President - Finance and Accounting (Act.)

Senior Vice President - Financial Planning

07 MR. SURACHAI SAENGSAHRAN

Executive Vice President - Operation Excellence (Act.)

Senior Vice President - Engineering

08 MR. BANDHIT THAMPRAJAMCHIT

Executive Vice President - Manufacturing (Act.)

Senior Vice President - Refinery

09 MR. VIROJ MEENAPHANT

Assistant Executive Vice President - Corporate Governance

10 MR. KLAHAN TOCHAMNANVIT

Vice President - Assignment as Organization Excellence,
Global Power Synergy Plc

11 MR. JEERAWAT PATTANASOMSI

Vice President - Petrochemical and Lube Base

Vice President - Assignment as Managing Director,
Thai Lube Base Plc

Vice President - Assignment as Managing Director,
Thai Paraxylene Co., Ltd.

12 MR. CHARLEE BALMONGKOL

Vice President - Assignment as Managing Director,
Thaioil Power Co., Ltd.

Vice President - Assignment as Managing Director,
TOP SPP Co., Ltd.

13 MS. DUANGPORN TEERAPABPAISIT

Senior Vice President - Business Development

14 MS. TORSANG CHAIPRAVAT

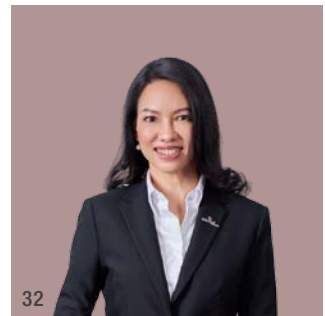
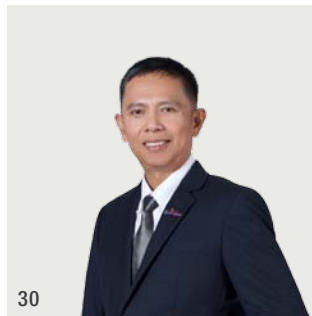
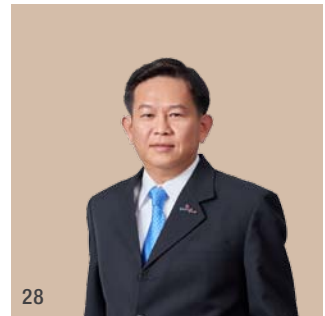
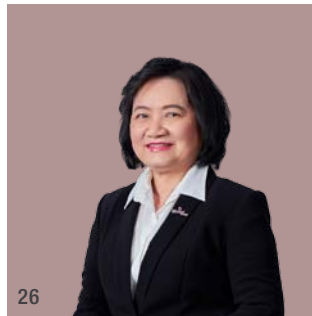
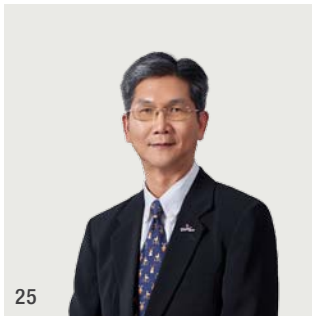
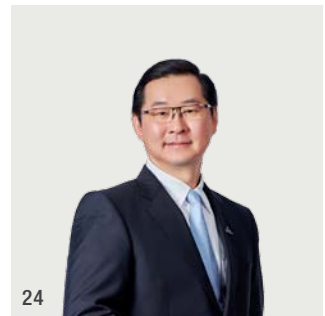
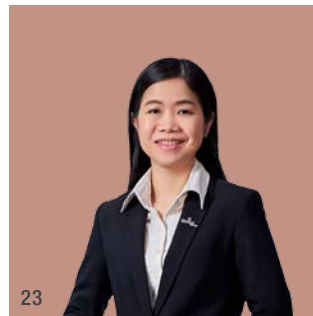
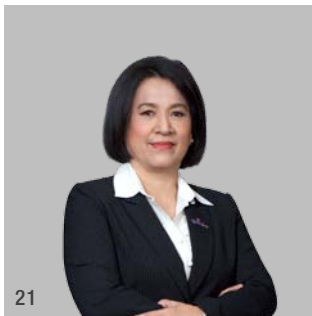
Vice President - Strategic Planning

15 MR. TEARDCHART PADUNGRAT

Vice President - Corporate Affairs

16 MR. NIKOM KONGNOK

Vice President - Accounting



- 17** **MR. NITAS KROGVANITCHAYAKUL**
Senior Vice President - Assignment as Managing Director,
Thaioil Marine Co., Ltd.
-
- 18** **MS. PRAPIN THONGNIUM**
Vice President - Corporate Internal Systems Audit
-
- 19** **MR. PRASERT RAEMWANITH**
Vice President - Quality Management
-
- 20** **MR. PONGPUN AMORNVIVAT**
Senior Vice President - Corporate Project Development
-
- 21** **MS. PANUMAS CHUCHARTCHAIKULKARN**
Vice President - Corporate Compliance
Company Secretary
-
- 22** **MR. PHUMCHIT TATSANAPRASERT**
Vice President - Movement Marine and Logistic (Act.)
-
- 23** **MS. RUNGNAPA JANCHOOKIAT**
Vice President - Technology
-
- 24** **MR. VIROJ WONGSATHIRAYAKHUN**
Senior Vice President - Human Resources
Senior Vice President - Assignment as Managing Director,
Thaioil Energy Services Co., Ltd.
-
- 25** **MR. SARAN HARINSUTA**
Manager - Special Assignment to Managing Director,
Thaioil Ethanol Co., Ltd.
-
- 26** **MS. SIRIPORN MAHAJCHARIYAWONG**
Vice President - Treasury
-
- 27** **MR. SOMKIET KAJONPRADAPKUL**
Vice President - Asset Development
-
- 28** **MR. SANTI WASANASIRI**
Vice President - Innovation and Sustainability
-
- 29** **MS. SUCHADA DEECHAIYA**
Vice President - Organization Development
-
- 30** **MR. SUCHART MONYANONT**
Senior Vice President - Assignment as Managing Director,
LABIX Co., Ltd.
-
- 31** **MS. SUDARAT ORRATTANASAKUL**
Vice President - Commercial Planning
-
- 32** **MS. ACHAREE TIYABHORN**
Vice President - Assignment as Managing Director,
TOP Solvent Co., Ltd.
-
- 33** **MR. AMPON SINGSAKDA**
Vice President - Procurement and Contract
Vice President - Assignment as Deputy Managing Director,
LABIX Co., Ltd.
-
- 34** **MR. UDOM WONGSIRINOPPHAKHUN**
Manager - Special Assignment to Managing Director,
Sak Chaisidhi Co., Ltd.
-

ASSETS AND SHAREHOLDERS INFORMATION AND MANAGEMENT STRUCTURE

Assets and Shareholders Information

Baht 20,400,278,730, comprised of 2,040,027,873 ordinary shares at the par value at 10 Baht per share.

Registered and Paid-up Capitals

Ordinary Shares

On the share registration book closing date as of October 30, 2015, the Company's registered capital was Baht 20,400,278,730 and the paid-up capital was

Shareholders

As of October 30, 2015, the first 10 major shareholders are as followed:

Top 10 Major Shareholders ⁽¹⁾	Number of Shares	Shareholding Percentage
1 PTT PUBLIC COMPANY LIMITED ⁽²⁾	1,001,647,483	49.10%
2 NORTRUST NOMINEES LTD-CL AC	76,121,558	3.73%
3 STATE STREET BANK EUROPE LIMITED	57,488,532	2.82%
4 CHASE NOMINEES LIMITED	37,129,565	1.82%
5 JX Holdings, Inc.	36,137,200	1.77%
6 GIC PRIVATE LIMITED	30,890,900	1.51%
7 STATE STREET BANK AND TRUST COMPANY	24,849,128	1.22%
8 SOCIAL SECURITY OFFICE	18,369,000	0.90%
9 IRPC PUBLIC COMPANY LIMITED	16,900,000	0.83%
10 HSBC (SINGAPORE) NOMINEES PTE LTD	14,471,700	0.71%
Total	1,314,005,066	64.41%

Remark :

- (1) Excluding shareholders of Thai NVDR Co., Ltd., a subsidiary of the Stock Exchange of Thailand with the objective of promoting investor's investment, particularly foreign investors, in order to invest in common stock of listed companies without being restricted by the foreign shareholding limit which does not have the right to vote at meetings of listed companies.
- (2) As a major shareholder of Thaioil, PTT Public Company Limited (PTT) participates in formulating the Company's management and operational policies by nominating directors to Thaioil's Board of Directors and casting their votes in Board meetings. As of December 31, 2015, there are three directors from a total of 14 who are also holding position as PTT Board of Directors and/or Executives team.

Issuance of Other Securities

Debentures

The Company issued two unsecured debentures of USD 1 billion in total, comprised of USD 500 million due in 2023 and USD 500 million due in 2043.

Also, the company issued four unsecured and unsubordinated debentures of Baht 28 billion in total, comprised of Baht 4.5 billion due in 2017, Baht 3 billion due in 2019, Baht 3 billion due in 2021, Baht 3 billion due in 2022, Baht 7 billion due in 2024, and Baht 7.5 billion due in 2027.

Dividend Policy

The Company's dividend payout policy is to pay at least 25 percent of the consolidated net profit after deductions of all categories of reserves as specified in applicable laws and the Company's Article of Association. Payment of such dividend is subject to the cash flows and investment plans of Thairoil and its subsidiaries in each year, and other requirements and considerations as determined by the Board of Directors (Board). The Board may consider paying the annual dividend with approval

from the Annual General Meeting of Shareholders (AGM), except payment of interim dividend, which the Board is authorized to approve periodically when the Company's profit deems it appropriate. The interim dividend payment shall be reported at the following shareholders meeting.

The dividend policy for Thairoil's subsidiaries shall be considered and proposed by the Board of Directors of each subsidiary to the AGM for approval. Consideration shall be given to investment plans and other requirements and considerations, such as the adequacy of cash flow of each company after deducting reserve funds in accordance with the law.

Dividend Payout Information

Year	2009	2010	2011	2012	2013	2014
Earnings (Baht per share)	5.91	4.39	7.28	6.04	5.09	-1.97
Dividend (Baht per share)	2.55	2.00	3.30	2.70	2.30	1.16
Dividend Payout (%)	43.0	45.0	45.0	45.0	45.0	N/A

Executive Structure

The executive structure of Thai Oil Public Company Limited comprises:

- >> The Board of Directors
- >> The four Board-Committees supporting the consideration and important issues as assigned by the Board: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee

>> The Executives with the Chief Executive Officer and President as the highest executive of the Company

The Board of Directors

As of December 31, 2015, the Board of Directors is comprised of 14 Directors as followed:

- >> 13 non-executive directors, seven of which are independent directors
- >> One executive director, namely the Chief Executive Officer and President

The Board of Directors as of December 31, 2015 Comprised of:

Name - Surname	Position	Appointment Date
1. Mr. Kurujit Nakornthap	Director Chairman of the Board	September 12, 2014 September 26, 2014
2. Mr. Chulasingh Vasantasingh	Independent Director Member of the Audit Committee Chairman of the Audit Committee	April 3, 2015 (Re-elected) April 24, 2015 May 11, 2015
3. Ms. Chularat Suteethorn	Independent Director Member of the Audit Committee	April 3, 2015 (Re-elected) April 24, 2015
4. Mr. Siri Jirapongphan ⁽¹⁾	Independent Director Member of the Audit Committee	October 30, 2015 October 30, 2015
5. Gen. Jiradej Mokkahasmit	Independent Director Member of the Nomination and Remuneration Committee Chairman of the Nomination and Remuneration Committee	April 2, 2013 (Re-elected) April 26, 2013 April 10, 2014
6. Mr. Thaworn Phanichaphan	Independent Director Member of the Nomination and Remuneration Committee Member of the Corporate Governance Committee	April 2, 2013 (Re-elected) April 25, 2014 May 29, 2015
7. Mr. Thosaporn Sirisumphand	Independent Director Member of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee	April 3, 2015 (Re-elected) April 24, 2015 July 22, 2015
8. Mr. Yongyut Jantararotai	Director Member of the Corporate Governance Committee	April 2, 2014 April 25, 2014

Name - Surname	Position	Appointment Date
9. Mrs. Sriwan Eamrunroj ⁽²⁾	Director	September 25, 2015
10. Mr. Tanasak Wahawisan	Independent Director	May 29, 2015
11. Mr. Nuttachat Charuchinda	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Chairman of the Risk Management Committee	April 2, 2013 (Re-elected) January 24, 2014 September 25, 2015 October 12, 2015
12. Mr. Thammayot Srichuai	Director Member of the Risk Management Committee	April 3, 2015 September 25, 2015
13. Mr. Noppadol Pinsupa ⁽²⁾	Director Member of the Risk Management Committee	September 25, 2015 September 25, 2015
14. Mr. Atikom Terbsiri ⁽³⁾	Director Member of the Risk Management Committee Chief Executive Officer and President Secretary to the Board of Directors	April 3, 2015 (Re-elected) April 3, 2015 September 26, 2014

Remark :

- ⁽¹⁾ Appointed as Independent Director and Member of the Audit Committee in the Board of Director Meeting No. 10/2015 on October 30, 2015 with the effective date as from November 1, 2015
- ⁽²⁾ Appointed as Director in the Board of Directors Meeting No. 9/2015 on September 25, 2015 with the effective date as from October 1, 2015
- ⁽³⁾ Appointed as Chief Executive Officer and President, and the Secretary to the Board of Directors in the Board of Directors Meeting No. 10/2014 on September 26, 2014 with the effective date as from October 1, 2014

The List of Directors who Resigned During the Year 2015 is as Followed:

Name - Surname	Position	Effective Resignation Date
1. Mr. Twarath Sutabutr	Director Member of the Risk Management Committee	February 1, 2015
2. Mr. Praipol Koomsup	Independent Director Member of the Corporate Governance Committee	April 8, 2015
3. Mr. Bowon Vongsinudom	Director Member of the Risk Management Committee	June 15, 2015
4. Mr. Apisak Tantivorawong	Independent Director Chairman of the Risk Management Committee	August 17, 2015
5. Mr. Suvit Maesincee	Independent Director Member of the Audit Committee	August 17, 2015
6. Mr. Chansin Treenuchagron	Director Member of the Risk Management Committee	October 1, 2015

Shareholding Report of the Board of Directors and the Company's Executives in 2015 (including Spouse and Minor)

As of December 31, 2015:

Name - Surname	No. of Share (shares)		No. of Shares Addition (Reduction) During the Year
	Dec 31, 2014	Dec 31, 2015	
1. Mr. Kurujit Nakornthap By Spouse and Minor	- -	- -	- -
2. Mr. Chulasingh Vasantasingh By Spouse and Minor	- -	- -	- -
3. Ms. Chularat Suteethorn By Spouse and Minor	- -	- -	- -
4. Mr. Siri Jirapongphan By Spouse and Minor	N/A N/A	- -	N/A N/A
5. Gen. Jiradej Mokkahasmit By Spouse and Minor	- -	- -	- -
6. Mr. Thaworn Phanichaphan By Spouse and Minor	- -	- -	- -
7. Mr. Thosaporn Sirisumphand By Spouse and Minor	- -	- -	- -
8. Mr. Yongyut Jantararotai By Spouse and Minor	- -	- -	- -
9. Mrs. Sriwan Eamrungrroj By Spouse and Minor	N/A N/A	- -	N/A N/A
10. Mr. Tanasak Wahawisan By Spouse and Minor	N/A N/A	- -	N/A N/A
11. Mr. Nuttachat Charuchinda By Spouse and Minor	- -	- -	- -
12. Mr. Thammayot Srichuai By Spouse and Minor	N/A N/A	- -	N/A N/A
13. Mr. Noppadol Pinsupa By Spouse and Minor	N/A N/A	- -	N/A N/A
14. Mr. Atikom Terbsiri By Spouse and Minor	- -	- -	- -

Name - Surname	No. of Share (shares)		No. of Shares Addition (Reduction) During the Year
	Dec 31, 2014	Dec 31, 2015	
Directors who Resigned During the Year 2015			
1. Mr. Twarath Sutabutr	-	N/A	N/A
By Spouse and Minor	-	N/A	N/A
2. Mr. Praipol Koomsup	-	N/A	N/A
By Spouse and Minor	10,000	N/A	N/A
3. Mr. Bowon Vongsinudom	N/A	N/A	N/A
By Spouse and Minor	N/A	N/A	N/A
4. Mr. Apisak Tantivorawong	-	N/A	N/A
By Spouse and Minor	-	N/A	N/A
5. Mr. Suvit Maesincee	-	N/A	N/A
By Spouse and Minor	-	N/A	N/A
6. Mr. Chansin Treenuchagron	-	N/A	N/A
By Spouse and Minor	-	N/A	N/A
Directors who Completed the Term During the Year 2015 (April 3, 2015)			
1. Mr. Chulasingh Vasantasingh	-	-	-
By Spouse and Minor	-	-	-
2. Ms. Chularat Suteethorn	-	-	-
By Spouse and Minor	-	-	-
3. Mr. Thosaporn Sirisumphand	-	-	-
By Spouse and Minor	-	-	-
4. Mr. Atikom Terbsiri	-	-	-
By Spouse and Minor	-	-	-
5. Vacant position due to Mr. Twarath Sutabutr's resignation before completing the office term			
Company's Executives			
1. Mr. Atikom Terbsiri	-	-	-
Chief Executive Officer and President			
By Spouse and Minor	-	-	-
2. Mr. Mitri Reodacha	10,000	10,000	-
Senior Executive Vice President - Refinery and Petrochemical			
By Spouse and Minor	-	-	-

Name - Surname	No. of Share (shares)		No. of Shares Addition (Reduction) During the Year
	Dec 31, 2014	Dec 31, 2015	
3. Mr. Kosol Pimthanothai Executive Vice President - Organization Effectiveness By Spouse and Minor	- -	- -	- -
4. Mr. Somchai Wongwattanasan Executive Vice President - Strategy By Spouse and Minor	- -	- -	- -
5. Mr. Chatapong Wungtanagorn Executive Vice President - Corporate Commercial (Act.) Senior Vice President - Commercial Senior Vice President - Supply Chain Optimization (Act.) By Spouse and Minor	N/A -	97,400 -	N/A -
6. Ms. Pattaralada Sa-NGasang Executive Vice President - Finance and Accounting (Act.) Senior Vice President - Financial Planning By Spouse and Minor	- -	- -	- -
7. Mr. Surachai Saengsamran Executive Vice President - Operation Excellence (Act.) Senior Vice President - Engineering By Spouse and Minor	N/A N/A	98,500 -	N/A N/A
8. Mr. Bandhit Thamprajamchit Executive Vice President - Manufacturing (Act.) Senior Vice President - Refinery By Spouse and Minor	N/A N/A	12,200 -	N/A N/A
9. Ms. Siriporn Mahajchariyawong Vice President - Treasury By Spouse and Minor	18,000 -	18,000 -	- -
10. Mr. Nikom Kongnok Vice President - Accounting By Spouse and Minor	N/A N/A	- -	N/A N/A

Remark : N/A means no information since the director or executive was appointed, resigned, or completed the term during the year 2015.

Structure of the Board of Directors

According to the Company's Articles of Association, the Board of Directors shall consist of at least five members and not more than fifteen members. Not less than half of the number of such directors must reside in the Kingdom of Thailand. A director needs not be a shareholder of the Company.

Appointment and Termination of Directors

The nomination, appointment, removal and termination of directors are prescribed in the Company's Articles of Association, which can be summarized as followed:

Appointment of Directors

The appointment of directors must be explicitly made at the Annual General Meeting of Shareholders under the following criteria and procedures:

1. Each shareholder shall have one vote for one share;
2. Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as directors, but the shareholder cannot divide his or her votes to any person in any number; and
3. The indicated number of nominees who receive the largest number of votes in descending order shall be elected. In the event of the number of nominees receiving equal votes exceeds the number of vacancies to be filled, the chairman of the meeting shall cast the decisive vote.

Since 2007, the Board has adopted a resolution to allow minor shareholders' nomination of qualified director candidates, which must be explicitly made before the AGM and under the Company's nomination criteria. However, in the year 2015, there was no nomination proposed by minor shareholders (see detail in Corporate Governance Policy Section on page 124)

Removal and Termination of Directors

1. At every annual general shareholder's meeting, one-third of the directors, or, if the number of directors cannot be divided exactly into three parts, the number of directors nearest to one-third shall vacate office. A vacating director may be eligible to re-election. The directors to vacate office in the first and second years following the registration of the conversion of the company shall be drawn by lots. In subsequent years, the directors who have remained in office for the longest time shall vacate office.
2. Apart from completing the term, a director shall vacate office upon death, resignation, lack of qualifications or disqualifications under the law pertaining to Public Company Limited and/or under the Securities and Exchange Act, removal pursuant to resolution passed at the shareholders meeting, or removal pursuant to a court order.
3. To resign from office, a director has to hand in his resignation letter. Such resignation shall become effective on the date it reaches the company. The director who has resigned may also inform the registrar of the facts.
4. The shareholders' meeting may pass a resolution to remove any director from office prior to the term completion, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the shares held by them shall, in aggregate, be not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.
5. In the event that a position of director becomes vacant for any reason other than the completion of his office term, the Board of Directors shall on the next Board meeting appoint a qualified person, not having

unacceptable qualities under the laws pertaining to Public Limited Company and the Securities and Exchange Act to be a new director, except if such office term remaining is less than two months. The replacement director shall hold office only for the remainder of the office term of the director whom he replaces. The resolution of the Board of Directors must be approved by the votes of not less than three-fourths of the number of the remaining directors.

Authorized Directors

According to the Company's Articles of Association, Chief Executive Office and President (CEO/President) or two authorized directors shall sign with affixation of the Company's seal to represent the Company. The Board has the right to prescribe and rectify the list of the Company's authorized directors.

Through the Board of Directors Meeting No. 9/2015 on September 25, 2014, the Board has approved directors having authority to sign on behalf of the Company, namely Mr. Atikom Terbsiri, CEO/President, signing with affixation of the Company's seal; or, Mr. Kurujit Nakornthap, Mr. Nuttachat Charuchinda, Mr. Yongyut Jantararotai, and Mr. Noppadol Pinsupa, any two of the four representative directors jointly sign together with the affixation of the Company's seal.

Board of Directors Roles and Responsibility

Observing Company's regulations, the Board is authorized to conduct roles and responsibilities under the law, Company's objectives, regulations, and resolutions approved by shareholders' meetings. Directors must observe the SET-stipulated "Code of Practice for Directors of Listed Companies" with integrity and prudence to protect the Company's interests and maximize profits for its shareholders. To enable employees to observe the business principles and establish credibility among

shareholders and investors, it has defined the following roles and responsibilities for the Board:

1. Define the business vision and be responsible for the Company's and executives' performance outcomes to give the business long-term continuity and provide for employees' development plans and executives' continuity.
2. Review and endorse significant strategies and policies with a focus on business objectives, financial targets, risks, work programs and budgets, and ensure that the management efficiently and effectively follow policies and plans.
3. Review and endorse actions required by law, and serve as leaders/role models for performance, compliance with the law, and alignment with corporate governance guidelines.
4. Provide assurance of the accounting system, financial reporting, and audits by efficiently and effectively forging processes for suitable internal control and audit, and oversee financial reporting and monitoring progress.
5. Institute a corporate risk management policy by seeking quarterly risk management reports from the management via the Audit Committee, and encouraging the Company to conduct risk management system assessment at least once a year, while paying due attention to warning signs and anomalies.
6. Oversee and resolve potential conflicts of interest and connected transactions, and set practical guidelines to prevent them with a focus on maintaining the best interests of the shareholders and stakeholders at large; institute transaction guidelines prohibiting stakeholders with vested interests from decision-making on such matters; and establish standard procedures and thorough information disclosure of all potential conflicts of interest.

7. Promote a written code of conduct for directors, executives, and employees to ensure full understanding of the Company's business standards, including earnest, periodic follow-ups of compliance.
8. Conduct the annual performance appraisal and decide compensation for the CEO/President.

Chairman Roles and Responsibilities

Stated in the Corporate Governance and Code of Conduct Manual, roles and responsibilities of the Chairman of the Board (the Chairman) are as followed:

1. By oneself or assign a delegate, calls the meetings of the Board of Directors with meeting notices sent at least seven days prior to the meeting date so that the directors may have adequate time to study, review, and make proper decisions.
2. Jointly with the CEO/President, decides the agenda of each meeting.
3. Ensures the efficiency of each meeting by allocating enough time for the executives to present information, encouraging and allowing directors' queries and expression of free views, controlling the issues under discussion, and summarizing the meeting's resolutions.
4. Plays a key role in encouraging the Board's conformance to corporate governance principles, including identifying themselves, refraining from voting, and leaving the meeting in case of having conflicts of interest in any agenda.
5. Informs the Board of all significant matters.
6. Encourages the Board to attend shareholders' meetings and presides over such meetings to ensure the meeting efficiency and address shareholders' queries.
7. Encourages the Board to perform their duties under the scope of authority given by laws, and the corporate governance.

Chief Executive Officer and President (CEO/President) Roles and Responsibilities

Assigned by the Board of Directors to conduct the Company business under the approved plans and budgets with rigor and integrity, while protecting the best interests of the Company and its shareholders, the CEO/President must not be engaged in any conflicts of interest with Thairoil Group. His roles and responsibilities consist of the following:

1. Prepares and proposes to the Board five-year and 10-year business plans, including the Company's strategic imperatives.
2. Prepares and provides to the Board information relevant to the Company business and activities, as well as other information the Board needs.
3. Manages the Company business and activities under the approved plans and budgets, as well as business strategies.
4. Structures and manages the organization under guidelines given by the Board.
5. Fine-tune the Company's POSITIVE culture in support of its vision, mission, and strategic imperatives.
6. Executes all other tasks assigned by the Board.
7. Delegates authority or assigns others to act on his or her behalf, or both, under the rules, terms, principles, and orders given by the Board or the Company, or both.
8. Prepares and presents to the Board the significant company business performance and activity reports as well as other reports required by the Board.
9. Represents the Company in external contacts.

Meeting Attendance of the Board of Directors, Board-Committees, and AGM in 2015

Name - Surname	Position	Board of Directors (14 times)	Audit Committee (7 times)	Nomination and Remuneration Committee (6 times)	Corporate Governance Committee (3 times)	Risk Management Committee (7 times)	Annual General Meeting of Shareholders (AGM) (1 times)	Independent Directors Meeting (1 times)	Non-Executive Directors Meeting (1 times)
1 Mr. Kurujit Nakornthap	Director / Chairman of the Board	14/14					1/1		1/1
2 Mr. Chulasingh Vasantasingh ⁽¹⁾	Independent Director / Chairman of the Audit Committee	13/14	7/7				1/1	1/1	1/1
3 Ms. Chularat Suteethorn ⁽²⁾	Independent Director / Member of the Audit Committee	13/14	7/7				1/1	1/1	1/1
4 Mr. Siri Jirapongphan ⁽³⁾	Independent Director / Member of the Audit Committee	2/2	2/2				N/A	N/A	N/A
5 Gen. Jiradej Mokkahasmit	Independent Director / Chairman of the Nomination and Remuneration Committee	13/14		6/6			1/1	1/1	0/1
6 Mr. Thaworn Phanichaphan ⁽⁴⁾	Independent Director / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee	14/14		6/6	2/2		1/1	1/1	1/1
7 Mr. Thosaporn Sirisumphan ⁽⁵⁾	Independent Director / Chairman of the Corporate Governance Committee / Member of the Nomination and Remuneration Committee	14/14		5/5	3/3		1/1	1/1	1/1
8 Mr. Yongyut Jantarotai	Director / Member of the Corporate Governance Committee	11/14			3/3		1/1		1/1
9 Mrs. Sriwan Eamrungraj ⁽⁶⁾	Director	3/3					N/A		1/1
10 Mr. Tanasak Wahawisan ⁽⁷⁾	Independent Director	7/7					N/A	1/1	1/1
11 Mr. Nuttachat Charuchinda ⁽⁸⁾	Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee	14/14		6/6		4/4	1/1		1/1
12 Mr. Thammayot Srichual ⁽⁹⁾	Director / Member of the Risk Management Committee	9/10				1/4	N/A		1/1
13 Mr. Noppadol Pinsupa ⁽¹⁰⁾	Director / Member of the Risk Management Committee	3/3				4/4	N/A		1/1
14 Mr. Atikom Tebsiri ⁽¹¹⁾	Director / Member of the Risk Management Committee / Chief Executive Officer and President / Secretary to the Board	14/14				7/7	1/1		1/1

Name - Surname	Position	Board of Directors (14 times)	Audit Committee (7 times)	Nomination and Remuneration Committee (6 times)	Corporate Governance Committee (3 times)	Risk Management Committee (7 times)	Annual General Meeting of Shareholders (AGM) (1 times)	Independent Directors Meeting (1 times)	Non-Executive Directors Meeting (1 times)
Directors who resigned during the year 2015									
1 Mr. Iwarath Suitabur	Director / Member of the Risk Management Committee (Resigned on February 1, 2015)	1/1				1/1	N/A		N/A
2 Mr. Praipol Koomsup	Independent Director / Member of the Corporate Governance Committee (Resigned on April 8, 2015)	4/4			1/1		1/1	N/A	N/A
3 Mr. Bowon Vongsinudom ⁽¹⁾	Director / Member of the Risk Management Committee (Resigned on June 15, 2015)	6/6				2/3	1/1		N/A
4 Mr. Apisak Tantivorawong	Independent Director / Chairman of the Risk Management Committee (Resigned on August 17, 2015)	7/9				3/3	1/1	0/1	N/A
5 Mr. Suwit Maesincee	Independent Director / Member of the Audit Committee (Resigned on August 17, 2015)	7/9	4/5				1/1	1/1	N/A
6 Mr. Chansin Treenuchagron ⁽¹³⁾	Director / Member of the Risk Management Committee (Resigned on October 1, 2015)	11/11				0/0	1/1		N/A

Remark

N/A means not attend since the director resigned or was appointed during the year 2015.

⁽¹⁾ Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, appointed as Member of the Audit Committee in the Board of Directors Meeting No. 4/2015 on April 24, 2015, and elected as Chairman of the Audit Committee in the Audit Committee Meeting No. 4/2015 with the effective date as from May 11, 2015

⁽²⁾ Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as Member of the Audit Committee in the Board of Directors Meeting No. 4/2015 on April 24, 2015

⁽³⁾ Appointed as Independent Director and Member of the Audit Committee in the Board of Directors Meeting No. 10/2015 on October 30, 2015 with the effective date as from November 1, 2015

⁽⁴⁾ Appointed as Member of the Corporate Governance Committee in the Board of Directors Meeting No. 5/2015 on May 29, 2015

⁽⁵⁾ Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, appointed as Member of the Nomination and Remuneration Committee and Member of the Corporate Governance Committee in the Board of Directors Meeting No. 4/2015 on April 24, 2015, and elected as Chairman of the Corporate Governance Committee in the Corporate Governance Committee with the effective date as from July 22, 2015

⁽⁶⁾ Appointed as Director in the Board of Directors Meeting No. 9/2015 on September 25, 2015 with the effective date as from October 1, 2015

⁽⁷⁾ Appointed as Independent Director in the Board of Directors Meeting No. 5/2015 on May 29, 2015

⁽⁸⁾ Appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 9/2015 on September 25, 2015, and elected as Chairman of the Risk Management Committee in the Risk Management Committee No. 4/2015 with the effective date as from October 12, 2015

⁽⁹⁾ Elected as Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 9/2015 on September 25, 2015

⁽¹⁰⁾ Appointed as Director and Member of the Risk Management Committee in the Board of Directors Meeting No. 9/2015 on September 25, 2015 with the effective date as from October 1, 2015

⁽¹¹⁾ Term completed and re-elected as Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as Member of the Risk Management Committee with the effective date as from April 3, 2015

⁽¹²⁾ Appointed as Director and Member of the Risk Management Committee in the Board of Directors Meeting No. 1/2015 on January 23, 2015 (effective on the same date)

⁽¹³⁾ Appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 8/2015 on August 28, 2015

Information of Directors, Executive Officers and Control Executives as of December 31, 2015

Name	Subsidiaries										Indirect Subsidiaries						Jointly-Controlled Entity of Subsidiaries					Associates				Related Companies
	Thai Lube Base Plc	Thai Paraxylene Co., Ltd.	Thaioil Marine Co., Ltd.	Thaioil Energy Services Co., Ltd.	Thaioil Solvent Co., Ltd.	Thaioil Ethanol Co., Ltd.	Thaioil Power Co., Ltd.	TOP SPP Co., Ltd.	TOP Solvent Co., Ltd. ⁽¹⁾	TOP Sak Chaisidhi Co., Ltd. ⁽²⁾	TOP SOUVENT (VIETNAM) LLC. ⁽³⁾	TOP Saphip Co., Ltd. ⁽⁴⁾	Thaioil Marine International Pte. Ltd. ⁽⁵⁾	TOP Marine Service Co., Ltd. ⁽⁶⁾	LABX Co., Ltd. ⁽⁷⁾	TOP-NTL Pte. Ltd. ⁽⁸⁾	TOP Nautical Star Co., Ltd. ⁽⁹⁾	TOP-NYK MarineOne Pte. Ltd. ⁽¹⁰⁾	PTT Energy Solutions Co., Ltd.	Global Power Synergy Plc	Messod Clean Energy Co., Ltd. ⁽¹¹⁾	Ubon Bio Ethanol Co., Ltd. ⁽¹²⁾	T.I.M. Ship Management (Thailand) Co., Ltd. ⁽¹³⁾			
28 Mr. Teardchart Padlungrat	*																									
29 Mr. Nikom Kongnok	*																									
30 Mr. Nitas Krongwanichayakul	*		*									*		*									*			
31 Ms. Prapin Thongnium	*																									
32 Mr. Prasert Raemwanith	*																									
33 Mr. Pongpun Amornivat	*					*																				
34 Ms. Panumas Chuchartchakulkarn	*																									
35 Mr. Phumchit Taisanprasert	*																									
36 Ms. Rungnapa Janchockiat	*																									
37 Mr. Virroj Wongsthirayakhun	*																									
38 Mr. Saran Harinsuta	*																									
39 Ms. Siripom Mahajachanyawong	*																									
40 Mr. Somkiet Kajonpradapkul	*																									
41 Mr. Santi Wasanasiri	*																									
42 Ms. Suchada Deechaiya	*																									
43 Mr. Suchart Momyanont	*																									
44 Ms. Sudarat Orrattanasakul	*																									
45 Ms. Acharee Tiyabhorn	*																									
46 Mr. Anponn Signsakda	*																									
47 Mr. Udorn Wongsinopphakhun	*																									

Notes: * = Chairman * = Director * = Chief Executive Officer or Managing Director * = Executive Officer

- (1) TOP Solvent Co., Ltd. is a subsidiary of Thaioil Solvent Co., Ltd. (TOS), in which TOS holds 100% of shares.
 - (2) Sak Chaisidhi Co., Ltd. is a subsidiary of TOP Solvent Co., Ltd. (TS), in which TS holds 80.5% of shares.
 - (3) TOP SOUVENT (VIETNAM) LLC. is a subsidiary of TOP Solvent Co., Ltd. (TS), in which TS holds 100% of shares.
 - (4) Saphip Co., Ltd. is a subsidiary of Thaioil Ethanol Co., Ltd. (TET), in which TET holds 50% of shares.
 - (5) Thaioil Marine International Pte. Ltd. is a subsidiary of Thaioil Marine Co., Ltd. (TM), in which TM holds 100% of shares.
 - (6) TOP Maritime Service Co., Ltd. is a subsidiary of Thaioil Marine Co., Ltd. (TM), in which TM holds 55% of shares.
 - (7) LABIX Co., Ltd. is a subsidiary of Thai Paraxylene Co., Ltd. (TPX), in which TPX holds 75% of shares.
 - (8) TOP-NTL Pte. Ltd. is a jointly-controlled entity of Thaioil Marine Co., Ltd. (TM), in which TM holds 50% of shares.
 - (9) TOP Nautical Star Co., Ltd. is a jointly-controlled entity of Thaioil Marine Co., Ltd. (TM), in which TM holds 35% of shares.
 - (10) TOP-NYK MarineOne Pte. Ltd. is a jointly-controlled entity of Thaioil Marine International Pte. Ltd. (TOMI), in which TOMI holds 50% of shares.
 - (11) Messod Clean Energy Co., Ltd. is an associate company of Thaioil Ethanol Co., Ltd. (TET), in which TET holds 30% of shares.
 - (12) Ubon Bio Ethanol Co., Ltd. is an associate company of Thaioil Ethanol Co., Ltd. (TET), in which TET holds 21.28% of shares.
 - (13) T.I.M. Ship Management (Thailand) Co., Ltd. is an associate company of Thaioil Marine Co., Ltd. (TM), in which TM holds 33% of shares.
- The company name change from "Thome Ship Management (Thailand) Co., Ltd." to "T.I.M. Ship Management Co., Ltd." which is effective on July 1, 2015 onwards.

Executives

As of December 31, 2015:

Name - Surname	Position
1. Mr. Atikom Terbsiri	Chief Executive Officer and President
2. Mr. Mitri Reodacha	Senior Executive Vice President - Refinery and Petrochemical
3. Mr. Kosol Pimthanothai	Executive Vice President - Organization Effectiveness
4. Mr. Somchai Wongwattanasan	Executive Vice President - Strategy
5. Mr. Chatapong Wungtanagorn	Executive Vice President - Corporate Commercial (Act.) Senior Vice President - Commercial Senior Vice President - Supply Chain Optimization (Act.)
6. Ms. Pattaralada Sa-NGasang	Executive Vice President - Finance and Accounting (Act.) Senior Vice President - Financial Planning
7. Mr. Surachai Saengsamran	Executive Vice President - Operation Excellence (Act.) Senior Vice President - Engineering
8. Mr. Bandhit Thamprajamchit	Executive Vice President - Manufacturing (Act.) Senior Vice President - Refinery
9. Mr. Viroj Meenaphant	Assistant Executive Vice President - Corporate Governance
10. Mr. Klahan Tochamnanvit	Vice President - Assignment as Organization Excellence, Global Power Synergy Plc
11. Mr. Jeerawat Pattanasomsit	Vice President - Petrochemical and Lube Base Vice President - Assignment as Managing Director, Thai Lube Base Plc Vice President - Assignment as Managing Director, Thai Paraxylene Co., Ltd.
12. Mr. Charlee Balmongkol	Vice President - Assignment as Managing Director, Thairoil Power Co., Ltd. Vice President - Assignment as Managing Director, TOP SPP Co., Ltd.
13. Ms. Duangporn Teerapabpaisit	Senior Vice President - Business Development
14. Ms. Torsang Chairavat	Vice President - Strategic Planning
15. Mr. Teardchart Padungrat	Vice President - Corporate Affairs
16. Mr. Nikom Kongnok	Vice President - Accounting
17. Mr. Nitas Krongvanitchayakul	Senior Vice President - Assignment as Managing Director, Thairoil Marine Co., Ltd.
18. Ms. Prapin Thongnium	Vice President - Corporate Internal Systems Audit
19. Mr. Prasert Raemwanith	Vice President - Quality Management
20. Mr. Pongpun Amornvivat	Senior Vice President - Corporate Project Development
21. Ms. Panumas Chuchartchaikulkarn	Vice President - Corporate Compliance and Company Secretary
22. Mr. Phumchit Tatsanaprasert	Vice President - Movement Marine and Logistic (Act.)
23. Ms. Rungnapa Janchookiat	Vice President - Technology

Name - Surname	Position
24. Mr. Viroj Wongsathirayakhun	Senior Vice President - Human Resources Senior Vice President - Assignment as Managing Director, Thaioil Energy Services Co., Ltd.
25. Mr. Saran Harinsuta	Manager - Special Assignment to Managing Director, Thaioil Ethanol Co., Ltd.
26. Ms. Siriporn Mahajchariyawong	Vice President - Treasury
27. Mr. Somkiet Kajonpradapkul	Vice President - Asset Development
28. Mr. Santi Wasanasiri	Vice President - Innovation and Sustainability
29. Ms. Suchada Deechaiya	Vice President - Organization Development
30. Mr. Suchart Monyanont	Senior Vice President - Assignment as Managing Director, LABIX Co., Ltd.
31. Ms. Sudarat Orrattanasakul	Vice President - Commercial Planning
32. Ms. Acharee Tiyabhorn	Vice President - Assignment as Managing Director, TOP Solvent Co., Ltd.
33. Mr. Ampon Singsakda	Vice President - Procurement and Contract Vice President - Assignment as Deputy Managing Director, LABIX Co., Ltd.
34. Mr. Udom Wongsirinopphakhun	Manager - Special Assignment to Managing Director, Sak Chaisidhi Co., Ltd.

Company Secretary

The Board of Directors appointed the Company Secretary to take responsibilities in providing advices to the Board and executives regarding the applicable laws and regulations that the Board must recognize and act upon, the corporate governance policies as well as the arrangement of the Board meetings and the Annual General Meeting of Shareholders. The Company Secretary must also monitor and coordinate to ensure that the Board and shareholders' resolutions are fully complied. The Company Secretary is also assigned to keep the Company's important documents as required by the laws. In 2015, the Board of Directors Meeting No. 4/2015 held on April 24, 2015 passed the resolution on appointing Ms. Panumas Chuchartchaikul Karn as the Company Secretary.

Brief Biography:

Name:	Ms. Panumas Chuchartchaikul Karn
Education:	>> Bachelor of Business (Banking and Finance), Ramkhamhaeng University >> Certificate of Business Administration, Chulalongkorn University
Experience:	
2011 - 2012	Assistant to Chief Executive Officer and Corporate Support Manager (Act.)
2013 - April 23, 2015	Vice President - Corporate Compliance and Corporate Support Manager (Act.)
April 24, 2015 - Present	Vice President - Corporate Compliance, Corporate Support Manager (Act.), and Company Secretary

Company Secretary Training:**Thai Institute of Directors (IOD)**

- > Company Secretary Program (CSP 36/2010)
- > Company Reporting Program (CRP 49/2013)
- > Board Reporting Program (BRP 10/2013)
- > Effective Minute Taking (EMT 25/2013)

King Prajadhipok's Institute

- > Basic Concepts on Public Policy Management through Peaceful Means, Class 8
- > Intermediate Certificate Course in Negotiation, Class 5

Thai Listed Companies Association (TLCA)

- > Fundamental Practice for Corporate Secretary (FPCS), Class 30
- > Fundamental Practice of Law for Corporate Secretaries, Class 12

Chief of the Internal Audit : Vice President - Corporate Internal Systems Audit

In the Audit Committee Meeting No. 12/2014 on December 17, 2014, the committee appointed Ms. Prapin Thongnium as the Chief of the Internal Audit Unit due to qualified competency, experience, and administration skill elaborated as followed:

Work Experience : Ms. Prapin has worked for the Company for more than 27 years, being appointed one of the executives as Vice President - Accounting in 2006. She is competent in accounting and is able to oversee the audit work. She is also considered one of the key persons who increases value and reduces possible risks exposed to the Company, understands the nature of the Company business, and is able to achieve the strategic target of the Company. All qualifications are beneficial and applicable to the internal audit.

Training Record : In preparing and equipping herself for the audit work, Ms. Prapin has joined many training courses both in-house and external from different institutes including strategic planning, finance and accounting, and leadership enhancement.

The appointment, removal, and replacement of the Chief of the Internal Audit must be considered and approved by the Audit Committee. The Committee also assesses the performance of the Chief of the Internal Audit against the responsibilities as stated in the Audit Committee Charter.

Brief Biography :

- Name :** Ms. Prapin Thongnium
- Education :** > Bachelor of Accounting, Thammasat University
> Master of Business Administration, Burapha University

Working Experience in the 5 Preceding Years:

- 2007 - 2014 Vice President - Accounting
2015 - Present Vice President - Corporate Internal Systems Audit

Internal Audit Training :

- > CIA Review Part 1
- > Verifying The CAC Checklist; Experience sharing From Auditors
- > Using COSO 2013 In Practice, IA Profession Practice, Risk-Based IA Plan, Proactive & Updated Techniques
- > Internal Audit Methodology, Transforming IA And Challenges In Oil And Gas Industry And Experience Sharing In Best Practice
- > Practical Fraud Prevention, Detection & Investigation Strategies
- > TLCA Executive Development Program (EDP)

- >> Financial Executive Development Program (FINEX)
- >> Field trip to more experience on internal audit in the leading public companies

Director Remuneration

The 2015 Annual General Meeting of Shareholders set the monthly remuneration for the Company directors and Board-Committees including meeting fee and a special bonus reflecting the Company performance as followed:

2015 Remuneration Structure

Retainer Fee	Baht per Month
Chairman of the Board ⁽¹⁾	75,000
Vice Chairman of the Board (If any) ⁽¹⁾	67,500
Member of the Board	60,000
Special Bonus for the Board of Directors ⁽²⁾	-

Board-Committees' Remuneration

(Comprised of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee)

Retainer Fee

Chairman of the Board ⁽¹⁾	31,250
Member of the Board	25,000

Meeting Fee for Directors who Attend the Meeting

Chairman of the Board ⁽¹⁾	18,750 Baht / meeting
Vice Chairman of the Board (If any) ⁽¹⁾	16,875 Baht / meeting
Member of the Board	15,000 Baht / meeting

Remark:

- ⁽¹⁾ Chairman of the Board and Chairman of the Board-Committees shall receive monthly remuneration of 25% higher than the directors. Vice Chairman of the Board shall receive monthly remuneration of 12.5% higher than the directors.
- ⁽²⁾ Special bonus for 2014 performance of the directors was withheld due to the loss in 2014 profit.

In summary, the remuneration of 29 directors, which includes directors in office during 2015 for a period of 12 months ending as of December 31, 2015, and directors who completed their terms or resigned during 2015, totals Baht 16.79 million. This comprises monthly remuneration for the Company directors of Baht 10.08 million, monthly remuneration for Board-Committees of Baht 3.94 million, and meeting fee of Baht 2.76 million. Directors' remuneration in the form of a special bonus for 2014 performance was withheld due to the loss in 2014 profit, the resolution of which was passed by the 2015 AGM on April 3, 2015. The remuneration is considered through the comparison with organizations with the equal size in the same industry, as well as the Company performance, achievement, responsibilities of the Board of Directors, and overall business circumstances. In addition, the Company provides vehicles for the Chairman of the Board to facilitate during the Chairman on duty in office.

2015 Directors Remuneration

No.	Name - Surname	Position	Meeting Fee	Board of Directors	Board-Committees				Total Remuneration	Annual Bonus for 2014 Performance ⁽¹⁾
					Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee		
1	Mr. Kurujit Nakomthap	Director / Chairman of the Board	277,500.00	900,000.00	-	-	-	-	1,177,500.00	-
2	Mr. Chulasingh Vasantasingsh ⁽²⁾	Independent Director / Chairman of the Audit Committee	195,000.00	720,000.00	349,650.54	-	-	-	1,264,650.54	-
3	Ms. Chularat Suteethorn ⁽³⁾	Independent Director / Member of the Audit Committee	195,000.00	720,000.00	282,500.00	-	-	-	1,197,500.00	-
4	Mr. Siri Jirapongphan ⁽⁴⁾	Independent Director / Member of the Audit Committee	30,000.00	120,000.00	50,000.00	-	-	-	200,000.00	-
5	Gen. Jiradej Mokkhasmit	Chairman of the Nomination and Remuneration Committee	195,000.00	720,000.00	-	375,000.00	-	-	1,290,000.00	-
6	Mr. Thaworn Phanichaphan ⁽⁵⁾	Independent Director / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee	210,000.00	720,000.00	-	275,000.00	177,419.35	-	1,382,419.35	-
7	Mr. Thosaporn Srisumphan ⁽⁶⁾	Independent Director / Chairman of Corporate Governance Committee / Member of the Nomination and Remuneration Committee	210,000.00	720,000.00	-	282,500.00	334,932.80	-	1,547,432.80	-
8	Mr. Yongwut Jantaratjai	Director / Member of the Corporate Governance Committee	165,000.00	720,000.00	-	-	300,000.00	-	1,185,000.00	-
9	Mrs. Siwan Eamrungrong ⁽⁷⁾	Director	45,000.00	180,000.00	-	-	-	-	225,000.00	-
10	Mr. Tanasak Wanawisan ⁽⁸⁾	Director	105,000.00	425,806.45	-	-	-	-	530,806.45	-
11	Mr. Nuttachat Charuchinda ⁽⁹⁾	Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee	210,000.00	720,000.00	-	300,000.00	-	91,532.26	1,321,532.26	-
12	Mr. Thammayot Srichulaj ⁽¹⁰⁾	Director / Member of the Risk Management Committee	135,000.00	536,000.00	-	-	-	75,000.00	746,000.00	-
13	Mr. Noppadol Pitsupa ⁽¹¹⁾	Director / Member of the Risk Management Committee	45,000.00	180,000.00	-	-	-	75,000.00	300,000.00	-
14	Mr. Atikom Tebsiri ⁽¹²⁾	Director / Secretary to the Board of Directors / Member of the Risk Management Committee / Chief Executive Officer and President	210,000.00	720,000.00	-	-	-	300,000.00	1,230,000.00	-
Directors who Resigned during the Year 2015										
1	Mr. Twarath Sutabutr	Director / Member of the Risk Management Committee	15,000.00	60,000.00	-	-	-	25,000.00	100,000.00	-
2	Mr. Praipol Koomsup	Director / Member of the Corporate Governance Committee	60,000.00	194,000.00	-	-	80,833.33	-	334,833.33	-
3	Mr. Bowon Vongsinudom ⁽¹³⁾	Director / Member of the Risk Management Committee	90,000.00	285,419.35	-	-	-	118,924.73	494,344.09	-
4	Mr. Apisak Tanitvorawong	Independent Director / Chairman of the Risk Management Committee	105,000.00	450,967.74	-	-	-	234,879.03	790,846.77	-
5	Mr. Suwit Maesincee	Independent Director / Member of the Audit Committee	105,000.00	450,967.74	187,903.23	-	-	-	743,870.97	-
6	Mr. Chansin Treenuchagoon ⁽¹⁴⁾	Director / Member of the Risk Management Committee	165,000.00	540,000.00	-	-	-	28,225.81	733,225.81	-
Directors who Complete the Term in 2014 AGM / Resign during the Year 2014 (Received Annual Bonus for 2014 Performance)⁽¹⁵⁾										
1	Mr. Apisit Rujitkeakamjorn	Independent Director / Chairman of the Audit Committee	-	-	-	-	-	-	-	-
2	Mr. Wisan Wuthisakslip	Independent Director / Chairman of the Nomination and Remuneration Committee	-	-	-	-	-	-	-	-
3	Mr. Norkun Sithiphong	Director / Chairman of the Board (Resigned effective on June 16, 2014)	-	-	-	-	-	-	-	-
4	Pol. Gen. Adul Sangsingkeo	Independent Director / Member of the Corporate Governance Committee (Resigned effective on August 29, 2014)	-	-	-	-	-	-	-	-
5	Mr. Tanawat Ampuan	Independent Director / Member of the Audit Committee (Resigned effective on September 1, 2014)	-	-	-	-	-	-	-	-
6	Mr. Somkeit Hudthagoso	Director (Resigned effective on September 1, 2014)	-	-	-	-	-	-	-	-
7	Gen. Trisak Indararunsi	Independent Director / Member of the Nomination and Remuneration Committee (Resigned effective on September 1, 2014)	-	-	-	-	-	-	-	-
8	Mrs. Chanatip Weerasubpong	Independent Director / Member of the Audit Committee (Resigned effective on September 1, 2014)	-	-	-	-	-	-	-	-
9	Mr. Veerasak Kositpaisal	Director / Member of the Risk Management Committee (Resigned effective on December 31, 2014)	-	-	-	-	-	-	-	-
Total			2,767,500.00	10,083,161.29	870,053.76	1,232,500.00	893,185.48	948,561.83	16,794,962.37	-

Remark:

- The 2015 Annual General Meeting on April 3, 2015, passed the resolution to withhold the annual bonus for 2014 performance since there is a loss in profit in 2014.
- Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, appointed as member of the Audit Committee in the Board of Directors meeting No. 4/2015 on April 24, 2015, and elected as Chairman of the Audit Committee in the Audit Committee meeting No. 4/2015 on May 11, 2015.
- Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as member of the Audit Committee in the Board of Directors meeting No. 9/2015 on September 25, 2015 with the effective date as from October 1, 2015.
- Appointed as Independent Director and Member of the Audit Committee in the Board of Directors Meeting No. 10/2015 on October 30, 2015 with the effective date as from November 1, 2015.
- Appointed as Member of the Corporate Governance Committee in the Board of Directors Meeting No. 5/2015 on May 29, 2015.
- Term completed and re-elected as Independent Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, appointed as Member of the Nomination and Remuneration Committee in the Board of Directors meeting No. 2/2015 on July 22, 2015.
- Appointed as Director in the Board of Directors Meeting No. 9/2015 on September 25, 2015 with the effective date as from October 1, 2015.
- Appointed as Independent Directors in the Board of Directors Meeting No. 5/2015 on May 29, 2015.
- Appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 9/2015 on September 25, 2015 and elected as Chairman of the Risk Management Committee Meeting No. 4/2015 with the effective date as from October 12, 2015.
- Appointed as Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 9/2015 on September 25, 2015.
- Term completed and re-elected as Director in the 2015 Annual General Meeting of Shareholders on April 3, 2015, and appointed as Member of the Risk Management Committee with the effective date as from October 1, 2015.
- Appointed as Director and Member of the Risk Management Committee in the Board of Directors Meeting No. 1/2015 on January 23, 2015 with the effective date as from January 3, 2015.
- Appointed as Director and Member of the Risk Management Committee in the Board of Directors Meeting No. 8/2015 on August 28, 2015.
- Appointed as Member of the Risk Management Committee in the Board of Directors Meeting No. 8/2015 on August 28, 2015.
- Since the 2015 Annual General Meeting of Shareholders passed the resolution to withhold the annual bonus for 2014 performance, Directors completing the term or resigning during the year 2014 would not be paid the annual bonus.

Executive Remuneration

As of the fiscal year ended on December 31, 2015, the remuneration of 30 executives totaled to Baht 232.08 million. This comprises remuneration in the forms of monthly salaries and allowances of Baht 146.70 million, special bonus of Baht 46.95 million, provident fund contributions of Baht 15.83 million, retirement gratuity fund payments of Baht 9.93 million, and other payments of Baht 12.67 million.

Remark:

>> The Remuneration for 30 executives as of December 31, 2015, excludes the following executives who work in the subsidiary companies:

Mr. Klahan Tochamnanvit

Mr. Nitas Krongvanitchayakul

Mr. Teardchart Padungrat (from January to April)

Ms. Acharee Tiyabhorn (from May to December)

Mr. Suchart Monyanont

Mr. Jeerawat Pattanasomsit (from February onwards)

Mr. Charlee Balmongkol (from February onwards)

Mr. Viroj Wongsathirayakhun (divided by the proportion of the managing position of companies within Thairoil Group)

RISK FACTORS AND CORPORATE RISK MANAGEMENT

Background

To accrue best practices and achieve international standards, Thaioil constantly committed itself to the development of Enterprise Risk Management (ERM), including corporate risk management under the formats of Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM, AS/NZS 4360 : 2004, and ISO 31000 : 2009 (Risk Management Principles and Guidelines). The Company focused on integrated management, embracing Thaioil Group risk management and associating such management with the process of strategic planning, business planning, investment, and other operations under the corporate objectives and goals (short-term, medium-term, and long-term). The Company also identified the key risk factors both internal and external, set the measures and contingency plans for each factor, and identified Key Risk Indicators (KRIs) in order to closely monitor risk management. The risk management performance was summarized and reported to the Risk Management Steering Committee (RMSC), consisting of high-level executives of Thaioil Group, and to the Risk Management Committee (RMC), whose members appointed by the Board of Directors (Board) with the responsibility to define the scope of risk management, supervise to ensure the efficient corporate risk management, and enhance the risk management to become the Company's culture.

Prepared to cope with disasters of any kind that could impact the business, the Company set up the Business Continuity Management Plan (BCP) for all key processes.

The Business Continuity Management Taskforce was appointed to support the efficient and in line with international-standard business continuity management (BCM). Simulated disasters were designed for BCP drills along with the refinery's regular emergency drills. The Company also promoted sound knowledge and attitude among employees to improve their caliber for risk management and BCM, so that they are ready to cope with assorted risk factors. Annually, the Company assessed employees' knowledge and attitude with thorough and international-standard survey; the assessment of which is in line with the principles of good corporate governance.

Corporate Risks and Risk Management Plans / Measures

The Company encouraged the systematic monitoring and reviewing of the risk management and its effectiveness. The corporate risks, set in 2015, the risk management measures, and KRIs were presented for the RMC endorsement and later to the Board. The corporate risks were classified into five major areas equalling to 11 distinct risks, and the Company developed measures or plans to prevent or mitigate the impacts of these risks to achieve the corporate goals.

Strategic Risks

1. Government Policies, Laws, and Regulations Risk

Since the change in government policy, prioritizing the business, social and environmental development at the same time, affected both current businesses

and future expansion and investment in new projects under Thaioil Group's strategic plans, the Company therefore requires the monitoring of government policy to keep up with the changing. For example, the executives reported the change of the fuel reserves to the RMC and the Board for acknowledgement, after which the Company's measures were defined. The Company focused on creating the mutual understanding among members of the Refinery Industry group in the Federation of Thai Industries. The Company also urged for the vigilance over new legislation and the development of employee awareness of law compliance. The Company, moreover, did the self-assessment designed to test the efficiency and effectiveness of the compatibility between the Company business and the relevant public policies, rules, and legislations.

2. Strategic Direction Risk

Fully aware of complex, dynamic external factors—including economic and societal changes, political uncertainties, environmental situations, and technological progress (domestic and international)—the Company employed a series of strategies to cope with all changes. First, Thaioil Profit Recovery (TOP) strategy focuses on strengthening current businesses. The second strategy is Growth Execution (GET), which drives forward both existing core businesses and new, high-potential businesses. Another strategy is Business Excellency and Sustainability (BEST), which focuses on business development that leads to sustainability. The Company also defined TOP Group Portfolio Management and instituted a close monitoring mechanism for risks, while forging an efficient strategic risk management process to ensure that it can thrive in a sustainable manner.

3. Strategic Execution Risk

Thaioil Group defined an investment strategy to expand its businesses and pursue the business opportunities, both current and future, through strategic projects aimed at prosperity and sustainability for the businesses in the overview. To achieve this goal, the TOP Group Growth and Investment Steering Committee has considered, screened, and defined in accordance with the corporate guidelines, the framework of the investment management, and the risk analysis including the monitoring of project progress and returns on investment, which later are presented to and filed for the RMC and the Board endorsement. In 2015, the Company has increased another process reviewing TOP Group Investment for Merger & Acquisition and Divestment and Liquidation Projects, and developed the template for reporting subsidiaries' project updates so as to lower the investment risks and protect the corporate interests while bolstering confidence among shareholders and stakeholders in making decision on any project investment and business expansion that promise growth and prosperity for Thaioil Group.

4. Losing Competitiveness

Due to the fact that the refinery business has the highly competitiveness of production cost resulting from the production efficiency, the Company, therefore, periodically improved the production processes by executing projects that reduced energy expenses; improving procurement and contract processes while pursuing new process at the same time; managing the promptness of refining machinery and equipment; and analyzing the cause of excessive expenses. These attempts aimed to maintain competitive edges on a par with competitors that are leaders in the refinery industry in this region.

Commercial Risk

5. Oil Price Fluctuation and Margin Decrease Risk

Currently, the crude oil price and spread, which are the essential factors affecting the corporate profitability, still fluctuated highly and continuously, resulting in even more difficulty on the oil price forecast. Therefore, the Company closely monitored the market analysis and specified marketing strategies and corresponding actions as well as co-planned the productions, sales, and stock management among Thairoil Group and PTT Group. Aiming for more proactive oil price hedging to prevent financial loss due to the crack spread and stock loss, the Hedging Steering Committee was appointed to regularly screen and consider the corporate strategic plan and targets on hedging transactions under the hedging framework approved by the RMC and later endorsed by the Board. This is aimed to help reduce the effect from the risk as much as possible in order to maintain the Company's Gross Integrated Margins (GIMs) as planned. Moreover, to effectively tackle the oil price fluctuation, the Company has brainstormed to create measures or activities that help increase more profit while controlling the operating expense at the same time; for example, energy saving, sales strategies and stock management.

6. Crude and Feedstock Interruption

Due to the political instability and unrest in many countries, together with natural disasters, the risks on transportation and shipment of crude oil have constantly surged, resulting in the difficult situation to acquire the crude oil with the volume and price as originally set in

accordance with the production plan. Apart from improving the refining efficiency to produce with the crude oil from new sources, and collaborating among refineries in PTT Group on supply chain and stock management to ensure sufficient volume and reasonable price of crude oil as planned, the Company increasingly monitored the market situation, thoroughly analyzed the market, restlessly studied and searched for new crude oil sources, and dutifully expanded its capacity of crude oil reserves in order to match the Company's and its subsidiaries' need for feedstock and reserves.

7. Demand Fluctuation

Risk from demand fluctuation tended to be higher as a result from the global and domestic economies, as well as technological advancement related to energy saving and alternative-energy policies. The Company needed to continually adjust its marketing strategies focusing on product and service quality, including market expansion to new customers in the nearby region to provide them with satisfactory services with convenient and flexible sales options. The projects on improving the lorry loading and extending the collaboration on PTT Plc tank utilization have started. The Company also maintained the cooperation with related government units to maximize the sales efficiency both in Thailand, Indochina and other export markets, and surplus management efficiency. Also, the Company increased its vessels to improve the capacity to serve more customers, both domestic and international.

Financial Risk

8. Foreign Exchange Risk

With the oil price pegged to the US Dollar Currency, the fluctuation of Thai Baht against US Dollar directly impacted the Company's performance. To reduce this risk exposure, the Company arranged Natural Hedge and Forward Contracts as the same as last year.

9. Funding Risk

The sluggish economies worldwide and volatility of the money, the capital and the commodity markets impacted the investment and funding plans of Thairoil Group; thus, the Company sought to reduce these risk exposures by diversifying its loan sources. To do so, the Company secured the long-term and additional working capital loans to replace the old amounts from domestic financial institutions which expired. In June this year, the Company prepared to issue debentures in overseas markets by undertaking the Global Medium-Term Note (GMTN) Program, amounting to USD 1 billion. This would give flexibility and alternatives for debenture issuance in the currencies, amounts, and tenors suiting its own conditions and structures, and be in tune with the condition of money markets, domestic capital markets, and target markets with the highest benefit to the Company, all under a shorter execution period. In addition, Thairoil Group structured its capital for sustainable growth. Tools and mechanisms supporting the Company's ability to locate funds with appropriate terms included close monitoring of movements of money and capital markets, loan pre-payment, development of derivatives by assessing and managing financial risks fittingly in line with Company

policies, financial management at Thairoil Group's level, and close and continual cooperation among companies in PTT Group.

Operations Risk

10. Business Disruption

The risks from severe incidents affecting business conduct or causing business disruption could result from failure or abnormal conditions of machinery, core process equipment, drought that necessitate capacity reduction or production suspension, and events extensively affecting the environment, communities, and society such as oil spill and severe mishaps. All of which were key risks affecting business conduct, properties, and the reputations of the Company. With BCM and BCP in place, the Company stressed the preparedness to ward off business disruption. A BCM drill followed the emergency drill of the refinery, with a severe incident simulated at the Bangkok Office under the ISO 22300 standard. In addition to the refinery preventive measures, the Corporate Social Responsibility (CSR) activities, and the continuous creation of community engagement networks, the Company secured the business-interruption insurance, and continued close cooperation with government agencies, military units, and provincial authorities on safety and security issues. The Company regularly joined the meeting on preventive operations with PTT Group, and coordinated emergency response plans of Thairoil Group with provincial authorities. All these activities and plans were aimed to tackle emergencies and support risk management plans to make possible zero business disruption, delivery of products to customers as planned, and prevention of loss and damage to lives and properties of communities and the environment.

Corporate Risk

11. Human Resource Capability Risk

Current and future business expansions called for adequate human resources that are competent to support and drive to the success of short-term and long-term strategies. The Company, hence, accelerated its employee development to align with strategic plans, and ensured that the analytical plans for manpower requirements together with employee development plans were in line with future growth. Additionally, recruitment processes have been improved to be more efficient, more concise, and more quickly. The Company also investigated laws, legislations and regulations relating to the labour laws of the countries the Company planned for investment, to ensure that its employees, the most essential resources, command adequate caliber to perform and operate, and are ready for more diverse businesses.

INTERNAL CONTROLS

The Company constantly takes internal control very seriously by following the scope of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 and applying the “Three Lines of Defense”. The “1st Line” means a given unit’s internal control; the “2nd Line” means risk management practices and performance monitoring; and the “3rd Line” means overall performance review. Ideally, the ultimate outcomes are that workers appreciate the value of internal control and that the Company can ensure stakeholders that it commands an adequate system for efficient businesses.

Each year, the Board of Directors (Board) assigns the Audit Committee (AC) to review the assessment and adequacy of the internal control system. This year, both the Board and the AC agreed that the system is indeed adequate and suitable for its businesses, which helped the Company to accomplish its objectives. Below are the five-point highlights of the system.

1. Control Environment

The Company commands a sound, adequate internal control environment, operating under corporate governance (CG) and business code of conduct. The CG Policy and Code of Conduct has been clearly defined in written format in the manual, containing defined roles and responsibilities together with a code for the Board, executives, and employees, a code for conflicts of interest, and whistle-blowing measures. The conflict of interest electronic reporting system helps all executives and employees in annually disclosing their vested interests. The Company also

defines monitoring and compliance assessment processes in the manual. To this end, it has regularly undergone CG assessment for listed companies and joined international projects designed to assess CG compliance such as the ASEAN CG Scorecard and the Asset Excellence in Management and Corporate Governance Awards to develop, support, and promote business under such principles.

The Company has revised its CG and Code of Conduct manual by incorporating the Anti-Corruption Policy and various relevant measures, together with a yardstick for Thairoil’s business code of conduct and treatment of stakeholders.

Independent from the executives, the Board steers and develops internal controls, ensures definition of clear and measurable goals, develops timely strategic planning processes in line with dynamic business conditions, and regularly tracks the progress.

The Company structures itself by line of command, with defined Corporate Authorization and Procedure (CAP) and written preparation of policies and procedures in support of efficient performance, together with proper checks and balances under the Board’s supervision.

It defines human resource (HR) policies and guidelines by systematically linking them to its policies and strategies so that its processes of attraction, development, career growth management, retention of talents, compensation management, and assessment of potential successors match the business needs.

Thaioil Group has also declared its HR Policy to upgrade its HR management so that its employees may command systematic, sustainable competency that embraces the aspects of “Attracting”, “Developing”, and “Retaining & Engaging” of its people. Recruitment strategies have been added for greater diversity to accommodate the business expansion plan (2015-2021) and the challenges of external labour markets.

2. Risk Assessment

The Company values and establishes Enterprise Risk Management by having the Board assign the Risk Management Committee to devise policies and steer risk management practices suitably and efficiently, apart from earnest application of risk management to ensure corporate goal achievement.

Thaioil’s plans focus on integrated risk management, tracking uncertainty (external and internal) that could affect business and all its investment (long-term and short-term). Various risks are reviewed: strategic, marketing, financial, operation, and corporate administration. Also, risk management measures are monitored. These actions lower risks potentially affecting business by establishing risk appetites and key risk indicators (KRIs), which are also monitored, as is business continuity management. Finally, risks and risk management measures under the risk management reporting structure are tabled for the Risk Management Committee and the Board.

Note that in its revision, the Company has added measures to manage risks for oil/fuel reserve criterion change, currency exchange risks, and the formulation of the Portfolio Master Plan.

The Board assigns the AC to review financial reports, devise rules, and review the adoption of accounting policies under generally accepted accounting principles and compatible with Thaioil’s businesses. To this end, requirements are made for systematic reporting, approval for adoption, and change in accounting policies. The AC regularly consults the executives, internal auditors, and external auditors apart from meeting with the external auditors in the absence of the executives, while consulting related units as necessary.

3. Control Activities

The Company commands rules, policies, procedures, and Corporate Authorization and Procedure (CAP), which clearly define in writing the scopes and approval authorities of executives and employees by approval level. It divides these responsibilities to enable mutual checks and balances for the business agility and suitable internal controls. In addition, it clearly defines a review and approval process of related items, which must be endorsed by the high-level executives and the AC before tabling them to the Board for approval.

The Company sets and deploys TOP Group Affiliates Management (TAM) to ensure the Company and its subsidiaries’ administration in the same direction, joint deliberation of and decision on key matters, and regular monitoring of subsidiaries’ business execution. To this end, the Company executives serve as subsidiaries’ directors and managing directors, thus enabling the Company to play a policy-defining role, while periodically sharing information and monitoring performance outcomes for Key Performance Indicators (KPIs).

4. Information & Communication

The Company takes seriously information and communication systems that systematically support business operation, execution, management, and financial reports for decisions made by the Board and executives. To support effective internal controls, the Company has defined an Information and Communication Technology (ICT) policy and regulations together with suitable protocols for ICT security. Finally, it has achieved ISO/IEC 27001 (Information Security Management System) certification.

By sending meeting documents to directors ahead of time, the Company ensures that directors get adequate material information for their deliberation.

The Company has established internal communication channels, under which its employees get information through the intranet and e-mail. Also, there are arrangements for communication between executives and employees to ensure goal achievement. As for external communication, the Company discloses information to stakeholders through a variety of channels, including the Company's website and responsible units; namely, Investor Relations, Corporate Affairs Public Relations and Branding, and Corporate Governance sections.

In addition, the Company has established whistle-blowing channels so that employees and external parties can report or provide information related to law-breaking, violation of regulations, frauds, or other acts for undue or unlawful gains.

5. Monitoring Activities

The Company requires all executives to look after and audit work systems within their units for efficiency and Conformance to policies, requirements, and regulations under a strict internal control system. To this end, Corporate Internal Systems Audit Department provides support and advice, reviews the internal work systems, and reports audit findings to the Audit Committee independently and candidly. Executives acknowledge recommendations of audit reports and requirements for suitable corrective actions. Finally, the Corporate Internal Systems Audit Department monitors the progress of such corrective actions to its completion.

CORPORATE GOVERNANCE REPORT

Thai Oil Public Company Limited is committed to basing business on good corporate governance and business ethics with transparency and integrity. This is a key to achieving one of the Company's missions, which stated, "To emphasize good Corporate Governance and commit to Corporate Social Responsibility." Adherence to these principles is a crucial part in boosting confidence among all investors and stakeholders alike, as well as increasing the competitiveness of the Company.

The Board of Directors (Board) always values the Corporate Governance Policy and conformance to it by assigning the Corporate Governance Committee (CG Committee) to govern, monitor, and promote the Company's operations to comply with this policy. The Company has devised its corporate governance development plan on a par with international standards and in line with business strategies and directions. By doing this, the Company can maintain its high standards and conformance to criteria as stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Throughout 2015, the Company has successfully been accepted for its corporate governance at both the national and international levels, the details of which can be found in the "Corporate Governance Committee Report" on page 20.

1. Corporate Governance Policy

Since 2001, the Company has acquired a clearly written **Corporate Governance Policy** (last updated in 2013) and requires that one responsibility of directors, executives, all employees in Thaioil Group is to acknowledge and

comply with this policy. The Company regularly reviews the policy, principles, and guidelines to encompass key corporate governance principles, in line with the approach of corporate governance and guidelines for listed companies under the SEC and SET, as well as other governing bodies. In 2015, the Company found that the policy is still consistent and appropriate, thus no significant changes have been made. The Company publicized the Corporate Governance Policy, principles, and guidelines on its website (www.thaioilgroup.com) to enable those interested to examine and download them.

1.1 Corporate Governance Principles

The Company has defined its Corporate Governance principles (REACT+E) to make it easier to communicate to the Board, executives, and employees to comply with the principles and business code of conduct. The Company has established the principles as followed:

1. **R**esponsibility for performing duties with due competence and adequate efficiency
2. **E**quitable treatment of all stakeholders
3. **A**ccountability for one's own decision-making and acts, as well as those of others under one auspices
4. **C**reation of long-term value
5. **T**ransparency in conducting business, openness to scrutiny, and transparent disclosure of corporate information to related parties
6. **E**thically undertaking business operation and conformance to the Code of Conduct.

2. Corporate Governance and Code of Conduct

2.1 Code of Conduct

The Company establishes the business code of conduct as guidelines for business conduct for the Board, executives, and employees to comply with. Focusing on the key essences of corporate governance under equitable treatment, fairness, transparency, and respect of the rights of all stakeholders, the Company always values the development of its employee ethics as well as cultivating perseverance, patience, and responsibilities on the basis of human dignity. The Board and executives are required to be the ethical leaders and the role models in performing their duties with integrity, honesty, fairness, and transparency in accordance with the Company's corporate governance and code of conduct, which consist of the following areas:

1. Code of Conduct for the Board, Executives, and Employees
 - 1) Behavior
 - 2) Treatment of Colleagues
 - 3) Treatment of Company
2. Code of Conduct
 - 1) Stakeholders
 - 2) Purchasing
 - 3) Respect for Principles of Universal Human Rights
 - 4) Compliance with Laws and Regulations and the Respect for Cultures and Customs
 - 5) Political Neutrality
 - 6) Charitable Contribution and Sponsorship
 - 7) Giving or Acceptance of Presents, Assets, or Other Benefits
 - 8) Conflicts of Interest
 - 9) Connected Transactions

- 10) Maintaining Confidential Information and Use of Inside Information
- 11) Marketing Communications
- 12) Intellectual Properties
- 13) Application of Information and Communication Technology

2.2 Communication and Promotion of Corporate Governance

In 2015, the Company communicated and promoted the policy and practices into concrete actions and encouraged all employees in Thairoil Group and stakeholders to acquire knowledge and understanding of the importance of corporate governance as followed:

Corporate Governance and Code of Conduct Manual

The Company has distributed the **Corporate Governance and Code of Conduct Manual** to all directors, executives, and employees of Thairoil Group. Upon receiving, **they are required to study the contents, sign the acknowledgment form, and return the form** to the Corporate Compliance Department for record-keeping. Moreover, the manual has been published on the Company's website, so that the stakeholders and the public can easily access such information. In 2014, the Company launched an amendment of the manual to cope with international standards covering corporate governance, business ethics, and Anti-Corruption policy and principles. The current version of this manual is the 4th revision. At the end of 2014, the Board approved the manual for distribution to all employees in March 2015. In order to create awareness of the importance of this manual, the Company has distributed the manual to the Board in a Board Meeting, to the executives in a Corporate Management Meeting, and a roadshow

campaign for employees of various sections. In addition, the Company has sent a notification to inform the Company's business partners and customers of the amendment of the manual and whistle-blowing process for their acknowledgment.

Corporate Governance e-learning (CG e-learning) Program

The Company has established an electronic learning course on corporate governance (CG e-learning) for the employees in Thaioil Group to master the principles of corporate governance and business ethics. The original version was created in 2007. In 2010, the Company revised the CG e-learning to cover more details. This year, the Company once again developed and improved the e-learning, changing the name from CG e-learning to CG Interactive learning, covering the core contents of corporate governance, code of conduct, anti-corruption practices, and safety, which will be launched in 2016.

New Employee Orientation and Training

All new recruits are obliged to undergo a new employee orientation program covering various topics, one of which is corporate governance, code of conduct, and anti-corruption, from day one of their employment at Thaioil Group. In order to continuously promote knowledge and understanding of corporate governance and business ethics, after the distribution of the manual, the Company organized "CG and Code of Conduct Manual Briefing for Thaioil Group" for a total of three sessions. Section managers were invited to attend the event with the objective to raise awareness of the importance of corporate governance, business ethics, and Anti-Corruption Policy and principles, after which they are required to convey the message to

their subordinates within their sections. Furthermore, the Company organized "CG/IR/TIM/TAM for Executives" for a total of two sessions to provide extensive knowledge and understanding of the principles of corporate governance, disclosure of information, and business transactions of listed companies within SET. At this event, the Company invited guest speakers with profound knowledge and experience in compliance and legal matters to discuss corporate governance (CG) and investor relations (IR) information. Also, information on TOP Group Investment Management (TIM) and TOP Group Affiliates Management (TAM) were presented by executives who are directly in charge of these projects.

Activities and Communication

The Company and other companies within PTT Group jointly organized the PTT Group CG Day 2015 under the theme, "Shade of Sharing...Passing the Power Forward", on August 25, 2015, to encourage employees to appreciate the concept of corporate governance and anti-corruption policies and principles. At this event, business partners of each company were invited to join the activity. The Company frequently communicated corporate governance and business ethics through articles in the internal publication (Akanee) and an e-newsletters to employees in Thaioil Group.

Communication of the Policy and Compliance with Corporate Governance to Stakeholders and the Public

Along with the publication of the Corporate Governance Policy and practice on the Company's website, the Company publishes policies and practices on corporate governance, code of conduct, anti-corruption, and whistle-blowing channels through various events, for

instance, the Company's Analyst Meeting and Supplier Conference. The Company also publishes corporate governance articles in the IR e-newsletter, distributes a conforming letter to customers and business partners for their cooperation in not offering gifts of high value as well as entertainment or hospitality of any kind to Thairoil Group's employees during the New Year festival, etc. Furthermore, the Company allows external agencies to visit Thairoil Group companies to share corporate governance, code of conduct and anti-corruption thoughts and experiences. This year, the Company organized exhibitions to promote its corporate governance as part of the International Anti-Corruption (Thailand) event during December 8-9, 2015, at the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, Chaengwattana Road. This event was organized by the government sector and the National Anti-Corruption Commission (NACC).

Corporate Governance Survey

The Company has incorporated the corporate governance survey in the Employee Engagement Survey to obtain feedback to enable the Company to further develop its corporate governance, business ethics, and whistle-blowing system.

2.3 Guidelines and Enforcement

The Company has defined the duties and responsibilities for directors, executives, and all employees to acknowledge and comply with the policies and terms of the Corporate Governance and Code of Conduct Manual. The Board and executives are required to be ethical leaders and roles models in performing their duties with integrity, honesty, fairness, and transparency. They are also

to supervise and promote their subordinates to take responsibility, understand, and strictly comply with the manual. If directors, executives, and employees violate these principles, they will face strict disciplinary punishment; if it is suspected that they have violated any law, regulation, rule, and requirement laid down by the public sector, they will be handed to public officials for prosecution.

If employees find it difficult to decide on any given matter or deal with any portion of the code of conduct not explicitly stated in the Company's code of conduct, they should ask themselves the following questions:

1. Is this action against the law?
2. Is this action against the Company policy, its code of conduct, or its image?
3. Is this action going to severely affect the Company's stakeholders?
4. Is this action socially acceptable and disclosable?

If employees detect violation of the law or the corporate governance principles, or both, they are to inform the channels under the whistle-blowing measures, the Company will begin its probe, while protecting whistle-blowers.

Compliance with the Law, Rules, and Regulations

In compliance with the law, rules, and regulations, the Company has regularly audited and monitored the performance of each unit against the law, rules, and regulations to ensure compliance in its operations. In addition, to enhance its governance systems and processes to be effective, maintain its standard for employees to follow and concretely comply with its best practices, as well as prevent risks on non-compliance

with relevant law, rules and regulations, the Company set up the “TOP Group Compliance Committee” to monitor such operations.

2.4 Whistle-Blowing Measures and Whistle-Blower Protection Mechanism

To monitor the performance of directors, executives, and employees of the Thaioil Group, in accordance to the law, rules and regulations, the Corporate Governance Policy and the Company’s Code of Conduct, the Company has put in place whistle-blowing channels covering the scope of complaint and whistle-blowing, complainants details, complaint-making and whistle-blowing process, false reporting process, and protection of complainants, whistle-blowers, and related parties. Such details have been clearly stated in the Company’s Corporate Governance and Code of Conduct Manual as well as on the Company’s website.

Scope of Complaint and Whistle-Blowing

The Company encourages stakeholders, employees, related officers, or external parties that come across or are aware of clues, as well as those affected by the Company’s business or by the job performance of directors, executives, and employees to file a complaint or whistle-blowing in the areas as followed:

- >> Violation of laws, regulations, the Corporate Governance Policy or principles, code of conduct, and the Company’s regulations
- >> Unlawful acts implying corrupt practices for undue benefits, either for personal or others’ gains, including embezzlement, corrupt practices, and fraud.

Complaint-Making and Whistle-Blowing Channels

Complainants can file their cases by clearly spelling out “Confidential” through the following channels:



**Chairman of the Board or
Chairman of the Corporate Governance Committee or
Chairman of the Audit Committee or
Chief Executive Officer/President or
Company Secretary**

Thai Oil Public Company Limited
555/1 Energy Complex Building A, 11th Floor
Vibhavadi Rangsit Road, Chatuchak, Chatuchak,
Bangkok 10900



cgcoordinate@thaioilgroup.com

(The Corporate Governance Manager will acknowledge receipt of the matter and duly forward it to responsible parties.)



+66 (0)-2797-2900, +66 (0)-2797-2999,
+66 (0)-2299-0000 ext. 7440-7442

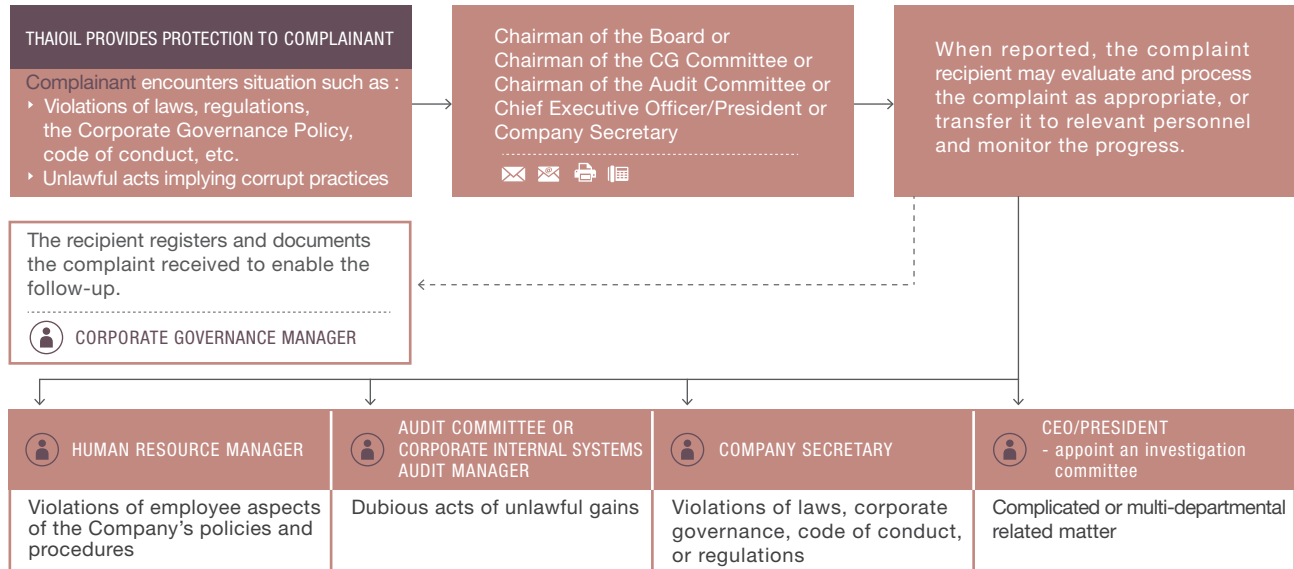


+66 (0)-2797-2973

Complaint-Making and Whistle-Blowing Process

If one comes across violations as stated in the scope of complaint and whistle-blowing, one can file a complaint through designated channels. An employee coming across such acts should consult his or her supervisor first. If unsure or uneasy to do so, he or she can use designated channels.

Once the complaint has been received, the Company can decide suitable further action or forward the matter to relevant parties and track progress. This is to ensure that the Company’s action fits the complaints. Below are the **complaint-making and whistle-blowing process**.



However, if a violation is proved valid, the guilty party is subject to the Company's disciplinary measures or punishment by law if the violation is unlawful, or both.

Protection of Complainants, Whistle-Blowers, and Related Parties

Complainants or whistle-blowers are to be suitably and fairly protected by the Company, which implies no change in job titles, job nature, workplaces, job relief, threats, job harassment, dismissal, or unfair acts. The Company will keep their complaints confidential and not disclose them to unrelated parties except when required by law. Those with knowledge of complaints or related information must maintain confidentiality and not disclose it except when required by law. If this is intentionally violated, the Company will punish them under its regulations or the law, or both, as seen fit.

In 2015, the Company received one complaint via a letter sent to the Audit Committee about a violation of the Company's rules and regulations. This case concerned

contractors' bidding process of the Company. The Company has appointed an investigation committee consisting of members with no potential conflicts of interest to investigate the case, finding that the claim is invalid. The bidding process under the project in question was in compliance with the Company's procurement process. The personnel involved properly complied with the Company's regulations.

3. Compliance with the Principles of Good Corporate Governance

3.1 Right of the Shareholders

Shareholders are entitled to company ownership, and control it via an appointment of the Board. The Company values rights and equality of all shareholders, whether they are minor or major shareholders, institutional investors, or foreign investors. The Company encourages the shareholders to exercise their rights including fundamental legal rights such as the right to sell or transfer shares, the right of share ownership, the right to attend or delegate other people to attend shareholders'

meeting, the right to vote in the shareholders' meeting, the right to provide an opportunity for shareholders to nominate director candidates to fill vacated posts, the remuneration of directors, the right to share in the profit, equal right in share buy-back by the Company, the right to receive adequate information, etc.

Beyond such fundamental rights, the Company provides an opportunity for shareholders to propose agenda and nominate director candidates before the date of the shareholders' meeting. The Company also allows minor shareholders, analysts, and investors to attend the Company's site-visits. It also sends e-newsletters to minor shareholders to provide essential information on business in a clear and timely manner, even if the information is not required by law. The Company also provides material information for the shareholders through the Company's website and the SET Portal Straight Through System (SCP).

Annual General Meeting of Shareholders (AGM) 2015

The Company arranges the Annual General Meeting of Shareholders (AGM) every year within four months after the end of each fiscal year. In 2015, the Company organized the AGM on Friday, April 3, 2015 from 14.00 hrs. at Bangkok Convention Center, 5th Floor, Central Ladprao, a location convenient for transportation, whether by car, underground train (MRT), or public transport. This year, the Company saw a total attendance of 2,537 shareholders comprising of 1,949 shareholders and 588 representatives by proxy, representing 1,506,107,907 shares or 73.82 percent of the total issued share capital of the Company. The meeting was organized in accordance with the process and procedures of the AGM Checklist, prepared by the Thai Investors Association (TIA), the Thai Listed Companies Association (TLCA) and SEC as followed:

Before the AGM

- >> **Provide an opportunity for shareholders to propose agenda and to nominate director candidates** with proper qualifications by the Company's Articles of Association and regulations to be elected in the AGM. The details and procedures are placed on the Company's website and SET's SCP at least three months prior to the year-end (from September 25 to December 31, 2015) and via letter to the SET. The nominated directors will be considered in accordance to criteria specified by the Company to be applicable to its business and for the utmost benefits of the Company. The names of qualified persons will be considered by the Nomination and Remuneration Committee before presenting them to the Board meeting. For fiscal year 2015, none of the shareholders has proposed agenda or nominate director candidates for the Board.
- >> To ensure that the information for shareholders is sufficient and accurate and allow shareholders to have time to prepare to attend the AGM, the Company submits news releases to the SET's SCP. On February 12, 2015, a resolution was passed by the Board to set the 2015 AGM on Friday, April 3, 2015. The Record Date for shareholders who are eligible to receive dividends and exercise their meeting attendance right was set to be February 26, 2015, along with the closing date and dividend payment by notification via the Company's website and the SET's SCP.
- >> To ensure adequate time for the shareholders to study the agenda, prepare for the AGM, and have information related to voting decision that is sufficient, accurate, complete and clear, **the Company published the 2015 AGM invitation notice via the Company's**

website in both Thai and English for at least 30 days prior to the date of the AGM (March 2, 2015).

The invitation notice comprised the invitation letter and meeting agenda with the opinions of the Board. It also provided a clear explanation of stipulating conditions and methods of registration, proxy forms comprising form A, B, and C (for foreign shareholders that have appointed custodians in Thailand) in accordance with the Ministry of Commerce, together with the list of independent directors as shareholders' representatives, the annual report and/or the sustainability report requisition form, and the Company's site visit correspondence form.

- >> **Distribute the AGM invitation notice along with its annual report and sustainability report in the CD-ROM format to shareholders no less than 21 days prior to the meeting** (March 12, 2015). The Company also announced the date of the AGM in newspapers in both Thai and English for three consecutive days and at least three days prior to the AGM for the shareholders to prepare themselves for the meeting.

For **institutional investors**, the Company facilitated the AGM registration process. The Company has contacted institutional investors to coordinate on preparation of proxy forms prior to the date of the meeting.

On the Date of the AGM

- >> The Company held the 2015 AGM on Friday, April 3, 2015 at Bangkok Convention Center, 5th Floor, Central Ladprao. The Company ensured that the meeting venue has enough room to accommodate shareholders in attendance. To protect all shareholders, a contingency plan is in place for emergencies. This year, the meeting

went smoothly and efficiently. The Company also provided an Investor Relations (IR) corner to facilitate shareholders, welcoming staff, document verification service, registration system, and sufficient amount of snacks and beverages to accommodate shareholders upon arrival.

- >> To facilitate all shareholders, at the meeting date the bar code system was implemented for the shareholders' registration process and counting of votes for accuracy and more convenience. The Company made the registration process available two hours prior to the meeting. Furthermore, after this registration period, shareholders who wished to attend the meeting could register to attend without losing their rights. Shareholders were also included as part of the quorum and could vote on the agenda on consideration process and had not yet been voted on.
- >> The Company values the voting right of shareholders of one share equals one vote. For the convenience of voting and ballot-counting, the Company has prepared separate ballots for each agenda item. **Specifically, on the agenda on the appointment of new directors, the Company provided separate ballots for each of the director.** Once the voting ends, the ballots are added to the votes given in proxy forms so that the tallies and announcement can be undertaken immediately on the meeting date. **The Company allows independent legal counselors and volunteers from the shareholders to be witnesses in the vote counting.** The Company also provides the opportunity for the shareholders to inquire about the voting procedures.

- >> Before the meeting, the Chairman of the Board (Chairman), the Chairman of each committee, the Company's directors, executives, auditors, and independent legal counselors must be at the meeting. The Chairman will clarify rules and criteria in relation to the meeting, such as the opening of the meeting, voting procedures, and counting of shareholders' votes for each session in accordance with the Company's Articles of Association. The Company will organize the meeting in the orders of the agenda in the invitation notice without changing the sequence. The Company refrains from considering agenda that are not listed in the invitation notice and does not have a policy to add agenda items to the meeting without prior notice to shareholders.
- >> The Chairman of the meeting allocates adequate meeting time and conduct the meeting in an appropriate and transparent manner. The Company **supports the shareholders' exercising their rights in protecting their own interests by asking questions, expressing opinions, and making recommendations** prior to voting and the announcement of resolution for each agenda. The Company **records questions and comments in the minutes of the AGM for shareholders' verification, and allows shareholders to propose questions** prior to the meeting as indicated in the invitation notice. To facilitate foreign shareholders, the Company provides staff to translate responses from Thai to English, and reply to the questions or comments.
- >> The Company has specified director's vested interests in the invitation notice and in the AGM. If directors have particular vested interests or personal involvement on any agenda, the Chairman of the meeting must notify the participants prior to each agenda. Such directors must not participate in the meeting and must abstain from voting on such matter.

- >> Provide quality assessment of the AGM for further improvement of the meeting to ensure effectiveness, transparency, and benefit to shareholders.

After the AGM

- >> The Company **discloses the resolutions of the AGM along with the vote results on the same day after the meeting** through SET's SCP by notifying SET in the form of a newsletter and on the Company's website.
- >> The Company must prepare the minutes of the shareholder's meeting in both Thai and English and must notify SET within 14 days after the meeting (April 17, 2015) in accordance with the SET's regulations. This includes the names of directors in attendance, complete and appropriate records of the meeting, voting and questioning process of the shareholders in each session, and disseminates full details of the meeting. **The Company must also include video recordings and the minutes of the AGM for shareholders' acknowledgment on the Company's website.**

Thanks to the application of the recommendations and opinions received from the shareholders in the AGM quality assessment to improvement of the following AGM, the Company received 98.5 points on the quality assessment of the 2015 AGM Checklist, organized by the Thai Investors Association (TIA), the Thai Listed Companies Association (TLCA), and SEC.

3.2 Equitable Treatment of Shareholders

All shareholders are entitled to identical treatment and protection of fundamental rights, whether they are minor or major shareholders, institutional investors, executive and non-executive shareholders or foreign investors, and

regardless of their gender, age, skin color, nationality, religious belief, faith, political view, or disability. The Company therefore adopts good practices to protect the rights of the shareholders fairly and equally.

- >> **Shareholders are entitled to assign proxies to the meeting to cast ballots for them. Shareholders can use the Company's proxy form or the one authorized by the Ministry of Commerce.** The Company's proxy form is incorporated in the invitation notice, hence the shareholders can cast their votes (agree, disagree, or abstain from voting) on each agenda. Shareholders may also delegate proxies to any of the eight independent directors, and are entitled to receive independent directors' complete profiles, data on work experiences, and reports on conflicts of interest for their consideration.
- >> To maintain good relations among shareholders, the Company organizes various activities for its shareholders, such as a site visit to Thai Oil Refinery, which located in Sriracha, Chonburi. Shareholders not only visit the refinery, but also meet executives to obtain business information, thus creating trust and bolster confidence in their investments with the Company. The Company also joins events for shareholders organized by SET, for instance, SET in the City and Opportunity Day, which are normally held after the announcement of the financial statements each quarter.
- >> The Company has a direct channel for all shareholders and investors to request information, feedback, make comments through email at ir@thaioilgroup.com or by direct telephone at +66 (0) 2797-2961. The Investor Relations (IR) section is in charge of this channel and is responsible for providing information to shareholders and investors.

In addition, the Company has policies and procedures to promote equitable treatment of shareholders and establishes a system to prevent the use of inside information. Such details can be found in "the Use of Inside/Confidential Information" on page 144.

3.3 Roles toward Stakeholders

The Company is committed to conducting its business with equality, neutrality, and fairness to all stakeholders for common sustainable interests. The Board recognizes the values of all stakeholders and supervises business operations in accordance with the law, rules, and regulations of the Company. Stakeholders can rest assured that they will be treated in a fair and respective manner. They can raise questions and provide feedbacks freely on the Company's operation that affects stakeholders. The Company has to pay more attention to such matters.

The Company establishes policies and ethical guidelines for each group of stakeholders in the Corporate Governance and Code of Conduct Manual, which can be downloaded from the Company's website. All employees are to strictly adhere to these policies to add value to the shareholders, while paying due regard for impacts on stakeholders in tandem with social and environmental stewardship. The Company must conduct its business with due respect for the stakeholders' fundamental rights.

The Company has publicized its **Sustainability Report** based on the Global Reporting Initiative (GRI) framework, in addition to the Annual Report. The Sustainability Report discloses information on economic, social, and environment factors for shareholders' acknowledgment. Presently, the Company is investigating the feasibility of an Integrated Report.

Equitable Treatment of Stakeholders

In 2015, the Company conducted its business in accordance with the policies, corporate plans, and projects for all stakeholders as followed:

Shareholders, Investors, and Analysts

The Company is committed to conducting business with transparency and fairness and promotes shareholders' to exercise of their rights. It commands a reliable financial and accounting systems, always taking into account long-term growth and suitable returns. It reports the status and performance outcomes to all shareholders equally, regularly, and thoroughly. The Company also refrains from any activities that could cause conflicts of interest and serve self-interest. Confidential information must not be disclosed to external parties.

In 2015, in addition to the "rights of shareholders" and "equitable treatment of shareholders," the Company regularly communicated its performance outcomes and assorted data with domestic and international investors through the SET's SCP, and organized various activities including quarterly analysts meeting on Company's performance outcomes, quarterly meetings with investors on SET's Opportunity Day, preparation of the IR Website; IR e-newsletters; oil situation reviews; and intelligence about the Company's industrial status during key changes and transitions. In addition, the Company participated in SET's annual exhibitions to promote investors' knowledge, including SET in the City and Money Expo.

Customers

Customer satisfaction is achieved through delivery of quality products which meet their requirements, in addition to honoring agreements and conditions made with customers fairly, regularly, completely, promptly, and

factually. The Company values customers' confidentiality and by no means defines unfair conditions for them, in addition to maintaining cordial and sustainable relations with them. The Company has set up "Customers Relationship Management Section", responsible for customer care and direct communication with them.

Over the past several years, the Company has conducted various activities to create customers' satisfaction:

- >> Apply the **CARE Model** to support customers, that is, **C-Customer Knowledge**, to create a customer database through iCare system; **A-Adding Value to Customer**, to share knowledge and experience on oil situations and other technical information; **R-Reliable Commercial Support System**, to support accuracy in transactions electronically and exchange essential information through web service; and **E-Efficiency of Commercial Activity**, to improve land product distribution system, from the moment they arrive at the distribution point, queue system, distribution and tracking system.
- >> **Listen and respond to the voice of the customers.** If there is any unfair treatment or dissatisfaction of the customers about the service of the Company, customers can directly file complaints at crm@thaioilgroup.com
- >> **Organize regular customer visits** to consult and listen to customers' opinions, such as product development plans, distribution plans, as well as sharing industry information.
- >> **Explore customers' satisfaction and engagement** by applying outcomes of the customer satisfaction survey to organize the Customer Satisfaction Improvement Workshop with relevant sections to brainstorm ideas on increasing customers' satisfaction.

>> **Organize relationship activities with customers**, for instance, the Company's site visit on the overview of the refinery and jetty, CSR activities such as planting trees - green world campaign, etc.

Business Partners

The procurement and service process is one of the key elements that supports the sustainability of the Company. To boost the confidence of stakeholders, the process must be made in a professional, fair, and transparent manner under acceptable international management standards. The Company values equality and integrity of operating its business for utmost benefits. To ensure that procurement process is systematic, efficient, and in compliance with corporate governance principles, **the procurement and selection process must comply with the regulations and criteria of the Company, obtain an efficient assessment of potential partners, and execute with clear selection methods. The outcome must also be systematically recorded.** The Company has appointed a tender committee to oversee procurement procedures to ensure that they are systematic and effective, in accordance with good corporate governance principles.

Furthermore, the Company has defined Suppliers' Code of Conduct, purchasing code of conduct, and anti-corruption policy as guidelines for employees to strictly adhere to and work with transparency and accountability. The Company has set up the "Supplier Relationship Management Section" to take care and communicate with the Company's business partners/suppliers. It also conducts employee and business partners/suppliers satisfaction surveys annually used to improve the Company's procurement service.

To maintain good relations with business partners/suppliers, the Company's Supplier Relationship Management Section organized "e-Procurement Supplier Summit" six times this year to promote knowledge and understanding of the e-Procurement system, corporate governance and anti-corruption policies, and the Thairoil Group Suppliers Code of Conduct. They can make **direct contact with this section through crm@thairoilgroup.com**. The Company also has the "Procurement" webpage to foster relations and communicate procurement information on the Company's website. **Business partners/suppliers were also invited to participate in various Company's activities**, such as Safe-White-Green project and PTT Group CG Day 2015.

Creditors

The Company stringently honors contracts, agreements, and conditions given to creditors and consistently reports the Company's financial status with integrity, accuracy, and promptly to creditors. If conditions cannot be honored, it negotiates with creditors well in advance to jointly find remedies and prevent damage. In its treatment of creditors, the Company has appointed officers directly responsible for communicating with creditors to ensure that all creditors are equally and fairly informed.

The Company also discloses information to bondholders and creditors. The issuing of any debentures will be made strictly according to the law and announcements made by the SEC, as well as the policies and resolutions agreed on at shareholders' meetings. In addition, the Company has taken responsibility for complying with terms and duties of the issuer, loan agreements, and disclosing complete and accurate information to stakeholders.

Employees

Recognizing that employees are the most valuable assets of the Company and are the essential factor in achieving corporate goals, the Company cultivates and develops a good working culture and atmosphere, while promoting teamwork to bolster employee confidence of career security in working for the Company by clearly defining guidelines in the “Code of Conduct: Employee” with various practices as followed:

>> The Company strictly complies with the Universal Declaration of Human Rights at national and international levels, labour law, and regulations of the Company. It treats all personnel equally on the basis of fundamental human rights principles as listed in the “Code of Conduct: Respect for Principles of Universal Human Rights”. Moreover, the Company has acquired membership of the United Nations Global Compact (UNGC) since 2012 at the active level, which enables it to apply the 10 principles, which are internally recognized in promotion of good governance on human rights, labour, environment, and anti-corruption in its business operations.

In 2015, the Company establishes “**Human Rights in Workplace Policy**” to concretely support the human rights principles. The policy covers a wide scope including performance, human rights, laws, rules and regulations, equal treatment of employees, child labour laws, and freedom of association in labour unions, whistle-blowing mechanisms, etc. Such policy has been notified to all employees of the Thaioil Group to strictly observe and adhere to it.

>> Recruitment, selection, and hiring are to be based on fairness and equal opportunities to all applicants,

with priority given to knowledgeable, competent, experienced, and righteous persons for a given position, job description, and attitude compatible with the Company’s corporate values.

>> The Company establishes its **compensation and welfare policies** for employees and executives as fitting their knowledge, responsibilities, and performances. In order to lay the foundation for growth, the Company measures the performances of its personnel through Key Performance Indicators (KPIs), which include short-term performance and performance according to the Company’s strategies over the long term. The remuneration of the Company’s personnel is therefore based on the Company’s short-term and long-term performance outcomes.

To maintain employees’ and executives’ compensation and welfare at comparable rates to those in the same industry in the top quartile, the Company reviews yearly its compensation policy in line with its short-term and long-term performances. **Short-term compensation** refers to monthly salaries in comparison with those of peer organizations to improve the Company’s human resource competitiveness. It also provides variable bonuses in line with the Company’s performance and employees’ performances (section managers and above) to motivate employees to achieve corporate goals as planned. **Long-term compensation** refers to the long-term compensation policy that could maintain and motivate employees to achieve long-term goals, which includes guidelines for an annual merit increase in salaries, corporate support on provident fund in relation to service years, and **provident fund** to enhance the security of lives after the end of employment or retirement. Employees

can contribute 2%-15% of their monthly compensation. At the same time, the Company contributes an equivalent amount of a given employee's contribution. It also provides medical benefits for employees and their families, housing allowances, various allowances, accidental insurances, special service-year tokens, club memberships and leisure services, Thairoil Savings Cooperative, and Thairoil Consumers Cooperative.

- >> To support its growth, the Company is committed to enhancing the abilities of its employees for supporting the growth of new and international businesses. The Company promotes employees attendance at in-house, local, and overseas training. In 2015, Thairoil Group's employees spent an average of 86.64 training hours per person. Moreover, other training methods were used to cultivate knowledge and skills, such as work-based training. In preparation to support expansion of businesses and develop its employees in line with its visions and strategies, the Company also provides academic scholarships for its employees to pursue master's degrees abroad. The Company also provides educational support for its employees to study the English language (after working hours or on weekends) to support the expansion toward internationalization and the ASEAN Economic Community.
- >> To foster relations between employees and supervisors, or among employees, the Company has established a channel for employees to file complaints, as detailed in the Personnel Policy and Procedure, summarized as followed. If employees feel anxious about something, they can consult their direct supervisors. After doing so, if they still feel unsatisfied with the given solutions, they can submit a petition to other supervisors at a

higher level, who will propose the case to relevant parties. In some cases, employees may submit a complaint to Executive Vice Presidents for the final decision. The consideration process of complaints usually takes about a week.

- >> With the objective of studying factors that may affect employees' satisfaction and engagement with the Company, the Company adopts the "Employee Engagement Survey" as a tool to analyze factors that will increase employees' satisfaction and engagement. Since 2013, the Company has used the "Organizational Health Index" (OHI) as one of its key strategies. The OHI survey is used to explore efficiency of the Company. It contains nine important aspects: direction, leadership, culture and climate, accountability, coordination and control, capability, motivation, external orientation, and innovation and learning.

Competitors

The Company complies with the rules of fair competition and treats business competitors fairly for mutually fair returns. It refrains from dishonestly or improperly seeking confidential information of business competitors and refrains from defaming business competitors through slander.

Community, Society, and Environment

The Company establishes **policies on the management of quality, security, safety, occupational health, environment, energy, and social responsibility** to bolster quality of lives for society, the community, and the environment. Operating with transparency and ethics, the Company uses these policies as guidelines in

its operation to achieve vision, excellence in operation, and raise stakeholders' satisfaction. The details of these policies can be found in the "Quality, Security, Safety & Occupational Health and Environment Management" section on page 60.

Corporate Social Responsibility (CSR) focuses on reducing risks and impacts on everyday operation while fostering relations with and improving lives in communities both surrounding the refinery and in remote areas. Education, energy and natural resources, environmental conservation, and quality of life are four frameworks of CSR operations; therefore, the Company has assigned the following sections to be responsible for CSR activities.

The Community Affairs Section manages activities with communities surrounding the refinery under the provision of Laem Chabang Municipality. The section sets up "Thaioil Group's Environment and Community Relations Committee" as a mechanism to create communities' participation. This committee consists of representatives from units dealing with technology, environmental management, and community relations. Operating under the Tripartite Principle, the Company can gain participation among Thaioil Group, the communities, and the local government to cooperate for their best interests. The Company also publishes the "Our Communities" journal for communities surrounding the refinery to educate them and announce operating results of past activities.

The CSR Management Section manages CSR projects at the national level by focusing on the Company's strengths along with its employees' experience in the energy business to develop projects in collaboration with

its CSR partners. The projects involve the development of clean alternative energy from natural resources for remote communities and maximizing natural resource usage under the Sufficiency Economy Philosophy so they can manage the resources on their own, raise their quality of life, and become an energy self-reliant community.

Under the CSR strategy, the Company has collaborated with its partners, including leaders and experts from hospitals, universities, community network, the government, non-profit organizations, and community "wisemen" at particular sites. Presently, the Company has 85 CSR partners and has planned to expand its CSR network.

In 2015, the Company organized numerous activities for communities surrounding the refinery covering healthcare, educational, cultural and environmental activities at Thaioil Group's Community Health and Learning Center, located in Sriracha, Chonburi. Activities such as the "Graduates Love Home" project, academic scholarships, "Community Medicine" program, "Dental Health Promotion" project, and religious activities (the "Thot Kathin" ceremony and the "Candle Casting and Candle Donation") are annually organized. This year, the Company sponsored the construction of the Thaioil Building for Laem Chabang Hospital, Chonburi. The foundation stone laying ceremony was attended by the Board and Company's executives on August 28, 2015. The purpose of this building is to eliminate problems of insufficient emergency medical care due to rapid population expansion. There are also projects under study such as the "Cooperation in Culture, Propagation and Restoration of Coral Reefs" project at Sichang Island, Chonburi and the "Aquarium Nursery Using Artificial Seagrass" project, etc.

For national CSR projects, the Company applies its knowledge, experience, and expertise in energy to develop communities. The following are national projects. The Hydropower Plant at Mae Jo Community, Mae Tang, Chiang Mai, deals with energy production for the security of electricity supply for communities, which can be used as a learning center, for conservation tourism, and to promote chemical-free agricultural products. The hydropower plant project won the Thailand Energy Award 2015 in the “On-Grid” alternative energy category. The gas fermentation project from rubber and household waste project (second phase) at Mak Noi Island, Phang-Nga, in collaboration with Thaksin University, Phatthalung Campus, promotes chemical-free agriculture to become “The Model Island in Producing Communal Energy from the Community’s Own Wastes” in using bio-gas across the land. The “Management for Sufficiency Economy Project (Canal and Community Building)” (third phase) in Buriram deals with the construction of canals as sources of water for their agriculture and other project management including budget, financial management, and construction control, etc.

Government Authorities and Associated Organizations

The Company strictly complies with legal requirements on the environment, safety, labour, tax and accounting, as well as government announcements applicable to conducting the Company’s business. Employees at every level must study and understand laws relating to their work and never violate such laws. Supervisors shall make relevant laws available to use as references and continually monitor changes. Moreover, employees must have easy access to data. The Company shall instill in

employees at every level responsibility for constant compliance with laws, rules, and Company’s regulations. Good relations shall also be fostered through cooperation with related government units and associated organizations in providing information for the benefit of the country and the public.

As for the treatment of government agencies and related entities, the Company has regularly undertaken compatibility assessment of applicable legislation and monitoring of new law enforcement in parallel with the cultivation of awareness of compliance with the law among its employees. Also, upon requests, it has provided cooperation in the sharing of business knowledge and experience.

Policies and Practices of Non-Infringement of Intellectual Properties or Copyrights

The Company recognizes that intellectual properties are among the Company’s most valuable properties and critical to maintaining business advantages. It is essential that the Company protects these properties while honoring others’ properties by refraining from violating or abusing intellectual properties. The Company also complies with laws and regulations in running business in each host country.

The Company must comply with intellectual property rights and copyright policy as identified in its “Code of Conduct: Intellectual Properties”. The Company must run its business in compliance with all laws and regulations of each host company. The Company’s personnel must maintain commercial secrets and formulae, product process, and sensitive business procedures by ensuring their safest storage and

preventing leaks. They are also required to respect others' intellectual property rights while refraining from exploiting these for personal gains without the owners' prior approval or without giving them due compensation. The Company also has the "Code of Conduct: Application of Information and Communication Technology", which strictly prohibits the installation and the use of illegal computer software in the workplace.

Anti-Corruption Practices

The Company is committed to basing business on fairness, integrity, transparency, and responsibility to society and all stakeholders. In 2013, the Board established an explicit "**Anti-Corruption Policy**": "The Board, executives, and employees must not corrupt or accept corruption of all forms in any circumstances, covering the business of the Company in every country and in every relevant agency. The Company defines guidelines, operating measures, and roles and duties of responsible persons, as well as regular monitoring and reviewing the implementation of the anti-corruption policy, in compliance with changes in businesses, rules, regulations, and relevant laws." Apart from the policy, the Company provides definitions of the Anti-Corruption Policy, roles and responsibilities, implementation, and measures of the policies. The Board, executives, all employees within Thaioil Group are required to comply with this policy.

In addition to the Anti-Corruption Policy, the Company has code of conduct on conflicts of interest, maintaining confidential information and use of inside information, and giving or acceptance of presents, assets, or other benefits, etc. These code of conduct can be found in the Corporate Governance and Code of Conduct

Manual. All employees of the Company are required to observe the principles in the manual and conduct their businesses under the highest standard. The manual is downloadable from the Company's website.

The Company is obliged to adopt the Anti-Corruption Policies, its implementation and measures, and to perform its business under the following framework:

>> **Promote the Anti-Corruption Policy and practice them both inside and outside the Company.** The Company has communicated the policy to the Board, executives and employees via internal circular, e-mail, internal intranet system, employees' orientation, training, and e-newsletters. In 2015, the Company organized the "CG and Code of Conduct Manual Briefing for TOP Group" with section managers in attendance to create knowledge and better understanding of such policy and practices, in line with corporate governance and business ethics. The section managers can then convey essential messages to their employees. Moreover, during the New Year festival, the Company has deployed a "No-Gift Policy" to all employees to promote business transparency and comply with the corporate governance principles and business code of conduct.

For external communication, the Company publishes the policy via its website for public interest. In addition, the Company's announcements have been made to customers and business partners. This includes the conforming letter for their cooperation to not offering gifts that are high value as well as the entertainment or hospitality of any kind to Thaioil Group's employees during the New Year festival. Such practices are to

avoid and prevent actions leading to violations of the Anti-Corruption Policy in order to serve our customers and all business partners, based on fairness and equality.

>> The Company encourages its employees to join external workshops and seminars relating to anti-corruption to gain knowledge and understanding on anti-corruption practices including:

- A seminar on certification and new criteria of the Private Sector Collective Action Coalition Against Corruption (CAC), organized by the Thai Institute of Directors (IOD)
- The Thailand's 6th National Conference on Collective Action against Corruption on the topic of "Anti-Corruption in Thailand: Sustaining the Momentum", organized by IOD
- An anti-corruption workshop organized by the Partnership Against Corruption for Thailand (PACT) network in collaboration with the Investment Banking Club, Association of Thai Securities Companies.

>> **Put in place an internal control system to prevent corruption risks** such as the Corporate Authorization Procedures in considering the scope, duties, and responsibilities of each position as criteria in the authorization process, add flexibility to business operations, and exercise an appropriate internal control system. The Company also has a systematic monitoring and reporting system for its budget control. The Corporate Internal Systems Audit Department is in charge of monitoring operations in various sections to ensure that the performance of each section is in accordance with this procedure.

>> **The Risk Management Department is in charge of managing risks for Thairoil Group.** A plan on managing risks, procedures, internal and external risk assessment and analysis, and mitigation plan for each risk were put in place to manage risks at an acceptable level. This plan covers the process of forming corporate strategies, investments, anti-corruption, as well as other business operations.

>> To handle high corruption-risk activities, the Company has procedures to closely monitor such practices, as stated in the Anti-Corruption Policy. These activities include political contribution, charitable contribution and sponsorship, and gifts, hospitality, and expenses.

>> The Corporate Internal Systems Audit Department, reporting directly to the Audit Committee, is in charge of auditing essential operations such as commercial transactions and procurement. Audits are regularly conducted to reinforce efficient and effective systematic management in compliance with the procedures and regulations.

>> **Establish whistle-blowing measures** by specifying scopes, procedures, protection mechanisms, and monitoring processes according to the business code of conduct through various channels. The Corporate Internal Systems Audit Department, an independent section from the Company's executives and reporting directly to the Audit Committee, is responsible for auditing dubious acts for corrupt practices.

>> Annually review the Anti-Corruption Policy, roles and responsibilities, and measures in line with ever-changing situations and enable the Company to handle such

risks. The review progress will be presented to the Corporate Governance Committee and the Board respectively.

- >> The Company has established the **Thaioil Group Suppliers Code of Conduct Manual** to promote common understanding between the Company and business partners, based on sustainability. One of the topics listed in this manual is the Anti-Corruption Policy. This year, business partners were invited to participate in the PTT Group CG Day 2015 activities to promote the Company's corporate governance and anti-corruption practices as well as setting guidelines for business partners' development.

In addition to the above activities, the Company is committed to countering corruption in conjunction with external agencies. The Company has participated in the following activities:

- >> In 2010, the Company joined the Private Sector Collective Action Coalition against Corruption (CAC). The coalition was initiated by the IOD, Thai Chamber of Commerce, Joint Foreign Chambers of Commerce in Thailand, Thai Listed Companies Association, Thai Bankers Association, and Federation of Thai Industries. The project was also supported by the government and the Office of National Anti-Corruption Commission.
- >> In 2012, the Company acquired the membership of the United Nations Global Compact (UNGC), which enabled it to apply the ten UNGC principles, internationally recognized in the promotion of good governance on human rights, labour, environment, and anti-corruption in its business operation.

- >> In 2014, the Company developed a self-assessment form for anti-corruption measures, which accompanies supporting evidence related to business policy, measures and procedures, and its internal control system. All documents were submitted to the CAC panel as part of the Company's application for CAC membership. The Company was recognized as a **"Certified Company" on April 4, 2014**, a proof of its commitment to transparent business through continual upgrading of its work process, which promotes good image and confidence among stakeholders.

- >> In 2015, the Company became a member of Partnership against Corruption for Thailand (PACT Network), which was initiated by Thaipat Institute.

- >> On September 6, 2015, the Company's executives and staff representative joined the "National Anti-Corruption Day 2015" under the theme "Active Citizen", organized by the Anti-Corruption Organization of Thailand along with participants from the government and the private sectors at Centara Grand and Bangkok, Convention Center at Central World.

- >> On December 8-9, 2015, the Company was privileged to organize an exhibition booth within the Anti-Corruption International (Thailand) in honor of its acceptance of the "Honorable NACC Integrity Award" from the National Anti-Corruption Commission (NACC) at the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, Rattthaprasasanabhakti Building (Building B), Chaengwattana Road. The Company displayed its performance relating to compliance with corporate governance principles, the code of conduct,

anti-corruption practices, as well as significant CSR practices and projects.

As a member of anti-corruption networks and through participation in anti-corruption activities, the Company can frequently gain opportunities to share knowledge and experience with domestic and overseas organizations.

Through the internal operations and as a member of the anti-corruption organizations, the Company obtained the **SEC's and Thaipat's evaluation on Anti-Corruption Progress Indicators at Level 5 (Extended)**, the ultimate level, by significantly expanding its anti-corruption practices to its customers and throughout its supply chain.

3.4 Disclosure and Transparency

Disclosure of Information

The Company shall disclose information on material matters regarding the Company to the SEC, SET, and shareholders. Key information includes financial, non-financial, and related information presented in an accurate, complete, simplified, timely, and transparent manner through readily accessible channels in both Thai and English. The Company shall disclose information to ensure equitable access by shareholders in SEC's and SET's Community Portal System and the Company's website at www.thaioilgroup.com.

This year, the Company disclosed all key information through the SET and SEC's Community Portal, including externally audited financial information, prepared under generally accepted accounting standards as well as non-financial information. The Audit Committee is to review the financial information and must obtain the Board's

approval prior to the disclosing to the shareholders and the public. Furthermore, the Company's financial statements and the external auditor's report must be incorporated in the Company's annual report. For non-financial information, the Company must disclose the information stipulated by SET and SEC, including the acquisition and disposition of assets, connected transactions, dividend payment, invitation and resolution of the AGM, and other information that may affect investment decisions, apart from all information disclosed in the SEC and SEC's Community Portal System and the Company's website.

In addition, the Company has provided all other essential information on the Company's website. This includes all activities which have been conducted to date. Shareholders, investors, and the general public may use this information as a reference in a convenient and timely manner. This includes useful information about current projects as well as the performance, which are presented on a quarterly basis, documents for publication, stock information, news releases, corporate governance information, CSR information, sustainability information, etc.

The following is a list of channels that the Company releases disclosures in Thai and English:

- >> SET's and SEC's Community Portal systems
- >> Company's website at www.thaioilgroup.com
- >> Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
- >> Public channels such as newspapers, magazines, press conferences, interviews, and press releases.

Investor Relations

The Company takes most seriously relations with investors, shareholders, and analysts, by focusing on performing duties with utmost responsibility, integrity, and dedication on disclosure of correct, reliable, and adequate Company's information in a fair, transparent, and comprehensive manner. The Company has set up the Investor Relations Section as a focal point for conducting proactive investor relations activities and to promote effective communication channels with investors through various channels.

In 2015, the Company organized various activities in support of the shareholders, analysts, and investors as followed:

Meeting with Investors / Shareholders

Domestic Company Visit & Preview Meeting	13 times
Domestic Conference Call	4 times
Domestic Roadshow	6 times
International Company Visit	31 times
International Conference Call	16 times
International Roadshow	6 times
Opportunity Day organized by SET	4 times
Analyst Meeting	4 times
Information provided via telephone (per day)	5 times (approximately)

Meeting with Credit Rating Institutes

Annual Review (S&P's, Moody's, Fitch Ratings)	3 times (Once a year for each Institute)
Conference Call	12 times (4 times a year for each Institute)

Information Disclosure

SET Portal	25 times
Monthly Presentation	12 publications
IR E-Newsletter	4 publications

Activities

Exhibitions, e.g., SET in the City	1 time
Shareholders' Company Site Visit	2 times
Investors' Company Site Visit	3 times

The Investor Relations Department reports on the operations of Investor Relations to the Corporate Governance Committee at least once a year. Interested parties, major shareholders, minor shareholders, or investors can request this information from the Investor Relations Section via the following channels:



Thai Oil Public Company Limited Investor Relations Section

555/1 Energy Complex Building A, 11th floor
Vibhavadi Rangsit Road, Chatuchak, Chatuchak,
Bangkok 10900



ir@thaioilgroup.com



+66 (0)-2797-2961 (Direct) or +66 (0)-2797-2999
or +66 (0)-2299-0000 ext. 7370-4



+66 (0)-2797-2976

Use of Inside / Confidential Information

Recognizing that the use of inside information is crucial for all listed companies, the Company has taken preventive measures on the use of inside and confidential information. In order to prevent taking advantages of

other shareholders and to promote equality among the shareholders, the Company has put in place measures and systems for controlling the confidentiality of inside information as follows:

- >> The Company establishes the **“Code of Conduct: Maintaining Confidential Information and Use of Inside Information”** as detailed in the Corporate Governance and Code of Conduct Manual. The Company’s directors, executives, and employees are to maintain the confidentiality of inside information and refrain from exploiting it for themselves, their families, or their associates. This includes information influencing the stock price, commercial secrets, formulae, and inventions. The Company has assigned roles and responsibilities to all superiors for the prevention of leaks of key information and instituted strict measures and processes for guarding the information within its departments to prevent publicity before its formal distribution.
- >> **The Company consistently notifies its directors, executives, and employees about the policies relating to the use of inside information** through various meetings, such as Board meetings (via an agenda item to be informed by the Chairman), corporate governance training, and articles in internal publications to ensure that the criteria and policies have been complied with.
- >> The Company establishes a **“Personal Non-Disclosure Agreement” between the Company and its executives and employees** who are involved with ongoing projects and projects not to be disclosed to the public to be cautious when using such material information.

- >> Under section 59 of the Securities and Exchange Act, the Company assigns **the directors and high-level executives (Vice Presidents and Financial and Accounting Managers) to report their shareholding information upon taking position and after share buying, selling, or transferring** within three days to the SEC. The Board is also responsible for monitoring the use of inside information. To this end, directors must inform Board meetings their shareholding information, including that for the high-level executives, at each Board meeting. The shareholding information of the directors and high-level executives at the end of previous and present year can be found in the Shareholding Report on page 100.
- >> In compliance with the corporate governance principles on buying or selling shares and accessibility of information, the Company sends a written notification for the directors and executives, requesting their cooperation not to buy, sell, or transfer shares at least one month prior to the submission of the financial report to SET each quarter.

Vested Interests Disclosure by the Board

The Company set a policy for the directors and high-level executives (Vice Presidents and Financial and Accounting Managers) to report changes in their vested interests to the Company every quarter, and update their reports every year. Such information is to be kept within the Company to conform to the Capital Market Supervisory Board’s announcement, Tor Jor 2/2009, regarding the report on vested interests of directors, executives, and related parties.

Prevention of Conflicts of Interest

At Board meetings, directors who have direct or potential conflicts of interest shall remove themselves from the meeting. The Chairman may authorize such directors to stay to provide information and allow other directors to ask questions. However, such directors must abstain from voting on the agenda item. The Company Secretary or Secretaries to the Board and Board-Committees must record the relevance of directors in the minutes of meetings for the Board or Board-Committees' consideration each time this happens.

The Company includes "Code of Conduct: Conflicts of Interest" in the Corporate Governance and Code of Conduct Manual. Directors, executives, and employees are to strictly follow this principle. All Thairoil Group's employees must prepare conflicts of interest disclosure reports on the first day of work and annually or each time it is suspected that conflicts exist during the year in the Conflicts of Interest Disclosure Electronic System. This practice promotes employees' operation in a transparent and accountable manner. In 2015, there were two "unsure" cases concerning conflicts of interest. The Company subsequently found that these cases are not applicable to the potential conflicts of interest.

3.5 Board Responsibilities

The Board, as a representative of the shareholders, plays a significant role to ensure that the Company's business activities are ethical and legitimate. **The Board must be free of the executive** through a clearly defined separation of responsibilities and levels of approval authority of the Board, the Chairman, and responsibilities of the Chief Executive Officer and President (CEO/President).

The roles and responsibilities of the Board can be found on page 104. The Board also plays significant roles in the following activities:

>> Corporate Governance and Code of Conduct

The Board establishes the Corporate Governance Policy, Anti-Corruption Policy, and Business Code of Conduct for all directors, executives, and employees to adhere to while operating businesses. This is to ensure that the businesses are operated under good ethical standards, transparency, and justification. Assigned by the Board, the Corporate Governance Committee is tasked to ensure that activities relating to corporate governance matters comply with applicable laws, rules, and regulations. They are to also promote compliance with Corporate Governance Policy, Anti-Corruption Policy, Sustainable Development, etc. The Corporate Governance Section is the focal point for monitoring such activities.

>> Defining Business Strategies, Policies, and Directions

The Board performs crucial roles in determining and reviewing the Company's vision, missions, business strategies, operations plans, and budget. It must adapt to a quickly evolving business environment. The Board must approve important aspects of the Company's operations at least once a year.

This year, **the Board reviewed and approved the Company's vision, missions, and business strategies in the annual Strategic Thinking Session (STS) meeting.** Organized in August 2015, the Board along with top executives jointly reviewed vision, missions, and short-term and long-term business strategies against business directions and future trends. Assigned by the Board,

the executives are responsible for reporting progress once each quarter in Board Meetings. This will allow the Board to keep track of the progress and review appropriate actions in preparation of the evolving business environment.

>> Internal Control, Internal Audit, and Risk Management

The Board has appointed the Risk Management Committee to determine policies and framework of risk management to cover the entire Group. It is required that the Company's executives comply with the policy and periodically report the Key Risk Indicators (KRIs) results to the Risk Management Committee for consideration and the Board's approval. To ensure that such risk management is complete and efficient, the Company has organized an annual risk assessment. Such details can be found in the "Risk Factors and Corporate Risk Management" section on page 116.

In addition to risk management, the Board highly values internal control and internal audit systems in business operations to ensure that operations are at acceptable risks by requiring that the entire Group commands an efficient internal control system is compatible with manageable risk levels. The Audit Committee and the Corporate Internal Systems Audit Department are assigned to ensure that the Group has internal control, internal audit, and risk management systems that are suitable and effective. They may recommend review or audit of any item regarded as essential, while providing recommendations on improvement to such items. The review outcomes are to be submitted to the Board. Due regard should be paid to a good and adequate control environment, company-wide risk

assessment, and operation control in compliance with relevant rules, policies, procedures, and approval authority protocols. Also, the Group should possess adequate and suitable information and communication in support of operation. Finally, routine monitoring and evaluation procedures should be in place. Such details can be found in the "Internal Control" section on page 121.

>> Prevention of Conflicts of Interest

The Board plays an important role in monitoring and resolving conflicts of interest that may occur among the Company's stakeholders. The Board sets guidelines regarding such transactions for the utmost benefits of the Company and shareholders as a whole. Parties with vested interest should play no part in the decision-making process and must disclose information on conflicts of interest in a correct and complete manner. The details can be found in the "Prevention of Conflicts of Interest" section on page 146.

>> Compliance

The Board values full legal compliance in running businesses. The Board has assigned the Audit Committee to assure that business operations are in compliance with SEC and SET's policies and applicable laws, rules, and regulations. The Company also takes suitable actions on compliance risk management and sets up a "Thaioil Group Compliance Committee" to oversee the compliance system and framework.

Board Approval Authority

The Board is authorized to approve the Company's various businesses under the scope given by law,

Company's regulations, and shareholders' resolutions. An approval framework has been clearly defined for the Board and the management on various matters, including personnel administration, finance, and accounting.

Board Composition

Appointed by the shareholders, the Board must be fully qualified by the Public Limited Company Act. **The Company also values board diversity (regardless of gender). The Board must have diverse skills including industrial, financial, business, management, marketing, strategic management, law, and security.** Devotion of their time and efforts is essential to their duties and in the best interests of the Company. There should be independent directors at least one-third of all directors and the number must be at least three. The composition of the Board must have a proportional number of independent directors for checks and balances of the Board and the executives. Presently, the number of Thaioil's independent directors exceeds that required by law. Independent directors must also be fully qualified by the requirements of the Capital Market Supervisory Board.

The Board has appointed four Board-Committees (committees) to review key matters prudently and efficiently on its behalf. The committees' members must be knowledgeable and possess adequate work experience to perform duties under the roles and responsibilities of each committee as defined by the respective charter. The committees are required to undertake performance assessment annually, the outcomes of which are reported to the Board and the shareholders in the Disclosure Report concerning additional information (Form 56-1) and the annual report.

Recognizing the value of efficient and effective director job performance, the Board has also established a policy on the number of listed companies that the directors can take. To ensure that directors can devote their time and effort to performing duties, **the directors can serve no more than five listed companies.**

The Company's Board of Directors consists of 14 directors including one executive director and 13 non-executive directors, seven of whom are independent directors. There is one female independent director on the Board. The names and roles of the Board can be found in the Board section on page 98. There are four committees namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. The names and roles of the committee members can be found in the Board-Committees section on page 151. The number of meeting and directors' meeting attendance can be found in the Meeting Attendance of the Board on page 106.

Nomination and Appointment of Directors

Nomination Criteria

The Company provides the opportunities to minor and major shareholders to nominate candidates to be elected as directors. The nomination process considers both personal qualifications and the director qualifications under the SEC law and the Company's regulations as follows:

- >> The directors must have **qualifications consistent with the Public Company Limited Act and the Company's regulations.**
- >> The directors must be knowledgeable and possess diverse skills. As a tool in the consideration process,

the Company establishes the **Board Skill Matrix** according to the **Board Diversity Policy to create a wide range of expertise in line with the Company's core strategies.**

- >> The nomination and appointment of independent directors must take into account the number of independent directors on the Board. There should be at least one-third independent directors of all directors and the number must not be less than three. The composition of the Board must have a proportional number of independent directors for checks and balances of the Board and the management.
- >> The Company searches and selects qualified directors through the **State Enterprise Policy Office's Directors Pool and the IOD Chartered Directors.**
- >> The Company considers potential conflicts of interest that the directors may have with it.
- >> The directors must devote sufficient time and effort to duty performance.

Appointment of New Directors Process

The Board has assigned the Nomination and Remuneration Committee to select qualified candidates to be elected as directors to replace those who have completed their terms or retired by rotation. The Nomination and Remuneration Committee selects and proposes names of qualified candidates and entitles shareholders to do the same under the SEC law and the Company's regulations. An announcement is posted on the website for at least 90 days prior to each AGM to invite such nomination.

To appoint directors to replace those who have completed their terms, the Nomination and Remuneration Committee selects and proposes to the Board for consideration the names of qualified candidates in accordance with relevant laws and regulations, experience, and knowledge. After the Board's endorsement, the list of such candidates is proposed to the AGM to approve the election by majority votes. In accordance with the Company's regulation, each shareholder has one vote per share. Shareholders may exercise all the votes they have to elect one or several persons as director or directors, but they cannot divide their votes to any person in any number. The Company also gives an opportunity to shareholders to vote for individual directors to allow shareholders to choose the right person of their choice.

In case of vacancies because of reasons other than expiration of the term, as a rule, the Nomination and Remuneration Committee considers the criteria and nominate qualified persons to fill the vacant posts and proposes them to the Board for consideration. With votes of no less than three-fourths of the remaining directors, a selected director will serve only for the remainder of the term of the replaced director.

To appoint the Board-Committees directors, the Nomination and Remuneration Committee also selects qualified directors as committee members to fill vacancies in accordance with the qualifications listed in the respective committee charters. The names of selected directors are to be proposed to the Board for approval.

Independent Directors and Qualifications

Independent directors must be independent of major shareholders and the Company's executives. To protect the best interests of shareholders, independent directors must regularly attend Board Meetings and have sufficient access to the Company's financial and business information. Upon their appointment, independent directors shall report and disclose their independence in the annual report. Independent directors must have all the qualifications required by the Capital Market Supervisory Board, namely:

1. Holding shares not exceeding 0.5 percent of the total number of shares with voting rights of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, including shares held by their related persons.
2. Neither being nor used to be an executive director, employee, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary, affiliate, same level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to taking the independent dictatorship.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child to other director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling

person, in the manner which may interfere with his/her independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.

The term 'business relationship' under the first paragraph shall include any normal business transaction; rental or lease of immovable property; transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans; guarantee; providing assets as collateral; and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being 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, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
8. Not undertaking any business in the same nature and in competition with the business of the Company or subsidiary company or not being a significant partner in a partnership or being an executive director, employee, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary company.
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. The Company's independent directors shall serve no more than six consecutive years from the date of the appointment (effective from the date when the Board approved this policy on August 23, 2012, onwards).

Board-Committees

The Board has appointed the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee to scrutinize and supervise its operation over specific issues, in order to perform their duties efficiently and effectively as well as to ensure that the Company complies with rules and regulations of the SEC and SET. For maximum efficiency, the Company has established the Board-Committees Charters to define the roles and responsibilities of each committee, which are also disclosed at the Company's website.

The Board-Committees, as of December 31, 2015, are as follows:

1) The Audit Committee

The Board appointed the Audit Committee, which consists of fully qualified members against SEC and SET requirements. A minimum of three members must be independent directors, at least one of whom must be adequately qualified and experienced in reviewing the credibility of financial statements. The Committee reviews the Company's performance outcomes, financial reports, internal control system, and consider related-party transactions, the appropriateness of accounting (external) auditors, including the selection and appointment process.

As of December 31, 2015, the Audit Committee consists of three independent directors as followed:

Name	Position
1. Mr. Chulasingh Vasantasingh	Chairman of the Audit Committee (Independent)
2. Ms. Chularat Suteethorn	Member of the Audit Committee (Independent), with qualified knowledge and experience in accounting and finance to review the reliability of the financial statements
3. Mr. Siri Jirapongphan	Member of the Audit Committee (Independent)

Ms. Prapin Thongnium, Vice President - Corporate Internal Systems Audit, serves as Secretary to the Audit Committee.

Roles and Responsibilities of the Audit Committee

- Review financial reports for accuracy, reliability, and adequacy by cooperating with the external auditor and responsible executives who prepare quarterly and annual reports.
- Review internal control and risk management of Thairoil Group to ensure suitability and efficiency, and recommend further review or audit as necessary, which may also include improvements on internal controls and risk management. These reports must be submitted to the Board.
- Ensure corporate practices in line with SEC laws or SET requirements, as well as policies, regulations, rules, and other laws pertaining to the Company's operations.
- Check corporate documents when in doubt about activities which could significantly impact the Company's financial status and operating performance, and when conflicts of interest, violation of laws, rules, and regulations are possible.
- Deliberate disclosure of corporate information in case of potential conflicts of interest or possible violation of rules stipulated by SET to ensure sensible transactions and for the maximum benefits to the Company.
- Select and appoint an independent person as the external auditor and deliberate his or her compensation, based on credibility, assigned resources, and financial auditing workload, as well as work experience; hold a meeting with the external auditor in the absence of the management at least once a year.
- Verify accuracy and effectiveness of the information technology system related to financial reports and internal control.
- Support the development of the Company's financial reporting system to meet international accounting standards.
- Review audit plans against internationally-accepted procedures and standards.

10. Ensure independence of the Corporate Internal Systems Audit Department, provides guidelines on budgeting and manpower for the group and endorse the appointment, rotation, and termination of the head of the group, and conduct his or her annual performance appraisal.
11. Prepare reports, signed by the Audit Committee Chairman, for the annual report as required by SET.
12. Seek independent views of professional experts when necessary at the Company's expense with the concurrence of the Board. Such hiring must follow the Company's terms.
13. The Audit Committee Chairman or its members must attend the AGM to explain matters related to the committee and the appointment of the external auditor.
14. Review and modify the Audit Committee Charter.
15. Undertake tasks assigned by the Board and concurred by the Audit Committee.

In 2015, the Audit Committee performed its duties under the aforementioned roles. The summary of activities is shown in the Audit Committee Report on page 16.

2) The Nomination and Remuneration Committee

Appointed by the Board, the Nomination and Remuneration Committee consists of at least three directors, most of whom must be independent directors but must not be the Chairman of the Board or the CEO/President. All of the members are fully qualified as directors in accordance with the Nomination and Remuneration Committee Charter.

As of December 31, 2015, the Nomination and Remuneration Committee consists of four directors as followed:

Name	Position
1. Gen. Jiradej Mokkaasmit	Chairman of the Nomination and Remuneration Committee (Independent)
2. Mr. Thaworn Phanichaphan	Member of the Nomination and Remuneration Committee (Independent)
3. Mr. Nuttachat Charuchinda	Member of the Nomination and Remuneration Committee
4. Mr. Thosaporn Sirisumphand	Member of the Nomination and Remuneration Committee (Independent)

Mr. Viroj Meenaphant, Assistant Executive Vice President-Corporate Governance, serves as Secretary to the Nomination and Remuneration Committee.

Roles and Responsibilities of the Nomination and Remuneration Committee

Nomination

1. Define the procedure and criteria for director nomination.
2. Define qualifications for directors with a focus on skills, experience, specific capabilities beneficial to the Company, and dedication of time and personal endeavor to perform as directors.
3. Search and select qualified experts for directors and nominate them to the Board to seek approval for appointment from the AGM.

4. Support minor shareholders' nomination of qualified directors.
5. Search and select qualified experts for directors and nominate them to the Board to seek approval for appointment from the AGM.
6. Select directors who are qualified as committee members for the Board's appointment in case of vacancies.

Remuneration

1. Make recommendation to the Board on the organization structure and essential factors for the Board's compensation annually.
2. Propose compensation criteria for the Board in line with their responsibilities and the overall performance of the Company. Such criteria must be attractive and adequate to retain competent, quality, and capable directors. The Board must review the proposal before presenting to the AGM for approval.
3. Conduct the performance appraisal and decide the compensation for the CEO/President.

In 2015, the Nomination and Remuneration Committee performed its duties under the aforementioned roles. The summary of activities is shown in the Nomination and Remuneration Committee Report on page 18.

3) The Corporate Governance Committee

Appointed by the Board, the Corporate Governance Committee consists of at least three non-executive directors, most of whom must be independent directors. All of the members are fully qualified as directors in accordance with the Corporate Governance Committee Charter.

As of December 31, 2015, the Corporate Governance Committee consists of three directors as followed:

Name	Position
1. Mr. Thosaporn Sirisumphand	Chairman of the Corporate Governance Committee (Independent)
2. Mr. Yongyut Jantararotai	Member of the Corporate Governance Committee
3. Mr. Thaworn Phanichaphan	Member of the Corporate Governance Committee (Independent)

Ms. Panumas Chuchartchaikulkarn, Vice President - Corporate Compliance and Company Secretary, serves as Secretary to the Corporate Governance Committee.

Roles and Responsibilities of the Corporate Governance Committee

1. Constantly define an international-standard corporate governance policy for Thairoil Group to adopt as their principles.
2. Define a self-assessment policy and procedure on corporate governance policy while promoting standard assessment from renowned and internationally accepted appraisers.
3. Oversee the Company's business in line with the principles set forth by regulating institutions, including SET and SEC.
4. Review the corporate governance policy regularly, adjusting to international practices and recommendations made by regulating institutions or related institutes.

5. Regularly promote sharing of the corporate governance culture among all executives and employees for clear understanding and adoption for Thairoil Group's implementation.
6. Advise the working committee in preparation for external corporate governance ranking at least once in every three years.
7. Consider and endorse the company's board performance appraisal form, including endorsing the appraisal outcomes for presentation to the Board.
8. Take responsibility for other tasks assigned by the Board.

In 2015, the Corporate Governance Committee performed its duties under the aforementioned roles. The summary of activities is shown in the Corporate Governance Committee Report on page 20.

4) The Risk Management Committee

Appointed by the Board, the Risk Management Committee consists of a minimum of three directors, with the CEO/President serving as one of the members. All of the members are fully qualified as directors in accordance with the Risk Management Committee Charter.

As of December 31, 2015, the Risk Management Committee consists of four directors as followed:

Name	Position
1. Mr. Nuttachat Charuchinda	Chairman of the Risk Management Committee
2. Mr. Thammayot Srichuai	Member of the Risk Management Committee

Name	Position
3. Mr. Noppadol Pinsupa	Member of the Risk Management Committee
4. Mr. Atikom Terbsiri	Member of the Risk Management Committee / Chief Executive Officer and President

Mr. Somchai Wongwattanasan, Executive Vice President - Strategy, serves as Secretary to the Risk Management Committee and Mr. Somboon Chuaykoblaph, Corporate Strategic Risk Manager, serves as Assistant to the Secretary of Risk Management Committee.

Roles and Responsibilities of the Risk Management Committee

1. To define and review the Company's enterprise risk management framework that is suitable for efficient business operation and meets international standards, and to provide recommendations on risk management guidelines that are in line with the operation strategy and business plan.
2. To define and review the enterprise risk management policy including the Risk Management Committee Charter to ensure that they are in compliance with the Company's enterprise risk management framework and are effective and adequate for changing circumstances.
3. To continuously and efficiently support and improve on risk management at all levels of the organization, including its various tools, and to promote a risk management culture.

4. To oversee, monitor, and review critical risk management reports and provide necessary recommendations to ensure efficient and appropriate risk management for the Company's business operation, and that an acceptable level of risk is maintained in compliance with the enterprise risk management policy.
5. To report significant risk management results to the Board. In the case where there are factors or events that might have significant impact on the Company, the Board shall be notified immediately.
6. To carry out other responsibilities and duties delegated by the Board.

In 2015, the Risk Management Committee performed duties under the aforementioned roles. The summary of activities is shown in the Risk Management Committee Report on page 24.

Directors' Remuneration

It is the Company's policy to compensate directors reasonably to motivate and retain quality directors, or at levels comparable to industrial practices. Compensation is linked to each director's performance and responsibility as well as the Company's performance and benefits to the shareholders. Directors tasked with greater responsibilities are paid more accordingly, and Chairmen of the Board and Board-Committees may likewise receive higher compensation than directors. The Nomination and Remuneration Committee sets the remuneration principles and payment method, and present it to the Board and the AGM for approval, respectively. The 2015 AGM reviewed compensation for the Board and Board-Committees, which is detailed in Director

Remuneration on page 113 and individual directors' compensation can be found in the 2015 Remuneration of Directors on page 114.

Board Meetings

Annually, Board meetings are scheduled in advance so that directors can schedule themselves to attend. If there is any special meeting (urgent), the Company shall notify the directors in advance. The Company is responsible for preparing and delivering the meeting agenda and relevant documents to all directors well in advance, with the exception of urgent matters. **Meeting invitations are delivered to directors** at least seven days **prior to meeting date** to give them adequate preparation time and enable them to make sound decisions on all agenda items. In consultation with the CEO/President, the Chairman must endorse each meeting and its agenda. Other significant matters proposed by directors are also considered. Top executives should attend Board meetings to provide additional relevant information and allow the Board to get to know them, which will be useful for their review of succession plans.

In 2015, the Company managed a total of 14 Board Meetings, one independent directors meeting, and one non-executive directors meeting in the absence of the management. The Company encourages the directors to independently discuss, recommend, and openly express their opinions during these meetings. The details on Board's meeting attendance can be found on page 106.

In Board meetings, the Chairman encourages the directors to independently and openly express their opinions. There is also a clearly defined policy for the Board's conflicts on an agenda and for a confidential agenda.

Moreover, in order to consider critical issues on the meeting agenda, the Board has set up a policy that **requires no less than two-thirds of the total Board in attendance to make a quorum** unless where there is an urgent need to conduct a meeting which may otherwise jeopardize the Company's operation, or in the event of an urgent call for a meeting or any other reason where the Board deems appropriate. The resolution of the meeting shall be deemed a majority of the vote. One member has one vote. If the votes are equal, the Chairman of the meeting can cast a decisive vote.

At the end of the meeting, the Company Secretary must produce minutes of the meeting for the Board's approval in the next meeting. The meeting report consists of minutes of the meeting, Board's comments, and clear and complete resolutions for future reference.

Board's Performance Assessment

The annual performance assessment is done in three steps, namely:

- 1) Individual Director Assessment (Self-Assessment)
- 2) Board and Board-Committees Assessment and
- 3) Peer Assessment

Board's Performance Assessment Process

The Board assigns the Corporate Governance Committee to endorse such forms annually to ensure that they are complete and align with prevailing circumstances. This year, the Corporate Governance Committee amended the Board and Board-Committees Assessment, with additional questions in line with the example provided by SET. The Committee also amended Peer Assessment to clarify some questions. After the Committee's approval, the assessments were handed out to all directors. The

directors have to complete the assessment form and return it to the Company for analysis.

After the analysis, the Company must present the results and comments of the directors to the Corporate Governance Committee and the Board to form the basis for improving Board performance in the future. The CEO/President also participates in explaining his expectations for support from the Board.

Board's Performance Assessment Criteria

The Company's appraisal form covers additional significant criteria as follows:

- 1) Board Policy
- 2) Board Composition and Qualifications
- 3) Board Meeting
- 4) Practices, Roles, Duties and Responsibilities of the Board, which consist of preparedness of the Board, risk management and internal control, handling of conflicts of interest, financial control and monitoring, selection process, compensation process, and performance appraisal.

The criteria for the evaluation represent the percentage in each item as follows:

Over 85%	=	Excellent
Over 75%	=	Very Good
Over 65%	=	Good
Over 50%	=	Satisfactory
Under 50%	=	Poor

The 2015 Performance Assessment of the Board can be summarized as followed:

Rating Assessment of the Board in 2015	2015 (%)	Rating
Form 1: Individual Director Assessment (Self-Assessment)	98	Excellent
Form 2: Board and Board-Committees Assessment	98	Excellent
- Corporate Governance Committee Assessment	98	Excellent
- Audit Committee Assessment	100	Excellent
- Nomination and Remuneration Committee Assessment	98	Excellent
- Risk Management Committee Assessment	98	Excellent
Form 3: Peer Assessment	99	Excellent
The Company randomly selected assessors for each directors		

The overall result of the 2015 Board Assessment indicates an average rating of “excellent” at the score of 98%.

Directors' Development

Orientation for New Directors

The Company prepares a welcome package for new directors to provide information including Board's meeting schedule, names of the Company's directors, business overview, business structures, and strategic plans. Other essential information includes the Company's Articles of Association, Memorandum of Association, the Corporate Governance and Code of Conduct Manual, Board-Committee Charters, Independent Director Handbook, etc. The CEO/President along with other high-level executives will also personally provide information about the nature of business and essential

data that are beneficial to the performance of the directors.

Performance Development for the Board

The Company has promoted directors' training conducted by the Thai Institute of Directors (IOD) and other courses and seminars as part of continuous development in support of the duties of the Board. On an annual basis, the Company coordinates with the IOD in providing a summary of training and course details for the Board. External experts in various fields were also invited to Board meetings to share their knowledge and experience with the directors. The Company also holds a Board meeting at the Refinery at least once a year to visit refinery operations and participate in community relations activities. The details of courses attended by the Board can be found on page 162.

Nomination, Appointment, Position-Holding Policy, and Succession Plan for the CEO/President

For the nomination of qualified persons to fill the vacant position of CEO/President (the highest level of executives), the Board appoints the Nomination and Remuneration Committee to consider the qualifications and experience of qualified persons that will prove beneficial to the Company as well as their potential conflicts of interest and submit them to the Board for consideration and approval.

In addition to the nomination of the CEO/President, the Company also has a succession plan for this position. A qualified person must meet the succession criteria and readiness for the position in the future. The succession plan is regularly reviewed. This is to bolster shareholders'

and investors' confidence that the Company's business will continue its excellence in a timely manner.

The Board allows the CEO/President to serve as director of subsidiary companies to ensure a unity, mutually supporting direction among the Company and its subsidiaries for maximum efficiency and effectiveness. It also defines **guidelines for the Company's executives and employees that are invited to serve in other companies, agencies, or entities** in the Company's Corporate Governance and Code of Conduct Manual. If the CEO/President is to be appointed as a member of a committee, he or she is to seek endorsement from the Board before assuming the position. If the matter applies to executives or employees, the matter is to be raised to the Management Meeting (AMM) for acknowledgment or endorsement.

CEO/President's Performance Assessment and Remuneration

The Nomination and Remuneration Committee, in charge of the annual performance assessment of the CEO/President, must forward the assessment outcome to the Board for endorsement. The performance assessment for the CEO/President has three parts as follows:

- Part 1 - Corporate Key Performance Indicator (KPI) Achievements
- Part 2 - Leadership Competency
- Part 3 - Efficiency on Budget and Project Management

The performance appraisal outcome, influencing the salary raise for the CEO/President, is presented to the

Board for further approval. However, the outcome of this assessment is considered confidential information and cannot be disclosed.

The Company defines **the Compensation Policy for the CEO/President** by linking the CEO/President's salary to his or her performance. The compensation must be attractive enough to inspire performance, while on a par with peer industry companies. **The Nomination and Remuneration Committee appraises the CEO/President's annual performance** against the goals previously set and agreed with him or her. These goals include short-term performance, operating performance, and long-term strategic objectives. The Committee then recommends its findings to the Board for endorsement, and the Chairman then informs the CEO/President about the decision.

Executives' Development

The Company encourages and supports training and education on corporate governance and specialized knowledge for its executives as part of continuous performance development. The Company's continuous executive development program forges preparedness for its internal rotation of executives, ranging from section managers to department managers. The Company has established its succession plan in which executives undergo individual appraisal for their competence and preparedness to succeed others. This is preparation for business expansion and changes in the Company's structure, as well as the replacement of retired executives. Moreover, the Company must annually review these succession plans.

4. Supervision of Thail Group's Operations

In the supervision of the Company's operations, the Board has appointed the CEO/President along with other senior executives to serve as members on the boards in the subsidiaries where the Company holds all the shares. The CEO/President will serve as the Chairman of the Board or as a member of the boards of the subsidiaries.

In addition, the Company has developed the TOP Group Affiliates Management (TAM) Policy containing guidelines for those assigned to represent the Company in looking after and managing its subsidiaries to observe and for business cooperation marked by consistent directions. This consistency brings competitive advantages in the achievement of long-term goals and sustainable growth. The TAM Policy consists of the management of the Company's subsidiaries, duties of the Company's representatives in managing such subsidiaries, together with duties and responsibilities in observing TAM, which incorporates the Corporate Governance Policy and the Anti-Corruption Policy, both of which are also to be observed. The Company also set up TOP Group Investment Management (TIM) as guidelines in reviewing investment decisions according to the standards for transparency.

Connected Transactions or Acquisition or Disposal of Assets of the Company

Thail establishes a connected transaction policy in compliance with the rules and regulations of the SEC and accounting standards. **The Audit Committee then provides opinions on the suitability of connected transactions.** If the Audit Committee lacks expertise

to consider such matter, the Company will secure the opinions of a qualified person. **Afterward, these opinions will be proposed to the Board or AGM for case-by-case approval.**

In case the Company or its subsidiaries* involves in a connected transaction or an activity in which substantial assets of the Company are acquired or disposed of, according to the principles of SET, the Company must take action stipulated by SET. This requires approval from the shareholders to enter a connected transaction or to acquire or dispose of substantial assets of the Company with a majority vote of no less than three-fourths of all the votes of the shareholders or proxies attending the meeting and eligible to vote without counting the votes of shareholders involved in the conflicts of interest.

(*Companies in which Thai Oil Plc, directly or indirectly, has a shareholding of more than 50 percent of the registered paid-up capital)

In summary, in 2015, the Company complied with all elements of the corporate governance policy for listed companies as required by SET except for the following points; for instance, the **Cumulative Voting:** the Company's Regulation, Section 5, Item 17, states one share carries one vote, and each shareholder may choose to exercise all of his or her votes for one or more directors, but may not divide his or her votes for any preferred candidate. Another example is **the Number of Directors:** Under the CG principles, the Board consists of 5-12 directors, whereas as of December 31 this year,

the Company's Board consisted of 14 directors. This follows Company Regulation, Section 5, Item 16, which indicates that the Board is to contain no less than five and no more than 15 directors to enable the Board to command a proper size for its complexity. The Board should be made up of competent directors with extensive credibility, while they should be diverse in background, including industrial, finance and accounting, business, management, strategic, legal, and good governance, among others.

Thai Institute of Directors Association (IOD) Courses attended by Directors

Director	Position	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Role of the Nomination and Governance Committee (RNG)	Role of the Chairman Program (RCP)	Financial Statements for Directors (FSD)	Others
1 Mr. Kurujit Nakornthap	Director and Chairman of the Board		DAP 64/2007	ACP 32/2010	RCC 12/2011				R – CF 2/2013 C – Conference 1/2014
2 Mr. Chulasingh Vasantasingh	Independent Director and Chairman of the Audit Committee	DCP 35/2003		ACP 17/2007					FND 7/2003 UFS 1/2006 DCP Refresher 1/2008 FGP 4/2012
3 Ms. Chularat Suteethorn	Independent Director and Member of the Audit Committee	DCP 72/2006	DAP 40/2005	ACP 39/2012	RCC 20/2015	RNG 3/2012	RCP 28/2012	FSD 10/2010	FND 28/2006 FGP 4/2012 ACEP 10/2104 DCPU 4/2015
4 Mr. Siri Jirapongphan	Independent Director and Member of the Audit Committee	DCP 77/2006							M – DLB 2/2008
5 Gen. Jiradej Wokkhasmit	Independent Director and Chairman of the Nomination and Remuneration Committee		DAP 16/2004						
6 Mr. Thaworn Phantachaphan	Independent Director, Member of the Nomination and Remuneration Committee and Member of the Corporate Governance Committee	DCP 108/2008	DAP 73/2008	ACP 22/2008					UFS 8/2007
7 Mr. Thosaporn Sirisumphan	Independent Director, Chairman of the Corporate Governance Committee and Member of the Nomination and Remuneration Committee	DCP 80/2006							FND 30/2006 DCPU 4/2015
8 Mr. Yongyut Jantaratolai	Director and Member of the Corporate Governance Committee								GGE 5/2015
9 Mrs. Siwan Eamungroj	Director	DCP 160/2012							M & A 1/2011 R – SS 5/2008
10 Mr. Tanasak Wahawisan	Independent Director	DCP 85/2007	DAP 61/2007						CGI 3/2015
11 Mr. Nuttachat Charuchinda	Director, Chairman of the Risk Management Committee and Member of the Nomination and Remuneration Committee	DCP 129/2010							
12 Mr. Thammayot Sichuai	Director and Member of the Risk Management Committee								GGE 5/2015
13 Mr. Noppadol Pinsupa	Director and Member of the Risk Management Committee	DCP 146/2011						FSD 12/2011	
14 Mr. Atikom Terbsiri	Director, Member of the Risk Management Committee, Chief Executive Officer and President, Secretary to the Board	DCP 125/2009							
Directors who resigned during the year 2015									
1 Mr. Twarath Sutabur	Director and Member of the Risk Management Committee (Resigned on February 1, 2015)	DCP 115/2009						FSD 4/2009	
2 Mr. Praipol Koonsup	Independent Director and Member of the Corporate Governance Committee (Resigned on April 8, 2015)	DCP 91/2007	DAP 52/2006						
3 Mr. Bowon Vongshudom	Director and Member of the Risk Management Committee (Resigned on June 15, 2015)	DCP 209/2015	DAP 76/2008						
4 Mr. Apisak Tantivorawong	Independent Director and Chairman of the Risk Management Committee (Resigned on August 17, 2015)	DCP 18/2002							
5 Mr. Suwit Maesincee	Independent Director and Member of the Audit Committee (Resigned on August 17, 2015)			DAP 60/2006	ACP 37/2011				
6 Mr. Chansin Teenuchagron	Director and Member of the Risk Management Committee (Resigned on October 1, 2015)	DCP 85/2007	DAP 93/2011					FSD 12/2011	M – DLB 1/2013 M – DDT 1/2014 CDC 10/2015

Training Course in year 2015 attended by Directors

No.	Name - Surname	Position	Training Course in year 2015
1	Mr. Chulasingh Vasantasingh	Independent Director and Chairman of the Audit Committee	>> Audit Committee Seminar – Get Ready for the Year End
2	Ms. Chularat Suteethorn	Independent Director and Member of the Audit Committee	>> Role of the Compensation Committee (RCC 20/2015) >> Director Certification Program Update (DCPU 4/2015) >> Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 18, King Prajadhipok's Institute >> Audit Committee Seminar – Get Ready for the Year End
3	Mr. Siri Jirapongphan	Independent Director and Member of the Audit Committee	>> Audit Committee Seminar – Get Ready for the Year End
4	Mr. Thosaporn Sirisumphand	Independent Director, Chairman of the Corporate Governance Committee and Member of the Nomination and Remuneration Committee	>> Director Certification Program Update (DCPU 4/2015)
5	Mr. Yongyut Jantararotai	Director and Member of the Corporate Governance Committee	>> The 6 th Training Course on Administrative Justice for Executives >> Corporate Governance for Executives Program (CGE 5/2015)
6	Mr. Tanasak Wahawisan	Independent Director	>> Corporate Governance for Capital Market Intermediaries (CGI 3/2015)
7	Mr. Thammayot Srichuai	Director and Member of the Risk Management Committee	>> Corporate Governance for Executives Program (CGE 5/2015)
8	Mr. Noppadol Pinsupa	Director and Member of the Risk Management Committee	>> G-20Y Summit 2015, France >> Mitsui-HBS Global Management Academy 2015, Japan and U.S.A.
Directors who resigned during the year 2015			
9	Mr. Twarath Sutabutr	Director and Member of the Risk Management Committee	>> e-Government Executives Program (e-GEP) Class 5, Electronic Government Agency (Public Organization)
10	Mr. Bowon Vongsinudom	Director and Member of the Risk Management Committee	>> Director Certification Program (DCP 209/2015)
11	Mr. Chansin Treenuchagron	Director and Member of the Risk Management Committee	>> Chartered Director Class (CDC 11/2015)

THAIOIL GROUP'S SOCIAL RESPONSIBILITY



Thairoil Group performance regarding social and environmental responsibility was disclosed in the 2015 Sustainability Report.

In preparing this report, Thai Oil Plc has conducted the materiality assessment in accordance with the Global Reporting Initiative Guidelines version 4.0 (GRI G4) and Oil and Gas Sector Supplement at the comprehensive level. GRI G4 is the latest universal standard for the disclosure of corporate approach and performance on economic, social, and environmental aspects. Thairoil has also presented the progress of the implementation of the United Nations Global Compact's (UNGC) 10 principles.

The 2015 Sustainability Report including materiality assessment process and accuracy of environment and safety performance are verified by independent third-party assurance.



MATERIALITY ASSESSMENT ON THAIOIL GROUP SUSTAINABILITY

01

MATERIAL ASPECTS IDENTIFICATION

Identify material aspects by taking into account the nature of Thairoil Group's business, strategy, corporate risks, GRI (Global Reporting Initiative) Content Index, Dow Jones Sustainability Indices (DJSI), relevant international standards, global trend of the oil and gas industry, stakeholders' expectations and material aspects of 2014.

02

PRIORITIZATION

Prioritize the material aspects by scoring each within 1-5 scale on two perspectives: the significance of economic, environmental and social impacts to Thairoil Group; and the impacts on stakeholder.

03

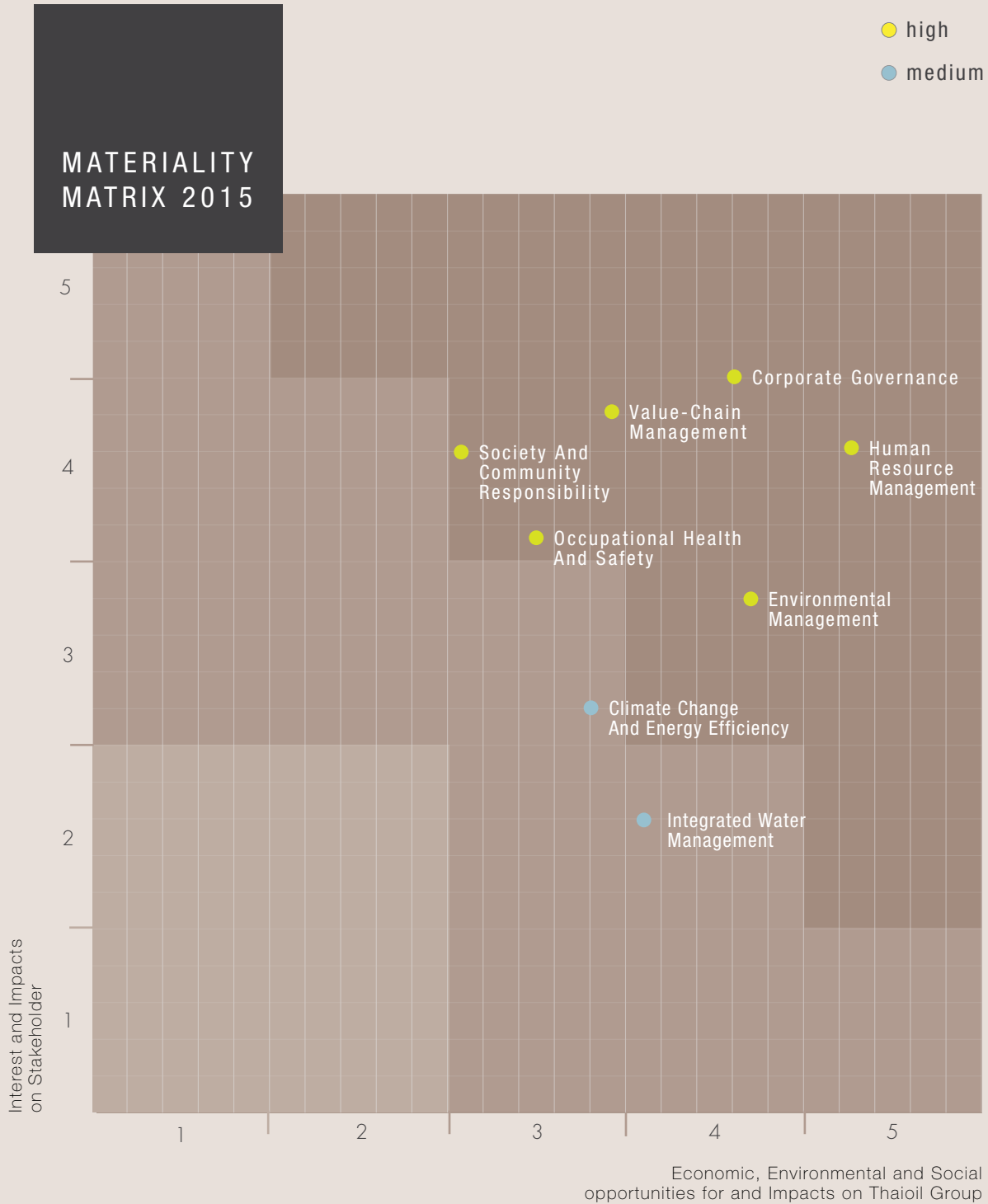
VALIDATION

Validate the completeness of material aspects and present for the executives' endorsement.

04

ASSURANCE

Besides examining the materiality assessment process and stakeholders' engagement throughout the data collection and evaluation stages, an independent third-party conducted the inspection on safety and environment performances to ensure accuracy, transparency and completeness.



CORPORATE INFORMATION

Thai Oil Public Company Limited

Symbol	TOP
Registration Number	0107547000711
Business	Thaioil is Thailand's largest refinery and supplier of petroleum products. Founded in 1961, we operate one of the most efficient refineries in Asia Pacific with a current refining capacity of 275,000 barrels per day. To complement our core oil refining business, we engage through our subsidiary companies in related businesses of aromatics, LAB : an intermediate in the production of surfactants such as detergents, lube base oil refinery, power generation, marine and pipeline transportation and storage services of crude, petroleum and petrochemical products, ship management service, alternative energy, solvents and chemical products, as well as recruitment services for Thaioil Group.
Registered Capital	20,400,278,730 Baht Comprising 2,040,027,873 fully paid-up common shares of 10 Baht per share
Number of Employees	747 persons (as of December 31, 2015)
Address	<p>Bangkok Office</p> <p>555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand</p> <p>Telephone : +66 (0)-2797-2999, +66 (0)-2797-2900, +66 (0)-2299-0000</p> <p>Fax : +66 (0)-2797-2970</p> <p>Sriracha Office and Refinery</p> <p>42/1 Moo 1, Sukhumvit Road Km.124, Tungskula, Sriracha, Chonburi 20230, Thailand</p> <p>Telephone : +66 (0)-3840-8500, +66 (0)-3835-9000</p> <p>Fax : +66 (0)-3835-1554, +66 (0)-3835-1444</p>
Website	www.thaioilgroup.com
Investor Relations	Telephone : +66 (0)-2797-2961 e-mail : ir@thaioilgroup.com

General Information of the Subsidiaries

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
<p>Lube Base Oil Business Thai Lube Base Public Company Limited 555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Chatuchak Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2970</p>	0107539000090	Lube base oil manufacturer and distributor	1,757,890,730	Common	175,789,073	10	100
<p>Petrochemical Business Thai Paraxylene Company Limited 105/12 Moo 2 Sukhumvit Road, Tungskulka, Sriracha, Chonburi 20230, Thailand Tel : +66 (0)-3835-1317-9, +66 (0)-3835-1878 Fax : +66 (0)-3835-1320</p>	0105539103288	Upstream petrochemical manufacturer and distributor	2,572,414,160	Common	257,241,416	10	100
<p>LABIX Company Limited 555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2974</p>	0105556110246	LAB (an intermediate in the production of surfactants such as detergents) manufacturer and distributor	4,654,965,000	Common	465,496,500	10	75 (Shareholding through Thai Paraxylene Co., Ltd.)
<p>Thaioil Solvent Company Limited 555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2970</p>	0105551116050	Investment in solvent and petrochemical manufacturing business	1,250,000,000	Common	125,000,000	10	100

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
TOP Solvent Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2983	0105551116491	Solvent and petrochemical distributor	1,200,000,000	Common	120,000,000	10	100 (Shareholding through Thaioil Solvent Co., Ltd.)
Sak Chaisidhi Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0003, +66 (0)-2797-2993 Fax : +66 (0)-2797-2983	0105527011880	Hydrocarbon solvent manufacturer and distributor	180,000,000	Common	1,800,000	100	80.52 (Shareholding through TOP Solvent Co., Ltd.)
TOP SOLVENT (VIETNAM) Limited Liability Go Dau Industrial Zones, Long Thanh District, Dong Nai Province, Vietnam Tel : +84-83827-9030-4 Fax : +84-83827-9035	472043000745 (Registered in Vietnam)	Solvent and petrochemical products distributor in Vietnam	373,520,000,000 VND	Common	-	-	100 (Shareholding through TOP Solvent Co., Ltd.)
Power Generation Business Thaioil Power Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2970	0105539103296	Power and steam generator and distributor	2,810,000,000	Common	281,000,000	10	73.99

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
Global Power Synergy Public Company Limited 555/2 Energy Complex Building B, 14 th Floor, Vibhavadi Rangsit Road, Chatuchak Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2140-4600 Fax : +66 (0)-2140-4601	0107557000411	Operate power generation business, including invest and develop future projects in power business	14,983,008,000	Common	1,498,300,800	10	8.91 and 20.79 (Shareholding through Thaioil Power Co., Ltd.)
TOP SPP Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2797-2999 Fax : +66 (0)-2797-2974	0105556198933	Power and steam generator and distributor	3,500,000,000	Common	350,000,000	10	100
Transportation Business Thaioil Marine Company Limited 223/97 Country Complex Building A, 22 nd Floor, Sanphawut Road, Bangna, Bangkok 10260, Thailand Tel : +66 (0)-2361-7500 Fax : +66 (0)-2361-7498-9	0105541047578	Provide marine transportation of petroleum and petrochemical products	970,000,000	Common	97,000,000	10	100
Thaioil Marine International Pte. Ltd. 391A Orchard Road #12-01104, #12-05 & 12-10, Ngee Ann City Tower A, Singapore 238873 Tel : +65-6734-6540 Fax : +65-6734-3397, +65-6734-5801	201021606H (Registered in Singapore)	Investment in marine transportation of crude oil and petroleum products business	9,000,000 USD	Common	9,000,000	1 USD per share	100 (Shareholding through Thaioil Marine Co., Ltd.)

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
TOP-NYK MarineOne Pte. Ltd. 1 Harbourfront Place #13-01, Harbourfront Tower One, Singapore 098633 Tel : +65-6290-8405 Fax : +65-6293-2080	201104774G (Registered in Singapore)	Marine transportation of crude oil and petroleum products	18,000,000 USD	Common	18,000,000	1 USD per share	50 (Shareholding through Thairoil Marine International Pte. Ltd.)
TOP Maritime Service Company Limited 223/97 Country Complex Building A, 22 nd Floor, Sanphawut Road, Bangna, Bangkok 10260, Thailand Tel : +66 (0)-2361-7500 Fax : +66 (0)-2361-7498-9	0115554017087	Marine transportation services for crew and supplies in the Gulf of Thailand	270,000,000	Common	2,700,000	100	55 (Shareholding through Thairoil Marine Co., Ltd.)
T.I.M. Ship Management Company Limited 88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok, Bangkok 10260, Thailand Tel : +66 (0)-2331-0080-5 Fax : +66 (0)-2331-0086	0105551087343	Ship management and international-standard fleet development services as well as crew development consultation (technical operation and marine transportation quality)	3,000,000	Common	30,000	100	33.3 (Shareholding through Thairoil Marine Co., Ltd.)
TOP-NTL Private Limited 5 Temasek Boulevard #11-02 Suntec Tower Five, Singapore 038985 Tel : +65-6361-0383 Fax : +65-6361-0377	201202478W (Registered in Singapore)	Trustee Management	20,000 SGD	Common	20,000	1 SGD per share	50 (Shareholding through Thairoil Marine Co., Ltd.)

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
TOP Nautical Star Company Limited 88 Soi Bangna-Trad 30, Bangna-Trad Road, Bangna, Bangkok, Bangkok, 10260, Thailand Tel : +66 (0)-2331-0080-5 Fax : +66 (0)-2331-0086	0105556123275	Large vessels provider for storage and transportation of crude oil, feedstock, and petroleum products	150,000,000	Common	1,500,000	100	35 (Shareholding through Thaitoil Marine Co., Ltd.) 30 (Shareholding through TOP-NTL Pte. Ltd.)
Thai Petroleum Pipeline Company Limited 2/8 Moo 11, Lumlukka Road, Ladsawai, Lumlukka, Pathumthani 12150, Thailand Tel : +66 (0)-2991-9130-59 Fax : +66 (0)-2533-2186	0105534002696	Pipeline transportation of petroleum products	8,479,000,000	Common	84,790,000	100	9.19
Other Business Thaitoil Energy Services Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2970	0105550078006	Recruiting management service	40,000,000	Common	4,000,000	10	100
Thaitoil Ethanol Company Limited 555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Chatuchak Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2299-0000, +66 (0)-2797-2999 Fax : +66 (0)-2797-2970	0105551121754	Investment in ethanol business and alternative energy	1,450,000,000	Common	145,000,000	10	100

Company Name and Address	Registration Number	Business	Registered Capital in Baht	Type of Shares	Number of Shares (Issued)	Value of Share (Baht per share)	Shareholding (%)
Sapthip Company Limited 68 Soi Santipap, Sap Road, Sipraya, Bangkok, Bangkok 10500, Thailand Tel : +66 (0)-2233-0444-5 Fax : +66 (0)-2233-0441	0105539017543	Cassava-based ethanol manufacturer and distributor	800,000,000	Common	8,000,000	100	50 (Shareholding through Thairoil Ethanol Co., Ltd.)
Maesod Clean Energy Company Limited 191/18-25 CTI Tower, 26 th -27 th Floor, Ratchadapisek Road, Klongtoey, Klongtoey, Bangkok 10110, Thailand Tel : +66 (0)-2656-7761-3 Fax : +66 (0)-2251-1138	0105549129891	Cane-based and molasses-based ethanol manufacturer and distributor	675,000,000	Common	67,500,000	10	30 (Shareholding through Thairoil Ethanol Co., Ltd.)
Ubon Bio Ethanol Company Limited 333 Moo 9, Nadee, Nayer, Ubonratchatani, Thailand Tel : +66 (0)-4525-2777 Fax : +66 (0)-4525-2776	0345550000315	Cassava-based and molasses-based ethanol manufacturer and distributor	2,740,000,000	Common	2,740,000	1,000	21.28 (Shareholding through Thairoil Ethanol Co., Ltd.)
PTT ICT Solutions Company Limited 555/1 Energy Complex Building A, 4 th -5 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2140-2000 Fax : +66 (0)-2140-2999	0105549076496	IT and communication services	150,000,000	Common	15,000,000	10	20
PTT Energy Solutions Company Limited 555 PTT Head Office, Building 2, 7 th Floor Vibhavadi Rangsit Road, Chatuchak Chatuchak, Bangkok 10900, Thailand Tel : +66 (0)-2537-3645 Fax : +66 (0)-2537-3685	0105554075621	Engineering technique consultation and other services	150,000,000	Common	1,500,000	100	20

Reference

Securities Registrar

Thailand Securities Depository Company Limited (TSD)

The Stock Exchange of Thailand Building,
93 Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel : +66 (0)-2009-9000,
+66 (0)-2009-9999 (Call center)
Fax : +66 (0)-2009-9991

Debenture Registrar and Principal Paying Agent

Thai Military Bank Public Company Limited

Securities Services and Fund Operations
3000 Head Office Floor 5 A, Phahonyothin Road,
Chompon, Chatuchak, Bangkok 10900, Thailand
Tel : +66 (0)-2299-1830
Fax : +66 (0)-2242-3270

Bangkok Bank Public Company Limited

Head of Marketing & Sales Investor Services
333 Trinity Building, Silom Road, Silom, Bangrak
Bangkok 10500, Thailand
Tel : +66 (0)-2230-1477, +66 (0)-2230-1478
Fax : +66 (0)-2626-4545-6

KASIKORNBANK Public Company Limited

Registrar and Account Administration,
Securities Services, 18th Floor
33/4 the Ninth Towers Grand Rama IX (Tower A)
Rama 9 Road, Huaykwang, Huaykwang,
Bangkok 10310, Thailand
Tel : +66 (0)-2470-6662
Fax : +66 (0)-2273-2279

Auditors

KPMG Phoomchai Audit Limited

51st Floor, Empire Tower, 1 South Sathorn Road,
Bangkok 10120, Thailand
Tel : +66 (0)-2677-2000
Fax : +66 (0)-2677-2222

Other Services (Loss of Share Certificate, Change of Particulars in Securities Register, and Other Services)

Counter Service

The Stock Exchange of Thailand Building, 1st Floor,
93 Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel : +66 (0)-2009-9999 (Call Center)

or

Office of Registration Services

Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building,
93 Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel : +66 (0)-2009-9000,
+66 (0)-2009-9999 (Call center)
Fax : +66 (0)-2009-9991

THAIOIL GROUP BUSINESS STRUCTURE

OIL REFINERY



THAIOIL PLC

Capacity :
275,000 barrels / day

Platformate
1.8 million tons / annum

PETROCHEMICAL & LUBE BASE OIL

100 %



THAI PARAXYLENE CO.,LTD

Aromatics
Capacity :

Paraxylene
527,000 tons / annum

Mixed Xylene
52,000 tons / annum

Benzene
259,000 tons / annum

Total
838,000 tons / annum

100 %



THAI LUBE BASE PLC

Lube Base Oil
Capacity :

Lube Base Oil
267,015 tons / annum

Bitumen
350,000 tons / annum

TDAE
67,520 tons / annum

75 %

25 % MITSUI & CO.,LTD

LABIX CO.,LTD
LAB Producer and Distributor
Capacity : 100,000 tons / annum
COD : 2016

100 % THAIOIL SOLVENT CO.,LTD

100 %

TOP SOLVENT CO.,LTD
Solvent Distributor in Thailand

80.5 %

100 %

SAK CHAISIDHI CO.,LTD
Solvent Manufacturer
Capacity :
141,000 tons / annum

TOP SOLVENT (VIETNAM) LLC.
Solvent Distributor in Vietnam

Thaioil is Thailand's largest refinery and supplier of petroleum products. Founded in 1961, we operate one of the most efficient refineries in Asia Pacific with a current refining capacity of 275,000 barrels per day. To complement our core oil refining business, we engage through our subsidiary companies in related businesses of aromatics, LAB : an intermediate in the production of surfactants such as detergents, lube base oil refinery, power generation, marine and pipeline transportation of crude, petroleum and petrochemical products, ship management, alternative energy, solvents and chemical products, as well as recruitment services for Thaioil Group.

POWER GENERATION

TRANSPORTATION & OTHERS



THAIOIL POWER CO.,LTD

Sells Electricity / Steam to Thaioil Group

Small Power Producer (SPP)
3-on-1 Combined Cycle
Capacity :
Electricity : 118 megawatts
Steam : 216 tons / hour

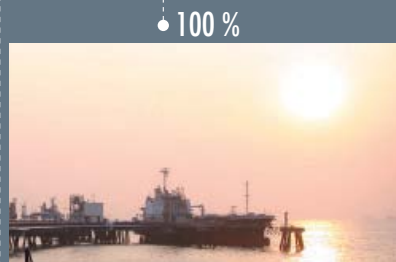
● **100 % TOP SPP CO.,LTD**

2 Small Power Producer (SPP)
Capacity :
Electricity : 239 megawatts
Steam : 498 tons / hour
COD : 2016

● **20.8 %**
● **8.9 %**
● **22.6 %** PTT PLC
● **22.7 %** PTTGC PLC
● **25 %** Free Float in SET

GLOBAL POWER SYNERGY PLC

Principal power plant of PTT Group
Capacity :
Electricity : 1,917 megawatts
Steam : 1,582 tons / hour
Industrial water : 2,080 cubic meters / hour
Chilled water : 12,000 refrigerator tons



THAIOIL MARINE CO.,LTD

4 Oil & Chemical Tankers

Capacity : 48,850 deadweight tonnage

3 Crude Tankers VLCCs

Capacity : 881,050 deadweight tonnage

14 Crew & Utility Boats

Capacity : 120 deadweight tonnage each

2 Large Vessels for Crude, Feedstock & Product Storage and Transportation Services

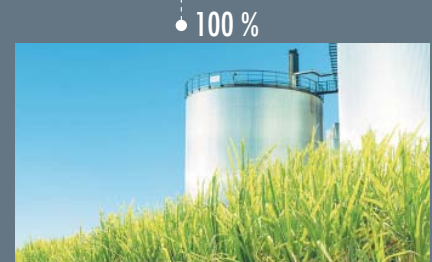
Capacity : 200,000 deadweight tonnage

Ship Management Services

● **9.2 % THAI PETROLEUM PIPELINE CO.,LTD**

Multi-product Pipeline
Capacity : 26,000 million litres / annum

● **40.4 %** PTT PLC
● **50.4 %** OTHERS



THAIOIL ETHANOL CO.,LTD

● **35 %** MITR PHOL GROUP
● **35 %** PADAENG INDUSTRY PLC

● **30 %** **MAESOD CLEAN ENERGY CO.,LTD**
Sugarcane Based Ethanol
Capacity : 230,000 litres / day

● **50 %** **SAPTHIP CO.,LTD**
Cassava Based Ethanol
Capacity : 200,000 litres / day

● **57.4 %** OTHERS
● **21.3 %** BCP PLC
● **21.3 %** **UBON BIO ETHANOL CO.,LTD**
Cassava and Molasses Based Ethanol
Capacity : 400,000 litres / day

THAIOIL ENERGY SERVICES CO.,LTD

Provide Recruitment Service for Thaioil Group

● **40 %** PTT PLC
● **20 %** PTTGC PLC
● **20 %** IRPC PLC

PTT ENERGY SOLUTIONS CO.,LTD

Provides engineering technique consulting services

● **80 %** PTT GROUP
● **20 %** **PTT ICT SOLUTIONS CO.,LTD**

IT and communication services

REVENUE STRUCTURE

Thaioil's core earnings were derived from our oil refinery business. Other revenue contributors were the lube base oil refinery, petrochemical, power generation, marine transportation services, solvent, ethanol, and other businesses.

(in million Baht)

			For the year ended December 31					
			2015		2014		2013 (Restated)	
Operator ⁽³⁾	Ownership interest (%)		Amount	%	Amount	%	Amount	%
A. Net Sales								
1. Oil refinery	TOP	-	290,113	98	389,779	99	409,229	98
2. Lube base oil refinery	TLB	100	18,944	6	26,560	7	26,954	6
3. Petrochemical	TPX	100	40,635	13	56,711	15	64,520	15
4. Power generation ⁽⁴⁾	TP/TOP SPP	74/100	5,075	1	5,219	1	5,416	2
5. Marine transportation services	TM	100	1,219	-	1,199	-	1,231	-
6. Solvent	TOS	100	7,828	3	9,822	2	9,781	3
7. Ethanol	TET	100	1,536	1	1,704	-	1,505	-
8. Other	TES	100	814	-	561	-	516	-
Less: Related party transactions			(72,595)	(24)	(101,465)	(26)	(104,577)	(25)
Total			293,569	98	390,090	98	414,575	99
B. Net Derivative Gain on Hedging								
1. Oil refinery	TOP	-	1,489	1	2,218	1	1,292	-
Total			1,489	1	2,218	1	1,292	-
C. Net Foreign Exchange Gain⁽¹⁾								
1. Oil refinery	TOP	-	-	-	872	-	-	-
2. Lube base oil refinery	TLB	100	-	-	38	-	-	-
3. Petrochemical	TPX	100	-	-	27	-	-	-
4. Power generation ⁽⁴⁾	TP/TOP SPP	74/100	-	-	35	-	-	-
5. Marine transportation services	TM	100	-	-	3	-	-	-
6. Solvent	TOS	100	-	-	21	-	-	-
Total			-	-	996	-	-	-

(in million Baht)

			For the year ended December 31					
			2015		2014		2013 (Restated)	
Operator ⁽³⁾	Ownership interest (%)		Amount	%	Amount	%	Amount	%
D. Other Revenues⁽²⁾								
1. Oil refinery	TOP	-	2,777	1	3,222	1	3,086	1
2. Lube base oil refinery	TLB	100	115	-	138	-	166	-
3. Petrochemical	TPX	100	218	-	393	-	444	-
4. Power generation ⁽⁴⁾	TP/TOP SPP	74/100	8	-	23	-	35	-
5. Marine transportation services	TM	100	22	-	16	-	26	-
6. Solvent	TOS	100	30	-	23	-	20	-
7. Ethanol	TET	100	6	-	22	-	24	-
8. Other	TES	100	-	-	1	-	24	-
Less: Related party transactions			(1,678)	-	(1,753)	-	(1,751)	-
Total			1,498	1	2,085	1	2,074	1
Total revenues (A-D)			296,556	100	395,389	100	417,941	100

Remarks:

⁽¹⁾ Net foreign exchange loss in 2013 and 2015.

⁽²⁾ Comprises received interests, export tax subsidy, revenues from services provided to subsidiary companies, land lease, single buoy mooring service fee, oil storage tank lease, etc.

⁽³⁾ TOP is Thai Oil Plc

TLB is Thai Lube Base Plc

TPX is Thai Paraxylene Co., Ltd., having respective interests in LABIX Co., Ltd.

TP is Thairoil Power Co., Ltd.,

TOP SPP is TOP SPP Co., Ltd.

TM is Thairoil Marine Co., Ltd., having respective interests in Thairoil Marine International Pte. Ltd. and TOP Maritime Service Co., Ltd.

TOS is Thairoil Solvent Co., Ltd., having respective interests in TOP Solvent Co., Ltd., Sak Chaisidhi Co., Ltd. and TOP SOLVENT (VIETNAM) LLC.

TET is Thairoil Ethanol Co., Ltd., having respective interests in Sapthip Co., Ltd.

TES is Thairoil Energy Services Co., Ltd.

⁽⁴⁾ In 2013, the impact of changes in accounting policy retrospectively in the financial statements of companies in the power generation business.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

Consolidated Financial Results

		2015	2014 ⁽¹⁾	+ / (-)
Gross Intergrated Margin (GIM) ⁽²⁾				
: <u>excluding</u> stock gain / (loss) ⁽²⁾	USD / barrel	9.1	6.2	2.9
: <u>including</u> stock gain / (loss) ⁽²⁾	USD / barrel	7.2	1.9	5.3
Sales Revenue	Million Baht	293,569	390,090	(96,521)
Hedging Gain / (Loss)	Million Baht	1,489	2,218	(729)
EBITDA	Million Baht	25,492	2,651	22,841
Finance Costs	Million Baht	(3,435)	(3,966)	531
Foreign Exchange Gain / (Loss)	Million Baht	(2,754)	996	(3,750)
(Income Tax Expense) / Reversal	Million Baht	(1,597)	920	(2,517)
Net Profit / (Loss)	Million Baht	12,181	(4,140)	16,321
Basic Earnings / (Loss) per Share	Baht	5.97	(2.03)	8.00
Stock Gain / (Loss)	Million Baht	(6,945)	(14,439)	7,494
Inventory write-down to NRV	Million Baht	1,338	(2,451)	3,789
Net Profit / (Loss) <u>excluding</u> stock gain / (loss) and NRV	Million Baht	17,789	12,750	5,039
Net Profit / (Loss) <u>excluding</u> stock gain / (loss), NRV, and foreign exchange gain / (loss)	Million Baht	20,543	11,754	8,788

Remarks:

⁽¹⁾ Restated because, from January 1, 2015, Thaioil Group has adopted new and revised Thai Financial Reporting Standard 10 (TFRS10) on Consolidated Financial Statements.

⁽²⁾ GIM is the integrated gross margin among Thaioil Plc (TOP), Thai Paraxylene Co.,Ltd. (TPX), and Thai Lube Base Plc (TLB)

All-out production marked Thaioil Group's year in 2015, raising the throughput for Thaioil Group's processes to 303,000 barrels per day, a rise of 22,000 barrels per day from last year, which saw in the middle of the year a planned major turnaround of Crude Distillation Unit-3 (CDU-3), Continuous Catalyst Regeneration Platformer Unit-1 (CCR-1), and other units, including the aromatics unit. Nevertheless, this year Thaioil Group derived Baht 293,569 million in sales revenue, a drop of Baht 96,521 million due to the plunging crude oil and petroleum product prices. Thaioil Group posted 9.1 USD per barrel

in GIM excluding stock gain/(loss), a rise of 2.9 USD per barrel from last year, due to lower energy cost tracking crude oil price and the extremely robust gasoline and bitumen margins this year. Thaioil Group had stock loss of Baht 6,945 million and had a reversal of inventory write-down to NRV of Baht 1,338 million, boosted EBITDA by Baht 22,841 million to Baht 25,492 million, included hedging gain of Baht 1,489 million. Still, this year Thaioil Group recorded foreign exchange loss of Baht 2,754 million, with the Baht depreciation from end-2014 by 3.14 Baht per US Dollar, most of which were

unrealized translation loss of US Dollar-denominated debentures. Including finance costs and income tax expense, the net profit for Thairoil Group rose by Baht 16,231 million last year to Baht 12,181 million this year.

Results by Company

Thai Oil Plc (TOP) : TOP this year commanded 108% in capacity utilization, which raised the combined sales of products by 10%, since last year TOP underwent a planned major turnaround of Crude Distillation Unit-3 (CDU-3) from mid-June to the end of July 2014. This year, TOP posted Baht 290,113 million in sales revenue, a drop of Baht 99,666 million from last year due to the much weaker crude oil price. Still, TOP showed 7.8 USD per barrel in gross refining margin excluding stock gain/(loss) (Market GRM), a gain of 2.1 USD per barrel, due to the plunge in energy costs and the improving margin for gasoline. TOP realized stock gain of Baht 6,945 million and reversal of inventory write-down to NRV of Baht 1,338 million. TOP had hedging gain of Baht 1,489 million which was declined by Baht 729 million and had foreign exchange loss Baht 3,017 million as the depreciation of the baht. This year, therefore, TOP reported EBITDA of Baht 18,638 million, a surge of Baht 19,359 million from 2014, and had net profit of Baht 7,883 million, which was lifted from the last year by Baht 12,913 million.

Thai Paraxylene Co., Ltd. (TPX) : TPX posted 81% in aromatics capacity utilization, and had sales revenue of Baht 40,636 million, a drop of Baht 16,075 million with the much weaker aromatics prices. Meanwhile, aromatics sales volume approximated those of last year. TPX posted Baht 1,777 million in EBITDA because the product-to-feed margin rose to 17 USD per ton and the energy costs fell with the weak crude oil price. Last year, TPX loss in EBITDA of Baht 211 million. On the other hand, Thai Baht depreciation resulted

in TPX's foreign exchange gain of Baht 193 million, most of which came from gain on accounts receivables. Once operating expenses, depreciation, and income tax expense were deducted, TPX posted a net profit of Baht 631 million against a net loss of Baht 1,309 million last year. And when incorporating the performance of LABIX Co., Ltd. (LABIX) (75% owned by TPX), this year the aromatics group commanded Baht 1,741 million in EBITDA, with a net profit of Baht 599 million against last year's net loss of Baht 1,467 million.

Thai Lube Base Plc (TLB) : With an 86% capacity utilization this year, TLB posted a sales revenue of Baht 18,944 million, a drop of Baht 7,616 million from last year since product prices dropped in line with the crude oil price despite the drop in lube base oil spread over fuel oil. This is because lube base oil faced pressure from market oversupply and price competition from lube base oil Group II and Group III, whereas the price margin between bitumen and fuel oil has returned to positive territory and risen over the year to 88 USD per ton. In addition, TLB sold more specialty products, including TDAE, than last year, resulting in product-to-feed margins rising to 124 USD per ton. For the year, its EBITDA amounted to Baht 2,929 million and net profit to Baht 2,050 million, a rise over the year of Baht 938 million.

Thairoil Power Co., Ltd. (TP) : TP posted 89% capacity utilization and generated Baht 4,916 million in sales revenue of electricity and steam, a drop from last year of Baht 303 million in line with the plunging Ft rate tracking natural gas price. However, TP posted an additional Baht 108 million in EBITDA to take the total figure to Baht 804 million, since part of the cost (that of natural gas) drops faster than Ft rate. Once finance costs and income tax expense were deducted, TP reported net profit (excluding share of profit from investment in Global Power Synergy Plc (GPSC) of an additional Baht 114

million. In 2015, Thairoil Group recognized, without non-controlling interest, share of profit from the investment in GPSC of Baht 526 million, higher than 2014 by Baht 28 million.

Since January 1, 2015, Thairoil Group has adopted Thai Financial Reporting Standard 10 (TFRS10) on Consolidated Financial Statements. This prohibited Thairoil Group, including GPSC, from using fair value measurement for business combinations under common control by the same ultimate parent company. As a result, Thairoil Group was required to adjust all fair value transactions, which had been recognized by purchasing method in financial statements, at the time of business combinations, to be recorded by equity method. Therefore, share of profit from the investment in GPSC was retrospectively restated as if TFRS10 were adopted at the time of combinations.

Thairoil Solvent Co., Ltd. (TOS) : TOS posted 85% in capacity utilization, a 6% drop from last year (calculated based on previous nameplate capacity at 76,000 tons per annum since January 1, 2014, and calculation begins with the new installed nameplate capacity of 141,000 tons per annum on July 21, 2014). TOS posted Baht 7,828 million in sales revenue, a decline of Baht 1,994 million from last year, mainly because of the sharp drop in solvent average unit selling price from previous year. Nevertheless, the higher gross profit margin in 2015 and the reversal of the inventory write-down to NRV of Baht 12 million boosted EBITDA to Baht 615 million,

increased by of Baht 209 million compared with the last year TOS reported net profit of Baht 312 million, jumped by Baht 159 million from 2014.

Thairoil Marine Co., Ltd. (TM) : TM generated Baht 1,219 million in services revenue, an increment of Baht 20 million from last year. However, it's EBITDA declined by Baht 3 million to Baht 420 million in this year. TM recognized share of profit of Baht 48 million from the investment in TOP-NYK following the higher VLCC utilization after dry-dock in 2014. At any rate, TM recognized share of losses from investment in other associated companies of Baht 33 million because the AFRAMAX underwent maintenance in the first half of this year. Offsetting with finance costs, income tax expense and depreciation, TM reported consolidated net profit of Baht 185 million, a rise of Baht 87 million from last year.

Thairoil Ethanol Co., Ltd. (TET) : TET had consolidated sales revenue of Baht 1,537 million, a drop of Baht 166 million from last year, in line with the fall in the average ethanol selling price per unit this year, which in turn resulted from declining gasoline price. This has decreased TET's gross profit margin. TET then had EBITDA of Baht 221 million, a drop of Baht 71 million from last year. Still, it boasted total shares of profit from investment in both associated companies of Baht 6 million this year, against with total shares of losses of Baht 4 million in 2014. Offsetting with the finance costs Baht 54 million. TET recorded net profit of Baht 21 million, a drop of Baht 36 million from last year.

Analysis of Consolidated Financial Position

Statement of Financial Position (Million Baht)	Dec 31, 2015	Dec 31, 2014 (Restated)	+ / (-)
Total assets	192,166	193,607	(1,441)
Total liabilities	95,157	105,763	(10,606)
Total equity	97,009	87,844	9,165

Total Assets

As of December 31, 2015, the Company and subsidiaries had total assets of Baht 192,166 million, a decrease of Baht 1,441 million from December 31, 2014, mainly due to accounts receivable and inventories decreased by Baht 1,964 million and Baht 9,651 million, respectively, in line with weak prices of crude oil and petroleum products. Meanwhile, cash, cash equivalents, and current investment rose by Baht 6,646 million and non-current assets increased mainly because of Baht 4,139 million in net additions of property, plant, and equipment needed for several project investments according to a business plan.

Total Liabilities

As of December 31, 2015, the Company and subsidiaries had total liabilities of Baht 95,157 million, a decrease of Baht 10,606 million from December 31, 2014. Mainly reason from trade accounts payable decreased by Baht 5,758 million as a consequence of falling crude oil price and long-term borrowings and debentures (including current portions) fell by Baht 4,510 million because the Company had repaid USD 350 million (equivalent to Baht 11,590 million) of US Dollar-denominated debentures in June 2015. Meanwhile, LABIX had additional borrowing of Baht 3,616 million for plant construction.

Total Equity

As of December 31, 2015, the Company and subsidiaries had total equity Baht 97,009 million, a rise of Baht 9,165 million from December 31, 2014. This was mainly resulted from total comprehensive income for the year ended 2015 of Baht 12,359 million and dividends paid from the Company and subsidiaries totally of Baht 3,194 million.

Analysis of Cashflow and Financial Ratios

As of December 31, 2015, the Company and subsidiaries commanded Baht 35,764 million in cash and cash equivalents. These consisted of Baht 31,708 million in cashflow from operating activities and Baht 2,530 million in cash flow from investing activities as a consequence of proceeds from current investments of Baht 13,250 million and purchases of plant, property and equipment of Baht 10,867 million. The company itself spent Baht 1,176 million in main projects such as CDU-3 Crude Preheat Train Improvement project, the Oil Movement Improvement project, Lorry Loading Terminal Expansion project, the Increase of Natural Gas Consumption in Refinery project, and the HVU-3 Reliability Improvement projects. The rest of Baht 9,691 million was used by subsidiaries mainly for LAB Production project, and New Small Power Plants project (New SPPs).

Cashflow for financing activities this year were Baht 14,740 million, This was attributable to the redemption of debentures of Baht 11,590 million, Baht 3,389 million was finance costs, Baht 3,194 million was dividend payment, and Baht 84 million was net repayment of short-term borrowings. However, there was net cash receipt from long-term borrowings of Baht 3,516 million.

As a result of these cashflow activities, the Company and subsidiaries commanded Baht 19,498 million more in cash and cash equivalents. In addition, the Company and subsidiaries recorded gain from the effect of exchange rate changes on balance held in foreign currencies at the end of year of Baht 29 million. Therefore, the Company and subsidiaries had cash and cash equivalents of Baht 35,764 million (cash and cash equivalents including current investments were Baht 53,129 million) as of December 31, 2015.

Financial Ratios

		2015	2014 (Restated)	+ / (-)
Profitability Ratios				
Quality of earnings ratio	(%)	9	1	8
Gross profit margin ratio	(%)	9	1	8
Net profit margin ratio	(%)	4	(1)	5
Liquidity Ratios				
Current ratio	(times)	5.0	2.7	2.3
Quick ratio	(times)	3.7	1.8	1.9
Financial Policy Ratios				
Total liability / Total equity	(times)	1.0	1.2	(0.2)
Net debt to equity ratio	(times)	0.2	0.4	(0.2)
Long-term loan / Total equity	(times)	0.8	0.9	(0.1)
Interest coverage ratio	(times)	7.4	0.7	6.7
Long-term loan / Total capitalization	(%)	44	48	(4)

Note:

Quality of Earnings ratio (%)	=	EBITDA / Sales Revenue
Gross Profit Margin ratio (%)	=	Gross Profit / Sales Revenue
Net Profit Margin ratio (%)	=	Net Profit / Total Revenue
Current ratio (times)	=	Current Assets / Current Liabilities
Quick ratio (times)	=	(Cash and Cash Equivalent + Current investments + Accounts Receivable) / Current Liabilities
Total Liabilities / Total Equity (times)	=	Total Liabilities / Total Equity
Long-term Loan / Total Equity (times)	=	Long-term Loan / Total Equity
Long-term Loan	=	Long-term borrowings from financial institutions + Debentures (includes current portion)
Interest Coverage ratio (times)	=	EBITDA / Interest Expenses (Finance Costs)
Long-term Loan / Total Capitalization (%)	=	Long-term Loan / Total Capitalization
Total Capitalization	=	Long-term Loan + Total Equity
Net Debt to Equity ratio (times)	=	Net Debt / Total Equity
Net Debt	=	Interest bearing debt – Cash and Cash Equivalent - Current investments

CONNECTED TRANSACTIONS

For the 2015 accounting period, Thairoil or its subsidiaries (or both) engaged in significant business transactions with subsidiaries and related partners with common major shareholders or directors (or both), as seen in the notes to its financial statements. Connected transactions were based on market prices or, in the absence of reference market prices, the prices agreed in previous contracts. Below are details of the relationships with these companies.

Company	Current Relationship with Thairoil, as of December 31, 2015
PTT Plc (PTT)	>> Major shareholder, with 49.10% of Thairoil's shares
Thai Paraxylene Co., Ltd. (TPX)	<ul style="list-style-type: none"> >> Wholly owned by Thairoil >> Common director: Mr. Atikom Terbsiri >> Thairoil executive members on TPX's Board: Mr. Chatapong Wungtanagorn, Mr. Bandhit Thamprajamchit and Mr. Jeerawat Pattanasomsit
Thai Lube Base Plc (TLB)	<ul style="list-style-type: none"> >> Wholly owned by Thairoil >> Common director: Mr. Atikom Terbsiri >> Thairoil executive members on TLB's Board: Mr. Mitri Reodacha, Mr. Chatapong Wungtanagorn, Ms. Pattaralada Sa-Ngasang and Mr. Jeerawat Pattanasomsit
Thairoil Power Co., Ltd. (TP)	<ul style="list-style-type: none"> >> 26.01% owned by PTT >> 73.99% owned by Thairoil >> Common director: Mr. Atikom Terbsiri >> Thairoil executive members on TP's Board: Mr. Mitri Reodacha, Mr. Somchai Wongwattanasan, Mr. Kosol Pimthanothai and Mr. Charlee Balmongkol
TOP Solvent Co., Ltd. (TS)	<ul style="list-style-type: none"> >> Wholly owned by Thairoil Solvent Co., Ltd. >> Common director: Mr. Atikom Terbsiri >> Thairoil executive members on TS's Board: >> Mr. Chatapong Wungtanagorn, Ms. Pattaralada Sa-Ngasang, Ms. Duangporn Teerapabpaisit and Ms. Acharee Tiyabhorn

Company	Current Relationship with Thairoil, as of December 31, 2015
Sak Chaisidhi Co., Ltd. (SAKC)	>> 80.52% owned by TS >> Thairoil executive members on SAKC's Board: Mr. Mitri Reodacha, Mr. Somchai Wongwattanasan, Mr. Chatapong Wungtanagorn, Ms. Pattaralada Sa-Ngasang, Mr. Jeerawat Pattanasomsit and Ms. Acharee Tiyabhorn
TOP Solvent (Vietnam) LLC. (TSV)	>> Wholly owned by TS >> Thairoil executive members on TSV's Board: Mr. Chatapong Wungtanagorn, Ms. Siriporn Mahajchariyawong and Ms. Acharee Tiyabhorn
Sapthip Co., Ltd. (SAP)	>> 50% owned by Thairoil Ethanol Co., Ltd. >> Thairoil executive members on SAP's Board: Mr. Mitri Reodacha, Mr. Chatapong Wungtanagorn, Ms. Pattaralada Sa-Ngasang and Mr. Saran Harinsuta
TOP Maritime Service Co., Ltd. (TMS)	>> 55% owned by Thairoil Marine Co., Ltd. >> Thairoil executive members on TMS's Board: Mr. Viroj Meenaphant and Mr. Nitas Krongvanitchayakul
PTT Energy Solutions Co., Ltd. (PTTES)	>> 40% owned by PTT >> 20% owned by Thairoil >> Thairoil executive member on PTTES's Board: Mr. Mitri Reodacha
IRPC Plc (IRPC)	>> 38.51% owned by PTT
PTT Global Chemical Plc (PTTGC)	>> 48.89% owned by PTT
PTT International Trading Pte. Ltd. (PTTT)	>> Wholly owned by PTT
PTT Exploration and Production Plc (PTTEP)	>> 65.29% owned by PTT
PTT Phenol Co., Ltd. (PPCL)	>> Wholly owned by PTTGC

Remarks : On April 30, 2015, PTT sold all its shares in Bangchak Petroleum Plc (BCP), and on December 2, 2015, sold some of its shares in Star Petroleum Refining Plc (SPRC), leaving only 5.41% ownership.

Connected transactions between Thairoil and/or subsidiaries with major shareholders

Connected transactions between Thairoil and PTT

Company	Transaction	Value in 2015 (Million Baht)
PTT	>> Revenue from the sale of oil products: Thairoil entered into a Product Offtake and Crude Supply Agreement (POCSA) with PTT. Both parties agreed on the sale and purchase of refined products at market prices and to follow certain procedures to reach an agreed volume as well as other terms and conditions stipulated in the contract.	126,792
	>> Expenses on the purchase of oil and natural gas products: Thairoil entered into a POCSA with PTT. Both parties agreed on the sale and purchase of refined products at market prices and to follow certain procedures to reach an agreed volume as well as other terms and conditions stipulated in the contract.	97,039
	>> Thairoil entered into a 10-year (2014-2023) contract and a 15-year (2007-2022) contract with PTT for the supply of natural gas to feed the refinery at an agreed volume based on market prices.	
	>> Sale and purchase of crude oil and feedstock legally required for national strategic reserves	587

Connected transactions between Thairoil's subsidiaries and PTT

Company	Transaction	Value in 2015 (Million Baht)
TPX	>> Revenue from occasional sales of aromatics to PTT, considered normal business practice	813
	>> Expenses for occasional purchases of petroleum products from PTT, considered normal business practice	554
TLB	>> Revenue from occasional sales of lube base products to PTT, considered normal business practice	3,268
	>> TLB entered into a five-year gas supply contract with PTT for an agreed volume based on market prices, considered normal business practice.	560

Company	Transaction	Value in 2015 (Million Baht)
TP	>> TP entered into a 25-year gas sales agreement (1998-2022) with PTT at an agreed volume based on market prices, considered normal business practice.	3,043
SAP	>> SAP entered into a 10-year ethanol sales agreement (2011-2021) with PTT at an agreed volume based on market prices, considered normal business practice.	882

Connected transactions between Thairoil and subsidiaries (with less than 100% shareholding) or other related companies

Company	Transaction	Value in 2015 (Million Baht)
TP	<p>>> Thairoil entered into a 24-year contract, starting April 1, 1998, to provide maintenance and other supporting services as well as supply of feedstock, parts, and reserved fuels to TP. The service charge is based on cost-plus pricing, considered normal business practice.</p> <p>>> Thairoil entered into a 24-year infrastructure sharing contract with TP, starting April 1, 1998. TP agreed to pay for the consumption at 2% of its monthly revenue.</p> <p>>> Thairoil entered into a 25-year contract (1998-2022) with TP for the supply of electricity and steam at an agreed volume based on market prices.</p>	<p>892</p> <p>1,965</p>
IRPC	<p>>> Revenue from occasional sales of petroleum products to IRPC, considered normal business practice</p> <p>>> Expenses for occasional purchases of petroleum products from IRPC, considered normal business practice</p>	<p>910</p> <p>900</p>
PTT ICT Solutions Co., Ltd. (PTTICT)	>> Expenses for ICT services as agreed in a five-year contract with PTTICT	109

Company	Transaction	Value in 2015 (Million Baht)
PTTGC	>> Revenue from occasional sales of petroleum products to PTTGC, considered normal business practice	561
	>> Expenses for occasional purchases of petroleum products from PTTGC, considered normal business practice	577
BCP	>> Revenue from occasional sales of petroleum products to BCP, considered normal business practice	878
	>> Thairoil entered into a 15-year contract to provide feedstock-receiving service for BCP using Thairoil's single buoy mooring system. The service charge is based on market prices, with terms and conditions similar to contracts with other parties.	
SPRC	>> Sale and purchase of crude oil and feedstock as legally required for national strategic reserves	768
Thai Oleochemicals Co., Ltd. (TOL)	>> Expenses for occasional purchases of petroleum products from TOL, considered normal business practice	788
PTTT	>> Revenue from occasional sales of petroleum products to PTTT, considered normal business practice	285

Connected transactions between subsidiaries and related companies

Company	Related Company	Transactions	Value in 2015 (Million Baht)
TP	TPX	>> TP entered into a 25-year contract to supply TPX with electricity and steam at market prices. The contract will end in 2022.	1,247
	TLB	>> TP entered into a 25-year contract to supply TLB with electricity and steam at market prices. The contract will end in 2022.	714

Company	Related Company	Transactions	Value in 2015 (Million Baht)
TLB	IRPC	>> Occasional purchases of by-products from IRPC, considered normal business practice	226
	PTTT	>> Occasional purchases of feedstock from PTTT, considered normal business practice	220
TPX	IRPC	>> Occasional sales of aromatics to IRPC, considered normal business practice	1,218
	PTTGC	>> Occasional sales of aromatics to PTTGC, considered normal business practice	137
		>> Occasional purchases of aromatics from PTTGC, considered normal business practice	542
	PTTT	>> Occasional sales of aromatics to PTTT, considered normal business practice	1,478
TS	IRPC	>> Occasional purchases of solvents from IRPC, considered normal business practice	1,332
	PTTGC	>> Occasional sales of solvents to PTTGC, considered normal business practice.	131
	PPCL	>> Occasional purchases of solvents from PPCL, considered normal business practice	110
SAKC	IRPC	>> SAKC entered into three feedstock purchase contracts from IRPC at an agreed volume based on reference market prices. The one-year contracts ended in 2015.	364
	PTTGC	>> SAKC entered into a feedstock purchase contract from PTTGC at an agreed volume based on reference market prices. The contract will end upon a written notice from either party.	1,575

Company	Related Company	Transactions	Value in 2015 (Million Baht)
TSV	IRPC	>> Occasional purchases of solvents from IRPC, considered normal business practice	681
TMS	PTTEP	>> TMS entered into a three-year contract and a five-year contract with PTTEP for transportation of supplies and personnel with service charges as stipulated in the contracts. The two contracts will end in 2016 and 2017 respectively.	105

BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Thai Oil Public Company Limited and the consolidated financial statements of Thai Oil Public Company Limited and its subsidiaries have been prepared in conformity with the requirements of the Public Company Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992), the Announcement of the Department of Business Development dated September 28, 2011 issued in accordance with Section 11, Paragraph 3 of the Accounting Act B.E. 2543 (2000), and the Financial Reporting Standards prescribed by the Federation of Accounting Professions.

The Board of Directors is responsible for the financial statements which have been prepared to provide

assurance that the financial position, operation performance, and cash flows are presented accurately; an effective internal control system has been established; accounting records have been properly and adequately maintained to safeguard assets and prevent fraud and other irregularities with material implications; suitable accounting policies have been selected in the preparation of the financial statements and consistently applied in accordance with Financial Reporting Standards; and key information has been adequately disclosed in the notes to the financial statements. The independent auditor has expressed opinion on the financial statements of Thai Oil Public Company Limited and the consolidated financial statements of Thai Oil Public Company Limited and its subsidiaries in the Auditor's Report.



Kurujit Nakornthap

Chairman of the Board

Thai Oil Public Company Limited



Atikom Terbsiri

Chief Executive Officer and President

Thai Oil Public Company Limited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Oil Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thai Oil Public Company Limited and its subsidiaries (the "Group") and of Thai Oil Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's adoption from 1 January 2015 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in note 3.

Waiyawat U.

(Waiyawat Kosamarnchaiyakij)

Certified Public Accountant
Registration No. 6333

KPMG Phoomchai Audit Ltd.
Bangkok

12 February 2016

STATEMENT OF FINANCIAL POSITION

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

Assets	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014	1 January 2014	31 December	
			(Restated)	(Restated)	2015	2014
Current assets						
Cash and cash equivalents	7, 20	35,764,436,289	16,237,064,742	15,302,596,629	33,073,935,374	13,586,762,421
Current investments	8, 20	17,364,300,000	30,245,500,000	28,512,000,000	16,750,000,000	30,000,000,000
Trade accounts receivable	6, 9	14,176,598,161	16,140,531,085	28,746,177,747	13,940,866,357	16,416,897,099
Other receivables	6, 10	2,409,185,967	1,555,425,918	1,322,847,554	2,317,089,056	1,488,814,059
Short-term loans to related parties	6	90,000,000	90,000,000	90,000,000	9,409,000,000	4,013,000,000
Inventories	6, 11	18,882,707,554	28,533,477,165	48,508,807,787	16,057,622,913	24,037,584,154
Prepaid corporate income tax		671,351,768	603,627,570	9,014,978	638,790,484	586,215,565
Value added tax receivable		982,544,844	1,517,027,818	2,815,542,729	-	426,160,943
Receivable from Oil Fuel Fund		146,351,741	523,025,041	1,318,657,423	146,351,741	523,025,041
Other current asset		2,202,790	17,828,345	-	-	-
Non-current asset held for sale		-	-	250,280,999	-	-
Total current assets		90,489,679,114	95,463,507,684	126,875,925,846	92,333,655,925	91,078,459,282
Non-current assets						
Investments in subsidiaries	12	-	-	-	14,545,419,002	14,545,419,002
Investments in associates	14	12,986,194,013	12,694,523,522	12,097,179,116	1,260,604,927	1,260,604,927
Investments in joint ventures	14	454,775,767	419,025,830	422,154,069	-	-
Other long-term investments	8	914,991,059	942,588,787	940,260,153	914,991,059	942,588,787
Investment properties	15	88,143,439	88,143,439	82,382,568	1,084,976,420	1,084,976,420
Property, plant and equipment	6, 16, 20	83,258,134,332	79,119,618,973	65,609,199,013	37,662,738,602	41,158,670,025
Intangible assets	17	1,906,065,607	1,951,698,909	1,970,634,442	400,846,331	420,360,228
Deferred tax assets	18	578,724,894	1,480,495,132	174,316,076	569,726,832	1,446,643,130
Other non-current assets	19	1,488,983,143	1,447,266,014	1,429,628,152	1,145,569,060	1,108,961,134
Total non-current assets		101,676,012,254	98,143,360,606	82,725,753,589	57,584,872,233	61,968,223,653
Total assets		192,165,691,368	193,606,868,290	209,601,679,435	149,918,528,158	153,046,682,935

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

STATEMENT OF FINANCIAL POSITION

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)	31 December 2015 2014	
Current liabilities						
Short-term borrowings	20	413,425,000	497,425,000	663,559,344	-	-
Trade accounts payable	6, 21	12,052,878,806	17,811,088,274	31,554,321,436	13,340,884,104	18,458,980,224
Other payables	6, 22	2,958,366,554	3,929,537,412	3,298,064,678	2,289,768,595	2,653,583,779
Short-term borrowings from related parties	6, 20	-	-	-	5,839,610,737	3,760,194,092
Current portion of long-term borrowings from financial institutions	7, 8, 16, 20	1,373,804,518	749,272,200	484,646,300	-	-
Current portion of debentures	20	-	11,588,926,378	12,329,716,612	-	11,588,926,378
Excise duty payable		1,032,079,906	882,683,472	496,947,661	1,032,079,906	882,683,472
Income tax payable		361,590,498	175,777,454	748,349,343	-	-
Total current liabilities		18,192,145,282	35,634,710,190	49,575,605,374	22,502,343,342	37,344,367,945
Non-current liabilities						
Long-term borrowings from financial institutions	7, 8, 16, 20	9,620,943,604	6,531,308,933	4,314,378,700	-	-
Debentures	20	64,097,754,801	60,733,974,498	57,070,452,017	64,097,754,801	60,733,974,498
Employee benefit obligations	23	3,176,126,445	2,783,862,422	2,635,001,299	2,922,163,146	2,585,823,751
Other non-current liabilities		69,979,331	78,878,059	85,552,880	428,820,270	309,135,524
Total non-current liabilities		76,964,804,181	70,128,023,912	64,105,384,896	67,448,738,217	63,628,933,773
Total liabilities		95,156,949,463	105,762,734,102	113,680,990,270	89,951,081,559	100,973,301,718

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

STATEMENT OF FINANCIAL POSITION

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014	1 January 2014	31 December	
			(Restated)	(Restated)	2015	2014
Equity						
Share capital	24					
Authorised share capital		20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730
Issued and paid-up share capital		20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730
Additional paid-in capital						
Premium on ordinary shares	25	2,456,261,491	2,456,261,491	2,456,261,491	2,456,261,491	2,456,261,491
Retained earnings						
Appropriated						
Legal reserve	25	2,040,027,873	2,040,027,873	2,040,027,873	2,040,027,873	2,040,027,873
Other		244,500,000	244,500,000	244,500,000	244,500,000	244,500,000
Unappropriated		67,131,185,613	58,229,324,883	66,566,695,600	34,915,797,048	27,019,170,488
Surplus on business restructuring						
under common control		330,835,954	330,835,954	330,835,954	-	-
Other components of equity		(231,638,703)	(305,010,714)	(302,952,030)	(89,418,543)	(86,857,365)
Equity attributable to owners						
of the Company		92,371,450,958	83,396,218,217	91,735,647,618	59,967,446,599	52,073,381,217
Non-controlling interests	13	4,637,290,947	4,447,915,971	4,185,041,547	-	-
Total equity		97,008,741,905	87,844,134,188	95,920,689,165	59,967,446,599	52,073,381,217
Total liabilities and equity		192,165,691,368	193,606,868,290	209,601,679,435	149,918,528,158	153,046,682,935

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

STATEMENT OF INCOME

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
Revenue from sale of goods and rendering of services	6, 33	293,569,482,323	390,090,026,361	290,113,102,150	389,779,023,806
Cost of sale of goods and rendering of services	6, 11	(273,819,446,323)	(394,170,398,780)	(275,881,859,538)	(396,303,124,662)
Gross (loss) profit		19,750,036,000	(4,080,372,419)	14,231,242,612	(6,524,100,856)
Dividend income	6, 12, 14	48,088,867	-	3,281,948,854	5,963,349,892
Net derivative gain on hedging		1,489,177,878	2,218,486,563	1,489,177,878	2,218,486,563
Net foreign exchange gain (loss)		(2,753,606,034)	995,932,550	(3,017,217,912)	872,666,907
Other income	6, 27	1,498,098,129	2,084,565,735	2,777,050,322	3,222,204,711
Selling expenses	6	(452,497,423)	(477,885,846)	(357,849,120)	(345,238,892)
Administrative expenses	6, 28	(2,754,634,587)	(2,163,337,715)	(2,875,840,357)	(2,074,658,675)
Share of profit of associates and joint ventures	14	712,187,506	629,641,025	-	-
Profit (loss) before finance costs and income tax expense		17,536,850,336	(792,970,107)	15,528,512,277	3,332,709,650
Finance costs	6, 31	(3,435,184,021)	(3,966,025,581)	(3,434,605,107)	(3,745,925,180)
Profit (loss) before income tax expense		14,101,666,315	(4,758,995,688)	12,093,907,170	(413,215,530)
Reversal of income tax (expense)	32	(1,597,354,887)	920,208,172	(929,095,059)	1,346,753,797
Profit (loss) for the year		12,504,311,428	(3,838,787,516)	11,164,812,111	933,538,267
Profit (loss) for the year attributable to:					
Owners of the Company		12,181,368,996	(4,139,704,614)	11,164,812,111	933,538,267
Non-controlling interests	13	322,942,432	300,917,098	-	-
Profit (loss) for the year		12,504,311,428	(3,838,787,516)	11,164,812,111	933,538,267
Basic earnings (loss) per share	34	5.97	(2.03)	5.47	0.46

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

STATEMENT OF COMPREHENSIVE INCOME

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
Profit (loss) for the year		12,504,311,428	(3,838,787,516)	11,164,812,111	933,538,267
Other comprehensive income (loss)					
Item that will never be reclassified to profit or loss					
Defined benefit plan					
actuarial gains (losses)	23	(220,068,532)	6,773,254	(208,715,039)	-
Total item that will never be reclassified to profit or loss		(220,068,532)	6,773,254	(208,715,039)	-
Item that are or may be reclassified to profit or loss					
Net change in fair value of					
available-for-sale investments		(2,561,178)	4,205,465	(2,561,178)	4,205,465
Foreign currency translation differences		73,222,339	(6,368,581)	-	-
Share of other comprehensive income of associate		3,661,958	104,432	-	-
Total item that are or may be reclassified to profit or loss		74,323,119	(2,058,684)	(2,561,178)	4,205,465
Other comprehensive income (loss) for the year, net of income tax		(145,745,413)	4,714,570	(211,276,217)	4,205,465
Total comprehensive income (loss) for the year		12,358,566,015	(3,834,072,946)	10,953,535,894	937,743,732

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

STATEMENT OF COMPREHENSIVE INCOME

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)				
Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014 (Restated)	2015	2014
Total comprehensive income (loss)				
attributable to:				
Owners of the Company	12,034,703,253	(4,138,385,252)	10,953,535,894	937,743,732
Non-controlling interests	13 323,862,762	304,312,306	-	-
Total comprehensive income (loss)				
for the year	12,358,566,015	(3,834,072,946)	10,953,535,894	937,743,732

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

STATEMENT OF CHANGES IN EQUITY

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Consolidated financial statements												
	Retained earnings					Other components of equity							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other Unappropriated	Surplus on business restructuring under common control	Fair value changes in available-for-sale investments	Other comprehensive income (loss) Share of other comprehensive income of associate	Deficit from the change in the ownership interests in subsidiary	Equity attributable to owners of the Company	Total equity		
Year ended 31 December 2014													
Balance at 1 January 2014													
- as reported		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	66,088,838,825	-	(84,211,151)	117,334	(127,795,383)	90,926,954,889	4,054,335,182	94,981,290,071
Impact of change in accounting policy	3	-	-	-	-	477,856,775	330,835,954	-	-	-	808,692,729	130,706,365	939,399,094
Balance at 1 January 2014 - restated													
		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	66,566,695,600	330,835,954	(84,211,151)	117,334	(127,795,383)	91,735,647,618	4,185,041,547	95,920,689,165
Dividend	35	-	-	-	-	(4,201,044,149)	-	-	-	-	(4,201,044,149)	(41,437,882)	(4,242,482,031)
Comprehensive income (loss) for the year													
Profit (loss) for the year		-	-	-	-	(4,139,704,614)	-	-	-	-	(4,139,704,614)	300,917,098	(3,838,787,516)
- restated		-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss)		-	-	-	-	3,378,046	-	(6,368,661)	104,432	-	1,319,362	3,395,208	4,714,570
Total comprehensive income (loss) for the year													
		-	-	-	-	(4,136,326,568)	-	(6,368,661)	104,432	-	(4,138,385,252)	304,312,306	(3,834,072,946)
Balance at 31 December 2014													
		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	58,229,324,883	330,835,954	(90,579,732)	221,766	(127,795,383)	83,396,218,217	4,447,915,971	87,844,134,188

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

STATEMENT OF CHANGES IN EQUITY

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Consolidated financial statements													
	Retained earnings				Other components of equity									
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other	Unappropriated	Surplus on business restructuring under common control	Fair value changes in available-for-sale investments	Other comprehensive income (loss)	Deficit from the change in the ownership interests in subsidiary	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Year ended 31 December 2015														
Balance at 1 January 2015		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	57,865,280,420	-	(66,857,365)	(90,579,732)	221,766	(127,795,383)	82,701,337,800	4,337,969,828	87,039,307,628
- as reported														
Impact of change in accounting policy	3	-	-	-	-	364,044,463	330,835,954	-	-	-	-	694,880,417	109,946,143	804,826,560
Balance at 1 January 2015														
- restated		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	58,229,324,883	330,835,954	(66,857,365)	(90,579,732)	221,766	(127,795,383)	83,396,218,217	4,447,915,971	87,844,134,188
Dividend	35	-	-	-	-	(3,059,470,512)	-	-	-	-	-	(3,059,470,512)	(134,487,786)	(3,193,958,298)
Comprehensive income (loss) for the year														
Profit (loss) for the year		-	-	-	-	12,181,368,996	-	-	-	-	-	12,181,368,996	322,942,432	12,504,311,428
Other comprehensive income (loss)		-	-	-	-	(220,037,754)	-	(2,561,178)	73,222,339	2,710,850	-	(146,665,743)	920,330	(145,745,413)
Total comprehensive income (loss) for the year														
(loss) for the year		-	-	-	-	11,961,331,242	-	(2,561,178)	73,222,339	2,710,850	-	12,034,703,253	323,862,762	12,358,566,015
Balance at 31 December 2015		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	67,131,185,613	330,835,954	(69,418,543)	(17,357,393)	2,932,616	(127,795,383)	92,371,450,958	4,637,290,947	97,008,741,905

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

STATEMENT OF CHANGES IN EQUITY

Thai Oil Public Company Limited and its Subsidiaries

		Separate financial statements							(in Baht)
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other	Unappropriated	Fair value changes in available-for-sale investments	Total equity	
Note									
	Year ended 31 December 2014								
	Balance at 1 January 2014	20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	30,286,676,370	(91,062,830)	55,336,681,634	
	Dividend	-	-	-	-	(4,201,044,149)	-	(4,201,044,149)	
	Comprehensive income (loss) for the year								
	Profit for the year	-	-	-	-	933,538,267	-	933,538,267	
	Other comprehensive income	-	-	-	-	-	4,205,465	4,205,465	
	Total comprehensive income (loss) for the year	-	-	-	-	933,538,267	4,205,465	937,743,732	
	Balance at 31 December 2014	20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	27,019,170,488	(86,857,365)	52,073,381,217	

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

STATEMENT OF CHANGES IN EQUITY

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Separate financial statements							Total equity
	Retained earnings			Other components of equity		Fair value changes in available-for-sale investments	Total equity	
	Legal reserve	Other	Unappropriated	Legal reserve	Other			
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other	Unappropriated	Fair value changes in available-for-sale investments	Total equity	
Year ended 31 December 2015								
Balance at 1 January 2015		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	27,019,170,488	(86,857,365)	52,073,381,217
Dividend	35	-	-	-	-	(3,059,470,512)	-	(3,059,470,512)
Comprehensive income (loss) for the year								
Profit for the year		-	-	-	-	11,164,812,111	-	11,164,812,111
Other comprehensive income (loss)		-	-	-	-	(208,715,039)	(2,561,178)	(211,276,217)
Total comprehensive income (loss) for the year								
		-	-	-	-	10,956,097,072	(2,561,178)	10,953,535,894
Balance at 31 December 2015		20,400,278,730	2,456,261,491	2,040,027,873	244,500,000	34,915,797,048	(89,418,543)	59,967,446,599

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

STATEMENT OF CASH FLOWS

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
Cash flows from operating activities					
Profit (loss) for the year		12,504,311,428	(3,838,787,516)	11,164,812,111	933,538,267
Adjustments for					
(Reversal of) allowance for decline in value of inventories adjusted to net realisable value		(1,545,737,619)	2,652,358,234	(1,337,772,257)	2,451,358,964
Depreciation and amortisation	30	6,765,600,251	6,532,893,838	4,436,957,371	4,291,592,005
Finance costs	31	3,435,184,021	3,966,025,581	3,434,605,107	3,745,925,180
Unrealised loss on foreign exchange		3,369,334,446	384,069,720	3,331,520,026	335,113,368
Share of profit of associates and joint ventures	14	(712,187,506)	(629,641,025)	-	-
Dividend income	6, 12, 14	(48,088,867)	-	(3,281,948,854)	(5,963,349,892)
Loss from the change in the ownership interests in associate		4,625,771	-	-	-
Loss on disposal of investment		9,519,413	-	9,519,413	-
Loss on disposal of property, plant and equipment		99,691,660	28,720,094	46,320,916	31,975,734
Reversal of impairment loss on property, plant and equipment, and investment property	15, 16	-	(385,519,689)	-	(385,519,689)
Realisation of deferred land lease and other income		(26,484,118)	(26,434,287)	(137,040,541)	(135,125,663)
(Reversal of) income tax expense	32	1,597,354,887	(920,208,172)	929,095,059	(1,346,753,797)
		25,453,123,767	7,763,476,778	18,596,068,351	3,958,754,477

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

STATEMENT OF CASH FLOWS

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014 (Restated)	2015	2014
Changes in operating assets and liabilities				
Trade accounts receivable	1,959,778,410	12,587,103,194	2,471,985,527	11,857,563,256
Other receivable	(748,845,748)	49,093,859	(919,061,035)	153,701,012
Value add tax receivable	534,482,973	1,298,514,911	426,160,943	1,648,947,194
Inventories	11,196,507,230	17,322,972,388	9,317,733,498	15,872,420,073
Other non-current assets	(263,400,535)	(25,782,719)	(64,381,488)	(1,579,755)
Trade accounts payable	(5,748,472,098)	(13,740,226,891)	(5,108,240,252)	(13,678,312,156)
Other payable	(420,932,094)	194,175,022	(394,514,832)	327,616,466
Excise duty payable	149,396,434	385,735,810	149,396,434	385,735,810
Other non-current liabilities	119,635,023	157,884,849	250,742,479	249,382,956
Cash generated from operating activities	32,231,273,362	25,992,947,201	24,725,889,625	20,774,229,333
Income tax paid	(522,796,388)	(1,560,180,669)	(52,574,918)	(726,014,444)
Net cash from operating activities	31,708,476,974	24,432,766,532	24,673,314,707	20,048,214,889

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

STATEMENT OF CASH FLOWS

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
Cash flows from investing activities					
Dividends received		452,795,162	-	3,281,948,854	5,963,349,892
Purchase of current investments		(368,800,000)	(1,733,500,000)	-	(1,500,000,000)
Sale of current investments		13,250,000,000	-	13,250,000,000	-
Sale of other long-term investment		15,517,136	1,221,010	15,517,136	1,221,010
Cash outflow on short-term loans to related parties	6	-	-	(6,142,000,000)	(2,058,000,000)
Cash inflow on short-term loans to related parties	6	-	-	746,000,000	968,000,000
Cash outflow on investment in subsidiaries	5, 12	-	-	-	(2,625,000,000)
Cash outflow on investment in joint ventures	5, 14	-	(37,500,000)	-	-
Cash inflow (outflow) on long-term loans to savings co-operative of employees		45,330,750	(53,591,355)	45,330,750	(53,591,355)
Purchase of property, plant and equipment		(10,866,565,774)	(18,679,324,673)	(1,175,747,326)	(8,918,521,084)
Sale of property, plant and equipment		36,162,709	13,419,864	768,228,681	9,506,444
Sale of asset held for sale		-	250,849,339	-	-
Purchase of intangible assets		(39,300,647)	(92,325,312)	(27,731,506)	(29,856,102)
Currency translation differences		4,447,233	(15,611,689)	-	-
Net cash from (used in) investing activities		2,529,586,569	(20,346,362,816)	10,761,546,589	(8,242,891,195)

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

STATEMENT OF CASH FLOWS

Thai Oil Public Company Limited and its Subsidiaries

(in Baht)				
Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014 (Restated)	2015	2014
Cash flows from financing activities				
Finance costs paid	(3,388,790,466)	(3,818,037,109)	(3,386,375,053)	(3,599,224,727)
Dividends paid	(3,193,958,298)	(4,242,482,031)	(3,059,470,512)	(4,201,044,149)
Proceeds from short-term borrowings	461,000,000	605,711,353	-	-
Repayment of short-term borrowings	(545,000,000)	(771,845,697)	-	-
Proceeds from short-term borrowings from related parties	6	-	2,079,416,645	-
Repayment of short-term borrowings from related parties	6	-	-	(2,076,056,430)
Proceeds from long-term borrowings from financial institutions	4,509,800,000	25,944,575,000	-	22,787,500,000
Repayment of long-term borrowings from financial institutions	(993,355,851)	(23,463,018,867)	-	(22,787,500,000)
Proceeds from issue of debentures	-	15,000,000,000	-	15,000,000,000
Redemption of debenture	(11,589,620,000)	(12,329,716,612)	(11,589,620,000)	(12,329,716,612)
Net cash used in financing activities	(14,739,924,615)	(3,074,813,963)	(15,956,048,920)	(7,206,041,918)
Net increase in cash and cash equivalents	19,498,138,928	1,011,589,753	19,478,812,376	4,599,281,776
Effect of exchange rate changes on balance held in foreign currencies at end of year	29,232,619	(77,121,640)	8,360,577	(87,409,012)
Cash and cash equivalents at beginning of year	16,237,064,742	15,302,596,629	13,586,762,421	9,074,889,657
Cash and cash equivalents at end of year	7	35,764,436,289	33,073,935,374	13,586,762,421
Non-cash transaction				
Payable on purchase of property, plant and equipment	564,805,252	1,011,497,177	168,370,534	82,650,293

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

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

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NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 February 2016.

1 General information

Thai Oil Public Company Limited, the “Company”, is incorporated in Thailand and has its registered offices and refinery plant as follows:

Head office	:	555/1 Energy Complex Building A, 11th Floor, Vibhavadi Rangsit Road, Kwang Chatuchak, Khet Chatuchak, Bangkok 10900, Thailand
Sriracha office and refinery plant	:	42/1 Moo 1, Sukhumvit Road Km. 124, Tambol Tungsukla, Amphur Sriracha, Cholburi 20230, Thailand

The Company was listed on the Stock Exchange of Thailand on 26 October 2004.

The Company is an entity in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder and the parent of the Company and owned 49.1% of the Company’s issued and paid-up share capital as at 31 December 2015 (31 December 2014: 49.1%).

The principal businesses of the Company are oil refining and distributions. Details of the Company’s direct and indirect subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Direct subsidiaries				
Thai Paraxylene Co., Ltd.	Paraxylene manufacturing and distribution	Thailand	99.99	99.99
Thai Lube Base Public Company Limited	Lube base oil refining and distribution	Thailand	99.99	99.99
Thaioil Marine Co., Ltd.	Providing marine transportation services for petroleum and liquid chemical products	Thailand	99.99	99.99
Thaioil Energy Services Co., Ltd.	Providing of management and general services	Thailand	99.99	99.99
Thaioil Solvent Co., Ltd.	Investment in solvent and chemical businesses	Thailand	99.99	99.99
Thaioil Ethanol Co., Ltd.	Investment in ethanol business and alternative energy products	Thailand	99.99	99.99
Thaioil Power Co., Ltd.	Power and steam generation and distribution	Thailand	73.99	73.99
TOP SPP Co., Ltd.	Power and steam generation and distribution	Thailand	99.99	99.99

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Indirect subsidiaries				
TOP Solvent Co., Ltd.	Distribution of solvent and chemical products	Thailand	99.99	99.99
Sak Chaisidhi Co., Ltd.	Solvent and chemical products manufacturing and distribution	Thailand	80.52	80.52
TOP Solvent (Vietnam) LLC.	Distribution of solvent and chemical products	Vietnam	100.00	100.00
Sapthip Co., Ltd.	Ethanol products manufacturing and distribution	Thailand	50.00	50.00
Thaioil Marine International Pte. Ltd.	Investment in marine transportation for crude oil and petroleum product business	Singapore	100.00	100.00
TOP Maritime Service Co., Ltd.	Providing marine transportation services for crew and utilities in Gulf of Thailand	Thailand	55.00	55.00
LABIX Co., Ltd.	Linear Alkyl Benzene manufacturing and distribution	Thailand	75.00	75.00

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions ("FAP"), and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 41.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 5	Acquisitions of subsidiary and joint ventures
Note 8	Other investments
Note 17	Intangible assets
Note 18	Deferred tax
Note 23	Employee benefit obligations
Note 36	Financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in following notes:

Note 15 Investment properties

Note 36 Financial instruments

3 Changes in accounting policies

(a) Overview

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has adopted the following new and revised TFRS having an effect on the Group's financial statements:

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

- TFRS 10 Consolidated Financial Statements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement

A description of the nature and effect of the changes in accounting policy consequent to the adoption of these new and revised TFRS is included in notes 3(b) to 3(d) below:

(b) Subsidiaries

As a result of TFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. TFRS 10 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its environment with the investees and ability to use its power to affect those returns. In particular, TFRS 10 requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

Consequent to the adoption of TFRS 10, the parent company change its control conclusion to having controls over the Group and requiring to consolidate. As a result, the Group has considered their previous acquisition of certain subsidiaries to be business combinations under common control since the Group was controlled by the same ultimate parent both before and after the business combination.

The effects of the change are recognized retrospectively in the financial statements. The impact on the consolidated financial statements will be as follows:

	(in million Baht)
Consolidated statement of income	For the year ended 31 December 2014
Increase in cost of sales of goods and rendering services	21
Decrease in share of profit of associates	(114)
Decrease in net profit	(135)
Decrease in basic earnings per share (in Baht)	(0.06)

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

Consolidated statement of financial position	1 January	
	2015	2014
Increase in investment in associates	684	798
Increase in property, plant and equipment	121	142
Increase in surplus on business restructuring under common control	331	331
Increase in retained earnings	364	478
Increase in non-controlling interests	110	131

(c) Accounting for disclosure of interests in other entities

TFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in its subsidiaries, joint arrangements, associates and unconsolidated structured entities about the nature, risks and financial effects of these interests. This change in policy does not have a material impact on the Group.

(d) Fair value measurement

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. In accordance with the transitional provisions of TFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Further details of the effect of the change are set out in note 15 and 36.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at the average foreign exchange rates ruling during the periods.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of future foreign currency transactions

Forward foreign exchange contracts protect the Group from fluctuations in exchange rates by establishing the rates at which foreign currency assets will be realised or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognised in the financial statements on inception. The premium or discount on the establishment of each agreement is amortised over the contract period.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Cross currency swap and interest rate swap contracts

Cross currency swap and interest rate swap contracts hedging future fluctuations in exchange rates and interest rates. Foreign financial assets and liabilities hedged by cross currency swap contracts are translated into the functional currency at the foreign exchange rates determined in the contracts and revalued at the reporting date at the foreign exchange rate ruling on that date. Foreign exchange differences are recognised in profit or loss. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the financial obligations in profit or loss.

Hedge of crack spread and time spread

Differences between the fixed prices of contracts and the settlement prices are recognised in the profit or loss in the period in which the contracts mature.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, current and savings accounts, and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(g) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets are measured at the lower of their carrying value and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(h) Investments

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Any changes in the equity interest in subsidiaries of the Group while control is retained are recorded in equity.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. The exceptions are impairment losses and foreign exchange gains and losses, which are recognised in the profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(i) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

(j) Property, plant and equipment

The Group's owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	10 - 25	years
Leasehold improvements	5 - 20	years
Refinery plant and equipment (depreciated over the remaining estimated useful life starting from 1 October 1994)	20 - 35	years
Lube base oil refinery plants and equipment	16 - 20	years
Paraxylene plants	10 - 25	years
Power plants	20 - 25	years
Transmission facilities	25	years
Machinery, equipment and plant equipment	3 - 20	years
Oil and liquid chemical tankers and crew boats	10 - 25	years
Furniture, fixtures, office equipment and others	5 - 10	years
Vehicles	5	years

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Customer database

Customer database is stated at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

License fee and computer software

License fee and computer software that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

License fee	10 - 20 years
Computer software	5 - 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Deferred charges

Deferred charges are amortised over the estimated periods to which the benefits relate, which are principally in line with the agreements to which such deferred charges relate.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of available-for-sale assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Discount on debentures

Discount on debentures, comprising the difference between proceeds from debentures issuance and redemption value on maturity, is recognised in the profit or loss over the period of the borrowings on an effective interest basis.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(o) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(p) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(q) Employee benefits

Defined contribution plans

A defined contribution plan, provident fund, is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

A liability is recognised for the amount expected to be paid under short-term cash benefit if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(r) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(s) Revenue

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income from assets is recognised in profit or loss on a straight-line basis over the term of the lease.

Interest and dividend income

Interest income is recognised in the profit or loss as it accrues. Dividend income is recognised in the profit or loss on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(t) Expenses

Leases payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Repair and maintenance expenses

Expenditure on repair and maintenance is charged to profit or loss in the period in which the expenditure is incurred. Expenditure of a capital nature is added to the cost of the related plant and equipment.

Finance costs

Finance costs comprise interest expense and similar cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss for the period in which they are occurred.

(u) Income tax

Income tax expense on the profit or loss for the year comprises current and deferred tax.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Segment Reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

5 Acquisitions of subsidiary and joint ventures

Subsidiary

TOP SPP

On 26 December 2013, the Company invested in TOP SPP Co., Ltd.. The Company, in which the Company owned 99.99%, has a share capital of 350 million ordinary shares with a par value of Baht 10 each, totalling Baht 3,500 million. The first call was 25% of par value, amounted to Baht 875 million. Subsequently, on 8 April 2014, the Company fully paid for the remaining paid-up capital in proportion to its shareholding, amounting to Baht 2,625 million. The total investment amounted to Baht 3,500 million.

Joint ventures

TOP-NTL Shipping Trust

During 2013, at the TOP-NTL Shipping Trust's Extraordinary General Meeting of the unitholders, the unitholders passed a resolution to issue additional units on two occasions totalling 950,000 units. The subsidiary (Thaioil Marine Co., Ltd.) fully paid SGD 475,000 or equivalent to Baht 12 million for these additional units on 1 August 2013 and 30 October 2013 in proportion to its unitholding. Subsequently, on 27 June 2014, at the Annual General Meeting of the unitholders, there was a resolution to issue additional units totalling 864,400 units or totalling SGD 432,000 or equivalent to Baht 11.25 million. The subsidiary fully paid for these additional shares in proportion to their shareholding on 9 July 2014.

TOP Nautical Star

On 2 August 2013, a subsidiary (Thaioil Marine Co., Ltd. ("TM")) invested in TOP Nautical Star Co., Ltd. together with Nathalin Co., Ltd. ("Nathalin") and TOP-NTL Shipping Trust ("TOP-NTL"), owned equally by TM and Nathalin. The shareholding portion of TM, Nathalin and TOP-NTL is 35%, 35% and 30% respectively. The company has a share capital of 1.5 million ordinary shares with a par value of Baht 100 each, totalling Baht 150 million. The first call was 25% of par value. Later, TM and TOP-NTL paid for the additional 25% paid-up capital on 30 October 2013, totalling Baht 26.25 million and Baht 22.50 million respectively. Subsequently, on 9 July 2014, TM and TOP-NTL fully paid the remaining 50% of the registered capital, amounted to Baht 26.25 million and Baht 22.50 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
PTT Public Company Limited	Thailand	Parent company
Thai Paraxylene Co., Ltd.	Thailand	Subsidiary and/or common directors
Thai Lube Base Public Company Limited	Thailand	Subsidiary and/or common directors
Thaioil Marine Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Energy Services Co., Ltd.	Thailand	Subsidiary and/or the Company's management as a director
Thaioil Solvent Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Ethanol Co., Ltd.	Thailand	Subsidiary and/or the Company's management as a director
Thaioil Power Co., Ltd.	Thailand	Subsidiary and/or common directors
TOP SPP Co., Ltd.	Thailand	Subsidiary and/or common directors
TOP Solvent Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
Sak Chaisidhi Co., Ltd.	Thailand	Indirect subsidiary and/or the Company's management as a director
TOP Solvent (Vietnam) LLC.	Vietnam	Indirect subsidiary and/or the Company's management as a director
Sapthip Co., Ltd.	Thailand	Indirect subsidiary and/or the Company's management as a director
Thaioil Marine International Pte. Ltd.	Singapore	Indirect subsidiary and/or the Company's management as a director
TOP Maritime Service Co., Ltd.	Thailand	Indirect subsidiary and/or the Company's management as a director
LABIX Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
TOP-NTL Pte. Ltd.	Singapore	Joint venture of subsidiary
TOP-NTL Shipping Trust	Singapore	Joint venture of subsidiary
TOP Nautical Star Co., Ltd.	Thailand	Joint venture of subsidiary and/or the Company's management as a director

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Name of entities	Country of incorporation	Nature of relationships
TOP-NYK MarineOne Pte. Ltd.	Singapore	Joint venture of indirect subsidiary and/or the Company's management as a director
PTT ICT Solutions Co., Ltd.	Thailand	Associate and/or the Company's management as a director
PTT Energy Solutions Co., Ltd.	Thailand	Associate and/or the Company's management as a director
Global Power Synergy Public Company Limited	Thailand	Indirect associate and/or common directors
Maesod Clean Energy Co., Ltd.	Thailand	Indirect associate and/or the Company's management as a director
Ubon Bio Ethanol Co., Ltd.	Thailand	Indirect associate and/or the Company's management as a director
T.I.M. Ship Management Co., Ltd.*	Thailand	Indirect associate and/or the Company's management as a director
PTT International Trading Pte. Ltd.	Singapore	Subsidiary of the parent company
PTT Exploration and Production Public Company Limited	Thailand	Subsidiary of the parent company
Energy Complex Co., Ltd.	Thailand	Subsidiary of the parent company
IRPC Public Company Limited	Thailand	Subsidiary of the parent company
PTT Global Chemical Public Company Limited	Thailand	Subsidiary of the parent company
PTT Maintenance and Engineering Co., Ltd.	Thailand	Indirect subsidiary of the parent company
PTT Phenol Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Thai Oleochemicals Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Star Petroleum Refining Public Company Limited**	Thailand	Associate of the parent company
Bangchak Petroleum Public Company Limited**	Thailand	Associate of the parent company
Thai Petroleum Pipeline Co., Ltd.	Thailand	Related company and/or the Company's management as a director

* Changed its name from "Thome Ship Management Co., Ltd.", effective from 1 July 2015 onwards.

** On 30 April 2015 and 2 December 2015, PTT Public Company Limited ("PTT") has divested all its shareholding in Bangchak Petroleum Public Company Limited, and some of its shareholding in Star Petroleum Refining Public Company Limited remained 5.41% of ownership, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services, lease income, purchase of goods and assets	Market prices or, where no market price exists, at contractually agreed prices
Interest income and expense	Agreed rates stipulated in the agreements
Dividend income	Right to receive dividends
Other income and expenses	Contractually agreed prices
Directors' remuneration	Amounts approved by the Group's shareholders

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Parent Company				
Revenue from sale of goods and rendering of services	131,772	173,581	126,792	167,635
Purchase of crude oil and feedstock	101,367	152,296	97,039	147,574
Purchase-sale of crude oil and feedstock for legal reserve	587	-	587	-
Other income	51	108	50	108
Other expenses	42	51	41	40
Purchase of assets	7	-	-	-
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	41,077	59,115
Purchase of crude oil and feedstock	-	-	28,083	39,378
Interest income	-	-	249	136
Dividend income	-	-	3,103	5,936

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries				
Land lease income	-	-	62	61
Other income	-	-	1,048	1,080
Interest expense	-	-	58	89
Other expenses	-	-	1,147	777
Joint ventures				
Revenue from sale of goods and rendering of services	69	-	69	-
Other income	16	33	-	-
Other expenses	1,478	1,221	1,331	1,040
Associates				
Revenue from sale of goods and rendering of services	4	12	3	9
Purchase of crude oil and feedstock	472	962	439	914
Interest income	4	4	-	-
Dividend income	-	-	131	27
Land lease income	7	7	7	7
Other income	28	60	26	28
Other expenses	240	235	200	212
Purchase of assets	94	169	94	169
Other related parties				
Revenue from sale of goods and rendering of services	5,864	18,510	2,634	13,396
Purchase of crude oil and feedstock	7,438	11,701	2,267	2,883
Purchase-sale of crude oil and feedstock for legal reserve	768	-	768	-
Dividend income	48	-	48	-
Other income	-	8	-	8
Other expenses	204	220	204	219
Purchase of assets	4	-	-	-
Directors' remuneration				
	25	59	17	48

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Balances as at 31 December 2015 and 2014 with related parties were as follows:

Trade accounts receivable - related parties

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Parent Company				
PTT Public Company Limited	5,719	6,337	5,242	6,096
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	2,936	3,599
Thai Lube Base Public Company Limited	-	-	474	579
Thaioil Power Co., Ltd.	-	-	39	39
TOP SPP Co., Ltd.	-	-	37	-
LABIX Co., Ltd.	-	-	2	-
Joint venture				
TOP Nautical Star Co., Ltd.	2	16	-	-
Associate				
Global Power Synergy Public Company Limited	3	2	3	-
Other related parties				
IRPC Public Company Limited	60	5	-	-
Bangchak Petroleum Public Company Limited	-	169	-	165
PTT Exploration and Production Public Company Limited	18	19	-	-
PTT International Trading Pte. Ltd.	62	75	-	-
PTT Global Chemical Public Company Limited	6	27	-	-
	5,870	6,650	8,733	10,478
Less allowance for doubtful accounts	-	-	-	-
Net	5,870	6,650	8,733	10,478
Bad and doubtful debts expense for the year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Other accounts receivable - related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Parent Company				
PTT Public Company Limited	4	7	4	7
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	47	34
Thai Lube Base Public Company Limited	-	-	55	30
Thaioil Marine Co., Ltd.	-	-	15	2
Thaioil Energy Services Co., Ltd.	-	-	3	2
Thaioil Solvent Co., Ltd.	-	-	11	18
Thaioil Ethanol Co., Ltd.	-	-	3	4
Thaioil Power Co., Ltd.	-	-	21	27
TOP SPP Co., Ltd.	-	-	36	5
TOP Solvent Co., Ltd.	-	-	3	2
Sak Chaisidhi Co., Ltd.	-	-	1	5
LABIX Co., Ltd.	-	-	32	40
Associates				
PTT ICT Solutions Co., Ltd.	-	8	-	8
PTT Energy Solutions Co., Ltd.	1	1	1	1
Maesod Clean Energy Co., Ltd	1	1	-	-
Global Power Synergy Public Company Limited	7	6	7	6
T.I.M. Ship Management Co., Ltd.	3	12	-	-
Other related party				
PTT Maintenance and Engineering Co., Ltd.	2	2	2	2
Total	18	37	241	193

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Short-term loans to related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries				
Thaioil Solvent Co., Ltd.	-	-	1,758	2,498
Thaioil Ethanol Co., Ltd.	-	-	476	455
TOP SPP Co., Ltd.	-	-	7,175	1,060
Associate				
Maesod Clean Energy Co., Ltd	90	90	-	-
Total	90	90	9,409	4,013

Interest rates during the years of 2015 and 2014 were charged at money market rate (MMR) but not exceeding the average minimum loan rates (MLR) of 5 financial institutions less margin.

Movements of short-term loans to related parties during the years ended 31 December 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
At 1 January	90	90	4,013	2,923
Increases	-	-	6,142	2,058
Decreases	-	-	(746)	(968)
At 31 December	90	90	9,409	4,013

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Trade accounts payable - related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Parent Company				
PTT Public Company Limited	6,729	6,961	6,364	6,612
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	1,942	1,953
Thai Lube Base Public Company Limited	-	-	86	130
Thaioil Marine Co., Ltd.	-	-	5	12
Thaioil Power Co., Ltd.	-	-	159	171
TOP SPP Co., Ltd.	-	-	124	-
Sak Chaisidhi Co., Ltd.	-	-	1	6
Sapthip Co., Ltd.	-	-	16	9
Joint venture				
TOP Nautical Star Co., Ltd.	2	23	-	-
Associates				
Maesod Clean Energy Co., Ltd	19	27	19	27
Ubon Bio Ethanol Co., Ltd.	14	87	14	87
Global Power Synergy Public Company Limited	3	4	-	-
T.I.M. Ship Management Co., Ltd.	2	-	-	-
Other related parties				
IRPC Public Company Limited	164	200	-	-
PTT Global Chemical Public Company Limited	289	112	-	-
PTT Phenol Co., Ltd.	11	12	-	-
Thai Oleochemicals Co., Ltd.	47	-	47	-
Total	7,280	7,426	8,777	9,007

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Other accounts payable - related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Parent Company				
PTT Public Company Limited	5	2	2	-
Subsidiaries				
Thai Lube Base Public Company Limited	-	-	1	2
Thaioil Marine Co., Ltd.	-	-	-	13
Thaioil Energy Services Co., Ltd.	-	-	53	44
Thaioil Solvent Co., Ltd.	-	-	-	1
Associates				
PTT ICT Solutions Co., Ltd.	72	44	72	44
PTT Energy Solutions Co., Ltd.	25	25	25	25
Global Power Synergy Public Company Limited	2	-	2	-
T.I.M. Ship Management Co., Ltd.	4	12	-	-
Other related parties				
Energy Complex Co., Ltd.	7	1	7	1
IRPC Public Company Limited	8	8	8	8
Thai Petroleum Pipeline Co., Ltd.	2	4	2	4
Total	125	96	172	142

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Short-term borrowings from related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	1,820	178
Thai Lube Base Public Company Limited	-	-	3,943	3,465
Thaioil Marine Co., Ltd.	-	-	77	117
Total	-	-	5,840	3,760

Interest rates during the years of 2015 and 2014 were charged at money market rate (MMR) but not exceeding the average minimum loan rate (MLR) of 5 financial institutions less margin.

Movements of short-term borrowings from related parties during the years ended 31 December 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
At 1 January	-	-	3,760	5,836
Increase	-	-	2,080	-
Decrease	-	-	-	(2,076)
At 31 December	-	-	5,840	3,760

Significant agreements with related parties

As at 31 December 2015 the Group had the following significant agreements with related parties.

Raw Materials and Oil-Products Purchases and Sales Agreements

The Company has raw materials and oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices of raw materials and oil products are specified in the agreements. These agreements are effective on the agreement date and shall be terminated by either party giving at least 6 months notice in writing to the other party.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Oil-Products Sale and Purchase Agreements

The Company has oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices are specified in the agreements. These agreements are effective on the agreement date and shall be terminated if either party does not comply with the terms stipulated in the agreements.

By-Product Sale and Purchase Agreement

The Company has a by-product purchase and sale agreement with a subsidiary, whereby the purchase and sale volumes and prices of the by-product are specified in the agreement. The agreement is for a period of 13 years expiring in September 2017, or until the termination by mutual consent.

Technology and Communication Service Agreement

The Company has a technology and communication service agreement with an associate, whereby the service fees are specified in the agreement. The agreement is for a period of 5 years expiring in December 2020 and is renewable for additional periods of 5 years.

Crack Spread Swap Agreements

The Company has crack spread swap agreements with a related company ("counterparty"). The Company or the counterparty has commitments to make payments for the differences between the fixed price and floating price for each period.

As at 31 December 2015, the Company had no oil volume under the agreements with the related company (2014: 0.4 million barrels).

Product Offtake and Crude Oil Supply Agreement

The Company has a product off take and crude oil supply agreement with a related company, whereby (a) the Company will sell and the related company will purchase refined petroleum products produced by the refinery for 49.99% of 270,000 barrels per day; and (b) the related party will supply and the Company will purchase crude oil and/or feedstock for the refinery required to produce 49.99% of 270,000 barrels per day. The credit term for crude oil shall be mutually agreed.

Throughput Agreement

The Company has a throughput agreement with a related company, whereby the tariff fee is specified in the agreement. The agreement is for a period of 20 years expiring in 2014 or when a target is achieved and is renewable.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Natural Gas Supply Agreements

The Company and certain subsidiaries have natural gas supply agreements with a related company, whereby the related company agrees to supply the natural gas to the Company and the subsidiaries at quantities and prices as stipulated in the agreements. These agreements are effective for periods of 5 to 25 years expiring during 2016 and 2041.

Cost Reimbursement Agreements

A subsidiary and an associate have cost reimbursement agreements with the Company covering the reimbursement of construction costs of natural gas pipeline facilities and the use of the pipeline facilities, raw water pipeline and the use of land for the construction of a transmission line connecting the subsidiary and the associate to the Electricity Generating Authority of Thailand (EGAT). Under the terms of the agreements, the subsidiary and the associate agree to share the cost of investments with the Company on the basis and conditions stipulated in the agreements. These agreements are effective for a period of 25 years, or until the termination of the power purchase agreements entered into by the subsidiary and the associate with EGAT, whichever is sooner.

Power Purchase Agreements

Certain subsidiaries ("sellers") have power purchase agreements with the Company and two subsidiaries for periods of 25 years expiring in 2023, 2027 and 2040, whereby the sellers will sell power energy to the Company and the subsidiaries at the agreed quantities and prices as stipulated in the agreements.

Steam Purchase Agreements

The Company and certain subsidiaries have entered into steam purchase agreements for periods of 20 and 25 years expiring in 2023 and 2027, whereby the agreed quantities and prices are specified in the agreements.

Services and Supplies Agreements

Certain subsidiaries and an associate have services and supplies agreements with the Company, whereby the Company provides the subsidiaries and the associate for the operating, repair and maintenance, management, controlling and administration, procurement, fuel transmission, waste water treatment and utilities, information technology, financial, accounting and human resource services. The subsidiaries and the associate agree to pay certain fees as stipulated in the agreements. These agreements are for periods of 3 years or 28 years or until the termination of the land lease agreement entered into by a subsidiary with the Company, whichever is sooner or until the termination of the power purchase agreement entered into by the associate with EGAT.

A subsidiary has services and supplies agreement with the Company, whereby the subsidiary provides the Company for human resource services, whereby the service fee is specified in the agreement. This agreement is for a period of 4 years expiring in December 2016.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Land Lease Agreements

Certain subsidiaries and an associate have land lease agreements with the Company to lease/sublease certain parcels of land ending in September 2022, May 2041, and August 2043 with total annual rental for the year 2015 of Baht 70 million, and the rate will be adjusted every 5 years.

The Company has a land lease agreement with a related company to lease certain parcels of land ending in August 2026 with total annual rental for the year 2015 of Baht 2.5 million. If the Company does not giving a cancelable notice within a month before contract end date, the contract shall be renewed for additional 15 years.

Raw Materials and Petrochemical Products Purchase and Sale Agreements

An indirect subsidiary has raw materials and petrochemical products purchase and sale agreements with related companies, whereby the purchase and sale volumes and prices of raw materials and petrochemical products are specified in the agreements. These agreements are for periods of 1 year to 15 years expiring during 2016 and 2017.

Technical Service Agreements

An associate has a technical service agreement with the Company to provide a consultancy technical solutions service for energy-related and petrochemical businesses, whereby the service fees are specified in the agreement. This agreement is for a period of 5 years expiring in August 2016 and shall be automatically renewed for another a period of 5 years until either party giving at least 6 months notice in writing to the other party.

Time Charter and Affreightment Agreements

A subsidiary has time charter and affreightment agreements with the Company and another subsidiary, whereby the freight rate is specified in the agreements. These agreements are for periods of 1 year expiring during 2016.

Two joint ventures have time charter agreements with the Company, whereby the freight rate is specified in the agreements. These agreements are for periods of 10 years expiring in 2021, 2022 and 2024.

Charter of Crew Boat Agreements

An indirect subsidiary has charter of crew boat agreement with a related company, whereby the service fees are specified in the agreements. These agreements are for period of 3 and 5 years expiring in 2016 and 2017 and shall be renewed for periods of 2 years by either party giving at least 3 days before contract end date notice in writing to the other party.

Office Rental Agreements

A subsidiary has an office rental agreement with a related company, whereby the rental fees are specified in the agreement. The agreement has no specified expiry date so the compliance with conditions specified in the agreement is ongoing until either party giving at least 30 days written notice of termination to the other party.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The Company has office rental and service agreements with a related party, whereby the rental and service fees are specified in the agreements. These agreements are for the periods of 3 years expiring in November 2018 and are renewable for additional periods of 3 years.

Ethanol Products Purchase and Sale Agreements

An associate has ethanol products purchase and sale agreements with the Company, whereby the purchase and sale volumes and prices of the ethanol products are specified in the agreements. This agreement expired in December 2013. This agreement shall be automatically renewed for additional period of 1 year until either party giving at least 30 days notice in writing to the other party.

A subsidiary has an ethanol products purchase and sale agreement with a related company, whereby the purchase and sale volumes and prices of the ethanol products are specified in the agreement. The agreement is for a period of 10 years expiring in June 2021 and shall be renewed by either party giving at least 6 months before contract end date notice in writing to the other party.

Service Agreements

A subsidiary has service agreements with the Company, whereby the service fees are specified in the agreements. This agreement expires in August 2016.

The Company has a service agreement with an indirect subsidiary, whereby the service fees are specified in the agreement. This agreement expires in December 2016.

The Company has a service agreement with an indirect subsidiary, whereby the Company provides the subsidiary for the management, controlling and administration services at the service fee as specified in the agreement. This agreement is for a period of not exceeding 33 months or until the termination of the land lease agreement entered into by the subsidiary with the Company, whichever is sooner.

Ship Management Agreements

An indirect associate has ship management agreements with a subsidiary, whereby the service fees are specified in the agreements. These agreements are for a period of at least 1 year and shall be terminated by either party giving 3 months notice in writing to the other party.

Crude Oil Storage Tank Service Agreement

A related company has a crude oil storage tank service agreement with the Company, whereby the service fees are specified in the agreement. This agreement is for a period of 3 years expiring in September 2016.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Sea Berth and Throughput Agreement

A related company has a sea berth and throughput agreement with the Company, whereby the tariff fee is specified in the agreement. The agreement is for a period of 20 years and is renewable for additional periods of 5 years.

Loan Agreement

The Company has uncommitted unsecured short term inter-company borrowing and lending agreements with a related company to manage liquidity. Each of the borrowing credit line and lending credit line is not exceeding Baht 2,000 million, bearing the interest rate reference by BIBOR or LIBOR, plus interest rate margin by taking into account on the short term borrowing interest rate, the return on short term investment and credit rating of the Company and the counterparty. These agreements are for a period of 1 year expiring in December 2016.

7 Cash and cash equivalents

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	10	3	9	1
Cash at banks - savings and current accounts	29,464	12,230	26,775	9,582
Cash at banks - fixed deposits (maturity period less than 3 months from the investment date)	6,290	4,004	6,290	4,004
Total	35,764	16,237	33,074	13,587

The currency denomination of cash and cash equivalents as at 31 December 2015 and 2014 was as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht	13,435	10,941	11,412	8,878
United States Dollars	22,179	5,187	21,662	4,709
Other	150	109	-	-
Total	35,764	16,237	33,074	13,587

As at 31 December 2015, the Group's savings, current and fixed deposits totalling Baht 83 million have been pledged as collateral for credit facilities as described in note 20 to the financial statements (2014: Baht 309 million).

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

8 Other investments

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current investments				
Cash at bank - fixed deposits	17,364	30,246	16,750	30,000
	17,364	30,246	16,750	30,000
Other long-term investments				
Equity securities - available-for-sale securities	135	163	135	163
Other non-marketable securities	779	779	779	779
	914	942	914	942
Total	18,278	31,188	17,664	30,942

All other investments of the Group as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Cash at bank - fixed deposits

As at 31 December 2015, the Group's fixed deposits totalling Baht 614 million have been pledged as collateral for credit facilities as described in note 20 to the financial statements (2014: Baht 246 million).

Equity securities - available-for-sale securities

In 2007 the Company entered into MFC Energy Open End Fund with certain companies so as to raise funds from financial institution investors who are interested in investing in energy or relating energy business. Later, in May 2014 the Fund was renamed to Core Flexible Fund and changed to its investment policy, which the Fund can invest in assets of other industry groups at register in the Stock Exchange. In consideration thereof, the Company has a commitment to purchase a holding in this Fund, comprising 40 million units at par value of Baht 10, amounting to Baht 400 million. During 2015 and 2014, the Fund redeemed automatically from the Company for 2.50 million units and 0.19 million units or amounting to Baht 15.5 million and Baht 1.2 million, respectively.

As at 31 December 2015, the Company held totalling 22.5 million units or totalling Baht 225 million at fair value of Baht 135 million (2014: Baht 163 million).

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Other non-marketable securities

Type of Business	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)				(in million Baht)			
Related party								
Thai Petroleum Pipeline Co., Ltd.	9.19	9.19	8,479	8,479	779	779	48	-
					779	779	48	-

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

9 Trade accounts receivable

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	6	5,870	6,650	8,733	10,478
Other parties		8,306	9,492	5,208	5,939
		14,176	16,142	13,941	16,417
Less allowance for doubtful accounts		-	1	-	-
Total		14,176	16,141	13,941	16,417
Bad and doubtful debts expenses for the year		5	-	-	-

Aging analyses for trade accounts receivable are as follows:

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties					
Within credit terms		5,870	6,641	8,733	10,478
Overdue:					
Less than 3 months		-	5	-	-
3 - 6 months		-	1	-	-
6 - 12 months		-	3	-	-
		5,870	6,650	8,733	10,478
Less allowance for doubtful accounts		-	-	-	-
Net	6	5,870	6,650	8,733	10,478

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Other parties				
Within credit terms	8,304	9,465	5,208	5,939
Overdue:				
Less than 3 months	2	23	-	-
3 - 6 months	-	1	-	-
6 - 12 months	-	1	-	-
Over 12 months	-	2	-	-
	8,306	9,492	5,208	5,939
Less allowance for doubtful accounts	-	1	-	-
Net	8,306	9,491	5,208	5,939
Total	14,176	16,141	13,941	16,417

The normal credit term granted by the Group ranges from 15 days to 90 days.

The currency denomination of trade accounts receivable as at 31 December 2015 and 2014 was as follows:

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht	11,131	11,281	12,297	13,188
United States Dollars	2,859	4,659	1,644	3,229
Other	186	201	-	-
Total	14,176	16,141	13,941	16,417

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

10 Other receivables

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Prepaid expenses	690	616	550	460
Other accounts receivable	1,474	686	1,674	805
Current portion of long-term loans				
to savings co-operative of employees	42	44	42	44
Other	203	209	51	180
Total	2,409	1,555	2,317	1,489

11 Inventories

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Crude oil and feedstock	7,458	9,077	6,721	7,465
Materials, spare parts and supplies	1,274	1,161	951	927
Finished and semi-finished oil products	5,025	8,890	3,256	5,997
Goods in transit				
Crude oil	6,257	12,104	6,243	12,100
Materials, spare parts and supplies	23	-	-	-
	20,037	31,232	17,171	26,489
Less allowance for decline in value of inventories				
adjusted to net realisable value	1,154	2,699	1,113	2,451
Net	18,883	28,533	16,058	24,038

As at 31 December 2015 the Company's inventories as stated above included a legal reserve amounting to Baht 6,192 million. (2014: the Group's and the Company's legal reserve amounting to Baht 8,438 million and Baht 7,947 million respectively).

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	273,802	390,178	277,220	393,852
- (Reversal of) write-down to net realisable value	(1,546)	2,652	(1,338)	2,451
Net	272,256	392,830	275,882	396,303

12 Investments in subsidiaries

(in million Baht)

	Note	Separate	
		financial statements	
		2015	2014
At 1 January		14,545	11,920
Acquisitions	5	-	2,625
At 31 December		14,545	14,545

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements								
	Ownership interest		Paid-up capital		Cost method		Dividend income		
	2015	2014	2015	2014	2015	2014	2015	2014	
	(%)		(in million Baht)						
Subsidiaries									
Thai Paraxylene Co., Ltd.	99.99	99.99	2,572	2,572	2,161	2,161	-	3,087	
Thai Lube Base Public Company Limited	99.99	99.99	1,758	1,758	1,979	1,979	2,637	2,637	
Thaioil Marine Co., Ltd.	99.99	99.99	970	970	970	970	62	48	
Thaioil Energy Services Co., Ltd.	99.99	99.99	40	40	40	40	30	60	
Thaioil Solvent Co., Ltd.	99.99	99.99	1,250	1,250	1,250	1,250	-	-	
Thaioil Ethanol Co., Ltd.	99.99	99.99	1,450	1,450	1,450	1,450	-	-	
Thaioil Power Co., Ltd.	73.99	73.99	2,810	2,810	3,195	3,195	374	104	
TOP SPP Co., Ltd.	99.99	99.99	3,500	3,500	3,500	3,500	-	-	
Total			14,350	14,350	14,545	14,545	3,103	5,936	

None of the Company's investment in subsidiaries are publicly listed and consequently do not have published price quotations.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

	(in million Baht)						
	Thaioil Power Co., Ltd.		LABIX Co., Ltd.		Other individually immaterial subsidiaries		Total
	31 December 2015	2014	31 December 2015	2014	31 December 2015	2014	31 December 2015
Revenue from sale of goods and rendering of services	4,916	5,219	-	-			
Profit (loss)	944	795	(43)	(211)			
Other comprehensive income (loss)	3	-	-	-			
Total comprehensive income (loss)	947	795	(43)	(211)			
Profit (loss) allocated to non-controlling interest	246	207	(11)	(53)	88	147	323
Total comprehensive income (loss) allocated to non-controlling interest	247	207	(11)	(53)	88	150	304
Cash flows from operating activities	775	269	57	(111)			
Cash flows from investing activities	193	(4)	(3,700)	(4,456)			
Cash flows from financing activities	(854)	(560)	3,418	2,564			
Net increase (decrease) in cash and cash equivalents	114	(295)	(225)	(2,003)			
Dividends paid to non-controlling interest	131	36	-	-			

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

14 Investments in associates and joint ventures

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
At 1 January - as reported		12,430	11,722	1,261	1,261
Impact of change in accounting policy	3	684	798	-	-
At 1 January - restated		13,114	12,520	1,261	1,261
Share of net gain of investments - equity method		712	630	-	-
Acquisition of associate and joint ventures	5	-	38	-	-
Dividend income		(423)	(75)	-	-
Currency transaction differences		39	1	-	-
Share of other comprehensive income of associate		4	-	-	-
Loss from the change in the ownership interests in associate		(5)	-	-	-
At 31 December		13,441	13,114	1,261	1,261

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Investments in associates and joint ventures as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

	Consolidated financial statements											
	Ownership interest					Market price of listed securities					Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(in million Baht)											
	(Restated)											
	(%)											
Associates												
PTT ICT Solutions Co., Ltd.	20.00	20.00	150	150	30	30	218	184	-	-	13	12
PTT Energy Solutions Co., Ltd.	20.00	20.00	150	150	30	30	44	43	-	-	-	2
Global Power Synergy Public Company Limited	29.70*	39.59*	14,983	11,237	3,855	3,855	11,896	11,645	9,877	-	392	45
Maesod Clean Energy Co., Ltd.	30.00	30.00	675	675	203	203	42	49	-	-	-	-
Ubbon Bio Ethanol Co., Ltd.	21.28	21.28	2,740	2,740	769	769	781	768	-	-	-	-
T. I. M. Ship Management Co., Ltd.	33.33	33.33	3	3	1	1	5	5	-	-	-	-
			18,701	14,955	4,888	4,888	12,986	12,694			405	59
Joint ventures												
TOP-NTL Pte. Ltd.	50.00	50.00	1	1	-	-	8	5	-	-	-	-
TOP-NTL Shipping Trust	50.00	50.00	48	48	24	24	14	21	-	-	-	-
TOP Nautical Star Co., Ltd.	35.00	35.00	150	150	53	53	-	28	-	-	-	-
TOP-NYK MarineOne Pte. Ltd.	50.00	50.00	548	548	274	274	433	366	-	-	18	16
			747	747	351	351	455	420			18	16
Total			19,448	15,702	5,239	5,239	13,441	13,114			423	75

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost method		Market price of listed securities		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(in million Baht)									
PTT ICT Solutions Co., Ltd.	20.00	20.00	150	150	30	30	-	-	13	12
PTT Energy Solutions Co., Ltd.	20.00	20.00	150	150	30	30	-	-	-	2
Global Power Synergy Public Company Limited	8.91*	11.88*	14,983	11,237	1,201	1,201	2,963	-	117	13
Total			15,283	11,537	1,261	1,261			130	27

* The Company and a subsidiary (Thaioil Power Co., Ltd.) hold 11.88% and 27.71% interest in Global Power Synergy Public Company Limited respectively. Later, on 18 May 2015, GPSC offered shares to Initial Public Offering (IPO) in the Stock Exchange and the Company and subsidiary did not acquire additional shares. This result was dilution of an interest in its ownership from 11.88% to 8.91% and from 27.71% to 20.79%, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

(in million Baht)

	Global Power Synergy Public Company Limited	
	2015	2014
Revenue	21,758	23,654
Net profit	1,889	1,578
Other comprehensive income	17	-
Total comprehensive income	1,906	1,578
Attributable to NCI	(17)	(2)
Attributable to investee's shareholders	1,923	1,580
Current assets	16,337	8,146
Non-current assets	39,548	34,786
Current liabilities	(4,763)	(5,203)
Non-current liabilities	(13,995)	(11,711)
Net assets	37,127	26,018
Attributable to NCI	1,122	733
Attributable to investee's shareholders	36,005	25,285
Group's interest in net assets of investee at 1 January	11,645	11,081
Total comprehensive income attributable to the Group	648	609
Dividends received during the year	(392)	(45)
Loss from the change in the ownership interests in associate	(5)	-
Group's interest in net assets of investee at end of year	11,896	11,645
Carrying amount of interest in investee at 31 December	11,896	11,645

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Immaterial associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

(in million Baht)

	Immaterial Associates		Immaterial Joint ventures	
	2015	2014	2015	2014
Carrying amount of interests in immaterial associates and joint ventures	1,090	1,050	455	419
Group's share of:				
- Profit (loss) from continuing operations	55	47	15	(26)
- Other comprehensive income (loss)	(2)	-	39	2
- Total comprehensive income (loss)	53	47	54	(24)

15 Investment properties

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cost					
At 1 January		88	88	1,096	844
Reclassification from property, plant and equipment	16	-	-	-	252
At 31 December		88	88	1,096	1,096
Impairment losses					
At 1 January		-	(6)	(11)	(66)
Reclassification from property, plant and equipment	16	-	-	-	(11)
Reversal impairment loss		-	6	-	66
At 31 December		-	-	(11)	(11)
Net book value					
At 1 January		88	82	1,085	778
At 31 December		88	88	1,085	1,085

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Investment properties as at 31 December 2015 and 2014 were valued by a firm of independent professional valuers, at open market values on an existing use basis and income approach. The appraised value of the Group and the Company was Baht 240 million and Baht 1,726 million respectively (2014: Baht 240 million and Baht 1,726 million respectively).

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement for all investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> Contractually agreed lease income over the remaining period. Risk-adjusted discount rates (9%) 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Expected market rental growth were higher (lower); The risk-adjusted discount rate were lower (higher).
<p>Market approach</p>	<p>The adjusted quoted price and the actual selling price of comparable investment properties</p>	<p>The estimated fair value increase (decrease) if land price were higher (lower).</p>

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

16 Property, plant and equipment

(in million Baht)

Consolidated financial statements (Restated)													
	Land	Buildings	Leasehold improve- ments	Refinery plant and equipment	Paraxylene plants	Power plants	Trans- mission facilities	Machinery, equipment and plant equipment	Oil and liquid chemical tankers and crew boats	Furniture, fixtures, office equipment and others	Vehicles	Con- struction in progress	Total
Cost													
At 1 January 2014													
- as reported	3,786	1,799	-	85,183	23,045	5,404	193	3,708	3,157	645	30		17,026 143,976
Impact of change in accounting policy	-	-	-	82	249	-	-	-	-	-	-	-	331
At 1 January 2014													
- restated	3,786	1,799	-	85,265	23,294	5,404	193	3,708	3,157	645	30		17,026 144,307
Additions	2,164	2	-	179	-	1	-	20	48	28	1	16,664	19,107
Transfers, net	-	5	-	10,967	52	89	-	1,114	727	42	-	(12,996)	-
Disposals	-	-	-	(79)	-	-	-	(27)	(85)	(2)	(8)	-	(201)
Translation differences on consolidation	-	(1)	-	-	-	-	-	(2)	-	-	-	-	(3)
At 31 December 2014 and													
1 January 2015	5,950	1,805	-	96,332	23,346	5,494	193	4,813	3,847	713	23		20,694 163,210
Additions	77	3	-	96	-	768	-	12	6	12	-	10,070	11,044
Transfers, net	-	118	211	4,812	121	157	-	839	452	22	-	(6,732)	-
Disposals	-	-	-	(1,390)	(1)	-	-	-	(151)	(111)	-	(79)	(1,732)
Translation differences on consolidation	-	1	-	-	-	-	-	7	-	-	-	-	8
At 31 December 2015	6,027	1,927	211	99,850	23,466	6,419	193	5,671	4,154	636	23		23,953 172,530

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

Consolidated financial statements (Restated)												
	Land	Buildings	Leasehold improve- ments	Refinery plant and equipment	Paraxylene plants	Power plants	Trans- mission facilities	Machinery, equipment and plant equipment	Oil and liquid chemical tankers and crew boats and others	Furniture, fixtures, office equipment	Con- struction in progress	Total
Depreciation												
At 1 January 2014												
- as reported	-	1,040	-	61,186	8,915	3,382	133	2,191	792	513	23	- 78,115
Impact of change in accounting policy	-	-	-	57	132	-	-	-	-	-	-	- 189
At 1 January 2014												
- restated	-	1,040	-	61,243	9,047	3,382	133	2,191	792	513	23	- 78,304
Depreciation charge for the year	-	71	-	4,037	1,143	206	6	248	152	65	2	- 5,930
Disposals	-	-	-	(38)	-	-	-	(27)	(85)	-	(7)	- (157)
At 31 December 2014 and 1 January 2015												
Depreciation charge for the year	-	1,111	-	65,242	10,190	3,588	139	2,412	799	578	18	- 84,077
Disposals	-	75	-	4,053	1,153	210	5	286	175	56	2	- 6,015
Translation differences on consolidation	-	-	-	(575)	-	-	-	-	(151)	(110)	-	- (836)
	-	-	-	-	-	-	-	3	-	-	-	- 3
At 31 December 2015												
	-	1,186	-	68,720	11,343	3,798	144	2,701	823	524	20	- 89,259

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

Consolidated financial statements (Restated)													
	Land Buildings	Leasehold improve-ments	Refinery plant and equipment	Paraxylene plants	Power plants	Trans-mission facilities	Machinery, equipment and plant	Oil and liquid chemical tankers and crew boats	Furniture, fixtures, office equipment and others	Vehicles in progress	Total		
Impairment losses													
At 1 January 2014	391	-	-	-	-	-	2	-	-	-	393		
Reversal of impairment loss	(380)	-	-	-	-	-	-	-	-	-	(380)		
At 31 December 2014 and 1 January 2015 and 31 December 2015	11	-	-	-	-	-	2	-	-	-	13		
Net book value													
At 1 January 2014	3,395	759	-	24,022	14,247	2,022	60	1,515	2,425	132	7	17,026	65,610
- restated													
At 31 December 2014 and 1 January 2015	5,939	694	-	31,090	13,156	1,906	54	2,399	3,048	135	5	20,694	79,120
- restated													
At 31 December 2015	6,016	741	211	31,130	12,123	2,621	49	2,968	3,331	112	3	23,953	83,258

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

		Separate financial statements							(in million Baht)
		Land	Buildings	Refinery plant and equipment	Machinery, equipment and plant equipment	Furniture, fixtures, office equipment and others	Vehicles in progress	Con- struction in progress	Total
Cost									
At 1 January 2014		1,931	821	77,281	1,074	411	7	13,096	94,621
Additions		2,152	-	179	8	21	-	5,967	8,327
Transfers, net		-	3	10,866	14	3	-	(10,886)	-
Reclassification to investment properties (Note 15)		(252)	-	-	-	-	-	-	(252)
Disposals		-	-	(78)	(25)	-	(3)	-	(106)
At 31 December 2014 and 1 January 2015		3,831	824	88,248	1,071	435	4	8,177	102,590
Additions		-	-	96	4	6	-	978	1,084
Transfers, net		-	4	4,809	35	3	-	(4,851)	-
Disposals		-	-	(1,389)	-	(104)	-	-	(1,493)
At 31 December 2015		3,831	828	91,764	1,110	340	4	4,304	102,181

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

		Separate financial statements						(in million Baht)
		Land	Buildings	Refinery plant and equipment	Machinery, equipment and plant equipment	Furniture, fixtures, office equipment and others	Vehicles in progress	Total
Net book value								
At 1 January 2014		1,600	186	21,327	254	94	1	36,558
At 31 December 2014 and								
1 January 2015		3,831	164	28,690	226	71	-	41,159
At 31 December 2015		3,831	145	29,129	209	45	-	37,663

The gross amounts of the Group's fully depreciated property, plant and equipment that were still in use as at 31 December 2015, amounted to Baht 33,452 million in the consolidated financial statements (2014: Baht 28,275 million) and amounted to Baht 31,700 million in the separate financial statements (2014: Baht 26,514 million).

Certain subsidiaries mortgaged their land, building and machines and crew boats as collateral for long-term borrowings as described in note 20 to the financial statements. The net book value of land, building and machines and crew boats as at 31 December 2015 amounted to Baht 2,520 million (2014: Baht 2,095 million).

As at 31 December 2014, the Company's land was valued by a firm of independent professional valuers, at open market values on an existing use basis. Therefore, in 2014, the Group and the Company reversed impairment loss in amount of Baht 380 million and 320 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

17 Intangible assets

(in million Baht)

	Consolidated financial statements				
	License fee	Computer software	Customer database	Goodwill	Total
Cost					
At 1 January 2014	1,710	525	205	647	3,087
Additions	69	24	-	-	93
Translation differences on consolidation	-	-	-	(6)	(6)
At 31 December 2014 and 1 January 2015	1,779	549	205	641	3,174
Additions	13	26	-	-	39
Translation differences on consolidation	-	-	-	26	26
At 31 December 2015	1,792	575	205	667	3,239
Accumulated amortisation					
At 1 January 2014	912	205	-	-	1,117
Amortisation charge for the year	81	24	-	-	105
At 31 December 2014 and 1 January 2015	993	229	-	-	1,222
Amortisation charge for the year	84	27	-	-	111
At 31 December 2015	1,077	256	-	-	1,333
Net book value					
At 1 January 2014	798	320	205	647	1,970
At 31 December 2014 and 1 January 2015	786	320	205	641	1,952
At 31 December 2015	715	319	205	667	1,906

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Separate financial statements		
	License fee	Computer software	Total
Cost			
At 1 January 2014	809	390	1,199
Additions	16	14	30
At 31 December 2014 and 1 January 2015	825	404	1,229
Additions	2	26	28
At 31 December 2015	827	430	1,257
Accumulated amortisation			
At 1 January 2014	677	90	767
Amortisation charge for the year	24	18	42
At 31 December 2014 and 1 January 2015	701	108	809
Amortisation charge for the year	24	23	47
At 31 December 2015	725	131	856
Net book value			
At 1 January 2014	132	300	432
At 31 December 2014 and 1 January 2015	124	296	420
At 31 December 2015	102	299	401

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

18 Deferred tax

Deferred tax assets and liabilities as at 31 December 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
Total	820	1,741	(241)	(261)
Set off of tax	(241)	(261)	241	261
Net deferred tax assets (liabilities)	579	1,480	-	-

(in million Baht)

	Separate financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
Total	809	1,707	(239)	(260)
Set off of tax	(239)	(260)	239	260
Net deferred tax assets (liabilities)	570	1,447	-	-

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Movements in total deferred tax assets and liabilities during the years 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements			At 31 December 2015
	At 1 January 2015	(Charged) / credited to:		
		Statement of income (Note 32)	Equity	
Deferred tax assets				
Employee benefits	556	23	55	634
Impairment losses on assets	2	-	-	2
Loss carry forward	1,179	(1,000)	-	179
Other	4	1	-	5
Total	1,741	(976)	55	820
Deferred tax liabilities				
Depreciation	(256)	24	-	(232)
Other	(5)	(4)	-	(9)
Total	(261)	20	-	(241)
Net	1,480	(956)	55	579

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Consolidated financial statements			At 31 December 2014
	At 1 January 2014	(Charged) / credited to:		
		Statement of income (Note 32)	Equity	
Deferred tax assets				
Employee benefits	511	45	-	556
Impairment losses on assets	79	(77)	-	2
Loss carry forward	-	1,179	-	1,179
Other	4	-	-	4
Total	594	1,147	-	1,741
Deferred tax liabilities				
Depreciation	(416)	160	-	(256)
Other	(4)	(1)	-	(5)
Total	(420)	159	-	(261)
Net	174	1,306	-	1,480

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Separate financial statements			At 31 December 2015
	At 1 January 2015	(Charged) / credited to:		
		Statement of income (Note 32)	Equity	
Deferred tax assets				
Employee benefit	526	50	52	628
Impairment losses on assets	2	-	-	2
Loss carry forward	1,179	(1,000)	-	179
Total	1,707	(950)	52	809
Deferred tax liabilities				
Depreciation	(256)	23	-	(233)
Other	(4)	(2)	-	(6)
Total	(260)	21	-	(239)
Net	1,447	(929)	52	570

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Separate financial statements			At 31 December 2014
	At 1 January 2014	(Charged) / credited to:		
		Statement of income (Note 32)	Equity	
Deferred tax assets				
Employee benefit	482	44	-	526
Impairment losses on assets	79	(77)	-	2
Loss carry forward	-	1,179	-	1,179
Total	561	1,146	-	1,707
Deferred tax liabilities				
Depreciation	(416)	160	-	(256)
Other	(2)	(2)	-	(4)
Total	(418)	158	-	(260)
Net	143	1,304	-	1,447

Certain subsidiaries have not recognised deferred tax asset arising from loss carry forward in the financial statements as at 31 December 2015 amounted to Baht 288 million (2014: Baht 422 million) because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

19 Other non-current assets

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loans to savings co-operative of employees	606	651	606	651
Deferred natural gas pipeline facilities, raw material pipeline and the use of land, net	83	94	67	76
Deferred land lease arrangement and registration fees, net	282	323	289	333
Other deferred charges, net	176	38	134	1
Refundable deposits and other	342	341	50	48
Total	1,489	1,447	1,146	1,109

20 Interest-bearing liabilities

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Current					
Short-term borrowings					
- Secured		230	355	-	-
- Unsecured		183	142	-	-
Short-term borrowings from related companies	6	-	-	5,840	3,760
Current portion of long-term borrowings from financial institutions					
- Secured		677	245	-	-
- Unsecured		697	505	-	-
Unsecured debentures		-	11,589	-	11,589
		1,787	12,836	5,840	15,349

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Non-current					
Long-term borrowings from financial institutions					
- Secured		7,013	3,654	-	-
- Unsecured		2,608	2,877	-	-
Unsecured debentures		64,098	60,734	64,098	60,734
		73,719	67,265	64,098	60,734
Total		75,506	80,101	69,938	76,083

The periods to maturity of interest-bearing liabilities as at 31 December 2015 and 2014 were as follows:

(in million Baht)					
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Within one year		1,787	12,836	5,840	15,349
After one year but within five years		14,529	12,455	7,952	7,697
After five years		59,190	54,810	56,146	53,037
Total		75,506	80,101	69,938	76,083

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Secured interest-bearing liabilities as at 31 December 2015 and 2014 were secured on the following assets:

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash at banks - current, savings and fixed deposits	7	83	309	-	-
Current investments in fixed deposits	8	614	246	-	-
Land, building and machines, and crew boat - carrying value	16	2,520	2,095	-	-
Total		3,217	2,650	-	-

As at 31 December 2015 the Group and the Company had unutilised long-term credit facilities totalling Baht 14,054 million and Baht 12,251 million respectively (2014: Baht 20,216 million and Baht 14,323 million respectively).

The currency denomination of interest-bearing liabilities as at 31 December 2015 and 2014 was as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht	33,620	33,278	31,340	29,260
United States Dollars	41,886	46,823	38,598	46,823
Total	75,506	80,101	69,938	76,083

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Interest-bearing liabilities as at 31 December 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term borrowings	413	497	-	-
Short-term borrowings from related companies	-	-	5,840	3,760
Long-term borrowings from financial institutions	10,995	7,281	-	-
Debentures	64,098	72,323	64,098	72,323
Total	75,506	80,101	69,938	76,083

Long-term borrowings

Details of principal features of the Group's long-term borrowings as at 31 December 2015 and 2014 were as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
1) Baht 600 million Loan Facility Agreement at interest MLR less a margin, payable in three-month installments commencing in November 2010	195	275	-	-
2) Baht 1,500 million Loan Facility Agreement at interest MLR less a margin, payable in semi-annual installments commencing in September 2012	975	1,125	-	-
3) Baht 324 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in April 2012	149	195	-	-
4) Baht 228 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in January 2013	120	156	-	-

Subsidiaries :

- 1) Baht 600 million Loan Facility Agreement at interest MLR less a margin, payable in three-month installments commencing in November 2010
- 2) Baht 1,500 million Loan Facility Agreement at interest MLR less a margin, payable in semi-annual installments commencing in September 2012
- 3) Baht 324 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in April 2012
- 4) Baht 228 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in January 2013

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
5) Baht 365 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in June 2014	307	344	-	-
6) Baht 365 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in October 2014	319	365	-	-
7) Baht 300 million Loan Facility Agreement at interest MLR less a margin, payable in semi-annual installments commencing in September 2015	275	300	-	-
8) Baht 1,200 million Loan Facility Agreement at interest 6-month FDR plus a margin, payable in semi-annual installment June 2014	507	829	-	-
9) Baht 1,800 million Loan Facility Agreement at interest 6-month FDR plus a margin, payable in semi-annual installments commencing in June 2015	1,548	1,128	-	-
10) Baht 3,875 million Loan Facility Agreement at interest THBFIX plus a margin, payable in three-months installments commencing in June 2016	3,115	1,282	-	-
11) Baht 3,875 million Loan Facility Agreement at interest THBFIX plus a margin, payable in three-months installments commencing in June 2016	3,065	1,282	-	-
12) Baht 420 million Loan Facility Agreement at interest MLR less a margin, payable in monthly installments commencing in October 2016	420	-	-	-
Total	10,995	7,281	-	-

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Debentures

On 12 March 2014, the Company issued debentures to institutional investors and/or high net worth investors totalling Baht 15,000 million as detailed below :

- Tranche No. 1 : the 3-year principal amount of Baht 2,000 million, maturing on 12 March 2017 at a coupon rate of 3.41% per annum
- Tranche No. 2 : the 5-year principal amount of Baht 3,000 million, maturing on 12 March 2019 at a coupon rate of 4.13% per annum
- Tranche No. 3 : the 7-year principal amount of Baht 3,000 million, maturing on 12 March 2021 at a coupon rate of 4.61% per annum
- Tranche No. 4 : the 10-year principal amount of Baht 7,000 million, maturing on 12 March 2024 at a coupon rate of 4.84% per annum

Details of the Company's debentures as at 31 December 2015 and 2014 were as follows:

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Debentures	64,706	72,899	64,706	72,899
Less discount on debentures	(608)	(576)	(608)	(576)
Total	64,098	72,323	64,098	72,323

As at 31 December 2015 the Company has cross currency swap contracts with the local financial institutions for hedging foreign exchange and interest rate exposure of long-term debts for Baht currency totalling Baht 2,500 million (2014: Baht 2,500 million). All counterparties agree to pay the interest and the notional amount according to terms and conditions of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

21 Trade accounts payable

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	6	7,280	7,426	8,777	9,007
Other parties		4,773	10,385	4,564	9,452
Total		12,053	17,811	13,341	18,459

The currency denomination of trade accounts payable as at 31 December 2015 and 2014 was as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht	11,446	15,748	12,871	16,525
United States Dollars	595	2,061	470	1,934
Other	12	2	-	-
Total	12,053	17,811	13,341	18,459

22 Other payables

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued operating expenses	133	161	59	61
Oil Fuel Fund payable	87	529	87	529
Other payables	1,302	1,744	721	707
Other	1,436	1,496	1,423	1,357
Total	2,958	3,930	2,290	2,654

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

23 Employee benefit obligations

Movement in the present value of the defined benefit obligations:

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligations at 1 January	2,784	2,635	2,586	2,455
Recognised in profit or loss:				
Current service costs and interest	277	275	249	248
Past service cost	33	-	25	-
Actuarial gain recognised in the year	(116)	-	(129)	-
	194	275	145	248
Recognised in other comprehensive income:				
Actuarial (gain) loss recognised in the year	275	(7)	261	-
	275	(7)	261	-
Other				
Benefit paid	(77)	(119)	(70)	(117)
	(77)	(119)	(70)	(117)
Defined benefit obligations at 31 December	3,176	2,784	2,922	2,586

The expense is recognised in the following line items in the statement of income:

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sale of goods and rendering of services	230	198	196	176
Selling expenses	2	1	-	-
Administrative expenses	78	76	78	72
Total	310	275	274	248

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Actuarial gains (losses) recognised in other comprehensive income arising from:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Financial assumptions	(160)	3	(145)	-
Experience adjustment	(115)	4	(116)	-
Total	(275)	7	(261)	-

Principal actuarial assumptions as at 31 December 2015 and 2014:

Consolidated financial statements and Separate financial statements	
% per annum	
Discount rate	Interest rate of long-term Thai Government Bond
Salary increases rate	4.0-10.0
Employee turnover	0.0-1.5
Mortality rate	Base on Thailand Mortality Ordinary 2008 (TMO08)

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 19 years (2014 : 19 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(in million Baht)

Defined benefit obligation 31 December 2015	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(257)	301	(224)	261
Salary growth (1% movement)	360	(315)	326	(296)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

24 Share capital

	Par value per share <i>(in Baht)</i>	2015		2014	
		Number of shares	Amount <i>(million shares / million Baht)</i>	Number of shares	Amount
Authorised					
At 1 January - Ordinary shares	10	2,040	20,400	2,040	20,400
At 31 December					
- Ordinary shares	10	2,040	20,400	2,040	20,400
Issued and paid-up					
At 1 January - Ordinary shares	10	2,040	20,400	2,040	20,400
At 31 December					
- Ordinary shares	10	2,040	20,400	2,040	20,400

25 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

26 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and the internal reporting structure provided to the chief operating decision maker.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reportable segments

The Group comprises the following main business segments:

Segment 1:	Oil refinery
Segment 2:	Lube base oil refinery
Segment 3:	Petrochemical
Segment 4:	Power generation
Segment 5:	Marine transportation services
Segment 6:	Solvent
Segment 7:	Ethanol
Segment 8:	Other

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Information about reportable segments

	For the year ended 31 December 2015							(in million Baht)		
	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol		Other	Eliminations
Revenue from sale of goods and rendering of services										
- External	249,040	15,308	18,684	984	637	7,757	1,159	-	-	293,569
- Inter-segment	41,073	3,636	21,951	4,091	582	71	377	814	(72,595)	-
Cost of sale of goods and rendering of services	(275,882)	(16,307)	(40,200)	(4,431)	(887)	(6,960)	(1,380)	(704)	72,932	(273,819)
Gross profit	14,231	2,637	435	644	332	868	156	110	337	19,750
Dividend income	3,282	-	-	-	-	-	-	-	(3,234)	48
Net derivative gain on hedging	1,489	-	-	-	-	-	-	-	-	1,489
Net foreign exchange gain (loss)	(3,017)	38	220	(25)	21	9	-	-	-	(2,754)
Other income	2,777	115	218	8	22	30	6	-	(1,678)	1,498
Selling expenses	(358)	(161)	(78)	-	-	(210)	(18)	-	373	(452)
Administrative expenses	(2,876)	(58)	(152)	(24)	(85)	(197)	(45)	(21)	703	(2,755)
Share of gain of associates and joint ventures	-	-	-	642	14	-	6	-	50	712

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

For the year ended 31 December 2015										
	(in million Baht)									
	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol	Other	Eliminations	Total
Profit before finance costs and income tax expense	15,528	2,571	643	1,245	304	500	105	89	(3,449)	17,536
Finance costs	(3,434)	(1)	(48)	(31)	(105)	(103)	(54)	-	341	(3,435)
Profit before income tax expense	12,094	2,570	595	1,214	199	397	51	89	(3,108)	14,101
Income tax expense	(929)	(520)	(7)	(83)	(2)	(39)	-	(17)	-	(1,597)
Profit for the year	11,165	2,050	588	1,131	197	358	51	72	(3,108)	12,504
Attributable to :										
Owners of the Company	11,165	2,050	599	1,131	185	312	21	72	(3,354)	12,181
Non-controlling interests	-	-	(11)	-	12	46	30	-	246	323
Profit for the year	11,165	2,050	588	1,131	197	358	51	72	(3,108)	12,504

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

For the year ended 31 December 2014 (Restated)

	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol	Other	Eliminations	Total
Revenue from sale of goods and rendering of services										
- External	330,665	19,733	26,987	1,043	623	9,766	1,273	-	-	390,090
- Inter-segment	59,114	6,827	29,724	4,176	576	56	431	561	(101,465)	-
Cost of sale of goods and rendering of services	(396,303)	(25,053)	(58,399)	(4,736)	(848)	(9,129)	(1,452)	(493)	102,242	(394,171)
Gross (loss) profit	(6,524)	1,507	(1,688)	483	351	693	252	68	777	(4,081)
Dividend income	5,963	-	-	-	-	-	-	-	(5,963)	-
Net derivative gain on hedging	2,218	-	-	-	-	-	-	-	-	2,218
Net foreign exchange gain	872	38	27	35	3	21	-	-	-	996
Other income	3,222	138	393	23	16	23	22	1	(1,753)	2,085
Selling expenses	(345)	(163)	(68)	-	-	(203)	(26)	-	327	(478)
Administrative expenses	(2,074)	(102)	(79)	(15)	(97)	(207)	(49)	(24)	484	(2,163)
Share of gain of associates and joint ventures	-	-	-	609	(28)	-	(4)	-	53	630

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

For the year ended 31 December 2014 (Restated)											(in million Baht)
	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol	Other	Eliminations	Total	
Profit (loss) before finance costs and income tax expense	3,332	1,418	(1,415)	1,135	245	327	195	45	(6,075)	(793)	
Finance costs	(3,746)	-	(108)	(49)	(97)	(113)	(61)	-	208	(3,966)	
Profit (loss) before income tax expense	(414)	1,418	(1,523)	1,086	148	214	134	45	(5,867)	(4,759)	
Reversal of income tax (expense)	1,347	(306)	3	(75)	-	(41)	-	(8)	-	920	
Profit (loss) for the year	933	1,112	(1,520)	1,011	148	173	134	37	(5,867)	(3,839)	
Attributable to :											
Owners of the Company	933	1,112	(1,467)	1,011	98	153	57	37	(6,074)	(4,140)	
Non-controlling interests	-	-	(53)	-	50	20	77	-	207	301	
Profit (loss) for the year	933	1,112	(1,520)	1,011	148	173	134	37	(5,867)	(3,839)	

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

As at 31 December 2015

	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol	Other	Eliminations	Total
Trade accounts receivable	13,941	821	3,402	594	117	1,208	114	53	(6,074)	14,176
Inventories	16,058	1,292	832	69	58	418	182	-	(26)	18,883
Other current assets	62,335	4,546	3,130	992	508	1,220	128	116	(15,545)	57,430
Investments in subsidiaries	14,545	-	-	-	-	-	-	-	(14,545)	-
Investments in associates	1,260	-	-	8,286	5	-	823	-	2,612	12,986
Investments in joint ventures	-	-	-	-	455	-	-	-	-	455
Property, plant and equipment	37,663	2,641	22,261	12,141	3,490	2,361	1,504	-	1,197	83,258
Other non-current assets	4,116	50	677	61	7	1,638	3	264	(1,839)	4,977
Total assets	149,918	9,350	30,302	22,143	4,640	6,845	2,754	433	(34,220)	192,165
Trade accounts payable	13,341	592	3,178	420	59	502	18	-	(6,057)	12,053
Current portion of long-term borrowings from financial institutions	-	-	402	171	413	288	100	-	-	1,374
Other current liabilities	9,161	435	431	7,362	197	1,843	869	51	(15,584)	4,765
Long-term borrowings from financial institutions	-	-	5,778	336	2,152	1,260	95	-	-	9,621
Debtentures	64,098	-	-	-	-	-	-	-	-	64,098
Other non-current liabilities	3,351	-	-	-	16	43	7	256	(427)	3,246
Total liabilities	89,951	1,027	9,789	8,289	2,837	3,936	1,089	307	(22,068)	95,157

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

	As at 31 December 2014 (Restated)										(in million Baht)
	Oil refinery	Lube base oil refinery	Petro-chemical	Power generation	Marine transportation services	Solvent	Ethanol	Other	Eliminations	Total	
Trade accounts receivable	16,417	769	3,466	534	124	1,473	108	44	(6,794)	16,141	
Inventories	24,037	2,810	828	52	37	586	224	-	(41)	28,533	
Other current assets	50,624	4,120	1,660	567	594	930	204	86	(7,997)	50,788	
Investments in subsidiaries	14,545	-	-	-	-	-	-	-	(14,545)	-	
Investments in associates	1,261	-	-	7,672	5	-	817	-	2,939	12,694	
Investments in joint ventures	-	-	-	-	419	-	-	-	-	419	
Property, plant and equipment	41,159	2,932	20,123	6,888	3,161	2,181	1,554	-	1,122	79,120	
Other non-current assets	5,004	72	750	65	8	1,598	3	167	(1,755)	5,912	
Total assets	153,047	10,703	26,827	15,778	4,348	6,768	2,910	297	(27,071)	193,607	
Trade accounts payable	18,459	1,476	3,757	351	51	458	20	-	(6,760)	17,812	
Current portion of long-term borrowings from financial institutions	-	-	-	171	340	158	80	-	-	749	
Current portion of debenture	11,589	-	-	-	-	-	-	-	-	11,589	
Other current liabilities	7,296	240	547	1,620	171	2,615	993	38	(8,035)	5,485	
Long-term borrowings from financial institutions	-	-	2,564	657	2,145	970	195	-	-	6,531	
Debentures	60,734	-	-	-	-	-	-	-	-	60,734	
Other non-current liabilities	2,895	78	34	-	15	47	7	161	(374)	2,863	
Total liabilities	100,973	1,794	6,902	2,799	2,722	4,248	1,295	199	(15,169)	105,763	

Major customer

Revenue from one customer represents approximately Baht 131,772 million (2014: Baht 173,581 million) of the Group's revenue from sale of goods and rendering of services

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	(in million Baht)			
	Revenues		Non-current assets	
	2015	2014	2015	2014
Thailand	239,628	318,790	100,878	97,363
Other countries	53,941	71,300	798	780
Total	293,569	390,090	101,676	98,143

27 Other income

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest income	912	1,082	1,119	1,157
Land lease income	18	38	80	79
Service income	39	52	1,099	1,160
Reversal of impairment loss	-	386	-	386
Other	529	527	479	440
Total	1,498	2,085	2,777	3,222

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

28 Administrative expenses

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Advisory and legal fees	213	104	211	96
Personnel expenses	816	839	665	670
Depreciation	71	91	40	54
Other	1,655	1,129	1,960	1,254
Total	2,755	2,163	2,876	2,074

29 Employee benefit expenses

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Management				
Salaries and wages	210	199	164	146
Contributions to provident fund	19	18	16	14
Retirement gratuity fund	10	12	10	12
Other	75	76	59	66
	314	305	249	238
Other employees				
Salaries and wages	2,022	1,861	1,304	1,258
Contributions to provident fund	127	124	97	97
Retirement gratuity fund	151	149	151	149
Other	310	443	195	312
	2,610	2,577	1,747	1,816
Total	2,924	2,882	1,996	2,054

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The Group established a contributory registered provident fund to which the employees contribute monthly at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 2% to 15% of the employees' basic salaries. Membership to the funds is on a voluntary basis. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

30 Expenses by nature

The statements of income include an analysis of expenses by function. Significant expenses by nature are detailed as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Changes in finished goods and work in progress	2,883	6,488	2,088	5,622
Purchase and raw materials used	214,211	347,614	226,473	361,286
Natural gas used	6,790	8,105	3,055	3,950
Employee benefits expense	2,924	2,882	1,996	2,054
Depreciation and amortisation	6,766	6,533	4,437	4,292
Excise tax	34,105	15,140	34,105	15,140

31 Finance costs

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expense: financial institutions and other	3,719	3,796	3,382	3,663
Financial expenses	88	191	53	83
	3,807	3,987	3,435	3,746
Capitalised as cost of property plant and equipment under construction	(372)	(21)	-	-
Net	3,435	3,966	3,435	3,746

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

32 Expense (reversal) of income tax

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Current tax expense					
Current year		634	401	-	-
Adjustment for prior years		7	(15)	-	(43)
Deferred tax expense					
	18				
Movements in temporary differences		956	(1,306)	929	(1,304)
Total		1,597	(920)	929	(1,347)

Reconciliation of effective tax rate

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) before income tax expense	14,102	(4,759)	12,094	(413)
Income tax using the Thai corporation tax rate	2,820	(951)	2,419	(83)
Income not subject to tax	(1,221)	(4)	(1,575)	(1,283)
Expenses not deductible for tax purposes	140	66	85	62
Utilisation of previously unrecognised tax losses	(149)	(16)	-	-
Under (over) provided in prior years	7	(15)	-	(43)
Total	1,597	(920)	929	(1,347)

NOTES TO THE FINANCIAL STATEMENTS

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The Group's consolidated effective tax rate in respect of continuing operations for the year ended 31 December 2015 and 2014 were 11.32% and 19.33% respectively. The effective tax rate is less than Thai corporation tax rate principally because:

- (a) a significant portion of the Company's profit was derived from promoted activities for which concessionary tax rates apply, and
- (b) unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015

On 13 October 2015, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the Bill amending the Revenue Code (the reduction of the corporate income tax rate permanently) for the reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016 and onwards. Currently, the Government has amended the law in order to give full effect to the Cabinet resolution on 22 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

33 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to oil refinery, power and steam generation, petroleum product production, chemical product production, ethanol product production, marine transportation, offshore crude oil unloading facilities and industrial zone. The privileges granted include:

- a) an exemption from payment of import duty and tax on machinery and equipment as approved by the Board of Investment.

NOTES TO THE FINANCIAL STATEMENTS

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- b) an exemption from payment of corporate income tax for promoted operations for periods of 3 to 8 years from the dates on which the income is first derived from such operations or 8 years from the date on which the income is received subsequent to when the privileges were granted, and
- c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain promotional operations for a period of five years, commencing from the expiry date in (b) above

As promoted companies, the Company and its subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

(in million Baht)

	Consolidated financial statements					
	2015			2014		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
Export sales	39,192	14,912	54,104	42,646	28,922	71,568
Local sales	244,003	70,585	314,588	325,168	98,078	423,246
Eliminations			(75,123)			(104,724)
Total revenues			293,569			390,090

(in million Baht)

	Separate financial statements					
	2015			2014		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
Export sales	29,526	4,586	34,112	33,498	3,831	37,329
Local sales	219,896	36,105	256,001	312,486	39,964	352,450
Total revenues			290,113			389,779

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

34 Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Profit (loss) for the year attributable to owner of the Company	12,181	(4,140)	11,165	934
Weighted average number of ordinary shares outstanding during the year	2,040	2,040	2,040	2,040
Basic earnings (losses) per share (in Baht)	5.97	(2.03)	5.47	0.46

35 Dividends

At the meeting of the Board of the Director of the Company held on 29 August 2015, the Company's Board of Directors approved the appropriation of 2015 interim dividends at Baht 0.90 per share, totalling Baht 1,836 million. The interim dividends were paid to the Company's shareholders in September 2015.

At the annual general meeting of the shareholders of the Company held on 3 April 2015, the Company's shareholders approved the appropriation of 2014 annual dividends at Baht 1.16 per share, totalling Baht 2,366 million. After a deduction of the interim dividends of Baht 0.56 per share which were already paid to the Company's shareholders in September 2014, the remaining dividends of Baht 0.60 per share, totalling Baht 1,224 million, were already paid to the Company's shareholders in April 2015.

At the meeting of the Board of the Director of the Company held on 29 August 2014, the Company's Board of Directors approved the appropriation of 2014 interim dividends at Baht 0.56 per share, totalling Baht 1,142 million. The interim dividends were paid to the Company's shareholders in September 2014.

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At the annual general meeting of the shareholders of the Company held on 2 April 2014, the Company's shareholders approved the appropriation of 2013 annual dividends at Baht 2.30 per share, totalling Baht 4,692 million. After a deduction of the interim dividends of Baht 0.80 per share which were already paid to the Company's shareholders in September 2013, the remaining dividends of Baht 1.50 per share, totalling Baht 3,060 million, were already paid to the Company's shareholders in April 2014.

36 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Hence, the Group has hedging agreements with various investment-grade financial institutions to protect against the risk of rising interest rates.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

The effective interest rates of loans as at 31 December 2015 and 2014 and the periods in which those assets mature were as follows:

	Consolidated financial statements			
	Effective interest rate	Within 1 year	After 1 year	Total
	(% per annum)		(in million Baht)	
2015				
Non-current				
Long-term loans to savings				
co-operative of employees	MLR less margin	42	606	648
Loans to employees	MMR less margin	-	3	3
Total		42	609	651

2014				
Non-current				
Long-term loans to savings				
co-operative of employees	MMR less margin	44	651	695
Loans to employees	MMR less margin	1	2	3
Total		45	653	698

	Separate financial statements			
	Effective interest rate	Within 1 year	After 1 year	Total
	(% per annum)		(in million Baht)	
2015				
Current				
Short-term loans to subsidiaries	MMR rate not exceeding the average MLR of 5 banks less margin	9,049	-	9,049
Non-current				
Long-term loans to savings				
co-operative of employees	MLR less margin	42	606	648
Total		9,091	606	9,697

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	Separate financial statements			Total
	Effective interest rate (% per annum)	Within 1 year	After 1 year (in million Baht)	
2014				
Current				
Short-term loans to subsidiaries	MMR rate not exceeding the average MLR of 5 banks less margin	4,013	-	4,013
Non-current				
Long-term loans to savings co-operative of employees	MLR less margin	44	651	695
Total		4,057	651	4,708

The effective interest rates of borrowings from financial institutions and debentures as at 31 December 2015 and 2014 and the periods in which those liabilities mature were disclosed in note 20 to the financial statements.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of raw materials and long-term borrowings which are denominated in foreign currencies. However, the Group enters into short-term currency hedging contracts for short term foreign currency exposures when appropriate.

As at 31 December 2015 and 2014 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

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(in million Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
U.S. Dollars					
Cash and cash equivalents	7	22,179	5,187	21,662	4,709
Trade accounts receivable	9	2,859	4,659	1,644	3,229
Other receivables		1,467	512	1,467	511
Interest-bearing liabilities	20	(41,886)	(46,823)	(38,598)	(46,823)
Trade accounts payable	21	(548)	(2,061)	(470)	(1,934)
Other payables		(394)	(318)	(123)	(67)
		(16,323)	(38,844)	(14,418)	(40,375)
Other currencies					
Cash and cash equivalents	7	150	109	-	-
Trade accounts receivable	9	186	201	-	-
Other receivables		-	1	-	-
Trade accounts payable	21	12	(2)	-	-
Other payables		(29)	(49)	(28)	(49)
		319	260	(28)	(49)
Gross exposure in statement of financial position					
		(16,004)	(38,584)	(14,446)	(40,424)
Currency forwards		1,404	3,944	-	115
Currency and interest rate swaps		6,240	2,697	2,952	2,697
Net exposure		(8,360)	(31,943)	(11,494)	(37,612)

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has no significant credit risk with any single counterparty or group of counterparties since the Group maintains business with large customers in petroleum and power industries and requires full first class collateral for the rest.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

The fair value of current portion of financial assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans and borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

Other financial assets and liabilities not stated above had the fair and carrying value as following:

(in million Baht)

	Consolidated financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2015					
Current					
Forward exchange contracts	-	-	101	-	101
Crack spread swap and time spread swap	-	-	(71)	-	(71)
Non-current					
Equity securities available-for-sale	135	135	-	-	135
Debentures	(64,098)	-	(66,436)	-	(66,436)
Cross currency and interest rate swap contracts	-	-	(635)	-	(635)

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

(in million Baht)

	Separate financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2015					
Current					
Crack spread swap and time spread swap	-	-	(71)	-	(71)
Non-current					
Equity securities available-for-sale	135	135	-	-	135
Debentures	(64,098)	-	(66,436)	-	(66,436)
Cross currency and interest rate swap contract	-	-	(385)	-	(385)

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value	Fair value	Carrying value
31 December 2014				
Current				
Debentures	(11,764)	(11,589)	(11,764)	(11,589)
Forward exchange contracts	(50)	-	-	-
Crack spread swap and time spread swap	621	-	621	-
Non-current				
Equity securities available-for-sale	163	163	163	163
Debentures	(62,487)	(60,734)	(62,487)	(60,734)
Cross currency and interest rate swap contracts	(110)	-	(110)	-

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

37 Commitments with non-related parties

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Capital commitments				
Project construction agreements	4,719	10,535	1,821	1,604
License agreement	1,240	1,130	-	-
Other agreement	208	764	-	-
Total	6,167	12,429	1,821	1,604

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

	(in million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Non-cancellable operating lease commitments				
Within one year	220	208	201	201
After one year but within five years	954	903	902	872
After five years	544	786	391	621
Total	1,718	1,897	1,494	1,694
Other commitments				
Inventory management services agreements	30	82	-	-
Forward exchange contracts	1,404	3,944	-	115
Cross currency and interest rate swap contracts	6,240	2,697	2,952	2,697
Letters of guarantee issued by financial institutions	1,263	1,288	224	290
Crude oil purchase agreements	26,329	31,279	26,329	31,279
Total	35,266	39,290	29,505	34,381

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

Power Purchase Agreements

The Electricity Generating Authority of Thailand (“EGAT”) has a power purchase agreement for a period of 25 years with a subsidiary expiring in 2023 whereby the subsidiary will supply the electric energy to EGAT at the agreed quantity and price. As the contracted party with EGAT, the subsidiary must comply with conditions and restrictions provided for in the agreement.

38 Contingent liabilities and contingent assets

As at 31 December 2015 the Group had the following contingent liabilities and contingent assets:

The Company has crack spread swap and time spread swap with foreign companies (“counterparties”). The Company has or the counterparties have commitments to make payments for the differences between the fixed price and floating price for each period.

As at 31 December 2015 the Company had oil volume under the agreements totalling 0.5 million barrels (2014: 15.8 million barrels).

39 Insurance policy

As at 31 December 2015 the Group has an All Risks and Loss of Profit Insurance Policy (“ALOP”) from a syndicate of insurers and reinsurers for a total insured value of U.S. Dollars 8,642 million (2014: U.S. Dollars 8,025 million). Such policy is renewed on an annual basis. Certain subsidiaries have assigned their rights to proceeds from insurance claims under the ALOP to the lenders under certain borrowings agreements.

40 Event after the reporting period

At the meeting of the Board of Directors of the Company held on 12 February 2016, the Company’s Board of Directors approved the submission for approval at the annual general meeting of the shareholders of the Company the appropriation of 2015 annual dividends at Baht 2.70 per share, totalling Baht 5,508 million. After a deduction of the interim dividends of Baht 0.90 per share which were paid to the Company’s shareholders in September 2015, the remaining dividends of Baht 1.80 per share, totalling Baht 3,672 million, are scheduled for payment on 29 April 2016. This dividend is subject to the approval of the Company’s shareholders at the annual general meeting to be held on 7 April 2016.

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

41 Thai Financial Reporting Standards not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS become effective for annual financial periods beginning on or after 1 January 2016, are as follow;

TFRS	Topic
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 Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Periods
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Venture
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agricultural
TFRS 2 (revised 2015)	Share-based Payment

NOTES TO THE FINANCIAL STATEMENTS

Thai Oil Public Company Limited and its Subsidiaries

TFRS	Topic
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
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
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 14 (revised 2015)	TAS 19 (revised 2015)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 21	Levies

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

AUDIT FEES OF THE AUDITORS 2015

1. Audit Fees

The company, subsidiaries and Thairoil Group Registered Provident Fund paid for the audit fees to the auditors' company for the latest account period amounting to Baht 6,303,000 (Six million three hundred and three thousand baht only).

2. Non-Audit Fees

The company and subsidiaries paid for non-audit fees for monitoring the performance compliance with the condition of the BOI Promotion Certificate and preparing The Offering Memorandum of the Global Medium Term Notes Programme to the auditor's company for the latest account period amounting to Baht 6,885,000 (six million and eight hundred and eighty five thousand baht only).



Positive

Professionalism

Ownership and
Commitment

Social
Responsibility

Integrity

Teamwork and
Collaboration

Initiative

Vision Focus

Excellence
Striving



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