

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

Financial statements for the year ended
31 December 2014
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 (the "Group") and of the Bangchak Petroleum Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2014 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2013 after making the adjustments described in note 3.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2015

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

| Assets | Note | Consolidated financial statements | | | Separate financial statements | | |
|------------------------------------|------|-----------------------------------|-----------------------|------------------------------|-------------------------------|-----------------------|-----------------------|
| | | 31 December | | 1 January | 31 December | | 1 January |
| | | 2014 | 2013 (Restated) | 2013 (Restated) (Baht) | 2014 | 2013 (Restated) | 2013 (Restated) |
| Current assets | | | | | | | |
| Cash and cash equivalents | 7 | 7,954,246,322 | 6,527,404,199 | 8,005,505,386 | 6,709,626,823 | 5,011,640,994 | 6,641,250,681 |
| Current investments | 8 | 622,690,759 | 731,446,552 | 13,121,700 | - | - | - |
| Trade accounts receivable | 6,9 | 5,835,075,583 | 8,660,283,945 | 7,737,324,758 | 6,303,126,093 | 9,441,627,236 | 8,566,754,104 |
| Other receivables | 6,10 | 1,259,510,097 | 694,211,627 | 1,158,401,828 | 1,100,484,015 | 664,758,881 | 1,132,809,524 |
| Inventories | 11 | 14,058,695,674 | 17,092,312,602 | 19,175,125,311 | 13,360,363,489 | 16,457,888,721 | 18,613,988,720 |
| Oil fuel fund subsidies receivable | | 1,214,535,798 | 1,663,887,223 | 822,328,168 | 1,214,535,798 | 1,663,887,223 | 822,328,168 |
| Other current assets | | 1,349,700,145 | 1,198,715,710 | 195,617,849 | 1,281,236,168 | 1,088,705,935 | 148,292,282 |
| Total current assets | | 32,294,454,378 | 36,568,261,858 | 37,107,425,000 | 29,969,372,386 | 34,328,508,990 | 35,925,423,479 |
| Non-current assets | | | | | | | |
| Investments in subsidiaries | 6,12 | - | - | - | 8,459,498,317 | 3,433,573,450 | 1,735,039,500 |
| Investments in associate | 6,13 | 761,927,907 | 756,779,006 | 722,888,134 | 763,229,520 | 763,229,520 | 763,229,520 |
| Other long-term investments | 8 | 323,408,815 | 263,701,557 | 294,507,985 | 323,408,815 | 263,701,557 | 294,507,985 |
| Investment properties | 14 | 459,340,000 | 459,340,000 | 459,340,000 | 459,340,000 | 459,340,000 | 459,340,000 |
| Property, plant and equipment | 15 | 38,136,122,923 | 32,916,828,762 | 31,119,057,988 | 29,038,049,296 | 28,042,913,457 | 28,915,250,015 |
| Goodwill | 16 | - | - | - | - | - | - |
| Leasehold rights | 17 | 1,395,755,456 | 1,171,654,605 | 1,048,650,001 | 1,395,755,456 | 1,171,654,605 | 1,048,650,001 |
| Intangible assets | 18 | 1,629,235,250 | 220,169,948 | 147,101,686 | 215,036,034 | 216,254,372 | 146,302,092 |
| Deferred tax assets | 19 | 657,878,660 | 338,075,059 | 188,568,083 | 653,919,498 | 335,013,459 | 186,135,709 |
| Other non-current assets | 6,20 | 1,307,407,568 | 842,394,341 | 967,031,388 | 859,939,502 | 838,592,560 | 928,882,658 |
| Total non-current assets | | 44,671,076,579 | 36,968,943,278 | 34,947,145,265 | 42,168,176,438 | 35,524,272,980 | 34,477,337,480 |
| Total assets | | 76,965,530,957 | 73,537,205,136 | 72,054,570,265 | 72,137,548,824 | 69,852,781,970 | 70,402,760,959 |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of financial position

| | Note | Consolidated financial statements | | | Separate financial statements | | |
|--|------|-----------------------------------|-----------------------|--|-------------------------------|-----------------------|------------------------------|
| | | 31 December 2014 | 2013 (Restated) | 1 January 2013 (Restated) (Baht) | 31 December 2014 | 2013 (Restated) | 1 January 2013 (Restated) |
| Liabilities and equity | | | | | | | |
| <i>Current liabilities</i> | | | | | | | |
| Trade accounts payable | 6,22 | 5,774,357,206 | 11,533,941,679 | 13,699,792,610 | 5,618,449,881 | 11,436,631,668 | 13,442,468,437 |
| Other payables | 6,23 | 2,359,475,792 | 2,362,203,976 | 2,790,497,402 | 2,169,031,980 | 1,982,963,257 | 2,317,086,632 |
| Current portion of long-term loans from financial institutions | 21 | 1,311,913,075 | 1,042,503,146 | 1,009,848,642 | 825,494,128 | 776,659,058 | 890,153,846 |
| Excise tax and oil fuel fund payable | | 932,998,213 | 459,751,099 | 597,418,373 | 932,998,213 | 459,751,099 | 597,418,373 |
| Income tax payable | | 3,583,378 | 361,248,814 | 532,705,763 | - | 356,392,242 | 532,705,763 |
| Current portion of finance lease liabilities | 6,24 | 84,838,358 | 80,252,395 | 75,914,328 | 84,838,358 | 80,252,395 | 75,914,328 |
| Other current liabilities | 6 | 842,200,457 | 635,148,068 | 643,755,526 | 832,445,225 | 649,343,645 | 660,327,148 |
| Total current liabilities | | 11,309,366,479 | 16,475,049,177 | 19,349,932,644 | 10,463,257,785 | 15,741,993,364 | 18,516,074,527 |
| <i>Non-current liabilities</i> | | | | | | | |
| Long-term loans from financial institutions | 21 | 15,901,352,447 | 16,791,333,351 | 15,018,083,230 | 14,284,542,782 | 15,057,872,310 | 14,681,846,154 |
| Debentures | 21 | 12,985,121,724 | 2,995,713,933 | 2,995,013,486 | 12,985,121,724 | 2,995,713,933 | 2,995,013,486 |
| Finance lease liabilities | 6,24 | 919,493,018 | 1,004,331,376 | 1,084,583,771 | 919,493,018 | 1,004,331,376 | 1,084,583,771 |
| Deferred tax liabilities | 19 | 149,779,145 | - | - | - | - | - |
| Liabilities on long-term lease | | 26,526,314 | 106,162,898 | 192,799,481 | 26,526,314 | 106,162,898 | 192,799,481 |
| Employee benefit obligations | 25 | 1,188,507,063 | 1,102,419,998 | 993,782,384 | 1,168,973,275 | 1,088,200,418 | 982,809,812 |
| Provision for the decommissioning cost | | 443,249,239 | - | - | - | - | - |
| Other non-current liabilities | 6 | 76,164,832 | 87,973,214 | 103,018,201 | 39,792,505 | 45,974,846 | 42,721,002 |
| Total non-current liabilities | | 31,690,193,782 | 22,087,934,770 | 20,387,280,553 | 29,424,449,618 | 20,298,255,781 | 19,979,773,706 |
| Total liabilities | | 42,999,560,261 | 38,562,983,947 | 39,737,213,197 | 39,887,707,403 | 36,040,249,145 | 38,495,848,233 |

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

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

| | Note | Consolidated financial statements | | | Separate financial statements | | |
|---|------|-----------------------------------|-----------------------|--|-------------------------------|-----------------------|------------------------------|
| | | 31 December 2014 | 2013 (Restated) | 1 January 2013 (Restated) (Baht) | 31 December 2014 | 2013 (Restated) | 1 January 2013 (Restated) |
| Liabilities and equity | | | | | | | |
| <i>Equity</i> | | | | | | | |
| Share capital | 26 | | | | | | |
| Authorised share capital | | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 |
| Issued and paid-up share capital | | 1,376,923,157 | 1,376,923,157 | 1,376,923,157 | 1,376,923,157 | 1,376,923,157 | 1,376,923,157 |
| Additional paid-in capital | | | | | | | |
| Share premium | 27 | 11,157,460,051 | 11,157,460,051 | 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 | 18,621,225 | - | - | - |
| Capital surplus on registered and paid-up share reduction | 27 | 189,617,759 | 189,617,759 | 189,617,759 | 189,617,759 | 189,617,759 | 189,617,759 |
| Retained earnings | | | | | | | |
| Appropriated | | | | | | | |
| Legal reserve | 27 | 153,164,346 | 153,164,346 | 153,164,346 | 153,164,346 | 153,164,346 | 153,164,346 |
| Unappropriated | | 20,682,556,106 | 21,828,179,058 | 19,241,215,320 | 19,372,676,108 | 20,935,367,512 | 19,029,747,413 |
| Other component of equity | | (271,885,532) | - | - | - | - | - |
| Total equity attributable to owners of the Company | | 33,306,457,112 | 34,723,965,596 | 32,137,001,858 | 32,249,841,421 | 33,812,532,825 | 31,906,912,726 |
| Non-controlling interests | | 659,513,584 | 250,255,593 | 180,355,210 | - | - | - |
| Total equity | | 33,965,970,696 | 34,974,221,189 | 32,317,357,068 | 32,249,841,421 | 33,812,532,825 | 31,906,912,726 |
| Total liabilities and equity | | 76,965,530,957 | 73,537,205,136 | 72,054,570,265 | 72,137,548,824 | 69,852,781,970 | 70,402,760,959 |

(Sined) Pichai Chunhavajira
(Pichai Chunhavajira)
Chairman

(Sined) Chaiwat Kovavisarach
(Chaiwat Kovavisarach)
President

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

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | | For the year ended 31 December | | For the year ended 31 December | |
| | | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | | (Baht) | | | |
| Revenue from sale of goods and rendering of services | 6,28 | 183,016,095,727 | 186,490,187,474 | 178,300,350,812 | 183,262,931,913 |
| Cost of sale of goods and rendering of services | 6 | <u>(178,453,435,987)</u> | <u>(177,387,166,200)</u> | <u>(176,384,226,363)</u> | <u>(175,782,956,362)</u> |
| Gross Profit | | 4,562,659,740 | 9,103,021,274 | 1,916,124,449 | 7,479,975,551 |
| Investment income | 6,29 | 166,828,166 | 90,013,712 | 1,592,838,083 | 123,186,910 |
| Other income | 6,30 | 1,030,476,181 | 1,815,539,597 | 1,021,486,299 | 1,780,883,047 |
| Selling expenses | 6,31 | (2,817,130,737) | (3,039,986,111) | (2,028,838,643) | (2,304,960,068) |
| Administrative expenses | 6,32 | (1,663,132,596) | (1,250,435,504) | (1,371,003,214) | (1,178,356,984) |
| Gain from crude and product oil price hedging contract | | 499,256,974 | 803,796,124 | 499,256,974 | 803,796,124 |
| Gain (loss) from foreign currencies forward contract | | 84,211,137 | (923,118,314) | 84,211,137 | (923,118,314) |
| Gain on foreign exchange | | 673,578,261 | 132,024,772 | 377,883,827 | 132,024,772 |
| Reversal of allowance for loss (loss) from impairment of assets | 33 | (821,478,252) | 24,255,302 | (828,339,740) | 24,255,302 |
| Share of profit of associate | 13 | <u>5,148,901</u> | <u>33,890,872</u> | <u>-</u> | <u>-</u> |
| Profit before finance costs and income tax expense | | 1,720,417,775 | 6,789,001,724 | 1,263,619,172 | 5,937,686,340 |
| Finance costs | 36 | <u>(1,426,796,802)</u> | <u>(1,126,504,777)</u> | <u>(1,293,813,887)</u> | <u>(1,051,943,562)</u> |
| Profit (loss) before income tax expense | | 293,620,973 | 5,662,496,947 | (30,194,715) | 4,885,742,778 |
| Income tax (expense) credit | 37 | <u>462,787,497</u> | <u>(932,108,990)</u> | <u>326,298,955</u> | <u>(915,073,014)</u> |
| Profit for the year | | <u>756,408,470</u> | <u>4,730,387,957</u> | <u>296,104,240</u> | <u>3,970,669,764</u> |
| Profit attributable to: | | | | | |
| Owners of the Company | | 711,588,303 | 4,652,013,403 | 296,104,240 | 3,970,669,764 |
| Non-controlling interests | | <u>44,820,167</u> | <u>78,374,554</u> | <u>-</u> | <u>-</u> |
| Profit for the year | | <u>756,408,470</u> | <u>4,730,387,957</u> | <u>296,104,240</u> | <u>3,970,669,764</u> |
| Earnings per share | | | | | |
| Basic earnings per share | 39 | <u>0.52</u> | <u>3.38</u> | <u>0.22</u> | <u>2.88</u> |

(Sined) Pichai Chunchavajira
(Pichai Chunchavajira)
Chairman

(Sined) Chaiwat Kovavisarach
(Chaiwat Kovavisarach)
President

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

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

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------------------------|--------------------------------------|-----------------------------|
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(Baht)</i> | | | |
| Profit for the year | <u>756,408,470</u> | <u>4,730,387,957</u> | <u>296,104,240</u> | <u>3,970,669,764</u> |
| Other comprehensive income (loss) | | | | |
| Foreign currency translation differences for foreign operations | <u>(353,892,295)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income (loss) for the year, net of income tax | <u>(353,892,295)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | <u>402,516,175</u> | <u>4,730,387,957</u> | <u>296,104,240</u> | <u>3,970,669,764</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 439,702,771 | 4,652,013,403 | 296,104,240 | 3,970,669,764 |
| Non-controlling interests | <u>(37,186,596)</u> | <u>78,374,554</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | <u>402,516,175</u> | <u>4,730,387,957</u> | <u>296,104,240</u> | <u>3,970,669,764</u> |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of changes in equity

| Note | Consolidated financial statements | | | | | | | | | |
|--|-----------------------------------|-----------------------|--|---|--------------------|------------------------|--|--|---------------------------|------------------------|
| | Issued and paid-up share capital | Share premium | | Capital surplus on registered and paid-up share reduction | Retained earnings | | Other components of equity Currency translation differences | Equity attributable to owners of the Company | Non-controlling interests | Total equity |
| | | Share premium | Share premium on subsidiary of the Company | | Legal reserve | Unappropriated | | | | |
| | | | | | | | | | | |
| | | | | | | (Baht) | | | | |
| Year ended 31 December 2013 | | | | | | | | | | |
| Balance at 31 December 2012 - as reported | 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 |
| Impact of changes in accounting policies | - | - | - | - | - | (5,853,497) | - | (5,853,497) | - | (5,853,497) |
| Balance at 1 January 2013 - restated | 1,376,923,157 | 11,157,460,051 | 18,621,225 | 189,617,759 | 153,164,346 | 19,241,215,320 | - | 32,137,001,858 | 180,355,210 | 32,317,357,068 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | |
| Dividends to owners of the Company | - | - | - | - | - | (2,065,049,665) | - | (2,065,049,665) | (8,474,171) | (2,073,523,836) |
| Total contributions by and distributions to owners of the Company | - | - | - | - | - | (2,065,049,665) | - | (2,065,049,665) | (8,474,171) | (2,073,523,836) |
| Comprehensive income for the year | | | | | | | | | | |
| Profit or loss | - | - | - | - | - | 4,652,013,403 | - | 4,652,013,403 | 78,374,554 | 4,730,387,957 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | - | 4,652,013,403 | - | 4,652,013,403 | 78,374,554 | 4,730,387,957 |
| Balance at 31 December 2013 - restated | 1,376,923,157 | 11,157,460,051 | 18,621,225 | 189,617,759 | 153,164,346 | 21,828,179,058 | - | 34,723,965,596 | 250,255,593 | 34,974,221,189 |
| Year ended 31 December 2014 | | | | | | | | | | |
| Balance at 31 December 2013 - as reported | 1,376,923,157 | 11,157,460,051 | 18,621,225 | 189,617,759 | 153,164,346 | 21,834,944,009 | - | 34,730,730,547 | 250,255,593 | 34,980,986,140 |
| Impact of changes in accounting policies | - | - | - | - | - | (6,764,951) | - | (6,764,951) | - | (6,764,951) |
| Balance at 1 January 2014 - restated | 1,376,923,157 | 11,157,460,051 | 18,621,225 | 189,617,759 | 153,164,346 | 21,828,179,058 | - | 34,723,965,596 | 250,255,593 | 34,974,221,189 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | |
| Share-based payment transactions | - | - | - | - | - | 1,584,389 | - | 1,584,389 | - | 1,584,389 |
| Dividends to owners of the Company | - | - | - | - | - | (1,858,795,644) | - | (1,858,795,644) | (87,010,609) | (1,945,806,253) |
| Total contributions by and distributions to owners of the Company | - | - | - | - | - | (1,857,211,255) | - | (1,857,211,255) | (87,010,609) | (1,944,221,864) |
| Changes in ownership interests in subsidiary | | | | | | | | | | |
| Acquisition of subsidiary with non-controlling interest | - | - | - | - | - | - | - | - | 533,455,196 | 533,455,196 |
| Total changes in ownership interests in subsidiary | - | - | - | - | - | - | - | - | 533,455,196 | 533,455,196 |
| Total transactions with owners, recorded directly in equity | - | - | - | - | - | (1,857,211,255) | - | (1,857,211,255) | 446,444,587 | (1,410,766,668) |
| Comprehensive income for the year | | | | | | | | | | |
| Profit or loss | - | - | - | - | - | 711,588,303 | - | 711,588,303 | 44,820,167 | 756,408,470 |
| Other comprehensive income (loss) | - | - | - | - | - | - | (271,885,532) | (271,885,532) | (82,006,763) | (353,892,295) |
| Total comprehensive income for the year (loss) | - | - | - | - | - | 711,588,303 | (271,885,532) | 439,702,771 | (37,186,596) | 402,516,175 |
| Balance at 31 December 2014 | 1,376,923,157 | 11,157,460,051 | 18,621,225 | 189,617,759 | 153,164,346 | 20,682,556,106 | (271,885,532) | 33,306,457,112 | 659,513,584 | 33,965,970,696 |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statement of changes in equity

| Note | Separate financial statements | | | | | Total equity |
|--|----------------------------------|-----------------------|---|--------------------|------------------------|------------------------|
| | Issued and paid-up share capital | Share premium | Capital surplus on registered and paid-up share reduction | Retained earnings | | |
| | | | | Legal reserve | Unappropriated | |
| | | | | | | |
| | | | | (Baht) | | |
| Year ended 31 December 2013 | | | | | | |
| Balance at 31 December 2012 - as reported | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 19,035,600,910 | 31,912,766,223 |
| Impact of changes in accounting policies | 3 | - | - | - | (5,853,497) | (5,853,497) |
| Balance at 1 January 2013 - restated | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 19,029,747,413 | 31,906,912,726 |
| Transactions with owners, recorded directly in equity | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | |
| Dividends to owners of the Company | 40 | - | - | - | (2,065,049,665) | (2,065,049,665) |
| Total contributions by and distributions to owners of the Company | | - | - | - | (2,065,049,665) | (2,065,049,665) |
| Comprehensive income for the year | | | | | | |
| Profit or loss | | - | - | - | 3,970,669,764 | 3,970,669,764 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 3,970,669,764 | 3,970,669,764 |
| Balance at 31 December 2013 | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 20,935,367,512 | 33,812,532,825 |
| Year ended 31 December 2014 | | | | | | |
| Balance at 31 December 2013 - as reported | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 20,942,132,463 | 33,819,297,776 |
| Impact of changes in accounting policies | 3 | - | - | - | (6,764,951) | (6,764,951) |
| Balance at 1 January 2014 - restated | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 20,935,367,512 | 33,812,532,825 |
| Transactions with owners, recorded directly in equity | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | |
| Dividends to owners of the Company | 40 | - | - | - | (1,858,795,644) | (1,858,795,644) |
| Total contributions by and distributions to owners of the Company | | - | - | - | (1,858,795,644) | (1,858,795,644) |
| Comprehensive income for the year | | | | | | |
| Profit or loss | | - | - | - | 296,104,240 | 296,104,240 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 296,104,240 | 296,104,240 |
| Balance at 31 December 2014 | 1,376,923,157 | 11,157,460,051 | 189,617,759 | 153,164,346 | 19,372,676,108 | 32,249,841,421 |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial | | Separate financial | |
|--|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | statements | | statements | |
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 | 2014 | 2013 |
| | | (Restated) | | (Restated) |
| | <i>(Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the year | 756,408,470 | 4,730,387,957 | 296,104,240 | 3,970,669,764 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 3,100,842,656 | 2,666,175,420 | 2,648,042,280 | 2,484,234,692 |
| Amortisation | 193,287,673 | 164,299,201 | 191,742,787 | 163,468,508 |
| Reversal of allowance for bad and doubtful debts expense | (4,436,671) | (32,630,122) | (3,604,679) | (33,105,370) |
| Unrealised (gain) loss on foreign exchange | (269,058,835) | 362,157,994 | 26,093,552 | 362,157,994 |
| Allowance for loss on decline in value of inventories | 998,672,911 | - | 992,244,768 | - |
| (Reversal of) allowance for loss from impairment of assets | 821,478,252 | (24,255,302) | 828,339,740 | (24,255,302) |
| (Gain) loss on disposal of property, plant and equipment | (7,428,483) | 5,641,619 | (8,571,681) | 1,496,136 |
| Investment Income | (166,828,166) | (90,013,712) | (1,592,838,083) | (123,186,910) |
| Provision for employee benefit | 118,355,023 | 138,136,401 | 112,887,118 | 133,789,532 |
| Deferred revenue | (1,149,678) | (1,176,249) | (1,149,678) | (1,176,249) |
| Provision for customer loyalty programmes | 23,958,831 | 23,562,642 | 23,958,831 | 23,562,642 |
| Share of profit of associate, net of income tax expense | (5,148,901) | (33,890,872) | - | - |
| Finance costs | 1,426,796,802 | 1,126,504,777 | 1,293,813,887 | 1,051,943,562 |
| Income tax expense (credit) | (462,787,497) | 932,108,990 | (326,298,955) | 915,073,014 |
| | <u>6,522,962,387</u> | <u>9,967,008,744</u> | <u>4,480,764,127</u> | <u>8,924,672,013</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 3,056,518,964 | (882,916,488) | 3,150,606,415 | (834,284,732) |
| Other receivables | (428,854,525) | 532,952,221 | (366,187,984) | 536,812,662 |
| Inventories | 2,113,587,403 | 2,079,890,873 | 2,104,930,237 | 2,151,909,674 |
| Other current assets | 740,969,157 | (1,844,967,196) | 647,807,561 | (1,784,702,634) |
| Other non-current assets | (57,207,253) | 4,972,364 | (62,181,076) | 2,843,698 |
| Trade accounts payable | (5,862,757,457) | (2,222,403,460) | (5,819,553,082) | (2,062,535,666) |
| Other payables | 140,522,756 | (551,165,813) | 207,759,278 | (557,116,480) |
| Other current liabilities | 837,065,112 | (193,040,611) | 640,852,263 | (195,130,497) |
| Employee benefit obligations | (32,837,181) | (29,498,786) | (32,114,261) | (28,398,926) |
| Other non-current liabilities | (206,764,725) | (152,644,407) | (173,412,991) | (135,254,177) |
| Cash generated from operating activities | <u>6,823,204,638</u> | <u>6,708,187,441</u> | <u>4,779,270,487</u> | <u>6,018,814,935</u> |
| Income tax paid | <u>(755,221,946)</u> | <u>(1,257,172,850)</u> | <u>(736,364,087)</u> | <u>(1,240,213,848)</u> |
| Net cash from operating activities | <u>6,067,982,692</u> | <u>5,451,014,591</u> | <u>4,042,906,400</u> | <u>4,778,601,087</u> |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------------|----------------------------------|------------------------|
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | (Baht) | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 166,457,157 | 85,247,400 | 126,903,437 | 73,718,128 |
| (Increase) decrease in current investments | 108,755,793 | (718,324,852) | - | - |
| Increase in long-term investments | (57,627,418) | - | (57,627,418) | - |
| Net cash outflow from issue of subsidiary's share capital | - | - | (5,851,286,247) | (1,698,533,950) |
| Net cash outflow on acquisition of subsidiary | (2,479,568,552) | - | - | - |
| Dividend income | - | - | 1,392,341,986 | 51,064,950 |
| Purchase of property, plant and equipment | (7,349,671,007) | (4,570,148,701) | (3,629,300,997) | (1,589,499,621) |
| Sale of property, plant and equipment | 12,469,490 | 23,886,531 | 12,440,703 | 23,869,274 |
| Increase in leasehold right | (343,925,042) | (217,964,552) | (343,925,042) | (217,964,552) |
| Purchase of intangible assets | (99,173,858) | (109,733,677) | (38,271,527) | (105,787,002) |
| Net cash used in investing activities | (10,042,283,437) | (5,507,037,851) | (8,388,725,105) | (3,463,132,773) |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (1,439,161,988) | (1,098,825,343) | (1,307,800,524) | (1,038,501,884) |
| Proceeds from issuance of debentures | 9,987,059,760 | - | 9,987,059,760 | - |
| Proceeds from long - term loans | - | 8,184,766,400 | - | 6,396,880,000 |
| Repayment of long - term loans | (1,254,237,066) | (6,434,495,148) | (776,659,058) | (6,238,406,452) |
| Dividend paid | (1,945,806,253) | (2,073,523,836) | (1,858,795,644) | (2,065,049,665) |
| Net cash from (used in) financing activities | 5,347,854,453 | (1,422,077,927) | 6,043,804,534 | (2,945,078,001) |
| Net increase (decrease) in cash and cash equivalents | 1,373,553,708 | (1,478,101,187) | 1,697,985,829 | (1,629,609,687) |
| Cash and cash equivalents as at 1 January | 6,527,404,199 | 8,005,505,386 | 5,011,640,994 | 6,641,250,681 |
| Effect of exchange rate changes on balances held in foreign currencies | 53,288,415 | - | - | - |
| Cash and cash equivalents as at 31 December | 7,954,246,322 | 6,527,404,199 | 6,709,626,823 | 5,011,640,994 |

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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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 2015.

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 2014.

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 2014 and 2013 were as follows:

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|-------------------------------------|---|--------------------------|------------------------|--------|
| | | | 2014 | 2013 |
| <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 |
| BCP Energy International Pte Ltd. | Holding and Operating in international business | Singapore | 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 (%) | |
|---|---|--------------------------|------------------------|--------|
| | | | 2014 | 2013 |
| <i>Direct and Indirect subsidiaries</i> | | | | |
| The Bangchak Solar Energy (Prachinburi) Co., Ltd. | Production of electricity from solar cell | Thailand | 100.00 | 100.00 |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | Production of electricity from solar cell | Thailand | 100.00 | 100.00 |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | Production of electricity from solar cell | Thailand | 100.00 | 100.00 |
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | Production of electricity from solar cell | Thailand | 100.00 | 100.00 |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. | Production of electricity from solar cell | Thailand | 100.00 | 100.00 |
| Nido Petroleum Limited | Exploration and production of petroleum | Australia | 81.41 | - |

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2014:

| TFRS | Topic |
|-----------------------|--|
| TAS 1 (revised 2012) | Presentation of Financial Statements |
| TAS 7 (revised 2012) | Statement of Cash Flows |
| TAS 12 (revised 2012) | Income Taxes |
| TAS 17 (revised 2012) | Leases |
| TAS 18 (revised 2012) | Revenue |
| TAS 19 (revised 2012) | Employee Benefits |
| TAS 21 (revised 2012) | The Effects of Changes in Foreign Exchange Rates |
| TAS 24 (revised 2012) | Related Party Disclosures |
| TAS 28 (revised 2012) | Investment in Associates |
| TAS 34 (revised 2012) | Interim Financial Reporting |
| TAS 36 (revised 2012) | Impairment of Assets |
| TAS 38 (revised 2012) | Intangible Assets |
| TFRS 2 (revised 2012) | Shared-based Payment |
| TFRS 3 (revised 2012) | Business Combinations |
| TFRS 8 (revised 2012) | Operating Segments |

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

| TFRS | Topic |
|----------|--|
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 | Determining whether an Arrangement contains a Lease |
| TFRIC 10 | Interim Financial Reporting and Impairment |
| TFRIC 13 | Customer Loyalty Programmes |
| SIC 15 | Operating Leases-Incentives |
| SIC 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |

The application of these new and revised TFRS and FAP Announcements has resulted in changes in certain of the Group's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

(b) Basis of measurement

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

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) Use of 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:

| | |
|----------------|--|
| Note 5 | Acquisition of Business |
| Note 14 | Valuation of investment properties |
| Note 15 | Property, plant and equipment |
| Note 19 and 37 | Current and deferred taxation |
| Note 25 | Measurement of defined benefit obligations |
| Note 43 | Contingent liabilities and contingent assets |

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

3 Changes in accounting policies

(a) Overview

From 1 January 2014, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas having a material effect on the Group's financial statements:

- Accounting for arrangements containing a lease
- Accounting for customer loyalty programmes
- Accounting for employee benefits

A description of the nature and effect of these changes in accounting policy are included in notes 3(b) to 3(d) below. The impact of the change on the financial statements 2013 is as follows:

| <i>Financial statements 2013</i> | Consolidated financial statements | Separate financial statements |
|---|--|--|
| <i>Note</i> | 2013 | 2013 |
| | <i>(in million Baht)</i> | |
| Statement of financial position | | |
| Equity at 1 January 2013 – as reported | | |
| Changes as a result of the adoption retrospectively of: | 32,323.21 | 31,912.77 |
| TFRIC 4 Determining whether an Arrangement contains a Lease | <i>3(b)</i> 31.33 | 31.33 |
| TFRIC 13 Customer Loyalty Programmes | <i>3(c)</i> (37.19) | (37.19) |
| Equity at 1 January 2013 - restated | <u>32,317.35</u> | <u>31,906.91</u> |
| Equity at 31 December 2013 – as reported | | |
| Changes as a result of the adoption retrospectively of: | 34,980.99 | 33,819.30 |
| TFRIC 4 Determining whether an Arrangement contains a Lease | <i>3(b)</i> 49.27 | 49.27 |
| TFRIC 13 Customer Loyalty Programmes | <i>3(c)</i> (56.04) | (56.04) |
| Equity at 31 December 2013 – restated | <u>34,974.22</u> | <u>33,812.53</u> |
| Statement of income for the year ended 31 December | | |
| Profit before income tax – as reported | 5,663.64 | 4,886.88 |
| Changes before tax as a result of the adoption retrospectively of: | | |
| TFRIC 4 Determining whether an Arrangement contains a Lease | <i>3(b)</i> 22.42 | 22.42 |
| TFRIC 13 Customer Loyalty Programmes | <i>3(c)</i> (23.56) | (23.56) |
| Profit before income tax – restated | <u>5,662.50</u> | <u>4,885.74</u> |

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

| <i>Financial statements 2013</i> | Consolidated financial statements 2013 | Separate financial statements 2013 |
|---|---|---|
| | <i>(in million Baht)</i> | |
| Income tax expense – as reported | | |
| Changes to income tax expense as a result of the adoption retrospectively of: | | |
| TFRIC 4 Determining whether an Arrangement contains a Lease | (932.34) | (915.30) |
| TFRIC 13 Customer Loyalty Programmes | 3(b) (4.48) | (4.48) |
| | 3(c) 4.71 | 4.71 |
| Income tax expense – restated | (932.11) | (915.07) |
| Profit - restated | 4,730.39 | (3,970.67) |
| | | |
| Decrease in basic earnings per share (in Baht) | (0.001) | (0.001) |

(b) Accounting for arrangements containing a lease

From 1 January 2014, the Group has adopted TFRIC 4 – Determining whether an Arrangement contains a Lease.

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 to be applied to classify and account for the lease. (see note 24)

The effects of the change are recognised retrospectively in the financial statements. The impact on the financial statements is as follows:

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--|------------------------|----------------------|--|------------------------|----------------------|
| | 31 December 2014 | 31 December 2013 | 1 January 2013 | 31 December 2014 | 31 December 2013 | 1 January 2013 |
| | <i>(in million Baht)</i> | | | | | |
| Statement of financial position | | | | | | |
| Increase in property, plant and equipment | 1,092.68 | 1,146.17 | 1,199.66 | 1,092.68 | 1,146.17 | 1,199.66 |
| Increase in current portion of finance lease liabilities | (84.84) | (80.25) | (75.91) | (84.84) | (80.25) | (75.91) |
| Increase in finance lease liabilities | (919.49) | (1,004.33) | (1,084.59) | (919.49) | (1,004.33) | (1,084.59) |
| Decrease in deferred tax assets | (17.67) | (12.32) | (7.83) | (17.67) | (12.32) | (7.83) |
| Increase in retained earnings | 70.68 | 49.27 | 31.33 | 70.68 | 49.27 | 31.33 |

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

| | Consolidated financial statements | | Consolidated financial statements | |
|---|--|---------------------|--|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Statement of income for the year ended | | | | |
| 31 December | | | | |
| Decrease in cost of goods sold | 85.14 | 85.14 | 85.14 | 85.14 |
| Increase in finance costs | <u>(58.38)</u> | <u>(67.72)</u> | <u>(58.38)</u> | <u>(67.72)</u> |
| Increase in profit before income tax expense | 26.76 | 22.42 | 26.76 | 22.42 |
| Increase in income tax expense | <u>(5.35)</u> | <u>(4.48)</u> | <u>(5.35)</u> | <u>(4.48)</u> |
| Increase in profit | <u>21.41</u> | <u>17.94</u> | <u>21.41</u> | <u>17.94</u> |
| | | | | |
| Increase in basic earnings per share (in Baht) | <u>0.02</u> | <u>0.01</u> | <u>0.02</u> | <u>0.01</u> |

(c) Accounting for customer loyalty programmes

From 1 January 2014, the Group has adopted TFRIC 13 – Customer Loyalty Programmes.

TFRIC 13 addresses the accounting for an entity’s obligation to provide free or discounted goods or services (‘awards’) in the future under a customer loyalty programme. TFRIC 13 requires that award credits are accounted for as a separately identified component of the sales transactions in which they are granted (the ‘initial sale’). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The revenue and costs ascribed to the awards are only recognised when the award credits are redeemed or the entity otherwise fulfils its obligations in respect of the awards. The Group’s accounting policy for customer loyalty programmes is as follows:

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

The effects of the change are recognised retrospectively in the financial statements. The impact on the financial statements is as follows:

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--------------------------------------|------------------------|----------------------|----------------------------------|------------------------|----------------------|
| | 31 December 2014 | 31 December 2013 | 1 January 2014 | 31 December 2014 | 31 December 2013 | 1 January 2014 |
| | <i>(in million Baht)</i> | | | | | |
| Statement of financial position | | | | | | |
| Increase in short-term provision | (94.00) | (70.05) | (46.49) | (94.00) | (70.05) | (46.49) |
| Increase in deferred tax assets | 18.80 | 14.01 | 9.30 | 18.80 | 14.01 | 9.30 |
| Decrease in retained earnings | (75.20) | (56.04) | (37.19) | (75.20) | (56.04) | (37.19) |

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Statement of income for the year ended 31 December | | | | |
| Decrease in revenue | (23.96) | (23.56) | (23.96) | (23.56) |
| Decrease in profit before income tax expense | (23.96) | (23.56) | (23.96) | (23.56) |
| Decrease in income tax expense | 4.79 | 4.71 | 4.79 | 4.71 |
| Decrease in profit | (19.17) | (18.85) | (19.17) | (18.85) |
| Decrease in basic earnings per share (in Baht) | (0.01) | (0.01) | (0.01) | (0.01) |

(d) Accounting for employee benefits

From 1 January 2014, the Group has changed the accounting policy for employee benefits by recognises all actuarial gains and losses of defined benefit plans in other comprehensive income instead of previously recognised in profit or loss.

The change in accounting policy has been applied retrospectively and had no impact on the profit and earnings per share for the year ended 31 December 2014 and 2013 to the Group.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the 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.

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Associate

Associates are those entities 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 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 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 and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency 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 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

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates. Transaction fee and discounts are amortised to profit and loss on a straight-line basis over the life of the agreements.

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Notes to the financial statements

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 in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

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

Cost 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) Investment

Investments in associates and subsidiaries

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount 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.

(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 stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

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.

Oil and Gas Properties

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets are transferred from exploration and evaluation expenditure and reclassified into development phase.

The costs of oil and gas properties include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production as well as decommission costs.

Depletion charges are calculated using a unit of production method over the life of the estimated Proved plus Probable reserves.

(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

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized 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 recognized in profit or loss as incurred.

Amortizations

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized 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 | 5-8 years |
|--|-----------|

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

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost as intangible assets and is accumulated in respect of each identifiable area of interest. These costs are capitalised until the viability of the area of interest is determined.

Accumulated costs in relation to an abandoned area are written off through profit or loss in the period in which the decision to abandon the area is made.

Once an area of interest enters the development phase, exploration and evaluation expenditures are transferred to oil and gas properties.

(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.

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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 on goodwill are never reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(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.

(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.

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Notes to the financial statements

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 unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method. The Group recognizes 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 other than plans 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 AA credit-rated 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.

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 or profit-sharing plans 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.

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

(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. The unwinding of the discount is recognised as finance cost.

(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.

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Notes to the financial statements

(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 rights

Income from operating right is recognised in accordance with the timing of the rights utilization and with conditions as stipulated in the contract.

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.

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Notes to the financial statements

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 measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

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Notes to the financial statements

(w) *Segment reporting*

Segment results that are reported to the Group's president (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Acquisition of business

On 30 July 2014, BCP Energy International Pte. Ltd., ("BCP Energy") a subsidiary of the Company entered into a share purchase agreement of Nido Petroleum Limited ("NIDO") with Petroleum International Investment Corporation to purchase 402.95 million common shares (equivalent to 19.66% of total issued shares capital) at AUD 0.055 per share for a total consideration of AUD 22.2 million.

NIDO is incorporated in Australia and its principal activities are the exploration and production of petroleum and natural gas. Taking control of NIDO enable the Company to expand the business into exploration and production of petroleum business and form the fundamental development of exploration and production of petroleum business in accordance with the Company's expansion direction.

On 4 August 2014, BCP Energy entered a bid implementation deed to make a recommended tender offer to purchase all of the outstanding shares that it does not hold at the same price as the Share Purchase Agreement via an off-market takeover with the offer period of one month, from 19 August 2014 to 19 September 2014 which further extended to 3 October 2014.

On 19 September 2014, BCP Energy achieved over 50.1% relevant interest in NIDO shares and free of all remaining conditions. NIDO thereby became a subsidiary of the Group from 19 September 2014.

At the end of the offer period on 3 October 2014, BCP Energy has acquired 1,781.50 million common shares in NIDO, representing 81.41% equity interest for a total consideration of AUD 97.98 million (approximately Baht 2,706.91 million).

The purchase under this condition is in accordance with TFRS 3 (Revised 2012) Business Combinations, requires the recognition of assets, liabilities and contingent liabilities acquired at the acquisition date at fair value, including goodwill (if any). The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired at that date. However, the report on the review has not yet been finalized, for which reason the net assets acquired are provisionally recognised at value based on management estimates. The result of the appraisal will be used to amend the accounting at fair value and to record the final determination of goodwill in the period that the report of the independent appraiser is received.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| | Recognized value <i>(in million Baht)</i> |
|---|---|
| Cash and cash equivalents | 750.47 |
| Trade and other accounts receivable | 654.34 |
| Inventories | 87.50 |
| Property, plant and equipment | 1,366.46 |
| Intangible assets | 1,378.63 |
| Other assets | 137.96 |
| Trade and other accounts payable | (349.07) |
| Income tax payable | (108.05) |
| Long-term loans from financial institutions | (554.48) |
| Deferred tax liabilities | (168.07) |
| Employee benefit obligations | (1.03) |
| Provision for the decommissioning cost | (409.67) |
| Net identifiable assets and liabilities | 2,784.99 |
| <i>Less: non-controlling interests</i> | <i>(533.46)</i> |
| Net assets acquired | 2,251.53 |
| Excess of consideration transferred over book value (Goodwill) | 455.38 |
| Total consideration | 2,706.91 |
| Cash acquired | (750.47) |
| Net consideration | 1,956.44 |

For the period from 20 September 2014 to 31 December 2014, the business contributed net profit of AUD 3.10 million (approximately Baht 87.03 million) to the Group's results.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 58.12 million for the acquisition which included external legal fees, due diligence costs and others which were included as part of the administrative expenses in the consolidated statement of income for the period which incurred.

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with 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 |

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

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|---|
| Fuel Pipeline Transportation Ltd. | 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 |
| 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 Energy Solutions Co.,Ltd. | 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 |
| IRPC Oil Co., Ltd. | Thailand | Related Company of Major Shareholder |
| PTTEP Siam Co., Ltd. | Thailand | Related Company of Major Shareholder |
| Ubon Agricultural Energy Co., Ltd. | Thailand | Indirect associate, representative from the Company as director |
| PTT Tank Termianl Co.,Ltd. | Thailand | Related Company of Major Shareholder |
| The Bangchak Green Net Co., Ltd. | Thailand | Subsidiary, Shareholding 49 % and representative from the Company as director |
| The Bangchak Biofuel Co., Ltd. | Thailand | Subsidiary, Shareholding 70 % and representative from the Company as director |
| The Bangchak Solar Energy Co., Ltd. | Thailand | Subsidiary, Shareholding 100 % and representative from the Company as director |
| The Bangchak Solar Energy (Prachinburi) Co., Ltd. | Thailand | The Company holds 49% direct ownership interest, the subsidiary holds 51% ownership interest and representative from the Company as director. |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | Thailand | The Company holds 49% direct ownership interest, the subsidiary holds 51% ownership interest and representative from the Company as director. |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | Thailand | The Company holds 49% direct ownership interest, the subsidiary holds 51% ownership interest and representative from the Company as director. |

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

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|---|
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | Thailand | The Company holds 49% direct ownership interest, the subsidiary holds 51% ownership interest and representative from the Company as director. |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co.,Ltd | Thailand | The Company holds 49% direct ownership interest, the subsidiary holds 51% ownership interest and representative from the Company as director. |
| BCP Energy International Pte.Ltd. | Singapore | Subsidiary, Shareholding 100 % and representative from the Company as director |
| Nido Petroleum Limited | Australia | Indirect Subsidiary, Shareholding 81.41 % and representative from the Company as director |
| 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 |
| Interest expense | Contractually agreed rate with reference to market rate |

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 | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| | | (Restated) | | (Restated) |
| | <i>(in million Baht)</i> | | | |
| Major shareholder | | | | |
| Sales of goods | 14,094.53 | 17,719.70 | 14,094.53 | 17,584.34 |
| Purchases of raw material | 110,126.40 | 126,911.13 | 110,120.43 | 126,911.13 |
| Other income | 129.14 | 134.33 | 129.14 | 134.33 |
| Service expense | 305.76 | 294.34 | 305.76 | 294.34 |
| Other expense | 1.84 | 4.75 | 1.84 | 4.68 |
| Interest expenses | 58.38 | 62.72 | 58.38 | 62.72 |
| Subsidiaries | | | | |
| Sales of goods | - | - | 31,565.62 | 29,236.88 |
| Purchases of goods | - | - | 3,926.17 | 2,983.92 |
| Other income | - | - | 32.31 | 30.24 |
| Dividend income | - | - | 1,462.34 | 51.07 |
| Interest income | - | - | - | 5.72 |
| Interest expenses | - | - | 0.47 | 0.60 |
| Other expenses | - | - | 21.32 | 17.33 |
| Associate and indirect associate | | | | |
| Sales of goods | 21.70 | 1.25 | 21.70 | 1.25 |
| Purchase of goods | 1,326.32 | 707.22 | 1,326.32 | 707.22 |
| Other income | 0.02 | 0.93 | 0.02 | 0.93 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefits | 132.98 | 121.25 | 125.44 | 120.96 |
| Post-employment benefits and other long-term benefits | 7.74 | 5.26 | 6.15 | 5.26 |
| Total key management personnel compensation | 140.72 | 126.51 | 131.59 | 126.22 |
| Other related parties | | | | |
| Sale of goods | 4,981.78 | 1,794.72 | 4,862.14 | 1,794.72 |
| Purchases of raw material and product | 22,084.09 | 11,396.49 | 21,965.97 | 11,396.49 |
| Other income | 5.77 | 57.13 | 5.77 | 57.13 |
| Dividend income | - | - | - | - |
| Pipeline transportation expenses | 335.78 | 216.01 | 335.78 | 216.01 |
| Other expenses | 46.85 | 43.12 | 46.85 | 43.12 |

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:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------------|--|------------------------|
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| <i>(in million Baht)</i> | | | | |
| Trade accounts receivable - | | | | |
| <i>related parties</i> | | | | |
| Major shareholder | | | | |
| PTT Public Company Limited | 617.78 | 1,611.53 | 614.25 | 1,595.40 |
| Subsidiaries | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 942.94 | 1,044.93 |
| The Bangchak Biofuel Co., Ltd. | - | - | 1.06 | 7.63 |
| Associate and indirect associate | | | | |
| Ubon Bio Ethanol Co., Ltd. | 1.85 | 0.82 | 1.85 | 0.82 |
| Ubon Agricultural Energy Co., Ltd | 4.87 | 0.08 | 4.87 | 0.08 |
| Other related parties | | | | |
| IRPC Plc. | 57.59 | 53.54 | 57.59 | 53.54 |
| PTT Global Chemical Plc. | - | 8.73 | - | 8.73 |
| Fuel Pipeline Transportation Limited | 0.33 | 0.33 | 0.33 | 0.33 |
| | <u>682.42</u> | <u>1,675.03</u> | <u>1,622.89</u> | <u>2,711.46</u> |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | <u>682.42</u> | <u>1,675.03</u> | <u>1,622.89</u> | <u>2,711.46</u> |
| Bad and doubtful debts expense for the year | - | - | - | - |
| Other receivables - related parties | | | | |
| Dividend receivable | | | | |
| Subsidiary | | | | |
| The Bangchak Biofuel Co., Ltd. | - | - | 70.00 | - |
| Other accounts receivable | | | | |
| Major shareholder | | | | |
| PTT Public Company Limited | 415.68 | 403.19 | 415.68 | 403.19 |
| Subsidiaries | | | | |
| The Bangchak Solar Energy Co., Ltd. | - | - | 0.43 | 0.59 |
| The Bangchak Solar Energy (Prachinburi) Co., Ltd. | - | - | 0.22 | 0.20 |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | - | - | 0.16 | 0.20 |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | - | - | 0.16 | 0.20 |
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | - | - | 0.16 | 0.20 |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. | - | - | 0.16 | 0.20 |
| BCP Energy International Co., Ltd. | - | - | 57.68 | - |
| Total | <u>415.68</u> | <u>403.19</u> | <u>544.65</u> | <u>404.78</u> |

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

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------------|--|-------------------------|
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(in million Baht)</i> | | | |
| Trade accounts payable - related parties | | | | |
| Major shareholder | | | | |
| PTT Public Company Limited | 4,278.23 | 9,780.66 | 4,258.79 | 9,770.27 |
| Subsidiaries | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 2.17 | 3.91 |
| The Bangchak Biofuel Co., Ltd. | - | - | 301.80 | 228.76 |
| The Bangchak Solar Energy Co., Ltd. | - | - | 0.48 | 0.45 |
| Associate | | | | |
| Ubon Bio Ethanol Co., Ltd. | 151.63 | - | 151.63 | - |
| Other related parties | | | | |
| Thai Oil Plc. | 165.52 | 310.34 | 165.52 | 310.34 |
| PTT Global Chemical Plc. | - | 57.77 | - | 57.77 |
| IRPC Plc. | 168.76 | 130.82 | 168.76 | 130.82 |
| Thai Lube Base Plc. | 2.73 | 60.14 | 2.73 | 60.14 |
| IRPC Plc. | 6.47 | - | 6.47 | - |
| Total | <u>4,773.34</u> | <u>10,339.73</u> | <u>5,058.35</u> | <u>10,562.46</u> |
| Other accounts payable - related parties | | | | |
| Major shareholder | | | | |
| PTT Public Company Limited | 830.28 | 763.59 | 830.29 | 763.59 |
| Other related parties | | | | |
| Fuel Pipeline Transportation., Ltd. | 34.34 | 21.44 | 34.34 | 21.44 |
| Energy Complex Co., Ltd. | 0.19 | 0.12 | 0.19 | 0.12 |
| Total | <u>864.82</u> | <u>785.15</u> | <u>864.82</u> | <u>785.15</u> |

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

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------|--|--------------------|
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(in million Baht)</i> | | | |
| <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. | - | - | 4,100.00 | 2,637.50 |
| The Bangchak Solar Energy (Prachinburi) Co., Ltd. | - | - | 686.00 | 193.55 |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | - | - | 345.45 | 106.57 |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | - | - | 369.95 | 110.86 |
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | - | - | 374.85 | 94.08 |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. | - | - | 335.21 | 93.47 |
| BCP Energy International Pte. Ltd. | - | - | 2,875.86 | - |
| | - | - | 9,284.86 | 3,433.57 |
| <i>Less provision for impairment</i> | - | - | (825.36) | - |
| Total | - | - | 8,495.50 | 3,433.57 |
| <i>Investment in associate</i> | | | | |
| Ubon Bio Ethanol Co., Ltd. | 761.93 | 756.78 | 763.23 | 763.23 |
| <i>Other non-current assets</i> | | | | |
| Other related party | | | | |
| Fuel Pipeline Transportation Ltd. | 26.41 | 29.82 | 26.41 | 29.82 |
| Energy Complex Co., Ltd. | 4.76 | 4.75 | 4.76 | 4.75 |
| Total | 31.17 | 34.57 | 31.17 | 34.57 |
| <i>Finance lease liabilities</i> | | | | |
| Major shareholder | | | | |
| Current | 84.84 | 80.25 | 84.84 | 80.25 |
| Non-current | 919.49 | 1,004.33 | 919.49 | 1,004.33 |
| <i>Other current liabilities</i> | | | | |
| Subsidiary | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 29.02 | 28.56 |
| <i>Other non-current liabilities</i> | | | | |
| Other related party | | | | |
| Fuel Pipeline Transportation., Ltd. | 3.92 | 4.40 | 3.92 | 4.40 |

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.

FPT completed restructuring under restructuring plan during 2013. The Central Bankruptcy Court approved to withdraw FPT's restructuring plan on 15 July 2013. Subsequently, the Company reversed allowance for doubtful accounts to loan to FPT amounting to Baht 29.82 million because the Company expecting to collect the loan in full amount.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

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 feed stocks for the refinery process commencing from 16 May 2006 and shall be in effect for a period of twelve years after Process Quality Improvement (PQI)'s commercial operation date.

Oil-Product 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. 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 2013, 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 five 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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Store Operation Right Agreement

During 2013, the Company entered into Store Operation Right Agreement with a subsidiary for a period of five 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 September 2010. The volume and market prices are as stipulated in the agreement.

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 utilize the lands and/or lands with building. The Company will receive the fee for land utilization 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 Utility Production

The Company entered into an agreement with the major shareholder for controlling, production and maintenance of utility generation. The Company agreed to pay the fee on monthly basis for 12 months and will expire in August 2015. Management service fees are as stipulated in the agreement.

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

7 Cash and cash equivalents

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Cash on hand | 47.90 | 42.91 | 0.66 | 1.90 |
| Cash at banks - current accounts | 535.65 | 1,212.60 | 63.49 | 746.89 |
| Cash at banks - savings accounts | 4,224.20 | 4,920.66 | 3,645.48 | 4,262.85 |
| Highly liquid short-term investments | 3,146.50 | 351.23 | 3,000.00 | - |
| Total | <u>7,954.25</u> | <u>6,527.40</u> | <u>6,709.63</u> | <u>5,011.64</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 |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 7,655.20 | 4,045.46 | 6,704.25 | 2,529.70 |
| United States Dollars (USD) | 251.48 | 2,480.86 | 5.38 | 2,480.86 |
| Others | 47.57 | 1.08 | - | 1.08 |
| Total | <u>7,954.25</u> | <u>6,527.40</u> | <u>6,709.63</u> | <u>5,011.64</u> |

8 Investments

| | Consolidated | | Separate | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| <i>Current investment</i> | | | | |
| Short-term deposits at financial institutions | 622.69 | 731.45 | - | - |
| | <u>622.69</u> | <u>731.45</u> | <u>-</u> | <u>-</u> |
| <i>Other long-term investments</i> | | | | |
| Non-marketable equity securities | | | | |
| Fuel Pipeline Transportation Ltd. | 65.57 | 7.07 | 65.57 | 7.07 |
| ASEAN Potash Mining Plc. | 173.24 | 173.24 | 173.24 | 173.24 |
| MFC Energy Fund | 124.97 | 125.91 | 124.97 | 125.91 |
| <i>Less: Allowance for impairment</i> | (43.43) | (45.54) | (43.43) | (45.54) |
| Non-marketable equity securities - net | <u>320.35</u> | <u>260.68</u> | <u>320.35</u> | <u>260.68</u> |
| Debt securities held to maturity | | | | |
| Government bonds | 3.00 | 3.00 | 3.00 | 3.00 |
| <i>Add: Premium on investments</i> | 0.06 | 0.02 | 0.06 | 0.02 |
| Debt securities held to maturity - net | <u>3.06</u> | <u>3.02</u> | <u>3.06</u> | <u>3.02</u> |
| Other long-term investments | <u>323.41</u> | <u>263.70</u> | <u>323.41</u> | <u>263.70</u> |
| Total | <u>946.10</u> | <u>995.15</u> | <u>323.41</u> | <u>263.70</u> |

Fuel Pipeline Transportation Limited is proceeding with the rehabilitation plan as explained in note 6.

Investments of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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

9 Trade accounts receivable

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 6 | 682.42 | 1,675.03 | 1,622.89 | 2,711.46 |
| Other parties | | 5,178.63 | 7,018.51 | 4,706.21 | 6,763.37 |
| Total | | 5,861.05 | 8,693.54 | 6,329.10 | 9,747.83 |
| Less: allowance for doubtful accounts | | (25.97) | (33.26) | (25.97) | (33.20) |
| Net | | 5,835.08 | 8,660.28 | 6,303.13 | 9,441.63 |
| (Reversal of) bad and doubtful debts expense for the year | | (4.44) | (3.76) | (3.60) | (3.29) |

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | 682.42 | 1,675.03 | 1,622.89 | 2,711.46 |
| Less: allowance for doubtful accounts | - | - | - | - |
| Net | 682.42 | 1,675.03 | 1,622.89 | 2,711.46 |
| Other parties | | | | |
| Within credit terms | 5,106.26 | 6,829.75 | 4,635.61 | 6,577.74 |
| Overdue: | | | | |
| Less than 3 months | 41.33 | 151.34 | 39.65 | 148.27 |
| 3-6 months | 1.28 | 1.94 | 1.25 | 1.92 |
| 6-12 months | 4.00 | 2.23 | 3.93 | 2.23 |
| Over 12 months | 25.76 | 33.25 | 25.77 | 33.21 |
| | 5,178.63 | 7,018.51 | 4,706.21 | 6,763.37 |
| Less: allowance for doubtful accounts | (25.97) | (33.26) | (25.97) | (33.20) |
| Net | 5,152.66 | 6,985.25 | 4,680.24 | 6,730.17 |
| Total | 5,835.08 | 8,660.28 | 6,303.13 | 9,441.63 |

The normal credit term granted by the Group ranges from 1 days to 90 days.

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

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 4,511.71 | 6,494.30 | 4,979.76 | 7,275.65 |
| United States Dollars (USD) | 1,323.37 | 2,165.98 | 1,323.37 | 2,165.98 |
| Total | 5,835.08 | 8,660.28 | 6,303.13 | 9,441.63 |

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

10 Other receivables

| | Note | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 6 | 415.68 | 403.19 | 544.65 | 404.78 |
| Other parties | | | | | |
| Receivable from oil hedging contracts | | 33.55 | 58.63 | 33.55 | 58.63 |
| Insurance compensation receivable | | 243.30 | - | 243.30 | - |
| Prepaid expenses | | 253.46 | 182.19 | 218.76 | 172.66 |
| Others | | 313.52 | 50.20 | 60.22 | 28.69 |
| Total | | 1,259.51 | 694.21 | 1,100.48 | 664.76 |

11 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------|----------------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Crude oil | 8,740.22 | 10,274.64 | 8,513.67 | 10,101.11 |
| Finished oil products | 5,692.37 | 6,238.43 | 5,283.67 | 5,815.79 |
| Materials and supplies | 706.49 | 652.73 | 659.10 | 644.47 |
| Consumer products | 22.64 | 30.74 | - | - |
| | 15,161.72 | 17,196.54 | 14,456.44 | 16,561.37 |
| <i>Less: allowance for obsolete and slow moving</i> | (104.35) | (104.23) | (103.84) | (103.48) |
| <i>allowance for decline in value</i> | (998.67) | - | (992.24) | - |
| Net | 14,058.70 | 17,092.31 | 13,360.36 | 16,457.89 |

As at 31 December 2014 and 2013, the Company's inventories included petroleum legal reserve of 586.75 million liters with approximated value of Baht 9,966.95 million and 581.70 million liters with approximated value of Baht 13,370.67 million, respectively.

The cost of inventories which is recognized as an expense and included in 'cost of sale of goods' for the year ended 31 December 2014 amounting to Baht 113,797.76 million (2013: Baht 127,503.53 million).

12 Investments in subsidiaries

| | Separate financial statements | |
|--------------------------------------|----------------------------------|-----------------|
| | 2014 | 2013 |
| | <i>(in million Baht)</i> | |
| Subsidiaries | | |
| At 1 January | 3,433.57 | 1,735.04 |
| Acquisitions | 5,851.29 | 1,698.53 |
| <i>Less allowance for impairment</i> | (825.36) | - |
| At 31 December | 8,459.50 | 3,433.57 |

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

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

| | Separate financial statements | | | | | | | | | | | |
|--|--------------------------------------|--------|-----------------|----------|------------------------|------------------------|------------------------|-----------------|------------------------|------------------------|------------------------|---------------------|
| | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Subsidiaries | (%) | | | | | | | | | | | |
| The Bangchak Green Net Co., Ltd. | 49.00 | 49.00 | 1.00 | 1.00 | 0.49 | 0.49 | - | - | 0.49 | 0.49 | - | 31.36 |
| The Bangchak Biofuel Co., Ltd. | 70.00 | 70.00 | 281.50 | 281.50 | 197.05 | 197.05 | - | - | 197.05 | 197.05 | 202.96 | 19.71 |
| The Bangchak Solar Energy Co., Ltd. | 100.00 | 100.00 | 4,100.00 | 2,637.50 | 4,100.00 | 2,637.50 | - | - | 4,100.00 | 2,637.50 | 1,025.00 | - |
| The Bangchak Solar Energy (Prachin-buri) Co., Ltd. | 49.00 | 49.00 | 1,400.00 | 364.00 | 686.00 | 193.55 | - | - | 686.00 | 193.55 | 72.03 | - |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | 49.00 | 49.00 | 705.00 | 202.20 | 345.45 | 106.57 | - | - | 345.45 | 106.57 | 39.75 | - |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | 49.00 | 49.00 | 755.00 | 200.75 | 369.95 | 110.86 | - | - | 369.95 | 110.86 | 43.47 | - |
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | 49.00 | 49.00 | 765.00 | 191.49 | 374.85 | 94.08 | - | - | 374.85 | 94.08 | 39.54 | - |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co.,Ltd. | 49.00 | 49.00 | 684.10 | 190.24 | 335.21 | 93.47 | - | - | 335.21 | 93.47 | 39.59 | - |
| BCP Energy International Pte. Ltd. | 100.00 | - | 2,875.86 | - | <u>2,875.86</u> | <u>-</u> | <u>(825.36)</u> | <u>-</u> | <u>2,050.50</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | | | | | <u>9,284.86</u> | <u>3,433.57</u> | <u>(825.36)</u> | <u>-</u> | <u>8,459.50</u> | <u>3,433.57</u> | <u>1,462.34</u> | <u>51.07</u> |

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

All subsidiaries were incorporated in Thailand, except BCP Energy International Pte. Ltd. which was incorporated and operating in Singapore.

Increase of investment in subsidiaries

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy Co., Ltd, held on 7 June 2013, the shareholders approved the increase of registered share capital from Baht 2,000 million (divided into 20 million shares at par value of Bath 100) to Baht 2,150 million (divided into 21.5 million shares at par value of Baht 100). The subsidiary had called up and received full payment of paid-up capital in June 2013.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy Co., Ltd, held on 23 September 2013, the shareholders approved the increase of registered share capital from Baht 2,150 million (divided into 21.5 million shares at par value of Bath 100) to Baht 4,100 million (divided into 41 million shares at par value of Baht 100) in 30 September 2014. The subsidiary had called up and received full payment of paid-up capital.

On 30 July 2014, the Company established BCP Energy International Pte. Ltd., in Singapore, representing a 100% ownership with initial registered capital of USD 0.1 million (divided into 0.1 million shares at par value of USD 1) for the purposes of overseas operations of the energy, petrochemical and natural resources businesses.

At the Extraordinary Meeting of Shareholders of BCP Energy International Pte. Ltd., held on 28 August 2014, the shareholders approved the increase of registered share capital from USD 0.1 million (divided into 0.1 million shares at par value of USD 1) to USD 20.74 million (divided into 20.74 million shares at par value of USD 1). The subsidiary had called up and received full payment of paid-up capital.

At the Extraordinary Meeting of Shareholders of BCP Energy International Pte. Ltd., held on 28 November 2014, the shareholders approved the increase of registered share capital from USD 20.74 million (divided into 20.74 million shares at par value of USD 1) to USD 89.52 million (divided into 89.52 million shares at par value of USD 1). The subsidiary had called up and received full payment of paid-up capital.

Acquisition and increase of investment in indirect subsidiaries

At the Board of Directors Meeting of the Company, held on 27 August 2013, the meeting approved the purchase of 49% of the share capital of indirect subsidiaries from the Bangchak Solar Energy Co., Ltd, a subsidiary. During 30 September 2013 to 31 December 2014, the indirect subsidiaries have increased share capital and called up as follows :

| The Company | Acquisition | Increase of investment | Total |
|---|-------------|------------------------|--------|
| | | (in million Baht) | |
| The Bangchak Solar Energy (Prachinburi) Co., Ltd. | 29.40 | 656.60 | 686.00 |
| The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd. | 14.70 | 330.75 | 345.45 |
| The Bangchak Solar Energy (Burirum) Co., Ltd. | 24.50 | 345.45 | 369.95 |
| The Bangchak Solar Energy (Burirum1) Co., Ltd. | 0.49 | 374.36 | 374.85 |
| The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd. | 0.49 | 334.72 | 335.21 |

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Impairment loss on investment in subsidiary

For the year ended 31 December 2014, due to sharp decline of the oil price in the world market during quarter 4, 2014, the Company recognised impairment loss on the investment in BCP Energy International Pte. Ltd. totalling Baht 825.36 million in the separate financial statements as a result of recoverable amount in investment in NIDO Petroleum Limited held by BCP Energy International Pte. Ltd. was less than its carrying amount.

13 Investments in associate

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Associate | | | | |
| At 1 January | 756.78 | 722.89 | 763.23 | 763.23 |
| Acquisition | - | - | - | - |
| Share of net profit of equity-accounted associate | 5.15 | 33.89 | - | - |
| At 31 December | <u>761.93</u> | <u>756.78</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 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements

| | Ownership interest | | Paid-up capital | | Cost method | | Equity method | | Impairment | | At equity - net | | Dividend income | |
|----------------------------|--------------------|-------|-----------------|----------|----------------------|----------------------|----------------------|----------------------|-----------------|-----------------|----------------------|----------------------|-----------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| 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>761.93</u> | <u>756.78</u> | <u>-</u> | <u>-</u> | <u>761.93</u> | <u>756.78</u> | <u>-</u> | <u>-</u> |
| Total | | | | | <u>763.23</u> | <u>763.23</u> | <u>761.93</u> | <u>756.78</u> | <u>-</u> | <u>-</u> | <u>761.93</u> | <u>756.78</u> | <u>-</u> | <u>-</u> |

None of the Group's equity-accounted investee is publicly listed and consequently does not have published price quotations.

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 | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | (%) | | | | | | <i>(in million Baht)</i> | | | | | |
| 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>763.23</u> | <u>763.23</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> |

None of the Company's equity-accounted investee is publicly listed and consequently does not have published price quotations.

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

14 Investment Properties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------------|--|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <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>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 December | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net book value</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> |

Investment properties were revalued as at 31 December 2014 and 2013 by an independent professional valuer, at open market value on existing use basis. The appraisal value is totalling Baht 598.72 million (2013: Baht 598.72 million).

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

15 Property, plant and equipment

(a) The Group

| | Consolidated financial statements | | | | | | | | | |
|--|--|-----------------|---|--|---|---|----------------------|---------------|-------------------------------------|------------------|
| | Land | Buildings | Machinery, equipment refinery plants and terminal | Electricity producing equipments | Exploration and production of petroleum assets | Marketing and office equipments <i>(in million Baht)</i> | Platinum Catalyst | Vehicles | Construction work in progress | Total |
| Cost | | | | | | | | | | |
| At 1 January 2013 - restated | 1,235.26 | 944.89 | 35,382.96 | 3,520.89 | - | 4,274.32 | 239.26 | 212.33 | 2,285.08 | 48,094.99 |
| Additions | 81.95 | 0.73 | 104.81 | - | - | 24.16 | - | 5.26 | 4,307.51 | 4,524.42 |
| Transfers | 96.56 | 396.52 | 1,351.22 | 2,814.34 | - | 316.24 | - | 27.48 | (5,026.24) | (23.88) |
| Disposals | (14.27) | (1.35) | (19.63) | - | - | (167.05) | - | (1.49) | - | (203.79) |
| At 31 December 2013 and 1 January 2014 - restated | 1,399.50 | 1,340.79 | 36,819.36 | 6,335.23 | - | 4,447.67 | 239.26 | 243.58 | 1,566.35 | 52,391.74 |
| Acquisition through business acquisition | - | 66.88 | - | - | 3,486.21 | - | - | - | - | 3,553.09 |
| Additions | 0.87 | 2.01 | 112.24 | 0.15 | - | 7.42 | - | 4.71 | 7,098.21 | 7,225.61 |
| Transfers | - | 631.20 | 3,141.99 | 3,367.22 | (25.99) | 457.17 | - | 5.95 | (7,649.06) | (71.52) |
| Disposals | (0.81) | (1.79) | (768.01) | - | - | (50.69) | - | (18.81) | - | (840.11) |
| Effect of movement in exchange rate | - | (2.29) | - | - | (11.23) | - | - | - | - | (13.52) |
| At 31 December 2014 | 1,399.56 | 2,036.80 | 39,305.58 | 9,702.60 | 3,448.99 | 4,861.57 | 239.26 | 235.43 | 1,015.50 | 62,245.29 |

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

| | Consolidated financial statements | | | | | | | | | |
|--|--|-----------------|--|--|--|---------------------------------------|----------------------|-----------------|-------------------------------------|--------------------|
| | Land | Buildings | Machinery, refinery Plants and terminal | Electricity producing equipments | Exploration and production of petroleum assets <i>(in million Baht)</i> | Marketing and office equipments | Platinum Catalyst | Vehicles | Construction work in progress | Total |
| <i>Depreciation and impairment losses</i> | | | | | | | | | | |
| At 1 January 2013 - restated | (14.06) | (458.57) | (13,212.50) | (96.13) | - | (3,055.86) | - | (138.82) | - | (16,975.94) |
| Depreciation charge for the year | - | (58.84) | (2,039.08) | (236.13) | - | (304.03) | - | (28.09) | - | (2,666.17) |
| Impairment losses | - | - | (0.65) | - | - | (2.01) | - | - | - | (2.66) |
| Disposals | - | 1.08 | 11.90 | - | - | 155.40 | - | 1.48 | - | 169.86 |
| At 31 December 2013 and 1 January 2014 - restated | (14.06) | (516.33) | (15,240.33) | (332.26) | - | (3,206.50) | - | (165.43) | - | (19,474.91) |
| Acquisition through business acquisition | - | (61.04) | - | - | (2,125.59) | - | - | - | - | (2,186.63) |
| Depreciation charge for the year | - | (86.63) | (2,177.63) | (361.39) | (113.08) | (334.51) | - | (27.70) | - | (3,100.84) |
| (Losses) Reversal of impairment losses | (1.75) | - | 2.02 | - | (238.93) | (3.44) | - | - | - | (242.10) |
| Disposals | - | 1.30 | 721.06 | - | - | 47.15 | - | 18.41 | - | 787.92 |
| Effect of movement in exchange rate | - | 2.06 | - | - | 105.33 | - | - | - | - | 107.39 |
| At 31 December 2014 | (15.81) | (660.54) | (16,694.88) | (693.65) | (2,372.27) | (3,497.30) | - | (174.72) | - | (24,109.17) |

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

| | Consolidated financial statements | | | | | | | | | |
|--|--|-----------------|---|--|--|---|----------------------|--------------|-------------------------------------|------------------|
| | Land | Buildings | Machinery, equipment refinery plants and terminal | Electricity producing equipments | Exploration and production of petroleum assets | Marketing and office equipments <i>(in million Baht)</i> | Platinum catalyst | Vehicles | Construction work in progress | Total |
| Net book value | | | | | | | | | | |
| At 1 January 2013 - restated | | | | | | | | | | |
| Owned assets | 1,221.20 | 486.32 | 20,970.80 | 3,424.76 | - | 1,218.46 | 239.26 | 73.51 | 2,285.08 | 29,919.39 |
| Assets under finance leases | - | - | 1,199.66 | - | - | - | - | - | - | 1,199.66 |
| | 1,221.20 | 486.32 | 22,170.46 | 3,424.76 | - | 1,218.46 | 239.26 | 73.51 | 2,285.08 | 31,119.05 |
| At 31 December 2013 and 1 January 2014 - restated | | | | | | | | | | |
| Owned assets | 1,385.44 | 824.46 | 20,432.86 | 6,002.97 | - | 1,241.17 | 239.26 | 78.15 | 1,566.35 | 31,770.66 |
| Assets under finance leases | - | - | 1,146.17 | - | - | - | - | - | - | 1,146.17 |
| | 1,385.44 | 824.46 | 21,579.03 | 6,002.97 | - | 1,241.17 | 239.26 | 78.15 | 1,566.35 | 32,916.83 |
| At 31 December 2014 | | | | | | | | | | |
| Owned assets | 1,383.75 | 1,376.26 | 21,518.02 | 9,008.95 | 1,076.72 | 1,364.27 | 239.26 | 60.71 | 1,015.50 | 37,043.44 |
| Assets under finance leases | - | - | 1,092.68 | - | - | - | - | - | - | 1,092.68 |
| | 1,383.75 | 1,376.26 | 22,610.70 | 9,008.95 | 1,076.72 | 1,364.27 | 239.26 | 60.71 | 1,015.50 | 38,136.12 |

As at 31 December 2014, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 3,860.90 million (2013: Baht 4,063.60 million).

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 24.18 million (2013: Baht 53.13 million), with a capitalization rate of 4.04 - 4.91% (2013: 4.43-6.63%) (see note 36).

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 4,593.78 million (2013: Baht 3,302.09 million).

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

Impairment loss in Nido Petroleum Limited

For the year ended 31 December 2014, due to sharp decline of the oil price in the world market during quarter 4, 2014, the Group recognized impairment loss in NIDO Petroleum Limited. The recoverable amount used in assessing the impairment loss is based on value in use which was the estimated future cash flows are discounted to their present value. The key assumptions used in the cash flow projections include the oil prices, production profile, discount rates, and capital expenditure.

The short term oil price was determined based on the forward price curve and long term oil price was determined based on estimation from independent expert and upon past experience of the industry. Production profiles are based on a proved and probable reserve production profile and also the long-term view of global supply and demand. The discount rate is derived from weighted average cost of capital of 8.52%. The capital expenditure was determined based on project management estimation and long term planning.

The impairment losses recognised in the consolidated statement of income for the year ended 31 December 2014 was as follows:

| | <i>Note</i> | Consolidated financial statements <i>(in million Baht)</i> |
|-------------------------------|-------------|---|
| Impairment losses | | |
| Property, plant and equipment | | 238.93 |
| Intangible assets | <i>18</i> | 154.32 |
| Goodwill | <i>16</i> | 425.25 |
| Total | | 818.50 |

The sensitivity analysis in the key assumptions was estimated. The calculations were performed assuming a change to the variable being tested only. It is estimated that if the oil price assumption for all future years were to be increased by around 27% , this would cause the recoverable amount to be equal to the carrying amount.

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 2013 – restated | 1,000.42 | 693.97 | 34,729.70 | 3,520.89 | 4,234.69 | 239.27 | 192.63 | 1,092.98 | 45,704.55 |
| Additions | - | - | 103.79 | - | - | - | - | 1,560.25 | 1,664.04 |
| Transfers | - | 30.30 | 1,346.04 | 0.67 | 233.60 | - | 27.48 | (1,657.77) | (19.68) |
| Disposals | (14.27) | (0.95) | (14.57) | - | (166.72) | - | (1.49) | - | (198.00) |
| At 31 December 2013 and 1 January 2014 - restated | 986.15 | 723.32 | 36,164.96 | 3,521.56 | 4,301.57 | 239.27 | 218.62 | 995.46 | 47,150.91 |
| Additions | - | - | 110.43 | - | - | - | - | 3,631.59 | 3,742.02 |
| Transfers | - | 37.22 | 3,120.80 | 0.72 | 426.97 | - | 5.95 | (3,636.29) | (44.63) |
| Disposals | (0.81) | (1.33) | (767.03) | - | (50.06) | - | (18.30) | - | (837.53) |
| At 31 December 2014 | 985.34 | 759.21 | 38,629.16 | 3,522.28 | 4,678.48 | 239.27 | 206.27 | 990.76 | 50,010.77 |
| Depreciation and impairment losses | | | | | | | | | |
| At 1 January 2013 - restated | (14.06) | (423.10) | (13,100.40) | (96.13) | (3,027.26) | - | (128.35) | - | (16,789.30) |
| Depreciation charge for the year | - | (32.10) | (1,997.47) | (145.75) | (284.59) | - | (24.32) | - | (2,484.23) |
| Impairment losses | - | - | (0.65) | - | (2.01) | - | - | - | (2.66) |
| Disposals | - | 0.95 | 10.68 | - | 155.08 | - | 1.48 | - | 168.19 |
| At 31 December 2013 and 1 January 2014 - restated | (14.06) | (454.25) | (15,087.84) | (241.88) | (3,158.78) | - | (151.19) | - | (19,108.00) |
| Depreciation charge for the year | - | (36.98) | (2,133.95) | (145.84) | (308.05) | - | (23.22) | - | (2,648.04) |
| (Losses) reversal of impairment losses | (1.75) | - | 2.02 | - | (3.44) | - | - | - | (3.17) |
| Disposals | - | 1.20 | 720.69 | - | 46.55 | - | 18.05 | - | 786.49 |
| At 31 December 2014 | (15.81) | (490.03) | (16,499.08) | (387.72) | (3,423.72) | - | (156.36) | - | (20,972.72) |

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

| | 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 | |
| <i>Net book value</i> | | | | | | | | | |
| At 1 January 2013 - restated | | | | | | | | | |
| Owned assets | 986.36 | 270.87 | 20,429.64 | 3,424.76 | 1,207.43 | 239.27 | 64.28 | 1,092.98 | 27,715.59 |
| Assets under finance leases | - | - | 1,199.66 | - | - | - | - | - | 1,199.66 |
| | 986.36 | 270.87 | 21,629.30 | 3,424.76 | 1,207.43 | 239.27 | 64.28 | 1,092.98 | 28,915.25 |
| At 31 December 2013 and 1 January 2014 - restated | | | | | | | | | |
| Owned assets | 972.09 | 269.07 | 19,930.95 | 3,279.68 | 1,142.79 | 239.27 | 67.43 | 995.46 | 26,896.74 |
| Assets under finance leases | - | - | 1,146.17 | - | - | - | - | - | 1,146.17 |
| | 972.09 | 269.07 | 21,077.12 | 3,279.68 | 1,142.79 | 239.27 | 67.43 | 995.46 | 28,042.91 |
| At 31 December 2014 | | | | | | | | | |
| Owned assets | 969.53 | 269.18 | 21,037.40 | 3,134.56 | 1,254.76 | 239.27 | 49.91 | 990.76 | 27,945.37 |
| Assets under finance leases | - | - | 1,092.68 | - | - | - | - | - | 1,092.68 |
| | 969.53 | 269.18 | 22,130.08 | 3,134.56 | 1,254.76 | 239.27 | 49.91 | 990.76 | 29,038.05 |

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 22.37 million (2013: Baht 51.30 million), with a capitalization rate of 4.59 – 4.91% (2013: 4.43 – 6.63%) (see note 36).

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 4,506.31 million (2013: Baht 3,275.86 million).

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

16 Goodwill

| | <i>Note</i> | Consolidated financial statements <i>(in million Baht)</i> |
|---------------------------------------|-------------|--|
| <i>Cost</i> | | |
| At 1 January 2014 | | - |
| Acquired through business acquisition | 5 | 455.38 |
| Effect of movements in exchange rates | | <u>(30.13)</u> |
| At 31 December 2014 | | <u>425.25</u> |
| <i>Impairment losses</i> | | |
| At 1 January 2014 | | - |
| Impairment losses | 15 | <u>(425.25)</u> |
| At 31 December 2014 | | <u>(425.25)</u> |
| <i>Net book value</i> | | |
| At 1 January 2014 | | <u>-</u> |
| At 31 December 2014 | | <u>-</u> |

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

17 Leasehold Rights

| | Consolidated and Separate financial statements <i>(in million Baht)</i> |
|---|---|
| Cost | |
| At 1 January 2013 | 2,445.59 |
| Addition | 224.32 |
| Transfers | (6.36) |
| Disposals | (2.60) |
| At 31 December 2013 and 1 January 2014 | 2,660.95 |
| Addition | 343.90 |
| Disposals | (290.16) |
| At 31 December 2014 | 2,714.69 |
| Amortisation and impairment losses | |
| At 1 January 2013 | (1,396.94) |
| Amortisation charge for the year | (94.85) |
| Disposals | 2.60 |
| Impairment losses | (0.11) |
| At 31 December 2013 and 1 January 2014 | (1,489.30) |
| Amortisation charge for the year | (120.32) |
| Disposals | 290.16 |
| Impairment losses | 0.52 |
| At 31 December 2014 | (1,318.94) |
| Net book value | |
| At 1 January 2013 | 1,048.65 |
| At 31 December 2013 and 1 January 2014 | 1,171.65 |
| At 31 December 2014 | 1,395.75 |

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 |
| Total | 551.63 |

As at 31 December 2014, leasehold right liability has remaining balance totalling Baht 76.62 million (2013: Baht 153.23 million).

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

18 Intangible assets

| Consolidated financial statements | | | | |
|---|-------------|---|--|-----------------|
| | <i>Note</i> | Right to use and cost of development of computer software | Exploration and evaluation expenditure <i>(in million Baht)</i> | Total |
| Cost | | | | |
| At 1 January 2013 | | 314.18 | - | 314.18 |
| Addition | | 109.66 | - | 109.66 |
| Disposals | | (12.54) | - | (12.54) |
| At 31 December 2013 and 1 January 2014 | | 411.30 | - | 411.30 |
| Acquisitions through business acquisition | | - | 1,776.27 | 1,776.27 |
| Additions | | 43.45 | 154.51 | 197.96 |
| Disposals | | (0.04) | - | (0.04) |
| Effect of movements in exchange rates | | - | 25.27 | 25.27 |
| At 31 December 2014 | | 454.71 | 1,956.05 | 2,410.76 |
| Amortisation and impairment losses | | | | |
| At 1 January 2013 | | (167.08) | - | (167.08) |
| Amortisation for the year | | (35.72) | - | (35.72) |
| Disposals | | 11.67 | - | 11.67 |
| At 31 December 2013 and 1 January 2014 | | (191.13) | - | (191.13) |
| Acquisitions through business acquisition | | - | (397.64) | (397.64) |
| Amortisation for the year | | (41.03) | - | (41.03) |
| Disposals | | 0.04 | - | 0.04 |
| Impairment losses | <i>15</i> | - | (154.32) | (154.32) |
| Effect of movements in exchange rates | | - | 2.55 | 2.55 |
| At 31 December 2014 | | (232.12) | (549.41) | (781.53) |
| Net book value | | | | |
| At 1 January 2013 | | 147.10 | - | 147.10 |
| At 31 December 2013 and 1 January 2014 | | 220.17 | - | 220.17 |
| At 31 December 2014 | | 222.59 | 1,406.64 | 1,629.23 |

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

| | Separate financial statements |
|---|--|
| | Right to use and cost of development of computer software (in million Baht) |
| Cost | |
| At 1 January 2013 | 310.24 |
| Addition | 105.79 |
| Disposals | (12.54) |
| At 31 December 2013 and 1 January 2014 | 403.49 |
| Additions | 38.28 |
| Disposals | (0.04) |
| At 31 December 2014 | 441.73 |
| Amortisation and impairment losses | |
| At 1 January 2013 | (163.94) |
| Amortisation for the year | (34.97) |
| Disposals | 11.67 |
| At 31 December 2013 and 1 January 2014 | (187.24) |
| Amortisation for the year | (39.49) |
| Disposals | 0.04 |
| At 31 December 2014 | (226.69) |
| Net book value | |
| At 1 January 2013 | 146.30 |
| At 31 December 2013 and 1 January 2014 | 216.25 |
| At 31 December 2014 | 215.04 |

19 Deferred tax

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

| | Consolidated financial statements | | | |
|--|--|--------------------|-----------------|--------------------|
| | Assets | | Liabilities | |
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(in million Baht)</i> | | | |
| Total | 1,175.63 | 422.90 | (667.53) | (84.82) |
| Set off of tax | (517.75) | (84.82) | 517.75 | 84.82 |
| Net deferred tax assets (liabilities) | 657.88 | 338.08 | (149.78) | - |
| | Separate financial statements | | | |
| | Assets | | Liabilities | |
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(in million Baht)</i> | | | |
| Total | 998.53 | 419.83 | (334.61) | (84.82) |
| Set off of tax | (334.61) | (84.82) | 334.61 | 84.82 |
| Net deferred tax assets | 653.92 | 335.01 | - | - |

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

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

| | Consolidated financial statement | | | | |
|--|---|--|---|---------------------------------|------------------------------------|
| | At 1 January 2014 (Restated) | (Charged)/ Credited to: Statement of income (Note 37) | Acquired in business acquisition (in million Baht) | Exchange differences | At 31 December 2014 |
| <i>Deferred tax assets</i> | | | | | |
| Loss from impairment of assets | 90.89 | 124.61 | - | - | 215.55 |
| Property, plant and equipment | 89.65 | (6.61) | 108.76 | 31.25 | 223.05 |
| Employee benefit obligation | 220.48 | 16.97 | - | - | 237.45 |
| Loss carry forward | - | 391.73 | 56.62 | 11.83 | 460.18 |
| Others | 21.88 | 17.29 | 0.01 | 0.22 | 39.40 |
| Total | 422.90 | 544.04 | 165.39 | 43.30 | 1,175.63 |
| <i>Deferred tax liabilities</i> | | | | | |
| Inventories | - | (131.77) | - | - | (131.77) |
| Property, plant and equipment | (83.48) | 9.04 | (264.63) | (63.99) | (403.06) |
| Leasehold rights | (1.34) | 0.07 | - | - | (1.27) |
| Provision for the decommissioning cost | - | 4.38 | (67.12) | (19.26) | (82.00) |
| Finance lease liabilities | - | 1.25 | (1.71) | (0.31) | (0.77) |
| Income from insurance compensation | - | (48.66) | - | - | (48.66) |
| Total | (84.82) | (165.69) | (333.46) | (83.56) | (667.53) |
| Net | 338.08 | 378.35 | (168.07) | (40.26) | 508.10 |

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

| | Consolidated financial statements | | |
|--|---|--|---|
| | (Charged) / credited to | | |
| | At 1 January 2013 (Restated) | Statement of income (Note 37) (in million Baht) | At 31 December 2013 (Restated) |
| <i>Deferred tax assets</i> | | | |
| Loss from impairment of assets | 86.68 | 4.21 | 90.89 |
| Property, plant and equipment | 71.83 | 17.82 | 89.65 |
| Employee benefit obligation | 198.76 | 21.72 | 220.48 |
| Others | 28.94 | (7.06) | 21.88 |
| Total | 386.21 | 36.69 | 422.90 |
| <i>Deferred tax liabilities</i> | | | |
| Property, plant and equipment | (134.22) | 50.74 | (83.48) |
| Leasehold rights | (1.41) | 0.07 | (1.34) |
| Income from insurance compensation | (62.00) | 62.00 | - |
| Total | (197.63) | 112.81 | (84.82) |
| Net | 188.58 | 149.50 | 338.08 |

| | Separate financial statements | | |
|--|---|--|--------------------------------|
| | (Charged) / credited to | | |
| | At 1 January 2014 (Restated) | Statement of income (Note 37) (in million Baht) | At 31 December 2014 |
| <i>Deferred tax assets</i> | | | |
| Loss from impairment of assets | 90.89 | 124.66 | 215.55 |
| Property, plant and equipment | 89.62 | 0.26 | 89.88 |
| Employee benefit obligation | 217.64 | 16.15 | 233.79 |
| Loss carry forward | - | 421.74 | 421.74 |
| Others | 21.68 | 15.89 | 37.57 |
| Total | 419.83 | 578.70 | 998.53 |
| <i>Deferred tax liabilities</i> | | | |
| Inventories | - | (131.77) | (131.77) |
| Property, plant and equipment | (83.48) | (79.43) | (162.91) |
| Leasehold rights | (1.34) | 0.07 | (1.27) |
| Income from insurance compensation | - | (48.66) | (48.66) |
| Total | (84.82) | (259.79) | (344.61) |
| Net | 335.01 | 318.91 | 653.92 |

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

| | Separate financial statements (Charged) / credited to | | |
|--|---|--|---|
| | At 1 January 2013 (Restated) | Statement of income (Note 37) (in million Baht) | At 31 December 2013 (Restated) |
| <i>Deferred tax assets</i> | | | |
| Loss from impairment of assets | 86.68 | 4.21 | 90.89 |
| Property, plant and equipment | 71.83 | 17.80 | 89.62 |
| Employee benefit obligation | 196.56 | 21.08 | 217.64 |
| Others | 28.70 | (7.02) | 21.68 |
| Total | 383.77 | 36.07 | 419.83 |
| <i>Deferred tax liabilities</i> | | | |
| Property, plant and equipment | (134.22) | 50.73 | (83.48) |
| Leasehold rights | (1.41) | 0.07 | (1.34) |
| Income from insurance compensation | (62.00) | 62.00 | - |
| Total | (197.63) | 112.80 | (84.82) |
| Net | 186.14 | 148.87 | 335.01 |

20 Other non-current assets

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|---------------|--|---------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Fixed deposit for staff welfare | | 420.17 | 417.95 | 420.17 | 417.95 |
| Deferred expenses for the issuance of long-term loans | | 64.03 | 74.68 | 64.03 | 72.32 |
| Investment in service stations | | 152.96 | 156.84 | 152.96 | 156.84 |
| Deposit paid for investment | 42 | 351.36 | - | - | - |
| Others | | 318.89 | 192.92 | 222.78 | 191.48 |
| Total | | 1,307.41 | 842.39 | 859.94 | 838.59 |

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

21 Interest-bearing liabilities

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------------|--|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| <i>Current</i> | | | | |
| Current portion of long-term loans | | | | |
| from financial institutions | | | | |
| secured | 486.42 | - | - | - |
| unsecured | - | 265.84 | - | - |
| | 825.49 | 776.66 | 825.49 | 776.66 |
| Total Current | <u>1,311.91</u> | <u>1,042.50</u> | <u>825.49</u> | <u>776.66</u> |
| <i>Non-current</i> | | | | |
| Long -term loans from financial institutions | | | | |
| secured | 1,616.81 | 1,733.46 | - | - |
| unsecured | 14,284.54 | 15,057.88 | 14,284.54 | 15,057.88 |
| | <u>15,901.35</u> | <u>16,791.34</u> | <u>14,284.54</u> | <u>15,057.88</u> |
| Debenture | | | | |
| unsecured | 12,985.12 | 2,995.71 | 12,985.12 | 2,995.71 |
| | <u>12,985.12</u> | <u>2,995.71</u> | <u>12,985.12</u> | <u>2,995.71</u> |
| Total Non-current | <u>28,886.48</u> | <u>19,787.05</u> | <u>27,269.66</u> | <u>18,053.59</u> |
| Total | <u>30,198.38</u> | <u>20,829.55</u> | <u>28,095.15</u> | <u>18,830.25</u> |

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

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 | | Consolidated | | Separates | |
|--|------------|-----------|--|--|------------------------------|-------------------|------------------------------|------------------|
| | Currency | (million) | Interest Rates (%) p.a. | Repayment Terms | Financial statements 2014 | 2013 | financial statements 2014 | 2013 |
| <i>(in million Baht)</i> | | | | | | | | |
| Long-term loans from financial institutions | | | | | | | | |
| The Company | Baht | 9,000 | THBFIX 6M plus a margin | The principle will be repayable in 20 instalments commencing in June 2011 | 2,435.24 | 2,581.75 | 2,435.24 | 2,581.75 |
| The Company | USD | 200 | LIBOR plus a margin | The principle will be repayable on 1 August 2018 | 6,553.10 | 6,500.94 | 6,553.10 | 6,500.94 |
| The Company | Baht | 4,200 | Fixed Interest Rate | The principle will be repayable in 26 instalments commencing in March 2013 | 3,301.69 | 3,601.85 | 3,301.69 | 3,601.85 |
| The Company | Baht | 3,500 | THBFIX 6M plus a margin | The principle will be repayable in 23 instalments commencing in December 2011 | 2,820.00 | 3,150.00 | 2,820.00 | 3,150.00 |
| Subsidiary | Baht | 710 | Six-month fixed deposit corporate rate plus a margin | The principle will be repayable in 24 instalments commencing in June 2010 | - | 336.24 | - | - |
| Subsidiary | Baht | 1,508 | THBFIX 6M plus a margin | The principle will be repayable in 20-34 instalments commencing in August 2013 | 1,233.04 | 1,350.99 | - | - |
| Subsidiary | USD | 12 | Fixed Interest Rate | The principle will be repayable in 34 instalments commencing in August 2013 | 298.05 | 312.07 | - | - |
| Subsidiary | Baht | 2,049 | Fixed Deposit Rate plus a margin | The principle will be repayable in 24 instalments commencing in January 2017 | 224.69 | - | - | - |
| Subsidiary | USD | 30 | US LIBOR plus a margin | The principle will be repayable in December 2015 | 347.45 | - | - | - |
| Total | | | | | 17,213.26 | 17,833.84 | 15,110.03 | 15,834.54 |
| <i>Less: Current portion</i> | | | | | <i>(1,311.91)</i> | <i>(1,042.50)</i> | <i>(825.49)</i> | <i>(776.66)</i> |
| Net | | | | | 15,901.35 | 16,971.34 | 14,284.54 | 15,057.88 |

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

On 30 April 2012, the Company issued long-term debentures which 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. The details are as follows:

| Amount (in million Baht) | Interest rate (per annum) | Term (Years) | Maturity Date |
|-----------------------------|------------------------------|--------------|---------------|
| 2,000 | 4.92 | 7 | 30 April 2019 |
| 1,000 | 5.35 | 10 | 30 April 2022 |

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 financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Within one year | 1,311.91 | 1,042.50 | 825.49 | 776.66 |
| After one year but within five years | 17,503.63 | 11,094.39 | 16,656.06 | 10,297.77 |
| After five years | 11,382.84 | 8,692.66 | 10,613.60 | 7,755.81 |
| Total | <u>30,198.38</u> | <u>20,829.55</u> | <u>28,095.15</u> | <u>18,830.24</u> |

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

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--------------------------------------|------------------------|----------------------------------|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Property, plant and equipment | 3,860.90 | 4,063.60 | - | - |
| Total | <u>3,860.90</u> | <u>4,063.60</u> | <u>-</u> | <u>-</u> |

The currency denomination of interest-bearing liabilities as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | 23,927.83 | 14,328.61 | 21,542.05 | 12,329.31 |
| United States Dollars (USD) | 6,900.55 | 6,500.94 | 6,553.10 | 6,500.94 |
| Total | <u>30,198.38</u> | <u>20,829.55</u> | <u>28,095.15</u> | <u>18,830.25</u> |

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

22 Trade accounts payable

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------|-------------|--|-------------------------|--|-------------------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 6 | 4,773.34 | 10,339.73 | 5,058.35 | 10,562.46 |
| Other parties | | 1,001.02 | 1,194.21 | 560.10 | 874.17 |
| Total | | <u>5,774.36</u> | <u>11,533.94</u> | <u>5,618.45</u> | <u>11,436.63</u> |

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

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|--|--|-------------------------|--|-------------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Thai Baht (THB) | | 5,671.98 | 11,533.94 | 5,618.45 | 11,436.63 |
| United States Dollars (USD) | | 86.89 | - | - | - |
| Others | | 15.49 | - | - | - |
| Total | | <u>5,774.36</u> | <u>11,533.94</u> | <u>5,618.45</u> | <u>11,436.63</u> |

23 Other payables

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|-------------|--|------------------------|--|------------------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| Related parties | 6 | <u>864.82</u> | <u>785.15</u> | <u>864.82</u> | <u>785.15</u> |
| Other parties | | | | | |
| Accrued expenses | | 589.02 | 713.39 | 474.98 | 590.46 |
| Liabilities from forward contract | | 0.22 | 139.13 | 0.22 | 139.13 |
| Other accounts payable | | 905.42 | 724.53 | 829.01 | 468.22 |
| Total | | <u>2,359.48</u> | <u>2,362.20</u> | <u>2,169.03</u> | <u>1,982.96</u> |

24 Finance lease liabilities

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 only.

The agreement falls within the scope of TFRIC 4 – Determining whether an Arrangement contains a Lease in which the Cogeneration Power Plant is use of the specific asset and the Company has the ability and right to control physical access to the asset. The major shareholder will transfer ownership of the Cogeneration Power Plant to the Company at the end of the agreement period.

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

Details of financial lease liabilities were as follow:

| | Consolidated / Separate financial statements | | | | | |
|--------------------------------------|---|---------------|---|----------------------------------|---------------|---------------------------------|
| | 31 December 2014 | | | 31 December 2013 (Restated) | | |
| | Present value of minimum payment | Finance costs | Future value of minimum payment <i>(in million Baht)</i> | Present value of minimum payment | Finance costs | Future value of minimum payment |
| Within one year | 84.84 | 53.79 | 138.63 | 80.25 | 58.39 | 138.64 |
| After one year but within five years | 390.68 | 163.86 | 554.54 | 369.56 | 184.98 | 554.54 |
| After five years | 528.81 | 67.05 | 595.86 | 634.77 | 99.72 | 734.49 |
| Total | 1,004.33 | 284.70 | 1,289.03 | 1,084.58 | 343.09 | 1,427.67 |

25 Employee benefit obligations

| | Consolidated | | Separate | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Statement of financial position obligations for: | | | | |
| Post-employment benefits | 1,142.67 | 1,059.40 | 1,125.82 | 1,047.32 |
| Other long-term employee benefits | 45.84 | 43.02 | 43.15 | 40.88 |
| Total | 1,188.51 | 1,102.42 | 1,168.97 | 1,088.20 |
| For the year ended 31 December | | | | |
| Statement of income: | | | | |
| Recognised in profit or loss | | | | |
| Post-employment benefits | 113.63 | 132.40 | 108.75 | 128.13 |
| Other long-term employee benefits | 4.70 | 5.74 | 4.14 | 5.66 |
| Total | 118.33 | 138.14 | 112.89 | 133.79 |

Movement in the present value of the defined benefit obligations:

| | Consolidated | | Separate | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Defined benefit obligations at 1 January | 1,102.42 | 993.78 | 1,088.20 | 982.81 |
| Acquisitions through business acquisition | 1.03 | - | - | - |
| Benefits paid by the plan | (32.84) | (29.50) | (32.12) | (28.40) |
| Current service costs and interest | 118.33 | 138.14 | 112.89 | 133.79 |
| Effect of movement in exchange rate | (0.43) | - | - | - |
| Defined benefit obligations at 31 December | 1,188.51 | 1,102.42 | 1,168.97 | 1,088.20 |

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

Expense recognised in profit or loss:

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Current service costs | 74.69 | 98.51 | 69.71 | 94.50 |
| Interest on obligation | 43.64 | 39.63 | 43.18 | 39.29 |
| Total | 118.33 | 138.14 | 112.89 | 133.79 |

The expense is recognised in the following line items in the statement of income:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Cost of sales | 30.98 | 30.87 | 30.75 | 30.70 |
| Selling expenses | 41.07 | 43.01 | 36.97 | 39.14 |
| Administrative expenses | 46.28 | 64.26 | 45.17 | 63.95 |
| Total | 118.33 | 138.14 | 112.89 | 133.79 |

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

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--|--------------------|--|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(%)</i> | | | |
| Discount rate as at 31 December | 4 | 4 | 4 | 4 |
| 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.

26 Share capital

| | Par value per share <i>(in Baht)</i> | 2014 | | 2013 | |
|---|--|-----------------|--|-----------------|-----------------|
| | | Number | Baht <i>(million shares / million Baht)</i> | Number | Baht |
| Authorised | | | | | |
| 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 |
| Issued and paid-up | | | | | |
| At 1 January ordinary shares | 1 | 1,376.92 | 1,376.92 | 1,376.92 | 1,376.92 |
| Issue of new shares | 1 | - | - | - | - |
| At 31 December | | | | | |

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

| | Par value per share | 2014 | | 2013 | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | Number | Baht | Number | Baht |
| ordinary shares | <i>1</i> | <u>1,376.92</u> | <u>1,376.92</u> | <u>1,376.92</u> | <u>1,376.92</u> |

27 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 (1992) 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.

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 (1992) Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

28 Operating segments

The Group has five reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

| | |
|------------------|--|
| <i>Segment 1</i> | <i>Refinery</i> |
| <i>Segment 2</i> | <i>Marketing</i> |
| <i>Segment 3</i> | <i>Electricity</i> |
| <i>Segment 4</i> | <i>Biofuel</i> |
| <i>Segment 5</i> | <i>Exploration and production of petroleum</i> |

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, financial costs, depreciation and amortization, gain on foreign exchange and impairment losses on assets (Group’s EBITDA), as included in the internal management reports that are reviewed by the Group’s CODM. Group’s EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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

Information about reportable segments

| | 2014 | | | | Exploration and production of petroleum | Eliminations | Total |
|--------------------------------|-------------------|-------------------|-----------------|-------------------------------------|---|---------------------|----------------------|
| | Refinery | Marketing | Electricity | Biofuel <i>(in million Baht)</i> | | | |
| External revenue | 40,667.42 | 137,940.31 | 2,692.32 | 1,391.29 | 324.76 | - | 183,016.10 |
| Inter-segment revenue | <u>130,579.98</u> | <u>5.96</u> | - | <u>3,925.01</u> | - | <u>(134,510.95)</u> | - |
| Total revenue | <u>171,247.40</u> | <u>137,946.27</u> | <u>2,692.32</u> | <u>5,316.30</u> | <u>324.76</u> | <u>(134,510.95)</u> | <u>183,016.10</u> |
| Group's EBITDA | 137.09 | 2,207.79 | 2,572.30 | 303.33 | (58.06) | - | 5,162.45 |
| Depreciation and Amortization | | | | | | | (3,294.13) |
| Gain on foreign exchange | | | | | | | 673.58 |
| Loss from impairment of assets | | | | | | | (821.48) |
| Finance costs | | | | | | | (1,426.80) |
| Income tax credit | | | | | | | 462.79 |
| Profit for the year | | | | | | | <u>756.41</u> |
| Interest revenue | 59.52 | 78.28 | 27.88 | 0.82 | 0.33 | - | 166.83 |
| Finance costs | 1,000.59 | 143.44 | 223.40 | 20.46 | 38.91 | - | 1,426.80 |
| Depreciation and amortisation | 2,175.00 | 505.58 | 439.43 | 60.23 | 113.89 | - | 3,294.13 |
| Segment assets | 49,075.61 | 10,240.73 | 12,921.02 | 1,139.96 | 3,588.21 | - | 76,965.53 |
| Investment in associate | 761.93 | - | - | - | - | - | 761.93 |
| Capital expenditure | 2,880.92 | 1,393.01 | 3,694.58 | 18.94 | 56.98 | - | 8,044.43 |

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

| | 2013 (Restated) | | | | | |
|--|--------------------------|-------------------|--------------------|-----------------|---------------------|------------------------|
| | Refinery | Marketing | Electricity | Biofuel | Eliminations | Total |
| | <i>(in million Baht)</i> | | | | | |
| External revenue | 44,560.17 | 139,048.60 | 1,462.79 | 1,418.63 | - | 186,490.19 |
| Inter-segment revenue | 132,263.21 | 66.16 | - | 2,982.26 | (135,311.63) | - |
| Total revenue | <u>176,823.38</u> | <u>139,114.76</u> | <u>1,462.79</u> | <u>4,400.89</u> | <u>(135,311.63)</u> | <u>186,490.19</u> |
| Group's EBITDA | 6,336.08 | 1,366.44 | 1,388.18 | 379.07 | (6.58) | 9,463.19 |
| Depreciation and amortization | | | | | | (2,830.47) |
| Gain on foreign exchange | | | | | | 132.02 |
| Reversal of allowance for loss from impairment of assets | | | | | | 24.26 |
| Finance costs | | | | | | (1,126.50) |
| Income tax expense | | | | | | (932.11) |
| Profit for the year | | | | | | <u>4,730.39</u> |
| Interest revenue | 30.70 | 49.54 | 9.14 | 0.63 | - | 90.01 |
| Financial costs | 778.49 | 111.84 | 219.06 | 21.78 | (4.67) | 1,126.50 |
| Depreciation and amortisation | 2,035.07 | 453.13 | 284.65 | 57.62 | - | 2,830.47 |
| Segments assets | 51,670.53 | 10,588.33 | 10,202.45 | 1,075.90 | - | 73,537.21 |
| Investments in associate | 756.78 | - | - | - | - | 756.78 |
| Capital expenditure | 1,028.65 | 916.46 | 2,935.02 | 25.19 | - | 4,905.32 |

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

Geographical segments

In presenting information on the basis of geographical segments, segment sales are based on the entity's country of domicile. Segment non-current assets (exclude derivatives and deferred tax) are based on the geographical location of the assets.

Geographical information

| | Revenue | |
|--------------|--------------------------|-------------------|
| | 2014 | 2013 |
| | <i>(in million Baht)</i> | |
| Thailand | 182,691.33 | 186,490.19 |
| Philippines | 324.77 | - |
| Total | 183,016.10 | 186,490.19 |

| | Non-current assets | |
|--------------|---------------------------|------------------|
| | 2014 | 2013 |
| | <i>(in million Baht)</i> | |
| Thailand | 41,084.97 | 36,630.87 |
| Philippines | 2,827.61 | - |
| Indonesia | 90.87 | - |
| Australia | 9.75 | - |
| Total | 44,013.20 | 36,630.87 |

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 15,054.77 million (2013: Baht 17,854.03 million) of the Group's total revenues.

29 Investment income

| | <i>Note</i> | Consolidated | | Separate | |
|-------------------------------|-------------|-----------------------------|--------------|-----------------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in million Baht)</i> | | | |
| <i>Dividend income</i> | | | | | |
| Related parties | 6 | - | - | 1,462.34 | 51.07 |
| | | - | - | 1,462.34 | 51.07 |
| Other investment income | | 166.83 | 90.01 | 130.50 | 72.12 |
| Total | | 166.83 | 90.01 | 1,529.84 | 123.19 |

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

30 Other income

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------------|--|------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Fee for land utilisation and management fee for NGV service station | 89.88 | 88.36 | 84.11 | 84.12 |
| Income from insurance compensation | 764.32 | 1,588.77 | 764.32 | 1,574.33 |
| Others | 176.28 | 138.41 | 173.06 | 122.43 |
| Total | <u>1,030.48</u> | <u>1,815.54</u> | <u>1,021.49</u> | <u>1,780.88</u> |

31 Selling expenses

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|------------------------|--|------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Personnel | 744.95 | 682.53 | 300.65 | 292.55 |
| Advertising | 258.73 | 253.70 | 162.13 | 150.48 |
| Depreciation and amortisation | 476.07 | 428.67 | 467.52 | 420.04 |
| Distribution | 332.24 | 809.46 | 332.24 | 809.46 |
| Others | 1,005.14 | 865.63 | 766.30 | 632.43 |
| Total | <u>2,817.13</u> | <u>3,039.99</u> | <u>2,028.84</u> | <u>2,304.96</u> |

32 Administrative expenses

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--|------------------------|--|------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Personnel | 716.82 | 696.12 | 612.98 | 656.70 |
| Advertising | 161.31 | 116.23 | 160.56 | 115.90 |
| Depreciation and amortisation | 105.58 | 89.80 | 98.40 | 84.64 |
| Professional and consultant fees | 212.64 | 92.73 | 155.15 | 92.73 |
| Others | 466.78 | 255.56 | 343.91 | 228.39 |
| Total | <u>1,663.13</u> | <u>1,250.44</u> | <u>1,371.00</u> | <u>1,178.36</u> |

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

33 Loss (reversal of allowance for loss) from impairment of assets

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--------------------------------------|----------------|----------------------------------|----------------|
| | | 2014 | 2013 | 2014 | 2013 |
| <i>(in million Baht)</i> | | | | | |
| Impairment loss of assets in NIDO Petroleum Limited | 15 | 818.50 | - | - | - |
| Impairment loss on investment in subsidiary | 12 | - | - | 825.36 | - |
| Others | | 2.98 | (24.26) | 2.98 | (24.26) |
| Total | | 821.48 | (24.26) | 828.34 | (24.26) |

34 Employee benefit expenses

| | Note | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | | 2014 | 2013 | 2014 | 2013 |
| <i>(in million Baht)</i> | | | | | |
| Management | | | | | |
| Wages and salaries | | 106.13 | 90.77 | 98.59 | 90.48 |
| Contribution to provident funds | | 4.53 | 4.35 | 4.53 | 4.35 |
| Pension | | 7.74 | 5.26 | 6.15 | 5.26 |
| Others | | 22.32 | 26.13 | 22.32 | 26.13 |
| | 6 | 140.72 | 126.51 | 131.59 | 126.22 |
| Other employees | | | | | |
| Wages and salaries | | 1,227.85 | 1,097.71 | 760.02 | 715.36 |
| Contribution to provident funds | | 69.46 | 61.90 | 61.91 | 58.39 |
| Pension | | 111.42 | 132.88 | 106.73 | 128.53 |
| Others | | 376.88 | 371.46 | 281.33 | 308.83 |
| | | 1,785.61 | 1,663.95 | 1,209.99 | 1,211.11 |
| Total | | 1,926.33 | 1,790.46 | 1,341.58 | 1,337.33 |

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.

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

35 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 | | Separate | |
|---|-----------------------------|------------|-----------------------------|------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | | (Restated) | | (Restated) |
| | <i>(in million Baht)</i> | | | |
| <i>Included in cost of sales of goods:</i> | | | | |
| Changes in inventories of finished goods and work in progress | (664.35) | (961.36) | (532.12) | (960.07) |
| Raw materials and consumables used | 113,397.91 | 127,379.92 | 113,797.76 | 127,503.53 |
| Tax expenses and oil fuel fund | 11,535.00 | 12,955.35 | 11,535.00 | 12,955.35 |
| Depreciation | 2,684.71 | 2,283.65 | 2,246.20 | 2,114.66 |
| Loss on decline in value of inventories | 998.67 | - | 992.24 | - |
| <i>Included in selling expenses:</i> | | | | |
| Depreciation | 343.42 | 322.49 | 334.91 | 313.89 |
| <i>Included in administrative expenses:</i> | | | | |
| Depreciation | 72.71 | 60.04 | 66.93 | 55.68 |

36 Finance costs

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | | (Restated) | | (Restated) |
| | <i>(in million Baht)</i> | | | |
| Interest payable to financial institutions | 838.89 | 864.37 | 734.80 | 794.41 |
| Interest payable to Debentures | 488.16 | 151.90 | 488.16 | 151.90 |
| Amortisation of transaction costs capitalised | 41.64 | 94.41 | 30.05 | 88.13 |
| Others | 82.29 | 68.95 | 63.17 | 68.81 |
| | 1,450.98 | 1,179.63 | 1,316.18 | 1,103.25 |
| <i>Less</i> Capitalised as cost of assets under construction | 15 (24.18) | (53.13) | (22.37) | (51.31) |
| Net | 1,426.80 | 1,126.50 | 1,293.81 | 1,051.94 |

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

37 Income tax expense

| | Note | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|------|--------------------------------------|--------------------|----------------------------------|--------------------|
| | | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| <i>(in million Baht)</i> | | | | | |
| Current tax expense | | | | | |
| Current year | | 12.03 | 1,048.60 | - | 1,030.93 |
| Under (over) provided in prior years | | (96.47) | 33.01 | (7.39) | 33.01 |
| | | <u>(84.44)</u> | <u>1,081.61</u> | <u>(7.39)</u> | <u>1,063.94</u> |
| Deferred tax expense | | | | | |
| Movements in temporary differences | 19 | (378.35) | (149.50) | (318.91) | (148.87) |
| | | <u>(378.35)</u> | <u>(149.50)</u> | <u>(318.91)</u> | <u>(148.87)</u> |
| Total | | <u>(462.79)</u> | <u>932.11</u> | <u>(326.30)</u> | <u>915.07</u> |

Reconciliation of effective tax rate

| | Consolidated financial statements | | | |
|--|-----------------------------------|----------------------|--------------|----------------------|
| | 2014 | | 2013 | |
| | Rate (%) | (in million Baht) | Rate (%) | (in million Baht) |
| Profit before income tax expense | | 293.62 | | 5,662.50 |
| Income tax using the Thai corporation tax rate | 20.00 | 58.72 | 20.00 | 1,132.50 |
| Income not subject to tax / Expenses that are deductible at a greater amount | | (428.73) | - | (242.77) |
| Expenses not deductible / Other adjustments | | 3.69 | 0.17 | 9.37 |
| Under (over) provided in prior years | | (96.47) | 0.58 | 33.01 |
| Total | | <u>(462.79)</u> | <u>16.46</u> | <u>932.11</u> |

Reconciliation of effective tax rate

| | Separate financial statements | | | |
|--|-------------------------------|----------------------|--------------|----------------------|
| | 2014 | | 2013 | |
| | Rate (%) | (in million Baht) | Rate (%) | (in million Baht) |
| Profit (loss) before income tax expense | | (30.19) | | 4,886.74 |
| Income tax using the Thai corporation tax rate | 20.00 | - | 20.00 | 977.15 |
| Income not subject to tax / Expenses that are deductible at a greater amount | | (455.34) | | (99.01) |
| Expenses not deductible / Other adjustments | | 136.43 | | 3.92 |
| Under (over) provided in prior years | | (7.39) | | 33.01 |
| Total | | <u>(326.30)</u> | <u>18.73</u> | <u>915.07</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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group in Thailand has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

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38 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:

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 | | | | | |
|----------------------|--|----------------------------|-------------------|------------------------|--------------------------------|-------------------|
| | 2014 | | | 2013 | | |
| | Promoted businesses | Non-promoted businesses | Total | Promoted businesses | Non- promoted businesses | Total |
| | <i>(in million Baht)</i> | | | | | |
| Export sales | 67.33 | 17,642.13 | 27,709.46 | 80.04 | 24,701.34 | 24,781.38 |
| Local sales | 6,492.34 | 194,316.15 | 200,808.69 | 4,707.34 | 189,218.68 | 193,926.02 |
| Eliminations | | | (35,501.85) | | | (32,217.21) |
| Total Revenue | | | 183,016.10 | | | 186,490.19 |

| | Separate financial statements | | | | | |
|----------------------|--------------------------------------|----------------------------|-------------------|------------------------|--------------------------------|-------------------|
| | 2014 | | | 2013 | | |
| | Promoted businesses | Non-promoted businesses | Total | Promoted businesses | Non- promoted businesses | Total |
| | <i>(in million Baht)</i> | | | | | |
| Export sales | - | 17,323.16 | 17,323.16 | - | 24,701.34 | 24,701.34 |
| Local sales | 818.30 | 160,158.89 | 160,977.19 | 778.34 | 157,783.25 | 158,561.59 |
| Total Revenue | 818.30 | 177,482.05 | 178,300.35 | 778.34 | 182,484.59 | 183,262.93 |

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Notes to the financial statements

39 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|--------------------|----------------------------------|--------------------|
| | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | <i>(in million Baht / million shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 711.59 | 4,652.92 | 296.10 | 3,970.67 |
| Number of ordinary shares outstanding | 1,376.92 | 1,376.92 | 1,376.92 | 1,376.92 |
| Earnings per share (basic) <i>(in Baht)</i> | 0.52 | 3.38 | 0.22 | 2.88 |

40 Dividends

At the Board of Directors meeting of the company held on 25 August 2014, the meeting approved the appropriation of dividend from retained earnings as of 30 June 2014 at Baht 0.60 per share, amounting to Baht 826.14 million. The dividend was paid to shareholders on 19 September 2014.

At the Annual General Meeting of the Shareholders, held on 9 April 2014, the shareholders approved a full year 2013 dividend payment at the rate of Baht 1.35 per share, totaling Baht 1,858.72 million, of which Baht 0.60 per share, totaling Baht 826.06 million was paid as an interim dividend for the first half year of 2013 on 24 September 2013. The remaining dividend was paid for the second half year of 2013 at the rate of Baht 0.75 per share totaling Baht 1,032.66 million on 23 April 2014.

At the Board of Directors meeting of the company held on 27 August 2013, the meeting approved the appropriation of dividend from retained earnings as of 30 June 2013 at Baht 0.60 per share, amounting to Baht 826.06 million. The dividend was paid to shareholders on 24 September 2013.

At the Annual General Meeting of the Shareholders, held on 10 April 2013, the shareholders approved a full year 2012 dividend payment at the rate of Baht 1.25 per share, totaling Baht 1,720.90 million, of which Baht 0.35 per share, totaling Baht 481.91 million was paid as an interim dividend for the first half year of 2012 on 21 September 2012. The remaining dividend was paid for the second half year of 2012 at the rate of Baht 0.90 per share totaling Baht 1,238.99 million on 24 April 2013.

41 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

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Notes to the financial statements

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 (Note 21). 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:

| | Effective interest rate (% per annual) | Consolidated financial statements | | | Total |
|-----------------------------------|---|-----------------------------------|---------------------------------|------------------|------------------|
| | | Within 1 year | After 1 year but within 5 years | After 5 years | |
| <i>(in million Baht)</i> | | | | | |
| 2014 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 2.6 – 5.2 | 1,311.91 | - | - | 1,311.91 |
| Non-current | | | | | |
| Loans from Financial institutions | 2.4 – 5.2 | - | 11,503.63 | 4,397.72 | 15,901.35 |
| Debenture | 3.7 – 5.3 | - | 5,993.59 | 6,991.53 | 12,985.12 |
| Total | | 1,311.91 | 17,497.22 | 11,389.25 | 30,198.38 |
| 2013 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 3.9 – 5.2 | 1,042.50 | - | - | 1,042.50 |
| Non-current | | | | | |
| Loans from Financial institutions | 2.4 – 5.2 | - | 11,094.39 | 5,696.95 | 16,791.34 |
| Debenture | 4.9 – 5.3 | - | - | 2,995.71 | 2,995.71 |
| Total | | 1,042.50 | 11,094.39 | 8,692.66 | 20,829.55 |

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| | Effective interest rate (% per annual) | Separate financial statements | | | Total |
|-----------------------------------|---|-------------------------------|---------------------------------|------------------|------------------|
| | | Within 1 year | After 1 year but within 5 years | After 5 years | |
| <i>(in million Baht)</i> | | | | | |
| 2014 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 3.9 – 4.4 | 825.49 | - | - | 825.49 |
| Non-current | | | | | |
| Loans from Financial institutions | 2.4 – 4.4 | - | 10,662.48 | 3,622.06 | 14,284.54 |
| Debenture | 3.7 – 5.3 | - | 5,993.59 | 6,991.53 | 12,985.12 |
| Total | | 825.49 | 16,656.07 | 10,613.59 | 28,095.15 |
| 2013 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 3.9 – 4.4 | 776.66 | - | - | 776.66 |
| Non-current | | | | | |
| Loans from Financial institutions | 2.4 – 4.4 | - | 10,297.78 | 4,760.10 | 15,057.88 |
| Debenture | 4.9 – 5.3 | - | - | 2,995.71 | 2,995.71 |
| Total | | 776.66 | 10,297.78 | 7,755.81 | 18,830.25 |

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:

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| <i>(in million Baht)</i> | | | | | |
| USD and others | | | | | |
| Cash and cash equivalents | 7 | 299.05 | 2,481.94 | 5.38 | 2,481.94 |
| Trade accounts receivable | 9 | 1,323.37 | 2,165.98 | 1,323.37 | 2,165.98 |
| Receivable from oil hedging contracts | | 32.99 | 58.63 | 32.99 | 58.63 |
| Trade accounts payable | 22 | 102.38 | - | - | - |
| Other current liabilities | | (22.32) | (25.06) | (7.19) | (25.06) |
| Long term liabilities | 21 | (6,900.55) | (6,500.94) | (6,553.10) | (6,500.94) |
| Gross statement of financial position exposure | | (5,165.08) | (1,819.45) | 5,198.55 | (1,819.45) |
| Currency forwards | | 0.10 | 7.47 | 0.10 | 7.47 |

Additionally, the Company entered into foreign currency buying and selling forward contracts, net totalling Baht 397.91 million, to hedge future sales and purchases transaction of goods with price denominated in foreign currencies.

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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.

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 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 2014 | 13,808.69 | 12,985.12 | 13,808.69 | 12,985.12 |
| 31 December 2013 | 3,035.94 | 2,995.71 | 3,035.94 | 2,995.71 |

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42 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------------|--|-----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in million Baht)</i> | | | |
| Capital commitment | | | | |
| Construction projects | 1,595.76 | 3,645.59 | 37.00 | 243.30 |
| Total | 1,595.76 | 3,645.59 | 37.00 | 243.30 |
| Non-cancellable operating lease commitments | | | | |
| Within one year | 875.29 | 487.12 | 502.57 | 487.12 |
| After one year but within five years | 1,904.39 | 1,908.85 | 1,896.16 | 1,908.85 |
| After five years | 2,414.18 | 2,440.18 | 2,414.18 | 2,440.18 |
| Total | 5,193.86 | 4,836.15 | 4,812.91 | 4,836.15 |
| Other commitment | | | | |
| Bank guarantees | 629.99 | 633.29 | 628.29 | 628.29 |
| Total | 629.99 | 633.29 | 628.29 | 628.29 |

The Company entered into 3.9 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2015 and June 2016.

The Company entered into foreign currency selling forward contracts cover the period to December 2015 amounting to USD 12 million equivalents to Baht 397.91 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 (in million Baht) | Due date |
|--|------------------|
| 1,500 | 30 June 2015 |
| 7,000 | 30 December 2015 |
| 1,500 | 30 June 2016 |
| 1,000 | 30 December 2018 |

Others

On 31 July 2014, the Company entered into a share purchase agreement with conditions precedent with Sima Inter Product Co., Ltd. to purchase 7,650,000 common shares equivalent to 85% of registered capital of BCP Bioethanol Co., Ltd. for a total consideration not exceeding Baht 765 million. BCP Bioethanol Co., Ltd will be established after completing the conditions precedent to the share purchase agreement, for the acquisition of assets related to production and distribution ethanol, including permits, contracts and other rights from Sima Inter Product Co., Ltd. The purpose of the investment is in line with the Company's strategy to expand the renewable energy business.

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On 12 December 2014, Nido Petroleum Limited (“NIDO”), a subsidiary within the group entered into Sale and Purchase Agreement with Otto Energy Limited (“OTTO”) whereby NIDO will acquire 100 per cent of the shares in Galoc Production Company WLL (“GPC”) for a purchase price of USD 108 million. NIDO has paid a USD 10.8 million deposit (approximately Baht 351.36 million). Completion of the transaction was conditional on OTTO’s shareholder approval which was received on 20 January 2015. Subsequently on 17 February 2015, all remaining conditions with respect to the transaction have been finalised and NIDO has completed its acquisition of 100 per cent of the shares in GPC. The acquisition of GPC will increase NIDO’s working interest in the Galoc oilfield in Philippines from 22.88% to 55.88% and will assume operatorship of the project. NIDO intends to fund the acquisition through a combination of existing cash reserves and debt. Bangchak Plc has committed to provide NIDO a revolving loan facility for USD 120 million on arms length market terms.

43 Contingent liabilities and contingent assets

The Company (the fifth defendant) was co-accused with the Ministry of Finance (the first defendant) for alleged land right transgression and a demand for 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 re-appealed with the Supreme Court and currently under petition to Supreme Court.

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 re-appealed to The Supreme Court and the matter is currently under the Supreme Court’s proceeding.

44 Events after the reporting period

At the Board of Directors’ meeting held on 19 February 2015, the Board approved to submit for approval at the Annual General Meeting of the Shareholders on 8 April 2015 as follows:

- A full year 2014 dividend payment at the rate of Baht 1.00 per share, of which Baht 0.60 per share was paid as an interim dividend on 19 September 2014 as discussed in note 40. Thus, the remaining dividend will be at the rate of Baht 0.40 per share to the shareholders entitled to receive dividends.
- To decrease the registered capital of the Company from Baht 1,531,643,461 to Baht 1,376,923,157 with the par value of Baht 1 each by deducting 154,720,304 unsold registered shares, with the par value of Baht 1 each.
- To increase the registered capital of the Company from Baht 1,376,923,157 to Baht 1,692,307,787 divided into 315,384,630 shares with par value of Baht 1.00 totaling Baht 315,384,630. Details of issuing new ordinary shares as below:
 - Specifying the purpose to accommodate the exercising of warrants under the Employee Stock Option Program (ESOP) for directors, executives, and employees of the Company and its subsidiaries in Thailand totaling 40,000,000 shares with par value of Baht 1.00
 - General-mandate capital increase for General Public and specify persons totaling 275,384,630 shares with par value of Baht 1.00
- To purchase Cogeneration Power Plant with a capacity of 25 MW from PTT Public Company Limited (PTT), the major shareholder with a total value not exceeding Baht 1,332 million.

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45 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued as of the reporting date but are not yet effective. Those new and revised TFRS that are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

| TFRS | Topic | Year Effective |
|------------------------|--|----------------|
| TAS 1 (revised 2014) | Presentation of Financial Statements | 2015 |
| TAS 2 (revised 2014) | Inventories | 2015 |
| TAS 7 (revised 2014) | Statement of Cash Flows | 2015 |
| TAS 8 (revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors | 2015 |
| TAS 10 (revised 2014) | Events after the Reporting Period | 2015 |
| TAS 12 (revised 2014) | Income Taxes | 2015 |
| TAS 16 (revised 2014) | Property, Plant and Equipment | 2015 |
| TAS 17 (revised 2014) | Leases | 2015 |
| TAS 18 (revised 2014) | Revenue | 2015 |
| TAS 19 (revised 2014) | Employee Benefits | 2015 |
| TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates | 2015 |
| TAS 23 (revised 2014) | Borrowing Costs | 2015 |
| TAS 24 (revised 2014) | Related Party Disclosures | 2015 |
| TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans | 2015 |
| TAS 27 (revised 2014) | Separate Financial Statements | 2015 |
| TAS 28 (revised 2014) | Investments in Associates and Joint Ventures | 2015 |
| TAS 33 (revised 2014) | Earnings per Share | 2015 |
| TAS 34 (revised 2014) | Interim Financial Reporting | 2015 |
| TAS 36 (revised 2014) | Impairment of Assets | 2015 |
| TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets | 2015 |
| TAS 38 (revised 2014) | Intangible Assets | 2015 |
| TAS 40 (revised 2014) | Investment Property | 2015 |
| TFRS 2 (revised 2014) | Share-based Payment | 2015 |
| TFRS 3 (revised 2014) | Business Combinations | 2015 |
| TFRS 5 (revised 2014) | Non-current Assets Held for Sale and Discontinued Operations | 2015 |
| TFRS 8 (revised 2014) | Operating Segments | 2015 |
| TFRS 10 | Consolidated Financial Statements | 2015 |
| TFRS 12 | Disclosure of Interests in Other Entities | 2015 |
| TFRS | Topic | Year Effective |
| TFRS 13 | Fair Value Measurement | 2015 |
| TSIC 15 (revised 2014) | Operating Leases – Incentives | 2015 |
| TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | 2015 |

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| | | |
|-------------------------|--|------|
| TFRIC 1(revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities | 2015 |
| TFRIC 4 (revised 2014) | Determining whether an Arrangement contains a Lease | 2015 |
| TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment | 2015 |
| TFRIC 13 (revised 2014) | Customer Loyalty Programmes | 2015 |

The Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.