

**The Bangchak Petroleum Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2012
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of the Bangchak Petroleum Public Company Limited

I have audited the accompanying consolidated and separate financial statements of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2013

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
<i>(Baht)</i>					
Current assets					
Cash and cash equivalents	5	8,005,505,386	4,020,710,649	6,641,250,681	3,411,905,210
Current investments	6	13,121,700	9,823,677	-	-
Trade accounts receivable	4,7	7,737,324,758	8,072,323,737	8,566,754,104	8,667,971,626
Other receivables	4,8	1,158,401,828	400,516,251	1,132,809,524	378,569,156
Inventories	9	19,175,125,311	16,658,225,735	18,613,988,720	16,145,098,338
Oil Fuel Fund subsidies receivable		822,328,168	926,778,096	822,328,168	926,778,096
Other current assets	4	195,617,849	1,206,080,684	148,292,282	1,199,716,815
Total current assets		37,107,425,000	31,294,458,829	35,925,423,479	30,730,039,241
Non-current assets					
Investments in subsidiaries	4,10	-	-	1,735,039,500	347,539,500
Investments in associate	4,11	722,888,134	745,479,405	763,229,520	763,229,520
Other long-term investments	6	294,507,985	284,645,072	294,507,985	284,645,072
Investment properties	12	459,340,000	288,062,000	459,340,000	288,062,000
Property, plant and equipment	13	29,919,393,981	26,959,261,135	27,715,586,008	26,061,624,313
Leasehold rights	14	1,048,650,001	937,382,932	1,048,650,001	937,382,932
Intangible assets	15	147,101,686	101,135,053	146,302,092	100,549,357
Investment in service stations	16	174,511,783	180,351,084	174,511,783	180,351,084
Deferred tax assets	17	187,104,709	172,202,683	184,672,335	172,202,683
Other non-current assets	4,18	792,519,605	633,643,858	754,370,875	628,493,623
Total non-current assets		33,746,017,884	30,302,163,222	33,276,210,099	29,764,080,084
Total assets		70,853,442,884	61,596,622,051	69,201,633,578	60,494,119,325

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
		(Baht)			
Current liabilities					
Short-term loans from financial institutions	19	-	2,000,000,000	-	2,000,000,000
Trade accounts payable	20	13,699,792,610	8,758,505,369	13,442,468,437	8,616,865,414
Other payables	4,21	2,769,648,667	1,568,476,708	2,296,237,897	1,493,102,237
Current portion of long-term loans					
from financial institutions	19	1,009,848,642	551,363,070	890,153,846	450,000,000
Excise tax and Oil Fuel Fund payable		597,418,373	296,841,676	597,418,373	296,841,676
Income tax payable		532,705,763	148,141	532,705,763	-
Liabilities on hedging contracts		20,848,735	604,919,384	20,848,735	604,919,384
Other current liabilities	4	597,272,747	761,198,639	613,844,369	774,856,748
Total current liabilities		19,227,535,537	14,541,452,987	18,393,677,420	14,236,585,459
Non-current liabilities					
Long-term loans from financial institutions	19	15,018,083,230	16,030,166,740	14,681,846,154	15,572,000,000
Debentures	19	2,995,013,486	-	2,995,013,486	-
Liabilities on long-term lease		192,799,481	237,846,592	192,799,481	237,846,592
Employee benefit obligations	22	993,782,384	839,950,328	982,809,812	830,969,026
Other non-current liabilities	4	103,018,201	67,764,855	42,721,002	45,059,480
Total non-current liabilities		19,302,696,782	17,175,728,515	18,895,189,935	16,685,875,098
Total liabilities		38,530,232,319	31,717,181,502	37,288,867,355	30,922,460,557

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
		(Baht)			
Equity					
Share capital	23				
Authorised share capital		<u>1,531,643,461</u>	<u>1,531,643,461</u>	<u>1,531,643,461</u>	<u>1,531,643,461</u>
Issued and paid-up share capital		<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>
Additional paid-in capital					
Share premium	24	11,157,460,051	11,157,460,051	11,157,460,051	11,157,460,051
Share premium on subsidiary of the Company		18,621,225	18,621,225	-	-
Capital surplus on registered and paid-up share reduction	24	189,617,759	189,617,759	189,617,759	189,617,759
Retained earnings					
Appropriated					
Legal reserve	24	153,164,346	153,164,346	153,164,346	153,164,346
Unappropriated		<u>19,247,068,817</u>	<u>16,833,294,392</u>	<u>19,035,600,910</u>	<u>16,694,493,455</u>
Equity attributable to owners of the Company		<u>32,142,855,355</u>	<u>29,729,080,930</u>	<u>31,912,766,223</u>	<u>29,571,658,768</u>
Non-controlling interests		<u>180,355,210</u>	<u>150,359,619</u>	-	-
Total equity		<u>32,323,210,565</u>	<u>29,879,440,549</u>	<u>31,912,766,223</u>	<u>29,571,658,768</u>
Total liabilities and equity		<u>70,853,442,884</u>	<u>61,596,622,051</u>	<u>69,201,633,578</u>	<u>60,494,119,325</u>

(Signed) Pichai Chunhavajira
(Pichai Chunhavajira)
Chairman

(Signed) Vichien Usanachote
(Vichien Usanachote)
President

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2012	2011	2012	2011
(Baht)					
Revenue from sale of goods and rendering of services	4,25	165,245,933,373	158,609,989,454	162,622,827,447	156,928,440,615
Cost of sale of goods and rendering of services	4	(158,082,946,567)	(147,984,315,203)	(156,319,203,531)	(147,032,761,020)
Gross Profit		7,162,986,806	10,625,674,251	6,303,623,916	9,895,679,595
Investment income	4,26	89,881,632	54,552,640	71,808,918	126,611,985
Other income	4,27	570,964,840	1,487,341,327	586,521,805	1,502,443,483
Selling expenses	4,28	(2,696,829,166)	(2,436,294,179)	(2,051,135,124)	(1,889,633,527)
Administrative expenses	4,29	(1,402,673,202)	(1,404,490,194)	(1,349,562,803)	(1,359,162,268)
Gain (loss) from crude and product oil price hedging contract	4	868,746,427	(758,853,327)	868,746,427	(758,853,327)
Gain (loss) from foreign currencies forward contract		745,786,967	(701,066,248)	745,786,967	(701,066,248)
Gain on foreign exchange		346,182,303	170,093,035	346,024,919	170,093,035
Net reversal of allowance for loss from impairment of assets	12, 13	294,666,289	11,706,758	294,666,289	11,706,758
Share of loss of associates	11	(22,591,271)	(17,750,115)	-	-
Profit before finance costs and income tax expense		5,957,121,625	7,030,913,948	5,816,481,314	6,997,819,486
Finance costs	32	(939,957,168)	(783,178,921)	(910,476,585)	(748,168,303)
Profit before income tax expense		5,017,164,457	6,247,735,027	4,906,004,729	6,249,651,183
Income tax expense	33	(714,581,274)	(615,291,297)	(706,111,137)	(607,067,283)
Profit for the year		4,302,583,183	5,632,443,730	4,199,893,592	5,642,583,900
Profit attributable to:					
Owners of the Company		4,272,560,562	5,610,156,464	4,199,893,592	5,642,583,900
Non-controlling interests		30,022,621	22,287,266	-	-
Profit for the year		4,302,583,183	5,632,443,730	4,199,893,592	5,642,583,900
Earnings per share					
Basic earnings per share	35	3.10	4.24	3.05	4.26

(Signed) Pichai Chunhavajira
(Pichai Chunhavajira)
Chairman

(Signed) Vichien Usanachote
(Vichien Usanachote)
President

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of comprehensive income

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2012	2011	2012	2011
	<i>(Baht)</i>			
Profit for the year	<u>4,302,583,183</u>	<u>5,632,443,730</u>	<u>4,199,893,592</u>	<u>5,642,583,900</u>
Other comprehensive income for the year, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>4,302,583,183</u>	<u>5,632,443,730</u>	<u>4,199,893,592</u>	<u>5,642,583,900</u>
Total comprehensive income attributable to:				
Owners of the Company	4,272,560,562	5,610,156,464	4,199,893,592	5,642,583,900
Non-controlling interests	<u>30,022,621</u>	<u>22,287,266</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>4,302,583,183</u>	<u>5,632,443,730</u>	<u>4,199,893,592</u>	<u>5,642,583,900</u>

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements										
Note	Issued and paid-up share capital	Share premium		Capital surplus on registered and paid-up share reduction	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests	Total equity	
		Share premium	Share premium on subsidiary of the Company		Legal reserve	Unappropriated				
Year ended 31 December 2011										
	Balance at 1 January 2011	1,176,822,958	8,272,622,542	18,621,225	189,617,759	153,164,346	12,805,338,933	22,616,187,763	164,060,860	22,780,248,623
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the Company</i>										
	Issue of ordinary shares	23	200,100,199	2,884,837,509	-	-	-	3,084,937,708	-	3,084,937,708
	Dividends to owners of the Company	36	-	-	-	-	(1,582,201,005)	(1,582,201,005)	(35,988,507)	(1,618,189,512)
	Total contributions by and distributions to owners of the Company		200,100,199	2,884,837,509	-	-	(1,582,201,005)	1,502,736,703	(35,988,507)	1,466,748,196
	Total transactions with owners, recorded directly in equity		200,100,199	2,884,837,509	-	-	(1,582,201,005)	1,502,736,703	(35,988,507)	1,466,748,196
Comprehensive income for the year										
	Profit		-	-	-	-	5,610,156,464	5,610,156,464	22,287,266	5,632,443,730
	Other comprehensive income		-	-	-	-	-	-	-	-
	Total comprehensive income for the year		-	-	-	-	5,610,156,464	5,610,156,464	22,287,266	5,632,443,730
	Balance at 31 December 2011	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	16,833,294,392	29,729,080,930	150,359,619	29,879,440,549
Year ended 31 December 2012										
	Balance at 1 January 2012	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	16,833,294,392	29,729,080,930	150,359,619	29,879,440,549
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the Company</i>										
	Issue of ordinary shares	23	-	-	-	-	-	-	-	-
	Dividends to owners of the Company	36	-	-	-	-	(1,858,786,137)	(1,858,786,137)	(27,030)	(1,858,813,167)
	Total contributions by and distributions to owners of the Company		-	-	-	-	(1,858,786,137)	(1,858,786,137)	(27,030)	(1,858,813,167)
	Total transactions with owners, recorded directly in equity		-	-	-	-	(1,858,786,137)	(1,858,786,137)	(27,030)	(1,858,813,167)
Comprehensive income for the year										
	Profit		-	-	-	-	4,272,560,562	4,272,560,562	30,022,621	4,302,583,183
	Other comprehensive income		-	-	-	-	-	-	-	-
	Total comprehensive income for the year		-	-	-	-	4,272,560,562	4,272,560,562	30,022,621	4,302,583,183
	Balance at 31 December 2012	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	19,247,068,817	32,142,855,355	180,355,210	32,323,210,565

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of changes in equity

Separate financial statements

	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity
					Legal reserve	Unappropriated	
Year ended 31 December 2011							
Balance at 1 January 2011		1,176,822,958	8,272,622,542	189,617,759	153,164,346	12,634,110,560	22,426,338,165
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Issue of ordinary shares	23	200,100,199	2,884,837,509	-	-	-	3,084,937,708
Dividends to owners of the Company	36	-	-	-	-	(1,582,201,005)	(1,582,201,005)
Total contributions by and distributions to owners of the Company		200,100,199	2,884,837,509	-	-	(1,582,201,005)	1,502,736,703
Total transactions with owners, recorded directly in equity		200,100,199	2,884,837,509	-	-	(1,582,201,005)	1,502,736,703
Comprehensive income for the year							
Profit		-	-	-	-	5,642,583,900	5,642,583,900
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	5,642,583,900	5,642,583,900
Balance at 31 December 2011		1,376,923,157	11,157,460,051	189,617,759	153,164,346	16,694,493,455	29,571,658,768
Year ended 31 December 2012							
Balance at 1 January 2012		1,376,923,157	11,157,460,051	189,617,759	153,164,346	16,694,493,455	29,571,658,768
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company	36	-	-	-	-	(1,858,786,137)	(1,858,786,137)
Total contributions by and distributions to owners of the Company		-	-	-	-	(1,858,786,137)	(1,858,786,137)
Total transactions with owners, recorded directly in equity		-	-	-	-	(1,858,786,137)	(1,858,786,137)
Comprehensive income for the year							
Profit		-	-	-	-	4,199,893,592	4,199,893,592
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	4,199,893,592	4,199,893,592
Balance at 31 December 2012		1,376,923,157	11,157,460,051	189,617,759	153,164,346	19,035,600,910	31,912,766,223

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2012	2011	2012	2011
	<i>(Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	4,302,583,183	5,632,443,730	4,199,893,592	5,642,583,900
<i>Adjustments for</i>				
Depreciation	2,287,175,656	1,879,182,085	2,228,120,374	1,826,504,350
Amortisation	165,396,727	173,891,622	165,190,471	173,563,758
(Reversal of allowance) allowance for doubtful debts	466,016	7,463,280	(153,863)	8,068,425
Unrealised loss on foreign exchange	44,978,007	709,806,671	44,978,007	709,806,671
Reversal of allowance for impairment of assets	(294,666,289)	(11,706,758)	(294,666,289)	(11,706,758)
Loss on disposal of property, plant and equipment	59,129,902	116,742,100	58,052,348	116,890,492
Investment Income	(89,881,632)	(54,552,640)	(71,808,918)	(126,611,985)
Provision for employee benefit	166,430,496	98,699,850	163,671,537	96,373,282
Deferred revenue	(1,185,106)	(3,487,940)	(1,185,106)	(3,487,940)
Share of loss of associate, net of income tax expense	22,591,271	17,750,115	-	-
Finance costs	939,957,168	783,178,921	910,476,585	748,168,303
Income tax expense	714,581,274	615,291,297	706,111,137	607,067,283
	<u>8,317,556,673</u>	<u>9,964,702,333</u>	<u>8,108,679,875</u>	<u>9,787,219,781</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	335,439,989	(2,335,271,485)	99,273,112	(2,342,734,832)
Other receivables	(797,597,557)	(443,380,700)	(754,240,369)	(476,106,992)
Inventories	(2,518,497,523)	(1,145,824,993)	(2,470,488,328)	(1,177,202,725)
Other current assets	1,162,556,475	(527,104,871)	1,162,797,748	(537,462,259)
Other non-current assets	(196,578,868)	(18,900,608)	(156,215,546)	(11,786,546)
Trade accounts payable	4,948,733,392	(1,871,069,418)	4,830,381,695	(1,870,293,172)
Other payables	1,169,851,744	376,102,864	803,135,659	401,774,821
Other current liabilities	(318,523,949)	(1,382,237,183)	(344,227,130)	(1,318,553,413)
Employee benefit obligations	(12,598,441)	(20,571,715)	(11,830,751)	(18,245,147)
Other non-current liabilities	13,329,828	(51,238,952)	(23,579,091)	(54,147,786)
Cash generated from operating activities	<u>12,103,671,763</u>	<u>2,545,205,272</u>	<u>11,243,686,874</u>	<u>2,382,461,730</u>
Income tax paid	(470,379,906)	(1,425,102,611)	(457,283,486)	(1,409,374,789)
Net cash from operating activities	<u>11,633,291,857</u>	<u>1,120,102,661</u>	<u>10,786,403,388</u>	<u>973,086,941</u>

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2012	2011	2012	2011
	(Baht)			
<i>Cash flows from investing activities</i>				
Interest received	84,592,248	55,972,614	66,635,888	44,293,553
Increase in current investments	-	(545,925)	-	-
Decrease (increase) in long-term investments	(2,817,803)	7,757,997	(2,817,803)	7,757,997
Cash outflow from purchase of shares in associate	-	(763,229,520)	-	(763,229,520)
Cash outflow from issue of subsidiary's share capital	-	-	(1,387,500,000)	(150,000,000)
Dividend received	-	-	-	83,926,183
Purchase of property, plant and equipment	(5,125,700,620)	(5,193,317,535)	(3,761,899,418)	(5,072,968,315)
Sale of property, plant and equipment	28,580,146	14,511,105	28,580,146	13,965,846
Increase in leasehold right	(205,371,345)	(71,565,600)	(205,371,345)	(71,565,600)
Purchase of intangible assets	(63,917,585)	(53,065,500)	(63,379,345)	(52,836,000)
Net cash used in investing activities	(5,284,634,959)	(6,003,482,364)	(5,325,751,877)	(5,960,655,856)
<i>Cash flows from financing activities</i>				
Finance costs paid	(945,997,576)	(635,895,070)	(917,066,424)	(601,194,494)
Increase (decrease) in short-term loans from financial institutions	(2,000,000,000)	1,960,000,000	(2,000,000,000)	2,000,000,000
Proceeds from long - term loans	37,636,575	3,536,950,000	-	3,452,000,000
Repayment of long - term loans	(591,234,514)	(4,596,155,869)	(450,000,000)	(4,521,453,491)
Proceeds from Debentures	2,994,546,521	-	2,994,546,521	-
Dividend paid	(1,858,813,167)	(1,618,189,512)	(1,858,786,137)	(1,582,201,005)
Proceeds from exercise of warrants	-	1,148,367,708	-	1,148,367,708
Net cash used in financing activities	(2,363,862,161)	(204,922,743)	(2,231,306,040)	(104,481,282)
Net increase (decrease) in cash and cash equivalents	3,984,794,737	(5,088,302,446)	3,229,345,471	(5,092,050,197)
Cash and cash equivalents as at 1 January	4,020,710,649	9,109,013,095	3,411,905,210	8,503,955,407
Cash and cash equivalents as at 31 December	8,005,505,386	4,020,710,649	6,641,250,681	3,411,905,210

Non-cash transactions

During 2011, the Company issued 200.10 million new ordinary shares at the par value of Baht 1 each, totalling Baht 200.10 million to support the conversion of Convertible Debentures. The convertible value of each debenture is Baht 14.30 and Baht 14.00 per common share, which results in a share premium totaling Baht 2,884.84 million.

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

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The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 19 February 2013

1 General information

The Bangchak Petroleum Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office : 555/1, Energy Complex Building A, Floor 10th, Vibhavadi Rangsit Road, Chatuchak, Bangkok.

Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok.

Solar power plant : 99/1 Moo 9, Bang Krasan, Bang Pa-in, Phra Nakhon Si Ayutthaya

The Company was listed on the Stock Exchange of Thailand on 23 April 1993.

The Company is a company in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 27.22 % of the Company’s issued and paid-up share capital as of 31 December 2012.

The principal businesses of the Company are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Company’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. The Company’s other businesses are production and distribution of electricity from solar cell.

Details of the Company’s subsidiaries as at 31 December 2012 and 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Direct subsidiaries</i>				
The Bangchak Green Net Co., Ltd.	Manage BCP service stations and consumer goods retailer	Thailand	49.00	49.00
The Bangchak Biofuel Co., Ltd.	Production and distribution of biodiesel	Thailand	70.00	70.00
The Bangchak Solar Energy Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00
<i>Indirect subsidiaries</i>				
The Bangchak Solar Energy (Prachinburi) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Indirect subsidiaries (continue)</i>				
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-
The Bangchak Solar Energy (Burirum) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-
The Bangchak Solar Energy (Burirum1) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-

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) and 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 and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 41.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in accounting policies.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. 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 estimates and judgements

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 estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Note 12	Valuation of investment properties
Note 17, 33	Current and deferred taxation
Note 22	Measurement of defined benefit obligations

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associate

Associate is entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group’s share of profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an equity accounted investee, the Group’s carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive an obligation or has made payments on behalf of the investee.

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 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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

(b) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that 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 Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(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

Foreign exchange forward contracts protect the Company from movements in exchange rates by establishing the rates at which foreign currency assets will be realized or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognized in the financial statements on inception. The premium or discount on the establishment of each agreement is amortized on a straight-line method over the contract period.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

Hedge of Crack Spread

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits 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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost 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.

(g) Investments

Investments in subsidiaries and associate

Investments in subsidiaries and associate in the separate financial statements of the Company are accounted for using the cost method. Investments in associate in the consolidated financial statements is accounted for using the equity method.

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.

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

(h) *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 measured 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.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

No depreciation is provided on land.

(i) *Property, plant and equipment*

Recognition and measurement

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. 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 within other income in profit or loss.

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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 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	20 - 30 years
Machinery, equipment refinery plants and terminal	2 - 30 years
Equipment solar plants	5 - 25 years
Marketing and office equipment	5 - 20 years
Vehicles	5 years

No depreciation is provided on freehold land, platinum catalyst and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leasehold right

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation and impairment losses.

(k) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and 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 based on 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, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

The right to use and the cost of development of computer software	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

(l) 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

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 in profit or loss.

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.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

(o) *Employee benefits*

Defined contribution plans

A defined contribution plan 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

The Company operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

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 Group recognises all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

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 using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

Employee Joint Investment Program (EJIP)

Obligations for contributions to Employee Joint Investment Program (EJIP) are recognised as an expense in the statement of income as incurred.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

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.

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

Income from operating right

Income from operating right is recognised in accordance with the substance of the contract.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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 at the reporting date.

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) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4 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.

Relationship with subsidiaries, associates and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT Public Company Limited	Thailand	Major shareholder, some common directors
Fuel Pipeline Transportation Limited	Thailand	Shareholding, representative from the Company as director
PTT ICT Solutions Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT International Trading Pte. Ltd.	Singapore	Major shareholder as the Company's shareholder
IRPC Plc.	Thailand	Major shareholder as the Company's shareholder
Thai Oil Plc.	Thailand	Major shareholder as the Company's shareholder
Energy Complex Co., Ltd.	Thailand	Major shareholder as the Company's shareholder

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT International Trading DMCC	Dubai	Major shareholder as the Company's shareholder
PTT Global Chemical Plc.	Thailand	Major shareholder as the Company's shareholder
Star Petroleum Refining Co.,Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT Exploration and production Plc.	Thailand	Major shareholder as the Company's shareholder
Ubon Bio Ethanol Co., Ltd.	Thailand	Associate, Shareholding 21.28 %
NPC Safety and Environmental Service Co., Ltd.	Thailand	Related Company of Major Shareholder
Thai Lube Base Plc.	Thailand	Related Company of Major Shareholder
Thai Oleochemicals Co., Ltd.	Thailand	Related Company of Major Shareholder
IRPC Oil Company., Ltd.	Thailand	Related Company of Major Shareholder
PTTEP Siam Co., Ltd.	Thailand	Related Company of Major Shareholder
Ubon Agricultural Energy Co., Ltd	Thailand	Subsidiary of the Company's associate, representative from the Company as director
Thaioil Energy Services Co., Ltd	Thailand	Related Company of Major Shareholder
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	Market price/ Contractually agreed prices
Rendering of service	Contractually agreed prices
Purchase of goods/raw materials	Market price/ Contractually agreed prices
Receiving of services	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Royalty expense	Contractually agreed prices

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Significant transactions for the years ended 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Major Shareholder				
Sales of goods	15,473.17	20,623.23	15,147.86	20,394.68
Purchases of raw material	105,821.23	110,518.53	105,819.69	110,518.43
Other income	128.10	123.56	128.10	123.56
Service expense	291.64	232.61	291.64	232.61
Interest expense	-	1.44	-	1.44
Other expense	29.30	2.26	29.24	2.26
Subsidiaries				
Sales of goods	-	-	24,900.88	20,624.38
Purchases of goods	-	-	3,068.85	1,965.22
Other income	-	-	23.47	21.94
Dividend income	-	-	-	83.93
Interest expenses	-	-	0.75	0.73
Other expenses	-	-	21.03	21.41
Associate				
Sales of goods	8.87	5.00	8.87	5.00
Other income	1.62	0.66	1.62	0.66
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	114.27	101.95	114.19	101.86
Post-employment benefits and other long-term benefits	6.49	5.46	6.49	5.46
Total key management personnel compensation	120.76	107.41	120.68	107.32
Other related parties				
Sale of goods	624.14	478.79	624.14	392.16
Purchases of raw material and product	21,307.40	11,574.46	21,307.40	11,574.46
Other income	17.62	22.14	17.62	22.14
Dividend income	2.85	-	2.85	-
Pipeline transportation expenses	182.99	136.47	182.99	136.47
Other expenses	41.09	67.36	41.09	67.36

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Balances as at 31 December with related parties were as follows:

<i>Notes</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Trade accounts receivable - related parties				
Major Shareholder				
PTT Plc.	1,453.38	1,665.43	1,433.00	1,595.75
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	907.75	689.75
The Bangchak Biofuel Co., Ltd.	-	-	8.01	11.37
Associate				
Ubun Agricultural Energy Co., Ltd	-	2.30	-	2.30
Other related parties				
Thai Oil Plc.	-	0.48	-	0.48
PTT International Trading Pte. Ltd.	-	37.28	-	37.28
PTT International Trading DMCC	-	120.55	-	120.55
PTT Global Chemical Plc.	-	0.41	-	0.41
Star Petroleum Refining Co.,Ltd.	-	11.56	-	11.56
Fuel Pipeline Transportation Limited	2.03	0.98	2.03	0.98
	<u>1,455.41</u>	<u>1,838.99</u>	<u>2,350.79</u>	<u>2,470.43</u>
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	<u>1,455.41</u>	<u>1,838.99</u>	<u>2,350.79</u>	<u>2,470.43</u>
Bad and doubtful debts expense for the year	-	-	-	-
Other receivables – related parties				
Major Shareholder				
PTT Plc.	8	314.62	129.06	314.62
Subsidiary				
The Bangchak Solar Energy Co., Ltd.	-	-	1.25	-
Associate				
Ubun Bio Ethanol Co., Ltd.	-	0.27	0.13	0.13
Total	<u>314.89</u>	<u>129.19</u>	<u>316.14</u>	<u>129.19</u>
Trade accounts payable - related parties				
Major Shareholder				
PTT Plc.	12,035.84	7,698.21	12,034.19	7,698.21
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	2.16	9.45
The Bangchak Biofuel Co., Ltd.	-	-	93.25	87.62
The Bangchak Solar Energy Co., Ltd.	-	-	2.14	-
Other related parties				
Thai Oil Plc.	491.61	181.83	491.61	181.83
Thai Lube Base Plc.	3.04	1.95	3.04	1.95
Total	<u>12,530.49</u>	<u>7,881.99</u>	<u>12,626.39</u>	<u>7,979.06</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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<i>Notes</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Other accounts payable - related parties</i>				
Major Shareholder				
PTT Plc.	707.13	411.20	707.13	411.20
Subsidiary				
The Bangchak Solar Energy Co., Ltd.	-	-	-	1.38
Other related parties				
Fuel Pipeline Transportation Limited	21.02	15.90	21.02	15.90
Energy Complex Co., Ltd.	0.06	0.06	0.06	0.06
PTT ICT Solutions Co., Ltd.	0.01	0.01	0.01	0.01
Total	<u>728.22</u>	<u>427.17</u>	<u>728.22</u>	<u>428.55</u>
<i>Investment in Subsidiaries</i>				
The Bangchak Green Net Co., Ltd.	-	-	0.49	0.49
The Bangchak Biofuel Co., Ltd.	-	-	197.05	197.05
The Bangchak Solar Energy Co., Ltd.	-	-	1,537.50	150.00
Total	<u>-</u>	<u>-</u>	<u>1,735.04</u>	<u>347.54</u>
<i>Investment in Associate</i>				
Ubon Bio Ethanol Co., Ltd.	<u>722.89</u>	<u>745.48</u>	<u>763.23</u>	<u>763.23</u>
<i>Other non-current assets</i>				
Other related party				
Fuel Pipeline Transportation Limited	33.23	99.35	33.23	99.35
Less allowance for doubtful accounts	<u>(29.82)</u>	<u>(87.35)</u>	<u>(29.82)</u>	<u>(87.35)</u>
	<u>3.41</u>	<u>12.00</u>	<u>3.41</u>	<u>12.00</u>
Energy Complex Co., Ltd.	<u>4.75</u>	<u>4.51</u>	<u>4.75</u>	<u>4.51</u>
Net	<u>8.16</u>	<u>16.51</u>	<u>8.16</u>	<u>16.51</u>
<i>Other current liabilities</i>				
Subsidiary				
The Bangchak Green Net Co., Ltd.	<u>-</u>	<u>-</u>	<u>27.97</u>	<u>27.23</u>
<i>Other non-current liabilities</i>				
Other related party				
Fuel Pipeline Transportation Limited	<u>4.87</u>	<u>5.35</u>	<u>4.87</u>	<u>5.35</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Other non-current assets - Fuel Pipeline Transportation Limited

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated 14 June 1996. Subsequently, the Company, together with the other FPT creditors agreed on 3 March 1999 to restructure the FPT's loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million. On 30 April 1999, Baht 48.75 million was converted to capital stock (preferred stock) with remaining loan outstanding totalling Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate of MLR-2%) will be paid on a monthly basis. Subsequently, FPT was able to repay some parts of the loan, however, due to financial difficulties it could not comply with the agreed terms. An amendment to the original agreement was made on 28 March 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number of 153 periods, with the first payment made on 30 April 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from 29 March 2002. The difference in the interest shall be established as a receivable in a suspense account which will be written-off provided FPT complies with the agreement, without default, over a three-year consecutive period.

On 29 December 2009, the Company and other FPT creditors had additionally amended the restructuring agreement to comply with FPT's ability to pay debt. The Company and other FPT creditors agreed to give up interest receivable and changed repayment schedule as stipulated in the restructuring agreement without additional debt relief.

On 21 September 2012, the Central Bankruptcy Court approved the FPT's restructuring plan including the reduction in the number of shares, capital reduction and conversion of debt to equity. As a result, the Company's percentage of holding in FPT decreased from 11.40% (calculated from the Preference shares totalling 1,817,547 shares, Baht 100 each amounting to Baht 181,754,700) to 5.07% (calculated from the ordinary shares after restructuring totalling 1,413,148 shares, Baht 5 each amounting to Baht 7,065,740). The Company has adjusted the previous investment cost and reversed the allowance for impairment in previous investment to new investment cost after restructuring.

In addition, FPT's restructuring plan also involved a write-off of the loan made to FPT by the Company from Baht 99.35 million to Baht 37.86 million. The Company is entitled to receive monthly instalments payment for a period of 10 years at the interest rate calculated at MLR minus discount. During the period from the Central Bankruptcy Court order until 31 December 2012, the Company received loan repayment from FPT amounting to Baht 4.63 million. However, the Company still provides allowance for doubtful accounts to loan to FPT equivalent to the loan receivable in the following years. The Company will review the adequacy of the allowance subsequently at each financial year-end.

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

During 1997, the Company entered into a fuel pipeline transportation agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Feedstock Supply Agreement

During 2006, the Company entered into Feedstock Supply Agreement, to enhance the Company's feedstock supply, whereby the major shareholder will supply crude oil and other feedstocks for the refinery process commencing from 16 May 2006 and shall be in effect for a period of twelve years after PQI's commercial operation date.

Crude Oil Supply and Oil-Products Sales and Purchase Agreement

During 2006, the Company entered into Sale and Purchase Agreement with the major shareholder, to accommodate the additional Gasoline production outputs from the PQI project after commercial operation date. The major shareholder will purchase minimum level of 30% of refined petroleum products (not include aviation fuel and fuel oil) from the refinery. This agreement shall be in effect for a period of twelve years after PQI's commercial operation date.

Since 2007, the Company has entered into five oil products purchase agreements with related companies. The related companies will provide oil products at quantities and prices as stipulated in the agreement. The agreement has no specified expiry date and can be terminated by either party by giving at least 90 days written notice for termination to the other party.

Bio-diesel Sales and Purchase Agreement

During 2008, the Company entered into a Bio-diesel Sales and Purchase Agreement with a subsidiary for a period of seven years to start from the commencement of the Bio-diesel Plant's commercial operations (currently, under construction). The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the market prices as stipulated in the agreement

Gas Sales and Purchase Agreement

During 2008, the Company entered into Gas Sales and Purchase Agreement with the major shareholder for the refinery process for a period of ten years commencing on the first date of Gas delivery by the major shareholder and the Company receive this gas with the service fee as stipulated in the agreement.

Service Station Operating Right Agreement

During 2010, the Company entered into Service Station Operating Right Agreement which include the right to operate within service station with a subsidiary for a period of three years. The subsidiary agreed to pay the fee at agreed prices as stipulated in the agreement. For mutual interest under the agreement, the subsidiary agreed to purchase the finish oil products at contractually agreed prices.

Store Operation Right Agreement

During 2010, the Company entered into Store Operation Right Agreement with a subsidiary for a period of three years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices as stipulated in the agreement.

Cogeneration Purchase and Sale Agreement

On 25 February 2008, the Company entered into Cogeneration Project Agreement with the major shareholder under which the major shareholder invested in the construction of a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. It started its commercial operation in June 2010. The volume and market prices are as stipulated in the agreement.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Petroleum and Gas Tank Storage Service Agreement

The Company entered into Petroleum and Gas Tank Storage Service Agreement with the major shareholder for a period of 15 years from 1 January 2009 to 31 December 2023 with the service fee as stipulated in the agreement.

Office Rental and Service Agreements

The Company entered into office rental and service agreements with a related company for a period of 3 years commencing from 1 October 2012 to 30 September 2015 and with a renewable option for another period of 3 years. Office rental fees and conditions are as stipulated in the agreement.

Establishment and Management Service Agreement for NGV Service Station

The Company entered into establishment and management service agreement for NGV service station with the major shareholder. The major shareholder has the right to utilise the lands and/or lands with building. The Company will receive the fee for land utilisation and management fee for service station as stipulated in the agreements. Establishment agreements shall be in effect for a period of 8 – 23 years which will be expired between 2016 - 2031. Management service agreement for service station shall be effect for 1 year which will be annually reviewed.

Management Service Agreement for Electricity Generation from Solar Cell

The Company entered into management service agreement with a subsidiary for managing and producing electricity from solar cell and green energy learning center for a period of 5 years commencing from 1 August 2012 to 31 July 2017. The Company agreed to pay the fee on monthly basis. Management service fees and conditions are as stipulated in the agreement.

Management Service

The Company entered into management service agreement with subsidiary for general management service. The Company agreed to provide human resources to manage operation process in accordance with subsidiary' direction. Management service fees and conditions are as stipulated in the agreement.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Cash on hand	44.04	29.92	1.58	1.63
Cash at banks - current accounts	955.51	679.76	659.97	546.34
Cash at banks - savings accounts	6,805.96	2,811.03	5,979.70	2,463.94
Highly liquid short-term investments	200.00	500.00	-	400.00
Total	<u>8,005.51</u>	<u>4,020.71</u>	<u>6,641.25</u>	<u>3,411.91</u>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB)	7,764.92	3,977.05	6,400.66	3,368.25
United States Dollars (USD)	239.88	42.75	239.88	42.75
Others	0.71	0.91	0.71	0.91
Total	<u>8,005.51</u>	<u>4,020.71</u>	<u>6,641.25</u>	<u>3,411.91</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

6 Investments

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Current investment</i>				
Short-term deposits at financial institutions	13.12	9.82	-	-
	13.12	9.82	-	-
<i>Other long-term investments</i>				
Non-marketable equity securities				
Fuel Pipeline Transportation Limited	7.07	181.75	7.07	181.75
Less Allowance for impairment	-	(181.75)	-	(181.75)
ASEAN Potash Mining Plc.	173.24	173.24	173.24	173.24
MFC Energy Fund	126.22	126.22	126.22	126.22
Less Allowance for impairment	(15.07)	(17.90)	(15.07)	(17.90)
Non-marketable equity securities - net	291.46	281.56	291.46	281.56
Debt securities held to maturity				
Government bonds	3.00	3.00	3.00	3.00
Add: Premium on investments	0.05	0.09	0.05	0.09
Debt securities held to maturity - net	3.05	3.09	3.05	3.09
Other long-term investments	294.51	284.65	294.51	284.65
Total	307.63	294.47	294.51	284.65

Fuel Pipeline Transportation Limited was proceeded with rehabilitation plan as explained in note 4.

7 Trade accounts receivable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
Related parties	4	1,455.41	1,838.99	2,350.79	2,470.43
Other parties		6,329.15	6,286.14	6,263.09	6,247.96
		7,784.56	8,125.13	8,613.88	8,718.39
Less allowance for doubtful accounts		(47.24)	(52.81)	(47.13)	(50.42)
Net		7,737.32	8,072.32	8,566.75	8,667.97
(Reversal of) bad and doubtful debts expense for the year		(0.28)	11.85	0.10	12.33

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	1,455.41	1,838.99	2,350.79	2,470.43
Less allowance for doubtful accounts	-	-	-	-
Net	<u>1,455.41</u>	<u>1,838.99</u>	<u>2,350.79</u>	<u>2,470.43</u>
Other parties				
Within credit terms	6,197.12	6,169.90	6,132.44	6,137.64
Overdue:				
Less than 3 months	78.64	62.52	77.41	58.91
3-6 months	6.42	1.58	6.37	1.45
6-12 months	0.09	0.03	0.06	0.03
Over 12 months	46.88	52.11	46.81	49.93
	<u>6,329.15</u>	<u>6,286.14</u>	<u>6,263.09</u>	<u>6,247.96</u>
Less allowance for doubtful accounts	(47.24)	(52.81)	(47.13)	(50.42)
Net	<u>6,281.91</u>	<u>6,233.33</u>	<u>6,215.96</u>	<u>6,197.54</u>
Total	<u>7,737.32</u>	<u>8,072.32</u>	<u>8,566.75</u>	<u>8,667.97</u>

The normal credit term granted by the Group ranges from 19 days to 60 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB)	5,911.22	6,370.05	6,740.65	6,965.70
United States Dollars (USD)	1,826.10	1,702.27	1,826.10	1,702.27
Total	<u>7,737.32</u>	<u>8,072.32</u>	<u>8,566.75</u>	<u>8,667.97</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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8 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
Related parties	4	314.89	129.19	316.14	129.19
Other parties					
Receivable from oil hedging contracts		227.59	141.83	227.59	141.83
Insurance compensation receivable		310.00	-	310.00	-
Prepaid expenses		247.60	83.63	239.50	79.44
Others		58.32	45.87	39.58	28.12
Total		1,158.40	400.52	1,132.81	378.57

Majority of other receivables - related party amounting to Baht 314.62 million (2011 : 129.06) is prepayment of utilities – net for steam and electricity which the Company has provided an allowance for the quantity which is not expected to be utilized in accordance with the contract's terms and is under negotiation with the contractor.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Crude oil	11,453.82	10,113.46	11,342.50	10,011.41
Finished oil products	7,167.68	6,066.21	6,775.86	5,713.11
Materials and supplies	602.59	524.56	594.92	518.28
Consumer products	51.19	52.54	-	-
	19,275.28	16,756.77	18,713.28	16,242.80
<i>Less: allowance for obsolete and slow moving</i>	(100.15)	(98.54)	(99.29)	(97.70)
Net	19,175.13	16,658.23	18,613.99	16,145.10

As at 31 December 2012 and 2011, the Company's inventories included petroleum legal reserve of 462.16 million litres with approximated value of Baht 10,049.48 million and 464.64 million litres with approximated value of Baht 10,251.36 million, respectively.

The cost of inventories which is recognised as an expense and included in 'cost of sale of goods' for the year ended 31 December 2012 amounted to Baht 97,508.48 million (2011: Baht 104,211.41 million).

10 Investments in subsidiaries

	Separate financial statements	
	2012	2011
	<i>(in million Baht)</i>	
<i>Subsidiaries</i>		
At 1 January	347.54	197.54
Acquisitions	1,387.50	150.00
At 31 December	1,735.04	347.54

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income for the years then ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)		<i>(in million Baht)</i>									
<i>Subsidiaries</i>												
The Bangchak Green Net Co., Ltd.	49.00	49.00	1.00	1.00	0.49	0.49	-	-	0.49	0.49	-	-
The Bangchak Biofuel Co., Ltd.	70.00	70.00	281.50	281.50	197.05	197.05	-	-	197.05	197.05	-	83.93
The Bangchak Solar Energy Co., Ltd.	100.00	100.00	1,537.50	150.00	<u>1,537.50</u>	<u>150.00</u>	<u>-</u>	<u>-</u>	<u>1,537.50</u>	<u>150.00</u>	<u>-</u>	<u>-</u>
Total					<u>1,735.04</u>	<u>347.54</u>	<u>-</u>	<u>-</u>	<u>1,735.04</u>	<u>347.54</u>	<u>-</u>	<u>83.93</u>

All subsidiaries were incorporated in Thailand

Increase of investment in subsidiary

At the Annual General Meeting of The Shareholders of the Bangchak Solar Energy Co., Ltd, held on 30 April 2012, the shareholders approved the increase of registered share capital from Baht 150 million (divided into 1.5 million shares at par value of Bath 100) to Baht 2,000 million (divided into 20 million shares at par value of Baht 100) of which such company called up 75% of new registered share capital of Baht 75 per share, totalling Baht 1,387.50 million.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

11 Investments in associate

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Associate				
At 1 January	745.48	-	763.23	-
Acquisition	-	763.23	-	763.23
Share of net loss of equity- accounted associate	(22.59)	(17.75)	-	-
At 31 December	<u>722.89</u>	<u>745.48</u>	<u>763.23</u>	<u>763.23</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in associate as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements												Dividend income	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)													
Associate														
Ubon Bio Ethanol Co., Ltd.	21.28	21.28	2,740.00	2,740.00	<u>763.23</u>	<u>763.23</u>	<u>722.89</u>	<u>745.48</u>	-	-	<u>722.89</u>	<u>745.48</u>	-	-
Total					<u>763.23</u>	<u>763.23</u>	<u>722.89</u>	<u>745.48</u>	<u>-</u>	<u>-</u>	<u>722.89</u>	<u>745.48</u>	<u>-</u>	<u>-</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At equity - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)											
Associate												
Ubon Bio Ethanol Co., Ltd.	21.28	21.28	2,740.00	2,740.00	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>
Total					<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>

Associate was incorporated in Thailand.

None of the Company's equity-accounted investees are publicly listed and consequently do not have published price quotations.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Investment Properties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Cost</i>				
At 1 January	<u>459.34</u>	<u>459.34</u>	<u>459.34</u>	<u>459.34</u>
At 31 December	<u>459.34</u>	<u>459.34</u>	<u>459.34</u>	<u>459.34</u>
<i>Depreciation and impairment losses</i>				
At 1 January	<u>(171.28)</u>	<u>(171.28)</u>	<u>(171.28)</u>	<u>(171.28)</u>
Reversal of impairment losses	<u>171.28</u>	<u>-</u>	<u>171.28</u>	<u>-</u>
At 31 December	<u>-</u>	<u>(171.28)</u>	<u>-</u>	<u>(171.28)</u>
<i>Net book value</i>				
At 1 January	<u>288.06</u>	<u>288.06</u>	<u>288.06</u>	<u>288.06</u>
At 31 December	<u>459.34</u>	<u>288.06</u>	<u>459.34</u>	<u>288.06</u>

Investment properties were revalued as at 31 December 2012 by an independent professional valuer, at open market price with appraised value totalling Baht 598.72 million which was higher than cost. Consequently, the Company has reversed impairment losses totalling Baht 171.28 million (2011: 288.06 appraised value by Department of Land).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

13 Property, plant and equipment

(a) The Group

	Consolidated financial statements								
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	Total
<i>Cost</i>									
At 1 January 2011	914.07	787.46	30,235.89	-	4,058.14	312.56	169.80	940.41	37,418.33
Additions	82.77	1.06	1.44	-	4.59	-	2.47	5,173.19	5,265.52
Transfers	0.08	44.09	2,375.63	743.71	165.60	-	17.41	(3,344.56)	1.96
Disposals	-	(22.66)	(317.83)	-	(155.75)	(69.76)	(8.08)	-	(574.08)
At 31 December 2011 and 1 January 2012	996.92	809.95	32,295.13	743.71	4,072.58	242.80	181.60	2,769.04	42,111.73
Additions	106.19	1.07	53.54	-	4.19	-	4.13	5,159.87	5,328.99
Transfers	132.15	136.72	2,219.35	2,777.18	258.77	(3.54)	26.60	(5,643.83)	(96.60)
Disposals	-	(2.85)	(523.21)	-	(61.22)	-	-	-	(587.28)
At 31 December 2012	1,235.26	944.89	34,044.81	3,520.89	4,274.32	239.26	212.33	2,285.08	46,756.84
<i>Depreciation and impairment losses</i>									
At 1 January 2011	(255.60)	(410.31)	(10,355.12)	-	(2,726.45)	-	(104.93)	-	(13,852.41)
Depreciation charge for the year	-	(31.58)	(1,571.79)	(12.40)	(268.63)	-	(18.39)	-	(1,902.79)
(Loss) Reversal of impairment losses	241.54	-	(16.00)	(97.77)	28.34	-	-	-	156.11
Disposals	-	19.34	289.13	-	130.41	-	7.74	-	446.62
At 31 December 2011 and 1 January 2012	(14.06)	(422.55)	(11,653.78)	(110.17)	(2,836.33)	-	(115.58)	-	(15,152.47)
Depreciation charge for the year	-	(37.38)	(1,859.71)	(83.73)	(283.10)	-	(23.24)	-	(2,287.16)
(Loss) Reversal of impairment losses	-	-	(0.65)	97.77	6.65	-	-	-	103.77
Disposals	-	1.36	440.13	-	56.92	-	-	-	498.41
At 31 December 2012	(14.06)	(458.57)	(13,074.01)	(96.13)	(3,055.86)	-	(138.82)	-	(16,837.45)

The Bangkok Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated financial statements								Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	
Net book value									
At 1 January 2011	<u>658.47</u>	<u>377.15</u>	<u>19,880.77</u>	<u>-</u>	<u>1,331.69</u>	<u>312.56</u>	<u>64.87</u>	<u>940.41</u>	<u>23,565.92</u>
At 31 December 2011 and 1 January 2012	<u>982.86</u>	<u>387.40</u>	<u>20,641.35</u>	<u>633.54</u>	<u>1,236.25</u>	<u>242.80</u>	<u>66.02</u>	<u>2,769.04</u>	<u>26,959.26</u>
At 31 December 2012	<u>1,221.20</u>	<u>486.32</u>	<u>20,970.80</u>	<u>3,424.76</u>	<u>1,218.46</u>	<u>239.26</u>	<u>73.51</u>	<u>2,285.08</u>	<u>29,919.39</u>

As at 31 December 2012, a subsidiary has mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 792.90 million (2011: Baht 760.55 million).

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 104.50 million (2011: Baht 132.33 million), with a capitalization rate of 4.22-5.60% (2011: 5.0-6.1%) (see note 32).

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 2,767.31 million (2011: Baht 2,070.11 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

(b) The Company

	Separate financial statements								Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	
Cost									
At 1 January 2011	868.19	569.82	29,658.04	-	4,019.42	312.57	155.99	920.15	36,504.18
Additions	-	-	-	-	-	-	-	5,145.39	5,145.39
Transfers	0.08	44.06	2,356.24	743.71	165.60	-	17.41	(3,325.14)	1.96
Disposals	-	(22.66)	(317.83)	-	(152.88)	(69.76)	(7.37)	-	(570.50)
At 31 December 2011 and 1 January 2012	868.27	591.22	31,696.45	743.71	4,032.14	242.81	166.03	2,740.40	41,081.03
Additions	-	-	52.94	-	-	-	-	3,907.05	3,959.99
Transfers	132.15	105.51	2,164.04	2,777.18	258.74	(3.54)	26.60	(5,554.47)	(93.79)
Disposals	-	(2.76)	(521.88)	-	(56.19)	-	-	-	(580.83)
At 31 December 2012	1,000.42	693.97	33,391.55	3,520.89	4,234.69	239.27	192.63	1,092.98	44,366.40
Depreciation and impairment losses									
At 1 January 2011	(255.60)	(398.18)	(10,317.50)	-	(2,697.40)	-	(99.99)	-	(13,768.67)
Depreciation charge for the year	-	(20.65)	(1,536.23)	(12.40)	(265.16)	-	(15.83)	-	(1,850.27)
(Loss) Reversal of impairment losses	241.54	-	(16.00)	(97.77)	28.34	-	-	-	156.11
Disposals	-	19.34	289.13	-	127.58	-	7.37	-	443.42
At 31 December 2011 and 1 January 2012	(14.06)	(399.49)	(11,580.60)	(110.17)	(2,806.64)	-	(108.45)	-	(15,019.41)
Depreciation charge for the year	-	(24.96)	(1,820.45)	(83.73)	(279.19)	-	(19.90)	-	(2,228.23)
(Loss) Reversal of impairment losses	-	-	(0.65)	97.77	6.65	-	-	-	103.77
Disposals	-	1.35	439.79	-	51.92	-	-	-	493.06
At 31 December 2012	(14.06)	(423.10)	(12,961.91)	(96.13)	(3,027.26)	-	(128.35)	-	(16,650.81)

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	Separate financial statements								
	Land	buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Construction work in progress	Total
<i>Net book value</i>									
At 1 January 2011	<u>612.59</u>	<u>171.64</u>	<u>19,340.54</u>	<u>-</u>	<u>1,322.02</u>	<u>312.57</u>	<u>56.00</u>	<u>920.15</u>	<u>22,735.51</u>
At 31 December 2011 and 1 January 2012	<u>854.21</u>	<u>191.73</u>	<u>20,115.85</u>	<u>633.54</u>	<u>1,225.50</u>	<u>242.81</u>	<u>57.58</u>	<u>2,740.40</u>	<u>26,061.62</u>
At 31 December 2012	<u>986.36</u>	<u>270.87</u>	<u>20,429.64</u>	<u>3,424.76</u>	<u>1,207.43</u>	<u>239.27</u>	<u>64.28</u>	<u>1,092.98</u>	<u>27,715.59</u>

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 104.15 million (2011: Baht 132.33 million), with a capitalization rate of 4.22 – 5.60% (2011: 5.00 – 6.10%) (see note 32).

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 2,746.70 million (2011: Baht 2,046.41 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Leasehold Rights

	Consolidated and Separate financial statements <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2011	2,170.91
Addition	73.50
Transfers	(1.20)
Disposals	(1.16)
At 31 December 2011 and 1 January 2012	2,242.05
Addition	217.06
Transfers	(10.52)
Disposals	(3.00)
At 31 December 2012	2,445.59
<i>Amortisation and impairment losses</i>	
At 1 January 2011	(1,216.89)
Amortisation charge for the year	(91.04)
Disposals	0.37
Reversal of impairment losses	2.89
At 31 December 2011 and 1 January 2012	(1,304.67)
Amortisation charge for the year	(96.42)
Disposals	2.45
Reversal of impairment losses	1.70
At 31 December 2012	(1,396.94)
<i>Net book value</i>	
At 1 January 2011	954.02
At 31 December 2011 and 1 January 2012	937.38
At 31 December 2012	1,048.65

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 551.63 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. The annually instalments of the leasehold fee are as followed;

Period	<i>(in million Baht)</i>
The year 2007 - 2009	137.90
The year 2010 - 2012	183.88
The year 2013 - 2015	229.85
	551.63

As at 31 December 2012, leasehold right liability has remaining balance totalling Baht 229.85 million (2011: Baht 291.14 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Intangible assets

	Right to use and cost of development of computer software	
	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Cost</i>		
At 1 January 2011	197.02	193.92
Addition	53.06	52.84
At 31 December 2011 and 1 January 2012	250.08	246.76
Addition	64.10	63.48
At 31 December 2012	314.18	310.24
<i>Amortisation and impairment losses</i>		
At 1 January 2011	(122.29)	(120.05)
Amortisation for the year	(26.65)	(26.16)
At 31 December 2011 and 1 January 2012	(148.94)	(146.21)
Amortisation for the year	(18.14)	(17.73)
At 31 December 2012	(167.08)	(163.94)
<i>Net book value</i>		
At 1 January 2011	74.73	73.87
At 31 December 2011 and 1 January 2012	101.14	100.55
At 31 December 2012	147.10	146.30

16 Investment in oil service stations

The investments in oil service stations comprise oil service station expansion under various business approaches. The Company may invest directly or may grant others the right to operate or enter into a joint venture agreement, or with investment made by the operator and the Company providing support.

As at 31 December 2012, the balances outstanding in the investment in service stations account total Baht 174.51 million (2011: Baht 180.35 million). The Company amortised the investment in service stations on a straight-line basis over the term of the agreement. Amortisation charge for the year ended 31 December 2012 total Baht 45.00 million (2011: Baht 49.02 million).

17 Deferred tax

Deferred tax assets and liabilities as at 31 December 2012 and 2011 were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Total	376.91	179.07	(189.80)	(6.87)
Set off of tax	(189.80)	(6.87)	189.80	6.87
Net deferred tax assets	187.11	172.20	-	-

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Total	374.47	179.07	(189.80)	(6.87)
Set off of tax	(189.80)	(6.87)	189.80	6.87
Net deferred tax assets	184.67	172.20	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements		
	<i>(Charged) / credited to</i>		
	At 1 January 2012	Statement of income (Note 33)	At 31 December 2012
	<i>(in million Baht)</i>		
<i>Deferred tax assets</i>			
Employee benefit obligation	168.99	29.77	198.76
Property, plant and equipment	-	71.83	71.83
Loss from impairment of assets and others	10.08	96.24	106.32
Total	179.07	197.84	376.91
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(6.87)	(119.52)	(126.39)
Leasehold rights	-	(1.41)	(1.41)
Other receivables	-	(62.00)	(62.00)
Total	(6.87)	(182.93)	(189.80)
Net	172.20	14.91	187.11

	Separate financial statements		
	<i>(Charged) / credited to</i>		
	At 1 January 2012	Statement of income (Note 33)	At 31 December 2012
	<i>(in million Baht)</i>		
<i>Deferred tax assets</i>			
Employee benefit obligation	168.99	27.57	196.56
Property, plant and equipment	-	71.83	71.83
Loss from impairment of assets and others	10.08	96.00	106.08
Total	179.07	195.40	374.47
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(6.87)	(119.52)	(126.39)
Leasehold rights	-	(1.41)	(1.41)
Other receivables	-	(62.00)	(62.00)
Total	(6.87)	(182.93)	(189.80)
Net	172.20	12.47	184.67

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated and Separate financial statements		
	(Charged) / credited to		
	At 1 January 2011	Statement of income (Note 33) (in million Baht)	At 31 December 2011
<i>Deferred tax assets</i>			
Employee benefit obligation	221.35	(52.36)	168.99
Others	21.19	(11.11)	10.08
Total	242.54	(63.47)	179.07
<i>Deferred tax liability</i>			
Property, plant and equipment	(13.09)	6.22	(6.87)
Total	(13.09)	6.22	(6.87)
Net	229.45	(57.25)	172.20

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in million Baht)			
Fixed deposit for staff welfare	415.21	376.71	415.21	376.71
Deferred expenses for the issuance of debentures and long-term loans	187.56	172.34	150.99	167.86
Others	189.75	84.59	188.17	83.92
Total	792.52	633.64	754.37	628.49

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Current				
Short-term loans from financial institutions unsecured	-	2,000.00	-	2,000.00
	<u>-</u>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
Current portion of long-term loans from financial institutions				
secured	119.70	101.36	-	-
unsecured	890.15	450.00	890.15	450.00
	<u>1,009.85</u>	<u>551.36</u>	<u>890.15</u>	<u>450.00</u>
Total Current	<u>1,009.85</u>	<u>2,551.36</u>	<u>890.15</u>	<u>2,450.00</u>
Non-current				
Long -term loans from financial institutions				
secured	336.23	458.17	-	-
unsecured	14,681.85	15,572.00	14,681.85	15,572.00
	<u>15,018.08</u>	<u>16,030.17</u>	<u>14,681.85</u>	<u>15,572.00</u>
Debenture unsecured	2,995.01	-	2,995.01	-
	<u>2,995.01</u>	<u>-</u>	<u>2,995.01</u>	<u>-</u>
Total Non-current	<u>18,013.09</u>	<u>16,030.17</u>	<u>17,676.86</u>	<u>15,572.00</u>
Total	<u>19,022.94</u>	<u>18,581.53</u>	<u>18,567.01</u>	<u>18,022.00</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Details of the Group's loans from financial institutions as at 31 December were as follows:

	Facilities		Interest	Repayment Terms	Consolidated financial statements		Separate financial statements	
	Currency	(in million)	Interest Rates (%) p.a.		2012	2011	2012	2011
<i>Short-term loans from financial institutions</i>								
The Company	Baht	13,255	MMR	Payable in accordance with terms in Promissory note	-	2,000.00	-	2,000.00
Total					<u>-</u>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
<i>Long-term loans from financial institutions</i>								
The Company	Baht	9,000	THBFIX 6M plus a margin	The principle will be repayable in 20 instalments commencing in June 2011	8,380.00	8,690.00	8,380.00	8,690.00
The Company	Baht	4,200	Fixed Interest Rate	The principle will be repayable in 26 instalments commencing in March 2013	3,902.00	3,902.00	3,902.00	3,902.00
The Company	Baht	3,500	THBFIX 6M plus a margin	The principle will be repayable in 23 instalments commencing in December 2011	3,290.00	3,430.00	3,290.00	3,430.00
Subsidiary	Baht	710	Six-month fixed deposit corporate rate plus a margin	The principle will be repayable in 24 instalments commencing in June 2010	455.93	559.53	-	-
Subsidiary	Baht	1,508	THBFIX 6M plus a margin	The principle will be repayable in 20-34 instalments commencing in August 2013	-	-	-	-
Subsidiary	USD	12	Fixed Interest Rate	The principle will be repayable in 34 instalments commencing in August 2013	-	-	-	-
Total					<u>16,027.93</u>	<u>16,581.53</u>	<u>15,572.00</u>	<u>16,022.00</u>
<i>Less: Current portion</i>					(1,009.85)	(551.36)	(890.15)	(450.00)
Net					<u>15,018.08</u>	<u>16,030.17</u>	<u>14,681.85</u>	<u>15,572.00</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

On 4 and 24 January 2011, the Company repaid a long-term loan totaling Baht 4,141.45 million from the total long-term loan outstanding of Baht 13,141.45 million. Subsequently on 26 January 2011, the Company entered into a debt refinancing agreement with a consortium of four local financial institutions for a long-term loan totaling Baht 9,000 million bearing interest at a rate referenced to THBFIX of 6 months plus margin. The Company is required to comply with certain conditions under the debt refinancing agreement and maintain certain financial ratios as specified in the agreement.

On 1 November 2011, a subsidiary signed an amendment to the loan contract from a financial institution to amend the loan interest rate from term loans to six-month fixed deposit corporate rate plus a margin.

The loan agreements contain certain conditions and restrictions such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio.

As at 31 December 2012, the Group and the Company had unutilised credit facilities totalling Baht 15,406 million and Baht 13,255 million, respectively (*2011: Baht 11,423 million and Baht 11,203 million, respectively*).

The Company entered into a sponsor support agreement with a subsidiary under the conditions as stipulated in the loan agreement with a financial institution to provide support in the event that the subsidiary cannot repay the loan in accordance with loan schedule which has a minimum facility of Baht 400 million. In case a subsidiary cannot find insurance protection for flood, the Company is responsible to repair subsidiary's power plant to normal condition.

Debentures

As at 30 April 2012, the Company issued 7- year term debentures with a value totaling Baht 2,000 million, bearing interest at the rate of 4.92 % per annum and maturing on 30 April 2019, and 10 - year term debentures with a value totaling Baht 1,000 million, bearing interest at the rate of 5.35 % per annum and maturing on 30 April 2022. Both debenture issues totaling Baht 3,000 million are named-registered, unsubordinated, unsecured and no bond holder representative with a face value of Baht 1,000 each with interest payment dates on 30 June and 30 December.

In connection with the terms of the rights and responsibilities of the debentures issuer, the company, as the issuer, has to comply with certain restrictions and conditions as stipulated therein, such as maintaining certain financial ratios etc.

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Within one year	1,009.85	2,551.36	890.15	2,450.00
After one year but within five years	5,776.85	5,058.79	5,440.62	4,600.62
After five years	12,236.24	10,971.38	12,236.24	10,971.38
Total	19,022.94	18,581.53	18,567.01	18,022.00

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

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	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Property, plant and equipment	792.90	760.55	-	-
Total	792.90	760.55	-	-

Interest-bearing liabilities of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

20 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in million Baht)</i>			
Related parties	4	12,530.49	7,881.99	12,626.39	7,979.06
Other parties		1,169.30	876.52	816.08	637.81
Total		13,699.79	8,758.51	13,442.47	8,616.87

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB)	13,589.18	8,758.51	13,331.86	8,616.87
United States Dollars (USD)	110.61	-	110.61	-
Total	13,699.79	8,758.51	13,442.47	8,616.87

21 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in million Baht)</i>			
Related parties	4	728.22	427.17	728.22	428.55
Other parties					
Accrued expenses		919.83	710.25	842.92	652.49
Other accounts payable		1,121.60	431.06	725.10	412.06
Total		2,769.65	1,568.48	2,296.24	1,493.10

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Post-employment benefits	954.85	825.71	945.95	818.37
Other long-term employee benefits	38.93	14.24	36.86	12.60
Total	993.78	839.95	982.81	830.97

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Notes to the financial statements

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
			(%)	
Discount rate as at 31 December	4	5	4	5
Future salary increases	4 - 10	4 - 10	4 - 10	4 - 10
Retirement age	55 and 60 years	55 and 60 years	60 years	60 years

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is the interest rate of long-term government bond.

23 Share capital

	Par value per share (in Baht)	2012		2011	
		Number (million shares)	Baht (million Baht)	Number (million shares)	Baht (million Baht)
<i>Authorised</i>					
At 1 January					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
At 31 December					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
<i>Issued and paid-up</i>					
At 1 January					
ordinary shares	1	1,376.92	1,376.92	1,176.82	1,176.82
Issue of new shares	1	-	-	200.10	200.10
At 31 December					
ordinary shares	1	1,376.92	1,376.92	1,376.92	1,376.92

During 2011, the Company issued 200.10 million new ordinary shares with a par value of 1 Baht each, totaling Baht 200.10 million to support the conversion of convertible debentures to 136.30 million common shares at conversion price of Baht 14.30 and 14.00 and the exercise of warrant totaling 63.80 million shares resulting in increase in premium of Baht 2,884.84 million.

24 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.

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Capital surplus on registered and paid-up share reduction

On 6 July 2004, the Company registered with the Ministry of Commerce, the reduction in the Company's registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. to be consistent with the number of "Depository Receipts of BCP's Ordinary Shares (DR)" which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback. The Company proceeded the share reduction to Capital on registered and paid-up share reduction account.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, 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.

25 Segment reporting

Segment reporting is presented in respect of the Group's business. The primary format, *business segments* is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

<i>Segment 1</i>	Refinery
<i>Segment 2</i>	Marketing
<i>Segment 3</i>	Electricity

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Business segments profit (loss) results.

	Refinery	Marketing	2012 Electricity (in million Baht)	Eliminations	Total
Sales	158,286.95	131,830.03	378.19	(125,249.24)	165,245.93
Cost of sales	<u>(155,683.05)</u>	<u>(127,553.49)</u>	<u>(95.65)</u>	<u>125,249.24</u>	<u>(158,082.95)</u>
Gross profit	2,603.90	4,276.54	282.54	-	7,162.98
Investment income	63.48	24.33	2.07	-	89.88
Other income	379.36	119.80	71.80	-	570.96
Selling and administrative expenses	(976.16)	(3,092.68)	(30.66)	-	(4,099.50)
Gain from crude and product oil price hedging contract	868.75	-	-	-	868.75
Gain from foreign currency forward contract	745.79	-	-	-	745.79
Gain on foreign exchange	347.50	-	(1.32)	-	346.18
Reversal of allowance for loss from impairment of assets	149.23	47.67	97.77	-	294.67
Share of loss of associate	<u>(22.59)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22.59)</u>
Profit before finance costs and income tax expense	<u>4,159.26</u>	<u>1,375.66</u>	<u>422.20</u>	<u>-</u>	<u>5,957.12</u>
Finance costs					(939.96)
Income tax expense					(714.58)
Profit for the year					<u>4,302.58</u>

	Refinery	Marketing	2011 Electricity (in million Baht)	Eliminations	Total
Sales	153,061.58	116,252.71	27.58	(110,731.88)	158,609.99
Cost of sales	<u>(145,978.08)</u>	<u>(112,715.55)</u>	<u>(22.57)</u>	<u>110,731.88</u>	<u>(147,984.32)</u>
Gross profit	7,083.50	3,537.16	5.01	-	10,625.67
Investment income	38.44	16.11	-	-	54.55
Other income	1,367.84	119.50	-	-	1,487.34
Selling and administrative expenses	(1,011.10)	(2,824.19)	(5.49)	-	(3,840.78)
Loss from crude and product oil price hedging contract	(758.85)	-	-	-	(758.85)
Loss from foreign currency forward contract	(701.07)	-	-	-	(701.07)
Gain on foreign exchange	170.09	-	-	-	170.09
Reversal of allowance for loss (loss) from impairment of assets	33.51	75.97	(97.77)	-	11.71
Share of loss of associate	<u>(17.75)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17.75)</u>
Profit (Loss) before finance costs and income tax expense	<u>6,204.61</u>	<u>924.55</u>	<u>(98.25)</u>	<u>-</u>	<u>7,030.91</u>
Finance costs					(783.18)
Income tax expense					(615.29)
Profit for the year					<u>5,632.44</u>

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26 Investment income

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
Dividend income					
Related parties	4	2.85	-	2.85	83.93
		2.85	-	2.85	83.93
Other investment income		87.03	54.55	68.96	42.68
Total		89.88	54.55	71.81	126.61

27 Other income

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in million Baht)</i>				
Fee for land utilisation and management fee for NGV service station	81.26	76.56	81.26	76.56
Indemnity and insurance compensation	383.40	1,248.46	383.40	1,248.46
Oil reservation fee	28.99	70.54	28.99	70.54
Others	77.31	91.78	92.87	106.88
Total	570.96	1,487.34	586.52	1,502.44

28 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in million Baht)</i>				
Personnel	634.81	531.38	296.03	257.81
Advertising	183.07	180.85	100.94	112.77
Depreciation and amortisation	439.35	426.77	434.97	422.78
Distribution	676.33	600.84	676.33	600.84
Others	763.27	696.45	542.87	495.43
Total	2,696.83	2,436.29	2,051.14	1,889.63

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in million Baht)</i>				
Personnel	735.50	707.15	690.33	665.85
Advertising	197.68	150.23	197.04	150.19
Depreciation and amortisation	61.75	77.24	58.29	74.57
Others	407.74	469.87	403.90	468.55
Total	1,402.67	1,404.49	1,349.56	1,359.16

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30 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Management</i>				
Wages and salaries	87.61	75.19	87.49	75.10
Contribution to provident funds	4.67	3.92	4.67	3.92
Pension	6.49	5.46	6.49	5.46
EJIP	-	5.69	-	5.69
Others	22.03	17.15	22.03	17.15
	120.80	107.41	120.68	107.32
<i>Other employees</i>				
Wages and salaries	1,017.25	900.65	676.55	621.37
Contribution to provident funds	58.23	53.11	54.81	50.66
Pension	159.94	93.88	157.18	90.91
EJIP	-	35.98	-	35.98
Others	347.77	307.42	300.82	270.58
	1,583.19	1,391.04	1,189.36	1,069.50
Total	1,703.99	1,498.45	1,310.04	1,176.82

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

Employee Joint Investment Program (EJIP)

On 6 October 2009, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC) in accordance with the notification of the SEC, SorJor 12/2009, dated 10 June 2009. EJIP is an investment program for the periodic accumulative buying of the Company's shares, established to serve as another means of compensating Company employees and executives effective for the period from 1 October 2009 to 30 September 2011.

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31 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	1,100.11	925.45	1,062.75	983.91
Raw materials and consumables used	97,659.66	104,389.99	97,508.48	104,211.41
Tax expenses and oil fuel fund	9,045.74	9,989.01	9,045.74	9,989.01
Depreciation	1,929.32	1,539.39	1,877.89	1,493.06
<i>Included in selling expenses:</i>				
Depreciation	311.09	299.60	306.75	295.64
<i>Included in administrative expenses:</i>				
Depreciation	46.76	40.19	43.48	37.80

32 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
Interest payable to financial institutions		923.68	821.66	894.91	787.71
Interest payable to Debentures		102.38	-	102.38	-
Amortisation of transaction costs capitalised		18.40	69.50	17.34	68.44
Others		-	24.35	-	24.35
		1,044.46	915.51	1,014.63	880.50
Capitalised as cost of assets under construction	13	(104.50)	(132.33)	(104.15)	(132.33)
Net		939.96	783.18	910.48	748.17

33 Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
<i>Current tax expense</i>					
Current year		1,000.90	479.66	989.99	471.44
Under (over) provided in prior years		(271.41)	78.38	(271.14)	78.38
		729.49	558.04	718.58	549.82
<i>Deferred tax expense</i>					
Movements in temporary differences	17	(14.91)	57.25	(12.47)	57.25
		(14.91)	57.25	(12.47)	57.25
Total		714.58	615.29	706.11	607.07

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Notes to the financial statements

Reconciliation of effective tax rate

	Consolidated financial statements			
	2012		2011	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>5,017.16</u>		<u>6,247.74</u>
Income tax using the Thai corporation tax rate	23.00	1,153.95	30.00	1,874.32
Income tax reduction – deferred	-	-	1.32	82.40
Profit exemption – promotional privileges	-	-	(21.59)	(1,349.07)
Income not subject to tax / Expenses that are deductible at a greater amount	(2.56)	(128.09)	(0.52)	(32.45)
Expenses not deductible / Other adjustments	(0.79)	(39.87)	(0.61)	(38.29)
Under (over) provided in prior years	(5.41)	(271.41)	1.25	78.38
Total	<u>14.24</u>	<u>714.58</u>	<u>9.85</u>	<u>615.29</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2012		2011	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>4,906.00</u>		<u>6,249.65</u>
Income tax using the Thai corporation tax rate	23.00	1,128.38	30.00	1,874.90
Income tax reduction – deferred	-	-	1.32	82.40
Profit exemption – promotional privileges	-	-	(21.59)	(1,349.07)
Income not subject to tax / Expenses that are deductible at a greater amount	(2.14)	(105.17)	(0.56)	(34.74)
Expenses not deductible / Other adjustments	(0.93)	(45.69)	(0.72)	(44.80)
Under (over) provided in prior years	(5.53)	(271.41)	1.26	78.38
Total	<u>14.40</u>	<u>706.11</u>	<u>9.71</u>	<u>607.07</u>

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.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

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34 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

Petroleum Refinery production

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for net profit of not over 100% of investment cost excluding land and working capital for environment protection for a period of eight years from the date on which the income is first derived from such operations.

Production of Biodiesel and production of electricity from solar cell

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2012			2011		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	66.20	13,961.60	14,027.80	32.18	19,167.71	19,199.89
Local sales	3,865.54	175,328.72	179,194.26	2,479.05	159,524.87	162,003.92
Eliminations			(27,976.13)			(22,593.82)
Total Revenue			<u>165,245.93</u>			<u>158,609.99</u>

	Separate financial statements					
	2012			2011		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	-	13,961.60	13,961.60	-	19,167.71	19,167.71
Local sales	378.19	148,283.04	148,661.23	27.58	137,733.15	137,760.73
Total Revenue	<u>378.19</u>	<u>162,244.64</u>	<u>162,622.83</u>	<u>27.58</u>	<u>156,900.86</u>	<u>156,928.44</u>

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35 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	4,272.56	5,610.16	4,199.89	5,642.58
Number of ordinary shares outstanding at 1 January	1,376.92	1,176.82	1,376.92	1,176.82
Effect of shares issued during the period	-	146.94	-	146.94
Weighted average number of ordinary shares outstanding	1,376.92	1,323.76	1,376.92	1,323.76
Earnings per share (basic) (in Baht)	3.10	4.24	3.05	4.26

36 Dividends

At the Board of Directors meeting of the Company held on 28 August 2012, the meeting approved the appropriation of interim dividend from retained earnings as of 30 June 2012 at Baht 0.35 per share, amounting to Baht 481.91 million. The dividend was paid to shareholders on 21 September 2012.

At the annual general meeting of the Shareholders of the company held on 3 April 2012, the shareholders approved the appropriation of annual dividend at the rate of Baht 1.65 per share, totalling Baht 2,271.85 million, of which Baht 0.65 per share, totalling Baht 894.97 million was paid as an interim dividend on 21 September 2011. The remaining dividend was paid for the second half year of 2011 at Baht 1.00 per share totalling Baht 1,376.88 million to the shareholders on 19 April 2012.

At the Board of Directors meeting of the Company held on 30 August 2011, the Board of Directors approved the appropriation of interim dividend from retained earnings as of 30 June 2011 at Baht 0.65 per share, amounting to Baht 894.97 interim million. The dividend was paid to shareholders on 21 September 2011.

At the annual general meeting of the shareholders of the Company held on 5 April 2011, the shareholders approved the appropriation of annual dividend from retained earnings as of 31 December 2010 at Baht 1.05 per share, amounting to Baht 1,272.12 million. The Company had paid interim dividend of the first half year of 2010 at Baht 0.50 per share, amounting to Baht 584.89 million on 21 September 2010. The remaining dividend was paid for the second half year of 2010 at Baht 0.55 per share, amounting to 687.23 million to the shareholders on 19 April 2011.

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37 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 Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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 because debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

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Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2012					
Current					
Loans from Financial institutions	4.2 – 5.1	1,009.85	-	-	1,009.85
Non-current					
Loans from Financial institutions	4.2 – 5.1	-	5,776.85	9,241.23	15,018.08
Debenture	4.9 – 5.3	-	-	2,995.01	2,995.01
Total		<u>1,009.85</u>	<u>5,776.85</u>	<u>12,236.24</u>	<u>19,022.94</u>
2011					
Current					
Loans from Financial institutions	4.2 – 5.4	2,551.36	-	-	2,551.36
Non-current					
Loans from Financial institutions	4.5 – 5.4	-	5,058.79	10,971.38	16,030.17
Total		<u>2,551.36</u>	<u>5,058.79</u>	<u>10,971.38</u>	<u>18,581.53</u>
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2012					
Current					
Loans from Financial institutions	4.2 – 4.5	890.15	-	-	890.15
Non-current					
Loans from Financial institutions	4.2 – 4.5	-	5,440.62	9,241.23	14,681.85
Debenture	4.9 – 5.3	-	-	2,995.01	2,995.01
Total		<u>890.15</u>	<u>5,440.62</u>	<u>12,236.24</u>	<u>18,567.01</u>
2011					
Current					
Loans from Financial institutions	4.2 – 4.8	2,450.00	-	-	2,450.00
Non-current					
Loans from Financial institutions	4.5 – 4.8	-	4,600.62	10,971.38	15,572.00
Total		<u>2,450.00</u>	<u>4,600.62</u>	<u>10,971.38</u>	<u>18,022.00</u>

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2012	2011	2012	2011
<i>USD and others</i>					
			<i>(in million Baht)</i>		
Cash and cash equivalents	5	240.59	43.66	240.59	43.66
Trade accounts receivable	7	1,826.10	1,702.27	1,826.10	1,702.27
Receivable from oil hedging contracts		227.59	141.83	227.59	141.83
Trade accounts payable	20	(110.61)	-	(110.61)	-
Payable from oil hedging contracts		-	(21.25)	-	(21.25)
Other current liabilities		(49.40)	(171.86)	(49.40)	(171.86)
Gross statement of financial position exposure		2,134.27	1,694.65	2,134.27	1,694.65
Currency forwards		111.69	(591.52)	111.69	(591.52)
Net exposure		2,245.96	1,103.13	2,245.96	1,103.13

Additionally, the Company entered into foreign currency buying and selling forward contracts, net totaling Baht 13,668.31 million, to hedge future sales and purchases transaction of goods with price denominated in foreign currencies.

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.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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.

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Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments is taken to approximate the carrying value

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair value and book value of debentures reported in financial position as of 31 December were as follows :

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
<i>Debentures</i>				
31 December 2012	3,083.65	2,995.01	3,083.65	2,995.01
31 December 2011	-	-	-	-

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38 Commitments with non-related parties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Capital commitment				
Construction projects	2,448.23	1,527.79	322.20	1,476.94
Total	2,448.23	1,527.79	322.20	1,476.94
Non-cancellable operating lease commitments				
Within one year	463.29	461.57	463.29	461.57
After one year but within five years	1,822.49	1,768.55	1,822.49	1,768.55
After five years	2,537.49	2,934.09	2,537.49	2,934.09
Total	4,823.27	5,164.21	4,823.27	5,164.21
Other commitment				
Bank guarantees	2,193.47	77.52	2,191.65	77.52
Total	2,193.47	77.52	2,191.65	77.52

The Company entered into 5.03 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2013 and December 2014.

The Company entered into foreign currency buying forward contracts cover the period to February 2013 amounting to USD 165.07 million equivalents to Baht 5,074.06 million and selling forward contracts cover the period to December 2013 amounting to USD 600.30 million equivalents to Baht 18,630.69 million.

The Company entered into an interest rate swap contract for the following loan agreements by swap from float rate to fixed rate as stipulated in the agreements. The details are as follows:

Loan agreement facility <i>(in million Baht)</i>	Due date
3,000	30 June 2013
1,000	30 June 2014
1,500	30 June 2015
7,000	30 December 2015
1,500	30 June 2016
1,000	30 December 2018

39 Contingent liabilities and contingent assets

The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the civil court verdict to dismiss the case. This was being re-appealed with the Supreme Court and currently under the Supreme Court's proceeding.

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The Company has utilized the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) “Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes” and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional income tax payment totaling Baht 50 million that had previously been submitted by the Company and filed for appeal. Subsequently on 20 July 2011, the Revenue Department issued its verdict ruling to dismiss the return of the tax payment. The Company has submitted a petition to the Central Tax Court to revoke the Revenue Department’s ruling and the Central Tax Court ruled in favour of the Company. Subsequently, the Revenue Department is re-appealed with the Supreme Court and currently under the Supreme Court’s proceeding.

40 Events after the reporting period

At the Board of Directors’ meeting held on 19 February 2013, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2012 dividend payment at the rate of Baht 1.25 per share, of which Baht 0.35 per share was paid as an interim dividend on 21 September 2012 as discussed in note 36. Thus, the remaining dividend will be at the rate of Baht 0.9 per share to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 10 April 2013.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following revised TFRS that have been issued as of the reporting date but are not yet effective. The revised TFRS is expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP’s announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate or Company’s financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. This standard is as follows:

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity’s functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company’s reported assets, liabilities or retained earnings.

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TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group/Company's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.

42 Reclassification of accounts

	2011					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in million Baht)</i>					
Statement of financial position						
Other receivables	-	400.52	400.52	-	378.57	378.57
Refundable income tax	326.87	(326.87)	-	326.87	(326.87)	-
Other current asset	1,279.73	(73.65)	1,206.08	1,251.42	(51.70)	1,199.72
Tariff prepayment	12.00	(12.00)	-	12.00	(12.00)	-
Other non-current asset	621.64	12.00	633.64	616.49	12.00	628.49
Other payables	427.17	1,141.31	1,568.48	428.55	1,064.55	1,493.10
Other current liabilities	1,902.51	<u>(1,141.31)</u>	761.20	1,839.40	<u>(1,064.55)</u>	774.85
		<u>-</u>			<u>-</u>	

43 Others

Part of the Company's operations is a solar power plant operation in Ayutthaya which was affected by the unusual and severe flooding in Thailand. As a result, the 8 megawatt solar power plant project ceased its operations on 16 October 2011 and resumed its operations in April 2012. In 2012, the insurers had finalized their assessment of the actual damage suffered and the Company recovered all damages from the insurance settlement. These financial statements include related adjustments in the current period by reversing an allowance for impairment losses amounting to Baht 97.77 Million and recognized the claims from the business interruption and flood protection related expenses of Baht 73.65 million. The 30 megawatt solar power plant project has now resumed operation.

During the third quarter of 2012, within the Bangchak refinery complex, Sukhumvit 64, kerosene stripper was ignited in the Crude Distillation Unit 3. Consequently, the Company recognized loss of assets at net book value amounting to Baht 12.40 Million. This refinery unit resumed its operation in October 2012. Currently, the insurers and loss adjusters have not finalized their assessment of the actual damage. As at 31 December 2012, the Insurer has proceeded to pay preliminary insurance compensation totaling Baht 310 million. Management believes that remaining losses will be fully recovered from the insurance settlement.