



Annual Report 2013
Banpu Public Company Limited

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POLICY AND BUSINESS OVERVIEW



Banpu Public Company Limited was incorporated on 16 May 1983 under the name “Ban Pu Coal Company Limited” with THB 25 million registered capital. The Company was founded by members of the Vongkusolkrit and Auapinyakul families in order to sub-contract a coal operation at Banpu Mine (BP-1 Mine) located in Li District, Lamphun Province from Department of Alternative Energy Development and Efficiency.

On 4 May 1989, Banpu was listed in the Stock Exchange of Thailand. The Company was later converted into a public limited company on 29 July 1993 and named Banpu Public Company Limited.

Banpu went on to expand its coal operations both in Thailand and Indonesia to produce and sell coal locally and overseas. Aside from producing and distributing coal, the Company expanded its business to other areas including a sub-contractor to remove overburden and coal for the Electricity Generating Authority of Thailand (the contract ended on September 2001), producing and selling industrial minerals, operating a port business (Banpu subsequently sold both the port and the industrial mineral businesses) and investing in power and steam generation and distribution business.

At present, Banpu has a clear policy to pursue operations in three main businesses; namely, coal business, power business and alternative energy business, through its investments in Thailand, Indonesia, China, Australia, Lao PDR and Mongolia.



VISION

To be an energetic Asian energy provider of quality products and services and be recognized for its fairness, professionalism, and concerns for society and environment.

MISSION

To develop businesses in the fields of energy in pursuit of Asian leadership position.

To diversify and invest in strategic businesses to enhance competitiveness.

To provide a variety of quality products and services with commitment, reliability and flexibility.

To conduct business in a socially, ethically and environmentally responsible manner.

To build sustainable value for shareholders, customers, business partners, employees, local communities, and to be a good citizen to host governments.



Financial Highlights

For the year ending

	2013	2012	2011	2010
Financial Position	USD Million	USD Million	THB Million	THB Million
Total Assets	7,213	7,712	225,010	193,122
Total Liabilities	4,621	4,666	136,355	124,063
Total Shareholders' Equity	2,592	3,046	88,656	69,059
Issued and Paid-up Share Capital	80	80	2,717	2,717
Operational Results	USD Million	USD Million	THB Million	THB Million
Sale Revenues	3,351	3,775	112,404	65,285
Cost of Sales	2,276	2,332	62,960	38,511
Gross Profit	1,075	1,443	49,444	26,774
Selling and Administration Expenses	497	576	15,477	10,333
Royalty Fee	325	383	11,370	6,925
Other Revenues	83	171	13,086	17,960
Other Expenses	27	27	322	1,041
Profit from Operation	309	628	35,361	26,435
Share of Gain/(Loss) of Joint Ventures and Asso.	95	85	1,939	6,117
Interest Expenses	116	112	3,047	1,676
Financial Expenses	10	11	349	299
Corporate Income Tax	90	168	8,506	3,733
Net Profit	103	272	20,060	24,880
EBITDA	697	974	31,821	21,959
Financial Ratios	%	%	%	%
Gross Profit Margin	32.09	38.22	43.99	41.01
Net Profits to Total Revenues	2.99	6.89	15.99	29.89
Returns on Assets	1.38	3.55	9.59	16.89
Returns on Equity	3.64	8.91	25.44	39.80
	Times	Times	Times	Times
Interest Coverage Ratio	5.25	10.15	13.08	10.86
Net Debt to Equity	1.07	0.79	0.74	1.07
Data per Share	USD	USD	THB	THB
Earnings per Share	0.04	0.10	73.82	91.56
Book Value per Share	1.00	1.12	326.24	254.13
	THB	THB	THB	THB
Dividend per Share	*1.20	*18.00	21.00	21.00

* The Company announced a total dividend of THB 1.20 per share arising from its performance during the period from 1 January 2013 to 31 December 2013, of which THB 5.00 was paid on 26 September 2013 at par value of THB 10.00, or then THB 0.50 following the current par value of THB 1.00. The remaining dividend of THB 0.70 per share for 2013 performance will be paid on 29 April 2014.

Remark : Financial figures are based on the consolidated financial statement.



Operational Results

For the year ending			
	2013	2012	2011
Coal Sales Volume			
	Million Tonnes		
Indominco	14.93	14.47	14.80
Trubaindo	7.79	7.84	6.81
Jorong	1.25	1.11	1.43
Kitadin-Embalut	1.07	1.32	1.18
Kitadin-Tandung Mayang	2.47	2.22	0.43
Bharinto	1.65	0.26	-
Centennial	13.59	14.30	14.86
Thailand	0.05	0.07	0.06
Total Coal Sales Volume	42.80	41.58	39.57
Sales Revenue			
	USD Million	USD Million	THB Million
Coal Business:			
Indominco	1,047	1,212	43,209
Trubaindo	671	829	23,085
Jorong	55	64	2,775
Kitadin-Embalut	77	122	3,421
Kitadin-Tandung Mayang	185	223	1,604
Bharinto	146.36	26.62	-
Centennial	913	1,079	32,751
Thailand	33	-	30
<i>Total Revenue from Coal Business</i>	3,128	3,555	106,874
Power Business	191	183	5,236
Other Businesses	31	37	293
Total Revenue	3,351	3,775	112,404
Gross Profit Margin			
	%		
Indominco	36	40	49
Trubaindo	34	43	52
Jorong	25	38	40
Kitadin-Embalut	32	49	52
Kitadin-Tandung Mayang	39	59	74
Bharinto	45	34	-
Centennial	23	30	36
Thailand	43	-	26
Coal Business	32	39	46
Power Business	27	17	10
Other Businesses	51	67	6
Gross Profit Margin	32	38	44



Board of Directors' Review



In 2013, the coal industry across the world encountered many unfavorable factors: the world's economic recession, the excess of coal supply and also the development of Shale Gas at commercial scale in the United States and Canada, which has become the new rival of coal. These crucial factors led to a continuous downturn of the global coal prices; thereby inevitably affected Banpu's performance last year.

The Board of Directors was well aware of these disruptive factors and thus closely monitored the situation. The Board also provided advisory to the management team towards the best measures to mitigate such impacts. Since 2012, key measures have been executed including the reduction of production and operating costs, the improvement of production efficiency, and the postponement of unnecessary investment plan.

In addition to cost management, the Company had implemented some key financial initiatives including share buy-back and par split while maintaining dividend payment. This is to yield benefit and create value to the shareholders and all stakeholders.

The Shale Gas industry is a new challenge not only to Banpu but also to the entire global coal industry. The Board has been keeping vigilant eye on the movements of Shale Gas development as well as the future trend of other new energy sources. Consultation sessions between the Board and the management team were held as necessary to analyze the impact on Banpu businesses and to map out



Furthermore, the Company has, as always, placed top priority on business ethics, integrity, and good governance, while keeping the best interests of shareholders and all stakeholders. Banpu is committed to being a good corporate citizenship with high responsibility for communities, society and environment in every country where it operates.

strategic plans to cope with these challenges in the long run. Medium-term business strategies were also center of attention, taking into consideration the various factors that might affect the Company's business.

Despite many challenges faced in 2013, the Board viewed that the Banpu management team had put their utmost effort to mitigate the negative effects and to yield positive and relatively good return to our shareholders and stakeholders. Furthermore, the Company has, as always, placed top priority on business ethics, integrity, and good governance, while keeping the best interests of shareholders and all stakeholders. Banpu is committed to being a good corporate citizenship with high responsibility for communities, society and environment in every country where it operates.

The Board of Directors would like to express our sincere gratitude to all our stakeholders both local and overseas for their continued support, especially during the challenges in the last two years. The Board pledges its full efforts to strive for a sustainable growth and profitability of Banpu's undertakings.

Mr. Krirk-Krai Jirapaet

Chairman of the Board of Directors



Chief Executive Officer Review



Banpu has made important structural changes to its cost base and has fostered regional synergies between its coal businesses over the past two years. These initiatives are strengthening the Company's ability to withstand the downturn and should enhance long run returns to shareholders as the underlying fundamentals of Asian power demand growth and increasing marginal coal supply costs push prices back to a more positive trend.

Banpu's power business has generated excellent results in 2013 providing much needed cashflow support during the down-cycle in coal prices. Banpu's power business will continue to play a key role in the Company's sustainability and growth strategy into the long term.

Summary of our financial performance in 2013

Despite significant improvements in productivity and successful cost rationalization measures, Banpu's financial performance in 2013 was inevitably impacted by lower coal prices and the short term costs of making cutbacks and structural adjustments to the coal business.

While Banpu's consolidated group coal sales increased by 3% to nearly 43 million tonnes (not including equity coal from the China operations), weighted average coal selling prices were down by around 15%. The net effect contributed to an 11% fall in Banpu's gross revenues year-on-year to USD 3.35 billion.

Banpu's consolidated EBITDA¹ in 2013 fell to just under USD 700 million, with coal business EBITDA down 34%, but power business EBITDA up 52% to over USD 100 million. The Company's consolidated net profit for the year of USD 103 million was 62% lower than the restated figure for 2012, although

¹ Earnings before interest, tax, depreciation and amortization



The Banpu Spirit principles of care and integrity continue to define the way in which we interact with all our stakeholders. This includes first and foremost the local communities who live around our operations and with whom our operational staff share their daily working lives. The principles of care and integrity also ensure that our corporate governance programmes are genuine in their objectives of transparency, accountability and ethical conduct. Banpu's philosophy has always been that stakeholder value and shareholder value are inextricably connected.

the comparison is distorted by much lower derivatives gains in 2013 (USD 27 million versus USD 106 million in 2012).

Analysis of our coal sales and the thermal coal market

Banpu was able to increase its coal sales from Indonesia in 2013 by 7% to 29.2 million tonnes. This was made possible by strong output growth at Indominco East Block and Bharinto plus smaller increases at Jorong and Kitadin Tandung Mayang. A big expansion in Banpu's Indonesian coal sales was achieved both to the north Asian markets of China, Korea and Japan (up a combined 1.8 million tonnes) as well as to the key ASEAN markets of Indonesia, Malaysia and Philippines (up a combined 2 million tonnes). Banpu's largest market for Indonesian coal in 2013 was China again, with total sales of 8.1 million tonnes (up 1 million tonnes year-on-year). The average selling price for the Company's Indonesian coal fell 17% from USD 90 per tonne in 2012 to USD 75 per tonne in 2013 due to weakening seaborne benchmark prices and lower average coal grades.

Banpu's Australian coal sales declined slightly in 2013 to 13.6 million tonnes (from 14.3 million tonnes in 2012) due mainly to a lower production base. Export sales to Taiwan increased during the year but were down to other key markets. Domestic Australian coal sales increased however, by 0.5 million tonnes to 8.5 million tonnes. Thanks to the stability and growth of domestic coal sales, Banpu's Australian business only experienced a 4% drop in average selling prices from AUD 72.8 per tonne to AUD 69.8 per tonne during the year. A new contract with a local power station in 2013, effective from 2014, will secure additional domestic coal sales of 24.5 million tonnes over the next eight years. This new contract replaces legacy contracts and is priced on an export parity basis.



In Singapore, last year we launched an important new initiative by establishing a new office which will aim to centralize and synergize our regional marketing efforts while strengthening and developing key customer relationships. Where possible we will also begin to develop regional value-adding trading and blending strategies.

Banpu's equity coal sales from its China operations increased 22% in 2013 to 2.9 million tonnes. This includes a 45% share in the Gaohe operation in Shanxi province and 40% of Hebi Zhong Tai in Henan province. Average selling prices for Banpu's China coal declined by around 7% to approximately USD 91 per tonne equivalent.

The NEX Index, based on FOB thermal benchmark prices at Newcastle for high grade export coal, reached a brief high of USD 92 per tonne in January 2013 before sliding to a low of USD 77 per tonne in July, with some recovery by the end of the year. The average NEX Index in 2013 was USD 85 per tonne, down 13% from the average in the previous year. The main causes of weakness were continuing oversupply in the market combined with continued subdued global economic growth.

In the long term seaborne coal prices should reflect the long run marginal cost of supply to meet demand levels. Most forecasts of power demand in Asia indicate strong continued growth in coal-fired power over the next two decades. On the supply side, incremental coal supply must increasingly come from lower grade and deeper sources with higher logistics costs. Furthermore, the delivered cost of coal or LNG from North America cannot compete with Asia-Pacific coal supplies for power unless coal prices rise significantly. Based on this analysis we continue to see coal prices adjusting back to a more positive trend in the medium term.

Banpu's Indonesian coal business: ITM

Banpu's Indonesian mines delivered record output of 29.4 million tonnes in 2013, up 7% from the previous year. While Indominco West Block continued its gradual wind-down, East Block's ramp-up gained momentum, with an increase in output from 8.2 million tonnes in 2012 to 10.5 million tonnes. At Trubaindo, output fell by 0.5 million tonnes to 7.8 million tonnes due to bad weather conditions but the drop was made up for by the ramp-up at the adjacent Bharinto operation to 1.6 million tonnes in 2013. Output at other operations was roughly stable year-on-year, with small increases at Kitadin Tandung Mayang and Jorong. Output is targeted at 29.7 million tonnes in 2014.

Total unit costs at ITM were cut by 11% in 2013 from USD 70 per tonne in the previous year to around USD 62 per tonne. This was achieved chiefly by adjusting mine plans and reducing stripping ratios at ITM's main operations: from over 13 bcm overburden per tonne of coal at Trubaindo and over 12 at Indominco in 2012 to an average of around 11 at both mines in 2013. Significant stripping ratio reductions have also been achieved at Bharinto. Total EBITDA at ITM was down approximately 35% year-on-year at just over USD 400 million in 2013.

More efficient coal handling, reduced Bontang terminal energy costs from greater electrification and better ship management to reduce demurrage costs have also all contributed to lower costs at ITM. Full implementation of the in-pit crusher conveyor system at Indominco East Block,



renegotiation of barging contracts at Trubaindo and other cost rationalization measures should help keep costs low in 2014. In the medium term, conversion of truck fleets from diesel to LNG and possible further electrification programmes are under study and could structurally reduce our cost base further.

Banpu's Australian coal business: Centennial

Centennial's run-of-mine output in 2013 (equity basis) decreased by 5% to 13.8 million tonnes from 14.6 million tonnes the year before. The decrease was due to the higher cost Airly and Mannering operations being placed under 'care and maintenance' throughout the year and extended changeovers and other development problems at Mandalong (the latter resulting in a 10% year-on-year output fall to 4.9 million tonnes). Against these lower output numbers, production at four operations achieved record levels: Angus Place at 2 million tonnes, Clarence at 2 million tonnes, Myuna at 1.6 million tonnes and Charbon at 1.4 million tonnes. EBITDA from Banpu's Australian operations was down around 53% at AUD 160 million in 2013.

Despite the fall in output at Mandalong, group unit cash costs were managed well during the year with a net 2% reduction to around AUD 52 per tonne in 2013. New equipment at Mandalong (three new generation Sandvik continuous miners), Myuna (three new Joy continuous miners, three new multi-bolters and four shuttle cars) and Springvale (newly commissioned longwall) should all generate higher productivity going forward. The Sandvik equipment at Mandalong has already led to an immediate 20 to 30% increase in the development rate at the operation. Logistics optimization measures relating to railroad configurations, access and contracts and better port capacity management should also help reduce total costs and increase productivity.

Banpu's China and Mongolian coal businesses

Gaohe achieved a strong increase in output from 4.1 million tonnes in 2012 to 6 million tonnes in 2013, higher than the 5 million tonnes originally targeted for the year. Gaohe sold washed coal during the first half of the year which helped counter declining coal prices. Construction of the foundations for a railway spur bridge commenced at Gaohe which should facilitate better market access in the longer term.

Output at Hebi Zhong Tai was stable at 1.2 million tonnes where further improvements were made to mine safety and planning with continued introduction of hazard mapping and geological modelling -and with trials of degas improvements. The net equity income contribution from Banpu's China coal business was USD 27 million in 2013.

In Mongolia, Banpu continued to focus on feasibility studies at the Tsant Uul (steam coal) and Altai Nuurs (metallurgical coal) concessions in 2013. For the Tsant Uul project, Banpu has conducted a small pilot test with encouraging chemical yields. A further pilot plant will be developed this year with market product tests and further economic viability analysis. Subject to the on-going study, the objective will be to develop a commercial plant of around by next year.



Banpu's power business

BLCP (50%-owned by Banpu) performed well in 2013 generating EBITDA of USD 227 million and equity income to Banpu of USD 82 million.

In Laos, development of the vertically-integrated 1,878 megawatt coal-fired Hongsa project (40%-owned by Banpu) made good progress in 2013 including construction of the coal stockyard foundations, boiler structure and cooling tower. By year end the Hongsa project had reached 78% completion.

In China, Banpu's three combined steam and power plants delivered record performance, contributing USD 57 million in EBITDA and USD 24 million to Banpu net profits, roughly double the level in 2012, thanks to higher utilization and lower coal prices.

Governance and stakeholders

The Banpu Spirit principles of care and integrity continue to define the way in which we interact with all our stakeholders. This includes first and foremost the local communities who live around our operations and with whom our operational staff share their daily working lives. The principles of care and integrity also ensure that our corporate governance programmes are genuine in their objectives of transparency, accountability and ethical conduct. Banpu's philosophy has always been that stakeholder value and shareholder value are inextricably connected.

To monitor our progress and to ensure we continue to meet the best standards of good corporate governance and corporate and social responsibility we have decided to publish an annual Sustainable Development (SD) Report since 2012. I am happy to note that our 2013 SD report received the "Sustainability Report Award 2013" by the CSR Club of the Thai Listed Company Associations in cooperation with the Office of the Securities & Exchange Commission and Thaipat Institute.

We continue to focus on environmental and community development projects at all our operations in the Asia-Pacific region, including Thailand where our mines have now been closed for a number of years. For the past decade, for example, Banpu has provided financial support to six schools in northern Thailand in the provinces where Banpu previously had mines: Lamphun, Lampang and Phayao. At our old Lamphun mine, an environmental acid drainage project was recognized as a leading sustainability project at the "ASEAN Coal Awards 2013" held by the ASEAN Centre for Energy. And to mark Banpu's 30th anniversary, Banpu donated land and property last year in Lampang to Mahidol University worth approximately 100 million Thai Baht. The property was formerly used as the Banpu's Lampang mine operations office and staff dormitory. Mahidol University's Faculty of Environment and Resource Studies will develop the property into a research centre for environmental and resources management in Thailand and the ASEAN region.



Strategic outlook

Banpu's core business will remain focused around coal-based energy in the Asia-Pacific region. We will continue to explore ways of growing our coal business both organically and inorganically. Where possible we will also continue adding value vertically and horizontally around our core upstream coal operations. At a midstream level we will further optimize and expand our infrastructure and logistics arrangements-and will seek to synergize marketing, trading and blending strategies regionally. Downstream, we will develop further vertical integration into coal-fired power, coal-to-chemicals and metallurgical coal uses.

Despite short term weakness, the long term coal price picture is fundamentally robust, particularly in the Asia-Pacific region. The Asian growth story will not follow a smooth trajectory but it is has not stalled and will continue to play a dominant role in global economic terms at least until the middle of this century. Coal consumption in China and India for power generation will be the main drivers in the regional coal market, but coal imports to ASEAN countries like Vietnam, Thailand and Philippines are also forecast to increase strongly over the next two decades. With a much leaner cost structure in place, after two years of adjustments and rationalization, we are now well positioned to benefit to the maximum from any upturn in the cycle. This in turn should generate strong returns to shareholders.

But Banpu will not restrict its strategic thinking only to coal-based energy. For a long time now we have been studying a wide range of new energy technologies. The objective is not just to assess their potentially disruptive effect in the long run on conventional fossil-fuel industries but is also intended to examine cutting-edge niches which may be of interest for investment by Banpu. Innovation is another one of the four guiding principles of the Banpu Spirit and we intend to apply innovation to all aspects of our business, including our growth strategy. So as we look to the future we will be examining our strategic horizons very carefully in all respects including the potential for new energy investments and for value-adding and risk-mitigating growth.

We are not perturbed by the down-cycle in coal prices and have already taken real and decisive action to strengthen our cost structure, to synergize between our different businesses and to boost productivity. These factors all give me confidence in Banpu's future. But our biggest strength of all, of course, is our people. Every day I see evidence that Banpu staff and management are truly inspired by innovative thinking, motivated by a quest for synergies-and guided by a philosophy of care and integrity. I want to thank them all again for sharing the Banpu Spirit with me – and for their hard work and commitment in 2013. I would also like to extend my warmest thanks once again to all our stakeholders and shareholders. The last couple of years have not been easy. Thank you for your loyalty and patience. I look forward to working with you all again in 2014.

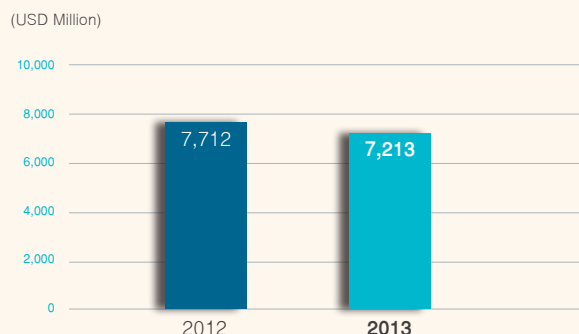
Mr. Chanin Vongkusolkrit
Chief Executive Officer



Key Financial Results

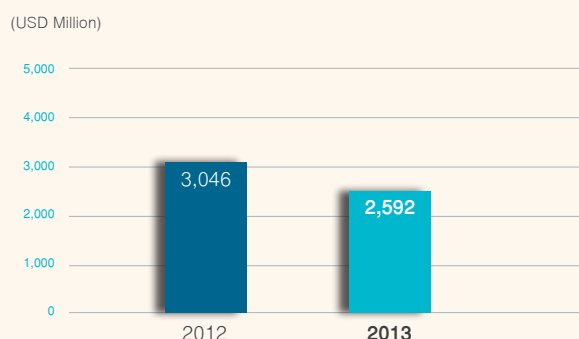
Total Assets

Total assets as of 31 December 2013 was at USD 7,213 million, a decrease of USD 499 million or 6% compared to 31 December 2012. The decrease was mainly due to a decline in cash by USD 299 million, a net decrease in value of machinery and equipment by USD 119 million, an additional investment in machinery and equipment at Indonesian and Australian mines worth USD 227 million, depreciation expenses of USD 188 million, and losses incurred from foreign exchange translation and other costs at USD 158 million.



Total Shareholder's Equity

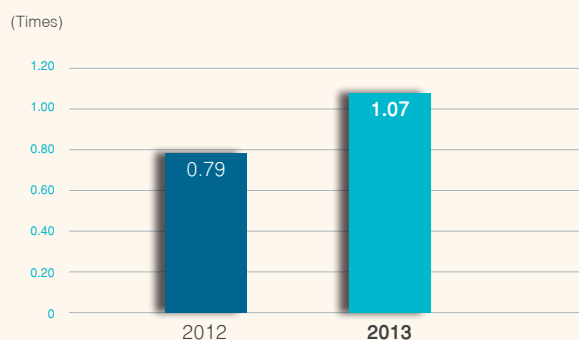
Shareholders' equity totaled USD 2,592 million, a decrease of USD 454 million compared to 31 December 2012. Major items affecting change in shareholders' equity included a dividend payment of USD 218 million, a share repurchase worth USD 133 million, losses incurred from the subsidiaries' translation of foreign exchange into the US dollar at USD 199 million, a change in fair value of available-for-sale securities at USD 77 million, the discount on dilution of investments worth USD 14 million.



In 2013 there was an increase of net profit at USD 103 million and the non-controlling interests of USD 84 million.

Net Debt to Equity Ratio

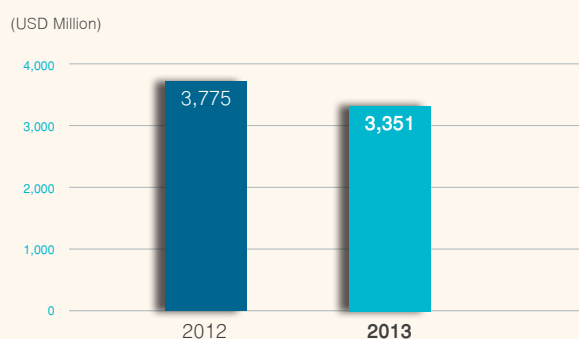
Net debt equaled USD 2,784 million, an increase of USD 360 million from the previous year, mainly due to the issuance of debentures valued USD 292 million, the redemption of debentures valued USD 5 million. Profits incurred from foreign exchange translation at the period end date worth USD 68 million, the partial repayment of loans at USD 157 million and the decline in cash by USD 299 million.



Net debt to equity ratio increased from 0.79 times in 2012 to 1.07 times in 2013.

Total Sales Revenues

Total sales revenue was USD 3,351 million, a decrease of USD 424 million or 11%. A net result was from an increase of the volume of coal sales and a decrease of selling price compared to the previous year due to the continual decline in the global coal price.



Total coal sales in 2013 was 42.8 million tonnes, of which 29.21 million tonnes came from the Company's mines in Indonesia and 13.59 million tonnes from the mines in Australia.

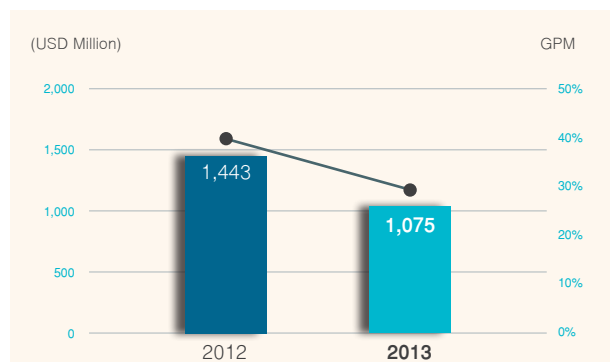
The 2013 average selling price for Indonesian coal was USD 74.95 per tonne and AUD 69.75 per tonne for Australian coal.



Gross Profit and Gross Profit Margin

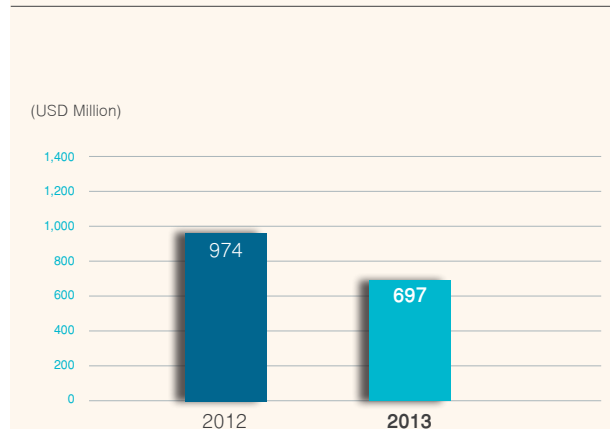
Gross profit for 2013 equaled USD 1,075 million, a decrease of USD 368 million from the previous year, due to lower global coal prices.

Gross profit margin was at 32%, declining from 38% in 2012. The gross profit margin of the coal business was at 32% compared to 39% a year earlier while that of the power business was at 27% compared to 17% in 2012.



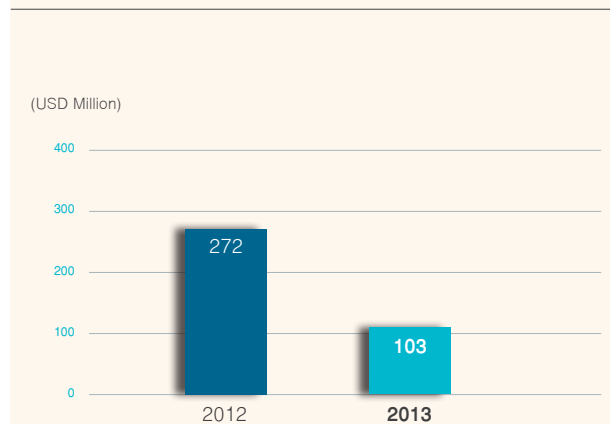
EBITDA

EBITDA was USD 697 million, a decrease of USD 277 million or 28% compared to the year before. Of this, USD 594 million was from the coal business and USD 103 million was from the power business.



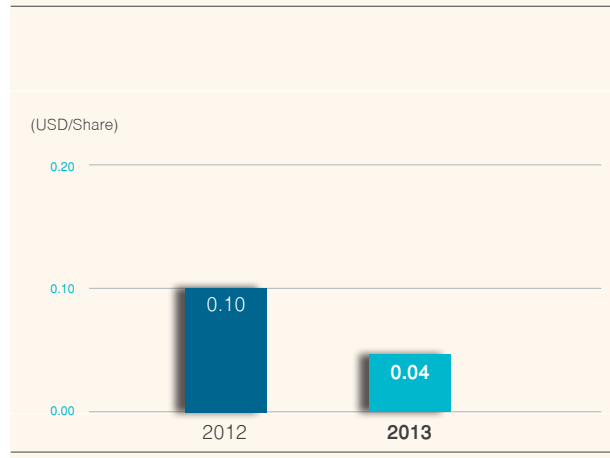
Total Net Profit

Total net profit for the year ending 31 December 2013 was USD 103 million, decreasing by USD 169 million or 62% from 2012 as a result of lower global coal prices. Meanwhile, the profit from financial derivatives was at USD 27 million, lower than that of USD 106 in the previous year.



Earnings Per Share

Earnings per share as of 31 December 2013 was USD 0.04, a decrease of 60% from 2012 which was at USD 0.10.





Summary of Major Changes and Developments in 2013 and Major Current Events

- On 20 February 2013, the Board of Directors' Meeting approved a share repurchase program for financial management purposes. The maximum amount allocated for the share repurchase was THB 6.15 billion which bought about 13.56 million shares at par value of THB 10 each, equalling 5% of the issued shares. The repurchase period was from 15 March 2013 to 14 September 2013. The procedure used for the repurchasing of shares was through the main board of the Stock Exchange of Thailand.
- On 16 July 2013, Banpu completed its share repurchase program from the main board of the Stock Exchange of Thailand. The total repurchased shares was 13.56 million shares (before changing the par value and number of shares), worth around THB 3,958.57 million or equivalent to USD 133.38 million.
- On 6 February 2014, the Company decreased the paid - up capital from THB 2,717,478,550 to THB 2,581,878,550 by writing off 135,600,000 company shares at par value of THB 1 per share worth THB 135,600,000 in total. After the registration of this amendment to the paid - up capital, the Company's paid-up capital was THB 2,581,878,550, made up of an equal number of common stock at par value of THB 1 each.
- On 4 April 2013, Banpu issued 15,000 units of senior unsecured debentures in US Dollars at par value of USD 10,000 per share worth USD 150 million in total. The life of these debentures is 10 years and offers a fixed annual interest of 3.99% to be paid every six months. The maturity date is 4 April 2023.
- On 16 April 2013, the Company registered a new company named PT. ITM Indonesia in Indonesia with a capital of IDR 40 billion to operate the coal sales. PT. ITM Indonesia is 100% - owned by the Company.
- On 2 July 2013, Centennial Coal Company Limited (Centennial), Banpu's wholly - owned Australian subsidiary, entered into a coal supply agreement with Origin Energy (ASX:ORG) for the provision of up to 24.5 million tonnes of coal over an eight - year period starting 1 July 2014 for use in power generation at Eraring Power Station, located close to Centennial's mine in New South Wales.
- On 10 July 2013, the Company issued senior unsecured debentures in Thai Baht including a THB 2.3 billion debenture with a 7 - year maturity and a THB 2.1 billion debenture with a 12 - year maturity. These debentures worth totaling THB 4.4 billion or about USD 141.36 million. The coupon rates were 4.65% per annum and 4.95% per annum for the 7 - and 12 - year debentures respectively. Debentures were offered to institutional investors and/or high-net-worth investors.

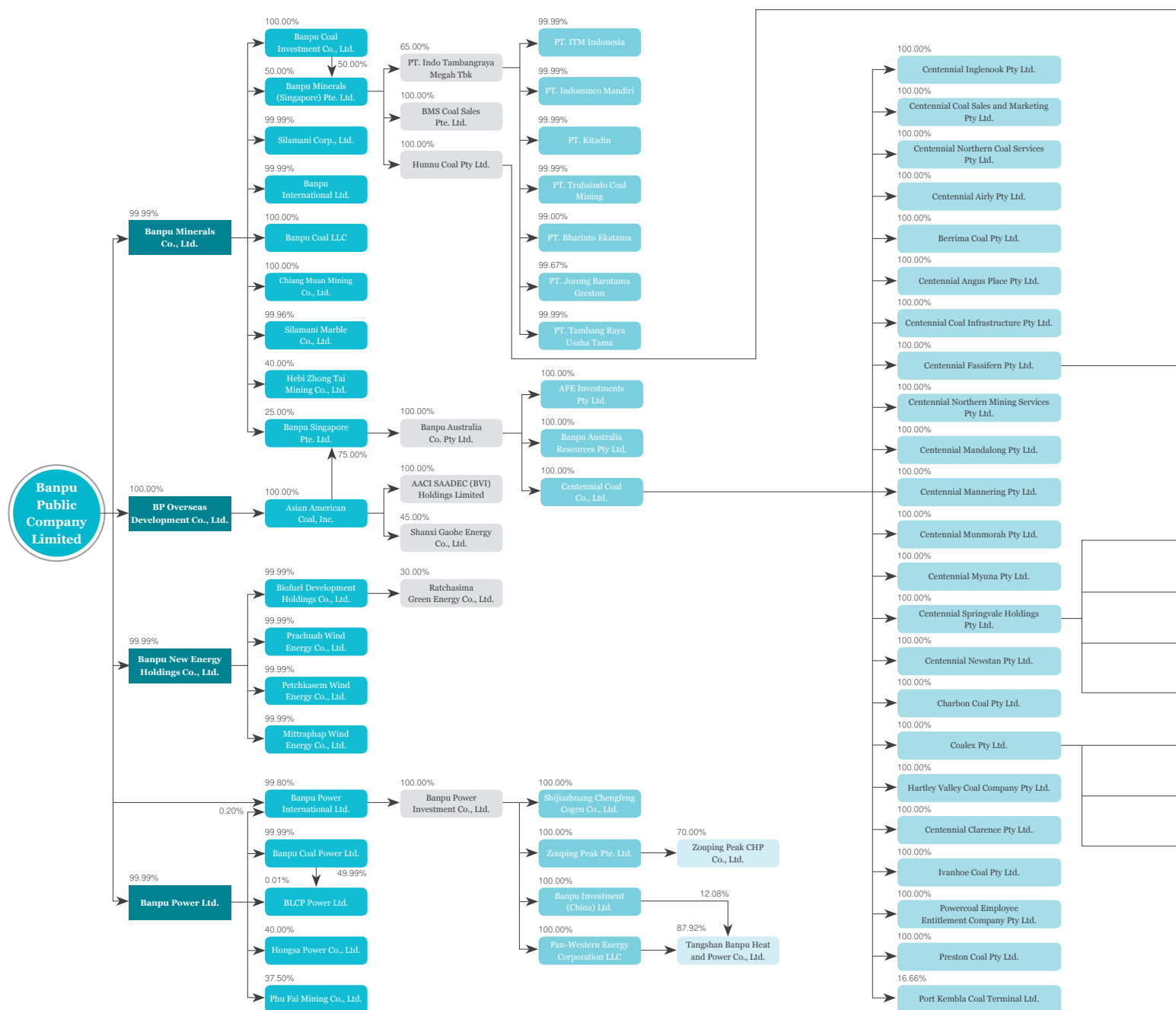


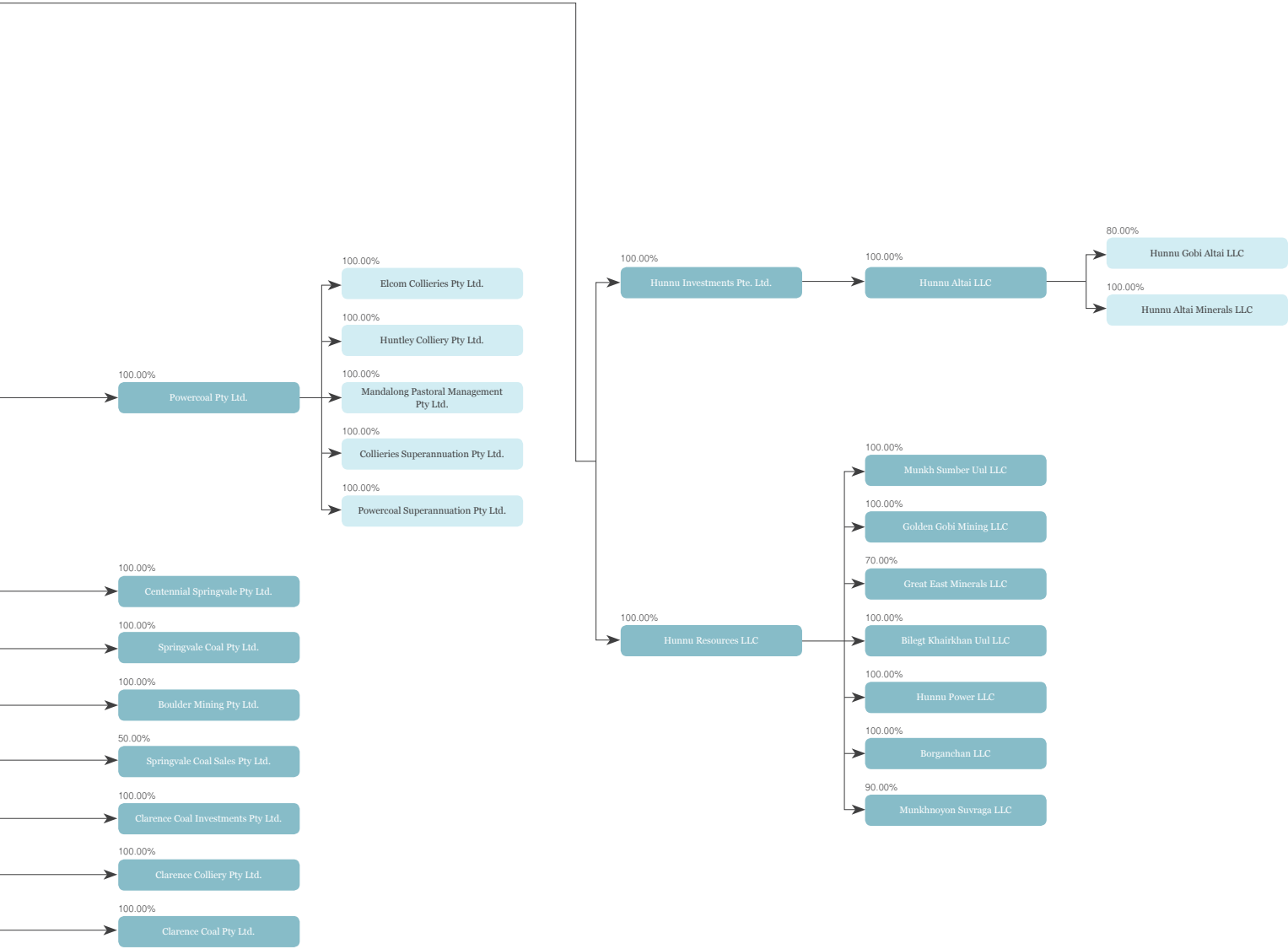
- Tris Rating Co., Ltd. maintained the ratings of Banpu and its unsecured debentures at “AA-” but adjusted the outlook from “stable” to “negative” as a result of uncertainty about the recovery of cash flow as coal prices remained low. The “AA-” ratings reflected Banpu’s position as a leading coal mining company in Asia with a diversified coal sources and customer base as well as a reliable stream of dividend income from its power business. The ratings also took into consideration the Company’s ability to rationalize its capital, expenditures and financial discipline. Meanwhile, changes in coal mining regulations in Indonesia and Australia as well as a coal over supply continued to be the risk factor influencing the Company’s rating.
- On 28 August 2013, the Board of Directors’ Meeting resolved to approve an interim dividend payment from retained earnings and the operating profit during the six-month period ending 30 June 2013 for 258,187,855 eligible shares at a rate of THB 5 per share, worth totally THB 1,290.94 million. The dividend was appropriated from the corporate income tax - exempted profit on which shareholders were not entitled to tax credits. The interim dividend was paid on 26 September 2013.
- On 9 September 2013, the Extraordinary General Meeting of Shareholders resolved to change the par value of the Company’s shares from THB 10 each to THB 1 each and change the number of registered shares from 354,050,479 shares to 3,540,504,790 shares, and the number of issued and paid - up share capital from 271,747,855 shares to 2,717,478,550 shares. The Company registered the changes with the Ministry of Commerce on 19 September 2013.
- On 18 September 2013, PT. Indo Tambanraya Megah (ITM), a 65% owned subsidiary of the Company, established a new subsidiary named PT. Tambang Raya Usaha Tama to be engaged in mining services.
- On 19 February 2014, the Board of Directors’ Meeting resolved to pay an annual dividend of THB 1.20 per share arising from its performance during the period from 1 January 2013 - 31 December 2013, of which THB 5 was paid on 26 September 2013 at par value of THB 10, or then THB 0.50 following the current par value of THB 1. The remaining dividend of THB 0.70 per share for the 2013 performance will be paid out of the retained earnings and operating profit during the period of 1 July 2013 - 31 December 2013. The THB 0.70 dividend is appropriated from the corporate income tax - exempted profit on which shareholders are not entitled to tax credits. The dividend payment is scheduled for 29 April 2014.



BANPU Group Structure

As of 31 December 2013
(Entities with 10% or more shares held by Banpu)

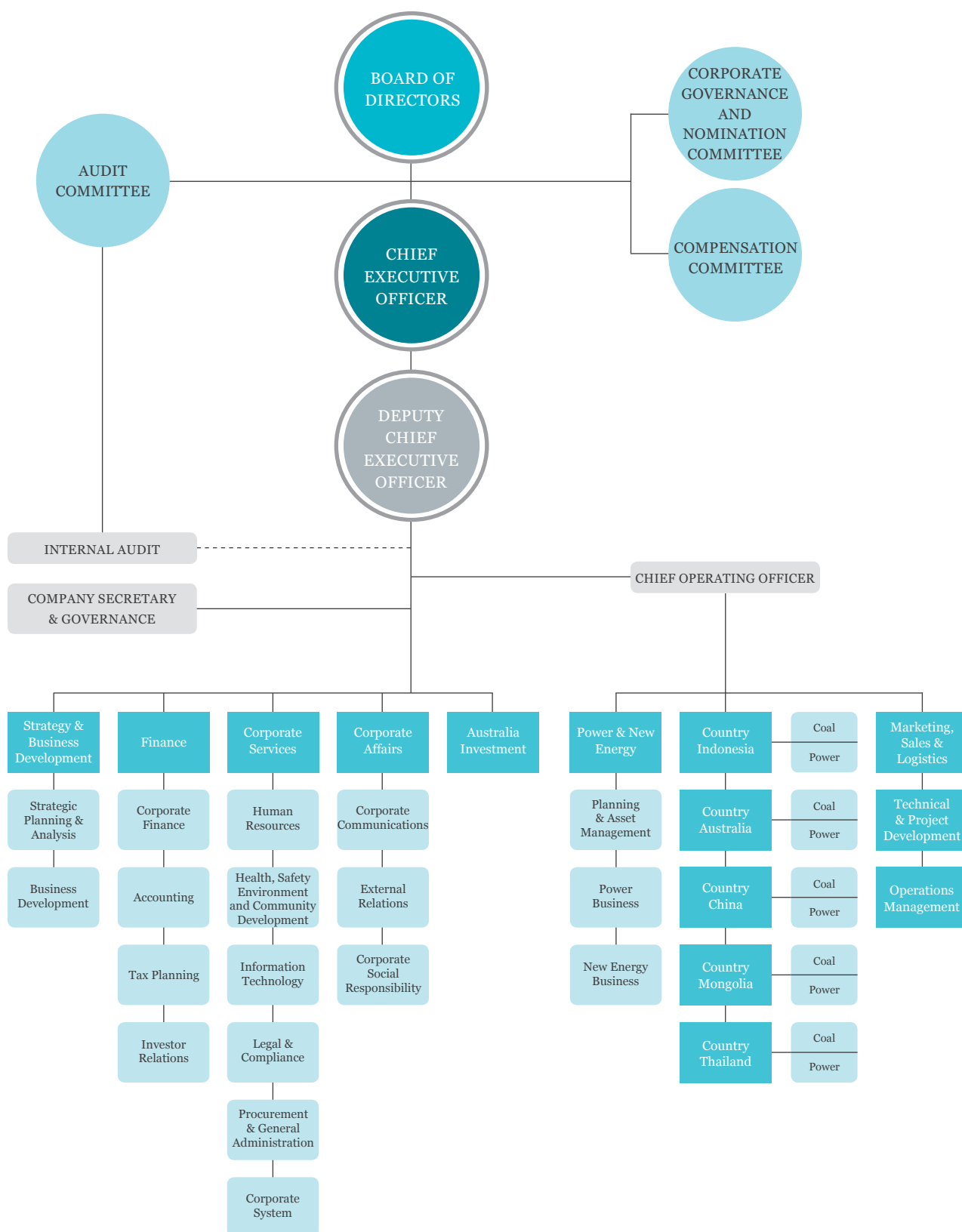






Organization Chart

As of 31 December 2013





Management Structure

The Company's management structure as of 31 December 2013 consists of the Board of Directors and executive officers. The Board of Directors consists of independent directors, non-executive directors and executive directors. Independent directors account for half of the Board membership.

The Board set up three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee.

The Board also requires that Chairman of the Board, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee, Chairman of the Compensation Committee and all directors in the Audit Committee be independent directors.

1. The Board of Directors consists of:

1. Mr. Krirk-Krai Jirapaet	Chairman of the Board of Directors / Independent Director
2. Mr. Vitoon Vongkusolkrit*	Vice Chairman
3. Mr. Rutt Phanijsaphand	Independent Director
4. Mr. Montri Mongkolsawat*	Independent Director
5. Mr. Somkiat Chareonkul *	Independent Director
6. Mr. Anothai Techamontrikul	Independent Director
7. Mr. Teerana Bhongmakapat	Independent Director
8. Mr. Metee Auapinyakul	Director
9. Mr. Chanin Vongkusolkrit	Director
10. Mr. Ongart Auapinyakul	Director
11. Mr. Rawi Corsiri	Director
12. Mr. Verajet Vongkusolkrit	Director

Note: * Mr. Vitoon Vongkusolkrit and Mr. Somkiat Chareonkul have resigned from their positions as Director, effective 4 April 2014 onwards. Mr. Montri Mongkolsawat will complete his term of office as Director on the same date. Replacements for the resigned Board members will be appointed at the annual general meeting of the shareholders in 2014.

Directors with Authority to Sign on Behalf of the Company

Any two of the following five board members have the authority to sign on behalf of the Company: Mr. Chanin Vongkusolkrit, Mr. Metee Auapinyakul, Mr. Ongart Auapinyakul, Mr. Verajet Vongkusolkrit, and Mr. Rawi Corsiri. These individuals are authorized to sign jointly on a document affixed with the Company's seal.

Duties and Responsibilities of the Board of Directors

The Board of Directors is accountable to shareholders with respect to managing the Company and supervising its management so that the firm achieves its goals while shareholders' interests are maximized. At the same time, the Board of Directors makes sure that the Company's business operations are in compliance with the Code of Conduct while the interests of all stakeholders are considered.

The Board of Directors has a duty to comply with the laws, objectives and regulations of the Company and with resolutions of the shareholders' meeting. It must perform duties with integrity and must safeguard short - and long - term interests of shareholders. The Board also complies with rules and regulations of the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC) and the Capital Market Supervisory Board established according to the Securities and Exchange Act, B.E 2535 as amended by the SEC Act (No. 4), B.E 2551.

The Board formulated "Banpu Public Company Board of Directors' Practice" in 2009 as a guideline for the Board of Directors. The handbook is comprised with definitions, composition and criteria of the Board of Directors' qualifications, terms of office and vacancies, duties and responsibilities of the Board as well as meetings and voting procedures. It was amended and edited in 2011 and 2012 to reflect changing responsibilities and business climates.



In addition to the discharge of representatives of shareholders and take responsibilities as defined in the “practice”. The Chairman of the Board, as a leader and independent director, will strictly conform his duty to ethical and CG principles. The Chairman sets and conducts effective board meeting, encourages the constructive discussion among the board members, and concludes the meeting resolution. The Chairman governs the shareholder meeting providing equitable rights to all shareholders with compliance to rules, regulations, and best practices advised by regulators.

To comply with the practices, the Board entrusts the CEO to run the company’s business and to supervise the company’s operations.

The Board has also formulated a charter for the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee as a guideline for their duties.

The Board also organizes an orientation session for new directors so that they are aware of what Banpu expects from them. Through orientation, the directors learn about their roles and responsibilities, about Banpu’s corporate governance policy and practices, and about Banpu’s business and operations. In addition, visits to the Company’s different operational units are arranged for the new directors. These activities are carried out with the purpose of preparing them for their role as Banpu’s directors.

The Board of Directors has a policy to expand all directors’ horizons on corporate governance, industrial outlook, businesses, new technology and innovations. Directors are encouraged to attend seminars or training held by the Thai Institute of Directors (IOD) and other reputable institutions to sharpen their performance. In addition, seminars are held with the management to transfer technical knowledge and experiences directly related to the Company’s business.

The Board of Directors also holds a joint meeting between independent directors and non-executive directors at least twice a year to allow directors to freely express and discuss opinions relating to management. The Company Secretary is required to submit a summary report of these meetings to all directors.

In addition to the Board of Directors meeting, the Board also requires a “Board Retreat” to be held annually to provide directors an opportunity to raise issues of interest, express opinions or provide recommendations with the aim of improving teamwork and planning administrative direction.

The Board of Directors requires that the Board itself be subject to a performance evaluation once a year. Independence of directors is also assessed on an annual basis. This duty is entrusted to the Corporate Governance and Nomination Committee.

The Board has required the three sub-committees to do their own self-assessment. The forms are provided by the Corporate Governance and Nomination Committee and each has the same standard. These forms focus on roles and responsibilities corresponding to each Committee’s charter. The sub - committees have used the assessment forms as part of their performance report presented to the Board annually since 2012.

2. The Audit Committee consists of:

- | | |
|-----------------------------|---------------------------------|
| 1. Mr. Somkiat Chareonkul | Chairman of the Audit Committee |
| 2. Mr. Montri Mongkolswat | Member |
| 3. Mr. Teerana Bhongmakapat | Member |

The Audit Committee’s term of office is three years from April 2013 to April 2016.

Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company’s financial statements, its adequacy of internal control and risk management systems, and compliance with applicable laws and regulations. The Audit Committee is also



required to prepare a report or to give opinions to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)

3. The Corporate Governance and Nomination Committee consists of:

- | | |
|-------------------------------|---|
| 1. Mr. Anothai Techamontrikul | Chairman of the Corporate Governance and Nomination Committee |
| 2. Mr. Rawi Corsiri | Member |
| 3. Mr. Verajet Vongkusolkrit | Member |

The Corporate Governance and Nomination Committee's term of office is three years from April 2013 to the 2016 Annual General Meeting of Shareholders.

Duties and Responsibilities of the Corporate Governance and Nomination Committee

According to its charter, the Corporate Governance and Nomination Committee has two major duties. Firstly, to review the Corporate Governance Policy and the Code of Conduct and monitor compliance of the policy and practices within Banpu's Code of Conduct. Secondly, to nominate directors and the Chief Executive Officer and to review a succession plan in order to nominate appropriate persons to fill the management positions (for department head level and higher), and to submit recommendations to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)

4. The Compensation Committee consists of:

- | | |
|-----------------------------|--|
| 1. Mr. Rutt Phanijsaphand | Chairman of the Compensation Committee |
| 2. Mr. Vitoon Vongkusolkrit | Member |
| 3. Mr. Montri Mongkolswat | Member |

The Compensation Committee's term of office is three years from April 2013 to the 2016 Annual General Meeting of Shareholders.

Duties and Responsibilities of the Compensation Committee

The Compensation Committee's duty is to provide advice related to compensation management to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)

5. The Management* consists of:

- | | |
|---------------------------------|---|
| 1. Mr. Chanin Vongkusolkrit | Chief Executive Officer |
| 2. Mr. Somyot Ruchirawat | Chief Operating Officer (Deputy Chief Executive Officer**) |
| 3. Mr. Voravudhi Linananda | Chief Operating Officer |
| 4. Ms. Somruedee Chaimongkol | Assistant Chief Executive Officer - Finance |
| 5. Mr. Sathidpong Wattananuchit | Assistant Chief Executive Officer - Corporate Services |
| 6. Mr. Akaraphong Dayananda | Assistant Chief Executive Officer - Strategy and Business Development |
| 7. Ms. Udomlux Olarn | Senior Vice President - Corporate Affairs |

Note: * After the CEO, the next four executives as announced in the company's organization structure effective from 1 January 2009, are appointed to manage the coal business unit, the power business unit, finance, corporate services, strategy and business development and corporate affairs respectively.

** Mr. Somyot Ruchirawat has been appointed as Deputy Chief Executive Officer and Mr. Voravudhi Linananda has been appointed as Chief Operating Officer since 1 January 2013.



Duties and Authority of Chief Executive Officer

The Board of Directors sets operational goals for the CEO and evaluates his performance every year. The CEO then evaluates the performance of executive officers and senior executive officers by using goals and evaluation criteria linked closely with Banpu's strategic plan and annual operating plan, and uses this information to set appropriate and attractive compensation packages and incentives. (For more information, please see 56 - 1 Form: CEO's duties and responsibilities)

6. The Independent Directors, who account for 50% of the Company's Board of Directors are:

- | | |
|-------------------------------|----------------------|
| 1. Mr. Krirk-Krai Jirapaet | Independent Director |
| 2. Mr. Montri Mongkolswat | Independent Director |
| 3. Mr. Teerana Bhongmakapat | Independent Director |
| 4. Mr. Somkiat Chareonkul | Independent Director |
| 5. Mr. Rutt Phanijphand | Independent Director |
| 6. Mr. Anothai Techamontrikul | Independent Director |

Banpu has defined the qualifications of "Independent Directors" according to the Notification of the Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February B.E. 2552. (For more information, please see 56 - 1 Form and the Notification of Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February, B.E. 2552).

7. Company Secretary

The Board of Directors has appointed Ms. Boonsiri Charusiri as the Company Secretary, whose duties and responsibilities are as stipulated in the Securities and Exchange Act (No. 4), B.E. 2551, an amendment of the Securities and Exchange Act B.E. 2535. The Company Secretary is responsible for organizing meetings for the Board of Directors and shareholders, ensuring compliance with the meetings' resolutions, and advising the Board on rules and regulations to which it must comply. Additionally, the Company Secretary is responsible for preparing and keeping the register of directors, Board meeting invitation letters, Board meeting minutes, Banpu's Annual Report, invitation letters to attend the shareholders' meeting and records of its minutes, the report on conflict of interests of directors or executive officers and other duties as required by the Capital Market Supervisory Board. (The qualifications of Company Secretary stated in 56 - 1 report regarding the details of the Board of Directors and the Management.)

Nomination of Directors and Executives

The Corporate Governance and Nomination Committee will nominate new directors to fill vacancies which arise due to completion of term of office or other reasons. Nominations are made according to the following procedures:

1. The Committee will review the structure and composition of Board of Directors to strengthen its status.
2. The Committee will review general and specific qualifications of independent directors, add new nomination criteria and qualifications to suit the Company's requirements and circumstances and ensure compliance with the SET's requirements. The Corporate Governance and Nomination Committee will subsequently submit nominations to the Board of Directors for approval before seeking a resolution at the Annual General Meeting of Shareholders and making an official appointment.

For the nomination of executives, the Corporate Governance and Nomination Committee monitors a succession plan covering CEO, COO and senior executives to ensure that the Company will have competent executives with proper expertise and experiences to fill important positions in the future.



Marketing and Competition

Marketing

Banpu's Marketing Policy

Banpu has a clear, transparent and straightforward marketing policy which takes into consideration all stakeholders to ensure a mutually beneficial outcome. The key points are as follows:

1. Retain existing customers through quality products and services that meet the needs of customers, and on time delivery.
2. Maintain customer segmentation by region, by product, and by industry to ensure sustainable sales.
3. Create marketing readiness, so the best option is always available for customers.
4. Compete in market with honor, integrity and respect to customers, competitors and stakeholders.
5. Be straightforward and clear to demonstrate reliability and integrity and maintaining a solid market position.
6. Respect customer decisions, with customer benefits always our priority.
7. Promoting quality and prompt services with good planning, the availability of tools and expertise of staff for the highest satisfaction of customers.

1. Global Coal Market

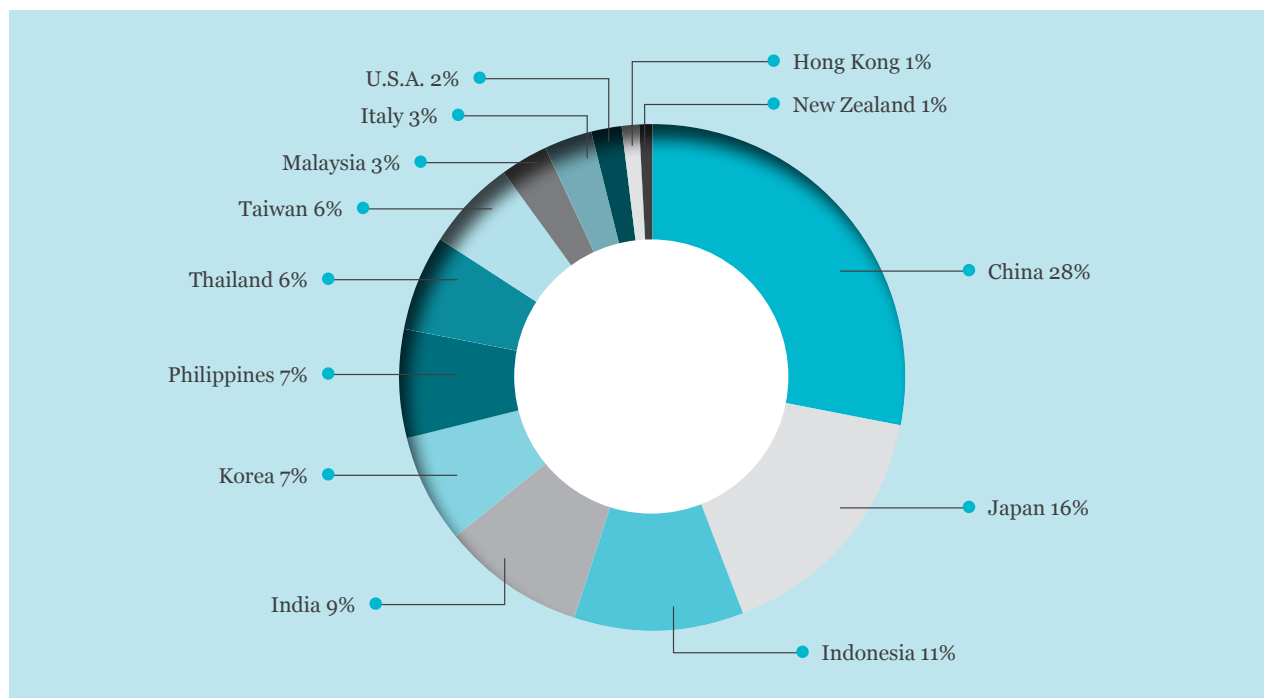
The global coal market consists of thermal coal and coking coal. This report focuses only on thermal coal since it is the Company's main product. The users of thermal coal are mostly coal-fired power plants. 80% of the Company's customers are in this group.

The thermal coal market can be divided into two main areas: the Pacific market and the Atlantic market. Most coal users in the Pacific market are in Asia such as China, Japan, South Korea, Taiwan and India. Japan is a major user of high quality coal. Japanese customers seek reliability in product delivery and are willing to buy coal at prices higher than the spot market price. As a result, Japan is the first target for producers of high quality coal. For low quality coal, the two main markets are China and India. These markets look for coal at low prices because of a large oversupply of low quality coal, resulting in fierce competition on prices. The main producers and exporters of Pacific region are Indonesia and Australia. Most of the coal is exported to users in Asia because of their proximity to the production sources.

For the Atlantic market, most coal users are power plants in Europe while the four main coal producers are Colombia, South Africa, Russia and the U.S. Since there is a downtrend for coal demand in Europe, coal producers like South Africa and Russia have expanded their markets into Asia.

Last year, coal imports in Asia experienced high growth in demand, especially from India and China. Nonetheless, coal production in Indonesia and Australia was higher than the demand, resulting in an oversupply. Australian coal producers were pressured to increase exports after the Newcastle Coal Terminal expansion project was completed last year. These producers had entered into Take or Pay Agreement with train and port operators and had to transport coal at agreed amounts or else be faced with fines. However, since there was little growth in demand for high quality coal in Asia, coal producers in Australia had to produce lower quality coal for export to China. This type of coal is not washed, resulting in lower costs and has the ability to compete on price in the Chinese market. However, this coal has a lower heating value and a higher ash content.

Percentage of 2013 Sales Volume by Country



On the contrary, demand for coal imports in Europe had declined following the retirement of several old coal-fired power plants. Even though a major coal producer in Colombia had trouble with a labor strike, which resulted in lower exports, the European coal market remained oversupplied because of the decreased demand and the export substitution from other sources.

Last year, the Company sold a total of 29.1 million tonnes of coal produced in Indonesia, with China being the major buyer. Sales to China comprised 28% of the total sales volume, most of which was supplied to the country's large-scale coal-fired power plants. Following China, sales to Japan and Indonesia comprised 16% and 11% respectively. It is worth noting that the Company's sales cover most regions across the globe. While the biggest chunk of sales is in Asia, which enjoys high growth, Banpu is able to sell coal to many other countries to ensure income stability.

Competition Strategies

Competition in 2013 remained strong due to an oversupply, particularly of low quality coal from Indonesia. High quality coal was not affected as much as low quality coal because of limited reserves. With most of Banpu's coal being high quality, the Company is able to manage its sales and competition using the following strategies:

- *Maintaining Existing Customer Base and Expanding Markets*

Banpu focuses on meeting the customers' requirements in terms of product quality and on-time delivery. The Company uses a complaint tracking system in order to service the existing customer base. At the same time, the Company has tried to expand further into China, a very large market with rising coal demand. Also, Banpu has entered the U.S. market to diversify the customer base while expanding further into the Indonesian market, the Company's main production base, to increase sales stability.



- *Focusing on Target Markets*

Banpu creates market segments based on geography and customer buying behavior and has sales teams closely looking after each customer group. The focus remains on coal-fired power plants in Japan, as this market offers high prices in exchange for quality coal and delivery reliability. Thanks to Banpu's production of high quality coal and its operation of its own coal terminals, Banpu is able to consistently meet the needs of this group of customers. In addition, the Company targets large coal users in China, South Korea, the Philippines, Malaysia and India, introducing products that best suit each market. This helps Banpu maintain a stable customer base in these markets. The Company has also entered into the Indonesian coal market, targeting large coal-fired power plants which offer high growth potential and consistent product demand.

- *Managing and Developing Products*

Thanks to the operations of several coal mines in Indonesia, Banpu is supplied with coal of various quality specifications. Coal from different sources is mixed to develop products that meet customers' quality requirements in each market. This enables Banpu to command higher prices for its coal. Also, the Shipment Demand Pull System was introduced to the Company's entire supply chain, allowing for the effective planning of production, stockpiling, transportation and delivery of the products, with accuracy in terms of quantity and quality.

- *Managing Customer Relations*

With our focus on long-term customer satisfaction, Banpu is able to compete well to win more regular customers. The Company strengthens its relationships with customers through the following activities:

- *Regular Performance Reporting*

The Company reports its performance and planning to customers every quarter to ensure confidence in the ability of Banpu to produce and deliver products in accordance with contract conditions and respond to their long term needs.

- *Customer Visits*

In addition to customer visits by sales teams, production and quality control officers are dispatched to visit customers to monitor any problems or concerns. The collected information is used to improve the Company's products and services. Also, Banpu management regularly visit customers to exchange ideas and strengthen relationships, promoting long term customer retention.

- *Technical Support*

Coal utilization experts are employed to give customers advice and technical support on optimal coal utilization in order to reduce costs.

- *Development of Inquiry and Complaint Tracking System*

The Company developed and maintains an inquiry and complaint tracking system to ensure that each complaint receives a prompt response and that customers are notified of the solutions. The Company also uses the information from these complaints to improve work processes and prevent future mistakes.

- *Strengthening the "Banpu" Brand*

Banpu continues to strengthen the "Banpu" Brand as a leading energy provider in Asia through its business operations. The focus is on reliability in coal production and delivery, both in terms of quantity and quality, and the ability to supply the market in the long term. The Company also continuously sponsors several international coal conferences around the world, where Banpu management are invited as guest speakers. This gives Banpu the opportunity to earn greater recognition among other producers, distributors and users. Today, Banpu is recognized in the global market as a leading coal producer.



2. Indonesia's Coal Market

Coal produced in Indonesia is mostly thermal coal, most of which is exported to overseas markets. Domestic demand for coal in Indonesia is growing rapidly, though demand is still much lower than the country's production capacity. Last year, Indonesia's coal demand was projected at 75 million tonnes, or only about 15% of the country's production. As a result, the excess had to be exported to markets, mostly in nearby countries in Asia. Therefore, the coal industry in Indonesia largely depends on the global coal market.

Indonesia's rapid rise in coal demand over the past few years was a result of the Indonesian government's fast track program to build a 10,000-megawatt power plant to meet domestic need for electricity. The project is aimed at supporting the country's fast economic growth and reducing electricity costs as electricity generated by a coal-fired power plant has much lower costs than petroleum. Regarding coal use in Indonesia last year, 70% was used to generate power, 10% was used by the cement industry, and the rest by other industries. More than 75% of coal use in power generation in Indonesia was under the supervision of the state enterprise Perusahaan Listrik Negara (PLN). The remainder was used by Independent Power Producers (IPPs).

Last year, the Company sold 3.2 million tonnes of coal in Indonesia, or about 11% of the coal produced in the country, which amounted to a market share of only 4.3% in Indonesia. The majority of coal used in Indonesia is low quality coal. The country's new power plants are designed to use coal of this quality because of its abundant reserves. Since the coal Banpu produced was mostly high quality, it could be sold at higher prices outside Indonesia. The Company mainly targets large-scale power plants. Last year, the amount of coal sold to power plants was 82% of the country's total sales. The rest was sold to cement, paper and other industries.

Since there are many producers marketing low quality coal in Indonesia, the competition is high and the prices are lower than for exports. However, major coal producers are obliged to sell a specified amount of coal for domestic use following the regulations of the Indonesian government. The Company also has plans to increase its domestic sales as Indonesia is Banpu's major production base.

Major Competitors

Major competitors in the Indonesian coal market include major producers such as PT Bukit Asam, PT Adaro Indonesia, PT Kideco Jaya Agung, PT Arutmin Indonesia, PT Kaltim Prima Coal, and PT Berau Coal. There are also many small producers who sell at lower prices and target smaller customers.

In the global market, major competitors are not only producers in Indonesia, but also many major producers and traders from Australia, South Africa and Russia. In addition, during the price hike in the Asian market, producers from the U.S. and Colombia also entered the competition. Once prices drop in the Asian market, the U.S. and Colombia cannot be as competitive on price because of higher shipping costs compared to transportation from Australia and Indonesia.



Pricing Policy

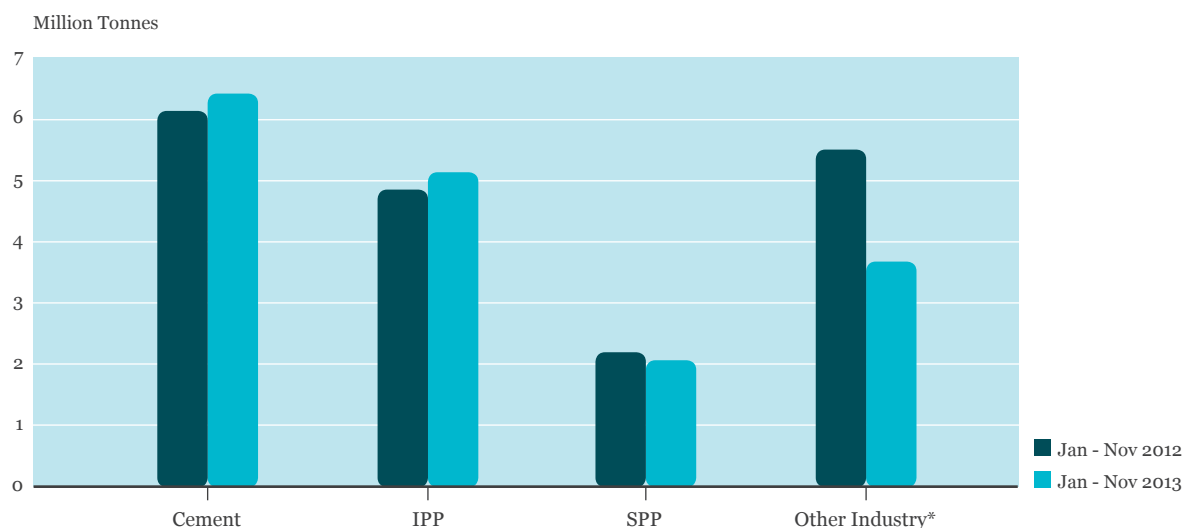
Coal prices are generally determined by quality and based on global price forecasts at the time of the contract negotiations. Banpu adopts the policy not to sell below the reference prices set by the Indonesian government and makes price agreements at different times of the year in accordance with customer contracts. Prices could be fixed or floated based on global market prices or so called index link. The Company adjusts the proportions of fixed and floated prices according to market conditions at a given time, using coal swap to reduce risk from market fluctuations.

Major producers in Indonesia follow a similar pricing policy of not selling below the reference prices set by the Indonesian government. As a result, competition on pricing in the Indonesian market is not high. Small producers sell at lower prices as they also target small users, whereas major users who comprise most of the country's state enterprises must buy coal at prices set by the Indonesian government. These users also seek delivery reliability and therefore, prefer product from major suppliers.

Customer Profiles

Banpu's customers are mostly large coal-fired power plants. Most of them have high stability and demand consistent annual coal tonnage. These customers are situated in various countries, including Japan, South Korea, Taiwan, China, India, Malaysia, the Philippines, Indonesia and some European countries. The Company also sells to other industries such as cement, petrochemical, paper, plastic, and chemicals industries.

Coal Demand by Sector



Remark: * Included coal stock at Trader's Coal Center



3. Thailand's Coal Market

At present, over 90% of coal used by the country's private sector is imported coal due to Thailand's limited reserves. The cement industry is the major coal user. During the first 11 months of 2013, the industry used approximately 6.4 million tonnes of coal, or an increase of about 0.3 million tonnes year-on-year. Of this amount, 5 million tonnes was imported, or an increase of 0.2 million tonnes. Locally produced coal amounted to 1.4 million tonnes, an increase of 0.1 million tonnes. The second top user was the IPP. During the first 11 months of 2013, this segment used 5.2 million tonnes of coal, or an increase of 0.3 million tonnes year-on-year, all of which was imported. For small power producers (SPPs), their coal use in the first 11 months of 2013 totaled 2.1 million tonnes, a decrease of 0.2 million tonnes year-on-year. Other coal users included the paper, petrochemical, textile and food industries. Also, the inventory of coal traders totaled 3.7 million tonnes in the first 11 months of 2013, a decrease of 1.9 million tonnes year-on-year, as a result of high inventory in the previous year. Therefore, in early 2013 when coal prices in the global market picked up, coal traders postponed their imports and traded their inventory stock, which caused the imports to drop sharply.

The coal market in Thailand is divided into three main groups.

1. The cement, petrochemical and paper industries: Major coal users are the cement, petrochemical and paper industries as well as SPPs. This group of users has the capacity to directly import coal, mostly buying from reliable producers. As a result, major traders from overseas also come to compete in this market.
2. IPPs: IPPs make long-term purchase agreements with overseas coal producers, leaving little room for the spot market and resulting in mild competition.
3. Small coal users: There are abundant in numbers of this group, but each uses only a small amount of coal. Most of the users in this group buy the coal from traders with a stock yard or those that offer periodic delivery since these users are small factories and have limited space for stockpiling. The machinery of many small factories requires the coal in small chunks as they could not operate using pulverized coal. Traders need to sort the coal before delivery and only sell pulverized coal to factories that have area able to process it, such as cement factories. The competition in this market is high with many traders and the major buying factor is the pricing.

Competition Strategies

- *Domestically Produced Coal*

Banpu ceased its production in Thailand due to depletion of resources.

- *Imported Coal*

Competition in the import market is fierce due to its constant trading nature which allows new players to easily enter the market. The Company creates the following strategies:

- *Reliability in Delivery*

Banpu remains focused on the on-time delivery of products and services that meet the customers' requirements, both in terms of quantity and quality. With its own production base in Indonesia that ensured the stability of product supply as well as high delivery reliability, the Company continued to earn trust from its customers, particularly large-scale corporations that have had long relations with the Company and sought reliability.



- *Focusing on Target Markets*

The Company focuses on large-scale customers who have consistent demand and seek high reliability in product delivery. Banpu also has its own production bases, giving it an advantage over other competitors especially trading companies who may not have long term access to reliable supply. This encourages customers in this segment to develop long-term relationships with the Company to secure a consistent coal source for long-term use.

- *Coal Distribution Center*

The Company has two coal distribution centers to store imported coal before distributing it to customers. It gives the Company more stability in product delivery. The two centers have strong compliance with environmental regulations and look after local communities in order to set the standards for other players and boost customer confidence in long-term product delivery.

Major Competitors

Last year, there were about 20 coal traders competing in the Thai market, few of which have their own production base and are only minor players as coal reserves in the country are limited. Therefore, major competitors are importers, including Lanna Resources Public Company Limited, Unique Mining Services Public Company Limited, Asia Green Energy Public Company Limited and Energy Earth Public Company Limited. Many traders have their own stock yards to store coal before distribution. However, many are only trading companies and do not have their own production base. Such companies have to face risks in costs, product quality and delivery. In addition, there are large foreign trading companies competing in the market to supply large coal users. These traders do not have their own stock yards and include Rio Tinto, Glencore, Noble Energy, Eastern Energy, and Phoenix Commodity. However, they are not competitive in the small user market where users only require small tonnage and periodic delivery. This opens the door for competition among local traders who have their own stock yards and those who can import coal on small ships.

Pricing Policy

Banpu's coal prices are based on global market prices at the time of trading with adjustments made to reflect the quality of coal. Prices differ for each customer depending on the amount ordered, quality specifications and other conditions as agreed. The Company can also arrange transportation and prices would include sea freight charges and other expenses depending on the delivery destination. To avoid freight cost fluctuations, shipping contracts are fixed according to transportation method matched with the amount of coal and delivery period specified in the coal supply contracts.



Customer Profiles

Banpu's customers in the industrial sector could be categorized into four major groups by coal use and customer buying behavior:

- Cement producers, which use coal in the pyroprocessing stage: These are Thailand's largest coal users in the private sector. Though the customers in this segment are few in number, their demand is voluminous.
- Coal-fired power plants in the IPPs scheme: These are large coal consumers who make long-term purchase contracts with large coal producers overseas.
- Power and steam plants, which use coal as fuel for their large boilers: The steam produced from these plants is used in the generation of electricity as well as in other manufacturing processes in different businesses, such as in paper, petrochemical, and textile industries as well as used by SPPs.
- Other industries, most of which are factories that use coal as fuel for small boilers: These industries include paper, petrochemical, food and textile businesses. There are also small factories that use coal in the firing, baking and boiling in their manufacturing processes such as chemical and animal feed producers. Even though their demand for coal is limited, these businesses make up a sizable customer base.

Banpu focuses on two large customer segments: cement producers and power and steam plants, as these groups of customers offer consistent demand and require delivery reliability. For IPPs, most of them make long-term purchase contracts with major producers overseas and rarely buy from the spot market like other groups of customers.

Competition

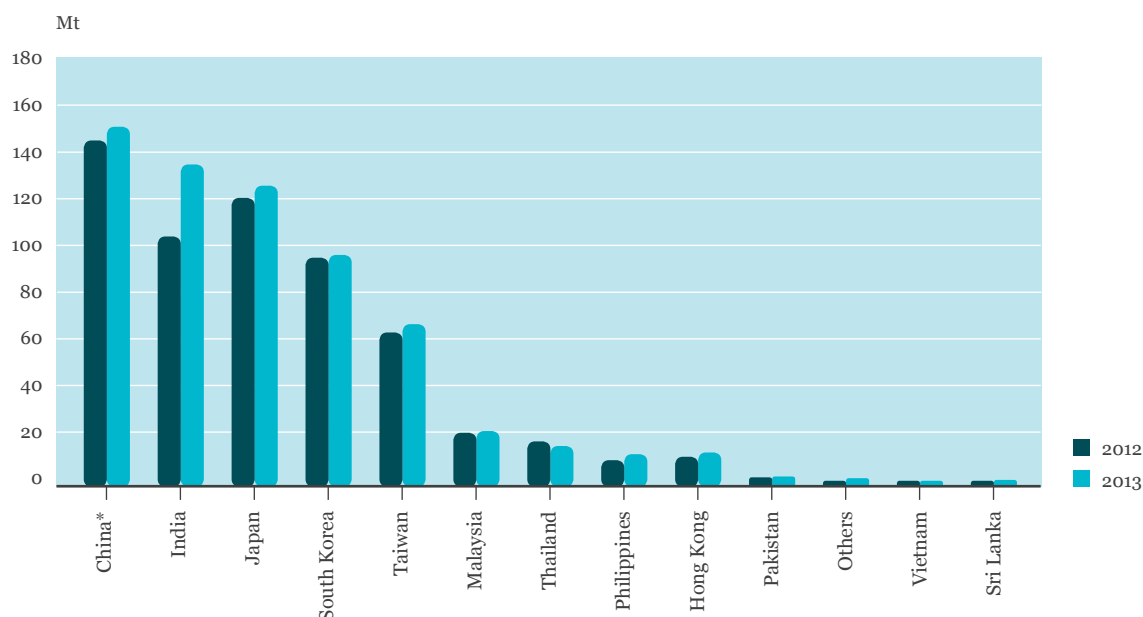
1. Competition in Coal Industry

Despite production difficulties in several countries, competition in the global coal industry last year remained aggressive due to the oversupply. Meanwhile, demand for coal continues to grow in spite of slow economic growth in China and India, the two major coal importers. The high oversupply pushed the prices down early in the year. Prices started to recover at the end of the year due to the adjustment of selling prices in China.

Globally, coal imports in 2013 increased by 4%, totaling 885 million tonnes. Imports in Asia—China, India, Japan, South Korea, and Taiwan—increased by 7.4% from the previous year and constituted 75% of the total global imports. China was the largest importer of thermal coal, importing 152 million tonnes of coal, increase 3.6% from the previous year. In second place was India, importing 136 million tonnes, or an increase of 26.9%, the highest growth in the global market. As the country's coal production was not able to meet its domestic demand, India required a large amount of coal imports. The size of Indian thermal coal imports overtook Japan to take the second place. Despite taking the third place, Japan's thermal coal imports remained high as the country stopped the operations of its nuclear power plants in response to the security measures, forcing its coal-fired power plants to operate at full capacity. Also, South Korea's and Taiwan's coal imports continued to grow, although at a small level.



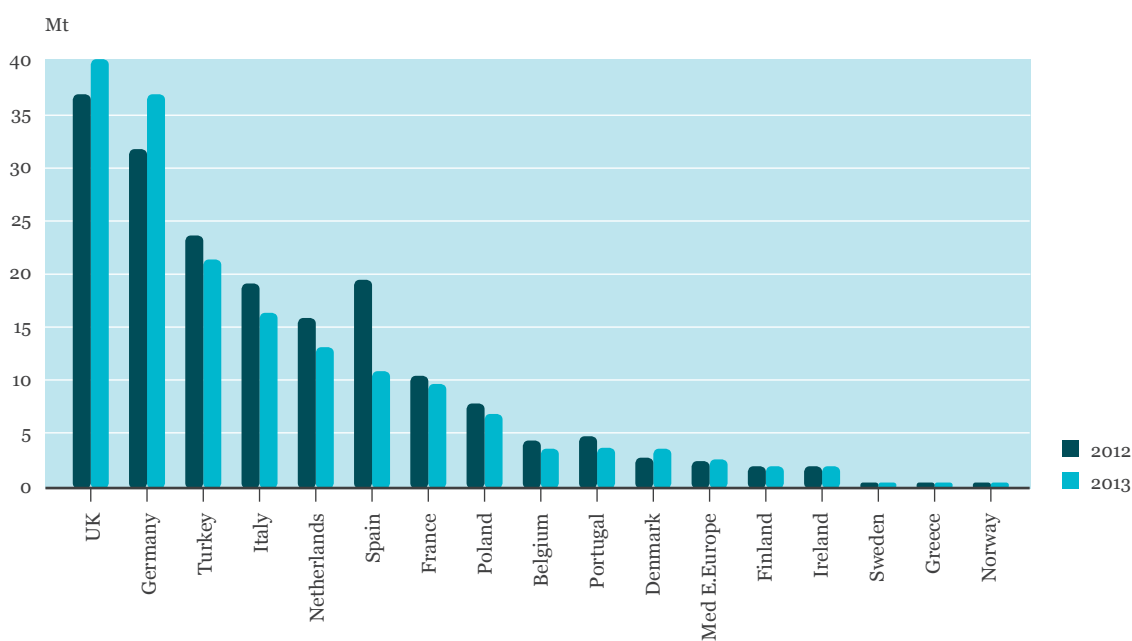
Thermal Coal Import in Asia by Country



Remark: * Steam coal only

Source: Marketing, Sales & Logistics Analyst, Banpu

Thermal Coal Import in Europe by Country



Source: Marketing, Sales & Logistics Analyst, Banpu

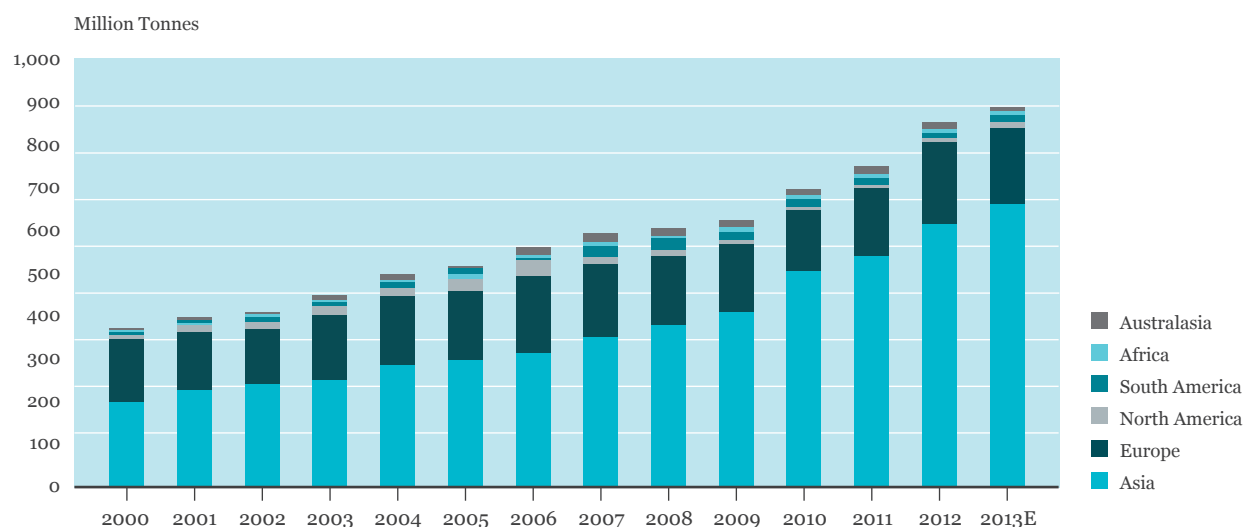
Coal imports in Europe last year dropped 5.6%. Early in the year, several power plants were retired following regulations in the European Large Combustion Plant Directive (LCPD), which aims to retire inefficient old power plants in order to reduce carbon dioxide emissions. Meanwhile, Spain and Portugal were able to produce more hydroelectric energy in the first half of the year, resulting in much lower coal consumption by the coal-fired power plants in these two countries.



In contrast to the lower coal imports by many European countries, imports in the U.K. and Germany picked up. As their coal-fired power plants were able to generate more profit than their natural gas power plants, most of the coal-fired power plants were operated at full capacity. In Germany, even though the country places more emphasis on renewable energy, the operations of new coal-fired power plants resulted in higher coal imports.

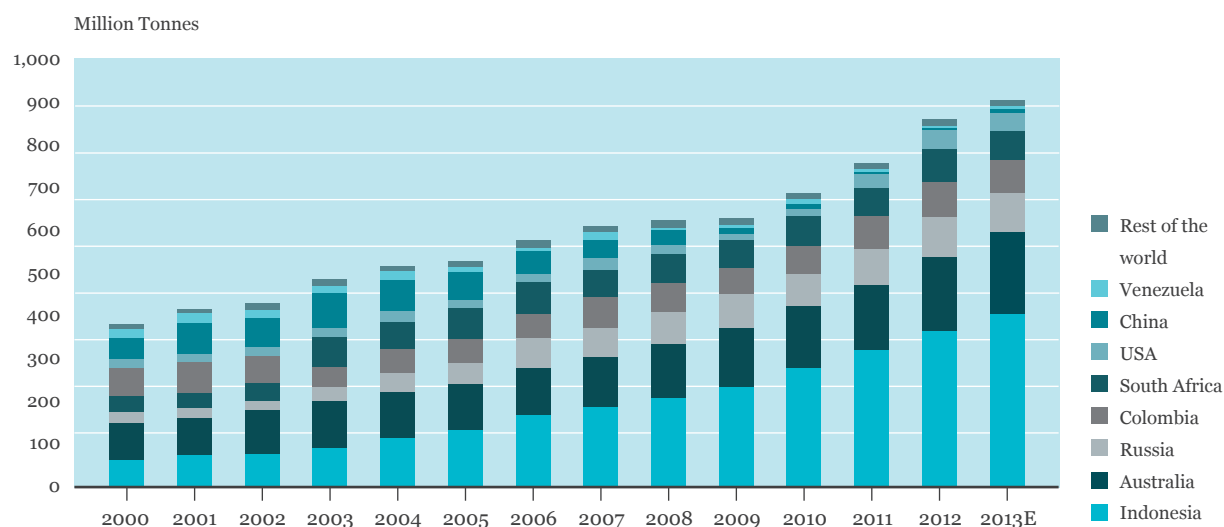
Because of the higher profits over natural gas power plants, the coal-fired power plants that are still in use are operated at full capacity. As a result, the overall imports only dropped slightly despite the closure of many plants.

Historical of world seaborne thermal coal import



Source: Wood Mackenzie, IHS Mc Closkey and Marketing, Sales & Logistics Analyst, Banpu

Historical of world seaborne thermal coal exports by countries

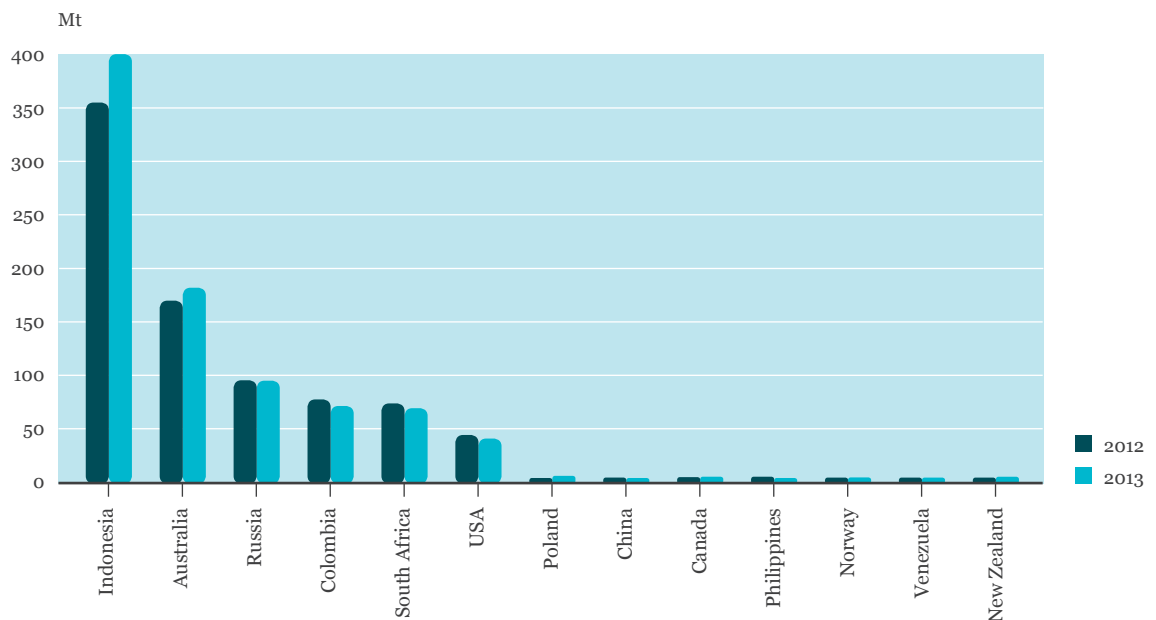


Source: Wood Mackenzie, IHS Mc Closkey and Marketing, Sales & Logistics Analyst, Banpu



Global thermal coal exports in 2013 totaled 892 million tonnes, increasing from the previous year by 4.9%. The six main exporters are Indonesia, Australia, Russia, Colombia, South Africa, and the U.S., amounting to 97% of the global exports. Indonesia remains the largest thermal coal exporter. Last year, the country exported around 400 million tonnes of thermal coal, or about 44% of the total global export volume. However, the coal that predominated was low quality and had its main markets in India and China. Australia was in second place, exporting 184 million tonnes of coal, an increase of about 7% from the previous year. Most of the coal exported from Australia is high quality being marketed to Japan, South Korea, and Taiwan. However, last year, Australia also exported more coal that has low heating value and a high ash content, most of which was exported to China. Meanwhile, Colombia's exports decreased by 7.8% due to the strikes at two major coal producers over labor conflict. South Africa's exports also dropped as a result of the bad weather that hindered sea transportation. Shipping problems coupled with a limited capacity for alternative transportation by train, saw exports from South Africa decrease by 5.3%. Another country whose exports also dropped was the U.S., which was faced with higher costs but lower global market prices.

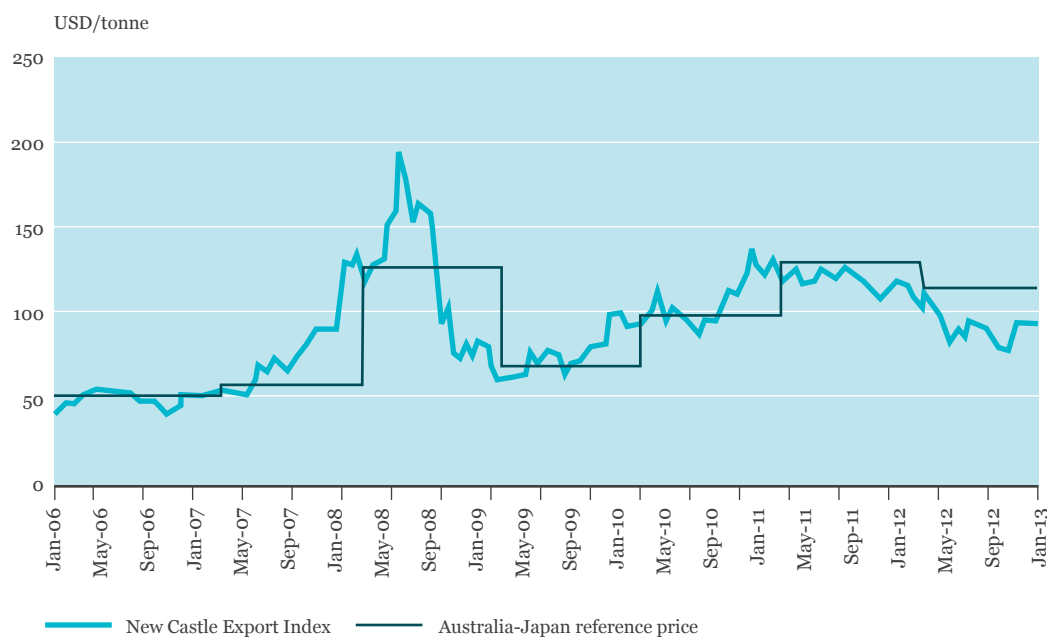
Thermal Coal Export by Country



Source: Marketing, Sales & Logistics Analyst, Banpu



Thermal Coal Export Price FOB Newcastle



Remark: Energy Publishing

In 2013, the global coal prices gradually decreased from the beginning of the year as a result of a high oversupply, particularly from Indonesia and Australia. The Australia-Japan Reference Price for the delivery year of 2013 (April 2013 – March 2014) dropped to USD 95 per tonne, decreasing by 17.6% from the previous year. Meanwhile, the FOB price in the spot market at the Newcastle Terminal in Australia in 2013 was much lower than the reference price, dropping to the lowest point at USD76 per tonne in September before starting to pick up at the end of the year.

The competition in Asia last year was rather aggressive as major producers in China lowered their prices to maintain their market shares, forcing Australian and Indonesian exporters to also cut their prices in order to compete in the market in the southern part of China. Coal prices in China began to pick up by late September as major producers re-adjusted their prices ahead of the annual end of year price negotiations with large-scale power plants, prompting an increase in prices globally.



The competition in the European market was also strong even though most buyers had already made purchase contracts to cover their use for the entire year and only few players bought from the spot market. However, coal prices in Europe fluctuated greatly as a result of the protests in Colombia. As Europe's coal demand had dropped and there was an oversupply from South Africa and the U.S. to compensate the missing supply from Colombia, coal prices in Europe trended downwards.

For the year 2014, global demand for coal is expected to continue to grow, but at a lower rate. China is likely to reduce its consumption in big cities to help solve air pollution problems. However, as its measures are likely to only relocate coal-fired power plants out of big cities, their overall use should remain the same. The Chinese government has planned to set new regulations on coal imports, allowing only the import of high quality coal and barring low quality coal imports. This will affect the low quality coal from Indonesia. Nonetheless, low quality coal still has its market in India, whose demand is also expected to grow as its own production cannot meet domestic need. Demand in other countries in Asia is likely to grow only slightly, so demand for coal in Asia depends on China and India. Meanwhile, demand in Europe is likely to be stable as a result of the continued retirement of old power plants. Some demand may be compensated by the construction of new power plants and the resumption of operations in Spain and Portugal.

Meanwhile, coal production and exports are likely to grow, particularly in Indonesia and Australia. Colombia will face difficulties exporting coal early in the year as its government has banned the transportation of coal from barges to ships starting 1 January 2014, and only allows for transport via conveyor belts. Drummond, Colombia's second largest coal producer, was not able to finish the construction of its port in 2013 and will not be able to load its cargo onto ships. However, the construction is expected to complete by the second quarter of this year, which will prompt coal exports from Colombia to return to the normal levels. During the port construction, Drummond is expected to use alternative ports to transport some of its products. Meanwhile, coal from South Africa, Russia and the U.S. will enter the market to compensate the exports from Colombia, resulting in a continued oversupply.

Competition in 2014 will remain as aggressive as in 2013. Coal prices are believed to hit the lowest point this year before gradually picking up. Prices are expected to drop close to production costs in various countries, but it is unlikely that the prices will decrease further. Uncertainties regarding the policy over coal production in Indonesia will partially help with price increases. If the Indonesian government sets limits on coal production, it will reduce the amount of low cost coal produced and prompt a price hike. However, this regulation and its enforcement remain to be seen.



2. Coal Business in Thailand

Thailand's coal imports in the first 11 months of 2013 dropped by 9.8% year-on-year, a result of a price hike early in the year that prompted some cement producers, such as TPI Polene Public Company Limited, to slow down its imports and use only its stock. Also, several coal users bought stock from traders who had large inventories to reduce imports. The country's coal imports in the first 11 months totaled 17.7 million tons, decreasing by 1.7 million tonnes from the previous year. Meanwhile, the consumption of locally produced coal went up in proportion with the increased production by small producers in the north to benefit from the higher prices. In the first 11 months, consumption of locally produced coal totaled 1.6 million tonnes, increasing by 0.2 million tonnes from the same period last year. Overall, the coal demand by the private sector in the first 11 months of 2013 totaled 17.4 million tonnes, decreasing by 1.5 million tonnes or 7.9% over the previous year.

Coal Consumption in Thailand by Private Sector

(Not including the Mae Moh Power Plant of the Electricity Generating Authority of Thailand) Unit: Million Tonnes

	2552	2553	2554	2555	11 Months		Growth			
					2555	2556	2553	2554	2555	2556 (11 months)
Domestic coal	2.04	2.02	2.86	1.61	1.43	1.64	-1.2%	41.6%	-43.6%	15.2%
Imported coal	16.39	16.90	16.33	18.40	17.41	15.70	3.1%	-3.4%	12.7%	-9.8%
Total	18.43	18.92	19.19	20.02	18.84	17.35	2.7%	1.4%	4.3%	-7.9%

Source: Energy Policy and Planning Office, Ministry of Energy

The demand for coal in 2014 is expected to expand slightly as there are no new large users, while the diminishing stock of traders is likely to prompt more imports. Competition will remain high like the previous year due to a large supply in the global market.



Revenue Structure

For the previous 3 years ended 31 December

Banpu Public Company Limited

Products/Services	Conduct by	% of Shareholding	2013		2012		2011	
			Revenue (USD Million)	%	Revenue (USD Million)	%	Revenue (THB Million)	%
Sales Revenues								
1. Domestic Coal	BP	100.00	0.45	0.87	1.14	1.70	7.26	0.30
2. Imported Coal	BP	100.00	51.66	99.13	60.08	89.50	2,346.06	96.46
3. Other Revenues	BP	100.00	-	-	5.91	8.80	78.76	3.24
Total Sales Revenues			52.12	100.00	67.13	100.00	2,432.08	100.00

Banpu Public Company Limited and its Subsidiaries

Products/Services	Conduct by	% of Shareholding	2013		2012		2011	
			Revenue (USD Million)	%	Revenue (USD Million)	%	Revenue (THB Million)	%
Sales Revenues - Thailand								
1. Domestic Coal	BP	100.00	0.45	0.01	1.14	0.03	7.26	0.01
	BMC	99.99	-	-	-	-	23.09	0.02
2. Imported Coal	BP	100.00	44.54	1.33	50.42	1.34	2,346.06	2.09
	CMMC	100.00	87.21	2.60	91.60	2.43	526.25	0.47
	BPI	99.99	31.64	0.94	40.09	1.06	1,570.92	1.40
	IMM	64.99	-	-	-	-	-	-
	Trubaindo	64.99	0.01	0.00	12.24	0.32	264.20	0.24
	Jorong	64.79	-	-	-	-	11.51	0.01
	Kitadin	64.79	-	-	0.78	0.02	107.84	0.10
	Bharinto	64.79	-	-	1.52	0.04	-	-
3. Other Revenues			15.02	0.45	17.94	0.47	162.65	0.13
Total Sales Revenues - Thailand			178.87	5.33	215.73	5.71	5,019.78	4.47
Sales Revenues - Overseas								
1. Coal - International Trade	Indominco	64.99	989.08	29.52	1,125.95	29.82	41,118.92	36.58
	Kitadin	64.99	243.84	7.28	318.61	8.44	4,736.09	4.21
	Bharinto	64.99	142.06	4.24	23.98	0.64	-	-
	Trubaindo	64.99	657.74	19.63	785.58	20.81	21,680.92	19.28
	Jorong	64.79	34.52	1.03	42.86	1.14	1,861.42	1.66
	CEY	100.00	913.38	27.26	1,079.04	28.59	32,750.60	29.14
2. Power	BIC	100.00	191.40	5.71	182.99	4.85	5,236.49	4.66
Total Sales Revenues - Overseas			3,172.02	94.67	3,559.01	94.29	107,384.44	95.53
Total Sales Revenues			3,350.89	100.00	3,774.74	100.00	112,404.22	100.00
Participating Profit (Loss) from Investment in Associated Companies (Equity Method)			95.43		85.49		1,938.63	
Total Revenues			3,446.32		3,860.23		114,342.85	

Notes: 1. Other revenues consist of other services.

2. The Company did not realize sales revenues from its power business in Thailand as its shareholding is not more than 50%



Risk Management

Banpu and its group of companies emphasize the importance of risk management in order to support sustainable growth. Business risk management is under the supervision of the Board of Directors (BOD) and various management-level committees such as the Risk Management Committee, which convenes on a quarterly basis to review organizational risk and follow up on implementation of risk mitigation plans. The Financial Management Committee convenes monthly to assess and manage the organization's financial risk, while the Commodity Risk Management Committee convenes once every two weeks, to discuss coal and oil price risk management, which is one of the key factors affecting Company profitability. In addition, the review of organizational risk management is reported to the Audit Committee and the BOD on a quarterly basis.

Additionally, the Company has institutionalized a risk management process at the operational level to keep pace with rapid changes and to effectively and timely monitor and manage risk that may arise from both internal and external factors, to ensure that risk factors remain within acceptable levels. This process is according to Company policy, which puts a high priority on managing risk in accordance with current situations, complex and fast changing trends.

1. Strategic Risk

1.1 Risk from Formulating an Inappropriate Strategic Plan

To address and manage this type of risk, Banpu has initiated a system and process to periodically review its strategies in order to avoid miscalculation from changing economic and business conditions. This process includes holding the Quarterly Strategic Review (QSR) meeting, and a monthly meeting for situation and change tendency assessment, comparing information with reliable institutions and other sources and developing internal tools to systematically forecast economic conditions to support effective decision making. External specialists in each particular area are engaged to verify the credibility of information and the probability of various assumptions.

1.2 Corporate Reputation Risk

Since a negative reputation could have a tremendous and rapid effect on the Company's prestige and image, both in short and long terms, the firm places importance on the management of reputation risk. It focuses on its sustainability development policy with an appropriate business strategy, transparency and fairness in business practices, workplace safety, environmental responsibility, community and social recognition. Above all, for mutual development, the Company continuously improves employee capability, creates a sustainable value to stakeholders as well as building a good relationship with all of them. This is demonstrated by Customer Satisfaction surveys, Employee Engagement surveys and Corporate Social Responsibility programs in the areas of environment and youth empowerment such as the Power Green Camp. Banpu continuously complies with its key business practice to develop all communities where it operates, both in Thailand and other countries.

Meanwhile, Banpu also improves effective communication strategies in order to convey fast and accurate information to stakeholders, i.e. quarterly results press conferences for investors and analysts and having an Investor Relations department as a medium between all domestic and international investors and Banpu.



1.3 Risk from Inability to Create Added Value from a New Investment

Banpu executes risk management programs to ensure that new investments create value to the group no less than was anticipated before the acquisition. Competent team members from various departments are assigned to communicate with staff and management of newly-acquired entities. Priorities and urgencies are mutually determined with respect to short, medium and long term dimensions. Work procedures and collaboration processes are clearly defined, focusing on creating trust and good relationships to facilitate change management and to ensure smooth integration and long-term growth for Banpu.

1.4 Risk from Replacement of Coal with Other Energies with Direct Effect on the Coal Business

To cope with this risk, Banpu proactively monitors and analyzes the business, change in regulations and policies of business development in areas and countries where Banpu has plenty of coal reserves such as China. In addition, the Company studies the advancement of new technologies which could affect the production process of Banpu's clients for the ability to provide an effective response to any change and to add value to the firm.

2. Financial Risk

2.1 Risk from Failure to Secure Financial Resources as Planned

Banpu manages this risk with the goal to ensure it will have sufficient funds under the proper financial structure to drive the Company's growth according to its investment plan. Financial strategy has been formulated in line with Banpu's business strategy. Various scenarios relating to both internal and external sources of funds have been made and carefully analyzed. The Company focuses on maintaining good relationships with financial institutions in order to ensure accessibility of funding sources which, in turn, will enable it to continuously manage cash flows. It also focuses on managing efficient cash flows.

2.2 Exchange Rate Risk

The Company follows risk mitigation plans to reduce impact associated with fluctuating exchange rates, both at the corporate level and at the group level, through a natural hedging policy where it strives to create a balance between its foreign-currency assets and liabilities in Thailand, Indonesia, China, and Australia. Other financial instruments are chosen from time to time as appropriate. As of 31 December 2013, 23% of the Company's debt is dominated in Thai Baht; 70% in US dollars; 6% in Australian dollars, and 1% in Chinese RMB. The Company will continue to increase the proportion of its debt in US dollars. The Company has adjusted its foreign currency forward contracts based on its estimated revenues and expenses so as to match its foreign currency assets and liabilities and to be in line with market trends and circumstances. At the same time, the Company also maintains an appropriate proportion between its foreign currency revenues and costs. Moreover, it allocates funds in US dollars, or converts them into other foreign currencies as necessary to accommodate overseas investments.



2.3 Interest Rate Risk

Banpu manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Company allocates its debt portfolio, both short and long term contracts, for loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create alternative sources of funding and to manage its financial structure properly in each country in which it invests. For example, interest rate swaps are being used to manage the proportion of fixed interest rates necessary to meet market trends.

As of 31 December 2013, Banpu's proportion of fixed- and floating-rate loans was at 44% and 56%, respectively.

2.4 Risk from Coal and Oil Price Fluctuations

Banpu has managed risk from a decline in coal prices that may affect its income, and from increasing oil prices that affect its operating costs, by partly engaging in coal swaps and gas oil swaps to reduce volatility in its coal business performance. A Commodity Risk Management Committee has been set up to manage risk from fluctuating coal and oil prices of the Banpu group. The committee also reviews the counterparty banks' risk status on an annual basis. Sales and production in the short-and medium-term are constantly adjusted to alleviate negative impact from decreasing sales revenue or increasing cost of production. Banpu actively monitors and assesses the situation of the world's coal market and price trends to seek the best opportunities to settle sales prices with customers. In addition, the ratio of coal sold on an index-linked and fixed-price basis is constantly adjusted to suit a coal market.

3. Risk in Coal Business

3.1 Delivery Risk

In case of an inability to deliver to schedule or to provide the committed quality or quantity, the Company has the responsibility to pay penalties to customers and related trading partners such as shipping demurrage charges.

The Company understands the importance of this risk, therefore, it continues to follow stringent risk management plans. It has focused on the development of a platform for monitoring information on production processes and coal transportation. Moreover, it focuses on implementing effective communication of coal production forecasts and sales strategies between the production and marketing departments. The objective is to enable an effective and timely revision of marketing strategies in response to any change in either coal quantity or quality.

In 2013, Banpu successfully developed a pilot study to improve performance in coal supply chain management with the introduction of an Optimization System, which started operation in the second half of 2013. It was aimed to be used as a guideline for the production department to increase flexibility in modifying production plans to effectively meet future coal delivery needs. In addition to targeting niche markets and ensuring above average quality, the Company has created extra value through coal blending processes and techniques. Ensuring that our marketing strengths have been consolidated within Banpu, the Company established BMS Coal Sales Pte. Ltd. (BMSCS) under Banpu Minerals (Singapore) Pte. Ltd. (BMS), as the central marketing office located in Singapore. Also a trading subsidiary, PT. ITM Indonesia (ITMI), was established under PT. Indo Tambangraya Megah Tbk as a coal trading agent within the group. By doing so, the Company is able to strengthen its talented international sales team and to enhance the cooperation of all companies in the Banpu Group.



3.2 Operational and Transportation Risk

To prevent the risk from transportation disruption at the Bontang Coal Terminal and to mitigate risk from maritime accidents, the Company has purchased insurance against the risk of suspension of coal transport at the Bontang Coal Terminal. To mitigate the risk of machine malfunctioning, Banpu has formulated a preventive maintenance plan such as ensuring adequate stock of critical spare parts to minimize repair down time and also organizing regular skills training for maintenance staff. Our goal is for a zero unplanned breakdown target. However, if any disruption at the coal terminal causes a force majeure to be declared, Banpu has already prepared an emergency plan to handle the situation. Under this plan, coal will be loaded on to smaller barges before being unloaded onto a seagoing vessel, or the Company will make temporary use of other terminals to minimize impact on coal delivery to customers.

In 2013, the Company emphasized the optimization of logistic efficiencies such as the development of rail transport to different ports in New South Wales and the study of infrastructure investment for seaborne transportation to support an expansion of production capacity in the future.

3.3 Risk from Volatility in Production Cost

Fuel cost, which is highly volatile, is a major variable in production cost. In coal production, fuel is needed for the operation of heavy machinery and electricity generation, as well as for smaller machinery such as vehicles and water pumps. Banpu addresses and mitigates this risk by analyzing and tracking energy consumption in all its activities. Production management plans are devised to minimize energy consumption and increase energy efficiency as a whole. Examples of this are the use of waste oil for blasting instead of diesel oil by mixing it with ammonium nitrate at a blending ratio of 50:50, an improvement from the 2012 blending ratio of 70:30, and also plans to improve the coal mining process by minimizing the haulage distance of overburden and coal to directly reduce energy used in transportation including reduced fuel consumption by tug boats. Renegotiation of barging contracts to reflect actual fuel costs will also be managed.

3.4 Risk from Contractors' Operations

If the contractors cannot operate as planned due to problems such as a late arrival of machinery, sub-standard maintenance, ineffective operation planning or labor problems, this disruption may affect the Company's production capacity. To mitigate this risk, the Company has established a Coal Hauling Master Plan and closely monitors contractor performance. Moreover, a Contractor Management System (CMS) was introduced to effectively improve contractor performance. This system helps to efficiently and closely manage, control and monitor contractor operation and allows the Company and its contractors to find optimal solutions to any problems that are likely to occur. Furthermore, priority in selection is given to reliable contractors. Long-term service contracts are given to contractors with good track records to encourage them to invest in new machinery, thus, improve overall cost efficiency.



4. Risk in Power Business

4.1 Risk in Power Business in Thailand

Risk from power buyers

The Company's risk in the Power Business in Thailand is considered low. Under the Independent Power Producer (IPP) scheme, electricity is supplied solely to the Electricity Generating Authority of Thailand (EGAT) according to the long-term Power Purchase Agreement (PPA) with EGAT. Therefore, there is no risk regarding power buyer and selling prices, as the amount of power purchased is fixed (based on the existing production capacity), while the tariff can also be adjusted based on costs of fuel, the Thai Baht exchange rate, and the inflation rate at the time.

Risk in coal supply

Coal is the main fuel for BLCP Power Plant. The Plant has a long-term coal supply contract with a reliable major coal supplier, with amount and quality clearly stated in the agreement in order to have adequate supply for electricity production as agreed with EGAT.

However, BLCP has a right to source coal outside the long-term contract if the supplier is unable to deliver coal according to plan due to an event of force majeure such as flooding in Queensland, Australia. In that case, BLCP is allowed to purchase coal from other suppliers in the coal market, which in general results in higher prices compared to the fixed rates in the agreement with the contract supplier. Moreover, fluctuating prices could result in difficulties in management, and result in higher costs for the Plant. In the past, to offset this, an incremental amount of coal supply has been added to the long-term contracts, the maximum being no larger than 5% of production demand each year. Thus, this small amount does not have a significant impact on the performance of the power plant. Furthermore, the plant closely monitors coal production and coal price.

Risk from volatility in coal production cost

At present, the production cost of coal is increasing, making the actual cost of coal production higher than the contracted price under long-term coal purchase contracts. There is a risk that the coal supplier might negotiate price increases or change some conditions in the contract. The Plant manages this risk by planning with the coal supplier and in jointly managing costs so that the supplied coal is within the acceptable price for the supplier while still retaining the quality required by BLCP.

4.2 Risk in Power Business in China

Risk in electricity and steam purchase

Power business risk in China is higher than in Thailand because there is no long-term power purchase contract like in Thailand. However, because the Company's Combined Heat and Power Plants (CHP) are more efficient than other power plants, the government has given them sole distributor rights for selling steam and heat in permitted areas. The Plants have also been given extra privileges in selling power to local electricity authorities as well as in requesting support from local government, which can be utilized to manage this risk.

Following the Chinese government's energy efficiency and environmental conservation policies, rules and regulations have been adjusted. Should any such change affect the Company's power business in China, Banpu has implemented various measures to mitigate risk, such as by increasing efficiency of energy usage within the plant and controlling its environmental impact in accordance with Chinese government policy.



Risk from volatility in coal price

In 2013, the coal price continued to decrease compared with the previous year. This is because of a slower economy in China, which resulted in lower demand for coal. Therefore, the government is likely to ask for reduction in electricity charges as the production cost decreased. By the year 2014, the Company estimates that the government will reduce the purchase price about 5% compared with that of the previous year.

However, because the coal price has also dropped by about 30% compared with last year, this adjustment to the power purchase price will not significantly affect the performance of the Company. Banpu manages these risks by closely monitoring coal prices and ensuring procurement is in line with cost and production plans. The Company has also signed contracts with some clients, clearly stating the structure of electricity and steam prices which can be adjusted based on prevailing fuel prices.

4.3 Risk in Power Plant Project in Lao PDR

Risk in construction and project management

The major risk of the Hongsa Power Project in Lao PDR is the risk of delayed construction work, which would delay the commencement of the commercial operation of the project as required by the long-term power purchase agreement. To mitigate this risk, the project has developed a Project Master Schedule to monitor progress of the project and to control and manage construction work. Additionally, the structure of the construction management unit has been designed to facilitate better control and management to ensure steps are taken according to the master schedule. A construction consulting company has been employed specifically to support this part of the work.

Moreover, the project has employed contractors under a Turnkey EPC Contract, with a clearly stated duration of work and contract value, particularly for the power plant construction, which is of highest importance. The contractors must provide collateral security as required by contract, and the project can demand compensation for liquidated damages in case the construction is delayed from the agreed date. The compensation includes the amount to be paid in compensation to EGAT if the power cannot be supplied on the agreed date, and also covers the loan interest.

As of the end of year 2013, the project has progressed to be about 80% finished, and is on schedule. There is no an obvious issue which will cause a delay in construction.

Risk from environment and community issues

The Project is aware of its impact on the environment and community, and has formulated risk management plans as follows to:

1. Conduct Environmental Impact Assessment (EIA) covering all activities of the Project within the concession area, and formulate an Environmental Management Plan (EMP).
2. Conduct Social Impact Assessment (SIA) and prepare a Resettlement Action Plan (RAP). A new community was built with improved housing, basic facilities and health care services for better living conditions for the people previously living in the construction area. The work included land rehabilitation, construction of water supply, electricity and transportation systems and job support for the community. A long-term development master plan is in place. At present, resettlement and community development have been completed.



5. Risk from Political Changes in Indonesia and China

The Company has purchased insurance protection worth USD 250 million against its investments in Indonesia and USD 75 million against its investments in China. Assets covered by the insurance policies include investment in the following companies:

Indonesia

1. PT. Indo Tambangraya Megah (Holding company and coal distribution company)
2. PT. Jorong Barutama Greston (Production and coal sales - Jorong Mine)
3. PT. Trubaindo Coal Mining (Production and coal sales - Trubaindo Mine)
4. PT. Kitadin (Production and coal sales - Kitadin Mine)
5. PT. Indominco Mandiri (Production and coal sales - Indominco Mine)
6. PT. Bharinto Ekatama (Production and coal sales - Bharinto Mine)

China

1. Shanxi Gaohe Energy Co., Ltd.

6. Risk from Regulatory Changes

As most of the Company's operations are overseas; namely, Indonesia, China, Australia and Mongolia, the Company has to confront risk from potential regulatory changes in these countries. During the past year, rules and regulations in these countries were changed. Some of the examples are as follows:

Indonesia

- Obligations relating to coal extraction: according to Mine Ministerial Decree No. 24/2012, an ancillary law pursuant to the Indonesian Mining Law No. 4/2009, the Company is obligated to mine the coal, supply all mining equipment on its own, and provide personnel with expertise. To be able to comply with the stated laws and to continue coal production as planned, the Company has prepared a mitigation plan which includes but is not limited to provision of related equipment by leasing, provide training courses to its staff and regular meetings for systematic planning.
- Domestic Market Obligation: according to Minister of Energy and Resources Regulation: DMO PerMen 34/2009, an ancillary law pursuant to the Indonesian Mining Law No. 4/2009, coal producers in Indonesia are required to sell coal in the domestic market in proportion to its total production volume to meet the demand of the domestic market. The Company, therefore, plans to adapt such laws by increasing the proportion of coal sales in Indonesia and to exercise mechanisms allowed by the law to sell more coal in domestic markets at reasonable prices.
- Indonesian Coal Price Regulation: according to Minister of Energy and Resources Regulation: Benchmark Pricing PerMen 17/2010, an ancillary law pursuant to the Indonesian Mining Law No. 4/2009, the Company must sell coal produced by referring to the benchmark price for the domestic and international sales including for export to its affiliate companies.



- Issuance of relevant permits: the Energy and Resources Department has entered into agreements with several other institutions such as Ministry of Forestry and Ministry of Public Works with details that could possibly affect the issuance of relevant permits including but not limited to forestry permits to the Company. The Company, thus, has managed this risk by planning to apply for important permits in advance so that they could be obtained without any delays to either short or long term production plans.

China

Overall, the changes in regulations in 2013 have had a positive impact on coal producers as the measures help decrease their burdens. However, in the long run, these rules will cause some challenges due to the environmental protection measures.

- A coal price adjusting fund has taken effect since October 2011 in Henan Province where the Henan Provincial Government is in charge of taxing coal producers in order to control supply and demand of coal, to stabilize the local coal price, and to promote other related industries. In 2012, the coal market in China was affected by the global economic downturn, which resulted in decreased coal consumption. The surplus caused the coal price to drop continuously. To alleviate the burden of coal mine operators, the Henan Provincial Government announced the temporary cancellation of the coal price adjustment fund during the period between 1 August 2012 and 31 October 2012. From 31 October 2012 onward, the coal price adjustment fund has not been reactivated.
- Environmental fund and Industry Change fund was implemented since 1 October 2007 in Shanxi Province. Coal producers were obliged to set aside 10 Yuan per production tonne for the environmental fund and 5 Yuan per production tonne for the Industry Change fund. The Shanxi Governor is responsible for fund distribution. However, due to the continuously decreasing coal price, the government temporarily suspended these 2 funds effective from 1 August 2013 until 31 December 2013 in order to save cost for coal producers.
- To decrease air pollution, on 12 September 2013, China's cabinet imposed action plans and targets to control pollution by reducing use of coal energy from 70% to 65% by year 2017. In addition, on 17 September 2013 the Ministry of Environmental Protection also announced plans for air pollution control in Beijing, Tianjin, Hebei and Shandong, which aims to reduce coal consumption by 83 million tonnes within year 2017, from an estimated 657 million tonnes in 2013.
- To tighten safety measures for coal mine safety policy on 2 October 2013, China's cabinet imposed additional safety measures, as follows: 1) Closure of inefficient and unsafe small-sized coal mines where production capacity is less than 90,000 tonnes per annum, 2) Denying permission for new coal mines with capacity below 300,000 tonnes per annum and for huge gas outburst coal mines with capacity below 900,000 tonnes per annum 3) Denying approval for expansion of coal mines with high production risk., 4) Introducing a target to close additional of 2,000 small-sized coal mines by year 2015.



- At the Third Plenum of the 18th Chinese Communist Party Congress during 9 - 11 November 2013, one of the conclusions was the reform of resource tax which will impact directly on the coal business in China. On 27 November 2013, the China National Coal Association announced guidelines issued by the state council regarding improvement of coal industry management. The guidelines seek cooperation from the Ministry of Finance that all key coal producing provinces should rationalize all unreasonable and duplicate fees by the end of 2013. Moreover, there should be a reform of coal resource tax, shifting from the current volume-based to value-based taxing on coal prices. The resource tax reform is expected to be implemented in some provinces by year 2014 and to be applied all over China by year 2015.

Australia

The Mineral Resource Rent Tax (MRRT) which has been imposed since July 2012 has had no impact on the Company. However, the Company has prepared to mitigate this risk by monitoring changes and assessing possible impacts. In addition, the Company has hired a financial advisor specializing in tax to provide advice on risk mitigation plans.

Tax on carbon emissions according to the Clean Energy Future (CEF) Legislative Package, also came into effect in July 2012 to serve as a tool in controlling greenhouse gas released from the industrial sector particularly carbon dioxide and to encourage investment in clean energy. This policy has little impact on Banpu's western operations in New South Wales. For the northern operations of New South Wales which are gassy mines, the Company has accepted a government assistant package given for the first six years, and is also studying alternative technologies for coal combustion to burn greenhouse gases before disseminating.

However, in 2013, the Australian government proposed draft legislation to repeal the Carbon Tax to reduce cost for coal mines. It also revoked the MRRT to boost investors' confidence in investment in coal and mineral industries. This draft legislation is subject to parliamentary approval processes and is expected to be effective in July 2014.

To manage risk from regulatory changes, Banpu is committed to developing new processes and a variety of tools to effectively manage problems and risk. The Company has assigned a responsible person to monitor regulatory changes in each country at both the central and local government levels. It has also hired local law firms to help with interpreting laws and regulations to ensure Banpu's compliance.

7. Occupational Health, Safety and Environment Risk

Banpu recognizes the importance of occupational health, environmental and safety, as fundamental to the long term sustainability of the Company. Therefore, it has defined the "Sustainable Development Policy" which clearly commits to reducing and minimizing accidents and adverse environmental impact resulting from the Company's operations. The Sustainable Development Committee has been appointed to supervise and monitor the environmental and safety performance of the organization and assigned the Health, Safety, Environment and Community Development (HSEC) Department to manage, coordinate and assist other units to ensure the firm's safety and practices meet its objectives and comply with the set policy. The Company has committed to continuously adapt Banpu practices to meet international standards. The standards include quality management system (ISO 9001), occupational health and safety management system (OHSAS 18001) and environmental management system (ISO 14001). Recently, Banpu has received the following certifications;



- Integrated Management Systems of QMS-ISO 9001, EMS-ISO 14001 and OHSMS-OHSAS 18001 certifications for power plant operations in China including in Luannan, Zhengding and Zouping power plants.
- QMS-ISO 9001, OHSMS-OHSAS 18001 and EMS-ISO 14001 certifications for Indominco and Tandung Mayang mines in Indonesia, and the BLCP power plant in Thailand
- QMS-ISO 9001 for Jorong mine in Indonesia

7.1 Occupational Health and Safety Risk

Due to the nature of coal mining and power plant activities which involve the use of heavy equipment and vehicles, risk of accidents arising from work is relatively high. In 2013, Banpu followed a work safety policy and promoted a safety culture among its staff at all levels and all contractors under the “3 Zeros” policy which included:

- 1) Zero Incident: Preventing and resolving unsafe behavior and work conditions
- 2) Zero Repeat: Taking all necessary actions to resolve the cause of problems in order to prevent the recurrence of incidents
- 3) Zero Compromise: Strictly adhering to safety rules and standards.

In 2013, the Company took the following action to prevent and reduce workplace accidents:

- *Strengthening the safety culture*

For three consecutive years, a Health, Safety, Environment and Community Summit (HSEC Summit) has been held to share, discuss and brainstorm HSEC topics among all top executives of the Banpu Group. The objective is to define directions and set implementation guidelines for Company policies in health, safety, and environment as well as to convey safety leadership to staff at all levels and in every operation.

- *Improving the standards of safety management*

In 2013, the Company documented 2 safety management standards - “Hot Work” and “Electrical Work Safety”, aimed to prevent accidents and the possibility of accidents recurring in the future.

- *Improving contractor management*

Working with a large number of contractors, the Company has continuously improved its Contractor Management System (CMS) in order to closely manage and control work safety and environmental awareness. A detailed system of selection, control, monitoring and evaluation has been adopted by the Company.

- *Preparing business continuity management plans*

The Company has designed a Business Continuity Management System at all levels to prepare the firm to properly respond to an emergency and be better able to maintain its business operations. In addition, the system also helps alleviate impact from any emergency or crisis that may occur such as fire accidents, floods, earthquakes, epidemics, protests and riots. The Company has implemented the Business Continuity Plan (BCP) and held regular exercise drills at operational and management levels to ensure the ability to handle emergency and crisis. In 2013, the Company started to implement the Business Continuity Management System in accordance with ISO 22301 at head office. In the future, the system will also be implemented at all Banpu subsidiaries.



7.2 Environmental Risk

The Company complies with environmental regulations and focuses on effective resource utilization as to preserve the natural resources and to control direct and indirect impacts resulting from resource utilization such as climate change and biodiversity.

- *Environmental Compliance*

Banpu emphasizes compliance with environmental regulations and other rules related to the Company's operation. These rules include environmental impact reduction measures. In 2013, Banpu's environmental compliance performance remained high and continued to improve. The organization focuses on managing major risks as follows:

- **Soil erosion and contaminated sediments in water:** Banpu takes preventive measures to make sure that after-mine pits are filled as much as possible. In cases where overburden disposal outside the mine pits is needed, revegetation will be done as soon as the land grading is complete in order to decrease soil erosion. In addition, constructed wetlands are built and maintained to trap sediment.
- **Quality of water discharged from mines to public waterways:** This is determined by pH value quality of sludge. The Company implements Acid Mine Drainage to prevent water acidity and treat water that becomes acid due to its mining processes at mine sites, starting from mine exploration to production planning, land management and rehabilitation. Moreover, a Successive Alkalinity Production (SAP) system for acid water treatment was constructed at BP2 mine, Li District, Lamphun Province. This system won 2013 ASEAN Coal Awards in September 2013.
- **The cooling system:** The cooling water used in power plants is designed to be a semi-closed cooling system to reduce water discharge to the external environment. Moreover, the waterways are designed for water to flow and be exposed to the air as much as possible in order to cool the temperature to meet the level required by law.
- **Quality of air emission into the atmosphere:** This is determined by quantities of Sulfur Dioxide, Nitrogen oxides and particle matter. The Company has installed various treatment and disposal technologies in Thailand, Lao PDR and China, including Low NOx Burner and Circulating Fluidized Bed (CFB) technology used to reduce Sulfur Dioxide and Nitrogen Oxides. Moreover, an Electrostatic Precipitator (ESP) for trapping fly ash and a Flue Gas Desulphurization system (FGD) are also in operation. A Continuous Emission Monitoring System (CEMS) is employed around the plant to monitor and to ensure that ambient air quality is within the levels required by law.
- **Dust management:** Dust occurs from mining activities such as pit opening, coal mining, coal preparation and coal transportation. The Company has implemented several measures that are appropriate for each operation. For example, planting for a wind-blocking dike is built in a high-risk area to avoid dusting, the speed of vehicles is limited in mining areas for dust control and safety, and roads are regularly water-sprayed. Dust is also regularly measured in mining areas and nearby communities to effectively control it.



- **Hazardous waste management:** The practice of separation and disposal of each waste type is being managed appropriately to ensure that hazardous waste will not cause any negative impact on the environment and to comply with the regulations of each area.

- *Effective Resource Utilization*

Inefficient use of resources could increase production costs, while creating conflict and competition for limited resources. Banpu, therefore, focuses on the management of resources in two main dimensions:

- **Land Use and Biodiversity:** Recognizing the importance of land use, the Company has carefully planned its land management in order to minimize the geographical, biodiversity and ecological impacts. Mine rehabilitation planning has been in place since the start-up phase of project which is beneficial for effective land and community development. Furthermore, in order to effectively manage biodiversity, PT. Indo Tambangraya Megah Tbk (ITM), Banpu's subsidiary company in Indonesia has collaborated with Purwodadi Botanical Gardens since 2010 in conducting a survey and an in-depth study of biodiversity at Bharinto mine, located in Kalimantan and Indominco mine in 2012. In 2013, the study has also expanded to further areas. The studies will be used as a model for land and biodeiversity rehabilitation.

- **Energy Use:** Banpu is fully aware of the value of energy and the impact of greenhouse gas emmissions. To monitor emission of greenhouse gases into the atmosphere, the Company has developed a database and provided reports to the public since 2012. In 2013, the Company began the data collection process. At the same time, the Company has implemented energy conservation programs at all mine sites, power plants and offices. It is also working under a partnership to study Liquefied Natural Gas, (LNG) from neighboring areas as an alternative to diesel fuel for trucks, the Company's current main source of energy. LNG provided by local producers offers advantages, such as increasing energy stability and lowering costs for the Company. Moreover, it produces lower greenhouse gas emissions and smaller particles from combustion as compared to diesel.

8. Risk from Social and Community Impact

Banpu has been aware of its impact on communities, whether on the environment, safety, the economy or society. It has formulated a risk management plan to mitigate this impact as follows:

1. Setting up additional standard operating procedures that cover risk from social and community impact such as the Community Development Operation Procedure which has been developed as guidance for all our community development officers at all sites to work effectively under a common set of standards.
2. Setting up a Community Consultative Committee (CCC) consisting of representatives from local government, local communities and the Company to set community development plans that meet community needs, which are in line with the government's development plan, to ensure acceptance from all related parties. In addition, ongoing review and assessment of the progress, including problems and solutions will be emphasized during the meeting for further improvement.



3. Providing community development programs aimed at meeting each community's needs and ensuring responsiveness to problems, with an emphasis on community participation which can lead to sustainable development. The programs cover areas which include professional development, infrastructure, education, health, religion, culture and environment. As a consequence, communities will have better quality of life and good relationships with the Company will be enhanced.
4. Adopting a Community Development Management Information System (CDMIS) to track the progress and obstacles of community development programs and their impact on communities.
5. Encouraging collaboration between the Community Development Department and other departments in order to minimize risk arising from business operations. The Community Development Department works closely with other departments in planning, monitoring, evaluating and preventing possible impact from its operations. In addition, the department also collaborates with external agencies in the public sector, local administrative organizations and the media with an objective to work well together and be able to resolve any issues in a timely manner.
6. Carrying out community development programs to satisfy both the community and stakeholders. Community Perception Surveys have been conducted to assess attitudes, opinions and satisfaction levels of the community towards community development programs and the Company. The results of the surveys are used for operational improvement to ensure the best outcome for all stakeholders.
7. Ensuring that sufficient number of community development officers have been allocated at each mine site. The community development officers perform as mediators between communities and the Company who work with the communities to improve their quality of life as planned. Banpu's management continuously monitor this work to ensure that the Company's operations run efficiently, and are beneficial to communities and society and cause no negative impact on them.

9. Risk from Hongsa Power Project Court Case

The Company sees the importance of managing risks from the Hongsa Power Project court case. Special working teams have been set up both at the Board and executive levels to monitor progress of the case. Legal strategies have been planned and the situation is being closely monitored and analyzed. Progress and performance are reported regularly to the Board and executives. The Company also aims to raise understanding and confidence among stakeholders by developing a clear approach in reacting to the situation.

The case is under the consideration of the Appeal Court which may take around 3 to 5 years, from the year 2012. Moreover, it is likely that the case will be brought to the Supreme Court. The management and the Board believe in the Company's integrity in developing every project. Also, the Company's legal counselors gave an opinion that the Company has a strong defence, which was presented to the court, on both the facts involved and the law. The Company is confident that there are no grounds for it or its subsidiaries to pay damages for information, for investment and for other expenses incurred in the Hongsa project as previously stated by the plaintiff. In addition, the Company also believes that there are no grounds to pay for opportunity loss.



Internal Control

Banpu emphasizes internal control. The Board of Directors has designated the Audit Committee to review Banpu's assessment of its internal control system and to regularly monitor internal control progress. The internal control system should be adequate and appropriate to the Company's risks to ensure effective and efficient operation and resource utilization. In addition, having proper internal control will safeguard assets and protect the Company from mistakes and damages. In 2013, the Board of Directors convened 14 times, all of which were attended by the Audit Committee. On 23 January 2013, Audit Committee reported the results of an assessment of the adequacy and soundness of the internal control system to the Board of Directors for their opinions about the adequacy and soundness of the firm's internal control system.

In 2013, the Audit Committee convened 9 times. These meetings were held with the involved management, auditors and the Internal Audit Department. The Audit Committee performed its duties in compliance with relevant laws and to the extent entrusted by the Board of Directors according to the Audit Committee Charter. Its duties include review of financial statements, risk management supervision, auditor appointment and internal auditing supervision. Laws, rules and regulations relating to the Company's business were accordingly in compliance.

The Board of Directors agreed to the same opinions regarding the Company's internal control system as that of the Audit Committee, which are summarized as follows:

1. Organization and Environment

Banpu encouraged an appropriate internal control environment where the Board of Directors supervised the management by requiring all departments to set clear and measurable annual business goals and plans. Processes have been enhanced to allow the Company to improve its business goals and to formulate a strategic plan in response to the rapidly-changing business environment. A clear chain of command and delegation of authority were defined to allow more flexibility. Key Performance Indicators (KPIs) were defined and used as a guideline for work and performance evaluation against stated goals. Policies and Standard Operating Procedures (SOP) were improved in the areas of finance and accounting, procurement, asset management, general administration, mine operation and power plant operation, and the management of health, safety, environment, and community development. The Company focuses on recruiting and managing human resources in a systematic manner and in a way suitable to corporate culture while fairly remunerating employees. Banpu enforces its business Code of Conduct to its employees and requires full compliance by them. It continues to underline the importance of integrity, business ethics and accountability to stakeholders. Banpu also became part of the Anti-Corruption Movement and is in the process of the incorporating a self assessment evaluation of anti-corruption measures.

2. Risk Management

Banpu underlines the importance of compliance in its risk management policy and processes. The management and business units are required to assess risk factors, impacts, and likelihood of risk, and to develop risk management plans which are in line with changes in internal and external risks. The level of risk appetite for each of the business units was also clearly defined. Key Risk Indicators (KRI) were formulated as guidelines for business management. The risk management system was integrated into the corporate strategic planning process. A Value-Based Management (VBM) was also conducted to assess factors that may affect Banpu's value. A risk management unit regularly monitors the progress of risk management and reports to the Risk Management Committee (RMC). The report is reviewed by the Audit Committee, which reports to the Board of Directors on a quarterly basis. In 2013, the Company made improvements to the Risk Management System Online (RMS), the system used to collect and monitor risk management, across the organization both domestic and international. Moreover, the clearer assessment criteria of all possible impacts have been clarified and set in place. The Company also educated the staff and promoted the implementation of Banpu's risk management policies and processes training them to conduct effectively and continuously.



3. Control Activities

The Board of Directors appointed three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee. The three sub-committees have performed well within the scopes of the responsibility to which they were entrusted. KPIs are used to plan and monitor the performance of executives and employees of all levels. In addition, Banpu updated its organizational structure and its regulations such as its Delegation of Authority (DOA). These actions have been taken in order to decentralize management and approval authority, to effectively respond to the Company's expansion and growth, and to improve upon its system of checks and balances. In addition, it has reviewed and updated its key Standard Operating Procedures (SOP) to correspond with international standards. Assets are further protected, and transactions with long-term binding effects are monitored to ensure compliance with agreed conditions. Measures are taken to prevent Banpu's interests from being exploited for personal benefit. Monitoring is done to ensure legal compliance in all relevant jurisdictions, while corporate management working under an adequate and appropriate internal control system is promoted.

4. Information Technology and Communication

Banpu realizes the importance of information systems and of communicating relevant information obtained from internal and external sources. These are the essential tools for the firm's operation as the Company expands its investment overseas. The Information systems and communication allow the Company to perceive its operational performance and its financial reports. Effective tools will help to ensure that business decisions are made based on adequate, accurate and reliable information, and that these decisions will enhance the Company's competitiveness. Banpu communicates with its employees to ensure their understanding of compliance required with information laws. Moreover, it clearly specifies staff responsibilities and rights of access to information systems. Banpu emphasizes continual improvement of the information technology needed to support its business activities and efficient communication of crucial information to heighten management effectiveness. In 2013, Banpu information technology systems were upgraded in the areas of asset management, inventory and maintenance (Enterprise Asset Management). Moreover, some parts of the IT infrastructure's operation systems were transferred to the new technology of Cloud Computing - Infrastructure-as-a-Service. The objective was to enhance effectiveness and reduce system cost of information technology infrastructure in the long term as well as to comply with the Company's IT's master plan.

5. Monitoring

Banpu has implemented monitoring systems at both operational and management levels. The Board of Directors and the management continually compare operational results with previously-set targets. In addition, clear guidelines have been established to provide guidance to management if a result differs from a target. The three supervisory sub-committees regularly monitor performance and report it to the Board of Directors. If there is a major issue with possible impact on Banpu, the CEO and the management monitor, on a monthly basis, results and implementation of proposed solutions from relevant units. The Internal Audit Office has formulated an audit plan that promotes balance and transparency while covering major management and operational process. The Internal Audit Office also evaluates the adequacy of and compliance with the internal control system as required by the management to ensure its effectiveness. Auditing and monitoring results are regularly reported to the Board of Directors, the Audit Committee, the CEO and the management.



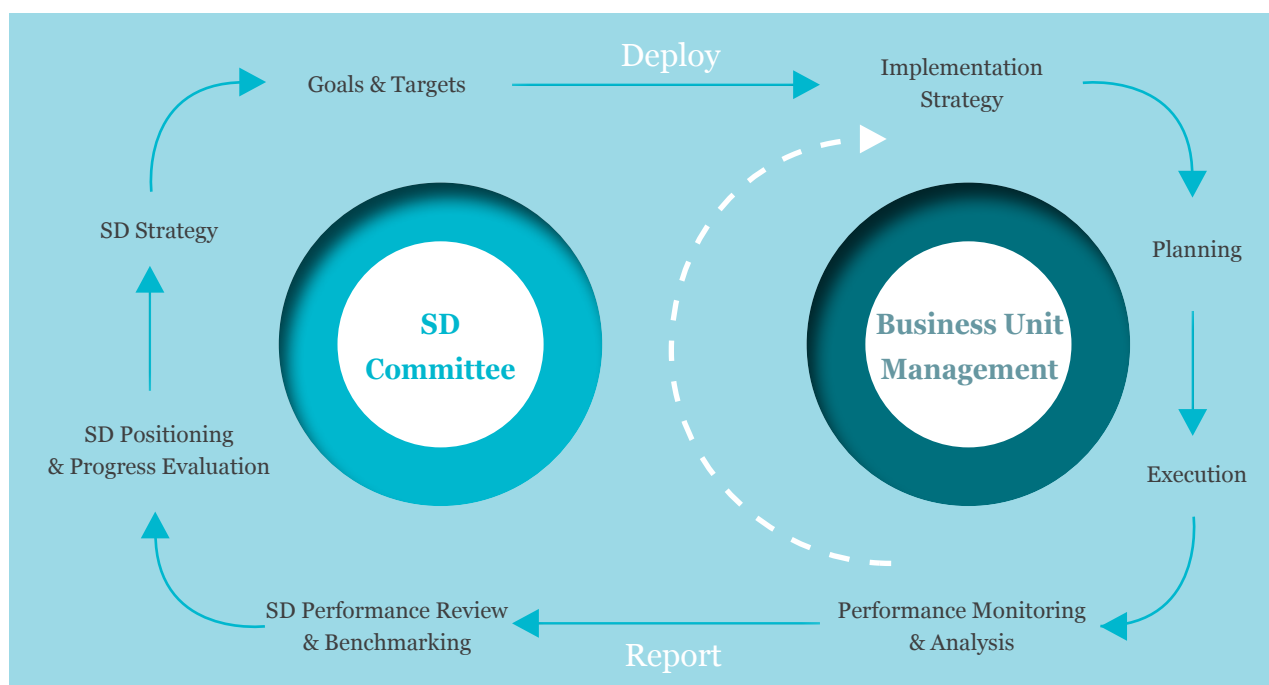
Sustainable Development

For Banpu, sustainability means long - term existence, and is the combined result of our business performance, our people and our corporate culture. It is our ambition not just to exist in the long run but to bring sustainable growth and development to society, to the environment and to our stakeholders. To become the dynamic regional energy provider that we aim to be, being proactiveness, flexibility, excellence in quality as well as following internationally - accepted frameworks, are fundamental to our sustainable growth.

To drive sustainable development, Banpu set up the Sustainable Development (SD) Committee, chaired by the CEO, with senior executives and heads of business units as members. The SD Committee helps by analyzing the Company's strategic position and sustainable growth direction, and by defining a set of common goals that truly reflect the Company's performance. These goals must be practical to implement, while allowing each business unit enough freedom to manage their activities within a guided framework.

The areas of focus for the Sustainable Development Committee include leadership and governance, strategic planning, efficiency and quality, customers, human resources, finance, environment, occupational health and safety, community and government relations. The committee convenes four times a year.

The Sustainable Development subject has been included in the Banpu's 5 years Strategic Plan in 2013 to ensure that the Company has considered all possible impacts that its operations could have on its stakeholders.



The Company has released a Sustainable Development Report since 2011 to disclose its sustainable development performance. Interested persons can download the report at www.banpu.com/en_sustainable_development.php.

In November 2013, Banpu received 'The Sustainability Report Award 2013 - the Outstanding Report' which was organized for the first year by the CSR Club of the Thai Listed Company Association (TLCA) in cooperation with the Office of the Securities and Exchange Commission (SEC) and the Thaipat Institute. Banpu's SD Report was recognized for its transparency in its long term environmental management. The information was provided by all Banpu businesses in each area of focus. The report also described the challenges which had to be overcome in integrating with key stakeholders which led to the continuity of the projects, and the involvement of wider groups.



Human Resource Management

Banpu Public Company Limited's human resource management is based on a critical fundamental that "people" are really a valuable resource and that our success depends on having capable and responsible personnel. As a result, offering equal opportunity to employees regardless of race, language or gender, treating our staff fairly in every HR management process as well as having mutual goal to achieve are the focuses and practices Banpu has continuously used for managing its human resources.

To drive the organization to grow stably and in a sustainable manner, Banpu has put high emphasis on HR management and development corresponding to rapid business changes. Besides, the Company has nurtured a corporate culture called the "Banpu Spirit" consisting of innovation, integrity, care and synergy for our staff to practice both at the workplace and in their daily life.

At present, Banpu has around 6,300 employees who have different races, religions, languages and culture working in six countries; namely, Thailand, Lao PDR, Indonesia, China, Australia, and Mongolia. In order to support and enhance employees' capability, allowing them opportunities to further develop their knowledge and expand their professional horizons, Banpu has assigned staff in Thailand to work in overseas operations. At the same time, the Company is actively developing and training local employees in designated countries so as to help them gain more knowledge and experiences, being able to manage the business sustainably. In addition, the Company also rotates employees in each country to work cross-countries, aiming to enhance their competency.

HR Management in 2013: Development for Sustainability

Leadership Building

During 2013, Banpu focused on creating and enhancing leadership skills as well as technical competency for supporting and operational staff as part of our Leadership Pipeline Preparation scheme. Besides, staff were encouraged to achieve performance that should reflect even higher standards while the Company restructuring organization, managing manpower more properly and improving roles and responsibilities of the international divisions to improve efficiency and rapidity of work.

Preparation for Changes

As the business is increasingly confronted with fast-paced changes and tougher competitions, Banpu realizes that an important factor to drive Banpu into the future with sustainability and stability is to ensure that all staff are readily adaptable to changes. As a result, in 2013, Banpu worked to improve and enhance critical mechanisms such as knowledge management, succession plan management, career management and the leadership development program.

New Hires

To help recruit potential candidates whose attitudes are in line with our corporate shared values the "Banpu Spirit", and to meet the corporate requirements, the Banpu Spirit-Behavioral Assessment test has been used while the behavioral-based interview is conducted with candidates before hiring them. Then, the newcomers will be introduced to the "Banpu Spirit" values during the work orientation process. In addition, a one-day "Banpu Spirit in Action" activity is designed to enhance understanding of Banpu's corporate shared value and to ensure that new recruits feel comfortable working with others. The "Banpu Spirit" has also been part of the performance evaluation of all employees.



Innovation for Sustainability

Realizing that corporate innovation will drive Banpu to a sustainable growth, new ideas and methods are actively promoted at all levels. The bottom line is to convince each and every employee that “innovation can be created by everyone” as this will help turning Banpu’s goal to be a truly innovative organization. In 2013, Banpu continuously promoted the innovation projects competition among its employees in Thailand, Indonesia and China where the winner teams from each country will share and exchange new ideas and information among their peers at the “Banpu Innovation Convention.” In addition, the “30 Years of Banpu, 30 Innovative Ideas” was also organized to commemorate Banpu’s 30th anniversary, being a platform for employees at all levels to showcase their creativity and apply these initiatives to improve and enhance their work.



Corporate Governance and Supervision on the Use of Internal Information

Corporate Governance

1. Corporate Governance Policy

The Board of Directors is committed to systematic management and Corporate Governance. It formulated the Corporate Governance Policy and the Code of Conduct in 2002. The current Corporate Governance Policy and the Code of Conduct handbooks are in their second edition, having been revised in 2005 and announced in 2006. The CG Policy and Code of Conduct handbooks are available in Thai, English, Bahasa Indonesia and Chinese. In 2012, the Board of Directors resolved to update the Corporate Governance Policy and the Code of Conduct to keep up with changes in rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), and to be in line with international practice. The newly updated edition will be used as reference and practice guidelines for directors, executives and staff.

Banpu has assessed the effectiveness of its Corporate Governance Policy implementation using Behavioral Factors and part of the Key Performance Indicators (KPIs), in which “Integrity,” one of the Banpu corporate values, is used as an indicator. The result, categorized by staff levels and operational locations, has revealed a satisfactory outcome.

In 2013, Banpu developed a plan to promote better understanding of corporate culture and corporate governance awareness, which aims for improved compliance with the CG Policy and the Code of Conduct. This plan was communicated to Banpu staff at all levels through the following activities:

1. An orientation session on corporate governance as part of the orientation program for new Banpu staff.
2. Intranet-based communication through the “CG Voice” program where employees can express their opinions about the practice guidelines stated in the Company’s Code of Conduct. The CG Voice communicated various topics regarding corporate governance with Banpu employees and received their feedback. All of their ideas were summarized and reported to Banpu management.
3. A “CG Day” was held to raise staff awareness about corporate governance and promote adherence to integrity. In 2013, the “CG Voice” theme was presented to emphasize the Company’s corporate governance practice guidelines. The Chief Executive Officer was a guest speaker presenting and answering questions about the Company’s corporate governance. The event was held to promote compliance with CG policy and the Code of Conduct to staff, with the aim of achieving business goals while upholding ethical standards.

In 2013, Banpu was one of the 87 SET listed companies receiving an ‘Excellent’ CG Scoring and one of 30 listed companies in the top quartile with over THB 10 billion market capitalization. This scoring was made according to a survey on corporate governance of listed companies in 2013, organized by the SET, SEC and the Thai Institute of Directors (IOD).

In addition, Banpu received a “Top Corporate Governance Report Awards 2013” from the SET.

2. Shareholders: Rights and Equitable Treatment

The Board of Directors emphasizes the rights and equitable treatment of shareholders. This priority has been clearly elaborated in Banpu’s Corporate Governance Policy, which states that shareholders have the right to receive share certificates and to transfer their shares. They have the right to receive timely and adequate information in the format appropriate for decision making. Shareholders are also entitled to attend and to cast their vote at a shareholders’ meeting in order to amend the Company’s major policies. They also have the right to elect and remove directors, to approve the appointment of auditors and to receive their share of profits.



At the shareholders' meeting, the Board of Directors facilitates shareholder decisions by sending adequate information in time for the meeting. It encourages shareholders to attend and to vote at the meeting, or to appoint a proxy or an independent director to vote on their behalf in case of their absence. In addition, shareholders are equally allowed to express their views, request an explanation or ask a question.

Banpu held the 2013 Annual General Meeting (AGM) on 3 April 2013, at the Athenée Crystal Hall Room, Plaza Athenée Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. The meeting was attended by 12 directors. In 2013, Banpu designated Thailand Securities Depository Co., Ltd., its share registrar, to circulate an invitation letter to shareholders. The letter was also posted at http://www.banpu.com/en_agm_egm.php 30 days prior to the meeting date. The Minutes of the 2013 AGM were posted on the website 14 days after the meeting. Shareholders were allowed to propose amendments if, within 30 days from the day it was disclosed on Banpu's website, they found the minutes were inaccurate. Banpu allowed minority shareholders to propose agenda items and to nominate qualified candidates as directors between November and December 2013. The invitation to shareholders to propose 2012 AGM agenda items and nominees was announced in its letter to the SET and was also uploaded on the website at http://www.banpu.com/en_agm_egm.php. Procedures and methods for considering the proposed agenda items were clearly stated. No shareholder, however, proposed a meeting agenda item or nominated qualified candidates as directors for the 2013 AGM.

An Extraordinary General Meeting (EGM) was held once on 9 September 2013 at 1:00 p.m. at Athenée Crystal Hall Room, Plaza Athenée Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. The meeting was attended by 12 directors.

3. Rights of Stakeholders

Banpu commits to treating all stakeholders equally. In fact, Banpu's policy to stakeholders is part of its Corporate Governance Policy to promote collaboration between the Company and stakeholders, who are referred to as staff, customers, suppliers, creditors, government agencies, communities, and the society in general. The principle has been stated in the Code of Conduct as a guideline for directors, executives and staff to ensure that stakeholders are treated on the basis of fairness and equitability for the mutual interest of all parties involved. Important principles include those related to conflicts of interest; responsibility to shareholders; policy and treatment of staff, customers, suppliers, creditors, business competitors and society. Directors, executives and staff are to understand and strictly comply with the guidelines so that all stakeholders are fairly treated and that their rights are duly protected. In addition, Banpu has set up a channel for stakeholders to communicate complaints about corporate governance and business ethics to the Corporate Governance and Nomination Committee, all of which are independent directors. In 2013, the Committee created a grievance system, the contact address for which is GNCSecretariat@banpu.co.th on the Banpu website in the Corporate Governance section. The objective is to enable all stakeholders to convey their concerns, which are monitored and reported regularly, to management.

Regarding the workforce, Banpu believes that employees are critical to the Company's success. This belief has led to a policy for fair treatment of staff. As stated in its Code of Conduct, all employees are treated equally regardless of their nationality and language, whether in terms of job opportunity, remuneration, appointment, job transfer, skill development or safe work environment. Banpu strictly complies with appropriate safety, environmental and occupational health measures to prevent casualties from accidents, injuries and job-related illness.



Banpu has announced a Human Resources Philosophy based mainly on three principles: equitability, performance and competency. Considering the changing business environment and the world's economic condition, it is the Company's duty to promote adaptability, flexibility, mobility, positive creativity and professionalism among Banpu staff. In short, Banpu intends to build its staff to be truly committed to the Banpu Spirit, which refers to Innovation, Integrity, Care and Synergy, and to be truly "professional."

Banpu commits to fair compensation in the form of salary, welfare and other fringe benefits that relate to long-term value creation for our shareholders. Banpu promotes fair human resource management and encourages staff at all levels to fully develop their skills and knowledge. The Company has set up a Job Evaluation Committee and an Organization Development Committee, and it has closely supported the Compensation Committee and the Corporate Governance and Nomination Committee in order to promote transparency and to drive its resources towards a sustainable future.

In terms of customers, Banpu commits to finding effective ways and means to respond to their needs. The Code of Conduct includes policy and practices on how Banpu should treat its customers. Banpu will strictly honor a promise made to customers by delivering quality products and services at a fair price; offering accurate and sufficient information to customers in a timely fashion; strictly complying with customer's requirements; providing customers a grievance system to complain about quality, volume and safety of products and services; advising customers on how to effectively use Banpu's products and services for their benefit, keeping customer confidentiality and refraining from its abuse.

For suppliers and creditors, Banpu has a policy to treat them equally and fairly by taking into consideration the Company's maximum benefits and the mutual benefits of both parties. In addition, Banpu will avoid circumstances that may lead to a conflict of interest and will comply with all contractual obligations.

Regarding business competitors, in its Code of Conduct, Banpu has set a policy to treat competitors in a way that is consistent with international practice and within the legal framework on trade competition. The Company will not spy on or fraudulently seek competitors' secrets. Banpu runs its business with fairness and strictly complies with its Code of Conduct. During the past year, Banpu had no dispute with competitors.

Regarding communities and the society, Banpu has a policy to do business in a way that benefits the economy and the society, aiming to create a balance between business growth, community development, social development, and good environmental practice. The Company aims to safeguard local customs and to be a good corporate citizen by complying with applicable laws and regulations. The Company tries to improve the quality of life of people either by its own programs or by collaborating with government agencies, communities or non-governmental organizations. Banpu has implemented its Sustainable Development Policy by benchmarking itself against international standards. This benchmarking includes, for example, reporting on the greenhouse gas emissions of its coal mine or power plant operations. In addition, Banpu has formulated effective health, safety, environment practices, covering risk identification and management of operational risks that may affect staff, business partners, the environment and surrounding communities.



To support the policies mentioned above, Banpu has pursued Corporate Social Responsibility (CSR) programs based on the belief that “an industry will be strong only when it is developed in tandem with social and environmental responsibility.” Throughout its three decades of business, Banpu has constantly supported CSR activities. Budget from part of Banpu’s income has been allocated for CSR activities both at the local and corporate levels, including projects in other countries where Banpu has an operational presence, especially in Indonesia and China. Banpu constantly promotes the “learning” activities among its target groups, namely children and youth, as they are a critical force for a country’s sustainable future. Banpu believes that the “learning” is power for change and development. In addition, attempts have been made to raise CSR awareness among staff at all levels to maintain their commitment to social responsibility. The ultimate goal is to promote the sustainable growth of communities and society by using the “Do by Heart” approach on the basis of sincerity, seriousness and willingness.

4. Shareholders’ Meeting

In 2013, the Company held the AGM on 3 April 2013 at 1:00 p.m. at the Athenee Crystal Hall Room, Plaza Athenee Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. Following the Board’s policy to encourage shareholders to participate in the decision-making process and to ensure that shareholders receive complete and adequate information in a timely fashion for decision making, Banpu therefore sent invitation letters and supporting documents to shareholders prior to the meeting date. Each agenda item contained Board of Directors’ opinions. The meeting was attended by 12 directors including Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee and Chairman of the Compensation Committee. Banpu also invited senior executives, auditors and independent observers from a law firm to attend the meeting.

The Chairman of the AGM provided an equal opportunity for all shareholders to review and to inquire about Banpu’s operations during discussion on each agenda item. The Chairman encouraged shareholders to express their opinions and seek explanations on Banpu’s business activities. The Board also made sure that the Minutes of the Meeting were posted on the Company’s website 14 days after the meeting date to allow shareholders to check and propose amendments within 30 days.

In 2013, the Company held one EGM on 9 September, 2013 at 1:00 p.m. at the Athenee Crystal Hall Room, Plaza Athenee Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. The meeting was attended by 12 directors.

5. Leadership and Vision

The Board of Directors oversees formulation of the Company’s vision, mission, goals, policies, management directions, long-term strategic plan, action plan and annual budget. The management is entrusted to propose these to the Board. The Board will then fully express its opinion and discuss issues with the management to seek general agreement before giving approval. The Board of Directors appoints the Chief Executive Officer (CEO) to develop and implement the Company’s strategies. It also makes sure that roles, duties and responsibilities between the Board, the sub-committee and Banpu’s executives are clearly defined.

In 2013, the management, led by the CEO, reviewed the Five-Year Strategic Plan (2010 - 2015) and business direction to ensure that Banpu responded well to the changing business circumstances, to assess the Company’s risks, and to prepare the Company for a rapidly changing business environment. The Board of Directors expressed its opinions on the revised strategic plan and business direction before approving it during the 13th Board Meeting in November 2013.



6. Conflicts of Interest

Banpu considers it very important to prevent its directors, executives and staff from using their status for personal gain. The Code of Conduct handbook clearly states that directors, executives and staff should avoid a connected transaction that may lead to a conflict of interest with Banpu. If necessary, a transaction can be carried out as if it is done with a third party, and the director or staff with the conflict of interest must not be involved in the approval process. If a transaction is a connected transaction under the SET's rules, it must strictly comply with the ruling, procedures and information disclosure methods required for listed companies.

In addition, the Board of Directors also prohibits directors, executives, and staff from using an opportunity or information acquired from their work to seek personal interest or to compete or do related business against Banpu. This policy includes a prohibition on the use of insider information to buy or sell the Company's shares or on giving such information to a third party to buy or sell Banpu shares. If an executive or an employee is involved in a special task that has not yet been disclosed to the public, or if a negotiation is ongoing, the price sensitive information must be kept confidential to prevent an effect on the Company's share price. In such a case, the executive or staff involved is required to sign a confidentiality agreement with the Company which will remain effective until the information is disclosed to the SET and the SEC.

7. Code of Conduct

Aside from its commitment to good corporate governance principles, the Board of Directors has a policy to do business to maximize shareholders' benefit, focusing on goals and the means to achieve success. Banpu's Code of Conduct has set clear corporate goals, vision, mission statements, values, Corporate Governance principles and practice guidelines which allow directors, executives and staff to understand the Company's expectations as well as to provide a basis for dealing with staff, shareholders, customers, traders, suppliers, creditors, business competitors and society in general.

Banpu requires directors, executives and staff to understand and strictly comply with policies and practices stated in the Code of Conduct. Regular meetings are held and promotional materials are distributed to inform and remind staff in Thailand and abroad of the importance of the Code of Conduct.

All department heads must make sure that their supervisees know, understand and strictly comply with the Code of Conduct. Staff at all levels must be good role models. Beyond the standards stated in the Code of Conduct, Banpu has promoted its Corporate Shared Values to encourage good corporate culture among staff by developing the do's and don'ts guideline, which is in line with the policy stated in the Code of Conduct, to ensure tangible results.



8. Balancing of Power by Non-Executive Directors

The Board of Directors ensures that the number of its existing directors is appropriate to the Company's size. At present, Banpu's Board of Directors consists of 12 members. Three are executive directors, three are non-executive directors and six are independent directors.

During the past year, the Corporate Governance and Nomination Committee reviewed the proportion between non-executive directors, executive directors and independent directors of the Board and found the existing ratio of non-executive directors appropriate.

9. Consolidation or Separation of Office

The Board of Directors requires that its Chairman and CEO be two different persons. Their roles and responsibility, power and duty are clearly separated to achieve a healthy balance between management and good corporate governance. The current Chairman of the Board is an independent director.

10. Remunerations of Directors and Executives

The Board of Directors has assigned the Compensation Committee to review compensation structure as well as remuneration of Banpu's executives and directors. For each executive, remuneration must be performance-based, taking into consideration the duties and responsibilities of the executive position, and must be competitive with the market and the industry while encouraging effective performance.

A director's remuneration consists of two equal elements, one is a monthly payment, the other is a meeting allowance. A director's annual bonus will be based on dividends paid to shareholders, and remunerations must be approved during the shareholders' meeting.

Details of remuneration Banpu paid in 2013 to its directors and executive officers are available in the "Remuneration of the Board of Directors and Management" section of this Annual Report.

11. Board of Directors' Meetings

The Board of Directors convenes at least once a month on the last Wednesday of the month. An additional meeting may be held if necessary. At the meeting, there are clear meeting agenda items. A complete set of supporting documents is sent to the Board of Directors at least seven days in advance of the meeting to allow the Board an opportunity to properly review the agenda before the meeting. Adding an agenda item after documents are distributed to the Board is allowed only when it is extremely necessary and justified, and when the item has been approved by the Chairman of the Board. Each meeting lasts approximately 3.5 hours. During the meeting, all directors may openly voice their opinions. The Chairman of the Board must summarize decisions and agreed opinions. If a director has a conflict of interest in an issue being discussed by the Board, the director must leave the room when the matter is considered.

Minutes of the meeting are subsequently made in writing and, after being approved by the meeting, are certified true and correct by the Chairman of the Board of Directors and the Secretary of the Board. The original copy of the meeting minutes and a scanned copy are kept for use by directors and other parties as a reference. Meeting documents, including supporting documents from the past five years, are also kept in electronic format for reference. They are safeguarded from possible document manipulation and disaster risk.



In 2013, the Board of Directors convened 14 times. Each director attended the meetings, as follows:

Name	Title	Term of Office	Meeting Attendance		
			Ordinary Meeting	Special Meeting	Total
1. Mr. Krirk-Krai Jirapaet	Chairman	Apr. 2011 - AGM. 2014	12	2	14/14
2. Mr. Vitoon Vongkusolkit	Vice Chairman	Apr. 2012 - AGM. 2015	12	1	13/14
3. Mr. Montri Mongkolswat	Independent Director	Apr. 2011 - AGM. 2014	12	2	14/14
4. Mr. Rawi Corsiri	Director	Apr. 2013 - AGM. 2016	11	2	13/14
5. Mr. Teerana Bhongmakapat	Independent Director	Apr. 2013 - AGM. 2016	12	2	14/14
6. Mr. Somkiat Chareonkul	Independent Director	Apr. 2013 - AGM. 2016	12	2	14/14
7. Mr. Rutt Phanijsaphand	Independent Director	Apr. 2011 - AGM. 2014	12	2	14/14
8. Mr. Anothai Techamontrikul	Independent Director	Apr. 2012- AGM. 2015	12	2	14/14
9. Mr. Chanin Vongkusolkit	Director	Apr. 2013 - AGM. 2016	12	2	14/14
10. Mr. Metee Auapinyakul	Director	Apr. 2011 - AGM. 2014	12	2	14/14
11. Mr. Ongart Auapinyakul	Director	Apr. 2012 - AGM. 2015	11	2	13/14
12. Mr. Verajet Vongkusolkit	Director	Apr. 2012 - AGM. 2015	12	2	14/14

12. Sub-Committees

• The Audit Committee

The Audit Committee consists of three independent directors. It is responsible for reviewing Banpu's financial statements, the adequacy of Banpu's internal control and risk management systems, its financial derivative and commodity hedging transactions and compliance with applicable laws and regulations. It also selects and appoints the Company's auditor, proposes an auditing fee and reviews disclosure of Banpu's information in case of connected transactions or transactions with possible conflict of interest so that the disclosure is done in a complete, accurate and transparent manner. The Committee's other tasks include reviewing operational plans and results, the budget and manpower of the Internal Audit Department.

In 2013, the Audit Committee convened nine times, each of which was attended by all Audit Committee members and with all agenda items being covered. There was coordination and follow-up based on the Audit Committee's recommendations, which were clearly recorded in the minutes of the meetings.



- **The Corporate Governance and Nomination Committee**

In 2013, the Corporate Governance and Nomination Committee consisted of three members and was chaired by an independent director. All members of the Committee were non-executive directors. The Corporate Governance and Nomination Committee had two major areas of responsibility: firstly, to review Banpu's Corporate Governance Policy and its Code of Conduct and monitor its compliance, and secondly, to recruit and nominate candidates as directors and CEO, and to follow-up a succession plan to identify suitable top executives for department head level and higher before seeking approval of the Board of Directors or for further submission to the Shareholders' Meeting, as the case may be. In addition, the Corporate Governance and Nomination Committee had a duty to seek approval from the Board on how the Board should be evaluated. The Committee took part in evaluation and monitoring to improve results from the evaluation. In 2012, the Corporate Governance and Nomination Committee submitted a draft evaluation form of the three sub-committees for the Board's approval. This form was then used for the first time in the 2012 performance evaluation.

In 2013, the Corporate Governance and Nomination Committee convened five times, with full attendance at each meeting.

- **The Compensation Committee**

The Compensation Committee consists of three members and is chaired by an independent director. All members are non-executive directors.

In 2013, the Compensation Committee convened seven times, with full attendance at each meeting.

13. Internal Control and Auditing

The Board of Directors has set up an internal control system that covers all aspects of Banpu's business, ranging from finance, accounting, asset management and operations to legal compliance. The Board makes sure that there are sufficient and effective check-and-balance mechanisms to protect stakeholders, shareholders' equities and Banpu's assets. The Board has also ensured that the Internal Audit Department remains independent by requiring it to directly report to the Audit Committee. This requirement is in place to make sure that the internal control and audit system remains an effective mechanism to drive Banpu to expand in a sustainable manner. The Internal Audit Department monitors the internal control of operating procedures and critical systems covering all Banpu's business units and supporting functions. The Department gives advice on internal control and risk management to improve Banpu's business processes and ensure that the business continues to grow in the rapidly changing economy.

14. Board of Directors' Report

The Board of Directors is responsible for Banpu's consolidated financial statements and the financial information that appears in Banpu's Annual Report. The financial statements are prepared under the Generally Accepted Accounting Principles (GAAP) in Thailand where an appropriate accounting policy has been selected and implemented. The Audit Committee and auditors jointly review the accounting policy to ensure it remains practical. While preparing the financial statements, the Board of Directors insists that the working team carefully exercise its discretion and that important information is adequately disclosed in the notes to the financial statements.

In addition, the Board of Directors entrusts the Audit Committee to monitor the quality of Banpu's financial statements and its internal control system. The Audit Committee's opinion has been stated in the "Report of the Audit Committee to Shareholders" published in this Annual Report.

The Board of Directors is of the opinion that the financial statements of both Banpu and its subsidiaries as of 31 December 2013 are complete, accurate and reliable.



15. Investor Relations

The Board of Directors makes sure that both financial and non-financial information relating to the Company's business and performance is revealed in a complete, adequate, regular and timely manner. In addition, the information must reflect the Company's actual performance and its true financial status, as well as its business future while strictly complying with the laws, rules and regulations relating to information disclosure of both the SEC and the SET.

Aside from disclosing information as required by the SET and the SEC, Banpu also communicates with shareholders and investors through other channels. The Investor Relations Division directly communicates with shareholders, investors and securities analysts both domestically and abroad, while the Corporate Communications Department disseminates corporate information to shareholders, investors and the public through local and international press.

In 2013, Banpu provided information to foreign investors, institutional investors, retail investors, securities analysts and the press as follows:

- | | | |
|---|---|-------|
| • To foreign investors through international road shows: | 4 | times |
| • To domestic institutional investors: | 5 | times |
| • To securities analysts through quarterly analyst meetings: | 4 | times |
| • Participating in the "Opportunity Day" to announce quarterly results: | 4 | times |
| • Press conferences to announce the Company's performance and business updates: | 2 | times |

Banpu also welcomed investors and analysts wishing to learn more about Banpu's operational results in 49 company visits. In addition, Banpu regularly distributed press releases of important investment or business activities.

Banpu also disclosed information through its website at www.banpu.com so that other stakeholders could equally access information. Those interested in Banpu's information can contact the Investor Relations Division at Tel. 0 2694 6744, or Fax. 0 2207 0557 or send email to investor_relations@banpu.co.th.

Supervision on the Use of Internal Information

Banpu is aware of the importance of information disclosure and transparency. The policies governing information disclosure, transparency, financial statements and related actions are defined in its Corporate Governance Policy. This is to ensure that accurate, complete, reliable financial and other business information is disclosed to shareholders, investors, securities analysts and the public in a timely manner. The Board of Directors commits to compliance with related rules and regulations with regard to information disclosure and transparency. Sales or purchase of shares by any director or executive are reported to a supervision agency according to the SEC's requirements. In addition, the status of each director's securities holding is also reported monthly at the Board of Directors' Meeting.

To supervise the use of internal information, Banpu has formulated measures to protect internal information in its Code of Conduct under the topic of "Conflict of Interests and Keeping Confidential Information."



Banpu considers that it is a responsibility of directors, executives and staff to keep information strictly confidential, especially if it is internal information not yet released to the public, or if it is data or information that may affect Banpu's business or share price. Regarding directors, there are practices stated in the Practice Guidelines for the Board of Directors 2009 and the Code of Conduct as follows:

1. Directors, executives and staff must not use information they receive from their directorship or employment for personal benefit or for conducting business or other activities in competition with the Company.
2. Directors, executives and staff in possession of Company information which is not generally known and which may influence the share price ("inside information") must refrain from dealing the Company's shares using inside information. This information shall not be given to any third party for the purpose of dealing of the shares of the Company.
3. No business secrets shall be disclosed to any third party especially to competitors even after a director, executive or staff member has left the Company.

Banpu also states in its Corporate Governance Policy that the Company will not allow directors, executives and staff to exploit their status for personal gain or to engage in business in direct competition with the Company. Transactions that may lead to a conflict of interest with the Company must be avoided. If such a transaction is unavoidable, the Board of Directors will ensure that the transaction is carried out with transparency and fairness similar to transactions carried out with other parties. Directors, executives or staff having an interest in any transaction must not take part in its approval process. If a transaction is considered a connected transaction according to the announcement of the SET, the Board of Directors must make sure that relevant rules and procedures for disclosure of connected transactions are strictly complied with.

Banpu has introduced Information Technology (IT) to control the use of its internal information. For example, it controls a system that prevents outsiders from accessing information, while staff of different levels are given different levels of access to information based on their responsibilities. If an executive or staff is involved in a special task relating to information not yet disclosed to the public or it is under negotiation, or where the release of such information may affect Banpu's share price, the executive and staff involved must sign a Confidentiality Agreement with Banpu which will be effective until the information is released to the SET and SEC.

In using the Company's internal information, Banpu has stipulated in its work regulations under the topic of "Disciplinary Action" that anyone not complying with or in violation of such regulation will be subject to disciplinary action and punishment according to the nature of the offence. The statement written in the Company's rules and regulations is that anyone **"disclosing Company's secrets with an intention to destroy its reputation, credibility or its products, resulting in Banpu losing or suffering from a loss of business opportunity"** can be dismissed.



Corporate Social Responsibility

Corporate Social Responsibility Policy

Based on the Company's credo that "an industry will be strong only when it is developed in tandem with social and environment responsibility", for almost 30 years since its establishment, Banpu and its subsidiaries have placed high emphasis on environmental and social responsibility at every location it operates. According to its corporate vision of being an energetic Asian energy provider of quality products and services, well-respected for fairness, professionalism, and concern for society and the environment, Banpu has focused on ensuring a considered balance between sustainable business growth and community and environmental development. The Company undertakes all operational activities, both in and after-process, with "care and responsibility" for all groups of stakeholders. Moreover, Banpu has strictly complied with all laws and regulations, strived towards achieving international best practice standards, conducting business ethically and transparently, and being a good corporate citizen in all areas of business operations.

Banpu's Guidelines of Corporate Social Responsibility Practices

1. Fair Operating Practice

Banpu is committed to fair and ethical business operations as witnessed in its vision and missions. In addition, its Corporate Governance Policy and the Code of Conduct books were published with the aim of standardizing performances of its directors, executives and staff and incorporating ethical values. This will lead the Company to achieve business goals while maintaining high moral standards for the benefit of stakeholders, shareholders, the Company and society at large.

2. Anti Corruption

Clause 3.4 of the Code of Conduct manual has stipulated the following;

- Executives and staff are prohibited from demanding or receiving any benefit from partners, contractors, suppliers, advisors and those with whom the Company is doing business.
- Executives and staff are strictly prohibited from offering any benefit to government officers, customers, labor unions or any other external parties in any attempt to persuade them to commit a fraudulent action.
- Concerning gifts and business entertainment, the Company has stated in Clause 3.5 of the Code of Conduct manual that executives and staff should refrain from giving gifts or gratuities to or receiving them from any partners or others with whom the Company is doing business unless during festive occasions and that the gifts have an appropriate value and not related to any business commitment. (The corporate gift committee determines types of gifts and their values as in the case of New Year gifts for use throughout the organization while remaining in compliance with this requirement.)

Moreover, in November 2010, the Company declared its intent to fight corruption with the Thai Institute of Directors Association (IOD) who started an anti-corruption campaign for the private sector a year earlier. Banpu observed the IOD's anti-corruption procedures and provided the agency with support in the organizing of meetings and seminars related to this project.



In 2012, the Private Sector Collective Action Coalition Against Corruption (CAC) was established, having the IOD as its secretariat. The Coalition subsequently adopted certification processes to certify companies wishing to become associated as members and produced a self-evaluation questionnaire for them to assess their anti-corruption practices. Banpu consistently submitted this information to the Board of Directors. After conducting a self-evaluation, the result was reported to the Audit Committee, the Corporate Governance and Nomination Committee and the Board of Directors. In practice, all anti-corruption guidelines have been clearly stated in the Code of Conduct manual.

3. Respect for Human Rights

The Company has a policy to uphold the human rights of employees, treat them with dignity and respect their individualism and integrity as human beings. In every country where Banpu is present, employees are required to be older than what is stated in a regulation governing child labor of a relevant country. In Indonesia another example is the rights of workers are unionized for their appropriate protection and, welfare and collective bargaining agreements (CBA) are encouraged. The Company meets with the labor unions on a quarterly basis.

4. Fair Employment and Treatment

Banpu believes that its success depends on qualified, well-performing staff and the fact that all employees are treated without discrimination regardless of race, language and sex. Fair treatment of employees in every process of human resource management therefore is critical. To do so, the Company ensures that candidates of all nationalities are treated fairly and equally during the recruitment and selection process. At present, the Company boasts as many as 12 different nationalities in its workforce. As for the remuneration management process, the Company adheres to the principle of performance-based compensation. The Compensation Committee and the Evaluation Committee have been established to ensure transparency in every step of compensation management.

5. Responsibility to Consumers

The Company is committed to producing quality controlled products as agreed contractually with customers. For example, it has a measure to prevent coal from contamination. Coal moving equipment at the Bontang Coal Terminal is equipped with GPS to help determine the depth of the stockpile so as to prevent the loading equipment from dropping its front blade below the coal stock ground levels as this could cause coal contamination with rocks.

6. Environmental Protection

An important challenge for the coal mining and power businesses is how to maintain business growth while pursuing social responsibility and safeguarding environmental quality. The Company conducts risk and environmental impact assessments for every project so as to effectively plan production and put in place appropriate measures to protect and reduce possible environmental impacts. Based on its assessments, environmental issues that the Company confronts include energy conservation, climate change, legal compliance, land use and biodiversity. Details of its actions in each area can be further read in the Sustainability Report.



7. Community and Social Development

The Company is committed to the development of communities aiming to respond to “true community needs” where members of the community are able to “participate in” the enhancement of their wellbeing, building capacity in infrastructure, public utilities, employment, education and conservation of customs and traditions.

8. Innovation and promoting of innovation resulted from responsibility to society, environment and stakeholders

Realizing that innovation is a critical factor to improve corporate competitiveness, the Company has promoted “Innovation” as part of its “Banpu Spirit” values. Each year, it organizes activities to offer a platform for innovators to present and exchange ideas. Outstanding projects will be honored after being judged by a committee of senior executives. For example, one of the outstanding environmental projects was at Kitadin-Tandung Mayang Mine where waste products were effectively maximized by using recycled oil to replace diesel to make explosives.

Business Operation and Reporting

1. Reporting Process

Banpu’s Sustainable Development Report is produced in accord with the Global Reporting Initiative (GRI) framework where all stakeholders such as customers, employees, contractors, shareholders, communities and the public sector are taken into consideration. These stakeholders identify any significant sustainability issues through various communication channels such as joint meetings and questionnaires. While issues raised by the stakeholders are treated as external, they will be compared and included with the Company’s internal sustainability assessments in order to ensure broadly based considerations before being summarized in topics for inclusion in its Sustainability Report.

2. Compliance with the Disclosed Policy

The Company sets in place several measures both inside and outside the organization to assure that all operation complies with the policy. Internally, a Quality Assurance Review (QAR) is carried out between departments. Meanwhile, the Company’s headquarters in Bangkok and overseas branch offices reviews each other’s operations. In addition, the Internal Audit Department conducts internal auditing to ensure policy and procedural compliance. Similarly, external auditing of Company procedures also takes place. For example, in Indonesia, relevant government agencies will periodically scrutinize coal mines especially for its occupational health, safety and environmental practices.

After-Process CSR Activities in 2013

Banpu has placed high emphasis on social and environmental responsibility at every location where it has business operations. The Company consistently supports various social contribution activities. Budget from part of Banpu’s income has been allocated for CSR activities both at the local and corporate-levels for projects in countries where Banpu has a presence, especially in Indonesia and China.



All of our activities are conducted under the “Do by Heart” concept, which revolves around “sincerity”, “serious concern”, and genuine “goodwill”. Moreover, Banpu attempts to raise CSR awareness among its staff at all levels to maintain their continuous commitment to social responsibility and embed CSR to the corporate culture. The ultimate goal is to create a community and a society that grows sustainably.

Thailand

In 2013, Banpu continued working on various after-process CSR activities which emphasized three major areas, namely educational, environmental and youth capability development. All initiatives shared one core concept, to promote continual “Learning” in various areas, inside and outside the classroom, since the firm belief that “learning is the power for change and development”.

Educational Support Programs

Banpu Education for Sustainability

- 2013 was the tenth consecutive year of this program where Banpu sent native English speakers to teach English at six Banpu-sponsored schools in Lamphun, Lampang and Phayao Provinces. The goals were to equip students and teachers with better English skills to prepare for the ASEAN Economic Community in 2015. Funds were also given to support school projects to enhance students’ potential and promote self-learning. The goal is to equip the students with knowledge leading to a higher sense of ethics; to improve teaching capacity and skill in order to upgrade rural educational standards, and to turn these schools into sustainable learning centers for their communities.

Throughout the ten years of this program, Banpu has contributed a total of over THB 28 million in monetary support.

Scholarship for Geology and Mining Engineering Students

- Banpu is in its fifth year of a scholarship program that promotes the development of highly sought after personnel in geology and mining engineering fields. Ten geology and mining engineering senior students from four universities: namely, Chulalongkorn, Khon Kaen, Chiang Mai and Prince of Songkhla Universities, were given annual scholarships. Over the past five years, the program has awarded scholarships to 48 students.

Environmental Support Program

The Power Green Camp 8 “Global Water Crisis: Be a Part of Solution with Power Green to Create Integrated Water Resources Management across Borders”

- Banpu, in collaboration with the Faculty of Environment and Resources Studies, Mahidol University organized a “Power Green Camp” for the eighth consecutive year. This project aims to educate and broaden youth understanding about environmental science in the hope of building sustainable environmental awareness and a conservation conscience for future generations. The 2013 “Power Green Camp 8” was held under the theme, “Global Water Crisis: Be a part of solution with Power Green to create integrated water resources management across borders”, where 65 science major students in their tenth or eleventh grade attended. In addition to this



project, Banpu, together with the Faculty, held the sixth “Power Green Youth Leader Camp” to expand both a network of young people interested in environmental science and the leadership network itself.

Over the eight years of the program, there have been about 535 participating students. The Power Green Camp has developed about 120 youth leaders who had the opportunity to exercise their leadership skills by helping to support the Power Green campers and expand the network.

Youth Support Program

“Banpu Champions for Change 3” Program

- In 2013, Banpu continued the “Banpu Champions for Change” program for a third year, to further support the development of the next generation of social entrepreneurs. This “social enterprise” development program gives Thai youth opportunities to gain management skills to create and manage their own enterprise to benefit their community and society using ethical environmental practices. Funding was given to 11 teams of aspiring young people for a three-month business trial. Four teams with outstanding performance were then selected for the second phase of monetary support for a further six months.

Since 2011, Banpu Champions for Change has supported 31 social enterprises to run trial operations based on the project owners’ concepts and interest. Moreover, 12 outstanding projects were further promoted to develop into sustainable social enterprises.

Banpu Table Tennis Club

- In 2013, the Banpu Table Tennis Club (BTTC) focused on athletes’ self-development through various activities focusing on physical and mental health, such as daily training, and participation in major domestic and international tournaments.

BTTC strives to develop table tennis standards and management systems as well as to create an individual development plan for athletes which includes emphasis on athletes’ ethics, discipline and teamwork. Currently, the BTTC has about 70 members nationwide.

Over the past six years, the Club’s players have used their table tennis skills to earn their place in colleges and universities. They have also won prizes in national and international matches.

Support for Disaster Relief

In 2013, Banpu provided support for disaster victims by initiating the following efforts:

- Banpu provided financial support to Filipinos affected by Typhoon Haiyan by way of a THB 1 million donation given to the “Thai Aid for Filipinos” program run by the Government of Thailand.

Banpu Post-Flood Rehabilitation Project at Ban Khao Samorkhon, Lopburi Province

- Banpu has committed to continue the “Banpu Post-Flood Rehabilitation Project at Ban Khao Samorkhon” which was initiated in early 2012 at Villages No. 1, 2 and 3 of Khao Samorkhon Village, Thawung District, Lopburi Province. In addition to providing funds, the Company has helped connect the community with community development experts who could pass on their knowledge to villagers to enable the community to be self-reliant in the near future.



Activities in 2013 were held to genuinely respond to the problems and needs of the farming community in various areas. The Company supported a fertilizer fund for the “Ban Khao Samorkhon’s Farmers-for-Truth Group”. Masks were provided to protect against agricultural chemicals while the participating farmers were trained in the safe use of agricultural chemicals. The villagers were also trained in the production of organically-farmed products, mushrooms and off-season limes.

To improve community hygiene, the Company sponsored waste management training for the villagers, setting up a waste bank and recycled waste market in the village. Additionally, Banpu organized skill development training based upon the needs of community members. A program to assess the competency of community leaders were also conducted to improve their capability and to provide activities which truly respond to problems and needs of the village.

Community Development

- **Facilities** Lamphun Mine constructed a mountain tap water system for Van-Narin Village, a community in the mine’s neighborhood. The project aims to ease water shortage problem in the area. The mine also supported the construction of public buildings such as the Li District Hall, Maetan Village Crematorium, and a Shrine for the City Gods.
- **Public Health** A medical mobile unit was organized to provide healthcare, including dental care and basic healthcare advice for residents of Hong and Van-Narin Villages in Li District, Lamphun Province.
- **Educational Development** Fund for the 2013 academic year, Lamphun Mine granted 90 scholarships with a total value of THB 201,500 (around USD 6,500) to students in the communities surrounding the mine. Since 2009, the mine has granted scholarships annually valued at approximately THB 1,200,000 (around USD 37,000) in total. The mine also provided snacks and toys for Children Day activities. Additionally, the three mines continuously sponsored activities for schools surrounding the mines’ areas.
- **Regional and Local Traditions** Lamphun Mine joined local communities in making merit for the end of Buddhist Lent, as well as sponsoring the Vessantara Sermon and the City Pillar ceremony. Mine representatives also attended a water-pouring ceremony to show respect to senior local government officials during the Thai traditional New Year celebrations. The aim of these contributions was to preserve local traditions and to nurture good relationships between Banpu and local communities.
- **Community Environmental Improvement** Banpu donated lands and other assets to Mahidol University’s Faculty of Environment and Resource Studies. This included office buildings, staff housing, and the sports complex of the Banpu Exhibition Center in Sobprab District and the Pha Lad Staff Housing in Mae Ta District, Lampang Province, worth around THB 100 million (around USD 3.3 million). The donated assets will be developed as a research center for the study of environmental and natural resource technologies for communities in Thailand and across the ASEAN region. In addition, Banpu has transferred assets of the Banpu Mine in Li District, Lamphun Province, to the Department of Probation, Ministry of Justice. The donated assets will be developed as a rehabilitation center for those released on parole and recovering drug abusers. Meanwhile, Chiangmuan Mine redeveloped an area previously mined as a knowledge center and tourism spot for Phayao Province.
- **Economic Development** Lamphun Mine sponsored job training in poultry and egg farming and cow manure fertilizer for local residents.



Indonesia

Banpu places as much priority on its CSR for communities here as it does its business. At the corporate level, Banpu's Jakarta office organizes CSR activities under a program called, "ITM for Education." Most activities focus on improving the quality of life of communities located near the mining operations in Kalimantan, including Indominco, Kitadin, Jorong, Trubaindo and Bharinto Mines. Banpu supports projects prove beneficial to the local people and environment with the communities' participation, and in cooperation with local public agencies. Banpu conducted CSR projects in Indonesia in the following areas:

- **Basic Infrastructure Development** Electric generators were installed in a village. Roads were repaired to make public transportation safer.
- **Economic Development** Vocational training activities were organized to generate long-term income for communities. Training included agriculture, rubber farming, poultry farming, and cage fish farming. Savings group and community stores were also established.
- **Education Development** Banpu Indonesia continued to award over 700 scholarships to students, from primary school to undergraduate level. The scholarship program includes scholarships for nursing students to augment medical staff in communities. The Company also offered training for teachers. Teaching equipment and books were donated to libraries, and classes were organized outside schools for underprivileged adults in the community, giving them access to educational opportunities.
- **Public Health and Safety** Mobile medical units were dispatched to provide healthcare services to communities around the mines. Health check-ups and advice were offered, and children's nutrition advice was given to breastfeeding mothers and pregnant women. Breastfeeding mothers, infants and pre-school children were given supplementary food. Village cleaning activities were organized to prevent disease in communities. An ambulance was also donated to provide public health services.
- **Environmental Conservation** The Company, in collaboration with local authorities and communities, participated in mangrove reforestation activities, to restore the foreshore and create nursing grounds for marine life.
- **Community Development** Community Consultative Committee (CCC) meetings were arranged to plan for participatory community development which appropriately addresses community needs. Study trips and training on community development were arranged for committee members and community leaders to broaden their knowledge.
- **Community Relations** The Company supported activities that helped maintain religious traditions, culture and the way of life of people in the communities, and provided assistance to those suffering from natural disasters such as fire and flooding.



China

Banpu Investment (China) Ltd. (BIC), a Chinese subsidiary of Banpu, supported activities relating to conserving culture and traditions. It was also regularly involved in promoting investment activities in the provinces where Banpu operated, to forge a long-lasting relationship between Thailand and China. BIC combines its CSR policy with its business. In supplying the basic utility of heat to local communities, BIC's power plants are committed to providing a stable and uninterrupted heating supply for residents' comfort during winter. The three power plants' track record of providing stable heat to residents significantly shows the social responsibility of the Company. Moreover, BIC's policy of supporting local communities also led the Company to provide assistance to communities around its coal mines and power plants, as follows;

Education Development

- BIC granted RMB 50,000 in funding and donated uniforms and T-shirts to the Luannan Banpu Special Education School, which is a school for handicapped children in Luannan county. The school has 30 teachers and provides education for 79 children with hearing impairment, speech impairment, and other disabilities. The Company has continued its support to this school for six consecutive years.
- Zhengding Power Plant donated toys, books and sports equipment to three schools in Zhengding on the occasion of International Children's Day.
- Gaohe Mine gave RMB 200,000 to nearby kindergartens for educational aid, sports equipment, and musical instruments.
- Hebi Mine donated RMB 100,000 to local primary schools for renovation of old and damaged buildings.

Environment Conservation

- BIC's power plants are all equipped with a series of pollution prevention, control and disposal devices to ensure that their operations meet environmental requirements set by the government. Hence, the plants were recognized by local governments as role models and learning centers for other organizations with respect to environmental management and natural resources conservation.
- Zouping Power Plant is recognized for good practices in environmental management. The plant welcomed a visit of local government officials to study systems for controlling Sulfur Dioxide and dust released from the plant and coal stockyard.
- Zhengding Power Plant was recognized as a power plant with good air pollution control. It passed an inspection of overall environment control by the Environment Protection Ministry of China.

Sport Activities

- BIC supported Zhengding's Table Tennis Club, which is a nationally recognized club for training and developing national-level table tennis players. It is also a training center for coaches from around the world.

Disaster Relief

- BIC staff gave donations for victims of the Sichuan earthquake and provided assistance for communities located near the power plants.



Board of Directors and Management

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
1. Mr. Krirk-Krai Jirapaet • Independent Director • Chairman	70	• B.A. (Hons) Political Science, Chulalongkorn University • Master of Economics, Sydney University, Australia • Certificate in Economic Developments, Japan • Certificate in Project Appraisal, Oxford University, UK • Certificate in Commercial Counselor Practices, Federal Republic of Germany • National Defence College (Class 37) • Role of Chairman (RCP) # 11/2005, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD) • Audit Committee Program # 8/2005, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 9, Capital Market Academy	-	Present 2006 - 2008	Independent Director/Chairman Member, Council of the University of the Thai Chamber of Commerce Chairman of the Board of Directors Chairman Minister of Commerce	Banpu Public Company Limited The University of the Thai Chamber of Commerce Thai Garment Development Foundation Thai Institute of Director (IOD) Ministry of Commerce
2. Mr. Vitoon Vongkusolkrit • Vice Chairman • Member of the Compensation Committee * An older brother of person number 10 * An uncle of person number 12	72	• B.Sc. (Pharmacology), Chulalongkorn University • Director Certification Program (DCP) # 17/2002, Thai Institute of Directors Association (IOD) • Senior Executive Program # 6, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Chairman 2000 # 11/2005, Thai Institute of Directors Association (IOD)	1.39	2010 - Present 1983 - Present 2001 - Present 2004 - Present 1974 - 2012 1987 - Present 1977 - Present 1983 - 2009 1989 - 2007	Vice Chairman Director Member of the Compensation Committee Director/Chairman of Investment Committee Director Director Director Chairman Director	Banpu Public Company Limited Banpu Public Company Limited Banpu Public Company Limited The Erawan Group Mitr Phol Sugar Corp., Ltd. and its affiliates Erawan Hotel Public Company Limited United Standard Terminal Public Company Limited IAG Insurance (Thailand) Co., Ltd. Erawan Ploenchit Co., Ltd.



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
3. Mr. Somkiat Chareonkul • Independent Director • Chairman of the Audit Committee	72	• Bachelor of Commerce, Thammasat University • Bachelor of Law, Sukhothai Thammathirat University • Certificate in "Strategic Alliance Seminar", The Wharton School, University of Pennsylvania, U.S.A. • Certificate of "Selected Problems of Tax Auditing and Investigation", Germany and Singapore • Certificate of "Seminar on Taxation (Indirect Tax Course)", JICA (Japan International Cooperation Agency), Japan • Certificate of Training "The Management Program" Sasin Graduate Institute of Business Administration, Chulalongkorn University • Certificate of Training "Senior Executive, Class 30" Civil Service Training Institute, Civil Service Commission • Director Certification Program (DCP) # 79/2006, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), # 21/2004, Thai Institute of Directors Association (IOD) • Audit Committee Program, Class 1/2004, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Thai Institute of Directors Association (IOD)	-	2005 - Present	Independent Director, Chairman of the Audit Committee	Banpu Public Company Limited
				2004 - Present	Director	Chantaburi Resort and Spa Co., Ltd.
				2006 - 2010	Director	Oishi Group Public Company Limited
				2006 - 2010	Director	Oishi Ramen Company Limited
				2006 - 2010	Director	Oishi Trading Company Limited
				2003 - 2009	Director	Mueng Kit Co., Ltd.



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
4. Mr. Rutt Phanijphand • Independent Director • Chairman of the Compensation Committee	66	• M.S. in Business Ad., Fort Hays Kansas State University, Hays, Kansas, U.S.A. • B.S. Kasetsart University • Director Accreditation Program (DAP): Governance Training for Listed Company Directors, # 4/2003, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP) # 1/2010, Thai Institute of Directors Association (IOD) • National Defence College (Class 388)	-	2005 - Present	Independent Director/Chairman of the Compensation Committee	Banpu Public Company Limited
				2013 - Present	Director	CIMB Securities International (Thailand) Public Company Limited
				2010 - Present	Chairman/Director	Land and Houses Fund Management Co., Ltd.
				2009 - Present	Chairman of Executive Directors/Director	LH Financial Group Public Company Limited
				2005 - Present	Chairman of Executive Directors/Director	Land and Houses Bank Public Company Limited
				2001 - Present	President/Chief Executive Officer	Quality Houses Public Company Limited
				2007 - Present	Chairman of the Nomination and Compensation Committee	Home Product Centre Public Company Limited
					Executive Director	
				2001 - Present	Director	Home Product Centre Public Company Limited
				2006 - 2009	Director/Member of the Audit Committee	IRPC Public Company Limited
5. Mr. Anothai Techamontrikul • Independent Director • Chairman of the Corporate Governance and Nomination Committee	70	• B.A. (Accounting), Chulalongkorn University • Diploma in Advanced Vocational Training, Germany • Director Accreditation Program (DAP) # 5/2003, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 89/2007, Thai Institute of Directors Association (IOD)	-	2006 - Present	Independent Director	Banpu Public Company Limited
				2007 - 2012	Member of the Audit Committee	Banpu Public Company Limited
					Member of the Corporate Governance and Nomination Committee	
				Present	Chairman of the Governance and Nomination Committee	Banpu Public Company Limited
					Chairman (Executive Board)	D.T.C. Industries Public Company Limited
					Vice Chairman	Amcor Flexible Bangkok Public Company Limited
6. Mr. Montri Mongkolswat • Independent Director • Member of the Audit Committee • Member of the Compensation Committee	70	• B.A. (Commerce), Thammasat University • B.A. (Accountancy), Thammasat University • National Defence College (Class 355) • Chairman 2000 Program # 3/2001, Thai Institute of Directors Association (IOD) • Audit Committee Effectiveness Seminar, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	-	1999 - Present	Independent Director/Member of Audit Committee	Banpu Public Company Limited
				2002 - Present	Member of the Compensation Committee	Banpu Public Company Limited
				Present	Director/Member of the Nomination Committee and Compensation Committee/Advisor to the Executive Committee	The Deves Insurance Public Company Limited



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
7. Mr.Rawi Corsiri • Director • Member of the Corporate Governance and Nomination Committee	64	• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.Sc.(Geology), Chulalongkorn University • Director Certification Program (DCP) # 32/2003, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 2/2006, Capital Market Academy • Executive Leadership Program Nida-Wharton, Co-program between National Institute of Development Administration (NIDA) and The Wharton School, University of Pennsylvania, U.S.A.	-	2012 - Present	Director Member of the Corporate Governance and Nomination Committee	Banpu Public Company Limited
				2011 - Present	Advisor	Banpu Public Company Limited
				2010 - Present	Director	Centennial Coal Co., Ltd.
				2004 - Present	Director	Banpu Power Co., Ltd.
				2009 - Present	Director	Hongsa Power Co., Ltd.
				2009 - Present	Director	Phufai Mining Co., Ltd.
				2001 - Present	Director	BLCP Power Ltd.
				2001 - 2010	Chief Operating Officer	Banpu Public Company Limited
				2004 - 2011	Director	Banpu Minerals Co., Ltd.
				2007 - 2010	Director (Commissioner)	PT. Indo Tambang Megah Tbk
				2001 - 2011	Director	Banpu International Co., Ltd.
				2010 - 2012	Director	Banpu New Energy Holdings Co., Ltd.
				1997 - 2012	Director	Banpu Coal Power Co., Ltd.
8. Mr. Teerana Bhongmakapat • Independent Director • Member of the Audit Committee	58	• Ph.D (Econ), University of Wisconsin at Madison, U.S.A • M.Econ, Thammasat University • B.Econ (Quantitative Economics), Chulalongkorn University • Capital Market Academy Leader Program (CMA) # 14, Capital Market Academy • Director Certification Program (DCP) # 161/2012, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP) #7/2013, Thai Institute of Directors Association (IOD) • Audit Committee Effectiveness Seminar, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	-	Present	Independent Director/ Member of Audit Committee	Banpu Public Company Limited
				Present	Independent Director/ Member of Corporate Governance Committee	Tisco Financial Group Public Company Limited
				2006 - Present	Professor of Economics	Chulalongkorn University
				2010 - Present	Eminent Member, Anti-Money Laundering Committee (AMLO)	Anti-Money Laundering Office (AMLO)
				2008 - 2012	Dean, Faculty of Economics	Chulalongkorn University
				2008 - 2012	Eminent Member, Committee on Antidumping Duties and Countervailing Subsidies	Ministry of Commerce



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
9. Mr. Metee Auapinyakul • Director • Executive Officer * An older brother of person number 11	60	• B.S.C. (Management), St. Louis University, Missouri, U.S.A. • Infrastructure for the Market Economy, Harvard University John F. Kennedy School of Government, Boston, U.S.A. • Doctor of Business, Engineering and Technology, St. Louis University, Missouri, U.S.A. • National Defence College (Class 377) # 7 • National Defence College, College of Management, (Class# 1) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD)	0.13	1983 - Present 2008 - 2013 2007 - 2011 2004 - Present 2009 - Present	Director/Executive Officer Honorary Advisor, Energy Committee Director Advisor Advisor, the National Accreditation Council	Banpu Public Company Limited House of Representatives Thai Agro Energy Public Company Limited GENCO Public Company Limited Ministry of Industry
10. Mr. Chanin Vongkusolkrit • Director • Chief Executive Officer * A younger brother of person number 2 * An uncle of person number 12	61	• M.B.A. (Finance), St. Louis University, Missouri, U.S.A. • B. Economics, Thammasat University • Director Certification Program (DCP) # 20/2002, Thai Institute of Directors Association (IOD) • DCP Refresher Course # 3/2006, Thai Institute of Directors Association (IOD)	0.53	1983 - Present 1983 - Present 2004 - Present 2011 - Present 2003 - 2010 2005 - 2009	Director/Chief Executive Officer Director Director Chairman Director Vice Chairman	Banpu Public Company Limited Mitr Phol Sugar Corp., Ltd. The Erawan Group Public Company Limited Thai Listed Companies Association Ratchaburi Electricity Generating Holding PCL. Thai Listed Companies Association
11. Mr. Ongart Auapinyakul • Director • Executive Officer * A younger brother of person number 9	57	• B.S. (Mechanical Engineering), University of Missouri, Columbia, U.S.A. • Senior Executive Program 3, Sasin Graduate Institute of Business Administration of Chulalongkorn University • National Defence College (Class 4414) • Director Certification Program (DCP) # 23/2002, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 8, Capital Market Academy • Top Executive Program in Commerce and Trade (TEPCoT) # 4 • Top Executive Program (TEA#1)	0.16	1983 - Present	Director/Executive Officer	Banpu Public Company Limited

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
12. Mr. Verajet Vongkusolkit • Director • Member of the Corporate Governance and Nomination Committee * A nephew of person number 2 and 10	49	• Bachelor of Science (Finance), Babson College, Massachusetts, U.S.A. • Director Certification Program (DCP) # 24/2002, Thai Institute of Directors Association (IOD)	-	2010 - Present	Director/Member of the Corporate Governance and Nomination Committee	Banpu Public Company Limited
				2008 - Present	Director	Mid-Siam Sugar Corp., Ltd.
				2008 - Present	Director	Mitr Phol Sugar Corp., Ltd.
				2008 - Present	Director	United Farmer and Industry Co., Ltd.
				2008 - Present	Member of the Audit Committee	Mitr Phol Group
				2003 - Present	Director	TME Capital Co., Ltd.
				2003 - Present	Director	Advanced Medical Center Co., Ltd.
				2003 - Present	Director	Saimai Hospital Co., Ltd.
				2004 - 2010	Director	Panel Plus Co., Ltd.
				2007 - 2010	Director	United Standard Terminal Public Company Limited
13. Mr. Somyot Ruchirawat • Deputy Chief Executive Officer	58	• B.Eng (Chemical Engineering), Chulalongkorn University • M.Eng (Industrial Engineering and Management), Asian Institute of Technology (AIT) • M.B.A. (Executive), Chulalongkorn University • Director Certification Program (DCP) # 75/2006, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 3, Capital Market Academy	-	Present	Deputy Chief Executive Officer	Banpu Public Company Limited
				2011 - 2012	Chief Operating Officer	Banpu Public Company Limited
				2011 - Present	Director	Banpu Coal Investment Co., Ltd.
				2010 - Present	Director	Banpu Minerals (Singapore) Pte. Ltd.
				2011 - Present	Director	Banpu Power International Ltd.
				2001 - Present	Director	Banpu Minerals Co., Ltd.
				2001 - Present	Director	Banpu International Ltd.
				2011 - Present	Director	BP Overseas Development Co., Ltd.
				2011 - Present	Director	Chiang Muan Mining Co., Ltd.
				2012- Present	Director	Hunnu Investments Pte. Ltd.
				2012 - Present	Director	Hunnu Coal Pty Ltd.
				2011 - Present	Director	Pan-Western Energy Corporation LLC
				Present	Director	Silamani Marble Co., Ltd.
				Present	Director	Silamani Corp. Ltd.
				2012 - Present	Director (Commissioner)	PT. Indo Tambangraya Megah Tbk
				2006 - 2012	President Director	PT. Indo Tambangraya Megah Tbk
				2007 - 2012	Director	PT. Bharinto Ekatama
				2007 - 2012	Director	PT. Indominco Mandiri
				2007 - 2012	Director	PT. Indo Tambangraya Megah
				2007 - 2012	Director	PT. Jorong Barutama Greston
				2007 - 2012	Director	PT. Trubaindo Coal Mining

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
14. Mr. Voravudhi Linananda • Chief Operating Officer	57	• M.B.A.,Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.S. (Mechanical Engineering), Chulalongkorn University • Advanced Management Program (AMP 173) Harvard Business School, U.S.A. • Director Certification Program (DCP) # 149/2011, Thai Institute of Directors Association (IOD)	-	Present 2009 - Present	Chief Operating Officer Director	Banpu Public Company Limited Hongsa Power Co., Ltd. Phufai Mining Co., Ltd. Banpu Power Co., Ltd. BLCP Power Co., Ltd. Banpu Coal Power Co., Ltd.
				2009 - 2012	Managing Director	Hongsa Power Co., Ltd. Phufai Mining Co., Ltd.
15. Ms. Somrudee Chaimongkol • Chief Financial Officer	52	• B.Sc. (Accounting), Bangkok University • Program for Global Leadership, Harvard University Graduate School of Business Administration, Boston, U.S.A. • Director Certification Program (DCP) # 78/2006, Thai Institute of Directors Association (IOD)	0.08	2006 - Present 2001 - 2006 Present	Chief Financial Officer Senior Vice President - Finance Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director	Banpu Public Company Limited Banpu Public Company Limited BMS Coal Sales Pte.Ltd. Banpu Public Company Limited Banpu Coal Sales Pte. Ltd. Banpu Power Development Co., Ltd. Banpu Singapore Pte. Ltd. Banpu Minerals Company Limited Banpu International Limited Silamani Corp. Ltd. Silamani Marble Company Limited BP Overseas Development Co., Ltd. Centennial Coal Co., Ltd. Banpu New Energy Holdings Co., Ltd. Biofuel Development Holdings Co., Ltd. Hunnu Coal Pty Ltd.
16. Mr. Sathidpong Wattananuchit • Assistant Chief Executive Officer - Corporate Services	55	• Doctor of Philosophy in Strategic Management, University of Northern Washington • M.B.A. Strategic Management Leadership, IOU of Netherlands • Theology Study, Saint Sabriel's Institution, India • Director Certification Program (DCP) # 74/2006, Thai Institute of Directors Association (IOD)	-	2006 - Present 2004 - 2005 1998 - 2003	Assistant Chief Executive Officer - Corporate Services Senior Vice President - Internal Audit Senior Vice President - Human Resources	Banpu Public Company Limited Banpu Public Company Limited Banpu Public Company Limited



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
17. Mr. Akaraphong Dayananda • Assistant Chief Executive Officer - Strategy and Business Development	55	• B.S. (Engineering), Chulalongkorn University • M.B.A., Bowling Green State University, Ohio, U.S.A. • Executive Program in Strategy and Organization, Stanford University, California, U.S.A. • Director Certification Program (DCP) # 91/2007, Thai Institute of Directors Association (IOD) • Director Diploma Examination # 22/2007, Thai Institute of Directors Association (IOD)	-	2011 - Present	Assistant Chief Executive Officer - Strategy and Business Development	Banpu Public Company Limited
				2008 - 2010	Senior Vice President - Strategy and Business Development	Banpu Public Company Limited
				2009 - Present	Director	Banpu Minerals Company Limited
					Director	Banpu Power Limited
					Director	Banpu International Limited
					Director	Banpu Australia Co. Pty Ltd.
				2010 - Present	Director	Banpu New Energy Holdings Co., Ltd.
					Director	Biofuel Development Holdings Co., Ltd.
					Director	Petchkasem Wind Energy Co., Ltd.
					Director	Prachuab Wind Energy Co., Ltd.
				2011 - Present	Director	Mittraphap Wind Energy Co., Ltd.
					Director	Ratchasima Green Energy Co., Ltd.
					Director	Chiang Muan Mining Co., Ltd.
					Director	Banpu Coal Power Ltd.
				2013 - Present	Director	Banpu Australia Resources Pty Ltd.
					Director	Hunnu Coal Pty Ltd.
					Director	BMS Coal Sales Pte. Ltd.
18. Ms. Udomlux Olarn • Senior Vice President - Corporate Affairs	54	• B.A., Journalism and Mass Communication (Advertising and Public Relations), Thammasat University	-	2009 - Present	Senior Vice President - Corporate Affairs	Banpu Public Company Limited
				2007 - 2008	Senior Vice President - Corporate Communications & Public Affairs	Banpu Public Company Limited
19. Ms. Boonsiri Charusiri • Company Secretary	56	• B.A., Geology (Science), Chulalongkorn University • M.S., (Geological Science), Queen's University, Canada • EMBA, Sasin, Chulalongkorn University • Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)	-	2009 - Present	Company Secretary and Secretary of the Board of Directors	Banpu Public Company Limited



Shareholdings of the Board of Directors and Management

As of 31 December 2013

Name	Ordinary Share		
	31 Dec 2013	31 Dec 2012*	+ / (-)
1. Mr. Krirk-Krai Jirapaet	-	-	-
2. Mr. Montri Mongkolswat	-	-	-
3. Mr. Rawi Corsiri	600,000	600,000	-
4. Mr. Vitoon Vongkusolkrit	37,709,110	36,609,110	1,100,000
5. Mr. Teerana Bhongmakapat	-	-	-
6. Mr. Somkiat Chareonkul	-	-	-
7. Mr. Rutt Phanijphand	-	-	-
8. Mr. Anothai Techamontrikul	-	-	-
9. Mr. Chanin Vongkusolkrit	17,679,710	17,679,710	-
10. Mr. Metee Auapinyakul	3,658,000	3,108,000	550,000
11. Mr. Ongart Auapinyakul	6,092,250	4,234,250	1,858,000
12. Mr. Verajet Vongkusolkrit	-	-	-
13. Mr. Somyot Ruchirawat	-	-	-
14. Mr. Voravudhi Linananda	-	-	-
15. Ms. Somruedee Chaimongkol	2,126,280	2,126,280	-
16. Mr. Sathidpong Wattananuchit	-	-	-
17. Mr. Akaraphong Dayananda	54,000	54,000	-
18. Ms. Udomlux Olarn	110,000	110,000	-

Note: * The Company has changed the par value of its shares from THB 10 each into THB 1 each, effective on 26 September 2013 onwards, in order to increase the stock's liquidity. As a result the number of the 2012 shares are shown on the basis of THB 1 par value per share for a better comparison with the numbers of shares changed at end of 2013 and subsequent years.



Remuneration of the Board of Directors and Management

1. Remuneration in Cash for the Year Ending 31 December 2013

1.1 Total cash remuneration of the Board of Directors in forms of meeting allowance and annual remuneration amounted to THB 57,958,872.00, the details of which are as follows.

Name/Position	Meeting Allowance (THB)				Annual Remuneration (THB)	Total Remuneration (THB)
	Director	Audit Committee	Corporate Governance and Nomination Committee	Compensation Committee		
1. Mr. Krirk-Krai Jirapaet Chairman/Independent Director	1,482,000.00	-	-	-	5,116,466.00	6,598,466.00
2. Mr. Vitoon Vongkusolkrit Vice Chairman/Member of the Compensation Committee	1,276,500.00	-	-	210,000.00	4,526,104.00	6,012,604.00
3. Mr. Somkiat Charoenkul Independent Director/Chairman of the Audit Committee	1,140,000.00	421,200.00	-	-	3,935,743.00	5,496,943.00
4. Mr. Rutt Phaniyphand Independent Director/Chairman of the Compensation Committee	1,140,000.00	-	-	273,000.00	3,935,743.00	5,348,743.00
5. Mr. Anothai Techamontrikul Independent Director/Member of the Audit Committee/ Chairman of the Corporate Governance and Nomination Committee	1,140,000.00	-	195,000.00	-	3,935,743.00	5,270,743.00
6. Mr. Montri Mongkolswat Independent Director/Member of the Audit Committee/Member of the Compensation Committee	1,140,000.00	324,000.00	-	210,000.00	3,935,743.00	5,609,743.00
7. Mr. Rawi Corsiri Director/Member of the Corporate Governance and Nomination Committee	1,110,000.00	-	150,000.00	-	720,542.00	1,980,542.00
8. Mr. Teerana Bhongmakapat Independent Director/Member of the Audit Committee	1,140,000.00	324,000.00	-	-	720,542.00	2,184,542.00
9. Mr. Metee Auapinyakul Director	720,000.00	-	-	-	3,935,743.00	4,655,743.00
10. Mr. Chanin Vongkusolkrit Director	720,000.00	-	-	-	3,935,743.00	4,655,743.00
11. Mr. Ongart Auapinyakul Director	720,000.00	-	-	-	3,935,743.00	4,655,743.00
12. Mr. Verajet Vongkusolkrit Director/Member of the Corporate Governance and Nomination Committee	1,140,000.00	-	150,000.00	-	3,935,743.00	5,225,743.00



Name/Position	Meeting Allowance (THB)				Annual Remuneration (THB)	Total Remuneration (THB)
	Director	Audit Committee	Corporate Governance and Nomination Committee	Compensation Committee		
13. Mr. Kopr Kritayakirana* Independent Director/ Chairman of the Corporate Governance and Nomination Committee	-	-	-	-	131,787.00	131,787.00
14. Mr. Sawatdiparp Kantatham* Director/Member of the Corporate Governance and Nomination Committee	-	-	-	-	131,787.00	131,787.00
Total						57,958,872.00

Notes:

1. Mr. Kopr Kritayakirana (person number 13) resigned as a director and chairman of the Corporate Governance and Nomination Committee, effective from 6 April 2012.
2. Mr. Sawatdiparp Kantatham (person number 14) resigned as a director and a member of the Corporate Governance and Nomination Committee, effective from 6 April 2012.

1.2 Details of cash remuneration of Company's executives in forms of salary and bonus are as follows:

Unit: THB	Number of Executives	2013	Number of Executives	2012
Total Salaries	7	70,437,000.00	6	55,759,300.00
Total Bonuses	7	36,745,813.00	6	80,114,740.00
Total		107,182,813.00		135,874,040.00

Notes:

- In 2012, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.
- In 2013, there were seven executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Mr. Voravudhi Linananda, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.

2. Other Remunerations

2.1 Contribution to Provident Fund

Details of Company's contribution to provident fund for executives are as follows:

Unit: THB	Number of Executives	2013	Number of Executives	2012
Contribution to Provident Fund	7	2,907,756.00	6	3,362,940.00

Notes:

- In 2012, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.
- In 2013, there were seven executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Mr. Voravudhi Linananda, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.



Major Shareholders

Ten Major Shareholders as of 31 December 2013

The below list is Banpu's ten major shareholders as of 31 December 2013. The number of shares are after the change of the par value of the shares from THB 10 each into THB 1 each. The Company has already completed aforesaid registrations with the Ministry of Commerce on 19 September 2013.

Major Shareholders	Amount of Shares Held	Percentage
1. The Vongkusolkrit Family	292,484,060	10.76
Mitr Phol Sugar Corp., Ltd.	144,064,080	5.30
TME Capital Co., Ltd.	61,616,000	2.27
United Farmer and Industry Co., Ltd.	17,794,450	0.65
MP Particle Board Co., Ltd.	15,209,650	0.56
Mid-Siam Capital Co., Ltd.	7,153,500	0.26
Pacific Sugar Corporation Ltd.	6,819,050	0.25
Ufinves Co., Ltd.	6,606,110	0.24
Mitr Phol Bio-Power Phu Viang Co., Ltd.	6,152,000	0.23
Mitr Kalasin Sugar Co., Ltd.	4,800,000	0.18
2. Thai NVDR Co., Ltd.	216,139,398	7.95
3. Banpu Public Company Limited	135,600,000	4.99
4. HSBC (Singapore) Nominees Pte. Ltd.	77,701,390	2.86
5. State Street Bank Europe Limited	47,832,840	1.76
6. GIC Private Limited - C	47,088,900	1.73
7. Chase Nominees Limited	42,988,650	1.58
8. Social Security Office	35,710,000	1.31
9. Norbax Inc., 13	31,445,100	1.16
10. State Street Bank and Trust Company	25,082,267	0.92
Total	1,222,287,445	44.96

Notes : 1. Mitr Phol Sugar Corp., Ltd.
2. TME Capital Co., Ltd.

3. United Farmer and Industry Co., Ltd.
4. MP Particle Board Co., Ltd.
5. Mid-Siam Capital Co., Ltd.
6. Pacific Sugar Corporation Ltd.
7. Ufinves Co., Ltd.
8. Mitr Phol Bio-Power Phu Viang Co., Ltd.
9. Mitr Kalasin Sugar Co., Ltd.
10. Banpu Public Company Limited is the 3rd major shareholders since the completion of its share repurchase project of 13,560,000 shares from the Stock Exchange of Thailand (this number is before the changing of the par value and the amount of the Company's shares).

*Mid-Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.
The Vongkusolkrit Family holds 54.23% of its paid-up capital.
Ufinves Co., Ltd. holds 10.50% of its paid-up capital.
Mitr Phol Sugar Corp., Ltd. holds 87.56 of its paid-up capital.
United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.
Mid-Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.
Mitr Phol Sugar Corp., Ltd. holds 99.99% of its paid-up capital.
TME Capital Co., Ltd. holds 100% of its paid-up capital.
United Farmer and Industry Co., Ltd. holds 51.04% of its paid-up capital.
United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.*



Dividend Policy

Banpu has a policy to pay approximately 50% of its net profits from the consolidated financial statements less all kinds of statutory and corporate reserves. However, this dividend payout rate will subject to cash flows, investment obligations of the Company and its affiliates as well as legal restrictions and other requirements.



Connected Persons and Transactions

Connected Persons

Connected Persons/ Type of Business	Description of Relationship	Major Shareholders	Board of Directors Membership
1. Mitr Phol Sugar Corp., Ltd. (Production and distribution of sugar and molasses)	1) One of the major shareholders of Banpu Plc., holding 5.30% of its paid-up capital 2) The major shareholder is the Vongkusolkit Family, which is also one of the major shareholders of Banpu Plc. 3) There are 2 joint directors, as follows: 1. Mr. Chanin Vongkusolkit 2. Mr. Verajet Vongkusolkit	As of 31 December 2013, Mid-Siam Sugar Corp., Ltd. 99.99%	1. Mr. Isara Vongkusolkit 2. Mr. Chanin Vongkusolkit 3. Mr. Buntoeng Vongkusolkit 4. Mr. Choosak Vongkusolkit 5. Mr. Klanarong Sriroth 6. Mr. Thaweewat Thaweepiyamaporn 7. Wg. Cdr. Lucksamee Vongkusolkit 8. Mr. Krisda Monthienvichienchai 9. Mr. Verajet Vongkusolkit 10. Assoc. Prof. Chiradet Ousawat 11. Mr. Attaphol Vongkusolkit
2. TME Capital (Investment Company)	1) One of the major shareholders of Banpu Plc., holding 2.48 % of its paid-up capital 2) The major shareholder is the Vongkusolkit Family, which is also one of the major shareholders of Banpu Plc. 3) There are 5 joint directors as follows: 1. Mr. Vitoon Vongkusolkit 2. Mr. Chanin Vongkusolkit 3. Mr. Metee Auapinyakul 4. Mr. Ongart Auapinyakul 5. Mr. Verajet Vongkusolkit	As of 31 December 2013, 1. The Vongkusolkit Family 54.23% 2. The Auapinyakul Family 24.16% 3. Ufinves Co., Ltd. 10.50% 4. The Kantatham Family 3.17% 5. The Kanjanakumnerd Family 0.58% 6. The Putpongseriporn Family 0.63%	1. Mr. Soonthorn Vongkusolkit 2. Mr. Vitoon Vongkusolkit 3. Mr. Chanin Vongkusolkit 4. Mr. Metee Auapinyakul 5. Mr. Ongart Auapinyakul 6. Mr. Sawatdiparp Kantatham 7. Mr. Prachuab Trinikorn 8. Mr. Verajet Vongkusolkit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkit
3. United Farmer and Industry Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.65 % of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There is one joint director, namely: Mr. Verajet Vongkusolkit	As of 31 December 2013, Mitr Phol Sugar Corp., Ltd. 87.56%	1. Mr. Isara Vongkusolkit 2. Mr. Buntoeng Vongkusolkit 3. Ms. Chayawadee Chaianan 4. Mr. Taweewat Thaweepiyamaporn 5. Ms. Jintana Kanjanakumnerd 6. Mr. Sukkan Wattanawekin 7. Mr. Krisda Monthienvichienchai 8. Mr. Verajet Vongkusolkit 9. Mrs. Arada Lattapanit
4. Pacific Sugar Corporation Ltd. (Import and export of sugar)	1) Shareholder of Banpu Plc., holding 0.25% of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There is one joint director, namely: Mr. Verajet Vongkusolkit	As of 31 December 2013, Mitr Phol Sugar Corp., Ltd. 99.99%	1. Mr. Krisda Monthienvichienchai 2. Mrs. Amporn Kanjanakumnerd 3. Mr. Jirasak Vongkusolkit 4. Mr. Verajet Vongkusolkit
5. Mitr Phol Bio-Power (Phu Viang) Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.23% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2013, United Farmer and Industry Co., Ltd. 51.04%	1. Mr. Isara Vongkusolkit 2. Mr. Buntoeng Vongkusolkit 3. Mr. Krisda Monthienvichienchai



Connected Persons/ Type of Business	Description of Relationship	Major Shareholders	Board of Directors Membership
6. Ufinves Co., Ltd. (Holding Company)	1) Shareholder of Banpu Plc., holding 0.24% of its paid-up capital 2) The major shareholder is the Vongkusolkrit Family, which is also one of major shareholders of Banpu Plc. 3) There are 5 joint directors as follows: 1. Mr. Vitoon Vongkusolkrit 2. Mr. Chanin Vongkusolkrit 3. Mr. Metee Auapinyakul 4. Mr. Ongart Auapinyakul 5. Mr. Verajet Vongkusolkrit	As of 31 December 2013, TME Capital Co., Ltd. 100.00%	1. Mr. Soonthorn Vongkusolkrit 2. Mr. Vitoon Vongkusolkrit 3. Mr. Chanin Vongkusolkrit 4. Mr. Metee Auapinyakul 5. Mr. Ongart Auapinyakul 6. Mr. Sawatdiparp Kantatham 7. Mr. Prachuab Trinikorn 8. Mr. Verajet Vongkusolkrit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkrit
7. Mitr Kalasin Sugar Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.18% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2013, United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Buntoeng Vongkusolkrit 3. Mr. Taweewat Taweepiyamaporn 4. Ms. Jintana Kanjanakumnerd 5. Mr. Sukkan Wattanawekin 6. Ms. Chayawadee Chaianan 7. Mr. Krisda Monthienvichienchai 8. Mrs. Arada Lattapanit
8. MP Particle Board Co., Ltd.	1) Shareholder of Banpu Plc., holding 0.56% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2013, United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Krisda Monthienvichienchai 3. Mrs. Amporn Kanjanakumnerd 4. Mr. Sukkan Wattanawekin 5. Mr. Attaphol Vongkusolkrit
9. Mid-Siam Capital Co., Ltd.	1) Shareholder of Banpu Plc., holding 0.26% of its paid-up capital 2) The major shareholder is Mid-Siam Sugar Corp., Ltd. 3) There is no joint director	As of 31 December 2013, Mid-Siam Sugar Corp., Ltd. 99.99%	1. Mr. Soonthorn Vongkusolkrit 2. Mr. Isara Vongkusolkrit 3. Mr. Buntoeng Vongkusolkrit 4. Mr. Kachorn Theppatipath 5. Mr. Suppanit Manajit



Other References

1) Ordinary Share Registrar	Thailand Securities Depository Company Limited 62 The Securities Exchange of Thailand Building Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. 0 2229 2800
2) Debenture Registrar	TMB Bank Public Company Limited 3000 Phaholyothin Road, Jatujak, Bangkok 10900 Tel. 0 2299 1111 Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok 10500 Tel. 0 2230 1893
3) Bond Representative	Siam Commercial Bank Public Company Limited 9 Ratchadapisek Road, Jatujak, Bangkok 10900 Tel. 0 2544 1111 Kasikornbank Public Company Limited Head Office: 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Bangkok 10140 Contact : 400/22 Phaholyothin Road, Phaya Thai, Bangkok 10400 Tel. 0 2470 3687, 0 2470 1946 Bangkok Bank Public Company Limited 333 Silom Road, Bangrak, Bangkok 10500 Tel. 0 2230 1893
4) Auditor	Mr. Somchai Jinnovart Authorised Auditor No. 3271 PricewaterhouseCoopers ABAS Ltd. 15 th Floor, Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Tel. 0 2286 9999, 0 2344 1000
5) Financial Advisor	--None--
6) Advisor or Manager under Management Agreement	The Company did not hire any advisors or managers under any permanent management agreement. Advisors, including financial advisors, were hired on a case-by-case basis as necessary to support its operations from time to time. The Company's management is mainly supervised by the Board of Directors.
7) Financial Institutions Regularly in Contact	The Company is regularly in contact with around 30 local and international commercial banks and financial institutions



Details of The Company and Its Subsidiaries and Associated Companies

Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
1. Banpu Plc.	Energy	3,540,504,790 THB	2,717,478,550 THB	2,717,478,550	1	-	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
Subsidiary companies								
2. Banpu Minerals Co., Ltd.	Coal mining and trading	3,200,000,000 THB	3,200,000,000 THB	3,200,000	1,000	99.99%	58/1 Soi Thungkwao 1, Yontrakijkosol Road, Moo 1, Tambol Thungkwao, Amphoe Muang Prae, Prae Province	0 2694 6600
3. Banpu Singapore Pte. Ltd.	Coal trading	1,500,000 SGD 300,000,000 USD	1,500,000 SGD 300,000,000 USD	1,500,000 300,000,000	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
4. Banpu Minerals (Singapore) Pte. Ltd.	Investment in coal mining	17,670,002 SGD 11,000,000 USD	17,670,002 SGD 11,000,000 USD	17,670,002 17,670,002	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
5. Banpu Australia Co. Pty Ltd.	Investment in coal mining in Australia	2,428,021,000 AUD	2,428,021,000 AUD	2,428,021,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
6. PT. Indo Tambangraya Megah Tbk	Mining, Construction, Transportation, Workshop, Plantation, General Trading, Industry, Services in Indonesia	1,500,000,000,000 IDR	564,962,500,000 IDR	1,129,925,000	500	65.00%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
7. PT. Indomineco Mandiri	Coal Mining in Indonesia	20,000,000,000 IDR	12,500,000,000 IDR	12,500	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
8. PT. Jorong Barutama Greston	Coal Mining in Indonesia	4,500,000,000 IDR	4,500,000,000 IDR	300	15,000,000	99.67%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
9. PT. Trubaindo Coal Mining	Coal Mining in Indonesia	100,000,000,000 IDR	63,500,000,000 IDR	63,500	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
10. PT. Kitadin	Mining, Contractor & Trading in Indonesia	1,000,000,000,000 IDR	377,890,000,000 IDR	188,945	2,000,000	99.99%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
11. PT. Bharinto Ekatama	Coal Mining in Indonesia	68,000,000,000 IDR	17,000,000,000 IDR	17,000	1,000,000	99.00%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
12. PT. ITM Indonesia	Coal trading including coal agent and coal blending	40,000,000,000 IDR	11,000,000,000 IDR	11,000	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
13. PT. Tambang Raya Usaha Tama	Mining contractor	500,000,000,000 IDR	125,000,000,000 IDR	12,500	10,000,000	99.99%	Pondok Indah Office Tower 3, 3 rd Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 293 28100
14. BMS Coal Sales Pte. Ltd.	Coal trading including coal agent and coal blending	1,000,000 USD	1,000,000 USD	1,000,000	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
15. Banpu Coal Investment Co., Ltd.	Investment in coal mining	11,050,500 USD	11,050,500 USD	11,050,500	1	100.00%	4 th Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 210 4000
16. Banpu International Ltd.	Investment in coal mining	250,000,000 THB	250,000,000 THB	25,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
17. Silamani Corp., Ltd.	Coal trading	75,000,000 THB	75,000,000 THB	7,500,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
18. Silamani Marble Co., Ltd.	Coal trading	50,000,000 THB	50,000,000 THB	500,000	100	99.96%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
19. Chiang Muan Mining Co., Ltd.	Coal mining and trading	231,350,000 THB	231,350,000 THB	23,135,000	10	100.00%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600

Remark: * Under Corporate Law



	Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
20	BP Overseas Development Co., Ltd.	Investment in coal mining	15,533,002 USD	15,533,002 USD	15,533,002	1	100.00%	4 th Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 210 4000
21	Asian American Coal Inc.	Investment in coal mining	50,000,000 USD	40,917,026 USD	40,917,026	1	100.00%	Geneva Place, 2 nd Floor, Wickham's Cay, Road Town, Tortola, British Virgin Islands.	(284) 494 4388
22	AACI SAADEC (BVI) Holdings Limited	Investment in coal mining	50,000 USD	1 USD	1	1	100.00%	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	(284) 494 2233
23	Centennial Coal Co., Ltd.	Coal Mining and Marketing	2,449,783,562 AUD	2,449,783,562 AUD	395,126,381	6.20	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
24	Centennial Northern Coal Services Pty Ltd.	Employer Company for Newstan Washery	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
25	Berrima Coal Pty Ltd.	Dormant	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
26	Centennial Airly Pty Ltd.	Coal Mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
27	Centennial Angus Place Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
28	Centennial Coal Infrastructure Pty Ltd.	Coal exporting logistics and infrastructure	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
29	Centennial Coal Sales and Marketing Pty Ltd.	Coal Marketing	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
30	Centennial Fassifern Pty Ltd.	Coal Mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
31	Centennial Northern Mining Services Pty Ltd.	Employer Company for Newstan	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
32	Centennial Inglenook Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
33	Centennial Mandalong Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
34	Centennial Mannering Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
35	Centennial Munmorah Pty Ltd.	Coal Mining (now Dormant)	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
36	Centennial Myuna Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
37	Centennial Newstan Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
38	Charbon Coal Pty Ltd.	Coal Mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
39	Coalex Pty Ltd.	Coal Mining - Clarence JV	7,500,000 AUD	7,500,000 AUD	750,000	10	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
40	Clarence Coal Investments Pty Ltd.	Coal Mining - Clarence JV	19,500,002 AUD	19,500,002 AUD	15,500,002 Ord A shares 4,000,000 Ord B shares	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
41	Clarence Colliery Pty Ltd.	Coal Mining - Clarence JV	10,000 AUD	10,000 AUD	10,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
42	Clarence Coal Pty Ltd.	Coal Mining - Clarence JV	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
43	Centennial Clarence Pty Ltd.	Coal Mining - Clarence JV	8,800,000 AUD	8,800,000 AUD	8,800,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
44	Powercoal Pty Ltd.	Dormant Holding company	4,590,001 AUD	4,590,001 AUD	4,590,001	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
45	Powercoal Superannuation Pty Ltd.	Superannuation Company (Dormant)	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
46	Collieries Superannuation Pty Ltd.	Superannuation Company (Dormant)	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
47	Elcom Collieries Pty Ltd.	Dormant	1,500,000 AUD	1,500,000 AUD	750,000	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
48	Huntley Colliery Pty Ltd.	Dormant	354,000 AUD	354,000 AUD	177,000	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
49	Mandalong Pastoral Management Pty Ltd.	Dormant	2,736,028 AUD	2,736,028 AUD	10,000,000 Ord partly paid shares - \$0.20 368,014 Ord Shares - \$2.00	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700

Remark: * Under Corporate Law



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
50 Powercoal Employee Entitlements Company Pty Ltd.	Employee Trust Company Ex Powercoal	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
51 Hartley Valley Coal Co Pty Ltd.	Dormant	1,000,000 AUD	1,000,000 AUD	1,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
52 Ivanhoe Coal Pty Ltd.	Coal Mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
53 Preston Coal Pty Ltd.	Dormant	1,250,000 AUD	1,250,000 AUD	750,000 A Class Shares 250,000 B Class shares 250,000 C Class shares	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
54 Centennial Springvale Holdings Pty Ltd.	Coal Mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
55 Centennial Springvale Pty Ltd.	Coal Mining	1,000,000 AUD	1,000,000 AUD	1,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
56 Springvale Coal Pty Ltd.	Coal Mining	2,000,000 AUD	2,000,000 AUD	2,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
57 Springvale Coal Sales Pty Ltd.	Coal Marketing	2 AUD	2 AUD	2	1	50.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
58 Boulder Mining Pty Ltd.	Coal Mining	1,000 AUD	1,000 AUD	1,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
59 AFE Investments Pty Limited	Mining Investment	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
60 Banpu Power Ltd.	Investment in power	6,021,995,000 THB	6,021,995,000 THB	602,199,500	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
61 Banpu Coal Power Ltd.	Investment in power	5,921,587,160 THB	5,921,587,160 THB	592,158,716	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
62 Banpu Power International Ltd.	Investment in power	40,050,000 USD	40,050,000 USD	40,050,000	1	100.00%	4 th Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 210 4000
63 Banpu Power Investment Co., Ltd.	Investment in electrical power business	84,177,391 USD	84,177,391 USD	77,132,663	No par value*	100.00%	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
64 Shijiazhuang Chengfeng Cogen Co., Ltd.	Power and heat production and sales	15,125,000 USD	14,000,000 USD	1,125,000	NA	100.00%	North Beiguan, Zhengding County, Shijiazhuang City 050800, Hebei Province, PRC	(86311) 85176918
65 Zouping Peak Pte. Ltd.	Investment in electrical power business	2 SGD	2 SGD	2	No par value*	100.00%	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
66 Banpu Power Investment (China) Co., Ltd.	Investment in electrical power business	30,000,000 USD	30,000,000 USD	0	NA	100.00%	9A, 9 th Floor, Tower B, Gateway Plaza, No. 18 Xia Guang Li, North Road of East Third Ring, Chaoyang District, Beijing 100027, PRC	(8610) 5758 0388
67 Pan-Western Energy Corporation LLC	Investment in power	100,000 USD	100,000 USD	10,000,000	0.01	100.00%	Maples and Calder, Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands	1 345 949 8066
68 Tangshan Banpu Heat and Power Co., Ltd.	Power and heat production and sales	47,504,000 USD	47,504,000 USD	0	NA	100.00%	West of Gujiaying Village, Benshi Road, Luannan County, Tangshan City 063500, Hebei Province, PRC	(86315) 4168274
69 Zouping Peak CHP Co., Ltd.	Power and heat production and sales	261,800,000 RMB	261,800,000 RMB	0	NA	70.00%	Xiwang Industrial Region, Handian Town, Zouping County, Binzhou City 256209, Shandong Province, PRC	(86543) 4615655
70 Banpu New Energy Holdings Co., Ltd.	Investment in alternative energy	88,000,000 THB	88,000,000 THB	8,800,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
71 Biofuel Development Holdings Co., Ltd.	Investment in alternative energy	76,000,000 THB	76,000,000 THB	7,600,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
72 Prachuab Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	5,000,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
73 Mittraphap Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	2,500,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600

Remark: * Under Corporate Law



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
74 Petchkasem Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	3,500,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathevi, Bangkok 10400	0 2694 6600
75 Banpu Coal LLC	Investment in coal mining	4,602,708,000 MNT	4,602,708,000 MNT	3,300,000	1,394.76	100.00%	Suit 408, Central Tower, Sukhbaatar Square, Sukhbaatar District, Ulaanbaatar, Mongolia	(976) 77114000
76 Banpu Australia Resources Pty Ltd.	Investment in coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
77 Hunnu Coal Pty Ltd.	Coal mining and trading	188,703,904 AUD	188,703,904 AUD	324,461,719	No par value*	100.00%	22 Lindsay Street, Perth, WA, Australia, 6000	61 8 9328 6262
78 Hunnu Investments Pte Ltd.	Foreign Trade	100 SGD 31,000,000 USD	100 SGD 31,000,000 USD	100 31,000,000	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
79 Hunnu Altai LLC	Foreign Trade, Minerals Mining	93,142,351,744 MNT	93,142,351,744 MNT	672,557	138,490	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
80 Munkh Sumber Uul LLC	Foreign Trade	1,457,620,000 MNT	1,457,620,000 MNT	145,762	10,000	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
81 Golden Gobi Mining LLC	Foreign Trade, Mineral Exploration	8,455,000,000 MNT	8,455,000,000 MNT	845,500	10,000	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
82 Great East Minerals LLC	Foreign Trade, Mineral Exploration	1,000,000 MNT	1,000,000 MNT	100	10,000	70.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
83 Bilegt Khairkhan Uul LLC	Foreign Trade, Mineral Exploration	10,000,000 MNT	10,000,000 MNT	10,000	1,000	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
84 Hunnu Power LLC	Foreign Trade	1,000,000 MNT	1,000,000 MNT	100	10,000	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
85 Borganchan LLC	Foreign Trade	11,586,000 MNT	11,586,000 MNT	11,586	1,000	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
86 Munkhnyon Suvraga LLC	Foreign Trade, Minerals Mining, Tourism, and Construction	1,000,000 MNT	1,000,000 MNT	1,000	1,000	90.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
87 Hunnu Gobi Altai LLC	Foreign Trade, Mineral Exploration, Mining	155,000,000 MNT	155,000,000 MNT	155,000	1,000	80.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
88 Hunnu Altai Minerals LLC	Foreign Trade, Minerals Exploration	145,000,000 MNT	145,000,000 MNT	145,000	1,000	100.00%	Seoul Business Centre 201, Zaluuchud Avenue, 1 st Khoroo, Bayanzurkh District, Ulaanbaatar Mongolia	976 11 450238
89 Hunnu Resources LLC	Foreign Trade	203,533,279,528 MNT	203,533,279,528 MNT	129,998,679	1,566	100.00%	Suite 1201, Central Tower, Sukhbaatar District-8, Ulaanbaatar Mongolia	976 11 321914
Associated companies								
90 Shanxi Gaohe Energy Co., Ltd.	Coal Mining in China	670,250,000 RMB	670,250,000 RMB	NA	NA	45.00%	Changzhi County, Changzhi City, Shanxi, P.R. China	(8610) 5820 3663
91 BLCP Power Ltd.	Power production and sales	12,010,000,000 THB	12,010,000,000 THB	120,100,000	100	49.99%	9 i-8 Road, Map Ta Phut Industrial Estate, Maung District, Rayong	038 925100
92 Hebi Zhong Tai Mining Co., Ltd.	Investment in coal mining	783,330,000 RMB	783,330,000 RMB	NA	NA	40.00%	No. 98, Hongqi Street, Hebi, Henan Province, PRC	(86392) 291 7401-2
93 Hongsa Power Co., Ltd.	Power production and sales	100,000 USD	100,000 USD	10,000	10	40.00%	Building B, Park View Executive Suites, Ban Sithanneau, Sikhottabong District, Vientiane Capital City, Lao PDR	865(0)2122 2482
94 Phu Fai Mining Co., Ltd.	Investment in coal mining	50,000 USD	50,000 USD	5,000	10	37.50%	Building B, Park View Executive Suites, Ban Sithanneau, Sikhottabong District, Vientiane Capital City, Lao PDR	865(0)2122 2483
95 Ratchasima Green Energy Co., Ltd.	Investment in alternative energy	250,000,000 THB	250,000,000 THB	25,000,000	10	30.00%	2 Ploenchit Center, 3 rd Floor, Sukhumvit Road, Klongtoey, Bangkok 10110	0 2794 1000
96 Port Kembla Coal Terminal Limited	Shiploading Coal Port	600,000 AUD	600,000 AUD	600,000	1	16.66%	Port Kembla Road, Inner Harbour, Wollongong NSW 2520, Australia	61 2 4228 0288

Remark: * Under Corporate Law



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Report of the Board of Directors' Responsibilities for the Financial Statements

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2013 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.

(Mr. Krirk-Krai Jirapaet)

Chairman of the Board of Directors

(Mr. Chanin Vongkusolkrit)

Chief Executive Officer



Report of the Audit Committee to Shareholders

Dear Shareholders of Banpu Public Company Limited,

The Audit Committee of Banpu Public Company Limited consists of Mr. Somkiat Charoenkul as Chairman, Mr. Montri Mongkolswat and Dr. Teerana Bhongmakapat. The Audit Committee performs its duty independently based on the scope of responsibility assigned by the Board of Directors in accordance with rules and guidelines set for the Audit Committee and in accord with the regulations issued by the Stock Exchange of Thailand (SET) concerning principles on corporate governance.

In 2013, the Audit Committee convened nine times. All members attended all meetings. The Senior Vice President of Internal Audit Department, other executives and auditors also attended the meetings when relevant agenda items required their input. Results of the Audit Committee's performance can be summarized as follows:

- **Financial Statement Review:** The Audit Committee reviewed the quarterly financial statements and the 2013 financial statements of the Banpu Group of Companies and is assured that they were in accordance with legal requirements and approved accounting standards. The information was adequately disclosed in a reliable manner for the benefit of investors and financial statement users, and was approved by the auditors without conditions. Meetings were held with auditors, without members of management present, to get auditors' opinions, observations and improvement guidelines beneficial to the Company.
- **Internal Control System:** The Audit Committee reviewed the internal control system of the Banpu Group of Companies with respect to accounting and finance, safeguarding of assets, operations, evaluation as well as legal and regulatory compliance. Check and balance mechanisms were implemented and monitoring was performed by the Internal Audit Department whose independence and efficiency were deemed sufficient to protect the interests of shareholders and relevant parties. The Company was found to have transparent whistle-blowing and complaint-handling procedures in place. It also encourages transparency in all business procedures and actively supports the anti-corruption movement.
- **Business Law Compliance:** The Audit Committee determined that the Company duly complied with laws and regulations relating to the Company's businesses.
- **Connected Transactions or Transactions with Potential Conflict of Interest:** The Audit Committee reviewed connected transactions between the Company, its subsidiaries and related persons and found that these transactions were genuine and carried out with reasonable cause and as a normal course of business, strictly following the SEC's and SET's rules and regulations by taking into account the interest of all stakeholders.
- **Risk Management:** The Audit Committee reviewed the annual plan and monitored the progress of risk management on a quarterly basis while also continuously giving guidance on the improvement of the Company's risk management procedures. The Audit Committee was confident the Company had appropriate and efficient risk management policies and procedures in place to reduce any impacts from potential business uncertainties.

The Audit Committee is assured that the Company was actively committed to its corporate governance policy and that the risk management program was in line with Company policy. This compliance resulted in an adequate and effective internal control system that is able to respond to both internal and external change. An appropriate internal control system was in place. All connected transactions that may lead to conflict of interest were deemed genuine transactions carried out based on the normal course of business and took into account the interest of the stakeholders. The Company was found to fully comply with all related laws and regulations without any impact on business operation. The financial statements for the accounting period ending on 31 December 2013 were duly prepared with accuracy allowing adequate and reliable information to be properly disclosed.



Appointment of auditors and auditing fees for 2014

The Audit Committee considered selection of the auditors based on Banpu's evaluation criteria, which includes independence, quality, standards of work, and qualifications according to SET requirements, and would like to propose to the Board of Directors and to seek shareholders' approval for appointment of the following individuals:

1. Ms. Amornrat Permpoonwattanasuk, CPA, License No. 4599; and/or
2. Ms. Sukhumaporn Wong-Ariyaporn, CPA, License No. 4843; and/or
3. Mr. Somchai Jinnovart, CPA, License No. 3271;

of PricewaterhouseCoopers ABAS Limited (PwC), and international company with extended networks over several countries, as Banpu's auditor of 2014 for a total auditing fee of THB 2,206,500, an increase of 5% compared to 2013, and acknowledge the annual auditing fee, the quarterly auditing fee of the Company and its subsidiaries and the auditing fee of the financial statements totaled THB 54,269,875.

17 February 2014
On behalf of the Audit Committee

(Mr. Somkiat Charoenkul)

Chairman of the Audit Committee
Banpu Public Company Limited



Management's Discussion and Analysis of the Consolidated Financial Statements

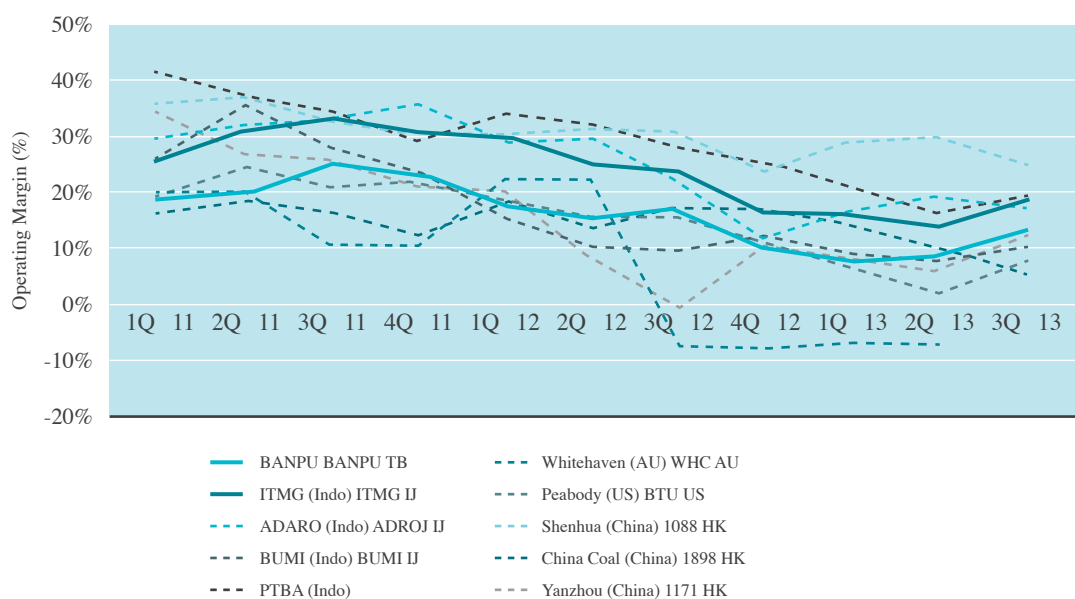
The Company's management would like to explain its performance for the year ended 31 December 2013 in comparison with the previous year and its statement of financial position as of 31 December 2013 compared with the restated statement of financial position as of 31 December 2012.

Since 1 January 2013, the company has determined the USD to be its functional currency in accordance with Thai Accounting Standard No. 21 (revised 2009) "The Effects of Changes in Foreign Exchange Rates". However, in submission of its financial statements to the Stock Exchange of Thailand and the Department of Business Development, the Company is also required to convert the financial statements from USD to the presentation currency, which is Thai Baht (THB).

1. Industry Analysis - Coal producers' operating performance in Coal industry

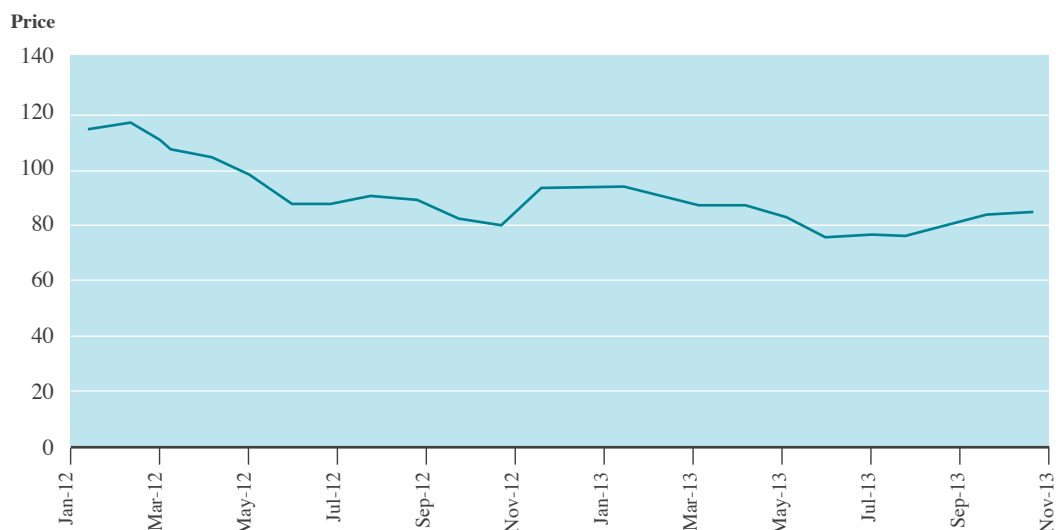
Market coal price has continued to decline since mid of 2012 which impacted on the operating performance of all companies in the coal industry. The following presentations illustrate operating margin of major coal companies in each country and the coal price index over the past 3 years;

Coal companies operating margin comparisons on quarterly basis FY 2011 - 2013





Global Coal : Newc Index USD pt (from 1 Jan 12 to 31 Dec 13)



2. Company Performance Analysis

The analysis and explanation of company performance for the year ended 31 December 2013 and the restated for last year ended 31 December 2012 is as follows;

Consolidated Statements of Income for the year ended 31 December 2013 and 2012

Consolidated financial performance (Unit: Million USD)	2013	2012 Restated
Sales	3,351	3,775
Cost of sales	(2,276)	(2,332)
Gross margin	1,075	1,443
Selling expenses	(272)	(294)
Administrative expenses	(225)	(282)
Royalty fee	(325)	(383)
Profit sharing from associates	95	86
Other income (expense)	55	145
Financial costs	(126)	(123)
Profit before tax	278	591
Income tax	(90)	(168)
Net profit for the period	187	424
Owners of the parent company	103	272
Non-controlling interest	85	152
Earnings per share (Unit:USD)	0.040	0.100



2.1 Sales revenue was reported at USD 3,351 million (equivalent THB 102,944 million), a decrease of USD 424 million or 11% compared to the previous year. This was the net impact of an increase in coal sales volume and a decrease in average selling price year on year as a result of the weakened global coal price. Details of the company's revenue are as follows:

- Revenue from coal sales of USD 3,128 million accounted for 93% of total sales revenue. Revenue from coal sales includes:

- Sales revenue from Indonesian coal mines of USD 2,215 million;

- Sale revenue from Australian coal mine of USD 913 million.

- Sales of power and steam of USD 192 million represented 6% of total sales revenue.

Revenue	2013 (Mil USD)	2012 (Mil USD)
Coal Business	3,128	3,555
Power/Steam Business	192	183
Others	31	37
Total	3,351	3,775

Coal Business

Source of Coal	2013 Sales Vol. (MT)	2012 Sales Vol. (MT)	2013 Avg. Price Per Tonne	2012 Avg. Price Per Tonne	2013 Avg. Cost Per Tonne	2012 Avg. Cost Per Tonne
Indonesia Mine	29.21	27.28	USD 74.95	USD 90.43	USD 48.17	USD 51.16
Australia Mine	13.59	14.30	AUD 69.75	AUD 72.78	AUD 53.13	AUD 50.77
Total	42.80	41.58				

- The 2013 coal sales volume was 42.80 million tonnes, increasing by net 1.22 million tonnes or 1% compared to 2012, due to 1.93 million tonnes higher sales volume from Indonesian mines. The sales volume from Australian mines was lower by 0.71 million tonnes compared to 2012.

- Average selling price of 2013 was at USD 72.41 per tonne compared to average selling price of 2012 was at USD 85.13 per tonne, decreased by 15% as a result of global coal market.

The average selling price of Indonesian mines was at USD 74.95 per tonne which decreased from the previous year by USD 15.48 per tonne or 17%.

The average selling price of Australian mines was at AUD 69.75 per tonne, decrease by AUD 3.03 per tonne due to a decrease in export sale portion compared to 2012 (Export sale portion of 2013: 2012 = 38% : 44%).



2.2 Sales cost of USD 2,276 million, decrease by USD 56 million or 2%, a net result of a higher coal sales volume and a lower average cost per tonne. Indonesian mines average cost per tonne was reduced by USD 2.99 per tonne which was mainly caused by a decrease in stripping ratio (BCM : coal tonne) from 12.28 to 11.06 and a production cost saving program implemented in this year. Australian mines average cost per tonne increased by AUD 2.36 per tonne as a result of lower than plan production outcome. There was a planned Longwall changeover at Mandalong mine, resulting in production stoppage from August to late of September 2013. However, the AUD depreciated against the USD currency from 1.0374 to 0.8892 compared to 2012, making average cost per tonne between these 2 years were not significant changes when converted to USD currency.

2.3 Gross profit was reported at USD 1,075 million, a decrease of USD 368 million or 26%. Gross profit margin of 2013 is calculated at 32% derived from coal business of 32% and power business of 27% (2012: Gross profit of 38% was derived from 39% of coal business and 17% of power business). The gross profit was net impacted by the decline in global coal market price and lower of average cost per tonne as described on item 2.1 and 2.2. However, the lower coal price was favorable for coal fired power business, reflected by an increase of gross profit in this sector.

2.4 Selling expenses were reported USD 272 million, a decrease of USD 22 million or 7% mainly due to the reduction in selling expenses for Australian mines. This was a result of a lower export coal sales volume of 1.2 Million Tonnes (2013: 2012 = 5.1 Million Tonnes : 6.3 Million Tonnes) which decrease overall relevant logistic and port expenses. On the other hand, the net impact of an increase of USD 7 million in selling expenses from Indonesian mines as a result of higher coal sale volume year on year.

2.5 Administrative expenses were reported at USD 225 million, a decrease of USD 57 million or 20% which was mainly due to additional tax payment, total USD 25 million, of Banpu subsidiaries in Indonesia in 2012. This arose from a difference in interpretation by tax perspective for unrealized loss on mark to market derivatives at the end of the period. It was treated as non-tax deductible expenses. Whereas there was a saving from cost reduction program implemented this year and impact from the depreciation of the Baht, Australian Dollars, Indonesia Rupiah and Chinese Yuan currencies against the USD currency compared to 2012 that made a decreasing numbers when converted those currencies to USD currency.

2.6 Royalty fees reported at USD 325 million, a decrease of USD 58 million or 15% was due to the lower of coal selling price.

2.7 Equity income from associates was reported at USD 95 million, mainly derived from BLCP profit sharing of USD 82 million, China coal business of USD 27 million and loss sharing from others of USD 14 million. Net equity income recognized in 2013 increased by USD 10 million compared to last year mainly due to an increase profit sharing from BLCP of USD 9 million and China coal of USD 1 million.

2.8 Other income of USD 55 million was comprised of:

2.8.1 Interest income of USD 12 million;

2.8.2 Gain from derivative financial instruments of USD 27 million which comprised of unrealized gain on mark-to-market of forward contracts and gasoil hedging by USD 24 million and USD 5 million, respectively. However, there was an unrealized loss on a mark-to-market of Cross Currency Swap contracts amounted to USD 2 million.



2.8.3 Net loss on currency exchange rate of USD 27 million mainly represents a net unrealized loss on the revaluation of monetary assets and liabilities at the end of the year and unrealized loss on exchange rate of subsidiaries in Australia and Indonesia of USD 54 million and USD 15 million, respectively. It was a result of the depreciation of Australia Dollar and Indonesian Rupiah against the USD in 2013. While there was unrealized gain on exchange rate of subsidiaries in Thailand by USD 55 million as a result of a depreciation of THB against USD. In addition, the realized loss on exchange rate in 2013 from subsidiaries in Indonesia and Thailand totaled USD 27 million.

2.8.4 Management other fees of USD 43 million were comprised of subsidy income of USD 19 million from the Australian government relating to carbon tax and other income of USD 24 million.

2.9 Corporate income tax of USD 90 million decreased USD 78 million compared to last year as a result of decrease in net operating profit, thereby lowering corporate income tax.

2.10 Net profit for the year ending 31 December 2013 was USD 103 million, decreasing USD 169 million or 62%.

Earnings per share (EPS) was declared at USD 0.040 per share, equivalent THB 1.220 per share compared to USD 0.100 per share (equivalent THB 3.106 per share) last year, a decrease of 60%.

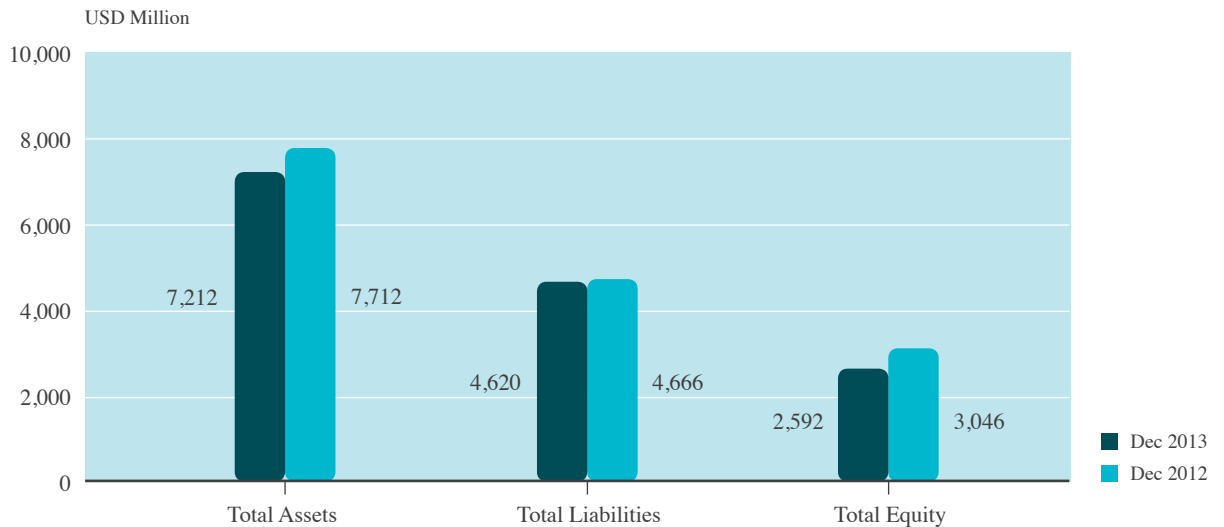
3. Statements of Consolidated Financial Position as of 31 December 2013 in comparison with Restated Statements of Consolidated Financial Position as of 31 December 2012

3.1 Total assets of USD 7,212 million, a decrease of USD 500 million compared to last year as detailed below:

- Cash and cash equivalents of USD 446 million, decreased USD 299 million or 40% (See explanation in # 4 Consolidated Statement of Cash Flow)
- Accrued dividends from related parties of USD 216 million were accrued dividend of domestic power business, decreased by USD 32 million which was net result of received dividend and additional declared dividend in this quarter of USD 96 million and USD 64 million, respectively.
- Derivative assets of USD 1.3 million represented unrealized gain from changes in fair value of gasoil hedging and forward contracts of USD 1.1 million and USD 0.2 million, respectively.
- Investment in subsidiaries, joint venture and associates of USD 571 million, an increase of USD 30 million or 6%. This was a result of profit sharing recognized a net of dividend this year of USD 29 million while gain from foreign exchange translation amounted to USD 1 million.
- Property plant and equipment of USD 1,456 million, decreased USD 119 million due to equipment purchases by subsidiaries in Indonesia and Australia lowering to USD 227 million, a depreciation for the year of USD 188 million and loss from foreign exchange translation of USD 158 million.



Financial Position



3.2 Total liabilities of USD 4,620 million decreased USD 46 million compared to 2012 with details described below:

- Current portion of long-term loans of USD 281 million, was a net increase of USD 16 million or 6% from a reclassification of long term portion to current loan portion of USD 467 million and repayments during the year of USD 450 million and gain from foreign exchange translation of USD 1 million.
- Current portion of debenture of USD 67 million, increased of USD 67 million or 100% as a result of a reclassification of long term portion to current portion.
- Accrued overburden and coal transportation expenses of USD 166 million, decreased by USD 20 million predominantly from the Indonesian operations.
- Long-term loans of USD 1,672 million, decreased by USD 317 million was due to a net impact from new long-term loans of USD 423 million, reclassification to current portion and repayment during the year by USD 467 million and USD 249 million respectively, together with gain from foreign exchange translation of USD 24 million.
- Debenture of USD 1,058 million, increased by USD 152 million result from a new issuance of USD 292 million and reclassification to current portion of USD 67 million, repayment USD 5 million and gain from foreign exchange translation of USD 68 million.
- Derivative liability of USD 74 million represented unrealized loss from change in fair value of financial instruments at year end which comprised unrealized loss from forward contracts, cross currency swap and interest rate swap of USD 24 million, USD 46 million and USD 4 million, respectively.



3.3 Shareholder equity of USD 2,592 million decreased by USD 454 million was due to;

- A decrease from dividend payments of USD 218 million
- A decrease from treasury stocks of USD 133 million
- A decrease from subsidiaries' foreign exchange translations of USD 199 million
- A decrease of USD 77 million from change in fair value of available-for-sale investments, hedged financial instruments and others.
- A decrease of USD 14 million from a surplus (discount) on dilution of investments in subsidiaries
- An increase of USD 103 million from net profit for the period
- An increase of USD 84 million from non-controlling interests

3.4 Net debt-to-equity as of 31 December 2013 was 1.07 times for the consolidated financial statement position (As of 31 December 2012, the ratio was 0.79 times for the restated consolidated financial statement position).

4. Statements of Consolidated Cash Flows for the year ended 31 December 2013 in comparison with the year ended 31 December 2012

Banpu's statement of consolidated cash flow for the year ended 31 December 2013 recorded a decrease in net cash flow of USD 299 million (including the effect from exchange rate translation loss of USD 20 million). The consolidated cash flows are divided into:

4.1 Net cash inflow from operation of USD 27 million with major operating items as follows:

- Collection from coal sales of USD 3,306 million
- Payment to suppliers of USD 1,750 million
- Interest payment of USD 110 million
- Payment of corporate income tax of USD 127 million
- Royalty payment of USD 330 million
- Others: USD 962 million



4.2 Net cash outflow from investing activities of USD 85 million with major items as follows:

- Payment for machine, equipment and project in progress of USD 209 million
- Payment for investment in other companies and short term investment of USD 7 million
- Proceeds from disposal of other investment of USD 16 million
- Dividend receipts from subsidiaries and power business in Thailand of USD 104 million
- Receipts from interest income and others of USD 11 million

4.3 Net cash outflow from financing of USD 221 million comprising:

- Dividend payment to shareholder of USD 218 million
- Repayment of bank loan, long-term loan and Baht debenture of USD 870 million
- Payment for treasury stocks of USD 133 million
- Payment for financial charge of USD 8 million
- Proceeds from short-term, long-term loans from banks and Baht debenture issuance of USD 1,008 million

5. Management Discussion and Analysis

The financial statement of 2013 reports a net profit of USD 103 million. This marks a significant decline by 62% from the restated net profit for 2012, primarily due to lower coal market prices affecting revenue generation from the coal business. In addition the company realized a smaller gain from financial derivatives with USD 27 million booked in 2013 compared to USD 106 million in the previous year. Nevertheless the power business delivered solid performance and provided cushioning for the consolidated earnings.

In 2013 the global coal industry was beset by a situation of excess coal supply which led to a downward correction in coal prices throughout the year. The benchmark coal price, based on NEX Index, reached year-high at USD 94 per tonne in January but then slid to its lowest at USD 77 per tonne in July. Although it recovered to USD 86 per tonne in December, the average NEX price of USD 85 per tonne in 2013 still represents 13% decline from the previous year.



The unfavorable coal market directly impacted sales revenue for Indonesia Coal business (ITM) with its average coal selling price (ASP) declining by 17% to USD 74.95 per tonne. To counter this external pressure, ITM actively adjusted mine plans to increase production efficiency and reduce cost. The result is a satisfactory increase in coal sale by 7% to 29.21 million tonnes whereas cost of sales reduced by 6% to USD 48.17 per tonne. Cost reduction was achieved through changes in mine plan by the lower stripping ratios at Indominco, Trubaindo and Bharinto mines which reduced average stripping ratio to 11.06 times compared to 12.28 times in 2012. Cost reduction program in coal handling and port management were also emphasized to minimize energy cost, streamline coal flows from mines to ports, and improve shipment scheduling to reduce port demurrage.

For 4Q/2013, ITM delivered strong sale of 7.73 million tonnes with ASP of USD 70.96 per tonne (-2% QoQ). Its cost of sale was at USD 45.93 per tonne (+3% QoQ).

Banpu's Australian Coal business, Centennial was less affected by the weakened coal prices as export tonnage accounted for only 38% of coal sale. Its ASP of AUD 69.75 per tonne in 2013 represents only a 4% decrease from 2012. The equity coal sale in 2013 was 13.59 million tonnes or 5% decrease due to sub-optimal performance of the Mandalong and Springvale mines. Both underground mines faced equipment and geological challenges that required deployment of corrective measures including installation of bigger and more efficient mining equipment. The unit production cost in 2013 was AUD 53.13 per tonne or a 5% increase from 2012.

In 4Q/2013, production at the Springvale mine was briefly disrupted by bushfire in New South Wales whereas Mandalong delivered a strong quarterly performance. Total equity sales were 3.66 million tonnes (+14 % QoQ). The average selling price and unit production cost were AUD 70.55 per tonne (3% QoQ) and AUD 53.08 per tonne (+2% QoQ) respectively.

For Banpu's China coal business, the Gaohe mine entered its second year of operation with a strong production ramp up to 6 million tonnes and relatively stable coal selling prices. Equity income from China coal was USD 27.41 million in 2013 (+18%) and USD 8.83 million in 4Q/2013 (+120.%QoQ)

Earnings from Power business remain solid as reflected by strong performance of both BLCP and BIC in China. BLCP equity income was USD 81.99 million including a foreign exchange gain of USD 15.76 million. The equity income in 4Q/2013 was modest at USD 8.51 million due to the planned shutdown for annual maintenance. The power plants in China generated a record annual net profit of USD 23.53 million, with winter demand pushing up quarterly net profit to USD 5.24 million in 4Q/2013.

EBITDA for 2013 amounted to USD 697 million, 28% lower. EBITDA from coal was USD 594 million (34% lower) and EBITDA from power was USD 103 million (52% higher).



Auditor's Report

To the Shareholders of Banpu Public Company Limited

I have audited the accompanying consolidated and company financial statements of Banpu Public Company Limited and its subsidiaries and of Banpu Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Banpu Public Company Limited and its subsidiaries and of Banpu Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to Note 35 e) to these financial statements, which describes a litigation filed against the Company and its subsidiary which is currently going through the judicial process. My opinion is not qualified in respect of this matter.

(Somchai Jinnovart)

Certified Public Accountant (Thailand) No. 3271
PricewaterhouseCoopers ABAS Ltd.

Bangkok
19 February 2014



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Consolidated				
	Notes	2013	2012	2011
Assets				
Current assets				
Cash and cash equivalents	8	445,916	744,889	931,831
Short-term investments		12,262	23,160	-
Trade accounts receivable, net	9	280,638	318,552	337,708
Amounts due from related parties	34	191	199	201
Dividend receivable from a related party	34	215,835	248,081	195,183
Advances to related parties	34	-	45	143
Inventories, net	10	160,632	203,589	188,476
Spare parts and machinery supplies, net		52,323	51,182	49,191
Financial derivative assets due in one year	11	1,293	12,179	63,354
Accounts receivable from disposal of investment in a subsidiary	-	-	-	67,449
Short-term loans to other companies		275	-	-
Current portion of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	18	203,064	221,808	67,382
Other current assets	12	145,023	161,636	159,793
Total current assets		1,517,452	1,985,320	2,060,711
Non-current assets				
Loans to employees		697	459	397
Long-term loans to other companies, net		-	-	150
Interests in joint ventures	13	571,130	541,288	535,909
Other investments, net	14	18,204	23,901	13,709
Investment property, net	15	2,406	3,263	2,753
Property, plant and equipment, net	16	1,455,779	1,574,446	1,407,853
Deferred income tax assets	17	120,731	117,076	62,945
Financial derivative assets	11	675	7,603	-
Other non-current assets				
- Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	18	756,869	704,105	645,381
- Mining property rights, net	19	2,051,015	2,142,739	2,241,727
- Projects under development	20	2,607	2,506	21,289
- Goodwill	21	524,120	524,103	524,103
- Other non-current assets		190,904	85,264	91,101
Total non-current assets		5,695,137	5,726,753	5,547,317
Total assets		7,212,589	7,712,073	7,608,028

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Consolidated				
	Notes	2013	2012	2011
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	22	151,566	7,955	133,865
Trade accounts payable		70,382	97,592	134,157
Advances from and amounts due to a related party	34	-	1	6
Current portion of borrowings, net	24	280,636	265,009	112,400
Current portion of debentures	25	67,045	-	63,109
Financial derivative liabilities due in one year	11	40,164	8,405	14,626
Other current liabilities				
- Accrued overburden and coal transportation costs		165,607	185,678	146,498
- Accrued interest expenses		17,577	12,236	12,326
- Accrued royalty expenses		35,623	46,585	39,342
- Accrued income taxes		21,343	37,050	175,332
- Accrued employee benefits	26	82,919	97,427	83,881
- Other current liabilities	23	308,833	307,083	279,611
Total current liabilities		1,241,695	1,065,021	1,195,153
Non-current liabilities				
Long-term loans from other company		738	861	843
Long-term borrowings, net	24	1,672,152	1,988,791	1,988,893
Debentures, net	25	1,057,634	905,954	686,469
Deferred income tax liabilities	17	245,710	262,204	218,502
Employee retirement benefits obligation	26	24,529	28,005	22,223
Deferred unfavourable contract liabilities, net		221,125	276,349	336,654
Financial derivative liabilities	11	74,083	49,689	41,738
Other liabilities		82,727	88,842	65,254
Total non-current liabilities		3,378,698	3,600,695	3,360,576
Total liabilities		4,620,393	4,665,716	4,555,729

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Consolidated				
	Notes	2013	2012	2011
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	27			
Registered share capital				
3,540,504,790 ordinary shares of Baht 1 each				
(2012 and 2011: 354,050,479 ordinary shares of Baht 10 each)		104,850	104,850	104,850
Issued and paid-up share capital				
2,717,478,550 ordinary shares of Baht 1 each				
(2012 and 2011: 271,747,855 ordinary shares of Baht 10 each)		80,477	80,477	80,477
Premium on share capital	27	149,800	149,800	149,800
Less Treasury stocks	27	(133,379)	-	-
Retained earnings				
Appropriated				
- Legal reserve	28	74,979	71,894	57,693
- Other reserves	29	152,944	11,931	-
Unappropriated		2,019,586	2,184,468	2,124,131
Other components of shareholders' equity	30	(115,374)	175,556	223,938
Total parent's shareholders' equity		2,229,033	2,674,126	2,636,039
Non-controlling interests		363,163	372,231	416,260
Total shareholders' equity		2,592,196	3,046,357	3,052,299
Total liabilities and shareholders' equity		7,212,589	7,712,073	7,608,028



Statement of Financial Position

As at 31 December 2013

Baht'000

Consolidated				
	Notes	2013	2012 Restated	2011 Restated
Assets				
Current assets				
Cash and cash equivalents	8	14,632,112	22,817,155	29,530,829
Short-term investments		402,375	709,415	-
Trade accounts receivable, net	9	9,208,745	9,757,745	10,702,359
Amounts due from related parties	34	6,252	6,096	6,358
Dividend receivable from a related party	34	7,082,311	7,599,111	6,185,589
Advances to related parties	34	-	1,389	4,522
Inventories, net	10	5,270,901	6,236,270	5,973,030
Spare parts and machinery supplies, net		1,716,900	1,567,785	1,558,930
Financial derivative assets due in one year	11	42,430	373,055	2,007,776
Accounts receivable from disposal of investment in a subsidiary		-	-	2,137,535
Short-term loans to other companies		9,024	-	-
Current portion of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	18	6,663,250	6,794,361	2,135,416
Other current assets	12	4,758,727	4,951,169	5,064,022
Total current assets		49,793,027	60,813,551	65,306,366
Non-current assets				
Loans to employees		22,878	14,070	12,591
Long-term loans to other companies, net		-	-	4,754
Interests in joint ventures	13	18,740,846	16,580,528	16,983,606
Other investments, net	14	597,345	732,131	434,453
Investment property, net	15	78,949	99,958	87,230
Property, plant and equipment, net	16	47,769,341	48,227,800	44,616,535
Deferred income tax assets	17	3,961,624	3,586,267	1,994,815
Financial derivative assets	11	22,150	232,887	-
Other non-current assets				
- Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	18	24,835,598	21,567,851	20,452,889
- Mining property rights, net	19	67,301,171	65,635,537	71,043,013
- Projects under development	20	85,530	76,748	674,689
- Goodwill	21	17,198,275	16,054,122	16,609,462
- Other non-current assets		6,264,247	2,611,764	2,887,112
Total non-current assets		186,877,954	175,419,663	175,801,149
Total assets		236,670,981	236,233,214	241,107,515

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

Baht'000

Consolidated				
	Notes	2013	2012 Restated	2011 Restated
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	22	4,973,439	243,669	4,242,329
Trade accounts payable		2,309,491	2,989,390	4,251,595
Advances from and amounts due to a related party	34	-	42	195
Current portion of borrowings, net	24	9,208,679	8,117,657	3,562,087
Current portion of debentures	25	2,200,000	-	2,000,000
Financial derivative liabilities due in one year	11	1,317,941	257,452	463,509
Other current liabilities				
- Accrued overburden and coal transportation costs		5,434,173	5,687,609	4,642,691
- Accrued interest expenses		576,773	374,804	390,639
- Accrued royalty expenses		1,168,905	1,426,970	1,246,809
- Accrued income taxes		700,353	1,134,905	5,556,470
- Accrued employee benefits	26	2,720,877	2,984,334	2,658,277
- Other current liabilities	23	10,133,882	9,406,523	8,861,221
Total current liabilities		40,744,513	32,623,355	37,875,822
Non-current liabilities				
Long-term loans from other company		24,218	26,375	26,724
Long-term borrowings, net	24	54,869,336	60,919,846	63,030,420
Debentures, net	25	34,704,764	27,750,830	21,755,026
Deferred income tax liabilities	17	8,062,634	8,031,739	6,924,620
Employee retirement benefits obligation	26	804,874	857,852	704,269
Deferred unfavourable contract liabilities, net		7,255,910	8,465,018	10,668,955
Financial derivative liabilities	11	2,430,917	1,522,048	1,322,713
Other liabilities		2,714,584	2,721,343	2,067,987
Total non-current liabilities		110,867,237	110,295,051	106,500,714
Total liabilities		151,611,750	142,918,406	144,376,536



Statement of Financial Position

As at 31 December 2013

Baht'000

Consolidated				
	Notes	2013	2012 Restated	2011 Restated
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	27			
Registered share capital				
3,540,504,790 ordinary shares of Baht 1 each				
(2012 and 2011: 354,050,479 ordinary shares of Baht 10 each)		3,540,505	3,540,505	3,540,505
Issued and paid-up share capital				
2,717,478,550 ordinary shares of Baht 1 each				
(2012 and 2011: 271,747,855 ordinary shares of Baht 10 each)		2,717,479	2,717,479	2,717,479
Premium on share capital	27	5,058,329	5,058,329	5,058,329
Less Treasury stocks	27	(3,958,569)	-	-
Retained earnings				
Appropriated				
- Legal reserve	28	2,440,047	2,347,572	1,915,187
- Other reserves	29	4,558,383	371,409	-
Unappropriated		66,924,020	71,781,151	69,850,423
Other components of shareholders' equity	30	(4,183,059)	(362,593)	4,608,881
Total parent's shareholders' equity		73,556,630	81,913,347	84,150,299
Non-controlling interests		11,502,601	11,401,461	12,580,680
Total shareholders' equity		85,059,231	93,314,808	96,730,979
Total liabilities and shareholders' equity		236,670,981	236,233,214	241,107,515

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Company				
	Notes	2013	2012	2011
Assets				
Current assets				
Cash and cash equivalents	8	25,872	152,849	33,546
Trade accounts receivable, net	9	10,292	14,236	13,001
Amounts due from related parties	34	32,238	19,277	68,727
Short-term loan to a related party	34	46	-	-
Dividend receivables from related parties	34	426,097	592,122	282,305
Advances to related parties	34	248	918	9,759
Inventories, net	10	6,147	8,124	13,180
Spare parts and machinery supplies, net		1,808	1,808	2,193
Other current assets	12	6,141	9,632	8,373
Total current assets		508,889	798,966	431,084
Non-current assets				
Loans to employees		1	1	1
Long-term loans to related parties	34	2,304,016	2,139,116	2,261,278
Long-term loans to other companies, net		-	-	150
Investments in subsidiaries	13	369,757	346,803	243,908
Other investments, net	14	9,137	10,971	8,202
Investment property, net	15	1,539	2,306	2,306
Property, plant and equipment, net	16	5,123	7,141	5,302
Deferred income tax asset	17	10,934	16,732	8,605
Financial derivative assets	11	675	-	-
Other non-current assets				
- Projects under development	20	332	328	261
- Other non-current assets		6,699	12,222	3,027
Total non-current assets		2,708,213	2,535,620	2,533,040
Total assets		3,217,102	3,334,586	2,964,124

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Company				
	Notes	2013	2012	2011
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	22	118,000	-	104,000
Trade accounts payable - a subsidiary	34	6,406	3,663	4,324
Advances from and amounts due to related parties	34	2	199	362
Short-term loan from a related party	34	-	16,100	-
Current portion of borrowings, net	24	208,878	192,237	99,777
Current portion of debentures	25	67,045	-	63,109
Financial derivative liabilities due in one year	11	-	1,788	6,389
Other current liabilities				
- Accrued overburden and coal transportation costs		-	-	7
- Accrued interest expenses		17,469	11,906	11,871
- Accrued royalty expenses		375	431	79
- Other current liabilities	23	6,958	9,897	16,115
Total current liabilities		425,133	236,221	306,033
Non-current liabilities				
Long-term loans from a related party	34	-	5,700	-
Long-term borrowings, net	24	1,059,878	1,469,852	1,420,887
Debentures, net	25	1,057,634	905,954	686,469
Employee retirement benefits obligation	26	8,451	8,422	7,863
Financial derivative liabilities	11	46,385	44,048	27,136
Other liabilities		122	146	190
Total non-current liabilities		2,172,470	2,434,122	2,142,545
Total liabilities		2,597,603	2,670,343	2,448,578

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

US Dollar'000

Company				
	Notes	2013	2012	2011
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	27			
Registered share capital				
3,540,504,790 ordinary shares of Baht 1 each				
(2012 and 2011: 354,050,479 ordinary shares of Baht 10 each)		104,850	104,850	104,850
Issued and paid-up share capital				
2,717,478,550 ordinary shares of Baht 1 each				
(2012 and 2011: 271,747,855 ordinary shares of Baht 10 each)		80,477	80,477	80,477
Premium on share capital	27	149,800	149,800	149,800
Less Treasury stocks	27	(133,379)	-	-
Retained earnings				
Appropriated				
- Legal reserve	28	10,485	10,485	10,485
- Other reserve	29	133,379	-	-
Unappropriated		379,033	421,725	274,564
Other components of shareholders' equity	30	(296)	1,756	220
Total shareholders' equity		619,499	664,243	515,546
Total liabilities and shareholders' equity		3,217,102	3,334,586	2,964,124



Statement of Financial Position

As at 31 December 2013

Baht'000

Company				
	Notes	2013	2012 Restated	2011 Restated
Assets				
Current assets				
Cash and cash equivalents	8	848,967	4,682,015	1,063,103
Trade accounts receivable, net	9	337,702	436,067	412,028
Amounts due from related parties	34	1,057,858	590,499	2,178,030
Short-term loan to a related party	34	1,500	-	-
Dividend receivables from related parties	34	13,981,774	18,137,635	8,946,595
Advances to related parties	34	8,152	28,106	309,261
Inventories, net	10	201,706	248,857	417,694
Spare parts and machinery supplies, net		59,326	55,383	69,506
Other current assets	12	201,505	295,044	265,346
Total current assets		16,698,490	24,473,606	13,661,563
Non-current assets				
Loans to employees		19	34	35
Long-term loans to related parties	34	75,603,062	65,524,550	71,662,610
Long-term loans to other companies, net		-	-	4,754
Investments in subsidiaries	13	12,133,058	10,623,131	7,729,727
Other investments, net	14	299,811	336,042	259,928
Investment property, net	15	50,491	70,650	73,094
Property, plant and equipment, net	16	168,093	218,741	168,028
Deferred income tax assets	17	358,778	512,496	272,701
Financial derivative assets	11	22,150	-	-
Other non-current assets				
- Projects under development	20	10,901	10,057	8,285
- Other non-current assets		219,823	374,388	95,942
Total non-current assets		88,866,186	77,670,089	80,275,104
Total assets		105,564,676	102,143,695	93,936,667

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Financial Position

As at 31 December 2013

Baht'000

Company				
	Notes	2013	2012 Restated	2011 Restated
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	22	3,872,005	-	3,295,885
Trade accounts payable - a subsidiary	34	210,193	112,204	137,023
Advances from and amounts due to related parties	34	60	6,085	11,487
Short-term loan from a related party	34	-	493,169	-
Current portion of borrowings, net	24	6,854,032	5,888,518	3,162,052
Current portion of debentures	25	2,200,000	-	2,000,000
Financial derivative liabilities due in one year	11	-	54,773	202,472
Other current liabilities				
- Accrued overburden and coal transportation costs		-	-	227
- Accrued interest expenses		573,233	364,685	376,210
- Accrued royalty expenses		12,304	13,214	2,499
- Other current liabilities	23	228,326	303,180	510,732
Total current liabilities		13,950,153	7,235,828	9,698,587
Non-current liabilities				
Long-term loans from a related company	34	-	174,600	-
Long-term borrowings, net	24	34,778,421	45,023,909	45,029,609
Debentures, net	25	34,704,764	27,750,830	21,755,026
Employee retirement benefits obligation	26	277,292	257,993	249,173
Financial derivative liabilities	11	1,522,061	1,349,258	859,978
Other liabilities		3,989	4,475	6,032
Total non-current liabilities		71,286,527	74,561,065	67,899,818
Total liabilities		85,236,680	81,796,893	77,598,405



Statement of Financial Position

As at 31 December 2013

Baht'000

Company				
	Notes	2013	2012 Restated	2011 Restated
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	27			
Registered share capital				
3,540,504,790 ordinary shares of Baht 1 each				
(2012 and 2011: 354,050,479 ordinary shares of				
Baht 10 each)		3,540,505	3,540,505	3,540,505
Issued and paid-up share capital				
2,717,478,550 ordinary shares of Baht 1 each				
(2012 and 2011: 271,747,855 ordinary shares of				
Baht 10 each)		2,717,479	2,717,479	2,717,479
Premium on share capital	27	5,058,329	5,058,329	5,058,329
Less Treasury stocks	27	(3,958,569)	-	-
Retained earnings				
Appropriated				
- Legal reserve	28	354,051	354,051	354,051
- Other reserve	29	3,958,569	-	-
Unappropriated		11,192,257	12,504,546	7,916,535
Other components of shareholders' equity	30	1,005,880	(287,603)	291,868
Total shareholders' equity		20,327,996	20,346,802	16,338,262
Total liabilities and shareholders' equity		105,564,676	102,143,695	93,936,667

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Comprehensive Income

For the year ended 31 December 2013

US Dollar'000

Baht'000

Consolidated				
	Notes	2013	2012	2013 2012 Restated
Sales		3,350,891	3,774,745	102,943,785 117,313,980
Cost of sales		(2,275,671)	(2,332,192)	(69,871,980) (72,467,798)
Gross profit		1,075,220	1,442,553	33,071,805 44,846,182
Selling expenses		(271,661)	(293,695)	(8,330,872) (9,124,694)
Administrative expenses		(225,401)	(281,843)	(6,933,827) (8,753,333)
Royalty fee		(324,978)	(382,810)	(9,987,496) (11,895,071)
Profit from sales		253,180	484,205	7,819,610 15,073,084
Dividend income from other companies		378	600	11,460 18,669
Interest income		12,130	22,019	371,288 684,183
Net loss on exchange rate		(27,036)	(26,745)	(780,416) (828,852)
Net gain from financial derivatives		27,005	106,244	784,463 3,303,354
Management fee and others		43,174	41,748	1,318,693 1,292,078
Interest expenses		(116,240)	(111,647)	(3,575,432) (3,470,280)
Finance costs		(10,454)	(10,625)	(321,639) (330,975)
Interests in joint ventures	13	95,433	85,487	2,908,858 2,662,618
Profit before income taxes		277,570	591,286	8,536,885 18,403,879
Income taxes	17	(90,119)	(167,747)	(2,787,047) (5,235,250)
Net profit for the year		187,451	423,539	5,749,838 13,168,629
Other comprehensive income (expense) after taxes:				
Gain (loss) on remeasuring on available-for-sale investments		(5,963)	3,353	(196,628) 107,236
Cash flow hedge reserve		(78,526)	(1,048)	(2,522,615) (59,487)
Share of other comprehensive income (expense) of joint ventures		6,999	(15,553)	154,132 (455,811)
Translation adjustment		(198,916)	(12,443)	(409,367) (3,724,888)
Other comprehensive expense for the year		(276,406)	(25,691)	(2,974,478) (4,132,950)
Total comprehensive income (expense)				
for the year, net of taxes		(88,955)	397,848	2,775,360 9,035,679
Attributable to:				
Owners of the parent		102,655	271,683	3,150,997 8,441,220
Non-controlling interests		84,796	151,856	2,598,841 4,727,409
		187,451	423,539	5,749,838 13,168,629
Total comprehensive income (expense) attributable to:				
Owners of the parent		(174,054)	248,070	(207,117) 4,228,480
Non-controlling interests		85,099	149,778	2,982,477 4,807,199
		(88,955)	397,848	2,775,360 9,035,679
Earnings per share			US Dollar	Baht
Basic earnings per share	32	0.040	0.100	1.220 3.106

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Comprehensive Income

For the year ended 31 December 2013

		US Dollar'000		Baht'000	
Company					
	Notes	2013	2012	2013	2012 Restated
Sales		52,116	67,130	1,599,010	2,084,102
Cost of sales		(48,486)	(64,125)	(1,488,060)	(1,991,038)
Gross profit		3,630	3,005	110,950	93,064
Selling expenses		(2,808)	(3,201)	(86,167)	(98,420)
Administrative expenses		(52,097)	(56,425)	(1,601,301)	(1,752,234)
Royalty fee		(61)	(470)	(1,932)	(14,449)
Loss from sales		(51,336)	(57,091)	(1,578,450)	(1,772,039)
Dividend income from subsidiaries	34	214,954	363,695	6,423,468	11,274,469
Dividend income from other companies		183	338	5,473	10,557
Interest income		75,492	76,145	2,321,246	2,366,899
Net gain (loss) on exchange rate		32,173	(448)	1,009,779	(15,126)
Net gain (loss) from financial derivatives		2,969	(8,494)	66,179	(269,995)
Management fee and others		37,657	36,283	1,151,497	1,127,429
Interest expenses		(88,213)	(82,783)	(2,714,668)	(2,573,167)
Finance costs		(3,476)	(3,827)	(106,861)	(120,042)
Profit before income taxes		220,403	323,818	6,577,663	10,028,985
Income taxes	17	(6,277)	8,510	(202,704)	264,289
Net profit for the year		214,126	332,328	6,374,959	10,293,274
Other comprehensive income (expense) after taxes:					
Gain (loss) on remeasuring on available-for-sale investments		(2,052)	1,536	(63,457)	46,820
Translation adjustment		-	-	1,356,940	(626,291)
Other comprehensive income (expense) for the year		(2,052)	1,536	1,293,483	(579,471)
Total comprehensive income for the year, net of taxes		212,074	333,864	7,668,442	9,713,803
Earnings per share			US Dollar		Baht
Basic earnings per share	32	0.083	0.122	2.469	3.788

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

US Dollar'000

Consolidated														
Attributable to owners of the parent														
Other components of shareholders' equity														
Other comprehensive income (expense)														
Share of other comprehensive income														
Total other components														
Share of other comprehensive income														
Total share-holders' equity														
Non-controlling interests														
Total share-holders' equity														
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserve	Un-appropriated	dilution of investments in subsidiaries	Fair value of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income of joint ventures	Translation adjustment	share-holders' equity	Non-controlling interests	Total share-holders' equity
Opening balance as at														
1 January 2013	80,477	149,800	-	71,894	11,931	2,184,468	162,722	(447)	24,808	(34,248)	22,721	175,556	372,231	3,046,357
Treasury stocks	27	-	-	(133,379)	-	-	-	-	-	-	-	-	-	(133,379)
Treasury stocks reserve	27	-	-	-	133,379	(133,379)	-	-	-	-	-	-	-	-
Legal reserve	28	-	-	-	3,085	-	(3,085)	-	-	-	-	-	-	-
Other reserves	29	-	-	-	-	7,634	(7,634)	-	-	-	-	-	-	-
Dividend paid	33	-	-	-	-	-	(123,439)	-	-	-	-	-	-	(123,439)
Dividend paid of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	(94,167)	(94,167)
Discount on dilution of investments in subsidiaries		-	-	-	-	-	-	(14,221)	-	-	-	-	(14,221)	(14,221)
Other comprehensive income (expense) attributed to non-controlling interests		-	-	-	-	-	-	-	-	-	(303)	(303)	303	-
Total comprehensive income (expense) for the year		-	-	-	-	-	102,655	-	(5,963)	(78,526)	6,999	(198,916)	(276,406)	(88,955)
Closing balance as at														
31 December 2013	80,477	149,800	(133,379)	74,979	152,944	2,019,586	148,501	(6,410)	(53,718)	(27,249)	(176,498)	(115,374)	363,163	2,592,196

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

US Dollar'000

Consolidated														
Attributable to owners of the parent														
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Retained earnings			Other components of shareholders' equity							Total share-holders' equity
							Other comprehensive income (expense)							
							Surplus (discount) on dilution of investments in subsidiaries	Fair value of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income (expense) of joint ventures	Translation adjustment	Total other components of share-holders' equity		
				Legal reserve	Other reserve	Un-appropriated							Non-controlling interests	
Opening balance as at														
1 January 2012	80,477	149,800	-	57,693	-	2,124,131	187,491	(3,800)	25,856	(18,695)	33,086	223,938	416,260	3,052,299
Impact from liquidation of a subsidiary	28	-	-	(47)	-	-	-	-	-	-	-	-	-	(47)
Legal reserve	28	-	-	14,248	-	(14,248)	-	-	-	-	-	-	-	-
Other reserves	29	-	-	-	11,931	(11,931)	-	-	-	-	-	-	-	-
Dividend paid	33	-	-	-	-	(185,167)	-	-	-	-	-	-	-	(185,167)
Dividend paid of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	(176,738)	(176,738)
Discount on dilution of investments in subsidiaries		-	-	-	-	-	(24,769)	-	-	-	-	(24,769)	(17,069)	(41,838)
Other comprehensive income (expense) non-controlling interests		-	-	-	-	-	-	-	-	-	2,078	2,078	(2,078)	-
Total comprehensive income (expense) for the year		-	-	-	-	271,683	-	3,353	(1,048)	(15,553)	(12,443)	(25,691)	151,856	397,848
Closing balance as at														
31 December 2012	80,477	149,800	-	71,894	11,931	2,184,468	162,722	(447)	24,808	(34,248)	22,721	175,556	372,231	3,046,357

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

Baht'000

Consolidated															
	Notes	Attributable to owners of the parent													
		Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Retained earnings			Other components of shareholders' equity							
								Other comprehensive income (expense)							
					Legal reserve	Other reserves	Un-appropriated	dilution of investments in subsidiaries	Fair value of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income of joint ventures	Translation adjustment	Total other components of shareholders' equity	Non-controlling interests	Total shareholders' equity
Opening balance as at 1 January 2013	2,717,479	5,058,329	-	2,347,572	371,409	66,329,643	6,001,364	(7,093)	-	-	(5,516,433)	477,838	11,302,177	88,604,447	
Effects of a change in accounting policies	3	-	-	-	-	-	5,451,508	-	(6,599)	759,908	(1,048,270)	(545,470)	(840,431)	99,284	4,710,361
Balance after adjusted		2,717,479	5,058,329	-	2,347,572	371,409	71,781,151	6,001,364	(13,692)	759,908	(1,048,270)	(6,061,903)	(362,593)	11,401,461	93,314,808
Treasury stocks	27	-	-	(3,958,569)	-	-	-	-	-	-	-	-	-	-	(3,958,569)
Treasury stocks reserve	27	-	-	-	-	3,958,569	(3,958,569)	-	-	-	-	-	-	-	-
Legal reserve	28	-	-	-	92,475	-	(92,475)	-	-	-	-	-	-	-	-
Other reserves	29	-	-	-	-	228,405	(228,405)	-	-	-	-	-	-	-	-
Dividend paid	33	-	-	-	-	-	(3,728,679)	-	-	-	-	-	-	-	(3,728,679)
Dividend paid of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	(2,881,337)	(2,881,337)
Discount on dilution of investments in subsidiaries		-	-	-	-	-	-	(462,352)	-	-	-	-	(462,352)	-	(462,352)
Other comprehensive income (expense) attributed to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(383,636)	(383,636)	383,636	-
Total comprehensive income (expense) for the year		-	-	-	-	-	3,150,997	-	(196,628)	(2,522,615)	154,132	(409,367)	(2,974,478)	2,598,841	2,775,360
Closing balance as at 31 December 2013		2,717,479	5,058,329	(3,958,569)	2,440,047	4,558,383	66,924,020	5,539,012	(210,320)	(1,762,707)	(894,138)	(6,854,906)	(4,183,059)	11,502,601	85,059,231

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

Baht'000

Consolidated														
Attributable to owners of the parent														
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Retained earnings			Other components of shareholders' equity							
							Other comprehensive income (expense)							
							Surplus (discount) on dilution of investments in subsidiaries	Fair value of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income (expense) of joint ventures	Translation adjustment	Total other components of shareholders' equity	Non-controlling interests	Total share-holders' equity
as at 1 January 2012	2,717,479	5,058,329	-	1,915,187	-	63,546,940	6,760,098	(134,697)	-	-	(3,972,203)	2,653,198	12,764,539	88,655,672
Effects of a change in														
accounting policies	-	-	-	-	-	6,303,483	-	13,769	819,395	(592,459)	1,714,978	1,955,683	(183,859)	8,075,307
Balance after adjusted	2,717,479	5,058,329	-	1,915,187	-	69,850,423	6,760,098	(120,928)	819,395	(592,459)	(2,257,225)	4,608,881	12,580,680	96,730,979
Impact from liquidation of a subsidiary	28	-	-	(1,435)	-	-	-	-	-	-	-	-	-	(1,435)
Legal reserve	28	-	-	433,820	-	(433,820)	-	-	-	-	-	-	-	-
Other reserves	29	-	-	-	371,409	(371,409)	-	-	-	-	-	-	-	-
Dividend paid	33	-	-	-	-	(5,705,263)	-	-	-	-	-	-	-	(5,705,263)
Dividend paid of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(5,463,614)	(5,463,614)
Discount on dilution of investments														
in subsidiaries	-	-	-	-	-	-	(758,734)	-	-	-	-	(758,734)	(522,804)	(1,281,538)
Other comprehensive income														
(expense) attributed to														
non-controlling interests	-	-	-	-	-	-	-	-	-	-	(79,790)	(79,790)	79,790	-
Total comprehensive income														
(expense) for the year	-	-	-	-	-	8,441,220	-	107,236	(59,487)	(455,811)	(3,724,888)	(4,132,950)	4,727,409	9,035,679
Closing balance														
as at 31 December 2012	2,717,479	5,058,329	-	2,347,572	371,409	71,781,151	6,001,364	(13,692)	759,908	(1,048,270)	(6,061,903)	(362,593)	11,401,461	93,314,808

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

US Dollar'000

Company												
Attributable to owners of the parent												
										Other components of shareholders' equity		
										Other comprehensive income (expense)		
										Fair value reserve of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserve	Unappropriated						
Opening balance as at 1 January 2013	80,477	149,800	-	10,485	-	421,725	1,756	1,756	664,243			
Treasury stocks	27	-	-	(133,379)	-	-	-	-	(133,379)			
Treasury stocks reserve	27	-	-	-	-	133,379	(133,379)	-	-			
Dividend paid	33	-	-	-	-	-	(123,439)	-	-			
Total comprehensive income (expense) for the year		-	-	-	-	-	214,126	(2,052)	(2,052)			
Closing balance as at 31 December 2013		80,477	149,800	(133,379)	10,485	133,379	379,033	(296)	(296)	619,499		
Opening balance as at 1 January 2012		80,477	149,800	-	10,485	-	274,564	220	220	515,546		
Dividend paid		-	-	-	-	-	(185,167)	-	-	(185,167)		
Total comprehensive income for the year	33	-	-	-	-	-	332,328	1,536	1,536	333,864		
Closing balance as at 31 December 2012		80,477	149,800	-	10,485	-	421,725	1,756	1,756	664,243		

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

Baht'000

Compnay											
Attributable to owners of the parent											
Other components of shareholders' equity											
Other comprehensive income (expense)											
Fair value reserve of available-for-sale investments											
Translation adjustment											
Total other components of shareholders' equity											
Total shareholders' equity											
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserve	Un-appropriated	for-sale investments	Translation adjustment	holders' equity	holders' equity	holders' equity
Opening balance as at 1 January 2013	2,717,479	5,058,329	-	354,051	-	13,130,291	67,241	-	67,241	21,327,391	
Effects of a change in accounting policies	3	-	-	-	-	(625,745)	(13,448)	(341,396)	(354,844)	(980,589)	
Balance after adjusted	2,717,479	5,058,329	-	354,051	-	12,504,546	53,793	(341,396)	(287,603)	20,346,802	
Treasury stocks	27	-	-	(3,958,569)	-	-	-	-	-	(3,958,569)	
Treasury stocks reserve	27	-	-	-	-	3,958,569	(3,958,569)	-	-	-	
Dividend paid	33	-	-	-	-	(3,728,679)	-	-	-	(3,728,679)	
Total comprehensive income (expense) for the year		-	-	-	-	6,374,959	(63,457)	1,356,940	1,293,483	7,668,442	
Closing balance as at 31 December 2013	2,717,479	5,058,329	(3,958,569)	354,051	3,958,569	11,192,257	(9,664)	1,015,544	1,005,880	20,327,996	
Opening balance as at 1 January 2012	2,717,479	5,058,329	-	354,051	-	5,444,537	1,894	-	1,894	13,576,290	
Effects of a change in accounting policies		-	-	-	-	2,471,998	5,079	284,895	289,974	2,761,972	
Balance after adjusted	2,717,479	5,058,329	-	354,051	-	7,916,535	6,973	284,895	291,868	16,338,262	
Dividend paid	33	-	-	-	-	(5,705,263)	-	-	-	(5,705,263)	
Total comprehensive income (expense) for the year		-	-	-	-	10,293,274	46,820	(626,291)	(579,471)	9,713,803	
Closing balance as at 31 December 2012	2,717,479	5,058,329	-	354,051	-	12,504,546	53,793	(341,396)	(287,603)	20,346,802	

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000

Baht'000

Consolidated				
Notes	2013	2012	2013	2012 Restated
Cash flows from operating activities				
Net profit for the year before income taxes	277,570	591,286	8,536,885	18,403,879
Adjustment to reconcile net profit for cash receipts (payments) from operations				-
- Depreciation and amortisation	226,117	233,893	6,947,680	7,270,120
- Write-off property, plant and equipment	16 6,937	18,741	213,187	582,558
- Reversal of allowance for impairment of property, plant and equipment	16 -	(109)	-	(3,445)
- Write-off investment property	15 767	-	23,589	-
- Allowance for impairment of investment property	15 19	-	599	-
- Reversal of dividend payables	(725)	-	(22,271)	-
- Allowance for doubtful debts	-	1,223	-	38,027
- Reversal of allowance for doubtful debts	(1,081)	-	(33,199)	-
- Allowance for net realisable value of coal	11	-	328	-
- Allowance for slow-moving of spare parts and machinery supplies	(108)	5,180	(3,321)	161,024
- Interest expenses	116,240	111,647	3,575,432	3,470,280
- Finance costs	10,454	10,625	321,639	330,975
- Interest income	(12,130)	(22,019)	(371,288)	(684,183)
- Interests in joint ventures	(95,433)	(85,487)	(2,908,858)	(2,662,618)
- Dividend income from other investments	(378)	(600)	(11,460)	(18,669)
- Gain on disposal of investment property	(4)	-	(123)	-
- Gain on disposal of property, plant and equipment	-	(245)	8	(7,630)
- Write-off investment in other company	-	20	-	620
- Gain on disposal of investment in available-for-sale securities	(3,665)	-	(112,598)	-
- Net unrealised gain from financial derivatives	73,967	45,303	2,272,710	1,408,159
- Net unrealised loss on exchange rate	(195,154)	(56,022)	(5,248,586)	(2,744,858)
Cash flow before changes in working capital	403,404	853,436	13,180,353	25,544,239

Statement of Cash Flows

For the year ended 31 December 2013

		US Dollar'000		Baht'000	
Consolidated					
	Notes	2013	2012	2013	2012 Restated
Changes in working capital					
- Trade accounts receivable		38,994	19,586	1,198,131	608,805
- Amounts due from related parties		8	2	260	50
- Advances to related parties		45	97	1,393	3,026
- Inventories		37,636	(13,835)	1,156,420	(430,047)
- Spare parts and machinery supplies		(4,907)	(6,656)	(150,783)	(206,896)
- Other current assets		13,829	(9,400)	424,916	(292,167)
- Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs		(34,003)	(212,507)	(1,044,763)	(6,605,382)
- Other non-current assets		(102,513)	26,195	(3,149,816)	814,203
- Trade accounts payable		(34,638)	(43,827)	(1,064,285)	(1,362,281)
- Advances from and amounts due to related parties		(1)	(5)	(42)	(148)
- Accrued overburden and coal transportation costs		(20,070)	39,180	(616,685)	1,217,836
- Accrued royalty expenses		(10,962)	7,242	(336,829)	225,118
- Employee retirement benefits obligation		(17,984)	19,329	(552,585)	600,794
- Other current liabilities		2,471	27,474	75,926	853,983
- Other liabilities		(6,114)	23,587	(187,848)	733,150
Cash generated from operating activities		265,195	729,898	8,933,763	21,704,283
- Interest paid		(110,899)	(111,738)	(3,407,484)	(3,473,158)
- Income tax paid		(126,994)	(316,209)	(3,902,012)	(9,828,751)
Net cash receipts from operating activities		27,302	301,951	1,624,267	8,402,374

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000

Baht'000

Consolidated				
	Notes	2013	2012	2013
				2012 Restated
Cash flows from investing activities				
Cash receipts (payment) from short-term investments from financial institutions, net		10,898	(23,160)	334,825
				(719,871)
Cash payments from short-term loan to other company		(275)	-	(8,450)
				-
Cash receipts from long-term loan to other company		-	150	-
				4,662
Cash payments from loans to employees, net		(238)	(62)	(7,309)
				(1,929)
Cash receipts from disposal of other investments		7,381	-	226,805
				-
Cash payments for purchase of other investments	14	(8,037)	(5,543)	(246,932)
				(172,304)
Cash receipts from disposal of investment in a subsidiary		-	67,449	-
				2,096,520
Cash payments for additional of investments in subsidiaries and interest in a joint venture	13	-	(1,487)	-
				(46,209)
Cash payments for projects under development	20	(101)	(2,569)	(3,104)
				(79,855)
Cash payments for purchase of property, plant and equipment		(208,625)	(333,792)	(6,410,226)
				(10,375,303)
Cash receipts from disposal of investment property		41	-	1,246
				-
Cash payments for finance lease		(8,041)	(17,861)	(247,061)
				(555,185)
Cash receipts from disposal of property, plant and equipment		5,236	1,198	160,880
				37,241
Interest received		13,016	21,150	399,933
				657,405
Cash receipts from dividends from joint ventures		103,591	19,585	3,182,945
				608,774
Cash receipts from dividends from other investments		378	600	11,625
				18,653
Net cash payments from investing activities		(84,776)	(274,342)	(2,604,823)
				(8,527,401)

Statement of Cash Flows

For the year ended 31 December 2013

		US Dollar'000		Baht'000	
Consolidated					
	Notes	2013	2012	2013	2012 Restated
Cash flows from financing activities					
Cash receipts from short-term loans from financial institutions		318,144	323,000	9,775,293	10,039,841
Repayments of short-term loans from financial institutions		(174,836)	(448,991)	(5,372,012)	(13,956,038)
Cash receipts from long-term loans from financial institutions	24	397,295	509,918	12,207,297	15,849,837
Repayments of long-term loans from financial institutions	24	(691,265)	(349,868)	(21,239,805)	(10,874,987)
Cash payments for finance costs		(7,509)	(11,479)	(230,721)	(356,793)
Cash receipts from debentures	25	292,727	189,550	8,994,342	5,891,805
Repayments of debentures	25	(5,160)	(64,344)	(158,547)	(2,000,000)
Cash payments for treasury stocks	27	(133,379)	-	(3,958,569)	-
Dividend paid to shareholders	33	(123,439)	(185,167)	(3,728,679)	(5,705,263)
Dividend paid to non-controlling interests		(94,167)	(176,738)	(2,881,337)	(5,463,614)
Net cash payments from financing activities		(221,589)	(214,119)	(6,592,738)	(6,575,212)
Net decrease in cash and cash equivalents		(279,063)	(186,510)	(7,573,294)	(6,700,239)
Exchange loss on cash and cash equivalents		(19,910)	(432)	(611,749)	(13,435)
Cash and cash equivalents at beginning of the year		744,889	931,831	22,817,155	29,530,829
Cash and cash equivalents at end of the year		445,916	744,889	14,632,112	22,817,155
Non cash transactions					
Significant non-cash transactions as at 31 December are as follow:					
Other accounts payable and finance lease for purchase of property, plant and equipment		33,977	19,208	1,114,902	588,386

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000

Baht'000

Company				
Notes	2013	2012	2013	2012 Restated
Cash flows from operating activities				
Net profit for the year before income taxes	220,403	323,818	6,577,663	10,028,985
Adjustment to reconcile net profit for cash receipts (payments) from operations				
- Depreciation and amortisation	2,015	1,770	61,913	55,017
- Write-off property, plant and equipment	16 150	114	4,617	3,558
- Write-off investment property	15 767	-	23,589	-
- Reversal of dividend payables	(725)	-	(22,271)	-
- Allowance for doubtful debts	9 (33)	-	(1,005)	-
- Allowance for slow moving and net realisable value of coal	-	643	-	19,992
- Allowance for slow moving of spare parts and machinery supplies	-	196	-	6,102
- Interest expenses	88,213	82,783	2,714,668	2,573,167
- Finance costs	3,476	3,827	106,861	120,042
- Interest income	(75,492)	(76,145)	(2,321,246)	(2,366,899)
- Dividend income from a subsidiary	(214,954)	(363,695)	(6,423,468)	(11,274,469)
- Dividend income from other investments	(183)	(338)	(5,473)	(10,557)
- Amortisation of other investments	-	20	-	622
- Gain (loss) on disposal of property, plant and equipment	(1,917)	(110)	(58,902)	(3,419)
- Gain (loss) on disposal of other investments	(2,601)	-	(79,918)	-
- Net unrealised (gain) loss from financial derivatives	(126)	12,341	(3,871)	383,597
- Net unrealised (gain) loss on exchange rate	(10,677)	22,323	(633,352)	437,301
Cash flow before changes in working capital	8,316	7,547	(60,195)	(26,961)

Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000					Baht'000
Company					
Notes	2013	2012	2013	2012	Restated
Changes in working capital					
- Trade accounts receivable	3,944	(1,235)	121,194	(38,388)	
- Amounts due from related parties	(1,980)	(1,823)	(60,837)	(56,664)	
- Advances to related parties	(392)	8,841	(12,045)	274,806	
- Inventories	1,977	4,413	60,751	137,164	
- Spare parts and machinery supplies	-	189	-	5,865	
- Other current assets	2,564	(2,120)	78,781	(65,896)	
- Other non-current assets	(171)	(8,285)	(5,254)	(257,523)	
- Trade accounts payable - a subsidiary	2,743	(668)	84,271	(20,764)	
- Advances from and amounts due to related parties	671	169	20,617	5,253	
- Accrued royalty expenses	(56)	353	(1,721)	10,972	
- Employee retirement benefits obligation	28	560	860	17,407	
- Other current liabilities	(2,214)	(6,550)	(68,027)	(203,594)	
- Other liabilities	(25)	(44)	(768)	(1,368)	
Cash generated from operating activities	15,405	1,347	157,627	(219,691)	
- Interest paid	(80,994)	(85,193)	(2,488,622)	(2,648,063)	
Net cash receipts (payments) from operating activities	(65,589)	(83,846)	(2,330,995)	(2,867,754)	

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000

Baht'000

Company				
Notes	2013	2012	2013	2012 Restated
Cash flows from investing activities				
Cash receipts from long-term loans to related parties	128,640	477,582	3,952,593	14,844,733
Cash payments for long-term loans to related parties	(80,095)	(348,437)	(2,460,999)	(10,619,834)
Cash receipts from long-term loan to other company	-	150	-	4,662
Cash payments for increase of investments in subsidiaries	-	(102,895)	-	(3,198,296)
Cash receipts from disposal of investment in other investments	4,104	22	126,094	684
Cash payments for purchase of other investments	(2,752)	(653)	(84,558)	(20,295)
Cash payments for projects under development 20	(4)	(67)	(119)	(2,083)
Cash payment for purchases of property, plant and equipment	(1,023)	(2,227)	(31,433)	(69,211)
Cash receipts from disposal of property, plant and equipment	80	157	2,458	4,880
Interest received	73,836	127,267	2,268,685	3,898,400
Cash receipts from dividends from a subsidiary	87,270	68,038	2,864,656	2,084,114
Cash receipts from dividends from other investments	183	338	5,623	10,506
Net cash receipts from investing activities	210,239	219,275	6,643,000	6,938,260

Statement of Cash Flows

For the year ended 31 December 2013

US Dollar'000					Baht'000				
Company									
	Notes	2013	2012	2013	2012	2013	2012	2013	2012
									Restated
Cash flows from financing activities									
Cash receipts from short-term loans									
from financial institutions		266,000	323,000	8,173,116	10,039,841				
Repayments of short-term loans from									
financial institutions		(148,000)	(427,000)	(4,547,448)	(13,272,484)				
Cash receipts from loan from a subsidiary		(21,800)	16,100	(669,827)	500,438				
Cash receipts from long-term loans from									
financial institutions	24	100,000	465,000	3,072,600	14,453,642				
Repayments of long-term loans from									
financial institutions	24	(494,476)	(329,495)	(15,193,255)	(10,241,717)				
Cash payments for financial costs		(2,765)	(5,249)	(84,957)	(163,155)				
Cash receipts from debentures	25	292,727	189,550	8,994,342	5,891,805				
Repayments of debentures	25	(5,160)	(64,344)	(158,547)	(2,000,000)				
Cash payments for treasury stocks	27	(133,379)	-	(3,958,569)	-				
Dividend paid to shareholders	33	(123,439)	(185,167)	(3,728,679)	(5,705,263)				
Net cash receipts (payments) from financing activities		(270,292)	(17,605)	(8,101,224)	(496,893)				
Net increase (decrease) in cash and cash equivalents		(125,642)	117,824	(3,789,219)	3,573,613				
Exchange gain (loss) on cash and cash equivalents		(1,336)	1,479	(43,829)	45,299				
Cash and cash equivalents at beginning of the year		152,849	33,546	4,682,015	1,063,103				
Cash and cash equivalents at end of the year		25,871	152,849	848,967	4,682,015				
Non cash transactions									
Significant non-cash transactions as at 31 December are as follow:									
Amount due from related party from disposal of property, plant and equipment and other assets									
		8,391	-	275,339	-				
Transactions with related parties in non-cash item :									
- Dividend income decreased		293,058	-	9,616,275	-				
- Accrued interest income decreased		26,695	-	875,950	-				
- Loan to related decreased		(23,223)	-	(762,045)	-				
- Loan to related increased		(212,357)	-	(6,968,184)	-				

The Notes to the Consolidated and Company Financial Statements on pages 140 to 233 are an integral part of these financial statements.



Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2013

1 General information

Banpu Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is 1550 New Petchburi Road, Makkasan, Ratchthewi, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Group is engaged in coal mining and power businesses.

The Group has operations in Thailand and overseas which are mainly in Indonesia, the People’s Republic of China, Australia and Mongolia.

These consolidated and company financial statements were authorised by Board of Directors on 19 February 2014.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Account Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

Commencing on 1 January 2013, the Group’s management has determined that US Dollar currency is the functional currency of the Group and has presented financial statements in US Dollar, which is in accordance with TAS 21 (Revised 2009) “The Effects of Changes in Foreign Exchange Rates” (Note 2.2.1 (b)). However, the Group is required to present its financial statements in Thai Baht by converting the US Dollar to Thai Baht, using the basis as described in Note 2.5 (c) to comply with the regulations of the Stock Exchange of Thailand and Department of Business Development.

The consolidated and company financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

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



The accounting policies used in the preparation of the financial statement are consistent with those used in the annual financial statements for the year ended 31 December 2013 except new accounting policies which are effective on 1 January 2013 as described in Note 2.2.1 and 3.

2.2 New accounting standard, new financial reporting standards, new interpretation and amendments to accounting standards (collectively “the accounting standards”)

2.2.1 The accounting standards being effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group has applied the aforementioned accounting standards. The application of those accounting standards does not have significant impact to the financial statements being presented except the following standards.

- TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current period are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of asset or liability and its carrying amount in the financial statements.
- TAS 21 (revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income.

The Group’s management has determined that the US Dollar is the functional currency and presentation currency in accordance with this accounting standard. However, the Group is required to present its financial statements in Thai Baht by converting the US Dollar to Thai Baht to comply with the regulations of the Stock Exchange of Thailand and the Department of Business Development commencing the period on 1 January 2013.

The application of TAS 12 “Income Taxes” and TAS 21 (Revised 2009) “The Effects of Changes in Foreign Exchange Rates”, the Group has retrospectively applied those two accounting standards. The impact of the changes on the consolidated and company statements of financial position as at 31 December 2012 and the consolidated and company statements of comprehensive income for the year ended 31 December 2012 are presented in Note 3.

- TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.



2.2.2 The revised accounting standards and financial reporting standards being effective for the periods beginning on or after 1 January 2014

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)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

The Group has not early adopted the aforementioned accounting standards and the Group's management is in the process of reviewing the impacts of those accounting standards. However, the significant changes in revised accounting standards and financial reporting standards to the Group are summarised as below.

- TAS 1 (Revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
- TAS 7 (Revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities.
- TAS 12 (Revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012).
- TAS 17 (Revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles.
- TAS 18 (Revised 2012) removes the appendix to TAS 18.
- TAS 19 (Revised 2012) deletes the transition provisions of the current TAS 19.



- TAS 21 (Revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011.
- TAS 24 (Revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties.
- TAS 28 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2011.
- TAS 31 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loss of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2011.
- TAS 34 (Revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report.
- TAS 36 (Revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments.
- TAS 38 (Revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives.
- TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This stanadrd has no impact to the Group. (The management is currently assessing the impact of applying this standard.)
- TFRS 3 (Revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (Revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards.
- TFRS 5 (Revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires.
- TFRS 8 (Revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker.

**2.2.3 Interpretation of accounting standards which are effective on 1 January 2014:**

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement Contains a Lease
TFRIC 5	Right to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-Cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The Group has not early adopted the aforementioned interpretation of accounting standards and the Group's management is in the process of reviewing the impacts of those accounting standards. However, the significant changes in accounting standards that may impact to the Group are summarised as below.

- TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate.
- TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets; and (b) the arrangement conveys a right to use the asset.
- TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted.
- TFRIC 7 provides guidance on how to apply the requirements of TAS 29 "Financial Reporting in Hyperinflationary Economics" in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period.
- TFRIC 10 prohibits reversal of an impairment loss recognised in a previous interim period in respect of goodwill.
- TFRIC 12 deals with public-to-private service concession arrangements for the delivery of public services. It applies only to concession agreements where the use of the infrastructure is controlled by the grantor. This interpretation requires two different accounting treatments, depending on the specific terms of the concession agreement. When the operator builds infrastructure and has an unconditional contractual right to receive cash or another financial asset from the grantor, that right is treated as a financial asset. When the operator builds infrastructure and receives a right (a licence) to charge users of the public service, that right is treated as an intangible asset.



- TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.
- TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable.
- TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets.
- TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease.
- TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement.
- TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements.
- TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets".

2.2.4 Financial Reporting Standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4

Insurance Contracts

- TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds.

2.2.5 The group will adopt the International Financial Reporting Interpretations Committee since 1 January 2014

- IFRIC 20 applies the guidance for stripping costs in the production phase of a surface mine. The Group's management is in the process of reviewing the impact of this interpretation.



2.3 Changes in accounting policies

Derivative financial instruments and hedging activities

Commencing 1 January 2013, the Group changes the accounting policies in relating to the accounting for derivative financial instruments and hedging activities. The Group recognises derivative financial instruments at fair value on the statement of financial position and changes to fair value are recognised through profit or loss.

In case the Group applies the hedge accounting which is appropriate based upon the specific criteria in accordance to hedging, the impact of recording the derivative instrument is offset to the extent that the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative's fair value are recorded as gain or loss and the hedged item is marked to market for changes in fair value associated with the hedged risk. If designated as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument shall be recognised in profit or loss.

The Group has retrospectively adjusted for the change of this accounting policy. The impact of the change on the consolidated and company statements of financial position as at 31 December 2012 and the consolidated and company statements of comprehensive income for the year ended 31 December 2012 are presented in Note 3.

2.4 Group accounting - Investments in subsidiaries and associates and interests in joint ventures

2.4.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.



2.4 Group accounting - Investments in subsidiaries and associates and interests in joint ventures

2.4.1 Subsidiaries

Intercompany transactions, balances and unrealised gains or loss on transactions between Group's companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

A list of the Group's subsidiaries are shown in Note 13.

2.4.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2.4.3 Associates and interests in jointly controlled entities

Associates and interests in jointly controlled entities are entities over which the Group has significant influence or joint control, but which it does not control. Investments in associates and interests in joint ventures are accounted for by the equity method of accounting in the consolidated financial statements. Under this method the Group's share of the post-acquisition profits and losses of associates and joint ventures is recognised in the profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or interest in a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in the associates and joint ventures, except that unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.



2.4.4 Interests in jointly controlled assets and operations

Interests in jointly controlled assets and operations are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the consolidated financial statements. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

In the company financial statements, investments in associates and interests in joint ventures are reported by using the cost method.

A list of the Group's principal associates and joint ventures are shown in Note 13.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the Functional Currency"). The Group determines US Dollar currency as functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

To comply with the regulations of the Stock Exchange of Thailand and Department of Business Development, the Group has to present the financial statements which are converted from US Dollar currency to Thai Baht currency by using the methods described in Note 2.5 (c).



2.6 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.7 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the profit or loss within administrative expenses.

2.8 Inventories, spare parts and machinery supplies

Coal inventories are valued at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of coal comprises direct labour, other direct costs and related production overhead to mine activities.

Spare parts and machinery supplies are valued at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the spare parts and machinery supplies, such as import duties and transportation charge, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories, spare parts and machinery supplies.

2.9 Accounting for derivative financial instruments and hedging activities

The Group recognises derivative financial instruments at fair value on the statement of financial position and changes to fair value are recognised through profit or loss.

In case the Group applies the hedge accounting which is appropriate based upon the specific criteria in accordance to hedging, the impact of recording the derivative instrument is offset to the extent that the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative's fair value are recorded as gain or loss and the hedged item is marked to market for changes in fair value associated with the hedged risk. If designated as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument shall be recognised in profit or loss.



2.10 Other investments

Investments other than investments in subsidiaries and associates and interests in joint ventures are classified into the following three categories: 1) held-to-maturity, 2) available-for-sale and 3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within twelve months from the statement of financial position date which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than twelve months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sales investments are recognised in equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.11 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land held for a currently undetermined future use. The Group has not determined that it will use the land as owner-occupied property or as capital appreciation.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.



2.12 Other non-current assets

2.12.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position as an intangible assets. Goodwill on acquisitions of interests in joint ventures or associates is included in interests in joint ventures and investments in associates and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified to operating segment.

2.12.2 Mining property rights

Mining property rights represent the excess of the cost of an acquisition over the fair value of net assets, which in managements' view represents future economic benefits attributable to the mining rights held by subsidiaries. Mining property rights are amortised using the units of coal production.

2.12.3 Deferred unfavourable contract liabilities

Deferred unfavourable contract liabilities are recognised as identifiable liabilities in the acquired entity's financial statements as part of the purchase price allocation at the acquisition date. The unfavourable contract liabilities incurred from an excess of the fair value of long-term coal sales contracts than sales values specified in such coal sales contracts. The deferred unfavourable contract liabilities are amortised based on delivered units of coal.

2.12.4 Deferred exploration and development expenditures

Exploration expenditures are capitalised on an area of interest basis. Such expenditures comprise net direct costs such as license, geology and geophysics expenditures and do not include general overheads or administrative expenditures not directly attributable to a particular area of interest. Exploration expenditures are capitalised as deferred expenditures when the following conditions is met:

- a) Such costs are expected to be recouped through successful development and exploitation of the area of interest or, by its sales;
- b) Exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active operations in the area are continuing.

Recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation, or sale of the respective area. Each area of interest is reviewed at the end of period. Exploration expenditures in respect of an area of interest, which has been abandoned or for which a decision has been made by the Group against the commercial viability of the area of interest, are written-off in the period the decision is made to the profit or loss.

Development expenditures and incorporated costs in developing an area of interest prior to commencement of operations in the respective area, as long as they meet the criteria for deferral, are capitalised.

Deferred exploration and development expenditure is principally amortised using the units of coal production of each area of interest starting from the commencement of the commercial operations.



2.12.5 Stripping costs/Overburden costs

For certain mining areas, stripping costs are recognised as production costs based on the average life of mine stripping ratio (the ratio of waste to coal produced). When the actual stripping ratio exceeds the life of mine average, the excess stripping costs are deferred. When the actual stripping ratio is lower than the life of mine average, the difference is adjusted against the amount of deferred costs. Changes in estimated for average life of mine stripping ratio are accounted for on a prospective basis over the remaining of mine life.

For other mining areas, stripping cost are recognised as production costs based on the actual stripping ratio for the period. During the period, if stripping costs incurred for overburden without exposing the coal are deferred and will be recognised as production costs when the coal has been exposed. Deferred costs are written-off during the period in which the coal is determined to be not available and/or not economic to be mined.

2.13 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land as it is deemed to have an indefinite life, to their residual values over their estimated useful life as follows:

Land improvement	10 years
Buildings, infrastructures, construction and building improvement	shorter period of the mine or 5 to 20 years
Machinery and equipment	2 to 20 years
Furniture	4 and 5 years
Office equipment and tools	4 and 5 years
Motor vehicles	4 and 5 years
Equipment under finance lease	5 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare the property for its intended use. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings, and related taxes;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

All other borrowing costs except for the listed above are expensed in the profit or loss.



2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 Long-term leases - where a Group is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period. Property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.16 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be draw down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.17 Employee benefits

The Group operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund, managed by trustee. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the profit and loss in the year to which they relate.

Employees are entitled to receive benefits on reaching normal retirement age under the labour law applicable in Thailand and countries, which the Group has the operation, or such other dates of entitlement as may be agreed between the Group and employees. The defined benefit obligation on the Group is measured, using the projected unit credit method in accordance with actuarial as the present value of the estimated future cash outflows, based on employee wages, turnover rate, retirement ages, mortality, length of service and others, and using the interest rates of government securities, which have terms to maturity approximating the term of the related obligations. Actuarial gains or losses arising from changes in actuarial assumptions, when exceeding 10% of the present value of defined benefit, are recognised as income or expenses over the average remaining service lives of the related employees.



Other employee benefits

Other employee benefits of the Indonesian subsidiaries, which consist of long service reward and long leave benefit, are recognised in the consolidated statement of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and the past service costs are recognised immediately in the profit or loss.

Other employee benefits of the Australian subsidiaries, which consist of annual leave, sick leave and long service leave, are paid on monthly basis in accordance with Coal Mining Industry (Long Service Leave Funding Corporation) and recognised as expenses in the profit or loss.

2.18 Provisions

Provisions, which excluded employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provision for environmental rehabilitation (if any) is recognised by units of sale at the rate determined by the Group's geologist. The provisioning rate is based on the estimated cost for mine rehabilitation through to the end of the mine. The Group reviews and revises the rate to reflect the actual expenses incurred on a regular basis.

2.19 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



2.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.21 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, rebates, discounts and transportation. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Sales of coal are quantified by weight at the front mine. The increment or reduction of coal values as a result of quality and weight noticed by customers will be recorded in the month of goods delivery.

Sales of electricity and steam are shown net of output tax and discount. Sales will be recognised upon transmission of electricity and steam at delivery points stipulated in Power Purchase Agreement and Steam Purchase Agreement.

Service income is recognised when services are rendered.

Other revenues earned by the Group are recognised on the following bases:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the Group's right to receive payment is established.

2.22 Dividends

Dividends payable are recorded in the consolidated and company's financial statements in the period in which they are approved by the Board of Directors or Shareholders.

2.23 Segment reporting

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



3 The impact on adoption of new accounting policies

The Group has retrospectively applied TAS 12, TAS 21 and accounting for derivative financial instruments and hedge accounting in the consolidated and company financial statements as at 31 December 2012 as follows:

Consolidated statement of financial position as at 31 December 2012

	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Assets			
Current assets			
Cash and cash equivalents	22,769,849	47,306	22,817,155
Short-term investments	709,415	-	709,415
Trade accounts receivable, net	9,757,683	62	9,757,745
Amounts due from related parties	6,096	-	6,096
Dividend receivables from related parties	7,599,111	-	7,599,111
Advances to related parties	1,389	-	1,389
Inventories, net	6,240,700	(4,430)	6,236,270
Spare parts and machinery supplies, net	1,573,414	(5,629)	1,567,785
Financial derivative assets due in 1 year	-	373,055	373,055
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	-	6,794,361	6,794,361
Other current assets	5,602,871	(651,702)	4,951,169
Total current assets	54,260,528	6,553,023	60,813,551
Non-current assets			
Loans to employees	14,070	-	14,070
Interests in joint ventures	20,987,687	(4,407,159)	16,580,528
Other investments, net	738,562	(6,431)	732,131
Investment property, net	107,779	(7,821)	99,958
Property, plant and equipment, net	48,232,187	(4,387)	48,227,800
Deferred income tax assets	-	3,586,267	3,586,267
Financial derivative assets	-	232,887	232,887
Other non-current assets			
- Deferred exploration and development and deferred overburden expenditures, net	28,361,321	(6,793,470)	21,567,851
- Mining property, net	67,307,590	(1,672,053)	65,635,537
- Projects under development	77,522	(774)	76,748
- Goodwill	-	16,054,122	16,054,122
- Other non-current assets	1,959,480	652,284	2,611,764
Total non-current assets	167,786,198	7,633,465	175,419,663
Total assets	222,046,726	14,186,488	236,233,214



	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	243,669	-	243,669
Trade accounts payable	2,989,277	113	2,989,390
Advances from and amounts due to related parties	42	-	42
Current portion of borrowings - net	8,143,911	(26,254)	8,117,657
Financial derivative liabilities due in 1 year	-	257,452	257,452
Other current liabilities			
- Accrued overburden and coal transportation costs	5,687,609	-	5,687,609
- Accrued interest expenses	376,179	(1,375)	374,804
- Accrued royalty expenses	1,426,963	7	1,426,970
- Accrued income taxes	1,149,880	(14,975)	1,134,905
- Accrued employee benefits	2,984,192	142	2,984,334
- Other current liabilities	9,501,225	(94,702)	9,406,523
Total current liabilities	32,502,947	120,408	32,623,355
Non-current liabilities			
Long-term loans from other company	26,374	1	26,375
Long-term borrowings, net	61,119,311	(199,465)	60,919,846
Debentures, net	27,749,525	1,305	27,750,830
Deferred income tax liabilities	-	8,031,739	8,031,739
Employee retirement benefits obligation	857,852	-	857,852
Deferred unfavourable contract liabilities, net	8,465,018	-	8,465,018
Financial derivative liabilities	-	1,522,048	1,522,048
Other liabilities	2,721,252	91	2,721,343
Total non-current liabilities	100,939,332	9,355,719	110,295,051
Total liabilities	133,442,279	9,476,127	142,918,406
Shareholders' equity			
Share capital			
Issued and paid-up	2,717,479	-	2,717,479
Premium on share capital	5,058,329	-	5,058,329
Retained earnings			
Appropriated			
- Legal reserve	2,347,572	-	2,347,572
- Other reserves	371,409	-	371,409
Unappropriated	66,329,643	5,451,508	71,781,151
Other components of shareholders' equity	477,838	(840,431)	(362,593)
Total parent's shareholders' equity	77,302,270	4,611,077	81,913,347
Non-controlling interests	11,302,177	99,284	11,401,461
Total shareholders' equity	88,604,447	4,710,361	93,314,808
Total liabilities and shareholders' equity	222,046,726	14,186,488	236,233,214



Company statement of financial position as at 31 December 2012

	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Assets			
Current assets			
Cash and cash equivalents	4,635,766	46,249	4,682,015
Trade accounts receivable, net	436,067	-	436,067
Amounts due from related parties	588,200	2,299	590,499
Dividend receivables from related parties	18,133,874	3,761	18,137,635
Advances to related parties	28,038	68	28,106
Inventories, net	255,611	(6,754)	248,857
Spare parts and machinery supplies, net	61,052	(5,669)	55,383
Other current assets	289,994	5,050	295,044
Total current assets	24,428,602	45,004	24,473,606
Non-current assets			
Loans to employees	34	-	34
Long-term loans to related parties	65,262,951	261,599	65,524,550
Investments in subsidiaries	11,314,002	(690,871)	10,623,131
Other investments, net	341,309	(5,267)	336,042
Investment property, net	77,882	(7,232)	70,650
Property, plant and equipment, net	226,676	(7,935)	218,741
Deferred income tax asset	-	512,496	512,496
Other non-current assets			
- Projects under development	10,338	(281)	10,057
- Other non-current assets	379,245	(4,857)	374,388
Total non-current assets	77,612,437	57,652	77,670,089
Total assets	102,041,039	102,656	102,143,695
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable - a subsidiary	112,738	(534)	112,204
Advances from and amounts due to related parties	6,110	(25)	6,085
Short-term loan from a related party	495,518	(2,349)	493,169
Current portion of borrowings	5,914,779	(26,261)	5,888,518
Financial derivative liabilities due in 1 year	-	54,773	54,773
Other current liabilities			
- Accrued interest expenses	366,061	(1,376)	364,685
- Accrued royalty expenses	13,214	-	13,214
- Other current liabilities	393,706	(90,526)	303,180
Total current liabilities	7,302,126	(66,298)	7,235,828



	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Liabilities and shareholders' equity (continued)			
Non-current liabilities			
Long-term loans from a related party	175,432	(832)	174,600
Long-term borrowings, net	45,224,098	(200,189)	45,023,909
Debentures, net	27,749,525	1,305	27,750,830
Employee retirement benefits obligation	257,993	-	257,993
Financial derivative liabilities	-	1,349,258	1,349,258
Other liabilities	4,474	1	4,475
Total non-current liabilities	73,411,522	1,149,543	74,561,065
Total liabilities	80,713,648	1,083,245	81,796,893
Shareholders' equity			
Share capital			
Issued and paid-up	2,717,479	-	2,717,479
Premium on share capital	5,058,329	-	5,058,329
Retained earnings			
Appropriated			
- Legal reserve	354,051	-	354,051
Unappropriated	13,130,291	(625,745)	12,504,546
Other component of shareholders' equity	67,241	(354,844)	(287,603)
Total shareholders' equity	21,327,391	(980,589)	20,346,802
Total liabilities and shareholders' equity	102,041,039	102,656	102,143,695



Consolidated statement of comprehensive income for the year-ended 31 December 2012

		Baht'000		
	Note	Before adjustments	Retrospective adjustments	After adjustments
Sales		117,337,168	(23,188)	117,313,980
Cost of sales		(72,525,759)	57,961	(72,467,798)
Gross profit		44,811,409	34,773	44,846,182
Selling expenses		(9,119,993)	(4,701)	(9,124,694)
Administrative expenses		(7,983,412)	(769,921)	(8,753,333)
Royalty fee		(11,888,967)	(6,104)	(11,895,071)
Profit from sales		15,819,037	(745,953)	15,073,084
Dividend income from other companies		18,631	38	18,669
Interest income		684,589	(406)	684,183
Net gain (loss) on exchange rate		1,325,356	(2,154,208)	(828,852)
Net gain from financial derivatives		2,212,873	1,090,481	3,303,354
Management fee and others		1,287,224	4,854	1,292,078
Interest expenses		(3,470,293)	13	(3,470,280)
Finance costs		(329,718)	(1,257)	(330,975)
Interests in joint ventures		2,872,585	(209,967)	2,662,618
Profit before income taxes		20,420,284	(2,016,405)	18,403,879
Income taxes		(6,120,512)	885,262	(5,235,250)
Net profit for the year		14,299,772	(1,131,143)	13,168,629
Other comprehensive income (expense) after taxes				
Unrealised loss on available-for-sales investments		127,604	(20,368)	107,236
Cash flow hedge reserve		-	(59,487)	(59,487)
Share of other comprehensive expense of joint ventures		-	(455,811)	(455,811)
Translation adjustment		(2,549,555)	(1,175,333)	(3,724,888)
Other comprehensive expense for the year		(2,421,951)	(1,710,999)	(4,132,950)
Total comprehensive income for the year, net of taxes		11,877,821	(2,842,142)	9,035,679
Earnings per share (Baht)	32	3.419	(0.313)	3.106



Company statement of comprehensive income for the year-ended 31 December 2012

		Baht'000		
	Note	Before adjustments	Retrospective adjustments	After adjustments
Sales		2,084,945	(843)	2,084,102
Cost of sales		(1,991,688)	650	(1,991,038)
Gross profit		93,257	(193)	93,064
Selling expenses		(99,252)	832	(98,420)
Administrative expenses		(1,765,000)	12,766	(1,752,234)
Royalty fee		(14,442)	(7)	(14,449)
Loss from sales		(1,785,437)	13,398	(1,772,039)
Dividend income from other subsidiaries		11,334,733	(60,264)	11,274,469
Dividend income from other company		10,571	(14)	10,557
Interest income		2,366,842	57	2,366,899
Net loss on exchange rate		(134,717)	119,591	(15,126)
Net loss from financial derivatives		(76,412)	(193,583)	(269,995)
Management fee and others		1,121,226	6,203	1,127,429
Interest expenses		(2,573,385)	218	(2,573,167)
Finance costs		(118,671)	(1,371)	(120,042)
Profit before income taxes		10,144,750	(115,765)	10,028,985
Income taxes		-	264,289	264,289
Net profit for the year		10,144,750	148,524	10,293,274
Other comprehensive income (expense) after taxes				
Unrealised gain on available-for-sales investments		-	46,820	46,820
Translation adjustment		58,525	(684,816)	(626,291)
Other comprehensive income (expense) for the year		58,525	(637,996)	(579,471)
Total comprehensive expense for the year, net of taxes		10,203,275	(489,472)	9,713,803
Earnings per share (Baht)	32	3.733	0.055	3.788



Consolidated statements of cash flows for the year-ended 31 December 2012

	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Cash flows from operating activities			
Net profit for the year before income taxes	20,420,284	(2,016,405)	18,403,879
Adjustment to reconcile net profit for cash receipts (payments) from operations			
- Depreciation and amortisation	6,410,069	860,051	7,270,120
- Write-off property, plant and equipment	559,999	22,559	582,558
- Reversal of allowance for impairment of property, plant and equipment	(3,336)	(109)	(3,445)
- Allowance for doubtful debts	3,593	34,434	38,027
- Allowance for slow-moving of coal	26,071	(26,071)	-
- Allowance for slow-moving of spare parts and machinery supplies	166,195	(5,171)	161,024
- Interest expenses	3,470,293	(13)	3,470,280
- Finance costs	329,718	1,257	330,975
- Interest income	(684,589)	406	(684,183)
- Interests in joint ventures	(2,872,585)	209,967	(2,662,618)
- Dividend income from other investments	(18,631)	(38)	(18,669)
- Gain on disposal of investment property	(745)	745	-
- Gain on disposal of property, plant and equipment	(7,624)	(6)	(7,630)
- Write-off investment in other company	674	(54)	620
- Net unrealised (gain) loss from financial derivatives	-	1,408,159	1,408,159
- Net unrealised (gain) loss on exchange rate	(6,332,494)	3,587,636	(2,744,858)
Cash flow before changes in working capital	21,466,892	4,077,347	25,544,239
- Trade accounts receivable	937,807	(329,002)	608,805
- Amounts due from related parties	162	(112)	50
- Advances to related parties	3,062	(36)	3,026
- Inventories	(437,286)	7,239	(430,047)
- Spare parts and machinery supplies	(205,845)	(1,051)	(206,896)
- Other current assets	816,271	(1,108,438)	(292,167)
- Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs	(5,770,158)	(835,224)	(6,605,382)
- Other non-current assets	(56,476)	870,679	814,203
- Trade accounts payable	(746,531)	(615,750)	(1,362,281)
- Advances from and amounts due to related parties	(224)	76	(148)
- Accrued overburden and coal transportation costs	1,044,918	172,918	1,217,836
- Accrued royalty expenses	180,153	44,965	225,118
- Employee retirement benefits obligation	479,855	120,939	600,794
- Other current liabilities	(40,352)	894,335	853,983
- Other liabilities	326,122	407,028	733,150
Cash generated (payments) from operating activities	17,998,370	3,705,913	21,704,283
- Interest paid	(3,487,189)	14,031	(3,473,158)
- Income tax paid	(6,876,030)	(2,952,721)	(9,828,751)
Net cash receipts (payments) from operating activities	7,635,151	767,223	8,402,374



	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Cash flows from investing activities			
Cash receipts from short-term investments	(709,415)	(10,456)	(719,871)
Cash receipts from long-term loan to other company	4,606	56	4,662
Cash receipts (payments) from loans to employees	(1,479)	(450)	(1,929)
Cash receipts from disposal of other investments	(175,396)	3,092	(172,304)
Cash payments for purchase of other investments	2,026,401	70,119	2,096,520
Cash receipts from disposal of investment in a subsidiary and joint venture	(45,000)	(1,209)	(46,209)
Cash payments for projects under development	(78,497)	(1,358)	(79,855)
Cash payments for purchase of property, plant and equipment	(11,157,031)	781,728	(10,375,303)
Cash payments for finance lease	-	(555,185)	(555,185)
Cash receipts from disposal of property, plant and equipment	33,297	3,944	37,241
Cash receipts from disposal of investment property	3,545	(3,545)	
Interest received	659,126	(1,721)	657,405
Cash receipts from dividends from joint ventures	750,000	(141,226)	608,774
Cash receipts from dividends from other investments	18,631	22	18,653
Net cash receipts (payments) from investing activities	(8,671,212)	143,811	(8,527,401)
Cash flows from financing activities			
Cash receipts from short-term loans from financial institutions	10,145,114	(105,273)	10,039,841
Repayments of short-term loans from financial institutions	(13,156,338)	(799,700)	(13,956,038)
Cash receipts from long-term loans from financial institutions	15,893,626	(43,789)	15,849,837
Repayments of long-term loans from financial institutions	(10,753,860)	(121,127)	(10,874,987)
Cash payments for finance costs	(486,702)	129,909	(356,793)
Cash receipts from debentures	6,000,000	(108,195)	5,891,805
Repayments of debentures	(2,000,000)	-	(2,000,000)
Dividend paid to shareholders	(5,705,263)	-	(5,705,263)
Dividend paid to non-controlling interest	(5,463,614)	-	(5,463,614)
Net cash receipts (payments) from financing activities	(5,527,037)	(1,048,175)	(6,575,212)
Net increase in cash and cash equivalents	(6,563,098)	(137,141)	(6,700,239)
Exchange gain (loss) on cash and cash equivalents	(189,574)	176,139	(13,435)
Cash and cash equivalents at beginning of the year	29,522,521	8,308	29,530,829
Cash and cash equivalents at end of the year	22,769,849	47,306	22,817,155



Company statements of cash flows for the year-ended 31 December 2012

	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Cash flows from operating activities			
Net profit for the year before income taxes	10,144,750	(115,765)	10,028,985
Adjustment to reconcile net profit for cash receipts (payments) from operations			
- Depreciation and amortisation	60,279	(5,262)	55,017
- Write-off projects under development	3,675	(117)	3,558
- Write-off property, plant and equipment	19,704	288	19,992
- Allowance for slow-moving of coal	6,014	88	6,102
- Allowance for slow-moving of spare parts and machinery supplies	2,573,385	(218)	2,573,167
- Interest expenses			
- Finance costs	118,671	1,371	120,042
- Interest income	(2,366,842)	(57)	(2,366,899)
- Dividend income from subsidiaries	(11,334,733)	60,264	(11,274,469)
- Dividend income from other investments	(10,571)	14	(10,557)
- Gain on disposal of property, plant and equipment	(3,423)	4	(3,419)
- Write-off investment in other company	674	(52)	622
- Net (gain) loss from financial derivatives	-	383,597	383,597
- Net unrealised (gain) loss on exchange rate	419,047	18,254	437,301
Cash flow before changes in working capital	(369,370)	342,409	(26,961)
- Trade accounts receivable	(24,039)	(14,349)	(38,388)
- Amounts due from related parties	(48,495)	(8,169)	(56,664)
- Advances to related parties	280,724	(5,918)	274,806
- Inventories	145,100	(7,936)	137,164
- Spare parts and machinery supplies	7,003	(1,138)	5,865
- Other current assets	(16,785)	(49,111)	(65,896)
- Other non-current assets	(274,857)	17,334	(257,523)
- Trade accounts payable - a subsidiary	(24,894)	4,130	(20,764)
- Advances from and amounts due to related parties	6,965	(1,712)	5,253
- Accrued royalty expenses	(227)	11,199	10,972
- Accrued overburden and coal transportation costs	10,715	(10,715)	-
- Employee retirement benefits obligation	8,820	8,587	17,407
- Other current liabilities	(357,222)	153,628	(203,594)
- Other liabilities	(1,559)	191	(1,368)
Cash generated (payments) from operating activities	(658,121)	438,430	(219,691)
- Interest paid	(2,506,757)	(141,306)	(2,648,063)
Net cash receipts (payments) from operating activities	(3,164,878)	297,124	(2,867,754)



	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
Cash flows from investing activities			
Cash receipts from long-term loan to related parties	14,834,243	10,490	14,844,733
Cash payments from long-term loan to related parties	(10,619,834)	-	(10,619,834)
Cash receipts from long-term loan to other company	4,606	56	4,662
Cash payments for increase of investment in subsidiaries	(3,210,500)	12,204	(3,198,296)
Cash receipts from disposal of other investments	-	684	684
Cash payments for purchase of other investments	(20,000)	(295)	(20,295)
Cash payments for projects under development	(1,851)	(232)	(2,083)
Cash payments for purchase of property, plant and equipment	(70,280)	1,069	(69,211)
Cash receipts from disposal of property, plant and equipment	3,965	915	4,880
Interest received	3,928,091	(29,691)	3,898,400
Cash receipts from dividends from subsidiaries	2,116,055	(31,941)	2,084,114
Cash receipts from dividends from other investments	10,571	(65)	10,506
Net cash receipts (payments) from investing activities	6,975,066	(36,806)	6,938,260
Cash flows from financing activities			
Cash receipts from short-term loans from financial institutions	10,145,114	(105,273)	10,039,841
Repayments of short-term loans from financial institutions	(13,504,061)	231,577	(13,272,484)
Cash receipts from short-term loans from subsidiaries	666,541	(166,103)	500,438
Cash receipts from long-term loans from financial institutions	14,517,777	(64,135)	14,453,642
Repayments of long-term loans from financial institutions	(10,124,642)	(117,075)	(10,241,717)
Cash payments for finance costs	(162,153)	(1,002)	(163,155)
Cash receipts from debentures	6,000,000	(108,195)	5,891,805
Repayments of debentures	(2,000,000)	-	(2,000,000)
Dividend paid to shareholders	(5,705,263)	-	(5,705,263)
Net cash receipts (payments) from financing activities	(166,687)	(330,206)	(496,893)
Net increase in cash and cash equivalents	3,643,501	(69,888)	3,573,613
Exchange gain (loss) on cash and cash equivalents	(69,969)	115,268	45,299
Cash and cash equivalents at beginning of the year	1,062,234	869	1,063,103
Cash and cash equivalents at end of the year	4,635,766	46,249	4,682,015



4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, coal price and oil price. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts, currency swaps contracts, interest rate swap contracts, coal swap contracts and oil hedging contract to hedge certain exposure.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

4.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Thai Baht, Indonesian Rupiah and Australian Dollar. The Group uses forward foreign exchange contracts and currency swaps contracts to hedge their exposure to foreign currency risk in connection with their measurement currency.

4.3 Interest rate risk

The Group manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Group allocates its debt portfolio in either short and long term contracts or loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create an alternative source of funding and to manage its financial structure properly in every country in which it invests. For example, interest rate swaps are being used to manage the proportion of fixed interest rates necessary to meet the market trends

4.4 Coal price fluctuation risk

The Group is exposed to coal price risk from substantial fluctuations in coal price in world market. The Group uses coal swap contracts to minimise its exposure to fluctuations in coal price in its business operations and maintains on emphasis on a balance of overall coal price in the Group by entering into both short-term and long-term sales agreements.

4.5 Oil price fluctuation risk

The Group is exposed to oil price risk from substantial fluctuations in oil price in world market. The Group uses oil hedging contract to minimise its exposure to fluctuation in oil price in its business operations of the Group.

4.6 Credit risk

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

4.7 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping credit lines available.



5 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Reserve and resources

The Group estimates reserve and resources based on its best estimate of product that can be economically extracted from the relevant mining area. Estimates are supported by geological studies and drilling samples to determine the reserve and resources.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.14. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

6 Capital risk management

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

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

7

[illegible]

Consolidated
US Dollar'000

	Coal				Power			Head Office	Total	Eliminated entries	Total
	Thailand	Republic of Indonesia	Australia	People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic				
For the year ended 31 December 2012											
Quantity of coal sales (unit : thousand tonnes)	-	27,188	14,146	-	-	-	-	-	41,334	-	41,334
Sales	219,850	2,464,293	1,079,039	-	-	194,371	-	-	3,957,553	(182,808)	3,774,745
Cost of sales	(211,702)	(1,391,456)	(751,250)	-	-	(152,067)	-	-	(2,506,475)	174,283	(2,332,192)
Gross profit	8,148	1,072,837	327,789	-	-	42,304	-	-	1,451,078	(8,525)	1,442,553
Gross profit margin (%)	4%	44%	30%			22%			37%		38%
Interests in joint ventures	-	-	-	28,605	72,814	-	(15,910)	(22)	85,487	-	85,487
Selling expenses	(3,264)	(132,657)	(148,238)	-	-	-	-	(35)	(284,194)	(9,501)	(293,695)
Administrative expenses	-	(39,204)	(38,239)	(22,307)	(2,582)	(22,092)	-	(49,826)	(174,250)	11,388	(162,862)
Royalty fee	(470)	(305,263)	(75,091)	-	-	-	-	-	(380,824)	(1,986)	(382,810)
Interest income	-	13,943	1,495	5,488	19	687	-	164,364	185,996	(163,977)	22,019
Profit (loss) from operation before interest expenses and income taxes	4,414	609,656	67,716	11,786	70,251	20,899	(15,910)	114,481	883,293	(172,601)	710,692
Net loss on exchange rate											(26,745)
Net gain from financial derivatives											106,244
Management fee and others											(87,258)
Interest expenses											(111,647)
Income taxes											(167,747)
Non-controlling interests											(151,856)
Net profit for the year - owners of the parent											271,683
Total segmented assets	37,428	1,339,468	1,800,222	188,502	918	250,625	-	-	3,617,163	(12,524)	3,604,639
Total unallocated assets											4,107,434
Total assets											7,712,073

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Consolidated
Baht'000

	Coal				Power			Head Office	Total	Eliminated entries	Total
	Thailand	Republic of Indonesia	Australia	People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic				
For the year ended 31 December 2012											
Quantity of coal sales (unit : thousand tonnes)	-	27,188	14,146	-	-	-	-	-	41,334	-	41,334
Sales	6,829,753	76,573,800	33,555,188	-	-	6,040,022	-	-	122,998,763	(5,684,783)	117,313,980
Cost of sales	(6,576,499)	(43,224,410)	(23,359,153)	-	-	(4,723,126)	-	-	(77,883,188)	5,415,390	(72,467,798)
Gross profit	253,254	33,349,390	10,196,035	-	-	1,316,896	-	-	45,115,575	(269,393)	44,846,182
Gross profit margin (%)	4%	44%	30%			22%			37%		38%
Interests in joint ventures	-	-	-	887,196	2,270,455	-	(494,317)	(716)	2,662,618	-	2,662,618
Selling expenses	(104,851)	(4,065,990)	(4,604,414)	-	-	-	-	(1,089)	(8,776,344)	(348,350)	(9,124,694)
Administrative expenses	-	(1,220,120)	(1,190,774)	(694,739)	(80,431)	(685,755)	-	(1,546,241)	(5,418,060)	412,344	(5,005,716)
Royalty fee	(14,450)	(9,483,238)	(2,335,285)	-	-	-	-	-	(11,832,973)	(62,098)	(11,895,071)
Interest income	-	432,893	46,585	170,584	601	21,369	-	5,108,996	5,781,028	(5,096,845)	684,183
Profit (loss) from operation before interest expenses and income taxes	133,953	19,012,935	2,112,147	363,041	2,190,625	652,510	(494,317)	3,560,950	27,531,844	(5,364,342)	22,167,502
Net loss on exchange rate											(828,852)
Net gain from financial derivatives											3,303,354
Management fee and others											(2,767,845)
Interest expenses											(3,470,280)
Income taxes											(5,235,250)
Non-controlling interests											(4,727,409)
Net profit for the year - owners of the parent											8,441,220
Total segmented assets	1,146,477	41,030,063	55,143,679	5,774,116	28,108	7,677,053	-	-	110,799,496	(383,625)	110,415,871
Total unallocated assets											125,817,343
Total assets											236,233,214



**8 Cash and cash equivalents**

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Cash on hand	134	162	4,407	4,974
Deposits held at call with banks	222,276	258,499	7,293,675	7,918,255
Fixed deposits	223,506	481,331	7,334,030	14,743,926
Bills of exchange	-	4,897	-	150,000
Total cash and cash equivalents	445,916	744,889	14,632,112	22,817,155

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Cash on hand	13	14	435	435
Deposits held at call with banks	25,859	44,709	848,532	1,369,500
Fixed deposits	-	103,229	-	3,162,080
Bills of exchange	-	4,897	-	150,000
Total cash and cash equivalents	25,872	152,849	848,967	4,682,015

The interest rate on deposits held at call with banks was 0.50% - 3.30% per annum (2012: 0.10% - 3.30% per annum).

The interest rate on fixed deposits with banks was 2.97% - 8.22% per annum (2012: 0.30% - 7.10% per annum).

As at 31 December 2012, bills of exchange had original maturities less than three-month and the interest rate was 2.75% per annum.

9 Trade accounts receivable, net

Trade accounts receivable consist of:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts receivable - third parties	280,638	319,807	9,208,745	9,796,192
<u>Less</u> Allowance for doubtful accounts	-	(1,255)	-	(38,447)
Trade accounts receivable, net	280,638	318,552	9,208,745	9,757,745

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts receivable				
- Subsidiaries (Note 34)	452	530	14,808	16,237
- Third parties	9,840	13,739	322,893	420,835
	10,292	14,269	337,702	437,072
<u>Less</u> Allowance for doubtful accounts	-	(33)	-	(1,005)
Trade accounts receivable, net	10,292	14,236	337,702	436,067



Trade accounts receivable are aged as follows:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts receivable under credit term	176,316	299,645	5,785,573	9,178,591
Trade accounts receivable due for payment				
- Less than 3 months	102,867	16,880	3,375,424	517,059
- Over 3 months but less than 6 months	156	3,089	5,123	94,630
- Over 6 months but less than 12 months	926	127	30,384	3,903
- Over 12 months	373	33	12,241	1,004
- Trade debtor under the Central bankruptcy Court	-	33	-	1,005
Total trade accounts receivable	280,638	319,807	9,208,745	9,796,192
<u>Less</u> Allowance for doubtful accounts	-	(1,255)	-	(38,447)
Trade accounts receivable, net	280,638	318,552	9,208,745	9,757,745

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts receivable under credit term	9,932	12,470	325,903	381,961
Trade accounts receivable due for payment				
- Less than 3 months	360	1,732	11,799	53,084
- Over 3 months but less than 6 months	-	-	-	-
- Over 6 months but less than 12 months	-	1	-	18
- Over 12 months	-	33	-	1,004
- Trade debtor under the Central bankruptcy Court	-	33	-	1,005
Total trade accounts receivable	10,292	14,269	337,702	437,072
<u>Less</u> Allowance for doubtful accounts	-	(33)	-	(1,005)
Trade accounts receivable, net	10,292	14,236	337,702	436,067

10 Inventories, net

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Coal inventories	160,538	206,897	5,267,815	6,337,593
Coal in transit	3,205	-	105,156	-
<u>Less</u> Allowance for slow-moving	(3,100)	(3,100)	(101,720)	(94,956)
<u>Less</u> Allowance for net realisable value	(11)	(208)	(350)	(6,367)
Inventories, net	160,632	203,589	5,270,901	6,236,270



	US Dollar'000		Company	
			Baht'000	
	2013	2012	2013	2012 Restated
Coal inventories	5,828	11,010	191,234	337,246
Coal in transit	3,205	-	105,156	-
<u>Less</u> Allowance for slow-moving	(2,886)	(2,886)	(94,684)	(88,389)
Inventories, net	6,147	8,124	201,706	248,857

11 Derivative financial instruments

	US Dollar'000		Consolidated	
			Baht'000	
	Assets	Liabilities	Assets	Liabilities
As at 31 December 2013				
Interest rate swaps contracts	675	3,966	22,150	130,132
Forward foreign exchange contracts	172	62,493	5,640	2,050,632
Cross currency swaps contracts	-	45,508	-	1,493,275
Coal swap contracts	-	2,280	-	74,819
Oil hedging contracts	1,121	-	36,790	-
Total derivative financial instruments	1,968	114,247	64,580	3,748,858
<u>Less</u> non-current portion:				
Interest rate swaps contracts	(675)	(877)	(22,150)	(28,786)
Forward foreign exchange contracts	-	(27,698)	-	(908,856)
Cross currency swaps contracts	-	(45,508)	-	(1,493,275)
Total non-current portion	(675)	(74,083)	(22,150)	(2,430,917)
Total current portion	1,293	40,164	42,430	1,317,941

	US Dollar'000		Consolidated	
			Baht'000	
	Assets	Liabilities	Assets	Liabilities
As at 31 December 2012				
Interest rate swaps contracts	-	6,984	-	213,915
Forward foreign exchange contracts	19,782	828	605,942	25,376
Cross currency swaps contracts	-	43,665	-	1,337,530
Coal swap contracts	-	6,617	-	202,679
Total derivative financial instruments	19,782	58,094	605,942	1,779,500
<u>Less</u> non-current portion:				
Interest rate swaps contracts	-	(6,024)	-	(184,518)
Forward foreign exchange contracts	(7,603)	-	(232,887)	-
Cross currency swaps contracts	-	(43,665)	-	(1,337,530)
Total non-current portion	(7,603)	(49,689)	(232,887)	(1,522,048)
Total current portion	12,179	8,405	373,055	257,452



	US Dollar'000		Company Baht'000	
	Assets	Liabilities	Assets	Liabilities
As at 31 December 2013				
Interest rate swaps contracts	675	877	22,150	28,786
Cross currency swaps contracts	-	45,508	-	1,493,275
Total derivative financial instruments	675	46,385	22,150	1,522,061
<u>Less non-current portion:</u>				
Interest rate swaps contracts	(675)	(877)	(22,150)	(28,786)
Cross currency swaps contracts	-	(45,508)	-	(1,493,275)
Total non-current portion	(675)	(46,385)	(22,150)	(1,522,061)
Total current portion	-	-	-	-

	US Dollar'000		Company Baht'000	
	Assets	Liabilities	Assets	Liabilities
As at 31 December 2012				
Interest rate swaps contracts	-	1,343	-	41,124
Forward foreign exchange contracts	-	828	-	25,376
Cross currency swaps contracts	-	43,665	-	1,337,531
Total derivative financial instruments	-	45,836	-	1,404,031
<u>Less non-current portion:</u>				
Interest rate swaps contracts	-	(383)	-	(11,727)
Cross currency swaps contracts	-	(43,665)	-	(1,337,531)
Total non-current portion	-	(44,048)	-	(1,349,258)
Total current portion	-	1,788	-	54,773

The fair value of derivative financial instruments of the group that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is determined using the mark-to-market valuations obtained from swap parties.
- The fair value of forward foreign exchange contracts and cross currency swaps are determined by reference to current forward exchanges rates for contracts with similar maturity profiles.
- The fair value of coal swap contract is determined using market price specified the API 4 and Newcastle coal indices.
- The fair value of oil hedging contract is determined using future fuel prices for various financial institutions.



The principal financial risks faced by the Group are interest rate risk, foreign exchange rate risk, coal price fluctuations risk, oil price fluctuations and credit risk.

The Group has established a Financial Management Committee which holds monthly meetings for consideration and discussion of how to protect or reduce financial risks which might be incurred.

The Group manages these risks as follows:

Forward foreign exchange contracts

As at 31 December 2013, the Group has entered into the forward foreign exchange contracts amounting to US Dollars 13.40 million at the exchange rate of Indonesian Rupiah 11,262 to 12,301 per US Dollar 1, and US Dollars 25 million at the exchange rate of Baht 31.89 to 32.43 per US Dollar 1, and US Dollars 570.60 million at the exchange rate of Australia Dollars 0.9832 per US Dollar 1. (2012: US Dollars 86.20 million at the exchange rate of Indonesian Rupiah 9,470 to 10,038 per US Dollar 1, and US Dollars 249.75 million at the exchange rate of Baht 30.7985 to 31.00 per US Dollar 1, and US Dollars 50.40 million at the exchange rate of CNY 6.4498 per US Dollar 1, and CNYs 324.64 million at the exchange rate of Baht 4.9176 per CNY 1, and US Dollars 423 million at the exchange rate of Australian Dollar 0.9487 per US Dollar 1).

Cross currency swap contracts

As at 31 December 2013, the Group has entered into the cross currency swap contracts with the financial institutions to manage exposure of fluctuations in foreign currency exchange rates and interest rates for the debentures from Baht 15,000 million to be US Dollars 489.35 million at the fixed interest rates, starting from 10 June 2011 to 1 April 2026 (2012: Baht 6,400 million to be US Dollars 208.96 million at the fixed interest rates, starting from 10 June 2011 to 1 April 2026).

Interest rate swap contracts

As at 31 December 2013, the Group has entered into the interest rate swap contracts with the financial institutions to manage exposure of fluctuations in interest rates for the borrowing of US Dollars 343 million by converting floating interest rates to fixed interest rates, starting from 18 December 2012 to 27 December 2022 (2012: US Dollars 80 million by converting floating interest rates to fixed interest rates, starting from 14 January 2010 to 20 October 2014).

As at 31 December 2013 and 2012, for the debenture of Baht 2,500 million by converting fixed interest rates to floating interest rates, starting from 16 January 2009 to 16 November 2015.

As at 31 December 2013 and 2012, for the borrowing of Australian Dollars 140 million by converting floating interest rates to fixed interest rates, starting from 19 December 2011 to 17 December 2014.

Coal swap contracts

As at 31 December 2013, the Group has entered into coal swap contracts with no physical delivery of selling and buying side amounting to 4,164,000 tonnes at the rates of US Dollars 80.50 - 87.25 per tonne. Such contracts are due within 1 year. Differences between the coal swap contracts price and market price are specified by API 4 Index and Newcastle Coal Index (2012: coal swap contracts of selling side amounting to 2,460,000 tonnes at the average rate of US Dollars 87.10 - 99.00 per tonne).



Oil hedging contracts

As at 31 December 2013, the Group has entered into oil hedging contracts of 120,000 barrels at the rates between US Dollars 113.00 to 115.75 per barrel (2012: 1,260,000 barrels at the rates between US Dollars 112.30 to 123.75 per barrel). Such contracts are due within 1 year. Differences between oil hedging contract price and market price are specified by Gasoil 0.5%S.

12 Other current assets

			Consolidated	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Prepayments	20,602	39,982	676,017	1,224,727
Advances for business	9,621	20,430	315,682	625,797
Interest receivable	30	916	986	28,069
Advance to Coal Industry Fund	45,031	53,144	1,477,639	1,627,900
Value added tax	12,911	15,270	423,672	467,748
Withholding tax	22,144	3,015	726,640	92,362
Other accounts receivable	31,718	28,879	1,040,764	884,566
Accrued income	2,966	-	97,327	-
Total other current assets	145,023	161,636	4,758,727	4,951,169

			Company	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Prepayments	1,542	3,064	50,592	93,838
Advances for business	20	23	660	699
Interest receivable	29	910	962	27,882
Value added tax	1,295	1,560	42,497	47,799
Withholding tax	2,209	2,723	72,482	83,419
Other accounts receivable	1,046	1,352	34,312	41,407
Total other current assets	6,141	9,632	201,505	295,044



13 Investments in subsidiaries and interests in joint ventures

Investments in subsidiaries and interests in joint ventures are as follows:

	Consolidated (Equity method)			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Joint ventures				
BLCP Power Ltd.	185,568	198,787	6,089,170	6,089,172
Hebi Zhong Tai Mining Co., Ltd.	48,320	48,320	1,585,566	1,480,130
Shanxi Gaohe Energy Company Limited	291,462	291,462	9,563,926	8,927,956
Hongsa Power Company Limited	29,963	32,098	983,200	983,200
Phu Fai Mining Company Limited	25	27	836	836
Ratchasima Green Energy Co., Ltd.	2,286	2,449	75,000	75,000
Interests in joint ventures - cost method	557,624	573,143	18,297,698	17,556,294
<u>Add</u> Cumulative equity account of interests in joint ventures	13,506	(31,855)	443,148	(975,766)
Interests in joint ventures	571,130	541,288	18,740,846	16,580,528
	Company (Cost method)			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Subsidiaries				
Banpu Minerals Co., Ltd.	102,434	102,434	3,361,239	3,137,728
BP Overseas Development Co., Ltd.	17,963	17,963	589,434	550,238
Banpu Power Ltd.	183,547	183,547	6,022,840	5,622,341
Banpu Power International Co., Ltd.	62,926	39,972	2,064,827	1,224,405
Banpu New Energy Holdings Co., Ltd.	2,887	2,887	94,718	88,419
Investments in subsidiaries	369,757	346,803	12,133,058	10,623,131

As at 31 December 2013, under the condition of loan for project finance of joint ventures, the Group uses its investments in a subsidiary and two joint ventures with a cost of Baht 12,010 million and US Dollars 30.20 million (2012: Baht 12,010 million and US Dollars 30.20 million), as collateral for loans from financial institutions of such joint ventures.



Changing in investments in subsidiaries and interests in joint ventures

Movements of investments in subsidiaries and interests in joint ventures for the years ended 31 December are as follows:

	Consolidated (Equity method)			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening balance as restated	541,288	535,909	16,580,528	16,983,606
Additional of interest in a joint venture	-	1,487	-	46,209
Dividend received from joint ventures	(71,345)	(72,483)	(2,192,150)	(2,252,995)
Translation adjustment	(118)	9,419	1,263,202	(282,901)
<u>Add</u> Interests in joint ventures during the year	95,433	85,487	2,908,858	2,662,618
Share of other comprehensive income	5,872	(18,531)	180,408	(576,009)
Closing balance	571,130	541,288	18,740,846	16,580,528

	Company (Cost method)			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening balance as restated	346,803	243,908	10,623,131	7,729,727
Additional of investments in subsidiary	22,954	102,895	705,285	3,198,305
Translation adjustment	-	-	804,642	(304,901)
Closing balance	369,757	346,803	12,133,058	10,623,131

On 24 December 2013, the Group changed the investment structure within the Group by moving 75% share holding in Banpu Singapore Pte. Ltd. which previously held by Banpu Mineral Co., Ltd. (subsidiary) to Asian American Coal Inc. (subsidiary). As a result, the percentage of shareholding in Banpu Singapore Pte.. Ltd. held by Banpu Mineral Co., Ltd. decreased to 25% of share capital.

The Company increased the investment in Banpu Power International Co., Ltd., which is a subsidiary, amounting to US Dollars 22.96 million.

Dividend income from a joint venture

Dividend income from joint ventures are the dividend income from BLCP Power Ltd. of US Dollars 64.14 million and Hebi Zhong Tai Mining Co., Ltd. of US Dollars 7.21 million (2012: dividend income from BLCP Power Ltd. of US Dollars 72.48 million.).

**Assets, liabilities and net profit (loss) of joint ventures by percentage of shareholding consist of:**

US Dollar'000

Name of company	Percentage of shareholding	Property, Plant and equipment	Other assets	Total assets	Long-term borrowings	Accrued expenses	Other liabilities	Total liabilities	Net assets	Sales	Profit (loss) before tax	Income tax	Profit (loss) after tax
31 December 2013													
BLCP Power Ltd.	50	382,732	263,992	646,724	204,784	10,098	281,119	496,001	150,723	273,175	91,156	9,164	81,992
Hebi Zhong Tai Mining Co., Ltd.	40	42,009	60,049	102,058	-	3,590	7,729	11,319	90,739	42,092	(2,185)	990	(3,175)
Shanxi Gaohe Energy Co., Ltd.	45	289,006	192,162	481,168	69,819	-	208,924	278,743	202,425	223,541	51,170	10,986	40,184
Hongsa Power Company Limited	40	3,974	769,164	773,138	701,773	37,586	81,239	820,598	(47,460)	-	(13,863)	-	(13,863)
Phu Fai Mining Company Limited	37.50	-	18	18	-	2	6	8	10	-	(1)	-	(1)
Ratchasima Green Energy Co., Ltd.	30	6,518	783	7,301	3,657	-	1,522	5,179	2,122	79	(110)	-	(110)
31 December 2012													
BLCP Power Ltd.	50	402,815	321,551	724,366	256,786	11,552	322,997	591,335	133,031	288,205	70,245	(2,569)	72,814
Hebi Zhong Tai Mining Co., Ltd.	40	35,918	74,479	110,397	-	2,819	9,758	12,577	97,820	46,324	3,465	872	2,593
Shanxi Gaohe Energy Co., Ltd.	45	300,144	26,971	327,115	85,196	-	87,661	172,857	154,258	174,767	35,881	4,399	31,482
Hongsa Power Company Limited	40	3,505	471,052	474,557	416,701	36,558	8,660	461,919	12,638	-	(15,909)	-	(15,909)
Phu Fai Mining Company Limited	37.50	-	18	18	-	3	3	6	12	-	(2)	-	(2)
Ratchasima Green Energy Co., Ltd.	30	1,729	859	2,588	-	2	210	212	2,376	-	(19)	3	(22)

Baht'000

Name of company	Percentage of shareholding	Property, Plant and equipment	Other assets	Total assets	Long-term borrowings	Accrued expenses	Other liabilities	Total liabilities	Net assets	Sales	Profit (loss) before tax	Income tax	Profit (loss) after tax
31 December 2013													
BLCP Power Ltd.	50	12,558,827	8,662,529	21,221,356	6,719,690	331,350	9,224,541	16,275,581	4,945,775	8,393,579	2,800,845	281,579	2,519,266
Hebi Zhong Tai Mining Co., Ltd.	40	1,378,450	1,970,415	3,348,865	-	117,788	253,626	371,414	2,977,451	1,293,326	(67,138)	30,431	(97,569)
Shanxi Gaohe Energy Co., Ltd.	45	9,483,325	6,305,523	15,788,848	2,291,002	-	6,855,563	9,146,565	6,642,283	6,868,531	1,572,249	337,560	1,234,689
Hongsa Power Company Limited	40	130,405	25,239,037	25,369,442	23,027,682	1,233,337	2,665,741	26,926,760	(1,557,318)	-	(425,957)	-	(425,957)
Phu Fai Mining Company Limited	37.50	-	578	578	-	60	197	257	321	-	(45)	-	(45)
Ratchasima Green Energy Co., Ltd.	30	213,892	25,694	239,586	120,000	-	49,932	169,932	69,654	2,420	(3,390)	-	(3,390)
31 December 2012													
BLCP Power Ltd.	50	12,338,853	9,849,619	22,188,472	7,865,753	353,858	9,893,907	18,113,518	4,074,954	8,958,314	2,183,431	(79,842)	2,263,273
Hebi Zhong Tai Mining Co., Ltd.	40	1,100,229	2,281,418	3,381,647	-	86,336	298,908	385,244	2,996,403	1,439,896	107,691	27,114	80,577
Shanxi Gaohe Energy Co., Ltd.	45	9,193,897	826,155	10,020,052	2,609,692	-	2,685,191	5,294,883	4,725,169	5,432,309	1,115,292	136,746	978,546
Hongsa Power Company Limited	40	107,363	14,429,084	14,536,447	12,764,228	1,119,819	265,264	14,149,311	387,136	-	(494,487)	-	(494,487)
Phu Fai Mining Company Limited	37.50	-	539	539	-	102	93	195	344	-	(56)	-	(56)
Ratchasima Green Energy Co., Ltd.	30	52,964	26,308	79,272	-	50	6,420	6,470	72,802	-	(596)	100	(696)



List of subsidiaries and interests in joint ventures are as follows:

			Percentage of direct shareholding	
Name of company	Country	Business	2013 %	2012 %
<u>Direct shareholding</u>				
Banpu Minerals Co., Ltd.	Thailand	Coal mining and trading	99.99	99.99
BP Overseas Development Co., Ltd.	Mauritius Islands	Investment in coal mining and trading	100.00	100.00
Banpu Power Ltd.	Thailand	Investment in power	99.99	99.99
Banpu Power International Co., Ltd.	Mauritius Islands	Investment in power	100.00	100.00
Banpu New Energy Holding Co., Ltd	Thailand	Investment in new energy	99.99	99.99
<u>Indirect shareholding</u>				
Banpu Minerals Co., Ltd.				
Subsidiaries and a joint venture are as follows:				
<u>Subsidiaries</u>				
1) Chiang Muan Mining Co., Ltd.	Thailand	Coal mining and trading	100.00	100.00
2) Banpu International Co., Ltd.	Thailand	Coal trading	99.99	99.99
3) Silamani Co., Ltd.	Thailand	Coal trading	99.99	99.99
4) Silamani Marble Co., Ltd.	Thailand	Coal trading	99.99	99.99
5) Banpu Coal LLC	Mongolia	Investment in coal mining and trading	100.00	100.00
6) Banpu Singapore Pte. Ltd. and subsidiaries	Singapore	Coal trading	25.00	100.00
7) Banpu Coal Investment Company Limited	Mauritius Islands	Investment in coal mining	100.00	100.00
8) Banpu Minerals (Singapore) Pte. Ltd. and subsidiaries	Singapore	Coal trading	100.00	100.00
• PT. Indo Tambangraya Megah and subsidiaries	Republic of Indonesia	Investment in coal mining	65.00	65.00
• PT. Trubaindo Coal Mining	Republic of Indonesia	Coal mining and trading	99.99	99.99
• PT. Indominco Mandiri	Republic of Indonesia	Coal mining and trading	99.99	99.99
• PT. Kitadin	Republic of Indonesia	Coal mining and trading	99.99	99.99
• PT. Bharinto Ekatama	Republic of Indonesia	Coal mining and trading	99.00	99.00
• PT. Jorong Barutama Greston	Republic of Indonesia	Coal mining and trading	99.67	99.67
• PT. ITM Indonesia	Republic of Indonesia	Coal mining and trading	99.99	-
• PT. Tambang Raya Usaha Tama	Republic of Indonesia	Coal mining and trading	99.99	-
• BMS Coal Sales Pte. Ltd.	Singapore	Coal trading	100.00	-



			Percentage of direct shareholding	
Name of company	Country	Business	2013 %	2012 %
Indirect shareholding (continued)				
8) Banpu Minerals (Singapore) Pte. Ltd. and Subsidiaries (continued)				
• Hunnu Coal Pty Ltd. and subsidiaries	Australia	Investment in coal mining and trading	100.00	100.00
• Hunnu Resources LLC and subsidiaries	Mongolia	Coal trading	100.00	100.00
• Munkh Sumber Uul LLC	Mongolia	Coal mining and trading	100.00	100.00
• Golden Gobi Mining LLC	Mongolia	Coal mining and trading	100.00	100.00
• Great East Minerals LLC	Mongolia	Coal mining and trading	70.00	70.00
• Bilegt Khairkhan Uul LLC	Mongolia	Coal mining and trading	100.00	80.00
• Hunnu Power LLC	Mongolia	Coal trading	100.00	100.00
• Borganchan LLC	Mongolia	Coal trading	100.00	60.00
• Zuchid Ord LLC	Mongolia	Coal mining and trading	-	70.00
• Munkhnoyon Suvraga LLC	Mongolia	Business consult in coal mining and trading	90.00	90.00
• Hunnu Investments Pte Ltd and subsidiaries	Singapore	Coal trading	100.00	100.00
• Hunnu Altai LLC and subsidiaries	Mongolia	Coal mining and trading	100.00	100.00
• Hunnu Gobi Altai LLC	Mongolia	Coal mining and trading	80.00	80.00
• Hunnu Altai Minerals LLC	Mongolia	Coal mining and trading	100.00	100.00
Joint Venture				
1) Hebi Zhong Tai Mining Co., Ltd.	People's Republic of China	Coal mining and trading	40.00	40.00



			Percentage of direct shareholding	
Name of company	Country	Business	2013 %	2012 %
Indirect shareholding (continued)				
BP Overseas Development Co., Ltd.				
Subsidiaries and joint ventures are as follows:				
<u>Subsidiaries</u>				
Asian American Coal Inc., subsidiaries and joint ventures	British Virgin Islands	Investment in coal mining	100.00	100.00
1) AACI SAADEC (BVI) Holdings Limited, a subsidiary and joint ventures	British Virgin Islands	Investment in coal mining	100.00	100.00
2) Banpu Singapore Pte. Ltd. and subsidiaries	Singapore	Coal trading	75.00	-
• Banpu Australia Co., Pty Ltd. and subsidiaries	Australia	Investment in coal mining and power	100.00	100.00
• AFE Investment Pty Ltd.	Australia	Investment in coal mining and power	100.00	100.00
• Banpu Australia Resources Pty Ltd.	Australia	Investment in coal mining	100.00	100.00
• Centennial Coal Co., Ltd., and subsidiaries, associate and joint ventures	Australia	Investment in coal mining and trading	100.00	100.00
<u>Subsidiaries</u>				
• Centennial Inglenook Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Berrima Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Airly Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Angus Place Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Coal Infrastructure Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Clarence Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Fassifern Pty Limited and subsidiaries	Australia	Coal mining and trading	100.00	100.00
• Powercoal Pty Limited and subsidiaries	Australia	Investment in coal mining and trading	100.00	100.00
• Elcom Collieries Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Huntley Colliery Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Mandalong Pastoral Management Pty Limited	Australia	Investment in coal mining and trading	100.00	100.00
• Collieries Superrannuation Pty Limited	Australia	Manage provident fund	100.00	100.00
• Powercoal Superannuation Pty Limited	Australia	Manage provident fund	100.00	100.00
• Centennial Northern Mining Services Pty Limited	Australia	Coal service provider	100.00	100.00
• Centennial Mandalong Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Mannering Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Munmurah Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Myuna Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Newstan Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Northern Coal Services Pty Limited	Australia	Mining Services	100.00	100.00
• Centennial Coal Sales and Marketing Pty Limited	Australia	Sales and marketing	100.00	100.00
• Charbon Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Hartley Valley Coal Company Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Ivanhoe Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Preston Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Powercoal Employee Entitlement Company Pty Limited	Australia	Manage provident fund	100.00	100.00
• Coalex Pty Limited and subsidiaries	Australia	Coal mining and trading	100.00	100.00
• Clarence Coal Investment Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Clarence Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Clarence Colliery Pty Limited	Australia	Coal mining and trading	100.00	100.00



			Percentage of direct shareholding	
Name of company	Country	Business	2013 %	2012 %
<u>Indirect shareholding</u> (continued)				
BP Overseas Development Co., Ltd. (continued)				
Subsidiaries and joint ventures are as follows: (continued)				
<u>Subsidiaries</u> (continued)				
2) Banpu Singapore Pte. Ltd. and subsidiaries (continued)				
• Centennial Coal Co., Ltd., and subsidiaries, associate and joint ventures (continued)	Australia	Investment in coal mining and trading	100.00	100.00
• Centennial Springvale Holdings Pty Limited and subsidiaries and a joint venture	Australia	Coal mining and trading	100.00	100.00
<u>Subsidiaries</u>				
• Centennial Springvale Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Boulder Mining Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Springvale Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
<u>Jointly controlled entities</u>				
• Springvale Coal Sales Pty Limited	Australia	Coal trading	50.00	50.00
<u>Associate</u>				
• Port Kembla Coal Terminal Ltd.	Australia	Port service	16.66	16.66
<u>Jointly controlled operations</u>				
• Charbon Joint Venture	Australia	Coal mining and trading	95.00	95.00
• Clarence Joint Venture	Australia	Coal mining and trading	85.00	85.00
• Springvale Joint Venture	Australia	Coal mining and trading	50.00	50.00
• Angus Place Joint Venture	Australia	Coal mining and trading	50.00	50.00
<u>Joint Ventures</u>				
• Shanxi Gaohe Energy Co., Ltd.	People's Republic of China	Coal mining and trading	45.00	45.00
Banpu Power Ltd.				
Subsidiaries and joint ventures are as follows:				
<u>Subsidiary</u>				
1) Banpu Coal Power Ltd. and a joint venture	Thailand	Investment in power	99.99	99.99
• BLCP Power Ltd.	Thailand	Power production and trading	50.00	50.00
<u>Joint ventures</u>				
• Hongsa Power Company Limited	Lao People's Democratic Republic	Power concession	40.00	40.00
• Phu Fai Mining Company Limited	Lao People's Democratic Republic	Mining concession	37.50	37.50
Banpu Power International Co., Ltd.,				
Subsidiaries are as follows:				
Banpu Power Investment Co., Ltd. and subsidiaries	Singapore	Investment in power	100.00	100.00
1) Shijiazhuang Chengfeng Cogen Co., Ltd.	People's Republic of China	Power production and trading	100.00	100.00



			Percentage of direct shareholding	
Name of company	Country	Business	2013 %	2012 %
Indirect shareholding (continued)				
Banpu Power Investment Co., Ltd. and subsidiaries (continued)				
2) Banpu Power Investment (China) Co., Ltd. and a subsidiary	People’s Republic of China	Investment in power	100.00	100.00
• Tangshan Banpu Heat & Power Co., Ltd.	People’s Republic of China	Power production and trading	12.08	12.08
3) Zouping Peak Pte. Ltd. and a subsidiary	Singapore	Investment in power	100.00	100.00
• Zouping Peak CHP Co., Ltd.	People’s Republic of China	Power production and trading	70.00	70.00
4) Pan-Western Energy Corporation LLC and a subsidiary	Cayman Islands	Investment in power	100.00	100.00
• Tangshan Banpu Heat & Power Co., Ltd.	People’s Republic of China	Power production and trading	87.92	87.92
Banpu New Energy Holdings Co., Ltd. Subsidiaries are as follows:				
1) Bio Fuel Development Holdings Co., Ltd and a joint venture	Thailand	Bio fuel production and trading	99.99	99.99
• Ratchasima Green Energy Co., Ltd	Thailand	Bio fuel production and trading	30.00	30.00
2) Prachuap Wind Energy Co., Ltd	Thailand	Power production and trading	99.99	99.99
3) Mittraparp Wind Energy Co., Ltd	Thailand	Power production and trading	99.99	99.99
4) Petchkasem Wind Energy Co., Ltd	Thailand	Power production and trading	99.99	99.99

14 Other investments, net

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012 Restated
Investments in available-for-sale securities	15,496	15,203	508,466	465,687
General investments	15,554	14,013	510,387	429,244
Total other investments	31,050	29,216	1,018,853	894,931
<u>Add</u> Changes in fair value for investments in available-for-sale securities	(7,857)	29	(257,808)	900
<u>Less</u> Allowance for impairment of general investments	(4,989)	(5,344)	(163,700)	(163,700)
Other investments, net	18,204	23,901	597,345	732,131



	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Investments in available-for-sale securities	1,868	3,504	61,302	107,336
General investments	7,470	5,271	245,130	161,464
Total other investments	9,338	8,775	306,432	268,800
<u>Add</u> Changes in fair value for investment in available-for-sale securities	(201)	2,196	(6,621)	67,242
Other investments, net	9,137	10,971	299,811	336,042

Movements of other investments for the years ended 31 December are as follows:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Opening net book value	23,901	13,709	732,131	434,453
Acquisition of investments	8,037	5,543	246,932	172,304
Disposal of investment, net book value	(3,717)	-	(114,207)	-
Write-off of investment	-	(20)	-	(620)
Changes in fair value of investments	(7,851)	4,142	(232,522)	127,141
Gain (loss) on exchange rate	(856)	344	(26,289)	10,699
Translation adjustment	(1,310)	183	(8,700)	(11,846)
Closing net book value	18,204	23,901	597,345	732,131

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Opening net book value	10,971	8,202	336,042	259,928
Acquisition of investments	2,752	653	84,558	20,295
Disposal of investment, net book value	(1,503)	-	(46,176)	-
Write-off of investment	-	(20)	-	(620)
Changes in fair value of investments	(2,531)	1,920	(76,251)	59,208
Gain (loss) on exchange rate	(552)	216	(16,985)	6,696
Translation adjustment	-	-	18,623	(9,465)
Closing net book value	9,137	10,971	299,811	336,042

15 Investment property, net

	Consolidated		Company	
	Land US Dollar'000	Land Baht'000	Land US Dollar'000	Land Baht'000
As at 31 December 2011 as restated				
Cost	3,437	108,921	2,306	73,094
<u>Less</u> Allowance for impairment	(684)	(21,691)	-	-
Net book amount as restated	<u>2,753</u>	<u>87,230</u>	<u>2,306</u>	<u>73,094</u>
For the year ended 31 December 2012				
Opening net book amount	2,753	87,230	2,306	73,094
Additions	489	15,188	-	-
Translation adjustment	21	(2,460)	-	(2,444)
Closing net book amount	<u>3,263</u>	<u>99,958</u>	<u>2,306</u>	<u>70,650</u>
As at 31 December 2012 as restated				
Cost	3,954	121,129	2,306	70,650
<u>Less</u> Allowance for impairment	(691)	(21,171)	-	-
Net book amount as restated	<u>3,263</u>	<u>99,958</u>	<u>2,306</u>	<u>70,650</u>
Fair value amount	<u>3,557</u>	<u>108,952</u>	<u>2,306</u>	<u>70,650</u>
For the year ended 31 December 2013				
Opening net book amount	3,263	99,958	2,306	70,650
Write-off	(767)	(23,589)	(767)	(23,589)
Disposals - Net book value	(37)	(1,116)	-	-
Impairment	(19)	(599)	-	-
Translation adjustment	(34)	4,295	-	3,430
Closing net book amount	<u>2,406</u>	<u>78,949</u>	<u>1,539</u>	<u>50,491</u>
As at 31 December 2013				
Cost	3,077	100,958	1,539	50,491
<u>Less</u> Allowance for impairment	(671)	(22,009)	-	-
Net book amount	<u>2,406</u>	<u>78,949</u>	<u>1,539</u>	<u>50,491</u>
Fair value amount	<u>2,789</u>	<u>94,181</u>	<u>1,539</u>	<u>50,491</u>

The Group determined that the fair values of all of its investment properties under construction at 31 December 2013 were reliably determinable on a continuing basis. The Group's investment properties were revalued at 31 December 2013 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

16 Property, plant and equipment, net

	Consolidated								
	Land US Dollar'000	Land improvement US Dollar'000	Building and infrastructures US Dollar'000	Machinery & equipment US Dollar'000	Furniture & office equipment US Dollar'000	Tools US Dollar'000	Vehicle US Dollar'000	Construction in progress US Dollar'000	Total US Dollar'000
As at 31 December 2011									
Cost	74,697	88,786	224,593	1,905,765	14,172	14,723	7,036	35,695	2,365,467
<u>Less</u> Accumulated depreciation	-	(54,256)	(100,665)	(779,128)	(10,104)	(9,465)	(3,887)	-	(957,505)
<u>Less</u> Allowance for impairment	-	-	(72)	(37)	-	-	-	-	(109)
Net book amount	74,697	34,530	123,856	1,126,600	4,068	5,258	3,149	35,695	1,407,853
Year ended 31 December 2012									
Opening net book amount	74,697	34,530	123,856	1,126,600	4,068	5,258	3,149	35,695	1,407,853
Additions	1,947	375	2,150	275,728	5,761	3,610	3,217	59,723	352,511
Disposals - Net book value	-	(94)	(6)	(299)	(88)	(3)	(464)	-	(954)
Reclassification	-	5,913	10,020	2,694	320	627	555	(19,133)	996
Write-off	(195)	(495)	(154)	(17,057)	(6)	-	(4)	(830)	(18,741)
Reversal of allowance for impairment	-	-	72	37	-	-	-	-	109
Translation adjustment	1,570	(31)	240	18,359	(38)	175	(59)	(116)	20,100
Depreciation charge	-	(10,321)	(13,537)	(158,499)	(1,989)	(2,196)	(886)	-	(187,428)
Closing net book amount	78,019	29,877	122,641	1,247,563	8,028	7,471	5,508	75,339	1,574,446
As at 31 December 2012									
Cost	78,019	94,338	236,616	2,164,401	18,970	18,955	9,208	75,339	2,695,846
<u>Less</u> Accumulated depreciation	-	(64,461)	(113,975)	(916,838)	(10,942)	(11,484)	(3,700)	-	(1,121,400)
Net book amount	78,019	29,877	122,641	1,247,563	8,028	7,471	5,508	75,339	1,574,446

	Consolidated								
	Land US Dollar'000	Land improvement US Dollar'000	Building and infrastructures US Dollar'000	Machinery & equipment US Dollar'000	Furniture & office equipment US Dollar'000	Tools US Dollar'000	Vehicle US Dollar'000	Construction in progress US Dollar'000	Total US Dollar'000
Year ended 31 December 2013									
Opening net book amount	78,019	29,877	122,641	1,247,563	8,028	7,471	5,508	75,339	1,574,446
Additions	2,322	-	531	171,602	2,340	2,751	1,156	61,900	242,602
Disposals - Net book value	(1,492)	-	(65)	(3,566)	(41)	-	(72)	-	(5,236)
Reclassification	-	469	38,498	18,890	1,695	2,935	-	(65,632)	(3,145)
Write-off	-	(1)	(386)	(147)	(309)	(51)	(155)	(5,888)	(6,937)
Translation adjustment	(11,212)	(44)	(970)	(143,703)	(206)	(164)	(271)	(1,645)	(158,215)
Depreciation charge	-	(1,384)	(24,029)	(154,903)	(2,751)	(3,211)	(1,458)	-	(187,736)
Closing net book amount	67,637	28,917	136,220	1,135,736	8,756	9,731	4,708	64,074	1,455,779
As at 31 December 2013									
Cost	67,637	94,295	273,540	2,073,623	20,764	23,480	9,153	64,074	2,626,566
Less Accumulated depreciation	-	(65,378)	(137,320)	(937,887)	(12,008)	(13,749)	(4,445)	-	(1,170,787)
Net book amount	67,637	28,917	136,220	1,135,736	8,756	9,731	4,708	64,074	1,455,779

	Consolidated								
	Land Baht'000	Land improvement Baht'000	Building and infrastructures Baht'000	Machinery & equipment Baht'000	Furniture & office equipment Baht'000	Tools Baht'000	Vehicle Baht'000	Construction in progress Baht'000	Total Baht'000
As at 31 December 2011									
Cost	2,367,236	2,813,740	7,117,622	60,395,980	449,114	466,578	222,967	1,131,221	74,964,458
Less Accumulated depreciation	-	(1,719,446)	(3,190,182)	(24,691,523)	(320,223)	(299,944)	(123,160)	-	(30,344,478)
Less Allowance for impairment	-	-	(2,272)	(1,173)	-	-	-	-	(3,445)
Net book amount as restated	2,367,236	1,094,294	3,925,168	35,703,284	128,891	166,634	99,807	1,131,221	44,616,535
Year ended 31 December 2012									
Opening net book amount as restated	2,367,236	1,094,294	3,925,168	35,703,284	128,891	166,634	99,807	1,131,221	44,616,535
Additions	60,512	11,644	66,835	8,570,478	179,085	112,220	99,991	1,856,375	10,957,140
Disposals - Net book value	-	(2,914)	(173)	(9,292)	(2,728)	(94)	(14,409)	-	(29,610)
Reclassification	-	183,781	311,442	83,736	9,962	19,503	17,244	(594,715)	30,953
Write-off	(6,057)	(15,382)	(4,798)	(530,184)	(198)	-	(125)	(25,814)	(582,558)
Reversal of allowance for impairment	-	-	2,272	1,173	-	-	-	-	3,445
Translation adjustment	(31,844)	(35,454)	(123,272)	(677,709)	(7,289)	(1,168)	(6,223)	(59,310)	(942,269)
Depreciation charge	-	(320,807)	(420,768)	(4,926,646)	(61,815)	(68,245)	(27,555)	-	(5,825,836)
Closing net book amount as restated	2,389,847	915,162	3,756,706	38,214,840	245,908	228,850	168,730	2,307,757	48,227,800
As at 31 December 2012									
Cost	2,389,847	2,889,715	7,247,939	66,299,051	581,088	580,637	282,052	2,307,757	82,578,086
Less Accumulated depreciation	-	(1,974,553)	(3,491,233)	(28,084,211)	(335,180)	(351,787)	(113,322)	-	(34,350,286)
Net book amount as restated	2,389,847	915,162	3,756,706	38,214,840	245,908	228,850	168,730	2,307,757	48,227,800

Consolidated

	Land Baht'000	Land improvement Baht'000	Building and infrastructures Baht'000	Machinery & equipment Baht'000	Furniture & office equipment Baht'000	Tools Baht'000	Vehicle Baht'000	Construction in progress Baht'000	Total Baht'000
Year ended 31 December 2013									
Opening net book amount as restated	2,389,847	915,162	3,756,706	38,214,840	245,908	228,850	168,730	2,307,757	48,227,800
Additions	71,351	-	16,304	5,272,637	71,910	84,542	35,524	1,901,928	7,454,196
Disposals - Net book value	(45,841)	-	(2,007)	(109,576)	(1,247)	-	(2,218)	-	(160,889)
Reclassification	-	14,424	1,182,898	580,399	52,085	90,193	-	(2,016,596)	(96,597)
Write-off	-	(37)	(11,865)	(4,525)	(9,506)	(1,576)	(4,755)	(180,923)	(213,187)
Translation adjustment	(195,928)	61,824	266,101	(1,926,601)	12,707	15,934	2,027	90,336	(1,673,600)
Depreciation charge	-	(42,521)	(738,311)	(4,759,556)	(84,539)	(98,658)	(44,797)	-	(5,768,382)
Closing net book amount	2,219,429	948,852	4,469,826	37,267,618	287,318	319,285	154,511	2,102,502	47,769,341
As at 31 December 2013									
Cost	2,219,429	3,094,168	8,975,819	68,043,052	681,343	770,449	300,344	2,102,502	86,187,106
<u>Less</u> Accumulated depreciation	-	(2,145,316)	(4,505,993)	(30,775,434)	(394,025)	(451,164)	(145,833)	-	(38,417,765)
Net book amount	2,219,429	948,852	4,469,826	37,267,618	287,318	319,285	154,511	2,102,502	47,769,341



	Company							
	Land improvement US Dollar'000	Building and infrastructures US Dollar'000	Machinery & equipment US Dollar'000	Furniture & office equipment US Dollar'000	Tools US Dollar'000	Vehicle US Dollar'000	Construction in progress US Dollar'000	Total US Dollar'000
As at 31 December 2011								
Cost	2,803	6,398	52,929	3,160	644	1,240	1,943	69,117
<u>Less</u> Accumulated depreciation	(2,712)	(4,868)	(52,454)	(2,562)	(608)	(611)	-	(63,815)
Net book amount	91	1,530	475	598	36	629	1,943	5,302
Year ended 31 December 2012								
Opening net book amount	91	1,530	475	598	36	629	1,943	5,302
Additions	-	37	-	652	4	654	880	2,227
Disposals - Net book value	-	(3)	(35)	(8)	-	-	-	(46)
Reclassification	305	255	495	636	4	-	(735)	960
Write-off	-	(83)	-	-	-	-	(31)	(114)
Depreciation charge	(98)	(274)	(183)	(399)	(13)	(221)	-	(1,188)
Closing net book amount	298	1,462	752	1,479	31	1,062	2,057	7,141
As at 31 December 2012								
Cost	3,105	6,595	52,947	4,017	560	1,663	2,057	70,944
<u>Less</u> Accumulated depreciation	(2,807)	(5,133)	(52,195)	(2,538)	(529)	(601)	-	(63,803)
Net book amount	298	1,462	752	1,479	31	1,062	2,057	7,141
Year ended 31 December 2013								
Opening net book amount	298	1,462	752	1,479	31	1,062	2,057	7,141
Additions	-	-	-	425	18	195	385	1,023
Disposals - Net book value	-	(39)	(7)	(35)	-	-	-	(81)
Reclassification	-	61	21	140	-	-	(1,782)	(1,560)
Write-off	(1)	(145)	6	(1)	-	(1)	(8)	(150)
Depreciation charge	(44)	(213)	(153)	(533)	(10)	(297)	-	(1,250)
Closing net book amount	253	1,126	619	1,475	39	959	652	5,123
As at 31 December 2013								
Cost	2,642	3,497	45,343	4,117	472	1,639	652	58,362
<u>Less</u> Accumulated depreciation	(2,389)	(2,371)	(44,724)	(2,642)	(433)	(680)	-	(53,239)
Net book amount	253	1,126	619	1,475	39	959	652	5,123

	Company							
	Land improvement Baht'000	Building and infrastructures Baht'000	Machinery & equipment Baht'000	Furniture & office equipment Baht'000	Tools Baht'000	Vehicle Baht'000	Construction in progress Baht'000	Total Baht'000
As at 31 December 2011								
Cost	88,830	202,762	1,677,374	100,151	20,409	39,313	61,574	2,190,413
Less Accumulated depreciation	(85,936)	(154,277)	(1,662,317)	(81,215)	(19,285)	(19,355)	-	(2,022,385)
Net book amount as restated	2,894	48,485	15,057	18,936	1,124	19,958	61,574	168,028
Year ended 31 December 2012								
Opening net book amount as restated	2,894	48,485	15,057	18,936	1,124	19,958	61,574	168,028
Additions	-	1,147	-	20,261	117	20,322	27,364	69,211
Disposals - Net book value	-	(89)	(1,095)	(263)	(15)	-	-	(1,462)
Reclassification	9,467	7,937	15,379	19,765	135	-	(22,841)	29,842
Write-off	-	(2,570)	-	2	-	-	(990)	(3,558)
Translation adjustment	(184)	(1,590)	466	(1,062)	19	(846)	(2,109)	(5,306)
Depreciation charge	(3,055)	(8,521)	(6,753)	(12,353)	(406)	(6,926)	-	(38,014)
Closing net book amount as restated	9,122	44,799	23,054	45,286	974	32,508	62,998	218,741
As at 31 December 2012								
Cost	95,102	202,026	1,621,861	123,041	17,167	50,930	62,998	2,173,125
Less Accumulated depreciation	(85,980)	(157,227)	(1,598,807)	(77,755)	(16,193)	(18,422)	-	(1,954,384)
Net book amount as restated	9,122	44,799	23,054	45,286	974	32,508	62,998	218,741
Year ended 31 December 2013								
Opening net book amount as restated	9,122	44,799	23,054	45,286	974	32,508	62,998	218,741
Additions	-	-	-	13,071	558	5,988	11,816	31,433
Disposals - Net book value	-	(1,187)	(205)	(1,067)	-	-	-	(2,459)
Reclassification	-	1,862	654	4,311	-	-	(54,757)	(47,930)
Write-off	(37)	(4,450)	187	(43)	-	(44)	(230)	(4,617)
Translation adjustment	556	2,490	1,359	3,212	85	2,104	1,555	11,361
Depreciation charge	(1,341)	(6,557)	(4,786)	(16,357)	(333)	(9,062)	-	(38,436)
Closing net book amount	8,300	36,957	20,263	48,413	1,284	31,494	21,382	168,093
As at 31 December 2013								
Cost	86,706	114,760	1,487,862	135,098	15,496	53,791	21,382	1,915,095
Less Accumulated depreciation	(78,406)	(77,803)	(1,467,599)	(86,685)	(14,212)	(22,297)	-	(1,747,002)
Net book amount	8,300	36,957	20,263	48,413	1,284	31,494	21,382	168,093





Leased assets included above, where the Group is a lessee under finance lease, are presented below:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Cost	54,108	42,064	1,775,477	1,288,503
<u>Less</u> Accumulated depreciation	(13,540)	(11,598)	(444,300)	(355,268)
Net book amount	40,568	30,466	1,331,177	933,235

As at 31 December 2013, property, plant and equipment in the consolidated financial statements amounting to US Dollars 114.38 million (2012: US Dollars 123.36 million) have been used as collateral that have not yet been withdrawn.

As at 31 December 2013, the Group has capital commitments which are shown in Note 35.

17 Deferred income taxes and Income tax

Corporate income tax for the years ended 31 December 2013 and 2012 are calculated based on the net profit (tax base) which excludes the interests in joint ventures. The rates are as follows:

	2013	2012
Thailand	20%	23%
Singapore	17%	17%
Indonesia	25%	25%
People's Republic of China	25%	25%
Mauritius Island	15%	15%
Australia	30%	30%
Mongolia	10% - 25%	10% - 25%



17.1 Income taxes for the years ended 31 December consist of:

17.1.1 The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	7,537	11,000	247,312	336,962
Deferred tax asset to be recovered after more than 12 months	113,194	106,076	3,714,312	3,249,305
	<u>120,731</u>	<u>117,076</u>	<u>3,961,624</u>	<u>3,586,267</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after more than 12 months	(245,710)	(262,204)	(8,062,634)	(8,031,739)
	<u>(245,710)</u>	<u>(262,204)</u>	<u>(8,062,634)</u>	<u>(8,031,739)</u>
Net deferred income taxes	<u>(124,979)</u>	<u>(145,128)</u>	<u>(4,101,010)</u>	<u>(4,445,472)</u>
	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	4,903	11,546	160,890	353,659
Deferred tax asset to be recovered after more than 12 months	6,031	5,186	197,888	158,837
Deferred tax asset, net	<u>10,934</u>	<u>16,732</u>	<u>358,778</u>	<u>512,496</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.



17.1.2 The movement of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated				
	At 1 January 2012 US Dollar'000	Charged (credited) to profit or loss US Dollar'000	Charged/ changed to other comprehensive Income or loss US Dollar'000	Translation adjustment US Dollar'000	At 31 December 2012 US Dollar'000
Deferred tax assets:					
Employee retirement benefit obligation	3,483	1,083	-	-	4,566
Loss carried forward	7,095	7,554	-	-	14,649
Financial derivative liabilities	6,705	2,462	-	-	9,167
Changes in fair value of available-for-sale securities	313	-	(789)	-	(476)
Depreciation and amortisation	13,198	1,679	-	-	14,877
Interests in joint ventures	21,211	1,190	2,978	-	25,379
Provision for mine rehabilitation	2,070	700	-	-	2,770
Provision for decommissioning expenses	485	26	-	-	511
Minerals Resource Rent Tax in Australia	-	38,647	-	63	38,710
Other reserves	513	697	-	-	1,210
Other	7,747	(799)	-	-	6,948
Tax effect of currency translation on tax base	125	(1,360)	-	-	(1,235)
Total	62,945	51,879	2,189	63	117,076
Deferred tax liabilities:					
Interests in joint ventures	(2,629)	(11,184)	-	-	(13,813)
Mining property rights	(491,359)	7,552	-	-	(483,807)
Cash flow hedge	(9,560)	-	1,732	-	(7,828)
Loss carried forward	79,976	24,947	-	3,180	108,103
Allowance for slow moving of spare part	-	775	-	-	775
Depreciation and amortisation	(8,227)	(476)	-	952	(7,751)
Employee retirement benefit obligation	2,079	(258)	-	-	1,821
Provision decommissioning expenses	2,764	707	-	-	3,471
Other reserves	135,169	(24,694)	-	2,811	113,286
Other	73,285	(18,647)	-	(30,156)	24,482
Tax effect of currency translation on tax base	-	(943)	-	-	(943)
Total	(218,502)	(22,221)	1,732	(23,213)	(262,204)
Net	155,557	29,658	3,921	23,150	145,128



Consolidated					
	At 1 January 2013 US Dollar'000	Charged (credited) to profit or loss US Dollar'000	Charged/ changed to other comprehensive Income or loss US Dollar'000	Translation adjustment US Dollar'000	At 31 December 2013 US Dollar'000
Deferred tax assets:					
Employee retirement benefit obligation	4,566	(514)	-	-	4,052
Loss carried forward	14,649	3,911	-	-	18,560
Financial derivative liabilities	9,167	40	-	-	9,207
Changes in fair value of available-for-sale securities	(476)	-	1,888	-	1,412
Depreciation and amortisation	14,877	1,614	-	-	16,491
Interests in joint ventures	25,379	(936)	(1,750)	-	22,693
Provision for mine rehabilitation	2,770	761	-	-	3,531
Provision for decommissioning expenses	511	106	-	-	617
Minerals Resource Rent Tax in Australia	38,710	-	-	(5,530)	33,180
Other reserves	1,210	271	-	-	1,481
Other	6,948	8,711	-	-	15,659
Tax effect of currency translation on tax base	(1,235)	(4,917)	-	-	(6,152)
Total	117,076	9,047	138	(5,530)	120,731
Deferred tax liabilities:					
Interests in joint ventures	(13,813)	(5,016)	-	-	(18,829)
Mining property rights	(483,807)	14,125	-	-	(469,682)
Cash flow hedge	(7,828)	-	27,472	-	19,644
Loss carried forward	108,103	67,931	-	(23,893)	152,141
Allowance for slow moving of spare part	775	-	-	-	775
Depreciation and amortisation	(7,751)	48	-	-	(7,703)
Employee retirement benefit obligation	1,821	(360)	-	-	1,461
Provision decommissioning expenses	3,471	376	-	-	3,847
Other reserves	113,286	(15,622)	-	(14,849)	82,815
Other	24,482	(36,625)	-	1,964	(10,179)
Tax effect of currency translation on tax base	(943)	943	-	-	-
Total	(262,204)	25,800	27,472	(36,780)	(245,710)
Net	(145,128)	34,847	27,610	(42,308)	(124,979)



Consolidated

	At 1 January 2012 Baht'000	Charged (credited) to profit or loss Baht'000	Charged/ changed to other comprehensive Income or loss Baht'000	Translation adjustment Baht'000	At 31 December 2012 Baht'000
Deferred tax assets:					
Employee retirement benefit obligation	110,389	33,662	-	(4,180)	139,871
Loss carried forward	224,855	234,808	-	(10,929)	448,734
Financial derivative liabilities	212,490	76,532	-	(8,216)	280,806
Changes in fair value of					
available-for-sale securities	9,909	-	(24,203)	(299)	(14,593)
Depreciation and amortisation	418,260	52,189	-	(14,743)	455,706
Interests in joint ventures	672,202	36,995	115,739	(47,534)	777,402
Provision for mine rehabilitation	65,601	21,758	-	(2,509)	84,850
Provision for decommissioning expenses	15,370	808	-	(525)	15,653
Minerals Resource Rent Tax in Australia	-	1,201,269	-	(15,506)	1,185,763
Other reserves	16,258	21,665	-	(859)	37,064
Other	245,520	(24,841)	-	(7,847)	212,832
Tax effect of currency translation on tax base	3,961	(42,252)	-	470	(37,821)
Total	1,994,815	1,612,593	91,536	(112,677)	3,586,267
Deferred tax liabilities:					
Interests in joint ventures	(83,316)	(347,633)	-	7,835	(423,114)
Mining property rights	(15,571,756)	234,740	-	517,234	(14,819,782)
Cash flow hedge	(302,968)	-	62,822	362	(239,784)
Loss carried forward	2,534,535	775,430	-	1,402	3,311,367
Allowance for slow moving of spare part	-	24,089	-	(350)	23,739
Depreciation and amortisation	(260,724)	(14,796)	-	38,094	(237,426)
Employee retirement benefit obligation	65,886	(8,019)	-	(2,086)	55,781
Provision decommissioning expenses	87,594	21,976	-	(3,248)	106,322
Other reserves	4,283,668	(767,566)	-	(45,970)	3,470,132
Other	2,322,490	(579,607)	-	(992,960)	749,923
Tax effect of currency translation on tax base	(29)	(42,578)	-	13,710	(28,897)
Total	(6,924,620)	(703,964)	62,822	(465,977)	(8,031,739)
	(4,929,805)	908,629	154,358	(578,654)	(4,445,472)



Consolidated					
	At 1 January 2013 Baht'000	Charged (credited) to profit or loss Baht'000	Charged/ changed to other comprehensive income or loss Baht'000	Translation adjustment Baht'000	At 31 December 2013 Baht'000
Deferred tax assets:					
Employee retirement benefit obligation	139,871	(15,794)	-	8,890	132,967
Loss carried forward	448,734	120,166	-	40,130	609,030
Financial derivative liabilities	280,806	1,226	-	20,087	302,119
Changes in fair value of available-for-sale securities	(14,593)	-	58,991	1,934	46,332
Depreciation and amortisation	455,706	49,592	-	35,831	541,129
Interests in joint ventures	777,402	(28,747)	(51,650)	47,658	744,663
Provision for mine rehabilitation	84,850	23,382	-	7,633	115,865
Provision for decommissioning expenses	15,653	3,257	-	1,336	20,246
Minerals Resource Rent Tax in Australia	1,185,763	-	-	(96,995)	1,088,768
Other reserves	37,064	8,327	-	3,206	48,597
Other	212,832	267,661	-	33,346	513,839
Tax effect of currency translation on tax base	(37,821)	(151,144)	-	(12,964)	(201,929)
Total	3,586,267	277,926	7,341	90,092	3,961,626
Deferred tax liabilities:					
Interests in joint ventures	(423,114)	(154,122)	-	(40,611)	(617,847)
Mining property rights	(14,819,783)	434,005	-	(1,026,180)	(15,411,958)
Cash flow hedge	(239,784)	-	874,362	10,013	644,591
Loss carried forward	3,311,368	2,087,248	-	(406,322)	4,992,294
Allowance for slow moving of spare part	23,739	-	-	1,691	25,430
Depreciation and amortisation	(237,426)	1,475	-	(16,812)	(252,763)
Employee retirement benefit obligation	55,780	(11,061)	-	3,222	47,941
Provision decommissioning expenses	106,322	11,553	-	8,359	126,234
Other reserves	3,470,131	(480,002)	-	(272,672)	2,717,457
Other	749,923	(1,125,278)	-	41,346	(334,009)
Tax effect of currency translation on tax base	(28,895)	9,487	-	19,404	(4)
Total	(8,031,739)	773,305	874,362	(1,678,562)	(8,062,634)
Net	(4,445,472)	1,051,231	881,703	(1,588,470)	(4,101,008)



	Company				
	At 1 January 2012 US Dollar'000	Charged (credited) to profit or loss US Dollar'000	Charged/ changed to other comprehensive income or loss US Dollar'000	Translation adjustment US Dollar'000	At 31 December 2012 US Dollar'000
Deferred tax assets:					
Employee retirement benefit obligation	1,572	112	-	-	1,684
Loss carried forward	787	6,726	-	-	7,513
Financial derivatives	6,705	2,462	-	-	9,167
Changes of fair value of available-for-sale securities	(55)	-	(384)	-	(439)
Other	-	37	-	-	37
Tax effect of currency translation on tax base	(404)	(826)	-	-	(1,230)
Total	8,605	8,511	(384)	-	16,732

	Company				
	At 1 January 2013 US Dollar'000	Charged (credited) to profit or loss US Dollar'000	Charged/ changed to other comprehensive income or loss US Dollar'000	Translation adjustment US Dollar'000	At 31 December 2013 US Dollar'000
Deferred tax assets:					
Employee retirement benefit obligation	1,684	6	-	-	1,690
Loss carried forward	7,513	(4,316)	-	-	3,197
Financial derivatives	9,167	(106)	-	-	9,061
Changes of fair value of available-for-sale securities	(439)	-	479	-	40
Other	37	1,148	-	-	1,185
Tax effect of currency translation on tax base	(1,230)	(3,009)	-	-	(4,239)
Total	16,732	(6,277)	479	-	10,934



	Company				
	At 1 January 2012 Baht'000	Charged (credited) to profit or loss Baht'000	Charged/ changed to other comprehensive income or loss Baht'000	Translation adjustment Baht'000	At 31 December 2012 Baht'000
Deferred tax assets:					
Employee retirement benefit obligation	49,835	3,481	-	(1,717)	51,599
Loss carried forward	24,930	209,080	-	(3,871)	230,139
Financial derivatives	212,490	76,532	-	(8,216)	280,806
Changes of fair value of available-for-sale securities	(1,743)	-	(11,713)	239	(13,217)
Other	-	1,107	-	(247)	860
Tax effect of currency translation on tax base	(12,811)	(25,681)	-	801	(37,691)
Total	272,701	264,519	(11,713)	(13,011)	512,496

	Company				
	At 1 January 2013 Baht'000	Charged (credited) to profit or loss Baht'000	Charged/ changed to other comprehensive income or loss Baht'000	Translation adjustment Baht'000	At 31 December 2013 Baht'000
Deferred tax assets:					
Employee retirement benefit obligation	51,599	172	-	3,687	55,458
Loss carried forward	230,139	(132,624)	-	7,383	104,898
Financial derivatives	280,806	(3,260)	-	19,781	297,327
Changes of fair value of available-for-sale securities	(13,448)	-	14,417	399	1,368
Other	1,091	25,442	-	12,284	38,817
Tax effect of currency translation on tax base	(37,691)	(92,434)	-	(8,965)	(139,090)
Total	512,496	(202,704)	14,417	34,569	358,778

**17.2 Income taxes consist of:**

17.2.1 Income tax for the year-ended 31 December is as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Current tax:				
Current tax on profits for the year	103,516	163,255	3,184,312	5,074,629
Adjustments in respect of prior year	2,323	1,327	71,376	41,247
Withholding tax for dividends	19,127	32,823	582,590	1,028,003
Total current tax	124,966	197,405	3,838,278	6,143,879
Deferred tax:				
Origination and reversal of temporary differences	(34,847)	(29,658)	(1,051,231)	(908,629)
Total deferred tax	(34,847)	(29,658)	(1,051,231)	(908,629)
Total tax expense	90,119	167,747	2,787,047	5,235,250
	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Current tax:				
Current tax on profits for the year	-	-	-	-
Total current tax	-	-	-	-
Deferred tax:				
Origination and reversal of temporary differences	6,277	(8,510)	202,704	(264,289)
Total deferred tax	6,277	(8,510)	202,704	(264,289)
Total tax expense	6,277	(8,510)	202,704	(264,289)

Withholding tax from dividends is withheld from the dividends which were received by overseas subsidiaries. These dividends are treated as non-taxable income for income tax calculation; therefore, the withholding tax is unclaimed.



17.2.2 The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Profit before tax	277,570	591,286	8,536,885	18,403,879
Tax calculated at a tax rate of 19% (2012: 19%)	52,738	113,001	1,620,440	3,512,431
Tax effect of:				
Income not subject to tax	(127,912)	(193,718)	(3,930,224)	(6,021,356)
Expenses not deductible for tax purpose	8,332	13,295	256,001	413,248
Tax losses for which no deferred income tax asset was recognised	155,871	245,586	4,789,285	7,633,573
Re-measurement of gain (loss) from exchange rate of US Dollar financial statements	5,346	(23,376)	164,252	(726,602)
Deferred income tax on functional currency	2,083	(1,784)	64,016	(55,438)
Re-measurement of deferred tax change in tax rate	-	192	-	5,889
Tax effect of currency translation on tax base	513	3,622	15,748	112,595
Adjustment in respect of prior year	2,323	1,358	71,376	42,203
Others	(9,175)	(9,571)	(281,891)	297,557
Translation adjustments	-	-	18,044	21,150
Income taxes	90,119	167,747	2,787,047	5,235,250



	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012 Restated
Profit before tax	220,403	323,818	6,577,663	10,370,097
Tax calculated at a tax rate of 20% (2012: 23%)	44,081	64,763	1,315,533	2,074,019
Tax effect of:				
Income not subject to tax	(43,027)	(72,807)	(1,322,059)	(2,263,055)
Tax losses for which no deferred income tax asset was recognised	555	786	17,041	24,421
Revaluation gain (loss) from exchange rate of US Dollar financial statements	2,565	(3,091)	78,809	(96,091)
Deferred tax assets from translation adjustment	1,960	(1,976)	60,228	(61,327)
Recognise loss carried forward from last period	(396)	-	(12,135)	-
Re-measurement of deferred tax change in tax rate	-	192	-	5,889
Tax effect of currency translation on tax base	539	3,623	65,287	51,855
Income taxes	6,277	(8,510)	202,704	(264,289)



18 Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net

Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net as at 31 December consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Current portion:				
Deferred exploration and development expenditures	-	-	-	-
Deferred overburden expenditures/stripping costs	203,064	221,808	6,663,250	6,794,361
	203,064	221,808	6,663,250	6,794,361
Non-current portion:				
Deferred exploration and development expenditures	627,068	635,283	20,576,371	19,459,731
Deferred overburden expenditures/stripping costs	129,801	68,822	4,259,227	2,108,120
	756,869	704,105	24,835,598	21,567,851
Total Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	959,933	925,913	31,498,848	28,362,212



Movement of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs for the years ended 31 December are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
As at 1 January				
Cost	4,517,106	3,259,589	138,366,185	103,300,282
<u>Less</u> Accumulated amortisation	(3,579,142)	(2,534,775)	(109,634,843)	(80,330,078)
Allowance for impairment	(12,051)	(12,051)	(369,130)	(381,899)
Net book amount	925,913	712,763	28,362,212	22,588,305
For the year ended 31 December				
Opening net book amount	925,913	712,763	28,362,212	22,588,305
Additions during the year	1,109,536	1,251,132	34,091,610	38,889,091
Write-off	(27,168)	(10,700)	(834,758)	(332,587)
Reversal of impairment	10,551	-	324,194	-
Amortisation	(956,366)	(1,037,505)	(29,385,315)	(32,248,989)
Translation adjustment	(102,533)	10,223	(1,059,095)	(533,698)
Net book amount	959,933	925,913	31,498,848	28,362,122
As at 31 December				
Cost	5,157,746	4,517,106	169,244,203	138,366,185
<u>Less</u> Accumulated amortisation	(4,196,314)	(3,579,142)	(137,696,152)	(109,634,843)
Allowance for impairment	(1,499)	(12,051)	(49,203)	(369,130)
Net book amount	959,933	925,913	31,498,848	28,362,212

The majority of additions and amortisation represents overburden expenditures. The Group presents the amortisation incurred during the year under cost of sales in the statement of comprehensive income. For presentation in the statements of cash flows, net balance of additions and amortisation are presented under operating activities.

19 Mining property rights, net

Movement of mining property rights for the years ended 31 December are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening net book amount	2,142,739	2,241,727	65,635,537	71,043,013
Amortisation	(91,724)	(98,988)	(2,818,339)	(3,076,834)
Translation adjustment	-	-	4,483,973	(2,330,642)
Closing net book amount	2,051,015	2,142,739	67,301,171	65,635,537



20 Projects under development

Movement of projects under development for the years ended 31 December are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening balance	2,506	21,289	76,748	674,689
Additions during the year	101	2,569	3,104	79,855
Reclassification	-	(21,352)	-	(663,718)
Translation adjustment	-	-	5,678	(14,078)
Closing balance	2,607	2,506	85,530	76,748

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening balance	328	261	10,057	8,285
Additions during the year	4	67	119	2,083
Translation adjustment	-	-	725	(311)
Closing balance	332	328	10,901	10,057

21 Goodwill

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
As at 1 January				
Cost	524,103	524,103	16,054,122	16,609,462
<u>Less</u> Allowance for impairment	-	-	-	-
Net book amount	524,103	524,103	16,054,122	16,609,462
For the year ended 31 December				
Opening net book amount	524,103	524,103	16,054,122	16,609,462
Adjustment	17	-	522	-
Translation adjustment	-	-	1,143,631	(555,340)
Net book amount	524,120	524,103	17,198,275	16,054,122
As at 31 December				
Cost	524,120	524,103	17,198,275	16,054,122
<u>Less</u> Allowance for impairment	-	-	-	-
Net book amount	524,120	524,103	17,198,275	16,054,122

Goodwill represents the recognition of deferred income tax liabilities based on the fair value of assets of acquired entities which is mining property rights. Such goodwill is not considered as taxable expenses for the Group.



Impairment tests for goodwill

The Group's management reviews the impairment testing by considering the recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering the mining period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates which does not exceed the average growth rate for the business in which the CGU operates and the discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

22 Short-term loans from financial institutions

Consolidated

As at 31 December 2013, short-term loans from financial institutions represent CNY loans amounting to CNY 86.70 million and US Dollars 133 million (2012: short-term loans from financial institutions represent CNY loans amounting to CNY 50 million). The loans bear interest at the rates of 5.88% per annum and 0.85% - 0.92% per annum respectively (2012: 6.16% per annum) and are due for repayment within one year.

Company

As at 31 December 2013, short-term loans from financial institutions represent US Dollar loans amounting to US Dollars 118 million. The loans bear interest at the rates of 0.85% - 0.90% per annum and are due for repayment within one year.

23 Other current liabilities

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Accrued expenses	250,076	290,659	8,205,907	8,903,349
Other accounts payable	61	65	2,000	2,000
Withholding tax payable	29,900	5,404	981,137	165,528
Value added tax payable	9,621	7,095	315,684	217,346
Retention payable	1,984	3,085	65,100	94,503
Dividend payables	49	775	1,600	23,797
Others	17,142	-	562,454	-
Total other current liabilities	308,833	307,083	10,133,882	9,406,523

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Accrued expenses	6,179	8,309	202,742	254,522
Other accounts payable	61	65	2,000	2,000
Withholding tax payable	543	611	17,814	18,709
Value added tax payable	165	159	5,436	4,881
Retention payable	10	28	334	866
Dividend payables	-	725	-	22,202
Total other current liabilities	6,958	9,897	228,326	303,180



24 Borrowings, net

Borrowings consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
<u>Current portion</u>				
Loans from financial institutions	273,627	260,107	8,978,701	7,967,498
Finance lease liabilities, net	7,009	4,902	229,978	150,159
Total current portion, net	280,636	265,009	9,208,679	8,117,657
<u>Non-current portion</u>				
Loans from financial institutions, net	1,416,599	1,743,777	46,483,688	53,414,665
Private placement notes, net	222,839	223,794	7,312,177	6,855,168
Finance lease liabilities, net	32,714	21,220	1,073,471	650,013
Total non-current portion, net	1,672,152	1,988,791	54,869,336	60,919,846
Total borrowings, net	1,952,788	2,253,800	64,078,015	69,037,503

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
<u>Current portion</u>				
Loans from financial institutions	208,878	192,237	6,854,032	5,888,518
Total current portion, net	208,878	192,237	6,854,032	5,888,518
<u>Non-current portion</u>				
Loans from financial institutions, net	1,059,878	1,469,852	34,778,421	45,023,909
Total non-current portion, net	1,059,878	1,469,852	34,778,421	45,023,909
Total borrowings, net	1,268,756	1,662,089	41,632,453	50,912,427

**Loans from financial institutions**

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
US Dollar loans	1,493,339	1,736,204	49,001,825	53,182,699
Foreign currency loans	203,296	276,883	6,670,861	8,481,359
Total	1,696,635	2,013,087	55,672,686	61,664,058
<u>Less</u> Deferred financing service fee	(6,409)	(9,203)	(210,297)	(281,895)
	1,690,226	2,003,884	55,462,389	61,382,163
<u>Less</u> Current portion of loans from financial institutions	(273,627)	(260,107)	(8,978,701)	(7,967,498)
Loans from financial institutions, net	1,416,599	1,743,777	46,483,688	53,414,665

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
US Dollar loans	1,273,339	1,643,333	41,782,833	50,337,929
Foreign currency loans	-	24,485	-	750,000
Total	1,273,339	1,667,818	41,782,833	51,087,929
<u>Less</u> Deferred financing service fee	(4,583)	(5,729)	(150,380)	(175,502)
	1,268,756	1,662,089	41,632,453	50,912,427
<u>Less</u> Current portion of loans from financial institutions	(208,878)	(192,237)	(6,854,032)	(5,888,518)
Loans from financial institutions, net	1,059,878	1,469,852	34,778,421	45,023,909



Movement in loans from financial institutions of the Group are as follows:

	Consolidated		Consolidated	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening net balance	2,003,884	1,846,009	61,382,163	58,502,232
Additions	397,295	509,918	12,207,297	15,849,837
Repayment of loans	(691,265)	(349,868)	(21,239,805)	(10,874,987)
Financing service fees	(1,141)	(4,023)	(35,062)	(125,051)
Amortisation of deferred financing service fees	3,935	3,074	120,908	95,547
Net loss on exchange rate	29,679	6,987	911,906	217,162
Translation adjustment	(52,161)	(8,213)	2,114,982	(2,282,577)
Closing net balance	1,690,226	2,003,884	55,462,389	61,382,163

	Company		Company	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening net balance	1,662,089	1,520,664	50,912,427	48,191,661
Additions	100,000	465,000	3,072,600	14,453,642
Repayment of loans	(494,476)	(329,495)	(15,193,255)	(10,241,717)
Financing service fees	(757)	(3,891)	(23,254)	(120,953)
Amortisation of deferred financing service fees	1,913	2,824	58,779	87,776
Net (gain) loss on exchange rate	(13)	6,987	(400)	217,165
Translation adjustment	-	-	2,805,556	(1,675,147)
Closing net balance	1,268,756	1,662,089	41,632,453	50,912,427

During the year ended 31 December 2013, the Group has made an early payment of loans amounting to Baht 375 million or equivalent to US Dollars 12.24 million and US Dollars 419.60 million.



Loans of the Company from banks amounting to US Dollars 1,273.34 million (2012: US Dollars 1,643.33 million) are unsecured liabilities. Detail of loans is shown as follow:

US Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to US Dollars 150 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable annually commencing 31 October 2011.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 150 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing on 25 February 2013.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 70 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 23 March 2017.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 200 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 21 September 2016.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 22.22 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 14 October 2011.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 44.45 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 14 August 2013.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 12 November 2015.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable annually commencing 27 June 2018.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 26 December 2022.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 16.67 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 18 April 2013.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 8 May 2017.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 8 December 2016.



- Loan from a bank, which is an unsecured liability, amounting to US Dollars 75 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 21 September 2015.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 45 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 17 February 2017.

Loans of subsidiaries from banks amounting to US Dollars 220 million (2012: US Dollars 137.87 million) and Australian Dollars 230 million (2012: Australian Dollars 200 million). Detail of loans is shown as follow:

US Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to US Dollars 25 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 19 January 2011.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 40 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 17 December 2015.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 155 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 17 December 2015.

Australian Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to Australian Dollars 140 million bears interest rate of BBSY plus applicable fixed margin. The principal of the loan is repayable within 17 December 2015.
- Loan from a bank, which is an unsecured liability, amounting to Australian Dollars 90 million bears interest rate of BBSY plus applicable fixed margin. The principal of the loan is repayable within 17 December 2015.

The weighted average effective interest rates of loans from financial institutions of the Group are as follows:

	2013 %	2012 %
Baht loan	-	3.06
US Dollar loan	2.30	2.24
Australian Dollar loan	5.01	5.44



Interest rates risk of long-term loans of the Group is as follow:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
- at fixed rates	-	-	-	-
- at floating rates	1,696,635	2,013,087	55,672,686	61,664,058
Total loans	1,696,635	2,013,087	55,672,686	61,664,058

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
- at fixed rates	-	-	-	-
- at floating rates	1,273,339	1,667,818	41,782,833	51,087,929
Total loans	1,273,339	1,667,818	41,782,833	51,087,929

Maturities of loans from financial institutions are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Within 1 year	273,627	260,107	8,978,701	7,967,497
Later than 1 year but not later than 5 years	1,423,008	1,452,980	46,693,985	44,507,081
Later than 5 years	-	300,000	-	9,189,480
Total loans	1,696,635	2,013,087	55,672,686	61,664,058

	Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Within 1 year	208,878	192,237	6,854,032	5,888,518
Later than 1 year but not later than 5 years	1,064,461	1,175,581	34,928,801	36,009,932
Later than 5 years	-	300,000	-	9,189,479
Total loans	1,273,339	1,667,818	41,782,833	51,087,929

The Group is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio, etc.



Private Placement notes

As at 31 December 2013, Private Placement notes which are unsecured liabilities comprise senior debt notes to the institutional investor in United States of America with a range of maturities of 10 to 15 years. The notes have the weighted average effective interest rate of 4.55 % per annum (2012: 4.55% per annum).

Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012 Restated
Not later than 1 year	9,431	6,836	309,481	209,401
Later than 1 year but not later than 5 years	37,688	24,969	1,236,690	764,829
	47,119	31,805	1,546,171	974,230
<u>Less</u> Future finance charges on finance leases	(7,396)	(5,683)	(242,722)	(174,058)
Present value of finance lease liabilities	39,723	26,122	1,303,449	800,172
Representing lease liabilities:				
- Current portion	7,009	4,902	229,978	150,159
- Non-current portion	32,714	21,220	1,073,471	650,013
Total finance lease liabilities	39,723	26,122	1,303,449	800,172

The present value of finance lease liabilities is as follow:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012 Restated
Not later than 1 year	7,009	4,902	229,978	150,159
Later than 1 year but not later than 5 years	32,714	21,220	1,073,471	650,013
Total finance lease liabilities	39,723	26,122	1,303,449	800,172

**25 Debentures, net**

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Local debentures	1,126,729	907,559	36,972,040	27,800,000
<u>Less</u> Deferred financing service fee	(2,050)	(1,605)	(67,276)	(49,170)
	1,124,679	905,954	36,904,764	27,750,830
<u>Less</u> Current portion of debentures	(67,045)	-	(2,200,000)	-
Debentures, net	1,057,634	905,954	34,704,764	27,750,830

Movements in debentures for the years ended 31 December are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Opening net balance	905,954	749,578	27,750,830	23,755,026
Additions	292,727	189,550	8,994,342	5,891,805
Financing service fee	(700)	(361)	(21,515)	(11,233)
Repayment of debentures	(5,160)	(64,344)	(158,547)	(2,000,000)
Amortisation of deferred financing fee	255	220	7,842	6,852
(Gain) loss on exchange rate	(68,397)	31,311	(2,101,590)	973,236
Translation adjustment	-	-	2,433,402	(864,856)
Closing net balance	1,124,679	905,954	36,904,764	27,750,830

In the year 2013 the company have redeem the current portion of debentures amount of US Dollars 5.16 million.

The weighted average effective interest rate of debentures of the Group after recognised effect from interest rate swap contracts is 4.65% per annum (2012: 5.16% per annum).

The interest rates on the debentures of the Group are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
- at fixed rates	1,126,729	907,559	36,972,040	27,800,000
- at floating rates	-	-	-	-
Total debentures	1,126,729	907,559	36,972,040	27,800,000



Maturities of debentures are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Within 1 year	67,045	-	2,200,000	-
Later than 1 year but not later than 5 years	307,799	221,993	10,100,000	6,800,000
Later than 5 years	751,885	685,566	24,672,040	21,000,000
Total debentures	1,126,729	907,559	36,972,040	27,800,000

During the year ended 31 December 2013, the Company issued debentures as details below:

Bond Description	BANPU 1/2013 # 1	BANPU 2/2013 # 1	BANPU 2/2013 # 2
- Type	Senior and unsecured debentures Principal repayment at the maturity date	Senior and unsecured debentures Principal repayment at the maturity date.	Senior and unsecured debentures Principal repayment at the maturity date
- Category	US Dollar, Specifying name	Thai Baht, Specifying name	Thai Baht, Specifying name
- Total offering price	US Dollars 150 million	Baht 2,300 million	Baht 2,100 million
- Issue amount	15,000 Units	2,300,000 units	2,100,000 units
- Par value	US Dollars 10,000	Baht 1,000	Baht 1,000
- Offering price per unit	US Dollars 10,000	Baht 1,000	Baht 1,000
- Coupon rate per annum	3.99 % per annum	4.65% per annum	4.95% per annum
- Interest paid	Twice a year	Twice a year	Twice a year
- Life	10 years	7 years	12 years
- Issue date	4 April 2013	10 July 2013	10 July 2013
- Maturity date	4 April 2023	10 July 2020	10 July 2025

Debentures are unsecured liabilities. However, the Group is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio, etc.

26 Employee benefits obligation

	Consolidated			
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
<u>Current portion:</u>				
Accrued employee benefits	82,919	97,427	2,720,877	2,984,334
<u>Non-current portion:</u>				
Employee retirement benefits obligation	24,529	28,005	804,874	857,852
Total	107,448	125,432	3,525,751	3,842,186



	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
<u>Non-current portion:</u>				
Employee retirement benefits obligation	8,451	8,422	277,292	257,993
Total	8,451	8,422	277,292	257,993

Accrued employee benefits presented as current liabilities amounting to US Dollars 82,919 million (2012: US Dollars 97,427 million) which is provision for employee annual leave, sick leave and long service leave according to Australian regulation.

Movements of employee benefits obligation are as follows:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Opening balance	125,432	106,104	3,842,186	3,362,547
Recognition in statement of comprehensive income	30,532	43,622	267,390	285,162
Payment during the year	(25,400)	(24,978)	(90,619)	(58,799)
Net unrealised gain from exchange rate	(9,194)	(1,121)	(282,514)	(34,809)
Translation adjustment	(13,922)	1,805	(210,692)	288,085
Closing balance	107,448	125,432	3,525,751	3,842,186

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Opening balance	8,422	7,863	257,993	249,173
Recognition in statement of comprehensive income	886	404	27,223	12,553
Payment during the year	(257)	(120)	(7,897)	(3,733)
Unrealised (gain) loss from exchange rate	(600)	275	(18,466)	8,584
Translation adjustment	-	-	18,439	(8,584)
Closing balance	8,451	8,422	277,292	257,993

Principal actuarial assumptions are as follows:

	2013	2012
Discount rate	2.68% - 9.00%	2.68% - 6.25%
Salary increases	2.00% - 8.00%	2.00% - 8.00%
Withdrawal rate	1.80% - 5.60%	1.80% - 5.60%
Normal retirement age	55 to 60 years	55 to 60 years



27 Share capital

	Number of Registered shares Share	Issued and paid-up share capital		Share premium US Dollar'000	Treasury stocks US Dollar'000	Total US Dollar'000
		Number of shares Share	Ordinary shares US Dollar'000			
As at 31 December 2012	354,050,479	271,747,855	80,477	149,800	-	230,277
As at 31 December 2013	3,540,504,790	2,717,478,550	80,477	149,800	(133,379)	96,898

	Number of Registered shares Share	Issued and paid-up share capital		Share premium Baht'000	Treasury stocks Baht'000	Total Baht'000
		Number of shares Share	Ordinary shares Baht'000			
As at 31 December 2012	354,050,479	271,747,855	2,717,479	5,058,329	-	7,775,808
As at 31 December 2013	3,540,504,790	2,717,478,550	2,717,479	5,058,329	(3,958,569)	3,817,239

At the Extraordinary General Shareholders meeting on 9 September 2013, the shareholders approved the changing of par value of the Company's shares from Baht 10 each to Baht 1 each, number of registered share from 354,050,479 shares to 3,540,504,790 shares, and number of issued and paid up share capital from 271,747,855 shares to 2,717,478,550 shares. The Company registered the changes with the Ministry of Commerce on 19 September 2013.

Treasury stocks

On 16 July 2013, the Company has completed the repurchase of the ordinary share in accordance to the share repurchase project from the main board of Stock Exchange of Thailand of Baht 3,958.57 million or equivalent to US Dollars 133.38 million for the ordinary share of 13.56 million shares (before changing of par value of share and number of share). The payment for treasury stocks presented as reduction in shareholders' equity. The Company has set up reserve for this treasury stocks in the same amount of payment. After 6 months from the date of completion of share repurchase project, the Company will decrease the registered share capital. The treasury stocks on 31 December 2013 have not yet been decrease the registered share capital.

However, as at 6 February 2014, the Company registered the decreasing in registered share capital with the Ministry of Commerce for changing the registered share capital from 3,540,504,790 shares to 3,404,904,790 shares.

**28 Legal reserve**

The movement of legal reserve for the year-ended 31 December is as follows;

	Consolidated and Company		
	Legal reserve		
	Company US Dollar'000	Subsidiaries US Dollar'000	Total US Dollar'000
Opening balance as at 1 January 2012	10,485	47,208	57,693
Appropriation during the year	-	14,248	14,248
Decrease during the year	-	(47)	(47)
Closing balance as at 31 December 2012	10,485	61,409	71,894
Opening balance as at 1 January 2013	10,485	61,409	71,894
Appropriation during the year	-	3,085	3,085
Closing balance as at 31 December 2013	10,485	64,494	74,979

	Consolidated and Company		
	Legal reserve		
	Company Baht'000	Subsidiaries Baht'000	Total Baht'000
Opening balance as at 1 January 2012	354,051	1,561,136	1,915,187
Appropriation during the year	-	433,820	433,820
Decrease during the year	-	(1,435)	(1,435)
Closing balance as at 31 December 2012	354,051	1,993,521	2,347,572
Opening balance as at 1 January 2013	354,051	1,993,521	2,347,572
Appropriation during the year	-	92,475	92,475
Closing balance as at 31 December 2013	354,051	2,085,996	2,440,047

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

29 Other reserves

Other reserves of the Group comprised of the reserve for treasury stock (See Note 27) and the reserves of a joint venture in People's Republic of China. These reserves are in accordance with the regulation of a government unit in People's Republic of China with the objective of future development, safety, transformation and environment.



30 Other components of shareholders' equity

Movements of other components of shareholders' equity for the years ended 31 December are as follows:

Consolidated						
	Notes	Surplus (discount) on changes of investments in subsidiaries US Dollar'000	Fair value reserve of available-for- sale securities US Dollar'000	Cash flow hedge US Dollar'000	Share of other comprehensive income (expense) of joint ventures US Dollar'000	Translation adjustment US Dollar'000
						Total US Dollar'000
Opening balance as at 1 January 2012		187,491	(3,800)	25,856	(18,695)	33,086
Discount on increase of investments in subsidiaries		(24,769)	-	-	-	-
Changes in fair value	14	-	4,142	-	-	-
Share of other comprehensive expense		-	-	(2,780)	(18,531)	(10,365)
Tax charge(credit) to component of other income	17	-	(789)	1,732	2,978	-
Closing balance as at 31 December 2012		162,722	(447)	24,808	(34,248)	22,721
Opening balance as at 1 January 2013		162,722	(447)	24,808	(34,248)	22,721
Discount on increase of investments in subsidiaries		(14,221)	-	-	-	-
Changes in fair value	14	-	(7,851)	-	-	-
Share of other comprehensive income (expense)		-	-	(105,998)	8,749	(199,219)
Tax charge(credit) to component of other income	17	-	1,888	27,472	(1,750)	-
Closing balance as at 31 December 2013		148,501	(6,410)	(53,718)	(27,249)	(176,498)



Consolidated

	Notes	Surplus (discount) on changes of investments in subsidiaries Baht'000	Fair value reserve of available-for- sale securities Baht'000	Cash flow hedge Baht'000	Share of other comprehensive income (expense) of joint ventures Baht'000	Translation adjustment Baht'000	Total Baht'000
Opening balance as at 1 January 2012 as restated		6,760,098	(120,928)	819,395	(592,459)	(2,257,225)	4,608,881
Discount on increase of investments in subsidiaries		(758,734)	-	-	-	-	(758,734)
Changes in fair value	14	-	127,141	-	-	-	127,141
Share of other comprehensive expense		-	-	(121,125)	(578,693)	-	(699,818)
Tax charge(credit) to component of other income	17	-	(24,203)	62,822	115,739	-	154,358
Currency translation difference		-	4,298	(1,184)	7,143	(3,804,678)	(3,794,421)
Closing balance as at 31 December 2012 as restated		6,001,364	(13,692)	759,908	(1,048,270)	(6,061,903)	(362,593)
Opening balance as at 1 January 2013 as restated		6,001,364	(13,692)	759,908	(1,048,270)	(6,061,903)	(362,593)
Discount on increase of investments in subsidiaries		(462,352)	-	-	-	-	(462,352)
Changes in fair value	14	-	(232,522)	-	-	-	(232,522)
Share of other comprehensive income (expense)		-	-	(3,374,562)	258,251	-	(3,116,311)
Tax charge(credit) to component of other income	17	-	58,991	874,362	(51,650)	-	881,703
Currency translation difference		-	(23,097)	(22,415)	(52,469)	(793,003)	(890,984)
Closing balance as at 31 December 2013		5,539,012	(210,320)	(1,762,707)	(894,138)	(6,854,906)	(4,183,059)



		Company	
	Notes	Fair value reserve of available-for- sale securities US Dollar'000	Total US Dollar'000
Opening balance as at 1 January 2012 as restated		220	220
Changes in fair value	14	1,920	1,920
Tax charge(credit) to component of other income	17	(384)	(384)
Closing balance as at 31 December 2012 as restated		1,756	1,756
Opening balance as at 1 January 2013 as restated		1,756	1,756
Changes in fair value	14	(2,531)	(2,531)
Tax charge(credit) to component of other income	17	479	479
Closing balance as at 31 December 2013		(296)	(296)

		Company		
	Notes	Fair value reserve of available-for- sale securities Baht'000	Translation adjustment Baht'000	Total Baht'000
Opening balance as at 1 January 2012 as restated		6,973	284,895	291,868
Changes in fair value	14	59,208	-	59,208
Tax charge(credit) to component of other comprehensive income	17	(11,713)	-	(11,713)
Currency translation difference		(675)	(626,291)	(626,966)
Closing balance as at 31 December 2012 as restated		53,793	(341,396)	(287,603)
Opening balance as at 1 January 2013 as restated		53,793	(341,396)	(287,603)
Changes in fair value	14	(76,251)	-	(76,251)
Tax charge(credit) to component of other comprehensive income	17	14,417	-	14,417
Currency translation difference		(1,623)	1,356,940	1,355,317
Closing balance as at 31 December 2013		(9,664)	1,015,544	1,005,880

**31 Expenses by nature**

			Consolidated	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Staff costs	385,468	396,797	11,843,893	12,333,670
Depreciation on plant and equipment	187,736	187,428	5,768,382	5,825,836
Write-off of assets and projects under development	6,937	18,741	213,187	582,558
Amortisation of deferred exploration and development expenditures and deferred over burden expenditures	956,366	1,037,505	29,385,316	32,248,989
Operating leases	36,197	46,213	1,112,192	1,436,440
Allowance for slow-moving of coal	-	643	-	19,992
Demurrage expenses	24,142	30,706	741,789	954,451
Reversal of allowance for doubtful accounts	(1,081)	-	(33,199)	-

			Company	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Staff costs	23,536	24,089	723,171	748,752
Depreciation on plant and equipment	1,250	1,188	38,436	38,014
Write-off of assets and projects under development	150	114	4,617	3,558
Operating leases	1,357	1,698	41,694	52,766
Allowance for slow-moving of coal	-	643	-	19,992
Demurrage expenses	3	(19)	77	(592)
Reversal of allowance for doubtful accounts	(33)	-	(1,005)	-



32 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

Basic earnings per share for the year-ended 31 December is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
US Dollar				
Net profit attributable to ordinary shares (US Dollar'000)	102,655	271,683	214,126	332,328
Weighted average ordinary shares (Thousand shares) (Note 27)	2,581,879	2,717,479	2,581,879	2,717,479
Basic earnings per share (US Dollar)	0.040	0.100	0.083	0.122
Baht				
Net profit attributable to ordinary shares (Baht'000)	3,150,997	8,441,220	6,374,959	10,293,274
Weighted average ordinary shares (Thousand shares) (Note 27)	2,581,879	2,717,479	2,581,879	2,717,479
Basic earnings per share (Baht)	1.220	3.106	2.469	3.788

The Company recalculates basic earnings per share for the year-ended 31 December 2012 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the par value and the number of issued and paid-up share capital was changed in consistent with the change in the par value and the number of issued and paid-up share capital during the year-ended 31 December 2013.

There are no potential dilutive shares in issue for the years ended 31 December 2013 and 2012.

33 Dividends

At the Annual General Shareholders meeting on 3 April 2013, the shareholders approved a payment of final dividends of 2012 of Baht 9 per share for 270,896,369 shares, totaling of Baht 2,438.07 million or equivalents to US Dollars 82.60 million which was paid to shareholders on 26 April 2013.

At the Board of Directors' meeting on 28 August 2013, the board approved a payment of interim dividends of 2013 of Baht 5 per share for 258,122,327 shares, totaling of Baht 1,290.61 million or equivalents to US Dollars 40.84 million which was paid to shareholders on 26 September 2013.

At the Board of Directors' meeting on 18 January 2012, the board approved a payment of special interim dividends of 2011 of Baht 3 per share for 271,679,247 shares, totaling of Baht 815 million or equivalent to US Dollars 27.30 million which was paid to shareholders on 10 February 2012.

At the Annual General Shareholders meeting on 5 April 2012, the shareholders approved a payment of final dividends of 2011 of Baht 9 per share for 271,674,591 shares, totaling of Baht 2,445 million or equipment to US Dollars 80.53 million which was paid to shareholders on 30 April 2012.

At the Board of Directors' meeting on 29 August 2012, the board approved payment of interim dividends of 2012 of Baht 9 per share for 271,683,802 shares, totaling of Baht 2,445 million or equivalent to US Dollars 77.34 million which was paid to shareholders on 26 September 2012.



34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following significant transactions were carried out with related parties:

34.1 Transactions during the years ended 31 December are as follows:

	Consolidated		Consolidated	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Management income from joint ventures	1,117	1,120	34,353	34,825

	Company		Company	
	US Dollar'000		Baht'000	
	2013	2012	2013	2012 Restated
Sales of goods and services to a subsidiary	7,126	9,556	215,459	310,380
Purchases of goods and cost of services from subsidiaries	38,164	48,805	1,178,247	1,517,231
Dividend from subsidiaries	214,954	363,695	6,423,468	11,274,469
Interest income from subsidiaries	73,532	71,002	2,261,345	2,206,897
Interest expense to a subsidiary	193	132	5,879	4,095
Management income from subsidiaries	32,072	36,015	984,914	1,119,081
Management remuneration	5,025	4,981	156,865	153,638

The pricing policies for transactions between subsidiaries, joint ventures and related parties are set out below:

- The prices of sales and services charged between the Company and subsidiaries approximate to those charged to third parties.
- Management income represents fee charged to subsidiaries and joint ventures for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the condition in agreement.
- For loans, borrowings, interest income and interest expenses, the Group charges interest by considering the average cost of borrowings plus 0.5% per annum for local subsidiaries and plus 2% per annum for overseas subsidiaries.
- Marketing service agreement with overseas subsidiaries to provide marketing and logistics advisory services at the rate of 1.5% of such subsidiaries' gross exported coal.



34.2 Amounts due from related parties as at 31 December consist of:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Other receivables - joint ventures	191	199	6,252	6,096
Dividend receivables from joint ventures	215,835	248,081	7,082,311	7,599,111

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts receivable - a subsidiary (Note 9)	452	530	14,808	16,237
Interest receivable - subsidiaries	13,914	11,324	456,556	346,869
Other receivables - subsidiaries	18,324	7,953	601,302	243,630
Total amounts due from related parties	32,238	19,277	1,057,858	590,499
Dividend receivables from subsidiaries	426,097	592,122	13,981,774	18,137,635

34.3 Advances and long-term loans to related parties as at 31 December consist of:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Advances to a joint venture	-	45	-	1,389

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Advances to				
- Subsidiaries	248	900	8,152	27,562
- Joint ventures	-	18	-	544
Total advances to related parties	248	918	8,152	28,106
Short-term loans to related parties	46	-	1,500	-
Long-term loans to related parties	2,304,016	2,139,116	75,603,062	65,524,550



Long-term loans to subsidiaries represent US Dollar loans amounting to US Dollars 2.304 million (2012: US Dollars 1,793 million and Thai Baht loan amounting to Baht 10,602 million) bearing interest at rates of 3.74% - 3.76% per annum (2012: 2.22% - 4.18% per annum). The repayment term is at call. However, the Company will not request repayment until these subsidiaries have the ability to pay.

Movements of long-term loans to related parties for the years ended 31 December are as follows:

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Opening balance	2,139,116	2,261,278	65,524,550	71,662,610
Increase	2,383,772	341,659	73,243,539	10,619,834
Repayment	(2,220,385)	(477,582)	(68,223,335)	(14,844,733)
Realised gain on exchange rate	1,513	13,761	46,495	427,734
Translation adjustment	-	-	5,011,813	(2,340,895)
Closing balance	2,304,016	2,139,116	75,603,062	65,524,550

34.4 Trade accounts payable, advances and loans from related parties comprised:

	US Dollar'000		Consolidated Baht'000	
	2013	2012	2013	2012
				Restated
Advance from a joint venture	-	1	-	42

	US Dollar'000		Company Baht'000	
	2013	2012	2013	2012
				Restated
Trade accounts payable - a subsidiary	6,406	3,663	210,193	112,204
Other payables - subsidiaries	-	31	-	939
Accrued interest expenses - a subsidiary	-	131	-	4,010
Advances from subsidiaries	2	37	60	1,136
Total advances from and amounts due to related parties	2	199	60	6,085
Short term loan from a subsidiary	-	16,100	-	493,169
Long term loans from a subsidiary	-	5,700	-	174,600

As at 31 December 2012 short-term loans from a subsidiary represent US Dollar loans amounting to US Dollars 16.10 million are bearing interest at rate of 1% per annum. The repayment will be on 14 March 2013.

As at 31 December 2012 long-term loans from a subsidiary represent US Dollar loans amounting to US Dollars 5.70 million are bearing interest at rate of 1% per annum. The repayment will be on 13 December 2017. However, such loan has been early paid during 2013 because of the changing in investment structure within the Group.



35 Commitment, significant contracts and contingent liabilities

As at 31 December, the Group has obligations with banks as follows:

	Consolidated		Company	
	2013 Million (Original currency)	2012 Million (Original currency)	2013 Million (Original currency)	2012 Million (Original currency)
Letters of Guarantee				
- US Dollar	0.05	4.00	-	-
- Thai Baht	4,104.87	4,105.64	4,052.77	4,053.34
- Indonesian Rupiah	382,405.58	377,357.64	-	-
- Australian Dollar	136.20	147.70	-	-
Letters of Credit				
- US Dollar	210.64	210.01	204.24	204.24
- Australian Dollar	0.35	-	-	-

Capital commitments

As at 31 December 2013, the Group had capital commitments but not recognised in the consolidated financial statements in the amount of Australian Dollars 65.74 million and US Dollars 2.55 million (2012: Australian Dollar 112.78 million and US Dollar 17.13 million).

Coal Supply Agreement commitments

As at 31 December 2013, the Group of Indonesian subsidiaries had coal supply commitments in accordance with the Coal Supply Agreement in the amount of 50.60 million tonnes at the market price (2012: 69.70 million tonnes), such coals to be delivered within 2021 (2012: within 2021).

Contingent liabilities

An Australian subsidiary has entered into service contracts with senior executive, which stipulate that in the event that their service contracts are terminated early by the subsidiary, such subsidiary will be required to compensate the executive. The aggregate amount that would be paid out if these contracts were terminated at reporting date is Australian Dollars 3.70 million. (2012: Australian Dollar 3.90 million)

Significant contracts

- A subsidiary in Thailand has entered into contract regarding the service of coal ash removal from the area under the silo in the area of two power plants in respect of which a subsidiary is responsible for any damage possibly incurred from the service. Payment is determined in accordance with the removed quantity. The contract duration lasts for 3 years and 15 years commencing from the date of operation on 31 August 2011 and 17 March 1999 respectively.
- A subsidiary in Thailand has entered into contract for mining and disposal of lignite coal at Ban-sa Mine, Amphur Chiang Muan, Payao Province, with the Energy Development and Promotion Department for which the subsidiary is granted subrogation right for 22 years commencing on 10 January 1996. Moreover, such subsidiary has to comply with various requirements specified in the contract.
- Indonesian subsidiaries have entered into the mining services contracts with other companies in Indonesia. Each agreement governs among others the price rate and other factors. Contract values are dependent on volumes of overburden moved and coal mined. These contracts will expire between February 2014 and October 2016.
- Indonesian subsidiaries have entered into a fuel purchase agreement with another company in Indonesia with a total contract quantity of 216 million litres (price on delivery). As at 31 December 2013, the remaining contract quantity is 28 million litres. Such subsidiaries are required to provide a guarantee of 105% of one-month's fuel requirement, at a minimum.



- e) Indonesian subsidiaries have entered into a contract for production sharing with the Government of Indonesia to share 13.50% of coal produced with the Government.
- f) An Indonesian subsidiary, holding the mining rights, has an obligation to pay an exploitation fee ranging from 3% to 7% of sales, net of selling expenses.
- g) Under the Coal agreement, five Indonesian subsidiaries is required to spend a minimum of US Dollars 10 per hectare on exploration activities. If, after 36 months from the date of commencement of the exploration period, the subsidiary has not met its obligations with respect to minimum expenditures, it may be required to deliver a guarantee of an amount not exceeding the total outstanding expenditure obligations. The management believes that it has met the obligations as required by the Coal agreement.
- h) Under the Coal agreement, five Indonesian subsidiaries is obligated to pay the Government a dead-rent fee during the terms of the agreement. Dead-rent is calculated by reference to the number of hectares in the Coal agreement, in accordance with the rates stipulated in the Coal agreement. Land and building tax payable for the pre-production period is equal to the amount of dead-rent. During the production period, the subsidiary is required to pay land and building tax equal to the dead-rent plus 0.15% of gross revenue from the mining operations.
- i) Four Indonesian subsidiaries that have activities in production in a protected forest area but not related to forestry activity will have the obligation to pay a forestry fee ranging from Indonesian Rupiah 1.2 million to Indonesian Rupiah 3.0 million per hectare.
- j) Three Indonesian subsidiaries have entered into agency agreements with third-party agents to market to their customers. The agents will receive commissions based on a percentage of sales to those customers.
- k) Indonesian subsidiaries have entered into the vehicle rental agreements. The total remaining contract value is Indonesian Rupiah 49,550 million.
- l) Chinese subsidiaries have entered into the Power Purchase Agreement and Steam Purchase Agreement with their local bureau at the agreed quantity and price according to such agreements. The agreement term is annually.
- m) Hongsa Power Company Limited (joint venture) entered into Power Purchase Agreement with Electricity Generating Authority of Thailand. The agreement period is 25 years starting from the commercial operating date. Such joint venture also entered into the credit facilities contracts with nine financial institutions. The contracts set out the preliminary agreements on the approximately US Dollars 2,783 million or equivalent to Baht 85,248 million for the development of power plant.

Litigation

- a) An Indonesian subsidiary has been sued and asked for the claim for land amounting to Indonesian Rupiah 1,020 million and compensation of Indonesian Rupiah 51 million per month. On 21 April 2009, the Appeal Court decided in favour of the subsidiary. However, the plaintiff has appealed to the Supreme Court, which is currently going through the judicial process. The Group's management is of the view that the subsidiary has no responsibility for the damages as claimed by the plaintiff. Consequently, the subsidiary has not provided for any losses from such litigation.



- b) During the year 2007, an overseas subsidiary has been sued by a former director of the company (the Buyer) who bought an investment from the subsidiary. The plaintiff alleged that the purchase was not lawful and requested the court to invalidate the transaction. He is claiming for the subsidiary and the Buyer to jointly pay damages amounting to US Dollars 302.55 million. The subsidiary has defended the case, and the Civil Court dismissed such claim. The plaintiff appealed the decision of the Civil Court to the Appeal Court. The Appeal Court issued a decision which ordered such subsidiary to pay the compensation to the plaintiff of US Dollars 1.275 million plus 2% interest per annum until fully paid. However, the subsidiary submitted an appeal to the Supreme Court which is currently going through the judicial process of the Supreme Court.
- c) One of an Indonesian subsidiary's contractor commenced arbitration in Singapore against the subsidiary for a claim worth a total of US Dollars 1.42 million. As of 31 December 2013, the arbitration has not yet progressed beyond the service of notice because such contractor has not paid the arbitration fee. The Group's management believes that the results will not have a significant impact on the financial statements.
- d) A joint partner in Mongolia commenced arbitration in Mongolia against a Mongolian subsidiary and a Australian subsidiary for a claim worth a total of US Dollars 30 million, including rights over 3 concession agreements. As of 31 December 2013, the arbitration is currently going through the process. However, the Group's management believes that the subsidiaries have no responsible on this claim as the claim is invalid.
- e) In the year 2007, a group of individuals and corporate entities ("Plaintiffs"), who were ex-developers of a coal mine and a power plant in Lao PDR ("Hongsa Project"), filed a civil lawsuit against the Company, Banpu International Limited, Banpu Power Limited (a subsidiary holding equity in Hongsa Power Company Limited which holds coal mine and power concessions awarded by the Government of Lao PDR ("GOL")) and three members of management as defendants, based on the allegations that the Defendants had deceptively entered into a joint development agreement with the Plaintiffs for the purpose of gaining access to the information of the Hongsa Project, and had, in bad faith, misinformed the GOL to terminate their Hongsa Project concessions in order that the Company could directly enter into a concession contract with the GOL. The Plaintiffs demanded the Defendants to pay damages of Baht 2,000 million as for the value of the Hongsa Project information, another Baht 2,000 million as for the investment costs to the studies and expenditures in the Hongsa Project, and Baht 59,500 million as for the lost profits due to the GOL having terminated the Hongsa Project concessions, totaling Baht 63,500 million plus interest thereon.



On 20 December 2012, the Civil Court issued a judgment that the Defendants did not breach the joint development agreement; the Plaintiffs breached the joint development agreement; the Defendants committed a wrongful act by using the Plaintiffs' information of the Hongsa Project (for the development of a 600-MW power plant) to currently develop the 1,800-MW power plant, and adjudicated that the Company and Banpu Power Limited pay to the Plaintiffs the damages of Baht 2,000 million for the value of the information, another Baht 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, totaling Baht 4,000 million plus 7.5% interest per annum from the date of plaint until fully payment, and for loss of profits of Baht 860 million per year for years 2015 - 2027 and Baht 1,380 million per year for years 2028 - 2039, payable at each year end, totaling Baht 27,740 million. The grand total of damages is Baht 31,740 million. The plaints involving Banpu International Limited and the management were dismissed.

The management of the Company and Banpu Power Limited required legal advisors to review the judgment, and their legal opinions firmly assure that there are strong defenses of both factual and legal grounds, and that the Company and Banpu Power Limited should not be held liable for the damages for information, investment and expenditures of a 600 - MW power plant, or for the loss of profits from the former Hongsa Project of the Plaintiffs, which had been earlier terminated by the GOL.

The management of the Company is confident that the manner in which it undertook its dealings with regard to the Hongsa Project cannot be considered, in anyway whatsoever, as dishonest or wrongful. Having duly and thoroughly considered information, evidence and facts as well as the legal opinions, the Company and Banpu Power Limited have submitted their appeal on 12 December 2012 against the judgement of the Civil Court with confidence in strong defences of both factual and legal grounds for the appeal. With these reasons, the Company and Banpu Power Limited do not record a contingent liability in respect of this civil case in the financial statements. As at 31 December 2013, this case is currently going through the judicial processes.

- f) An Indonesian subsidiary filed a civil claim against an insurance company ("Defendant") of US Dollars 1.40 million in relation to a defaulting payment of performance bond previously claimed by such subsidiary. This claim of performance bond was claimed to the Defendant as the performance bond issuer in response to a contractual default by the subsidiary's contractor. In August 2009, the Civil Court issued decision which ordered the Defendant to pay compensation to the subsidiary of US Dollars 1.40 million. Subsequently, the Defendant submitted an appeal to the Appeal Court. During the appealing, the subsidiary and the Defendant agreed to settle the dispute amicably. The Defendant agreed to pay US Dollars 840,000. However, in July 2011 the Appeal Court issued a decision which declared that the subsidiary's claim is unacceptable. The subsidiary submitted an appeal to the Supreme Court which is currently going through the judicial process.



- g) During the year 2010, an Indonesia subsidiary has been issued tax underpayment assessment for the fiscal year 2008 of US Dollars 16.30 million from the Directorate General of Tax of Indonesia (“DGT”). The management of such subsidiary has disagreed and filed the appeal to tax court. However, during the year ended 31 December 2013, the tax court issued a decision which accepted the appeal of US Dollars 6.90 million but rejected the US Dollars 9.40 million. The management of such subsidiary required legal advisor to review the judgement and their legal opinion firmly assures that there are strong defenses. As at 31 December 2013, the management filed an appeal to the Supreme Court.
- h) During the year ended 31 December 2013, an Indonesian subsidiary has been issued tax underpayment assessment for the fiscal year 2011 of US Dollars 37.68 million from DGT. The management of such subsidiary has disagreed with that claim and believed that they can discuss with DGT. As at 31 December 2013, the management filed an objection letter to DGT.
- i) During the year ended 31 December 2013, an Indonesian subsidiary has been issued tax underpayment assessments for the fiscal year 2009 of US Dollars 29.60 million from DGT. However, if such subsidiary uses the same basis of the tax underpayment of US Dollars 29.60 million, the subsidiary would overpay tax for the fiscal year 2008 of US Dollars 21.00 million. The management has submitted a formal request to DGT to perform the tax audit for the fiscal year 2008 to refund such tax overpayment. The management will file an objection letter to DGT within February 2014.

Others

Four Indonesian subsidiaries are being audited by the tax office. However, they have not yet received the audit results. The management believes that the results will not have a significant impact on the financial statements.

36 Post statement of financial position event

As at 6 February 2014 the company has registered a reduction of registered ordinary shared capital with Ministry of Commerce from 3,540,504,790 shares to 3,404,904,790 shares.





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ADDITIONAL INFORMATION

"Investors may find additional information of Banpu Public Company Limited
from its Annual Registration Statement (Form 56-1)
posted at www.sec.or.th or at www.banpu.com."