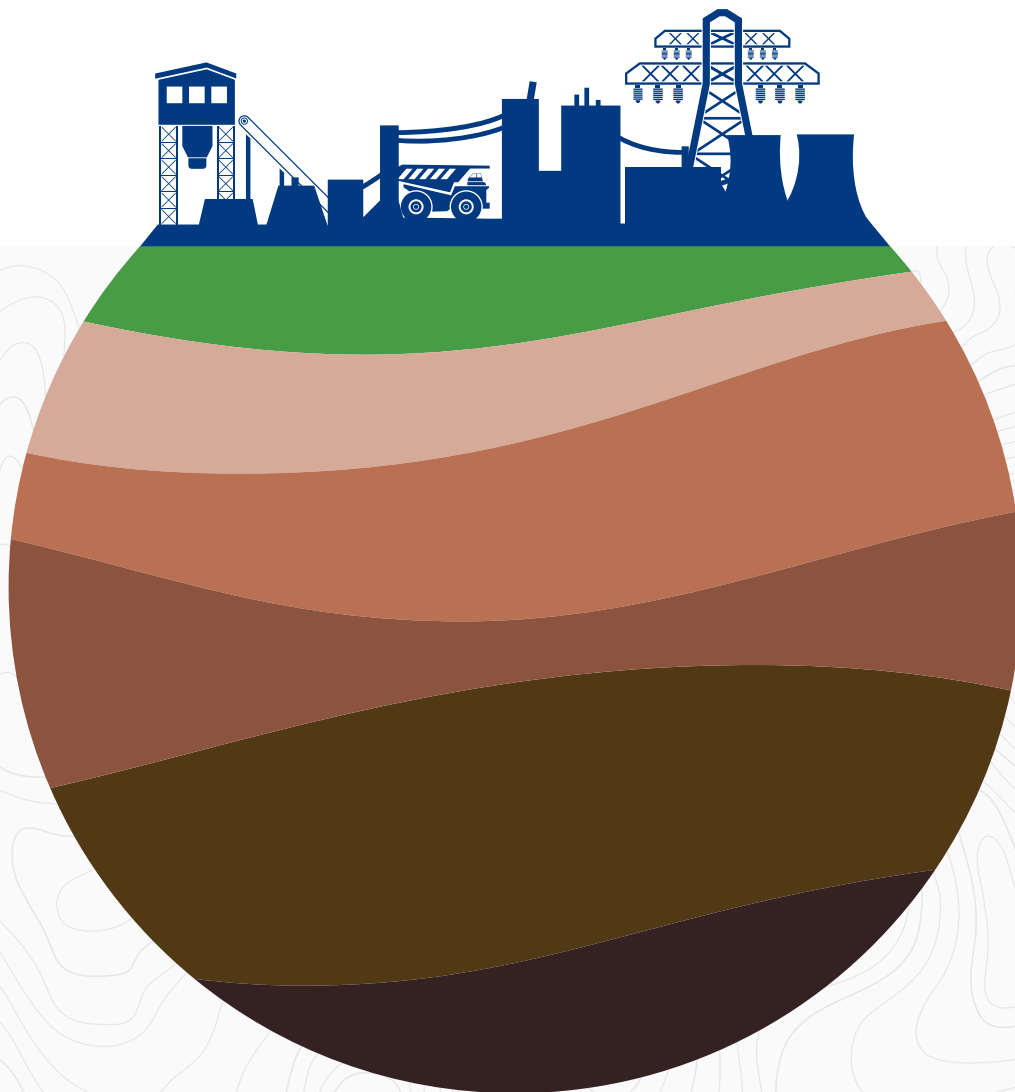


# “The Asian Face of Energy”

Thailand • Indonesia • China • Australia • Mongolia • Laos • Singapore • Japan



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# Policy and Business Overview



Banpu Public Company Limited was incorporated on 16 May 1983 with 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 mining 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 when Banpu was listed in the Stock Exchange of Thailand (SET). 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 firm also committed itself to remove overburden and coal for the Electricity Generating Authority of Thailand (the contract ended on September 2001), produce and sell industrial minerals, operate a port business (Banpu subsequently sold both the port and the industrial mineral businesses) and invest 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, Mongolia, Singapore and Japan.





## ‘The Asian Face of Energy’

### 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 31-Dec-14	For the year ending 31-Dec-13	For the year ending 31-Dec-12
<b>Financial Position</b>				
Total Assets	(USD Million)	6,900	7,129	7,662
Total Liabilities	(USD Million)	4,500	4,620	2,996
Total Shareholders' Equity	(USD Million)	2,400	2,509	3,046
Issued and Paid-up share Capital	(USD Million)	76	80	80
<b>Operational Results</b>				
Sale Revenues	(USD Million)	3,145	3,351	3,775
Cost of Sales	(USD Million)	2,139	2,301	2,332
Gross Profit	(USD Million)	1,006	1,050	1,443
Selling and Administration Expenses	(USD Million)	451	497	576
Royalty Fee	(USD Million)	303	325	383
Other Revenues	(USD Million)	47	83	171
Other Expenses	(USD Million)	5	27	27
Profit from Operation	(USD Million)	295	283	628
Share of profit from joint ventures	(USD Million)	87	87	85
Interest Expenses	(USD Million)	121	116	112
Financial Expenses	(USD Million)	11	10	11
Corporate Income Tax	(USD Million)	70	90	168
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia	(USD Million)	24	-	-
Non-controlling interests	(USD Million)	74	76	152
Net Profit	(USD Million)	82	78	272
EBITDA	(USD Million)	643	665	974
<b>Financial Ratios</b>				
Gross Profit Margin	(%)	32	31	38
Net Profits to total revenues	(%)	3	2	7
Returns on Assets	(%)	1	1	4
Returns on Equity	(%)	3	3	9
Interest Coverage Ratio	(Times)	5.50	4.53	10.36
Net Debt to Equity	(Times)	1.17	1.10	0.79
<b>Data per Share</b>				
Earnings per Share	(USD)	0.03	0.03	0.10
Book Value per Share	(USD)	0.93	0.97	1.10
Dividend per Share	(Baht)	*1.20	1.20	18.00

\* The Company announced a total dividend of THB 1.20 per share arising from its performance during the period from 1 January 2014 to 31 December 2014, of which THB 0.50 was paid on 26 September 2014. The remaining dividend of THB 0.70 per share for 2014 performance will be paid on 29 April 2015.

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



## Operational Results

	2014	For the year ending 2013	2012
<b>Coal Sales Volume (Million Tonnes)</b>			
Indominco	15.27	14.93	14.47
Trubaindo	6.92	7.79	7.84
Bharinto	2.45	1.65	0.26
Jorong	1.23	1.25	1.11
Kitadin-Embalut	1.24	1.07	1.32
Kitadin-Tandung Mayang	1.86	2.47	2.22
Centennial	15.47	13.59	14.30
Thailand	0.02	0.05	0.07
<b>Total Coal Sales Volume</b>	<b>44.45</b>	<b>42.80</b>	<b>41.58</b>
<b>Coal Sales Revenue (USD Million)</b>			
Coal Business:			
Indominco	960	1,047	1,212
Trubaindo	545	671	829
Bharinto	187	146	27
Jorong	52	55	64
Kitadin-Embalut	76	77	122
Kitadin-Tandung Mayang	129	185	223
Centennial	957	913	1,079
Thailand	47	33	-
<i>Total Revenue from Coal Business</i>	<i>2,953</i>	<i>3,128</i>	<i>3,555</i>
Power Business	168	191	183
Other Businesses	24	31	37
<b>Total Coal Sales Revenues</b>	<b>3,145</b>	<b>3,351</b>	<b>3,775</b>
<b>Gross Profit Margin (%)</b>			
Indominco	32	34	40
Trubaindo	37	32	43
Bharinto	37	53	34
Jorong	46	34	38
Kitadin-Embalut	24	35	49
Kitadin-Tandung Mayang	30	33	59
Centennial	28	23	30
Thailand	24	43	0
Coal Business	32	31	39
Power Business	33	27	17
Other Businesses	68	54	67
<b>Total Gross Profit Margin (%)</b>	<b>32</b>	<b>31</b>	<b>38</b>



## Board of Directors' Review







“The Company remains firm on its social and environmental development support for the benefit of all stakeholders. It was an honour for the Company to be nominated as a member of Dow Jones Sustainability Indices or DJSI. This is the first time that the commendable status has been awarded to Banpu, in the Emerging Market category of the Energy Sector. This gratifying success has boosted the confidence of investors and shareholders both local and international in Banpu’s corporate governance and management.”

In 2014, the overall world economy expanded less than forecasted, especially the European Union, ASEAN, and Japan, while China experienced economic slowdown.

The fluctuation in the world economy has put tremendous pressure on global coal demand and prices throughout the year. The Board of Directors and the Management were well aware of the situation and adjusted strategic business plans to manage the fluctuation and searched for strategies to enhance sustainability for the Company. Production and operating cost reductions were among the measures applied in addition to balancing the proportion of investment portfolio between coal business and power business. The adjustment provided the Company with the ability to maintain respectable good returns for shareholders.

In addition to effective management for long-term sustainability, the Company remains firm on its social and environmental development support for the benefit of all stakeholders. It was an honour for the Company to be nominated as a member of Dow Jones Sustainability Indices or DJSI. This is the first time that the commendable status has been awarded to Banpu, in the Emerging Market category of the Energy Sector. This gratifying success has boosted the confidence of investors and shareholders both local and international in Banpu’s corporate governance and management.

The Company is unwavering in its efforts to promote high quality management by placing top priority on its foundation of integrity, business ethics, trustworthiness, and good governance. In 2014, the Company’s win in the Hongsa case in the Court of Appeal reflected these principles enshrined in the Company core’s values.

The Board of Directors would like to express its sincere gratitude to all our stakeholders both local and overseas for their continued support, especially during this challenging time for all. The Board pledges its full efforts to strive for sustainable growth, based on the principles of good governance to contribute to social and national development.

Mr. Krirk-Krai Jirapaet  
Chairman of the Board  
of Directors



## Chief Executive Officer Review





“At Banpu’s helm for over three decades now, I have led the Company through several cycles of growth and development. I believe it is right that I now handover the running of our ship to a new captain.”

Banpu continues to adapt to the changes in the world’s energy markets to ensure long term sustainability. After three years of intensive cost rationalisation and productivity enhancements, Banpu’s coal business is positioned both to withstand a low coal price environment as well as to take full advantage of coal price recovery. Banpu group coal sales are rapidly approaching 50 Mt with strong synergy value being generated through regional integration of all group marketing and logistics.

Banpu’s power business is poised for very substantial growth around a more independent and diversified strategy going forward.

After more than three decades as Banpu’s CEO, I now intend to pass the baton to a dynamic and experienced lady who I believe can deliver the Company’s next phase of expansion.

### Summary of our financial performance in 2014

Banpu’s financial performance stabilized in 2014 despite the continued decline in coal prices thanks to higher production in Australia and China, effective cost management and another strong result from the Company’s power business.

Banpu group coal sales (including all Indonesian coal sales plus Australian and Chinese coal sales on an equity basis) increased to 48.7 Mt, up 3 Mt or 6% versus 2013. The weighted average selling price of Banpu’s Indonesian and Australian coals fell 10% from US\$72.4 in 2013 to US\$65.4 per tonne in 2014. Consolidated coal business revenues <sup>(1)</sup> were down around 6% to just under US\$3 billion.

Banpu’s consolidated EBITDA <sup>(2)</sup> in 2014 was US\$643 million, slightly lower than the previous year (US\$665 million), with coal business EBITDA down 6% to \$538 million but power business EBITDA up 11% at US\$105 million. The Company’s consolidated net profit after tax for the year was 5% higher at US\$82 million.

### Analysis of our coal sales and the thermal coal market

Banpu’s coal sales from Indonesia in 2014 were flat at around 29 Mt, while sales from the Company’s Australian operations increased 14% to 15.5 Mt. Equity output from Banpu’s coal mining interests in China increased to 4.2 Mt, more than double the figure for 2013.

(1) Not including Chinese coal sales

(2) Earnings before interest, tax, depreciation and amortisation



China remained as the Banpu's single biggest market representing 24% of total coal sales (11.5 Mt up 4%), coming from the group's operations in Indonesia, Australia and domestically in northeast China. The second biggest market for the group is Australia, representing 19% of group sales, all produced domestically at Banpu's Centennial Coal mines in New South Wales. The countries of the ASEAN region combined accounted for 18% of total sales, while other north Asian countries (Japan, Korea and Taiwan) accounted for a further 28%. Coal sales to India for the year were 3.2 Mt or 7% of group sales, up 28% compared with 2013.

Banpu's marketing, sales and logistics function was reorganized and centralized in 2014 around a new Singapore office. Banpu's exceptional geographic and product diversity in the Asia-Pacific region - and the depth and breadth of the Company's expertise across the supply-chain from production through to customer delivery gives the group unique insights and opportunities to extract synergy value. The Singapore initiative will ensure better co-ordination of sourcing, logistics and marketing activities - while facilitating more advanced blending, aggregation, arbitrage and trading strategies.

The NEX<sup>(3)</sup> Index, based on FOB<sup>(4)</sup> thermal benchmark prices at Newcastle in Australia for high grade export coal, fell 24% from an average of around US\$83 per tonne in January to just under US\$63 per tonne in December 2014. Although the first two months of 2015 have seen a strong recovery in prices due to reduced excess supply and some seasonal factors, fluctuations must be expected with further downside risks. Looking to the medium term, however, it is fair to say that current price levels do not appear to be sustainable.

### **Banpu's Indonesia coal business: ITM**

Banpu's Indonesian mines produced 29.1 Mt in 2014 of saleable coal, lower than target due to unfavorable weather conditions and an oversupplied market. Output at Indominco West Block continued its wind-down (2.2 Mt versus 4.5 Mt in 2013) in parallel with the gradual expansion of East Block to 12.8 Mt (versus 10.6 Mt in 2013). At Trubaindo, output fell by 0.7 Mt to 7.2 Mt in 2014 but the drop was made up by a significant ramp-up at the adjacent Bharinto operation to 2.5 Mt, doubling output compared to the previous year. Output at Embalut and Jorong increased slightly to reach 1.3 Mt for each operation, but production at Kitadin Tandung Mayang dropped to 1.8 Mt in 2014. Total ITM output is targeted at 29.5 Mt.

Total unit costs at ITM were cut by a further 9% in 2014 to US\$59 per tonne. Average unit costs in the fourth quarter of the year at US\$56 per tonne were 24% lower than what they were running at in the first quarter of 2012. This has been achieved chiefly by adjusting mine plans and by reducing stripping ratios at ITM's main operations. Other initiatives have included negotiating lower contractor, fuel and explosives costs - as well as overhead and overhaul cost rationalisation. In spite of these efforts, coal price weakness combined with the fall in output meant that EBITDA at ITM was down approximately 20% year-on-year to just under US\$300 million.

Cost management measures will continue at ITM in 2015 along with further improvements to infrastructure and logistics access. By 2017 we are planning total saleable output of over 31 Mt per annum.

### **Banpu's Australian coal business: Centennial**

Centennial's run-of-mine output in 2014 on an equity basis grew by 1.4 Mt (up 10%) to 15.2 Mt despite two operations being placed on care and maintenance. Record production was achieved at Clarence, Mandalong, Myuna and Springvale driven by productivity improvements over the past two years. Productivity measured by total tonnes of output per employee increased by around 10% in 2014. Meanwhile average production costs were cut by a further A\$3 to A\$49 per tonne, equivalent to a 6% reduction year-on-year.

(3) The Newcastle Export Index (previously known as the Barlow Jonker Index or 'BJI')

(4) Free-On-board a vessel for export.





Logistics optimisation initiatives included full rail loading automation and longer trains to improve cycle times and unit costs. On the sales front, Centennial put in place new domestic contracts based on long term export parity pricing as well as contracted inflation-linked selling price escalation for all contracts. Thanks to all these efforts, despite a decrease in the average export sales price of around US\$16 per tonne, Centennial's EBITDA increased by 24% to A\$211 million in 2014.

### **Banpu's China and Mongolia coal businesses**

The Gaohe operation in Shanxi province (45%-owned by Banpu) achieved a strong output record in 2014 at 8.6 Mt, a 43% increase on the year before and well above target. The production increase helped offset lower coal prices and ensured a 13% increase in EBITDA to US\$205 million for the year. The mine has the potential to grow further to raw coal output of 10 Mt per annum by 2017 with around a third of saleable output being sold as coking coal. The mine should benefit from the new power plant (Shanxi Lu Guang) being developed three kilometers from the mine site which is planning to buy around 0.6 Mt per annum from the mine transported via a conveyor belt.

At Hebi Zhong Tai (40%-owned by Banpu) in Henan province, output was stable at 1.2 Mt for the year. Costs were reduced through manpower cutbacks and optimisation programmes, while working conditions were improved with better ventilation and repairs to rail and roadways. Going forward, an increase to around 1.5 Mt per annum is planned.

In Mongolia at the Tsant Uul pilot project, we have completed the oven plant installation and is currently in the commissioning stage to convert coal to coal tar and char briquette products. The study of a commercial scale coal-to-chemicals project is on-going. At Unst Khudag, we completed updated geological and mining models and continued to focus on water resource modeling and development. We are also conducting a preliminary feasibility study for coal-to-liquids, coal-to-gas and coal-to-power scenarios. Finally at the Altai Nuurs project, Banpu obtained preliminary mining approvals from the government and completed some drilling and economic evaluation.

### **Banpu's power business**

BLCP (50%-owned by Banpu) completed an eighth year of smooth operational performance and steady cash flows. EBITDA increased to US\$183 million, up 9% compared to 2013. A possible brownfield expansion of BLCP by up to a further 1,000 MW is currently under study.

In Laos, development of the vertically-integrated 1,878 MW lignite-fired Hongsa project (40%-owned by Banpu) made excellent progress in 2014 and was 94% complete by the end of the year. The first 626 MW unit is scheduled for commercial operation by mid-2015.

In China, Banpu's three combined heat and power plants in Hebei and Shandong provinces delivered another record performance with an EBITDA contribution of US\$63 million before overheads thanks to strong steam sales at Luannan and Zhengding and lower coal prices. In Shanxi province, Banpu has formed a joint venture with the Lu'an Group (35%) and Gemeng International (35%)<sup>(5)</sup> to develop a 1,200 MW coal-fired power plant using ultra-super critical technology with higher efficiency and lower emissions than conventional power stations. Banpu has a 30% shareholding in the Shanxi Lu Guang joint venture which is scheduled for commissioning by 2017. Total capital expenditure is estimated at just over US\$700 million, of which up to 70% can be secured in debt finance.

(5) Shareholders of Gemeng International include SIEG holding, KEPCO, Deutsche Bank, J-Power and Chugoku Electric



## Looking back: sustainability, adaptability and stakeholder value

Looking back to Banpu's early days, starting out with a small lignite operation in northern Thailand, our prospects must have seemed uncertain to most outside observers. But we were not put off by outward appearances or challenging market conditions, no less than we are today. From the outset we had resolved to build the foundation of a sustainable energy company - with best practice management systems - and a philosophy of investment in long term stakeholder relationships.

To realise this vision against the odds we have always fostered a resilient culture of adaptability, continuous improvement and a readiness to learn fast. The key to achieving these goals, of course, has been to bring together a group of people who share the same vision and culture. Good team work has been crucial to our success from day one. Banpu co-founders Khun Metee and Khun Ongart Auapinyakul, senior executives like Khun Prachuab Trinikorn and Khun Rawi Corsiri, our former Chairman Khun Chira Panupong, our directors, management and employees have all been absolutely vital to the Company's development and growth. It has been an honor and a privilege to work with all these people. I would like to take this opportunity to express my sincere thanks again to them for their fortitude, loyalty and friendship over the years.

The related themes of sustainability and adaptability continued to feature prominently in our work over the past year or so. We have been honored to receive a number of awards in recognition of our efforts - as well as inclusion in the Dow Jones Sustainability Indices for Emerging Markets.

## Strategy and leadership going forward

Today Banpu is present in eight countries across the Asia-Pacific region. We have become the region's most ubiquitous and versatile coal-based energy player - with expertise ranging from exploration and mining through to logistics, marketing, coal-fired power generation and value-added coal product development. After three years of rationalisation we are now poised for a new phase of growth. Through the Singapore office and other initiatives we are focused on building regional synergies between our different coal businesses, extracting value throughout the supply chain, benefiting from source and product diversity, economies of scale and extensive international customer relationships. Going forward, we should be uniquely well positioned to benefit from a multitude of coal-related growth opportunities in the Asia-Pacific region.

Alongside our regionally-integrated coal business, Banpu is developing a parallel power business. While some important synergies with the coal business will remain, and while we intend to retain control, we will also increasingly allow our power business to follow a path of its own, unleashing its full value growth potential. Our pioneering skills in power project finance, development and operation acquired over the past two decades need not be restricted to coal-fired power alone. They are applicable to most kinds of power. With this in mind, and with sustainability as our guiding principle, we will gradually diversify into other kinds of thermal power generation and renewable energy across the Asia-Pacific region.

At Banpu's helm for over three decades now, I have led the Company through several cycles of growth and development. I believe it is right that I now handover the running of our ship to a new captain. Khun Somruedee Chaimongkol has been with Banpu since the early days and has an intimate knowledge of all aspects of our business and operations. She has been at the heart of our last phase of expansion since 2001 - and is already managing most of the changes which will underpin our strategy going forward.

Subject to AGM and board approval, Khun Somruedee will take on the CEO role from April onwards. I have great confidence her abilities. She is a lady of action and effective execution. In addition to her formidable reputation in the international financial community, she is personally and actively engaged in a host of other stakeholder relationships of critical importance to the Company.



Khun Somruedee will be supported by a strong senior management team, all of whom have confirmed their commitment to collaborating closely with her to deliver our next five year growth plan. Peter Parry, currently CFO of Centennial Coal, has agreed to take on Khun Somruedee's role as CFO of the Banpu group. We welcome Peter in this role and also have full confidence in him. I will remain on the Board of Directors to ensure a smooth transition - and to advise on the Company's long term strategic direction.

Our strategy will continue to be based on a commitment to the themes of integrity, care, innovation and synergy - the core values on which our reputation for good governance, social responsibility, stakeholder value and sustainability are founded. These are the values which make us stronger and which give us our competitive edge. I believe they will continue to serve us well in the decades ahead.

On that note I would like to officially welcome my successor to her new role and offer her, our management teams - and all other staff and stakeholders at Banpu - my heartfelt best wishes for the future.

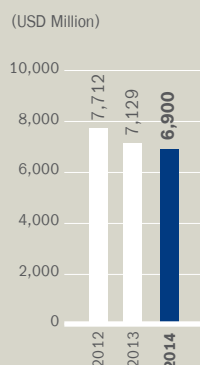
**Mr. Chanin Vongkusolkrit**  
Chief Executive Officer



## Key Financial Results

### Total Assets

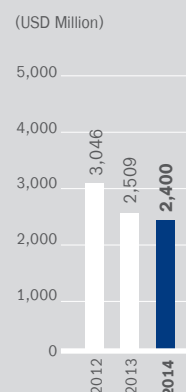
Total assets as of 31 December 2014 was at USD 6,900 million, a decrease of USD 229 million or 3% compared to 31 December 2013. The decrease was mainly due to a decline in cash by USD 55 million, a net decrease in value of machinery and equipment by USD 124 million, an additional investment in machinery and equipment at Indonesian and Australian mines worth USD 200 million, depreciation expenses of USD 183 million, and losses incurred from foreign exchange translation and other costs at USD 141 million.



### Total Shareholder's Equity

Shareholder's equity totaled USD 2,400 million, a decrease of USD 109 million compared to 31 December 2013. Major items affecting change in shareholder's equity included a dividend payment of USD 165 million, losses incurred from the subsidiaries' translation of foreign exchange into the US dollar at USD 94 million, a change in fair value of available-for-sale securities at USD 5 million.

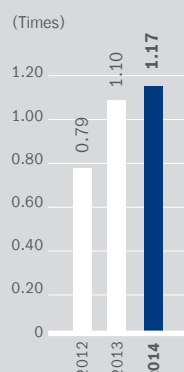
In 2014 there was an increase of net profit at USD 82 million and the non-controlling interests of USD 74 million.



### Net Debt to Equity Ratio

Net debt equaled USD 2,813 million, an increase of USD 41 million from the previous year, mainly due to the issuance of debentures valued USD 246 million, the redemption of debentures valued USD 67 million. The partial repayment of loans at USD 125 million and the decline in cash and short-term investment by USD 35 million. Profits incurred from foreign exchange translation at the period end date worth USD 46 million.

Net debt to equity ratio increased from 1.10 times in 2013 to 1.17 times in 2014.

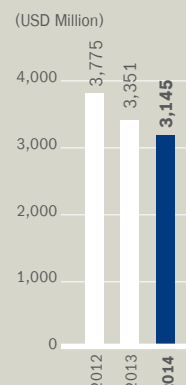


### Total Sales Revenues

Total sales revenue was USD 3,145 million, a decrease of USD 206 million or 6%. 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 2014 was 44.5 million tonnes, of which 29.0 million tonnes came from the Company's mines in Indonesia and 15.5 million tonnes from the mines in Australia.

The 2014 average selling price for Indonesian coal was USD 67.26 per tonne and AUD 68.53 per tonne for Australian coal.





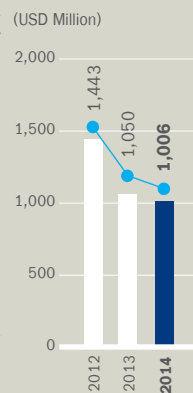


## Gross Profit and Gross Profit Margin

Gross profit for 2014 equaled USD 1,006 million, a decrease of USD 44 million from the previous year.

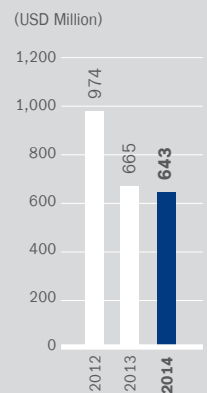
Gross profit margin was at 32%, increasing from 31% in 2013. The gross profit margin of the coal business was at 32% compared to 31% a year earlier while that of the power business was at 33% compared to 27% in 2013.

An increase of Coal business's gross profit was net impact of a decline in global coal market price and a saving of average cost per tonne. On the other hand, the lower coal price was favorable factor for coal fired power business, reflected an increase of power business's gross profit compared to last year.



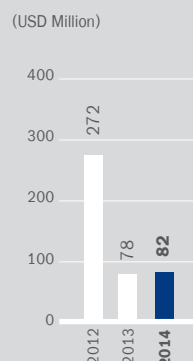
## EBITDA

EBITDA was USD 643 million, a decrease of USD 23 million or 3% compared to the year before. Of this, USD 538 million was from the coal business and USD 105 million was from the power business.



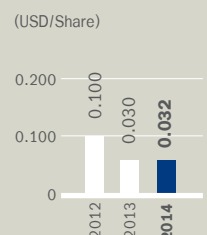
## Total Net Profit

Total net profit for the year ending 31 December 2014 was USD 82 million, increasing by USD 4 million or 5% from 2013 as a result of the restated net profit for 2013. The earnings from coal business were affected by weakened global coal price. Nevertheless the power business continuously contributed solid performance and provided substantial proportion to the company earnings.



## Earnings Per Share

Earnings per share as of 31 December 2014 was USD 0.032, an increase of 5% from 2013 which was at USD 0.030.





4 July 2014

Banpu issued two sets of senior unsecured debentures denominated in Thai baht worth in total THB 8 billion or equivalent to USD 246 million. The first set of debentures was offered at a par value of THB 1,000 per unit and worth THB 3 billion in total, with a 6-year maturity and a fixed annual interest of 4.36% to be paid every six months. The maturity date is 4 July 2020. The second set of debentures was offered at a par value of 1,000 per unit and worth THB 5 billion in total, with a 10-year maturity and a fixed annual interest of 4.80% to be paid every six months. The maturity date is 4 July 2024.

27 August 2014

The Board of Directors approved an interim dividend payment from the retained earnings and the operating profit during the six-month period ending 30 June 2014 for 2,581,878,550 eligible shares at a rate of THB 0.50 per share, or THB 1,290.94 million in total. The dividend payment was appropriated from the corporate income tax-exempted profit, on which the shareholders would not be entitled to tax credits. The interim dividend payment was paid on 26 September 2014.

## Summary of Major Changes and Developments in the Past Year and Major Current Events



August 2014

Mining activities at the Newstan mine and the Angus Place mine in Australia have been suspended for care and maintenance, since August 2014 and February 2015, respectively.

9 September 2014

The Appeals Court read its judgments on the case of Mr. Siva Nganthavee and associates who, as plaintiffs, initiated a lawsuit against Banpu, Banpu's subsidiaries, and Banpu's executives, claiming that the defendants, in order to obtain information regarding the Hongsa Project, had deceived the plaintiffs into signing a contract to jointly develop the project. The plaintiffs also claimed that, with an intention to take over the concession to the Hongsa Project, the defendants had unlawfully misinformed the government of Lao PDR, which led to the government of Lao PDR withdrawing the concession for the Hongsa Project originally granted to the plaintiffs. The Appeals Court dismissed the case, with the reasons that Banpu had always acted lawfully, both prior to and following the signing of the contract, and that the defendants had not infringed upon the rights of the plaintiffs. The Appeals Court also ruled that it was the plaintiffs who had breached the contract.



11 November 2014

Banpu Power International, a subsidiary in which Banpu holds 100% of the shares, signed a joint investment project to study and develop the Shanxi Lu Guang Power Plant Project. The Project would be a new, 1,200-MW, coal-fired power plant located in Shanxi province of China, approximately three kilometres from the Gaohe coal mine. Under this joint project, 30% of the shares are owned by Banpu Power International, 35% by Gemeng International Energy Co., Ltd. (Gemeng), and 35% by Shanxi Lu'an Mining Group (Lu'an). In turn, the shareholder and the operator of the Gaohe mine in Shanxi, Shanxi Gaohe Energy Co., Ltd., is partly owned by Lu'an, who holds 55% of the stakes in Shanxi Gaohe Energy Co., Ltd., with Banpu holding the other 45%. This Power Plant Project has been initially approved by Shanxi Provincial Development and Reform Commission. As the Projects remains at the inception stage, details are subject to change. However, the plan for the Project is to apply the Ultra-Super Critical (High Efficiency, Low Emissions) technology, and use about 3.2 to 3.5 million tonnes of coal per year. The coal will come from the Gaohe mine via a conveyor belt, the mines owned by Lu'an, and other mines. The total project value is RMB 4,500 million (equivalent to USD 735 million at the current exchange rate), 30% of which will be funded by shareholders' equities and the other 70% by bank loans. The Power Plant would commence commercial operations in June and August 2017.



9 October 2014

Banpu New Energy Holdings Co., Ltd. changed its name to Banpu Engineering Services Co., Ltd., and Mittraphap Wind Energy Co., Ltd. to Banpu Energy Services (Thailand) Co., Ltd.

14 November 2014

Petchkasem Wind Energy Co., Ltd. changed its name to Banpu Renewable Energy Co., Ltd.

18 February 2015

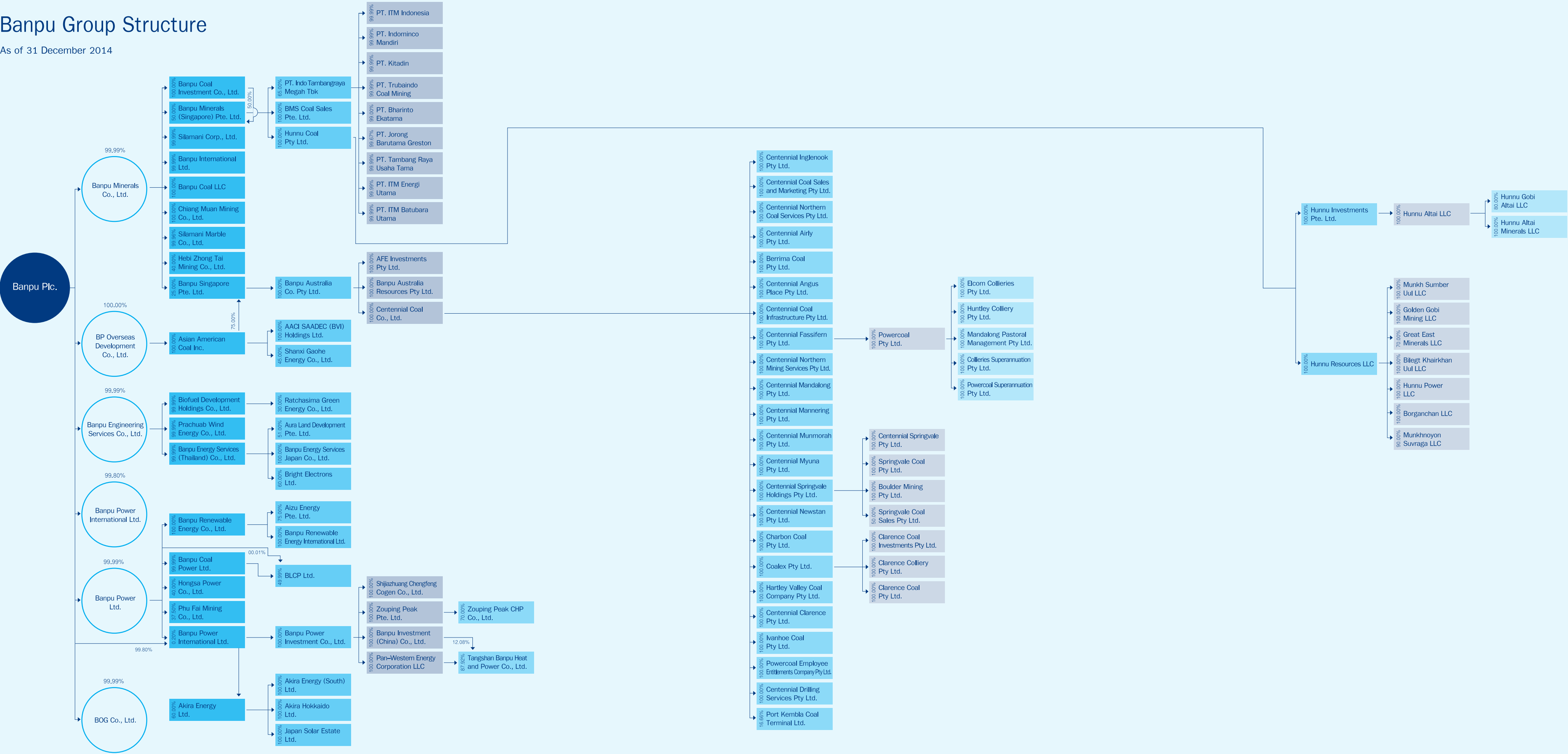
On the Board of Directors approved a dividend payment for its 2014 operations, covering the period from 1 January 2014 to 31 December 2014, at a rate of THB 1.20 per share, with an interim dividend payment having already been paid at a rate of THB 0.50 per share on 26 September 2014. The remaining dividend payment for the 2014 operations is, therefore, THB 0.70 per share, which will be paid out of the retained earnings and the operating profits for the period of 1 July 2014 - 31 December 2014 at a rate of THB 0.70 per share. The dividend payment will be appropriated from the corporate income tax-exempted profit, on which the shareholders would not be entitled to tax credits. The dividend payment is scheduled for 29 April 2015. Moreover, the Board of Directors added Khun Somruedee Chaimongkol as another Director in the Board, which will be approved in the 2015 Annual General Meeting.

26 December 2014

Tris Rating Co., Ltd. reduced the ratings of Banpu and its senior unsecured debentures down to "A+" from "AA-" with the outlook "Stable", due to the slowdown in the Company's performance, which is a consequence of the downturn in coal prices that has lasted longer than expected. Even though the Company has carefully conducted its businesses by reducing costs and postponing investments, the continuous fall in coal prices has inevitably hurt the Company's profitability and cash flow surplus. The "A+" rating reflects Banpu's position as a leader in the coal industry in the Asia-Pacific region, the Company's diversified coal sources and client base, as well as the reliable stream of dividend income from its power business. The rating can also be attributed to the Company's financial discipline and careful liquidity management, which helps the Company maintain good liquidity despite challenges presented in the coal industry.

Banpu Group Structure

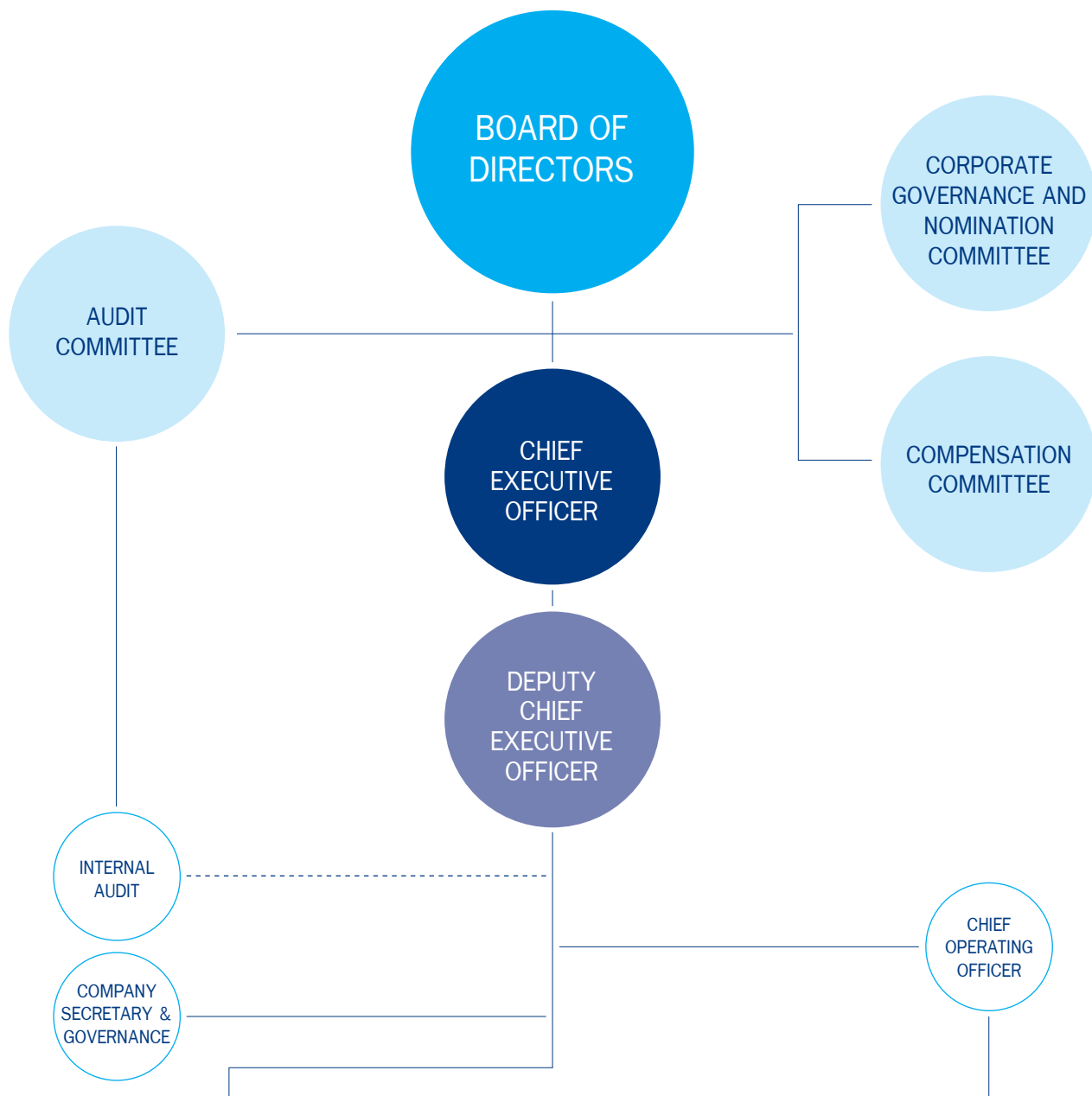
As of 31 December 2014







## Organisation Chart



Business Development & Operations					Regional Operations & Logistics							
Strategy & Business Development	Finance	Corporate Services	Corporate Affairs	Australia Investment	Power Business	Country Indonesia	Country Australia	Country China	Country Mongolia	Country Thailand	Marketing, Sales & Logistics	
Strategic Planning & Analysis	Corporate Finance	Human Resources	Corporate Communications –Media Relations		Planning & Asset Management	Coal	Coal	Coal	Coal	Coal	Technical & Project Development	
Business Development	Accounting	Health, Safety, Environment and Community Development	Corporate Communications –Strategic Branding		Thermal Power	Power	Power	Power	Power	Power	Operations Management	
Energy Information & Analysis	Tax Planning		IT & BPM		External Relations	Renewable Power						
Special Project	Investor Relations		Legal & Compliance									
		Procurement & General Administration										



# Management Structure

The Company's management structure as of 31 December 2014 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/<br>Independent Director |
| 2. Mr. Anothai Techamontrikul  | Vice Chairman/<br>Independent Director                      |
| 3. Mr. Rutt Phanijphand        | Independent Director  |
| 4. Mr. Teerana Bhongmakapat    | Independent Director  |
| 5. Mr. Suthad Setboonsarng     | Independent Director  |
| 6. Mr. Sudiarso Prasetyo       | Independent Director  |
| 7. Mr. Metee Auapinyakul       | Director  |
| 8. Mr. Chanin Vongkusolkrit    | Director  |
| 9. Mr. Ongart Auapinyakul      | Director  |
| 10. Mr. Rawi Corsiri           | Director  |
| 11. Mr. Buntoeng Vongkusolkrit | Director  |
| 12. Mr. Verajet Vongkusolkrit  | Director  |

## 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 the "Banpu Public Company Board of Directors' Practice" in 2009 as a guideline for the Board of Directors. The handbook details definitions, composition and criteria of the Board, 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.

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 organises 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 corporate governance policy and practices, and about Banpu business and operations. In addition, visits to the Company's different operational units are arranged for new directors. These activities are carried out in order to prepare them thoroughly for their role as Banpu 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 experience 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. Teerana Bhongmakapat | Chairman of the Audit Committee |
| 2. Mr. Rutt Phanijsaphand   | Member                          |
| 3. Mr. Suthad Setboonsarng  | Member                          |

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

The Audit Committee has knowledge and experience in accounting and finance with duty to review the Company's financial statements.

In the 6/2007 Audit Committee meeting, held on 7 October 2007, Miss Wiyada Wiboonsirichai was appointed as Head of the Internal Audit Department and Secretary of the Audit Committee. This appointment has been effective since 1 October 2007. Miss Wiyada Wiboonsirichai has more than 14 years of experience in managing and conducting professional internal audit to international standards. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), with Certified Control Self Assessment (CCSA) qualifications. She also participated in training courses related to executive development programs and internal audits, such as effective management of the Internal Audit Department, and value-adding on internal audit. Moreover, she has excellent understanding of the Company's operations.

## 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 appropriate. (See more information in Banpu's website at [http://www.banpu.com/en\\_subcommittee.php](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  |
| 4. Mr. Sudiarso Prasetyo      | 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, 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](http://www.banpu.com/en_subcommittee.php)).

### 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 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 experience to fill important positions in the future.

### 4. The Compensation Committee consists of:

- |                               |  |
|-------------------------------|--|
| 1. Mr. Rutt Phanijphand       | Chairman of the Compensation Committee |
| 2. Mr. Buntoeng Vongkusolkrit | Member                                 |
| 3. Mr. Teerana Bhongmakapat   | 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](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 organisation 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.

### 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. Suthad Setboonsarng    | Independent Director |
| 3. Mr. Teerana Bhongmakapat   | Independent Director |
| 4. Mr. Sudiarso Prasetyo      | 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 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 organising 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, the Banpu 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.)





# 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 as well as on-time delivery.
2. Maintain customer segmentation by region, product and industry to ensure sustainable sales.
3. Create marketing readiness so the best option is always available to customers.
4. Compete in the market with honor, integrity and respect for customers, competitors and stakeholders.
5. Be straightforward and clear to demonstrate reliability and integrity and maintain a solid market position.
6. Respect the decisions of customers and put their benefits on top of our priorities.
7. Provide quality and prompt services with good planning, proper tools and staff expertise for the highest satisfaction of customers.

### 1. Global Coal Market

The global coal market in 2014 remained oversupplied against a slight demand growth that resulted from the economic sluggishness around the world. The economic slowdown in China in particular was higher than anticipated while the country's demand for imported coal also shrank because of a domestic oversupply. Overall, coal imports in the Asian market continued to grow thanks to the increased demand from other countries in the region, particularly from India and Japan. Meanwhile, Europe's demand for coal imports continued to drop following the introduction of stricter environmental regulations and an increase in renewable energy production.

China, India, Japan, South Korea, Taiwan, Malaysia, Thailand and the Philippines are major importers of coal in Asia, mainly using it in their coal-fired power plants. For several years, China's demand for coal imports had been continuously rising, prompting it to become the number one importer in the region. However, due to an economic slowdown and the country's increased capacity to produce hydroelectricity, China's coal demand dropped last year. At the same time, its own coal production also exceeded domestic demand, which resulted in the continued drop in coal prices and the consequent interventions by the Chinese government. This led to reduced coal imports into China, which inevitably affected global coal demand. India's coal imports, which are mainly low quality coal, continued to grow, as the country's production was not able to meet domestic demand, and were able to compensate for China's reduced imports. However, India has limitations on coal transportation because of the limited number of bogies available, thus also restricting its potential to increase imports. Both China and India are major users of low and medium quality coal with cheap prices. Japan is also another important market in Asia. However, Japanese users seek high quality coal with reliable delivery. They are willing to buy coal at prices higher than the spot market price due to quality difference, which makes it the first target for producers of high quality coal.

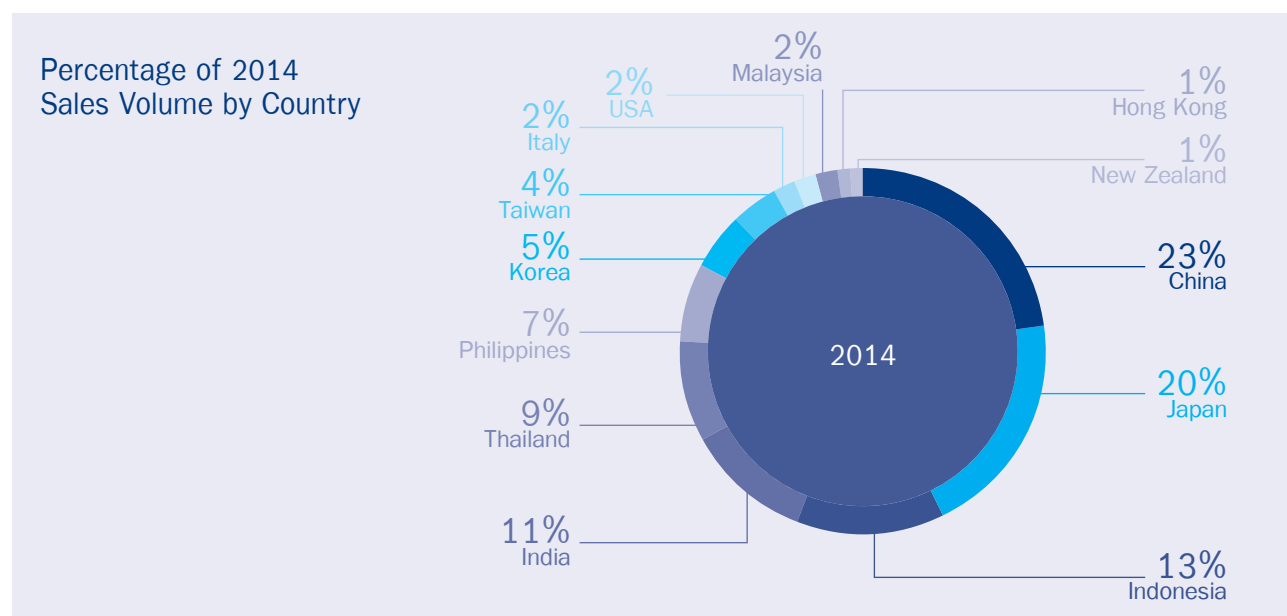
The two major coal producing and exporting countries in Asia are Indonesia and Australia. Most of their exports, which have been constantly increasing, are sold to users in Asia because of their proximity to the production sources. Australian producers who export their coal via the Newcastle Coal Terminal had entered into take-or-pay contracts with train and port operators and were therefore pressured to increase their exports despite a large oversupply in the global market. Last year, South Africa also increased its coal exports to Asia, particularly to India, and so did Russia, because of a market shrinkage in Europe.



Major coal importers in Europe include the UK, Germany, Turkey, Italy, the Netherlands and Spain, most of which import coal for their coal-fired power plants. Last year, the overall coal imports in Europe declined because of an economic slowdown and the retirement of coal-fired power plants following the Large Combustion Plant Directive (LCPD). In the UK, coal imports dropped significantly due to the country's carbon taxes and a warmer weather that resulted in lower demand for electricity. Elsewhere

in Europe, coal demand also dropped as these European countries were able to produce more renewable energy such as hydroelectricity, wind power and solar energy.

Major producers and exporters for the European market are Colombia, Russia, South Africa and the US. The US had to lower its coal exports since coal prices dropped significantly globally, yet its production costs remained high, making its coal price uncompetitive.



In 2014, Banpu sold a total of 29 million tonnes of coal produced in Indonesia, with China being the top buyer. Sales to China comprised 23% 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 accounted for 20% and 13% respectively. The Company increased its sales to Japan and Indonesia as the two markets offered high prices. At the same time, sales to India also increased thanks to the high growth of the Indian market. It is worth noting that while the Company's sales covered most regions across the globe, the largest proportion of sales was in Asia, where there was high growth, but spread out across the region to ensure income stability.

### Competition Strategies

Competition in 2014 became more aggressive because of the continuing oversupply. In order to compete and grow with sustainability, the Company employed the following marketing strategies:

- **Reliability**

As Indonesia's major coal producer, Banpu has sufficient coal reserves to meet long term customer demand. Operating Company owned coal terminals also ensures customer trust in long-term delivery reliability.



- *Market Expansion*

The Company increased sales in markets with high growth, such as India and Indonesia, and pushed for a bigger sales volume in the Japanese market, which offered high prices. This helped lessen the fall in selling prices compared to the level of global price fluctuations. In addition, continued export to Europe and the US maintained the customer base and ensured income stability.

- *Product Management and Development*

Banpu develops products that meet the customers' quality requirements by mixing coal from various sources in Indonesia in order to create additional value. Our production employs quality control systems with international standards and is operated by experienced staff. Also, the computer-based Shipment Demand Pull system introduced to the Company's entire supply chain, allows for effective planning of production, stockpiling, transportation and delivery of the products, with accuracy in terms of quantity and quality.

- *Delivery Flexibility*

Since Banpu operates its own coal terminals, the Company enjoys flexibility in managing the customers' ships at the terminals. This offers the customers more convenience when leasing or changing coal ships and allows them to better manage their ships and transportation costs.

- *Customer Relations Management*

Focussing on long-term customer satisfaction, Banpu is able to attract more regular customers. The Company strengthens its relationships with customers through various activities, including regular reporting of performance and future plans, exchange of market information, visits by customers, visiting customers to get feedback and suggestions, and provision of technical support. All these help to draw closer to customers and develop long-term relationships.

- *Strengthening of "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 production in Indonesia grew continually despite a steep price fall in the global market. The 2014 production was projected at 505 million tonnes, increasing from the previous year by 27 million tonnes. Of this increase, 7 million tonnes was from the top ten major producers while the rest was from other medium-sized and small producers. Last year, the Indonesian government implemented a production cap to keep production at the same level as the previous year in order to reduce supplies in the global market and push for higher coal prices. However, the measure was fairly ineffective as production continued to rise. Meanwhile, Indonesia's new government decided to raise the production ceiling as it aimed to collect more coal taxes. Moreover, several producers needed to increase their production in order to lower costs and maintain growth.

Around the end of the year, the Indonesian government issued a new regulation to suspend coal exports from unauthorized and illegal miners. The new regulation, which came into effect on 1 October 2014, requires that miners who want to export must obtain an export license. Since all legal miners have already been issued this document, Indonesia's coal production and exports were not greatly affected. Only a few miners had some difficulty when the new regulation was introduced because of the delay in license issuance.

Demand for coal in Indonesia kept rising to serve the new power plant built under the Indonesian government's fast track program. In 2014, Indonesia's coal demand was projected at 83 million tonnes, a 13% year-on-year increase.



The rise was mostly a result of the country's increased electricity generation, which uses low quality coal in its production. Of all coal use, 70% was used to generate power, 10% was used by the cement industry and the rest was used by other industries.

Indonesia used only 16% of the country's total coal production, exporting the majority of its coal. Therefore, the Indonesian coal industry was dependent upon conditions in the global coal market. Last year, global coal prices dropped considerably, forcing producers to try to cut costs. However, global oil prices declined heavily around the end of the year, which helped lower the production costs of Indonesian coal producers, allowing them to maintain their production.

Last year, the Company sold 3.7 million tonnes of coal in Indonesia, or 13% of the total coal produced in the country, which amounted to a market share of only 4.4%. The majority of customers were power plants, whose coal use comprised 81% of the sales volume. The rest was sold to the cement, paper and other industries.

Most of the coal used in the Indonesian market is of low quality since the country's new power plants were designed to use low quality coal because of the country's high reserves. The market for high quality coal in Indonesia was limited with customers being old power plants and cement factories. There are not many producers of high quality coal in Indonesia, which results in low competition. Low quality coal sees more competition because there are many producers in the market.

### *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 selling at lower prices and targeting smaller customers or traders. These customers mix coal before selling to users.

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. There are

few changes each year in terms of major players in the market because of limited coal resources and high investment in coal mining. Increased supplies in the market are usually a result of existing coal producers increasing their production capacity. However, the number of competitors that are traders continuously increased because their business activities involve simple transactions. Some traders also offer delivery and stockpiling services, thus giving them some competitive advantage. However, their costs are still high because they have to buy from producers at a market price.

### *Pricing Policy*

The Company's coal prices are based on global price forecasts at the time of contract negotiations and the competitive positions of the individual target market. In Asia, these tend to reflect prices at the Newcastle Coal Terminal in Australia and are determined by quality. However, Banpu adopts the policy not to sell below the reference prices set by the Indonesian government. Domestic prices including any escalation provisions reflect these markets and opportunity cost of alternatives, while meeting regulatory requirements. Prices can be fixed or floated based on global market prices or the so-called index link. Index link has become more popular among customers recently since global coal prices have been declining. The Company uses coal swap positions to reduce risk from market fluctuations.

### *Customer Profiles*

Banpu's customers are mainly large-scale power plants in Japan, South Korea, Taiwan, China, India, Malaysia, the Philippines, Indonesia, Australia, New Zealand, Oceania and a few countries in Europe. Thanks to their stability, most of them have consistent coal demand each year and, therefore, look for producers with high credibility and delivery reliability in terms of quantity, quality and price, thus preferring products from major producers.

The Company also sells to other industries, including cement, petrochemical, paper, plastic, steel and chemical producers. These customers buy at a lower amount than large-scale power plants and generally make short-term contracts with producers and traders. Some prefer to buy from the spot market.



### 3. Australia's Coal Market

Coal produced by Centennial is mostly supplied to power plants in New South Wales while exports to power plants in Asia have also seen a continual increase. At present, Centennial supplies 80% of the fuel used by large coal-fired power plants in the Western region, making long-term contracts with a specified price and the quantity of coal to supply. These contracts with New South Wales power plants benefit Centennial in the following ways:

- Centennial's coal transportation system is directly linked to the power plants (mine-mouth power plants), enjoying the advantage of having its own roads and conveyor belts for the transportation. This allows Centennial to reduce transportation costs as well as impact on local communities. In addition, delivery systems have been expanded to include rail delivery and truck in limited circumstances.
- Contracts are made in Australian dollars and escalate to reflect cost increase indicators, thus eliminating exchange rate risk.
- Domestic coal transportation is a related business in which Centennial can generate long-term cash from buyers, most of whom have good credit rating.

Recent developments in the coal market include:

- Changes in coal prices due to a number of reasons, including cost pressure, lack of new supplies, supply instability and the cost of coal-fired power generation that is still cheaper than other fuels such as natural gas.

- Improvements to the infrastructure that once posed limitations on coal exports.
- Overseas power plants' recognition of the importance of having a stable coal source. Some of these overseas energy companies began to invest in coal mining in Australia in order to make long-term contracts to buy coal at the market price.
- Increased difficulty in receiving approval for coal mining in recent years that has hindered project expansions or supply increases. Local power plants may have to buy coal at higher prices to ensure a supply for their production, especially buying from their current coal sources and those located nearby.

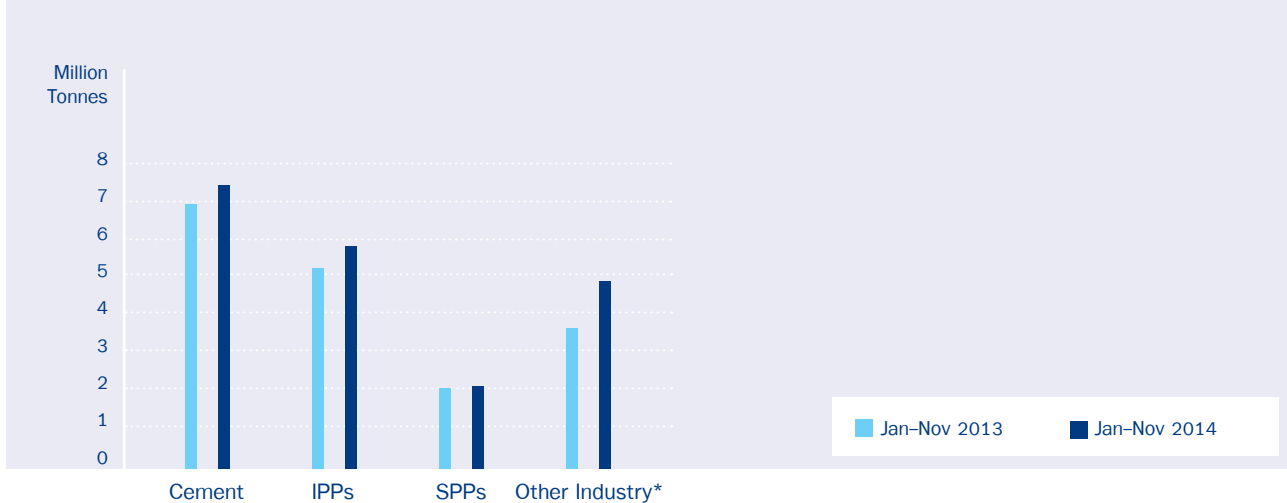
Therefore, greater demand for energy coupled with the rising challenge of finding new energy sources will increase the value of existing coal sources. Centennial has taken these factors into account to plan the sales of its coal in a way that aligns with the rising need for thermal coal.

When domestic contractual obligations come to an end, Centennial will continue its commitment to supply coal to local power plants as one of its main missions.





### Coal Demand by Sector



Remark: \*included coal Stock at Trader's coal center

## 4. Thailand's Coal Market

Coal used in Thailand is mostly imported coal as Thailand has limited reserves. During the first 11 months of 2014, only 1.2 million tonnes, or about 6% of the total domestic coal consumption, was produced in Thailand. The cement industry remained the country's largest coal user. During the first 11 months of 2014, the industry consumed 7.3 million tonnes of coal, a year-on-year increase of 0.5 million tonnes. Of this amount, 6.2 million tonnes was imported, an increase of 1.1 million tonnes. Locally produced coal amounted to about 1 million tonnes, decreasing by 0.6 million tonnes. The second top user was the Independent Power Producers (IPPs). During the first 11 months of 2014, this segment used 5.7 million tonnes of coal, all of which was imported, or a year-on-year increase of 0.5 million tonnes. The increase was a result of the operational start of Gheco-One Co., Ltd. The Small Power Producers (SPPs) used 2.1 million tonnes of coal in the first 11 months of last year, a year-on-year increase of 0.07 million tonnes. Other coal users included the paper, petrochemical, textile and food industries. Also, the inventory of coal traders totaled 4.7 million tonnes in the first 11 months of 2014, a year-on-year increase of 1.2 million tonnes. At the end of the 2013, traders sold a large amount of their inventory because of the high prices in the global coal market, thus prompting an inventory refill. Coal demand from other industries also rose, resulting in increased imports.

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

1. The cement, petrochemical and paper industries: Major coal users consist of cement, petrochemical and paper producers as well as the 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: The 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: This group is abundant in number, but each user requires only a small amount of coal. Most of the users in this group buy from traders with a stockyard or those offering 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 pulverized coal. Traders need to sort the coal before delivery and only sell pulverized coal to factories that can use it, such as cement factories. The competition in this market is high because there are many traders and the major buying factor is pricing.

## Competition Strategies

### Imported Coal

Competition in the import market was high because there were many importers. The Company developed strategies that offered flexibility in responding to customer needs as well as sustainable growth. These strategies were:

- *Reliability in Delivery*

Since Banpu operates its own coal mines in Indonesia, which have enough reserves to meet customer demand in the long-term, trust has been earned in product provision and delivery, especially from large-scale customers whose demand is consistent and who require high delivery reliability. Thanks to our own production base, the Company had a competitive advantage over competitors and was able to avoid fierce competition because few competitors in Thailand had their own sources.

- *Good Customer Relations*

The Company has developed close relationships with the customers over a long time and has demonstrated a commitment to them by supplying coal that meets their quality requirements and doing so in a timely manner. This allows Banpu to earn their trust and continued orders for imported coal.

- *Coal Distribution Centers*

The Company operates two coal distribution centers that offer periodic product delivery to customers and, therefore, reduce their burden of stockpiling. The two centers have strong compliance with environmental regulations and take account of the impact on local communities in order to set the standard for other players and boost customer confidence in long-term product delivery.

### Major Competitors

Most of the major competitors were traders who bought coal from overseas producers. This group consisted of about 20 competitors, including Lanna Resources Public Company Limited, Unique Mining Services Public Company Limited, Asia Green Energy Public Company Limited and Energy Earth Public Company Limited. Since these companies

did not have their own coal sources, they had to buy from other producers and bear higher costs. Buying from small producers would have presented them risk in terms of unreliability in quality, quantity and delivery. Few competitors had their own coal sources. Many traders had their own stockyards to store coal before distribution and were able to sell to small coal users. In addition, there were some major foreign traders competing in the market to supply large coal users who could afford to buy the entire coal in a shipment as these traders did not have a stockyard. Some of these competitors were Rio Tinto, Glencore, Noble Energy, Eastern Energy and Phoenix Commodity. However, they were not competitive in the small user market where users only required small tonnage and periodic delivery. This opened the door for competition among local traders who had their own stockyards and those who could import coal on small ships.

### Pricing Policy

Banpu's coal prices were based on global market prices at the time of trading. However, they differed for each customer depending on the amount ordered, quality specifications and other conditions as agreed. The Company could 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 were made in accordance with the amount of coal and delivery period specified in the coal supply contracts.

### Customer Profiles

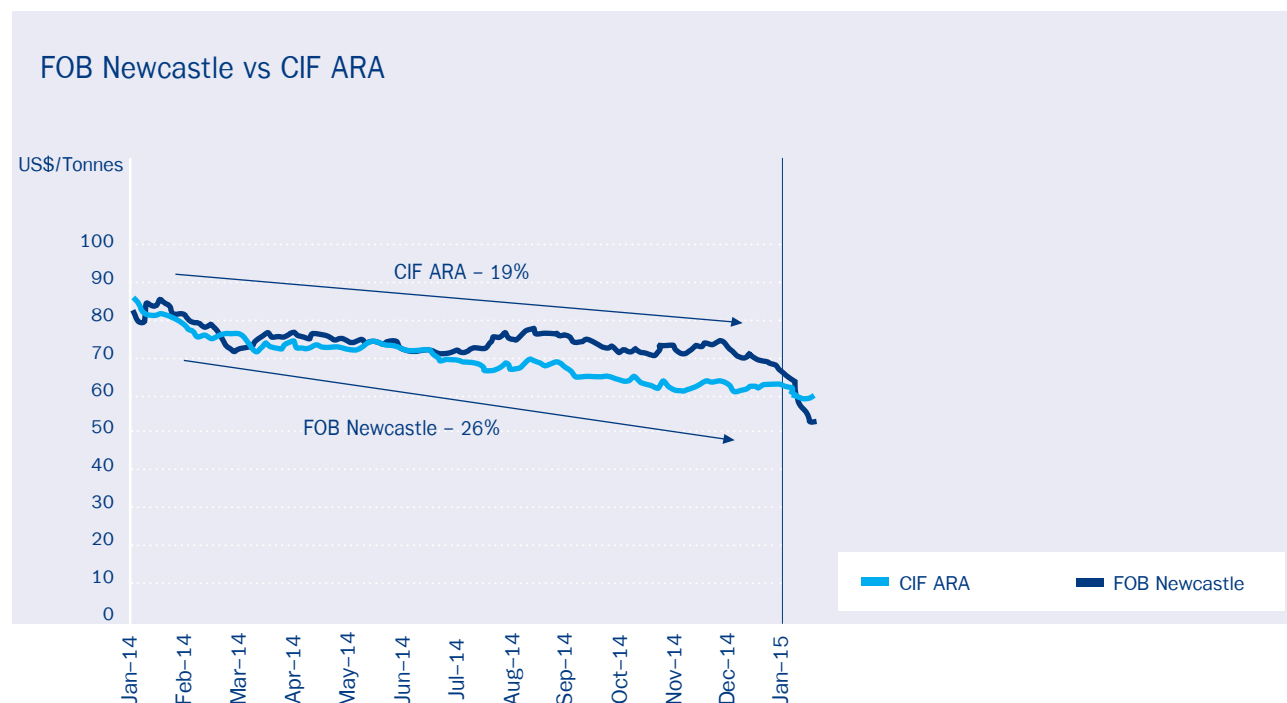
The Company focused on two groups of large customers, namely cement producers and power and steam plants, since they were large corporations with high credibility and demanded consistent coal supplies and high delivery reliability.

- Cement producers, which use coal in the pyroprocessing stage, are Thailand's largest coal users in the private sector. They can use coal of different qualities, which allow them to enjoy high flexibility. There were few customers in this group, but each required a large amount of coal. They often bought from producers or traders with high reliability, making both short- and long-term contracts. Few bought from small traders, but the prices had to be very low.



- Power and steam producers use coal as fuel for their large boilers. The steam produced from these plants was used in the generation of electricity as well as in other manufacturing processes by various industries, such as the paper, petrochemical and textile industries, as well as by the SPPs. This group of customers had consistent demand for coal and also required delivery

reliability. The fact that they used only a small amount of coal and had limited space for stockpiling opened opportunities for traders who had a stockyard and could make periodic delivery. The customers who were large plants often made short-term contracts with traders to ensure continuity of supplies.



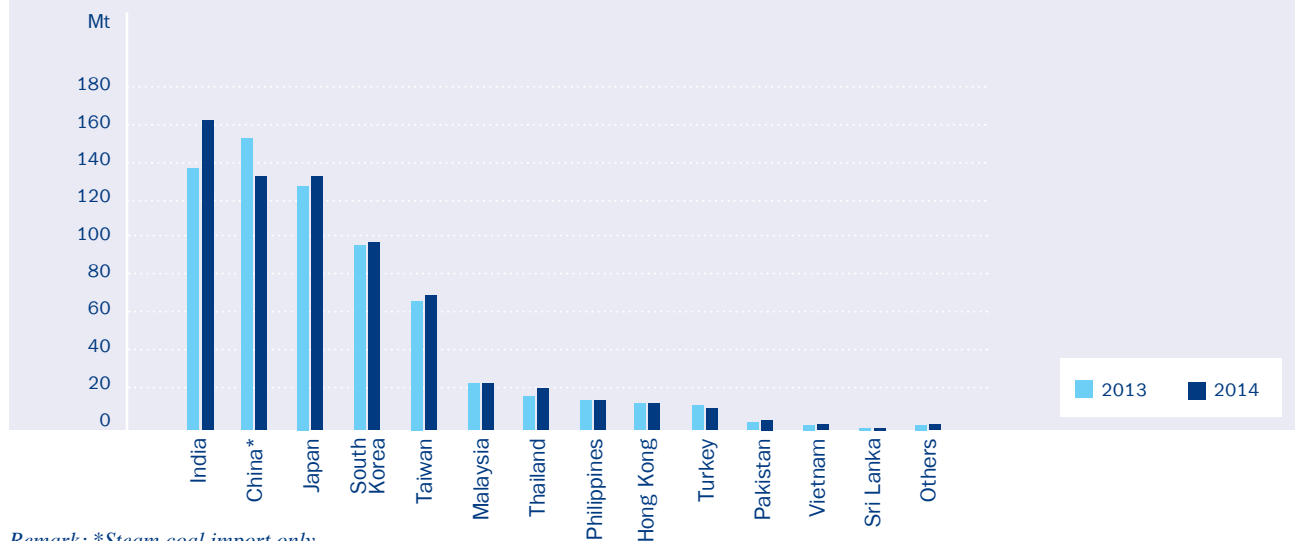
## Competition

### 1. Competition in Coal Industry

Competition continued to be aggressive in 2014 because of a large oversupply. Meanwhile, some countries, including China, began to introduce trade barriers to protect their own coal industry and reduce imports. Global coal prices dropped continuously. The FOB Newcastle price in Australia declined by 26% in 2014 while the CIF ARA price dropped by 19%.

Globally, coal imports in 2014 increased by 1%, totaling 897 million tonnes (anthracite excluded), 76% of which was imported by Asian countries, including China, India, Japan, South Korea and Taiwan. Asia's total coal imports increased by 2.6% from the previous year.

### Thermal Coal Import in Asia by Country



Remark: \*Steam coal import only

Source: Marketing, Sales & Logistics Analyst, Banpu

China's import of thermal coal decreased by 13% from the previous year because of lower local consumption and increased local production. The coal prices in China dropped significantly in the first half of 2014, causing the global prices to decrease as well, before the Chinese government began to intervene by introducing various measures to protect their own producers and reduce environmental impacts in certain areas. These measures included quality restrictions, introduction of coal import tariffs (which affected Australia but not countries in the ASEAN region because of the FTAs), import restrictions and reduction of export tariffs. The measures resulted in lower coal imports into China and increased competition in the global market. The FOB Newcastle price had to be reduced to compensate for increased taxation.

Last year, India imported 161 million tonnes of thermal coal, a year-on-year increase of 25 million tonnes, as the country's production could not meet domestic demand. However, import into India had transportation limitations

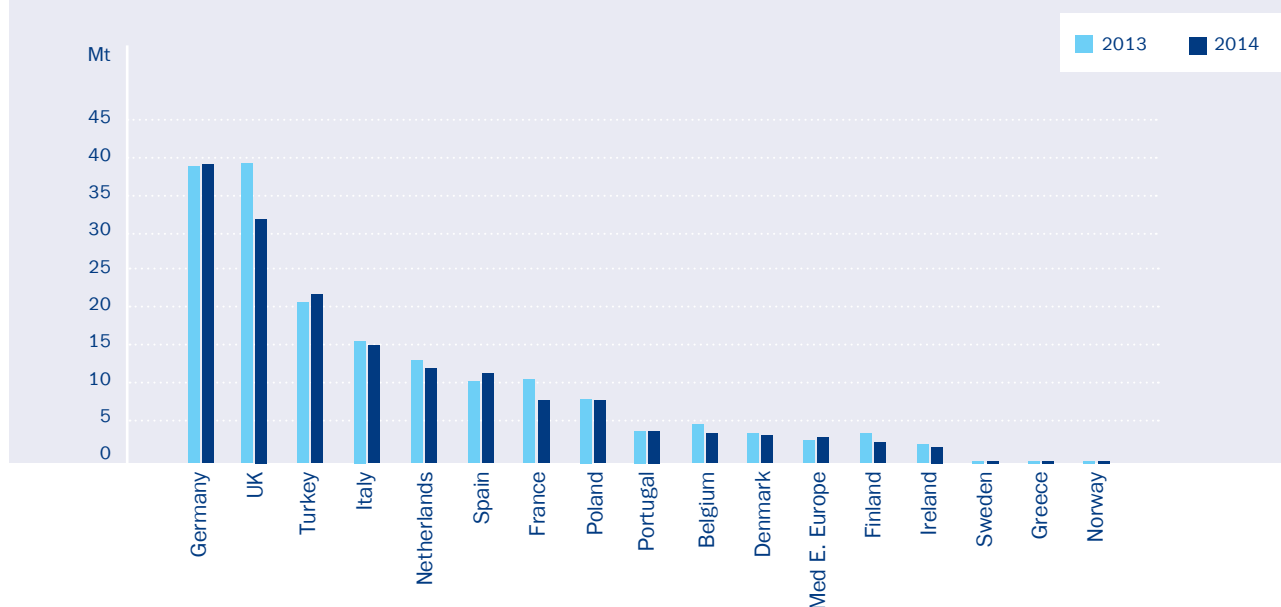
because there were not enough bogies to transport the coal from the pier to users. Coal imports were mostly low quality coal from Indonesia and were abundant in quantity, causing high competition. The number of coal traders in India also increased. Meanwhile, buyers looked for the cheapest price, so they did not buy the coal while the prices were decreasing but waited until they dropped to the lowest point, which pushed down the prices further. However, the rupee became stronger against the US dollar, which helped increase coal imports into India.

Japan also increased its imports from the previous year by 4% following the cease of operation of its nuclear power plants, forcing Japan to operate its coal-fired power plants at full stream. Imports in other Asian countries, such as South Korea, Taiwan, Thailand, the Philippines and Hong Kong, continued to increase, though at a low rate.





### Thermal Coal Import in Europe by Country



Source: Marketing, Sales & Logistics Analyst, Banpu

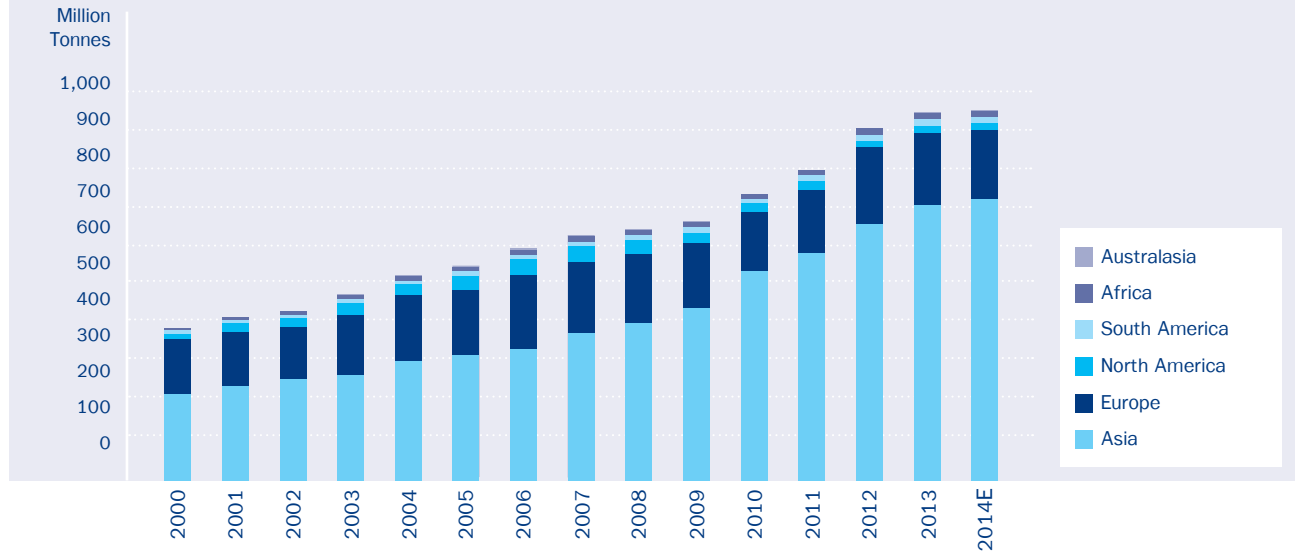
In Europe, coal imports in 2014 decreased from the previous year by 7% to 167 million tonnes thanks to the retirement of old power plants following the European Large Combustion Plant Directive (LCPD), whose objective is to retire old and ineffective power plants in order to reduce carbon dioxide emissions. Also, the weather was warmer across the continent so demand for electricity decreased. Production of renewable energy also rose, lowering demand for coal, while coal supplies in Europe remained high. Nonetheless, conflict in Ukraine helped maintain the prices of energy and coal in Europe at a high level.

The UK's coal imports lowered by 18% from the previous year as the country had raised its carbon taxes, thus making the cost of coal for power generation higher than natural gas. Still, power plants in the UK tried to import coal as agreed in contracts, which increased the plants' inventory. In Spain, imports increased because of reduced hydropower production.

Exports of thermal coal in 2014 amounted to 926 million tonnes, increasing from the previous year by 2.8%. The six major thermal coal exporters were Indonesia, Australia, Russia, Colombia, South Africa and the US, whose exports comprised 97% of the total global exports. As the global coal prices dropped significantly last year, producers in various countries tried to lower their production costs. The weakening of the currencies of the export countries against the US dollar tremendously helped to reduce the producers' costs. Also, the production costs decreased following the drop in oil prices. This allowed most producers to survive at a time when coal prices sharply decreased.

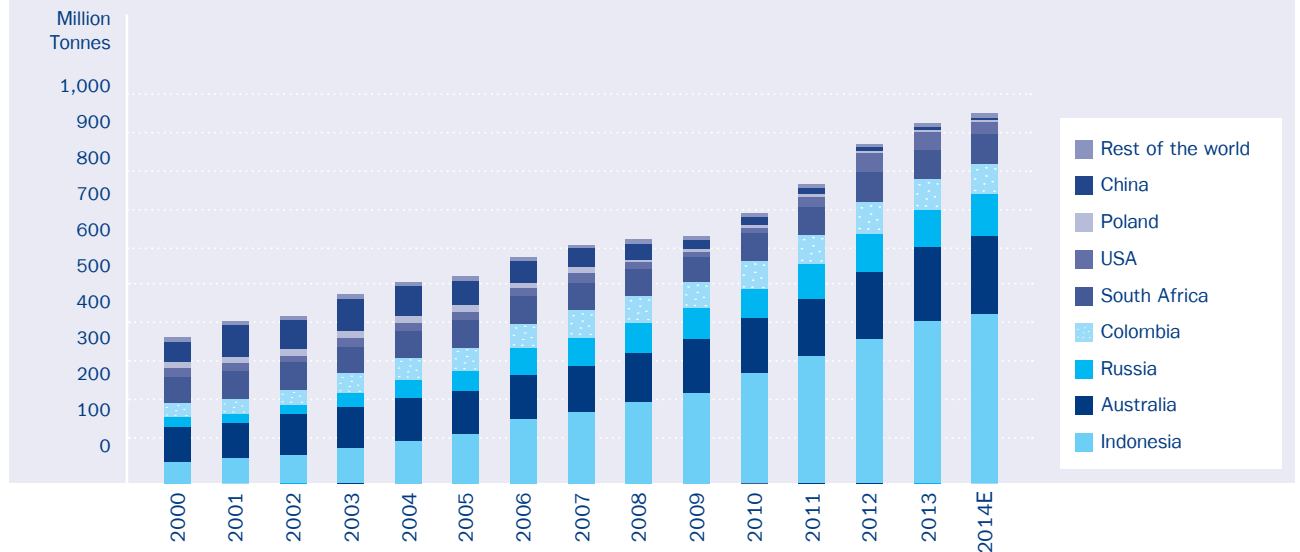


### Historical of world seaborne thermal coal import



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

### Historical of world seaborne thermal coal exports by countries



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

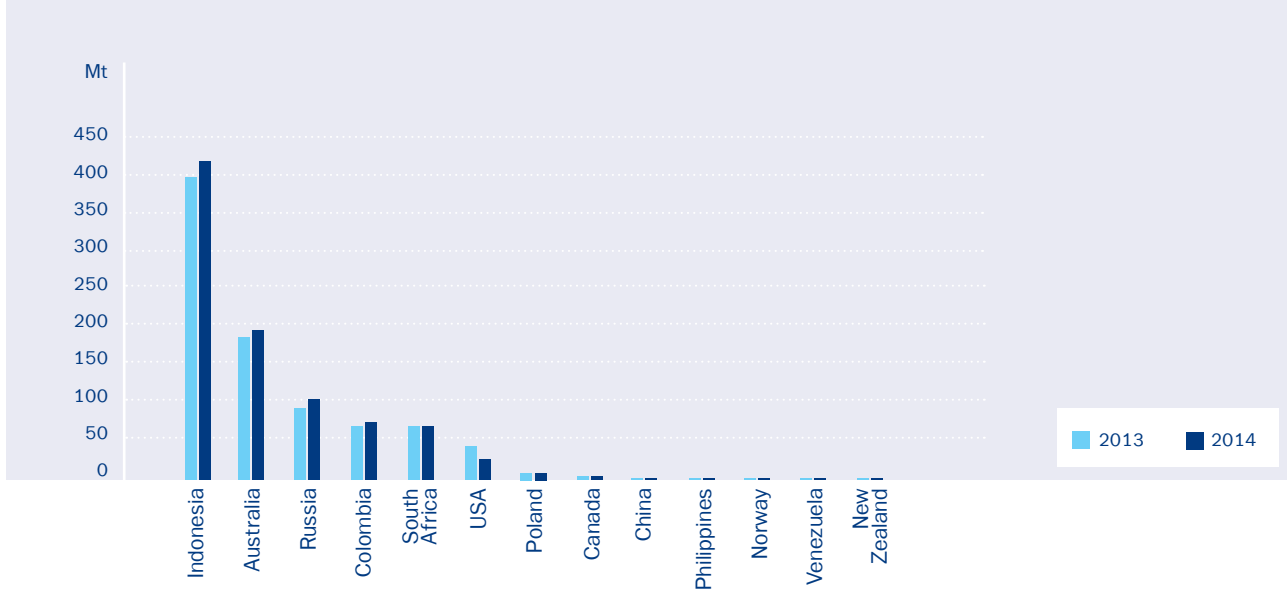
Indonesia remained the world's largest exporter of thermal coal. Last year, its exports were estimated at 421 million tonnes, or about 45% of the global exports, a year-on-year

increase of 4.3%. Most of the coal was sold to China and India.





### Thermal Coal Export by Country



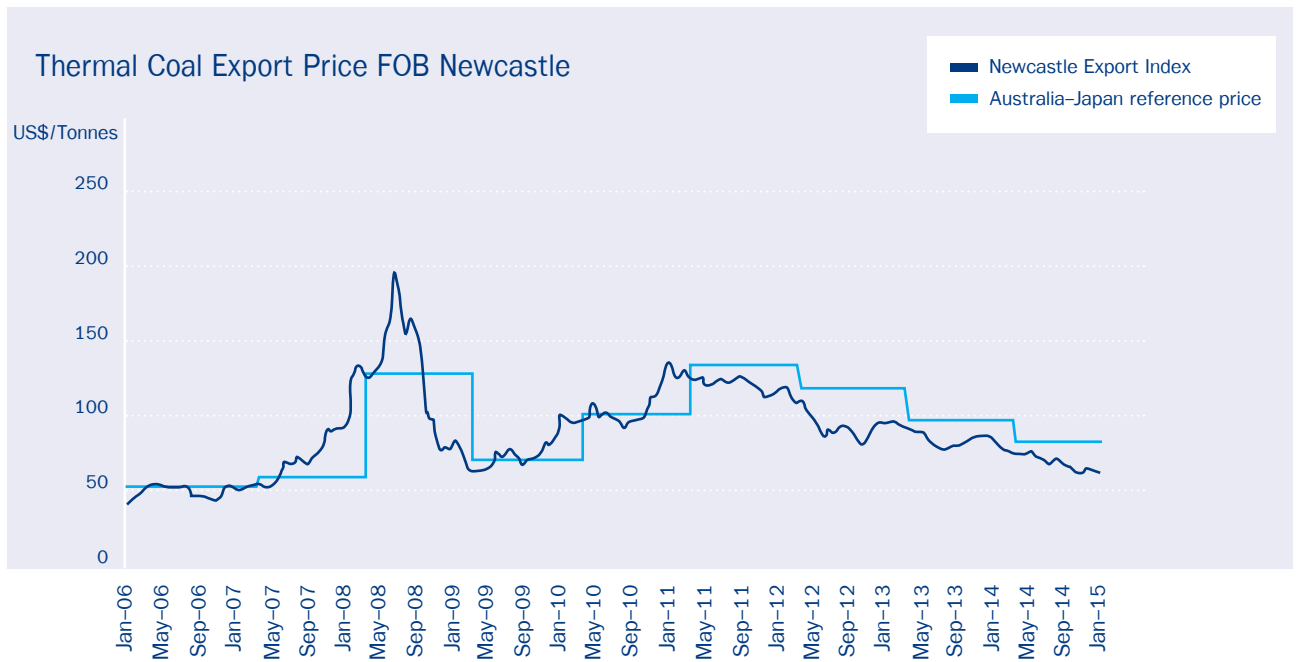
Source: Marketing, Sales & Logistics Analyst, Banpu

Australia was the second largest thermal coal exporter. Its exports last year were 198 million tonnes, a year-on-year increase of 5%. Since its coal was of high quality, the main markets were Japan, South Korea and Taiwan. Australia also exported a higher amount of coal with low heating value and a high ash content to China even though the Chinese government had issued a quality restriction regulation that prohibited import of coal with an ash content higher than 16% in some areas and had also raised import tariffs for Australian coal. Producers in Australia lowered their coal prices to compensate for the taxation and make their coal more competitive in the Chinese market, which helped maintain their exports to China at a high level. However, China's import restrictions had prompted Australian coal producers to find a new market. Therefore, sales to the Indian market increased around the end of the year.

Coal exports from Russia increased by 13% from the previous year following the sharp weakening of the Russian ruble, making the production costs of Russian coal in the US dollar drop significantly. Coal demand in Russia also decreased because of an economic slowdown, prompting producers to focus more on export.

Colombia was expected to export the same amount of coal as the previous year despite an export slowdown in the first quarter of the year following the delayed construction of a coal terminal of Drummond Company Inc., the second largest coal exporter in Colombia. In addition, there were labor conflicts and community protests at times, but these had yet to affect export.

South Africa was expected to export an amount similar to the previous year because of the restrictions of railway transportation to the pier. Exports from the US dropped by 33% from the previous year because domestic demand began to recover while its production costs were uncompetitive in the global market.



Source: Energy Publishing

Last year's global coal prices continued to drop throughout the year because of an oversupply. Production was increased greatly in Indonesia and Australia while the overall demand increased only slightly. The Australia-Japan Reference Price for delivery in 2014 (from April 2014 to March 2015) came down to US\$81.80 per tonne, a year-on-year decrease of 13.5%, but the FOB of the spot market at the Newcastle Coal Terminal in Australia dropped much below this level. The reduction of production costs due to the producers' own initiative as well as external factors, such as the weakening of the currencies of the export countries against the US dollar and the decrease of oil prices, helped bring coal prices down.

Competition last year was fierce both in Asian and European markets because of the oversupply. In the first half of the year, major coal producers in China reduced their prices tremendously to maintain their market shares, which brought the global coal prices further down. However, the price decrease by the major producers affected medium-size and small producers in China as well, resulting in the intervention by the Chinese government to assist the smaller producers. Producers were told to lower their production while major producers had to raise their prices in the country. However, this did not help to push the global coal prices up and import prices were still largely

lower than the local prices by the end of the year. Therefore, China's coal imports remained higher than the amount the government had anticipated, even though the country's large-scale power plants lowered their imports during the last four months of the year.

The European market also had a large oversupply, resulting in much lower exports from the US. However, coal prices in Europe could stabilize in the latter half of the year because of conflict in Ukraine. Yet, the prices plunged around the end of the year because of the sharp drop in oil prices.

For the year 2015, global demand for coal is expected to continue to grow. India will lead China in terms of market growth because the demand for coal in India's power production sector will rise exponentially while local coal production cannot meet the demand. Most of the coal imports are expected to be low quality coal from Indonesia. Meanwhile, China's coal demand is likely to stay the same because of the country's new environmental regulation on heavy metals, which became effective on 1 January 2015, is likely to slow down coal import at the beginning of the year while the coal import restrictions should make large-scale power plants lower their imports for a while. Therefore, the growth of Asia's coal demand will mainly depend on



China's policies. Coal demand in the European market will continue to decrease as the costs of coal-fired power production in the UK will surpass the costs of natural gas plus carbon taxes, and even though coal consumption in Germany is expected to rise, the increase is dependent upon the country's electricity generation from renewable energy sources.

Coal production and export is likely to maintain its growth, particularly for producers and exporters in Indonesia and Australia. Most major producers have planned to increase their production despite the current low coal prices while the production increase is unavoidable for producers in Australia as they have made take-or-pay contracts. Coal exports from Russia in 2015 are expected to rise because the weak ruble is keeping the production costs low. Meanwhile, the Russian economy is likely to be affected by Europe's sanctions and the drop in energy prices, prompting domestic coal demand to decrease and the producers to export more to other countries. Exports from Colombia and South Africa are expected to increase, too, despite the many limitations in both countries. US coal exports are expected to drop continuously because they remain uncompetitive in the global market. Overall, the global market is likely to remain oversupplied.

Competition in 2015 will continue to be aggressive because of the production increase that is higher than the increase in coal consumption, forcing producers to keep lowering their production costs, as well as the drop in oil prices at the end of last year. Producers will fully feel the impact of cost reduction in 2015 as lower production costs in an oversupplied market will mean lower coal prices as well.

## 2. Coal Business in Thailand

Thailand's coal imports in the first 11 months of 2014 increased by 21.7% year-on-year thanks to the rising coal consumption of the IPPs, cement producers and other industries, coupled with the traders' imports for stockpiling and restoring the reserves that had been lowered. The imports in the first 11 months totaled 19.1 million tonnes, increasing by 3.4 million tonnes from the previous year. Use of locally produced coal lowered by 25.3% year-on-year because of the limited reserves and because cement plants that had their own coal sources in the North had reduced their use of locally produced coal at factories in the central region and kept it for use by themselves, thus prompting domestic coal production to drop, too. Coal use in the first 11 months totaled 1.2 million tonnes, a year-on-year decrease of 0.4 million tonnes. Overall, coal demand from the private sector in the first 11 months of 2014 totaled 20.3 million tonnes, increasing by 3 million tonnes or about 17.2% year-on-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

	2010	2011	2012	2013	11 Months		Growth			
					2013	2014	2011	2012	2013	2014 (11 Months)
Domestic coal	2.02	2.86	1.61	1.78	1.64	1.23	41.6%	-43.6%	10.2%	-25.3%
Imported coal	16.90	16.33	18.40	17.33	15.70	19.11	-3.4%	12.7%	-5.8%	21.7%
<b>Total</b>	<b>18.92</b>	<b>19.19</b>	<b>20.02</b>	<b>19.10</b>	<b>17.34</b>	<b>20.33</b>	<b>1.4%</b>	<b>4.3%</b>	<b>-4.6%</b>	<b>17.2%</b>

Source: Energy Policy and Planning Office, Ministry of Energy

For 2015, Thailand's coal demand is projected to stay at the same level as 2014 and domestic coal production is expected to decrease as the cement plants in the North that have their own coal sources are likely to lower their production and keep their reserves for longer use, thus forcing cement plants in the central region to increase their coal imports. However, as locally produced coal has lower heating value than imported coal, the amount of locally

produced coal to be replaced by imported coal is minimal, even though demand for energy from coal will continue to rise. Overall, coal demand will increase only slightly. Much of the demand increase will come from the cement and other industries. Competition will remain high as in the previous year because of the continued oversupply in the global coal market.



# Revenue Structure

For the previous 3 years ended 31 December

## Banpu Public Company Limited

Products/ Services	Conduct by	% of Shareholding	2014		2013		2012	
			Revenue (USD Million)	%	Revenue (USD Million)	%	Revenue (USD Million)	%
<u>Sales Revenues</u>								
1. Domestic Coal	BP	100.00	0.15	0.21	0.45	0.87	1.14	1.70
2. Imported Coal	BP	100.00	71.33	99.52	51.66	99.13	60.08	89.50
3. Other Revenues	BP	100.00	0.19	0.27	-	-	5.91	8.80
<b>Total Sales Revenues</b>			<b>71.67</b>	<b>100.00</b>	<b>52.12</b>	<b>100.00</b>	<b>67.13</b>	<b>100.00</b>

## Banpu Public Company Limited and its Subsidiaries

Products/ Services	Conduct by	% of Shareholding	2014		2013		2012	
			Revenue (USD Million)	%	Revenue (USD Million)	%	Revenue (USD Million)	%
<u>Sales Revenues - Thailand</u>								
1. Domestic Coal	BP	100.00	0.15	0.00	0.45	0.01	1.14	0.03
2. Imported Coal	BP	100.00	71.33	2.27	44.54	1.33	50.42	1.34
	CMMC	100.00	105.71	3.36	87.21	2.60	91.60	2.43
	BPI	99.99	27.87	0.89	31.64	0.94	40.09	1.06
	Trubaindo	64.99	3.56	0.11	0.01	0.00	12.24	0.32
	Kitadin	64.99	-	-	-	-	0.78	0.02
	Bharinto	64.99	-	-	-	-	1.52	0.04
3. Other Revenues			12.23	0.39	15.02	0.45	17.94	0.48
<b>Total Sales Revenues - Thailand</b>			<b>220.85</b>	<b>7.02</b>	<b>178.87</b>	<b>5.33</b>	<b>215.73</b>	<b>5.72</b>
<u>Sales Revenues - Overseas</u>								
1. Coal - International Trade	Indominco	64.99	867.80	27.59	989.08	29.52	1,125.95	29.82
	Kitadin	64.99	185.08	5.89	243.84	7.28	318.61	8.44
	Bharinto	64.99	182.64	5.81	142.06	4.24	23.98	0.64
	Trubaindo	64.99	531.01	16.88	657.74	19.63	785.58	20.81
	Jorong	64.79	32.69	1.04	34.52	1.03	42.86	1.14
	CEY	100.00	956.77	30.42	913.38	27.26	1,079.04	28.58
2. Power	BIC	100.00	168.09	5.34	191.40	5.71	182.99	4.85
<b>Total Sales Revenues - Overseas</b>			<b>2,924.08</b>	<b>92.98</b>	<b>3,172.02</b>	<b>94.67</b>	<b>3,559.01</b>	<b>94.28</b>
<b>Total Sales revenues</b>			<b>3,144.93</b>	<b>100.00</b>	<b>3,350.89</b>	<b>100.00</b>	<b>3,774.74</b>	<b>100.00</b>
Participating Profit (Loss) from Investment in Associated Companies (Equity Method)			86.55		95.43		85.49	
<b>Total Revenues</b>			<b>3,231.48</b>		<b>3,446.32</b>		<b>3,860.23</b>	

### Notes:

1. Other revenues consist of other services.
2. The company did not realize sales revenue from its power business in Thailand as its shareholding is not more than 50%.

# Risk Management

To achieve sustainable growth, Banpu and its group of companies emphasise the importance of risk management. Business risk management is under the supervision of all levels of management, and various management-level committees such as the Risk Management Committee, which convenes on a quarterly basis to review organizational risks and follow up on the 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 management of risks involving coal and oil prices, which are key factors to the Company's profitability. The review and the monitoring of risk management is reported to the Audit Committee and the Board of Directors on a quarterly basis.

Additionally, the Company has monitored the progress of the action plans, analysed the results, and institutionalised a risk management process at the operational level to ensure that both internal and external risks are managed and kept at acceptable levels. This process reinforces the Company's policy, which puts high priority on managing risks according to current circumstances as well as 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, the Company has initiated a system and a process to periodically review its strategies in order to mitigate risks arising from the miscalculation of changing economic and business conditions. This process includes holding the Quarterly Strategic Review (QSR) meetings and monthly meetings to assess changes in circumstances and trends, to compare information from reliable sources, and, so that decisions are properly made, to develop tools to help forecast economic conditions systematically. Internal specialists are assigned to monitor and analyse the world energy situation, while the Company also subscribes to international organisations related to the sustainable coal business, such as the IEA

Clean Coal Centre (IEACCC) and the IEA Coal Industry Advisory Board (IEA CIAB). These subscriptions allow the Company to stay abreast of the most current updates on information related to the Company's businesses, thereby raising the Company's capability to manage strategic risks.

### 1.2 Corporate Reputation Risk

A negative reputation could have an immediate effect on the Company's prestige and image. The effects could be immediate and severe, and could be short-term or long-lasting, making the financial impacts of such an occurrence inestimable. Importance is placed on the management of reputation risks, and as such, the Company focuses on sustainable development with an appropriate business strategy, transparent and fair business practices, while maintaining workplace safety, responsibility to the environment, and acceptance from communities and society. Also key are continuous workforce development, mutual and sustainable benefits among stakeholders, and building good relations with all stakeholders. Examples are conducting customer satisfaction surveys, employee opinion surveys, and holding CSR activities in the areas of environment and youth empowerment, such as the Power Green Camp. The Company also contributes to public causes both in Thailand and all countries where Banpu conducts business, which the Company consistently operates as its main mission.

The Company strives to improve its communication strategies in order to quickly convey accurate information to stakeholders. Such activities include quarterly press conferences on the Company's performance for investors and securities analysts, and setting up the Investor Relations Department as a channel to directly communicate with all domestic and international investors.

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

Banpu manages risks to ensure that new investments create value to Banpu and its group of companies, no less than what was anticipated before acquisition. Competent



staff members from various departments are assigned to communicate with the employees and executives of newly-acquired entities. Priorities and urgencies in short-, medium-, and long-terms as well as operational procedures and processes are mutually determined, with emphasis placed on building good relations between Banpu and the new entities. This is to facilitate change management, to ensure smooth integration, and to achieve continually improving performance and long-term growth for the Company.

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

The Company proactively monitors and analyses the coal industry, taking into consideration changes in regulations and policies related to coal business development in countries such as China, whose coal reserves remain abundant and demand for coal remains high. In addition, to remain responsive to changes and be able to source new value-added opportunities for the Company, Banpu continuously studies new technological advances that could affect the production processes of the Company's clients.

## 2. Financial Risk

### 2.1 Risk from Failure to Secure Financial Resources as Planned

The Company manages this risk to ensure that it will have sufficient funds at a cost suited to the Company's financial structure. Financial strategies are aimed at driving growth corresponding to the Company's investment plan and in accordance with the Company's business plan. Various scenarios relating to both internal and external sources of funds are carefully analysed. The Company maintains good relationships with financial institutions in order to ensure access to funding, which allows the Company to continuously manage cash flow.

### 2.2 Exchange Rate Risk

The Company implements a risk mitigation plan designed to reduce any impacts associated with fluctuating exchange

rates, both at the corporate level and at the group level, through a natural hedging policy, which creates a balance between the Company's foreign-currency assets and liabilities for its business operations in Thailand, Indonesia, China, and Australia. Other financial instruments are chosen from time to time as appropriate. As of 31 December 2014, 20% of the Company's liabilities are denominated in Thai Baht; 69% in US dollars; 10% in Australian dollars, and 1% in Chinese RMB. The Company will continue to increase the proportion of its liabilities in US dollars to maintain balance with the Company's main income streams. The Company has also adjusted its positions in foreign currency forward contracts in accordance with estimated revenues, and in proportion to its existing foreign currency assets and liabilities, while also considering market trends and circumstances. In addition, the Company maintains an appropriate balance in its revenues and costs denominated in foreign currencies. Moreover, it raises funds in US dollars or other foreign currencies to accommodate overseas investments.

### 2.3 Interest Rate Risk

The Company manages its interest rate risk by closely monitoring interest rate trends in Thailand and around the world, and allocates its debt portfolio in terms of the term duration (short-or long-term) and the flexibility of interest rates (fixed or floating) corresponding to the types of investments. The Company has developed the use of financial instruments to create alternative ways to obtain funding. Banpu manages its debt structure in every country in which it has investments, such as by conducting interest rate swaps to reduce the impacts of interest rate fluctuations in consistency with the economic circumstances.

As of 31 December 2014, fixed- and floating-rate loans respectively accounted for 66% and 34% of the Company's portfolio.



## 2.4 Risk from Coal and Oil Price Fluctuations

The Company manages such risk factors as the coal price, which affects income, and the oil price, which affects operating and transportation costs, using financial derivatives, such as coal swaps and gas oil swaps, under the management of the Commodity Risk Management Committee, which watches over the management of coal price and oil price risks of the Banpu group companies. The Committee also reviews the counterparty banks' risk status on an annual basis. Sales and production in the short- and medium-terms are constantly adjusted to alleviate possible negative impacts from decreasing revenues or increasing production costs. The Company actively monitors and assesses the situation of the world's coal market and price trends to seek the best moments to settle prices with customers. The proportion of coal sold on an index-linked basis and that sold on a fixed-price basis is constantly adjusted to suit the coal market.

## 3. Risks in Core Business

### 3.1 Delivery Risk

Most delivery risks involve an inability to deliver on schedule or to deliver to clients the committed quality and quantity, whereby the Company has to incur additional cost burdens in paying penalties to customers and charges to trading partners such as shipping demurrage charges.

The Company acknowledges the importance of this risk, and strictly follows risk management plans. It has focused on the development of an information-tracking platform to oversee production processes and coal transportation, and, when making coal production and sales plans, on the implementation of effective communications between the operational team and the sales team. The objective is to enable effective and timely revisions of sales strategies both in terms of coal quantity or quality.

In 2014, the Company successfully improved the management of the coal supply chain, with the introduction of a planning system to ensure the optimum decisions are reached (Optimization System). The system is used as a guideline for the production team to modify production plans in advance to effectively meet future coal delivery needs. In the past year, this system has played an important

role in enhancing cooperation among related units both to create preventive plans and to deal with arising problems. Specifically, when changes in the coal market occur—from either internal or external factors, the sales and the production teams are both able to see the impacts and find solutions based on the same perspective. In addition, the Company has created extra value through coal-blending processes and techniques to upgrade coal quality to a higher standard, and to produce coal of a quality that meets the specific needs of each customer. The Company has applied the integrated production plan at every mine in Indonesia to better manage the supply chain and to more precisely improve coal quality.

### 3.2 Operational and Transportation Risks

To prevent risks of transportation disruption at the Bontang Coal Terminal resulting from maritime accidents, the Company has purchased insurance against the risk of suspension of coal transport at the Bontang Coal Terminal. Moreover, to mitigate the risk of machine malfunction, the Company has formulated a preventive maintenance plan for machinery, conveyer systems, and other equipment, such as by ensuring an adequate stock of critical spare parts to minimise repair down time, using new technologies to inspect machine efficiency, and implementing preventive maintenance for the machines and equipment—prior to any actual break downs, which is how the maintenance policy can be best controlled. However, in case of a force majeure causing the ports to be inoperable, the Company has drawn up an emergency plan, under which coal will be loaded on to smaller barges before being unloaded onto seagoing vessels, or the Company will temporarily use other terminals in order to minimise impacts on coal deliveries to customers.

In 2014, the Company studied the feasibility of a change management mechanism called “Step Change Productivity” at Australian mines. The study is currently identifying the possibilities of improving productivity in each department, in order to set clear goals and continually improve productivity. In addition, the Company is committed to optimising logistics, such as by developing rail systems to ports, implementing new technologies in expanding transportation capacity and improving the efficiency of Lidsdale Siding in New South Wales, in order to increase



the potential of coal transportation from Australia's western to its eastern sea ports. Also ongoing are the study of infrastructure investment for seaborne transportation to support future expansions in production capacity and the improvement of working processes to lower idle time at the Bunyut port and to raise productivity.

### 3.3 Risks from Volatility in Production Cost

A significant proportion of production costs can be attributed to fuel, whose price is highly volatile. In coal production, fuel is needed for the operation of heavy machinery, the generation of electricity, and the running of vehicles and water pumps. The Company addresses this risk by analysing energy consumption in each of the Company's activities. Production plans can be managed to minimise energy consumption and to increase energy efficiency as a whole. Examples are as follow:

- The plan to streamline the coal mining process in order to minimise the distance that coal and soil must be hauled and the amount of coal that gets piled up.
- The continuous improvement of roads used in coal transportation.
- The studies of innovative technologies for transporting and hauling coal, including the feasibility of applying electric overland conveyor systems at coal mines in Indonesia.
- The implementation of In-Pit Crushing and Conveying (IPCC) in the east production area of the Indominco mine in December 2013, lowering the hauling distance and increasing the rate of soil removal to 14 million cubic metres per year, which translates to up to a 10% reduction in the total Stripping costs.
- The study to identify the optimal replacement rate for using LNG in place of diesel in coal- and soil- hauling trucks in the Indominco mine and the Bontang coal terminal and to examine the possibility of altering the engine type so as to maximise truck efficiency
- The minimisation of burdens promised in the Take-or-Pay obligations in order to reduce the cost of coal transportation to the port in northern New South Wales, Australia.
- The reduction of fuel costs for fuel used in coal transportation, particularly fuel consumption by tugboats, and the renegotiation of coal shipping contracts to reflect actual fuel costs.

The Company regularly organises training for its employees on how to handle heavy machineries with optimal fuel consumption. The efficiency of electricity generators is also inspected, and the water management system in coal mines is set to minimise the use of water pumps.

### 3.4 Risks from Contractors' Operations

There are cases where contractors cannot operate as planned due to such problems as late arrivals or installations of machineries, sub-standard maintenance, ineffective operation planning, or labour problems both in terms of efficiency and quantity. Such cases may affect the Company's ability to produce coal. To address such problems, the Company has established the "Coal-hauling Master Plan", and closely monitors its contractors' performance. A Contractor Management System (CMS) has been introduced to more efficiently and closely manage, control, and monitor the performance of contractors. For example, truck scales are calibrated to ensure accuracy, and software has been developed to calculate the inventory stock at the Trubaindo Mine. Such practice reflects the cooperation between the Company and its contractors to prevent possible problems. When selecting contractors, priority is given to long-term contracts with candidates who are known to be reliable and hold good track records. The long-term contracts encourage contractors to invest in new machinery, and better manage their operating costs.

## 4. Risk in Power Business

### 4.1 Risk in Power Plant Business in Thailand Risk from buyers

The Company's risk associated with the power business in Thailand is quite low thanks to the Independent Power Producer (IPP) scheme, under which 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 either from power buyers or from fluctuations in selling prices, given that the price and the quantity purchased is determined based on the fuel price, the Thai Baht exchange rate, and the inflation rate at the time.



### Risk in coal supply

Coal is the main fuel for the BLCPP Power Plant. The Plant has signed a contract to purchase coal from major, reliable suppliers, with the duration of the contract matching the power sales contract and with the amount and quality of coal clearly specified, to ensure that it can sufficiently supply electricity in accordance with the contract agreed with EGAT. Therefore, the risk associated with a failure to access good-quality coal is low. However, under certain circumstances, it may be necessary for BLCPP to procure coal outside of the said contract. For example, the supplier may be unable to deliver coal as planned due to an event of force majeure such as flooding in Queensland, Australia. In such a case, BLCPP may purchase coal from other suppliers in the coal market.

In the past, the amount of coal purchased outside of the long-term contract has never exceeded 5% of the amount of coal needed for production each year, which is relatively low and has no significant impact on the performance of the Power Plant.

The BLCPP Power Plant closely and continuously monitors coal production and coal price. It has also planned to increase the amount of reserve coal in the coal-piling area and, with the coal producer, reschedules coal deliveries, whereby the producer occasionally supplies more coal to compensate for times of emergency or unanticipated events.

## 4.2 Risk from Power Business in China

### Risk in electricity and steam purchase

The electricity business in China is subject to more risk than the one in Thailand, since, unlike Thailand, there is no long-term electricity purchase agreement in China. 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 to supply steam and heat in permitted areas. The Plants have also been accorded privileges to supply electricity to local electricity authorities and have requested support from local governments, an important factor in the management of risk in this aspect.

Following the Chinese government's energy efficiency and environmental conservation policies, rules and regulations have been adjusted in such a way that may affect the electricity business in China. In response to the policy changes, the Company has implemented various risk management measures to mitigate related risks such as by increasing the efficiency of energy usage within the plants and controlling environmental impacts in accordance with the Chinese government's policy.

### Risk from volatility in coal price

In 2014, the coal price continued to decrease compared with the previous year, due to an economic slowdown in China and consequently lower demand for coal. Corresponding to the reduction in coal price and the reduction in electricity production costs, the government has reduced the electricity charge. By the year 2015, the Company estimates that the government will reduce the electricity purchase price by about 5% compared with that of the previous year.

However, because the coal price has also dropped by about 30% compared with last year, Banpu believes that the reduced electricity purchase price will not significantly affect the performance of the Company. It manages this risk by closely monitoring coal prices and ensuring that procurement is in line with production costs and plans. The Company has also agreed upon a sales contract with some clients, in which the price structures of electricity and steam may be adjusted according to prevailing fuel costs.

## 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 rooted in the delayed construction work, which consequently delays the commencement of commercial operation of the project as required under the long-term electricity purchase agreement. The Company has managed this risk by developing 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 so as 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.





The project has employed contractors under a Turnkey Engineering, Procurement, and Construction Contract, with a clearly stated working period and contract value, particularly for the power plant construction, which is of the highest importance. The contractors must provide collateral security as required under the contracts, and the project can demand compensation for liquidated damages in the event that the construction is delayed from the agreed date. The compensation includes the amount to be paid to EGAT if electricity cannot be supplied on the agreed date, and also covers the loan interest.

At the end of 2014, about 80% of the project has been completed, which is on schedule. There is no obvious issue that will cause a delay in construction from the plan.

#### Risk from environment and community issues

Under consideration in all projects are the project's impacts on the environment and communities, and risk management plans have been formulated as follows:

- Conduct Environmental Impact Assessment (EIA) covering all activities of the project within the concession area, and formulate an Environmental Management Plan (EMP).
- Conduct Social Impact Assessment (SIA) and prepare a Resettlement Action Plan (RAP) for areas within the project. A new community has been 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 includes land rehabilitation, construction of water supplies, electricity and transportation systems, and job support for the community. Also currently in place is the study of a long-term development master plan, with the parts concerning resettlement and community development having been completed.

### **5. Risk from Regulatory Changes**

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

#### **Indonesia**

- Obligations relating to coal extraction: according to the 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 obtaining related equipment by leasing, providing training courses to its staff, and organising regular meetings for systematic planning.
- Indonesian Coal Price Regulation: according to the Ministry 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 refer to the benchmark price when selling coal domestically, internationally, or exporting to its affiliated companies.
- Issuance of relevant permits: the Energy and Resources Department has entered into agreement with several other institutions such as the 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 has managed this risk by planning both in the short- and long-terms to apply for important permits in advance, and by closely following up on the applications, so that the permits could be obtained without any delays to either short- or long-term production plans.
- Exports of Coal and Coal Products Regulation: according to the Ministry of Trade Regulation: Provisions on Exports of Coal and Coal Products PerMen 39/2014, exporters of coal from the Republic of Indonesia must apply for a permit (ET batubara). The Regulation became effective on 1 October 2014. The Company is currently requesting such a permit in order to comply with the regulation and to export coal as originally planned.



## China

- To tighten safety controls for coal mines, the Chinese cabinet has 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 coal mines with a high level of gas and with capacity below 900,000 tonnes per annum.
  - 3) Denying approval for expansion of coal mines with high production risks.
  - 4) Introducing a target to close 2,000 more small-sized coal mines by the end of 2015.
- To intensively decrease air pollution and efficiently manage commercial coal quality, in November 2014, the National Development and Revolution Committee (NDRC) imposed a new restriction on selling and importing coal with more than 40% of ash and more than 3% of sulphur. The regulation became effective on 1 January 2015. However, the effect of this regulation on the Company is insignificant because the coal produced in the Company's mines in Indonesia and Australia contains 4-6% and 15-24% ash and 0.5-2% and 0.3-0.6% sulphur, respectively.
- On 20 November 2014, the Chinese cabinet announced action plans and targets to control air pollution by reducing the country's dependence on coal energy to 4.2 million tonnes by the year 2020, down from its current dependence on coal energy, which accounts for more than 70% of total energy use. The Ministry of Environmental Protection also announced plans for air pollution control in Beijing, Tianjin, Hebei and Shandong, which aim to reduce coal consumption by 100 million tonnes by the end of 2020, from the consumption of 791 million tonnes in 2013.
- To reduce the cost of coal mining, on 1 December 2014, the collection of resources tax was altered from collecting on the basis of production units to the percentage of coal sales, for which the government's tax management agency sets at 2-10% of sales. Each local government has the power to set the tax rate according to its own conditions, for example, 8% in Shansi, 2% in Henan.

Meanwhile, to help coal producers during the economic downturn, the local governments have repealed taxes and funds deemed too complicated. Overall, the changes in tax measures have no effect on coal production costs.

- To support local coal producers, to lower the pressure from oversupply in the domestic market, and to stimulate the sluggish economy, the Chinese government has imposed a coal import tax, separating coal's heating value from 3-6% effective from 15 October 2014. This tax has no impact on the coal mines in Indonesia thanks to the free trade agreement between China and ASEAN, by which the import of coal into China from Indonesia is not subject to taxation, effective from early 2012. On the contrary, the thermal coal imported from mines in Australia is subject to taxation at the rate of 6%, which only slightly impacts the Company, given that coal exports from Australia to China amounted to 6,500 tonnes in 2012 and 20,000 tonnes in 2013. Recently, in November 2014, Australia and China have signed a free trade agreement to immediately reduce the import tax on coke coal to 0% and thermal coal from 6% to 4%, which will subsequently be reduced to 0% within two years from the signing date.

## Australia

In 2014, the Australian government approved a repeal of the Mineral Resource Rent Tax (MRRT) to reduce additional costs to investors and to boost their confidence in coal and mineral industries. Banpu's Australian subsidiaries, therefore, have to amortise their assets related to this tax approximately in the amount of USD 24 million. However, the repeal means that the Australian subsidiaries are no longer subject to this tax burden.

## Mongolia

In 2014, the Mongolian parliament approved an amendment to the law related to coal mining, to support investment in the mining industry, and also an amendment in the law related to investment, to promote transparency and to boost confidence among local and international investors. However, the recent changes have no effect on the Company's project as it is in the process of exploring and studying the feasibility of the project itself.



Banpu is committed to develop processes and tools in the management of risks arising from the changes in regulations and policies in every country in which it has investments, so as to manage risks and problems that may occur. Executives in each country are responsible for closely monitoring changes in both local and national regulations and policies, and hiring local legal consulting firms to help interpret the law and find ways to operate the business according to the laws and regulations.

## 6. Occupational Health, Safety and Environment Risk

The Company recognises the importance of occupational health, environment and safety as fundamental to the long-term sustainability of the Company. Therefore, it has defined the “Sustainable Development Policy” as a framework for its safety and environmental practices. The Sustainable Development Committee has been appointed to supervise and monitor the environmental and safety performance within the Company 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 environmental practices are successful and in compliance with the set policies. The Company is committed to continuously adapting Banpu’s practices to meet international standards, including the quality management system (ISO 9001), the occupational health and safety management system (OHSAS 18001), and the environmental management system (ISO 14001). In 2014, more of Banpu Group’s coal mines and power plants have been certified as meeting the aforementioned international standards in quality management, safety, and environment, namely, the Integrated Management Systems of QMS-ISO 9001, EMS-ISO 14001 and OHSMS 18001 certifications for the Bharinto mine, Indonesia.

### 6.1 Occupational Health and Safety Risk

Due to the nature of coal mining and power plant activities which involve the use of heavy machineries and vehicles, the risk of accidents arising from work is relatively high. In 2014, the Company has 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 altering unsafe behaviours and work conditions
- 2) Zero Repeat : Taking all necessary actions to address the root causes of any problems in order to prevent a recurrence of incidents
- 3) Zero Compromise : Strictly adhering to safety rules and standards without compromises

In 2014, the Company took the following actions to prevent and reduce workplace accidents:

- **Strengthening the safety culture**  
For four 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 in health, safety, and environment as well as to convey “Safety Leadership” to staff at all levels and in every operation, so that they are aware and put priorities on safety issues.
- **Improving the standards of safety management**  
In 2014, the Company documented two safety management standards: (1) the reporting and investigating system to prevent accidents and the possibility of accidents recurring in the future, and (2) energy conservation to achieve the most efficient and effective use of energy.
- **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 the quality of the contractors’ work, to minimise negative environmental impacts derived from their work, and to maximise work safety. A detailed system of selection, control, monitoring and evaluation of contractors has been adopted by the Company. In 2014, the Company reviewed the CMS with regards to work safety issues to improve safety management among contractors.



- **Preparing business continuity management plans**  
The Company has applied a Business Continuity Management System to prepare itself to properly respond to an emergency while being able to maintain operations and alleviate impacts from any emergency or crisis that may occur, including accidents, natural disasters, or manmade crises, such as fires, chemical spills, floods, earthquakes, epidemics, protests and riots. The Company has implemented the Business Continuity Plan (BCP), prepared necessary resources, and held regular exercise drills at operational and management levels to ensure the ability to handle emergencies and crises. In 2014, the Company started to implement the Business Continuity Management System in accordance with ISO 22301 at its Bangkok headquarters. In the future, the system will be implemented at all other business units of Banpu.

## 6.2 Environmental Risk

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

- **Environmental Compliance**  
The Company emphasises compliance with environmental regulations and other rules related to its operations, such as the regulations on environmental quality standards and environmental impact reduction measures, which are the conditions that must be addressed in the environmental impact report. In 2014, Banpu's environmental compliance performance remained high and continued to improve. Banpu focuses on managing major risks as follows:
  - **Soil erosion and contaminated sediments in water:**  
The Company 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, planting of vegetation will be undertaken as soon as the land refilling and grading are complete in order to decrease soil erosion. In addition, constructed wetlands are built and maintained to trap sediments resulting from soil erosion.

This Constructed Wetland is part of Successive Alkalinity Producing (SAP) System at Lamphun mine. The mine was awarded ASEAN Coal Awards 2013 from ASEAN Centre for Energy.

- **Water quality:** The quality of water discharged from mines to public waterways is determined by the pH value and the turbidity. As for the pH value, the Company implements the Acid Mine Drainage to prevent water acidity and to treat water that becomes acidic due to its mining process at mine sites, covering stages of mining from mine exploration to production planning, land management and rehabilitation. A Successive Alkalinity Production (SAP) system for acidic water treatment, at Lamphun mine, won the ASEAN Coal Awards 2013 from ASEAN Centre for Energy. Therefore, since 2014, the Company applied and implemented SAP system at Jorong mine in Indonesia.
- **The cooling system:** The cooling water used in BLCP power plants is designed to be a semi-closed cooling system to reduce water discharge to the external environment. Outgoing waterways are designed for water to flow and be exposed to the air for as long as possible in order to cool the temperature down to the level required by law.
- **Air quality:** The quality of air emission into the atmosphere is determined by the quantities of Sulphur Dioxide, Nitrogen oxides and particulate matters. The Company has installed various treatment and disposal technologies in Thailand, Lao PDR, and China, including the Low NO<sub>x</sub> Burner and the Circulating Fluidized Bed (CFB) technology used to reduce Sulphur Dioxide and Nitrogen Oxides. Electrostatic Precipitators (ESP) for trapping fly ash and a Flue Gas Desulphurization system (FGD) are also in operation. A Continuous Emission Monitoring System (CEMS) is installed at chimneys and in the communities surrounding plants to monitor and to ensure that ambient air quality is within the levels required by law, particularly at the power plants in China. From 2012 to 2014, the Company has spent more than THB 400 million on improving the effectiveness of the existing air rehabilitation system in order that the emitted air meets the standards set out by the new local 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, building a wind-blocking dike with plants is done in high-risk areas to avoid dusting, the speed of vehicles is limited in mining areas for dust control and safety, and earth-surfaced roads are regularly water-sprayed. Dust levels are also regularly measured in mining areas and nearby communities to effectively control dust.
  - Hazardous waste management: The practice of separation and disposal of each waste type is properly managed in accordance with the regulations in each locality, to ensure that waste, especially hazardous waste, will not cause any negative impacts on the environment.
- Effective Resource Utilization
 

Inefficient use of resources could increase production costs, while creating conflicts and competition over the limited resources. The Company, 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 mining businesses in order to minimise its impact on the geography, biodiversity and ecology. Mine rehabilitation planning is in place since the start-up phase of projects, and can be effectively used for land rehabilitation and community development. In order to effectively manage biodiversity, PT. Indo Tambangraya Megah Tbk (ITM), Banpu's subsidiary in Indonesia, has collaborated with Purwodadi Botanical Gardens since 2010 in conducting a survey and an in-depth study of biodiversity at the Bharinto mine located in Kalimantan. In 2012 and 2013, the study was expanded to further areas, including the Indominco mine, and made great progress in studying biodiversity. Information obtained from this study will be used to construct a model for future land and biodiversity rehabilitation. Most recently, in 2014, the Company successfully studied and developed fast-growing plants that can be used for land rehabilitation at the Trubaindo mine. Not only has the project contributed to the preservation of local species, it has also made land rehabilitation more efficient and more effective. It also serves as a source of income for the community, which produces and sells seeds and seedlings to the Company.
  - Energy Use: The Company is fully aware of the value of energy, thereby holding energy conservation projects at all coal mines and power plants. The Company also cooperates with its trade partners in an initiative to study the possibility of using Liquefied Natural Gas (LNG) found in the neighbouring lands, instead of diesel, the Company's current major source of fuel, to power soil-hauling and coal-hauling trucks. The use of LNG is considered a move towards energy stability. Compared to the use of diesel, LNG helps save fuel costs and reduces emissions of greenhouse gases as well as particulates that result from engine combustion. The Company has supported the construction of a biogas plant in the local development area near the Embarut mine in order to encourage people to learn how to create an energy source within the community. This plant has become the learning centre of the community, eventually receiving an environment-related award from the government of Indonesia. Since 2006, the Company has participated in the Carbon Discloser Project (CDP) which aims to report to the stakeholders and shareholders the amount of gas emitted and the greenhouse gas management strategy. Through this project, a data base of greenhouse gas emissions up to 2014 has been developed, stored, and continuously reported. In 2014 the Company also included the greenhouse gas management in the strategic plan for 2016-2020 in order to efficiently lower emissions of greenhouse gas in the future.



## 7. Risk from Social and Community Impact

The Company is aware of possible impacts on communities in such areas as the environment, safety, the economy, and the society. It has formulated a risk management plan to mitigate these impacts as follows:

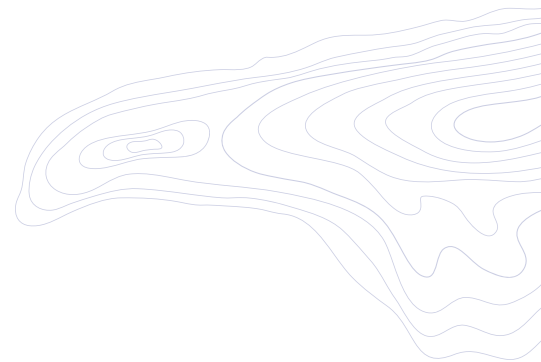
- The Community Development Department has worked closely with other departments in order to minimise risks arising from business operations, especially with regards to the environment and safety. The work starts from planning, monitoring, evaluating, and preventing possible impacts from the Company's operations. This is to ensure that communication between the Company and communities, through the Community Development Department, is effective. The department collaborates with government agencies, local administrative organisations, and the media to allow the Company to be able to recognise the impacts of its operations and resolve any issues in a timely manner.
- Community development standard operating procedures have been set up for mine operation, aiming to cover risks of impacts on the society and communities. The procedures serve as guidelines and uniform standards for community development officers at all sites.
- The Community Consultative Committee (CCC) consisting of representatives from the local government, local communities and the Company meets annually to collaborate on drawing up community development plans, which shall meet community needs, are consistent with the government's development plan, and are accepted by all related parties. Ongoing reviews and assessments of the progress, including problems and solutions, are addressed at the CCC meetings for further improvement.
- Community development programs are organised to meet each community's needs and to address its problems. The programs place emphasis on community involvement, which leads to sustainable, long-term development. The programs support development among the communities surrounding the mines in such areas as job creation, infrastructure, education, health, basic healthcare, religion, culture, and environment, thereby improving the quality of life and satisfaction among communities, and improving their relationships with the Company.
- In order to carry out community development programs that satisfy both the communities and stakeholders, Stakeholder Perception Surveys have been conducted to assess attitudes, opinions, and satisfaction levels of the communities and stakeholders. The results of the surveys are used to set benchmarks for improvement and as a basis to ensure that the best interests of all parties are satisfied.
- A sufficient number of Community Development Officers (CDO) has been allocated at each mine site. The community development officers act as mediators between communities and the Company, and work with communities to improve their quality of life as designated by the development plans.
- Follow-ups with all management levels take place regularly to make sure that the Company's operations are carefully run, beneficial to communities, and with no negative impacts on the communities and the society.





## 8. Risk from Hongsa Power Project Court Case

The Company places a high priority on managing risks from the Hongsa Power Project court case. In order to track progress of the legal department and team of lawyers and closely analyse the pending situation, a special working team, including representatives from the Board of Directors and the executives, has been set up. Current situations and related progress are reported to the Board and the executives, while understanding and confidence among stakeholders are promoted, as the executives firmly believe that the operations of the Company and Banpu Power Ltd. in Hongsa Power Project have been conducted in good faith. On 9 September 2014, the Appeals Court dismissed the case with the reason that the defendant's actions had always been lawful before and after engaging in the project development, and the defendant did not infringe upon the plaintiff. On the other hand, the plaintiff broke the terms of the contract to jointly develop the project, and the defendant need not return the Hongsa Power Project documents to the plaintiff. The plaintiff has since submitted the case to the Supreme Court, and the defendant is exercising its right to file a petition to the Supreme Court. Banpu's executives are confident in the Company's operations and those of Banpu Power Ltd. with regards to the development of the Hongsa Power Project. It is expected that the case will enter the consideration of the Supreme Court in 2015 and take around 3-5 years for a final resolution.





# Internal Control

Recognising the importance of internal Control, Banpu has designed an internal control system that covers all corporate activities and is well-suited to its business activities. The goals are to increase the efficiency and effectiveness of its operation, proper utilisation of resources, safeguarding of assets, ascertaining the accuracy and reliability of its financial information, as well as ensuring compliance to the laws and regulations pertaining to the Company's businesses. The Board of Directors, in its meeting on 21 January 2015, assessed the internal control system based on the internal control adequacy assessment report. This report had previously been endorsed by the Audit Committee in accordance with the framework designated by the Securities and Exchange Commission (SEC) to assess the adequacy of the internal control system. The SEC - designated framework follows that of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which can be categorised into five aspects, namely, Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities.

In 2014, the Audit Committee convened eight times, the participants of which represented the Company's executives, External Auditor, and the Internal Audit Department. The Audit Committee performed its duties in compliance with the law and to the extent entrusted by the Board of Directors according to the Audit Committee Charter. The duties include review of financial information, supervision of the risk management system, appointment of the External auditor, supervision of Internal Audit, and monitoring of the Company's compliance within applicable laws and regulations.

The Board of Directors and the Audit Committee shared views regarding the Company's internal control system, which can be summarised as follows:

## 1. Control Environment

Banpu supports a control environment that is appropriate to the Company's business. The Board of Directors oversees the Company's businesses, while the management of all departments set clear and measurable annual

business targets and plans. Such target-setting and strategic planning processes have been improved to allow the Company to remain adaptive to meet the rapidly-changing business environment. With a clear line of command and delegation of authority as well as well-defined responsibilities within the Company's organisational structure, the Company's management and operation are fluid and responsive to change. Key Performance Indicators (KPIs) are set and used as guidelines and benchmarks for achievement. Also improved are policies and standard operating procedures of key processes, such as those in the areas of sustainable development, finance and accounting, procurement, asset management, general administration, mining and power plant operations, information technology management, information and security, health and safety, environment, and community development. Emphasis is placed on recruitment of human resources that is conducted at a high standard, management of human resources that is in line with Banpu's corporate culture, and employee remuneration that is fair and reasonable. Moreover, the Company has communicated to its employees the Code of Conduct and the Corporate Governance Policy, with the expectation of their full compliance. Special focus is placed on integrity, ethics, and accountability to stakeholders. The Company is actively engaged as a signatory company in the Private Sector Collective Against Corruption (CAC). Recently, management has assessed the self assessment form and proposed an Anti-Corruption Policy for Board consideration prior to entering the certification process of CAC. Meanwhile, the company has also reviewed best practice methods to support the policy in the implementation stage.

## 2. Risk Assessment

In the midst of internal and external shifts that may impact the Company, complying with the Company's policies and risk management processes is of great importance to Banpu. The Company continually assesses the impact of change in management, with all departments taking part in the assessment of risk factors, the likelihood of such risks, their impacts, the corresponding risk management, and the



risk of fraud and wrongdoings. The Company has clearly defined its risk appetite, and integrated risk management with the Company's strategic planning process. There is also a risk management unit that regularly tracks progress of risk management measures and plans, and reports progress to the Risk Management Committee (RMC). The report is then reviewed by the Audit Committee, and submitted quarterly to the Board of Directors.

### 3. Control Activities

The Board of Directors has appointed three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee, and the Compensation Committee, all of whom work well within the scope of responsibilities entrusted to them. Policies and guidelines are specified in writing. KPIs are used to plan and monitor the performance of executives and all employees. The organisational structure along with the regulations, such as the Delegation of Authority (DOA), have also been adapted to decentralise the management and authorisation authority from the higher-level management down to the subsequent levels, so as to support the Company's expansion and growth and to enable "checks and balances" system. Banpu has also drafted policies and revised its standard operating procedures to correspond with international standards. The Company's assets are duly safeguarded, and transactions with binding, long-term effects on the Company are monitored to ensure that the agreed conditions are abided to. Measures are adopted to prevent Banpu's interests from being exploited for personal benefit. Compliance to relevant laws and regulations is observed and corporate management under an adequate and appropriate internal control system is promoted.

### 4. Information and Communication

Banpu regards information and communication both with internal or external parties as two of the important tools in the Company's business activities, especially for the Company's expansion into overseas investments. Through effective information technology, operational performance and financial information can be communicated to the Board of Directors and the management, enabling them to

make decisions based on adequate, accurate, and reliable information, which consequently enhances the Company's competitiveness. Laws and regulations related to information and information technology are also communicated to the employees, while their responsibilities and rights to safely access various information systems are clearly defined. The Company recognises the importance of the informational technology system, including the Enterprise Reporting System and the Enterprise Assets Management, which are used to support business activities and communicate important business information, leading to greater effectiveness as a whole.

### 5. Monitoring Activities

Banpu has in place monitoring systems both at the management and operational levels. The Board of Directors and the management measure operational results against planned targets. If the targets are unmet, further monitoring ensues and reports are submitted to the Board of Directors. Additionally, in case of major issues that may possibly impact the Company, the Chief Executive Officer and the management, on a monthly basis, follow up on the performances and the solutions reached by relevant units. The Internal Audit Department strives to provide assurance and consultancy to ensure that the Company's operations proceed under proper monitoring, risk management, and internal controls. Promoting "checks and balances" as well as transparency, the Internal Audit Department has instituted an audit plan that covers the Company's main operations as well as its subsidiaries and is consistent with the Company's strategies. The Internal Audit Department also assesses the adequacy of and compliance with the internal control system as set out by the management to ensure that the system reaches its intended efficiency and effectiveness. The Internal Audit Department consistently reports the audit results to the Board of Directors, the Audit Committee, the Chief Executive Officer, and the management.



## Sustainable Development

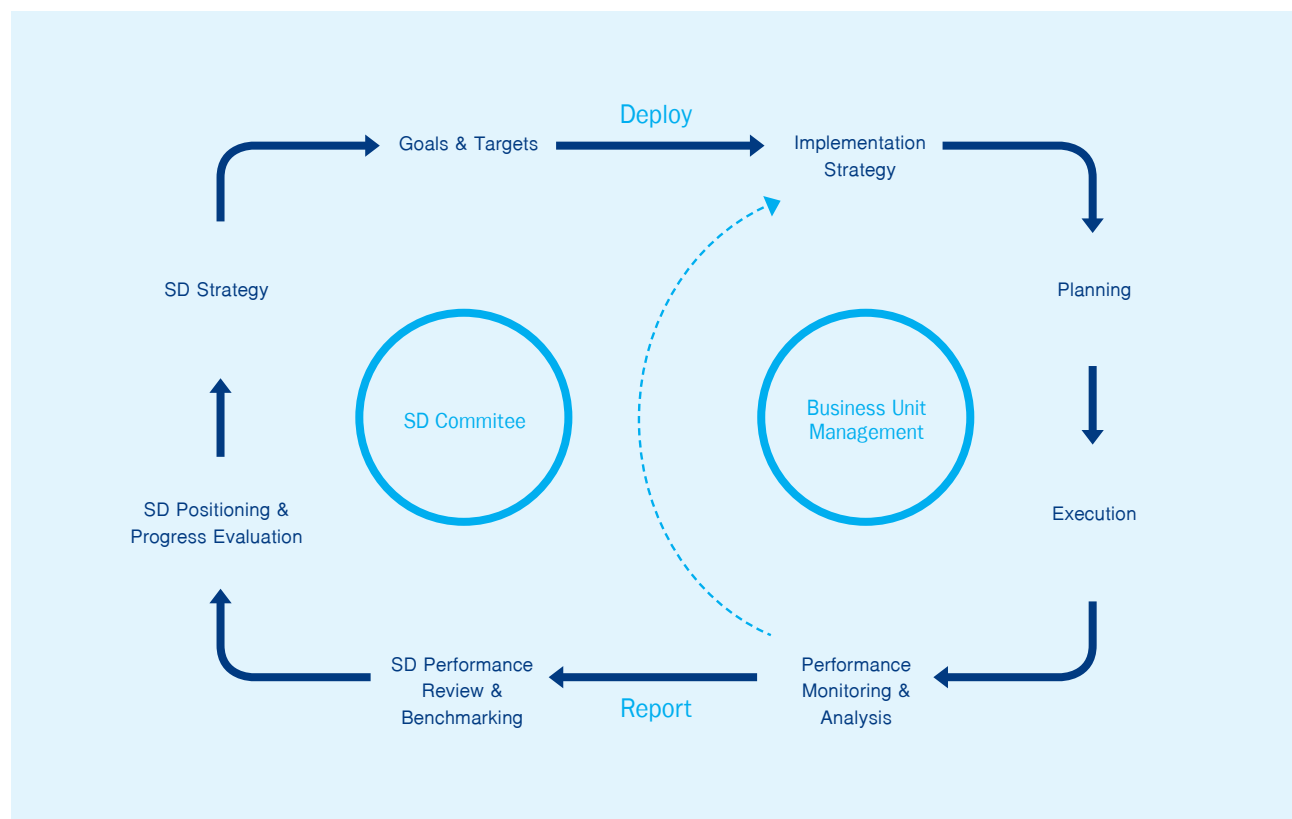
For Banpu, sustainability means long-term existence, and is the combined result of our business performance, our people and our corporate culture. It is our ambition not just to exist in the long run but to bring sustainable growth and development to society, to the environment and to our stakeholders.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

To drive sustainable development, Banpu set up a 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 Banpu's 5 year Strategic Plan since 2013 to ensure that the Company has considered all possible impact that its operations could have on stakeholders. In addition, the sustainability issues are also incorporated in the Key Performance Indicators (KPIs) of Senior Management.



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](http://www.banpu.com/en_sustainable_development.php).

In 2014, Banpu was first assessed by the Dow Jones Sustainability Indices (DJSI), which tracked the sustainability performance of companies globally. Leading funds also use DJSI as a gauge for making prudent long-term investment decisions. In this process, DJSI invites the 2,500 largest companies of each industry around the world, in terms

of Free Float Market Capitalization, to participate in the assessment. Then those companies are assessed using Corporate Sustainability Assessment (CSA) methodology which considers economic, environmental and social aspects of the companies. Then only the top 10% of each industry is selected to be member of DJSI.

In this regard, being a member of DJSI, in the Energy Sector - Emerging Market Category, is a guarantee of Banpu's compliance with the best sustainability practices which will enable Banpu to grow continuously and sustainably.





## Human Resource Management

The forces behind Banpu's growth, stability, and strengths to date are its "people" - Banpu's workforce. With hard work, sacrifices, and perseverance, Banpu's people have played a crucial part in making the Company what it is today. Regardless of nationality, ethnicity, language, or gender, Banpu offers equal opportunities to each and every person on its workforce. Banpu's people are committed to working towards shared visions and goals and unified under

the "BANPU Spirit", which encompasses lofty principles that are Innovation, Integrity, Care, and Synergy. Given the uncertainties inherent in the fast-moving business world and the rapidly-changing global economy, Banpu continues to develop its people to be adaptable and flexible to change, mobile and able to work anywhere and under any circumstances, creative and able to voice their opinions, while always maintaining full professionalism.

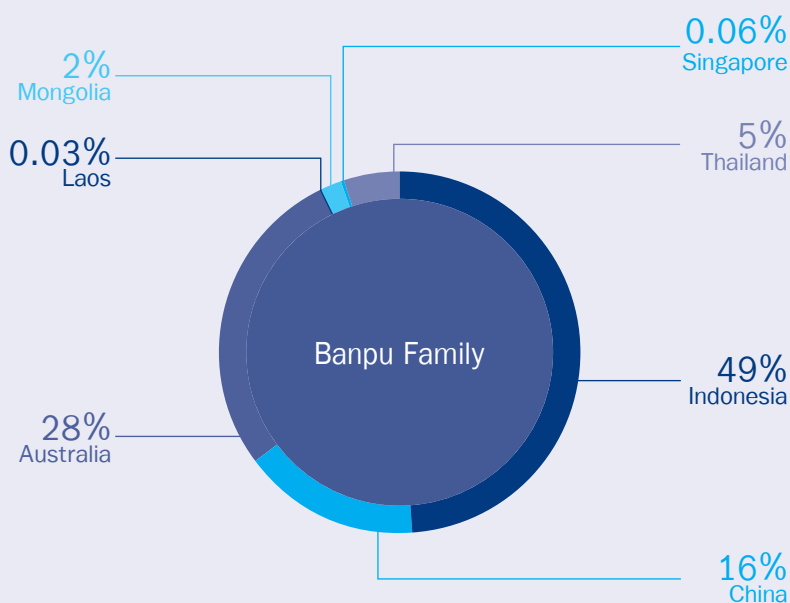
Banpu's human resource management and development uphold the three overarching principles of Equitability, Performance Based, and Competency Based.

### Banpu Family

#### who and where we are

6,167 staff in 8 countries\*

Thailand, Indonesia, China, Australia, Laos, Mongolia, Singapore and Japan



	Thailand	Indonesia	China	Australia	Laos	Mongolia	Singapore	Total
Local	299	3,147	901	1,562	-	132	3	6,044
Thai Expatriate	-	84	5	1	1	11	4	106
Foreign Expatriate	2	9	3	-	1	1	1	17
<b>Total</b>	<b>301</b>	<b>3,240</b>	<b>909</b>	<b>1,563</b>	<b>2</b>	<b>144</b>	<b>8</b>	<b>6,167</b>

\* Japan is in process



## Human Resource Management System

Believing that a knowledgeable, capable, and determined workforce is an important factor in the sustained, long-term success of any organisation, Banpu has put great emphasis on human resource management. This begins with specifying the strategies and plans to manage human resources, with priorities on structuring the organisation, defining job responsibilities, and determining the size and qualifications of the workforce to best match Banpu's business needs. In the recruitment and selection of its workforce, Banpu seeks candidates who are experienced and whose characters are consistent with the BANPU Spirit.

The next emphasis in Banpu's human resource management system is employee performance management. Each Banpu employee is involved in setting goals and drawing plans in his or her particular line of work. Corresponding performance indicators are concrete yet challenging, and in accordance with the evaluation standards applied uniformly throughout the Company. In the development of its workforce, Banpu has designed training and development plans, including the preparation of successors, which involve both vocational and technical skill development as well as leadership character advancement.

## 2014: Improvement in Human Resource Management for Sustainable Development

To develop its workforce in a sustainable manner, Banpu's human resource development is given the highest priority, and is undertaken continually and systematically. Workforce development at Banpu can be largely categorised into three groups: Junior-level management, Middle-level management, and Senior-level management.

For Junior-level and Middle-level management, the focus is on the development of leadership characteristics and preparation for becoming a team leader in the future. The development of these management is consistent with the Company's business direction, as their self-development plans are constructed in consultation with their current team leaders, thereby combining the two criteria of competency management and individual development plan. Various learning curricula are also put together in the Banpu Training Roadmap for employees to choose from each year.

For Senior-level management from all countries, the "BANPU Leadership Development Program" has been set up to prepare for future leadership needs. Not only does the Program get participants ready for future leading positions, but it is also a way to ensure successors are available for the continued leadership of the organisation.





# Corporate Governance and Supervision on the Use of Internal Information

## 1. Corporate Governance Policy

The Board of Directors is committed to the principles of systematic management and good corporate governance. Accordingly, the Corporate Governance Policy and the Code of Conduct Handbook were first issued in writing in 2002. After a revision in 2005, the second and the most current edition of the Policy and the Handbook came into effect in 2006 in Thai, English, Bahasa Indonesia, and Chinese. To remain current and consistent with the changes in regulations by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), and to be in line with international practice, the Board of Directors has approved a new edition of the Policy and the Handbook in 2014. This Policy and Handbook are the complete reference and guidelines for directors, executives, and all employees.

Banpu has assessed the effectiveness of the implementation of the Corporate Government Policy, using the Key Performance Indicators (KPIs) and the Behavioural Factors, in which “integrity”, one component of the “Banpu Spirit” corporate culture, is used as an indicator. The results of such assessment are categorised by employee levels and by operational locations. Both results are satisfactory.

### Formulation of Corporate Governance Policy

The Board of Directors has issued the Corporate Governance Policy in writing, to which the Board, the executives, and the employees can refer as a guideline. The Policy upholds good corporate governance principles as well as SET’s guidelines on corporate governance. The Policy contains corporate governance principles in five areas, including:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of the Board of Directors.

## Communication of the Corporate Governance Policy

Committed to ensuring the Corporate Governance Policy, the corresponding guidelines, and the Code of Conduct are put into practice, Banpu has action plans on promoting Banpu’s corporate culture and corporate governance attitudes. The plans focus on educating and raising awareness among employees of all levels about the Corporate Governance Policy and the Code of Conduct, in a way that employees can understand and practice. These educational activities in 2014 were as follows:

- 1) A training session on corporate governance principles as part of the orientation program for new Banpu employees
- 2) The intranet-based “CG in DNA” program, a two-way communication platform where corporate governance principles and the Code of Conduct are communicated to employees and checked for understanding monthly through responses to activity questions
- 3) A regular article, “CG of the Month”, published in the Company’s periodical “Banpu Insight”, presents trends and directions of corporate governance in Thailand and other ASEAN countries. This is distributed to every country in which Banpu has investments. Articles have included:
  - Introduction of PT Indo Tambangraya Megah Tbk. (ITM)’s Transparency Center
  - Introduction of Corruption Perceptions Index (CPI)
  - ‘CG in our DNA’
  - Evaluation of the Board of Directors’ Performance
  - Sub-Committees of The Banpu Board of Directors
  - Results of the 2013/2014 ASEAN CG Scorecard Assessment
  - Indonesia and Results of the 2013/2014 ASEAN CG Scorecard Assessment
  - Anti-corruption campaign



- 4) Continuing the “CG Day” programme raising awareness among employees and encouraging them to strictly maintain high moral standards. In 2014 the “CG in DNA” ideas affirm Banpu’s corporate governance practices and support the employees through practical activities to test the understanding of corporate Code of Conduct Handbook, so as to ensure high ethical standards are maintained in achieving successful Company outcomes.
- 5) The “CG Refreshment: Inward and Outward Looking” activities to communicate to all employees the Corporate Governance Policy and the current edition of the Code of Conduct Handbook, plus principles and practices at national and regional levels so as to raise awareness and improve understanding of the issues among employees.

Banpu has received awards for its commitment in maintaining good corporate governance as follows.

In 2014, Banpu was awarded membership of the Dow Jones Sustainability Indices (DJSI), which is the internationally-accepted sustainability index. The award affirms Banpu’s stance in upholding corporate social and environmental responsibilities while maintaining good business performance, in the firm belief that this leads to sustainable growth. Banpu is also placed among the 108 SET listed companies who earn the “Very Good” CG Scoring based on the 2014 survey of corporate governance practices. The survey is organised by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission Thailand (SEC), and the Thai Institute of Directors (IOD).

### 1. Rights of Shareholders

The Board of Directors emphasises the importance of the rights and equitable treatment of shareholders, clearly specifying in the Corporate Governance Policy shareholder rights to receive share certificates of ownership, to transfer shares, and to receive adequate information in a timely manner, in a format conducive to decision making. Shareholders are also entitled by right to attend and cast their vote in shareholder meetings to amend the Company’s

major policies. Shareholders also have the right to elect and remove directors, to approve the appointment of auditors, and to receive their share of profits.

At a shareholders’ meeting, the Board of Directors facilitates shareholder decisions by providing clear, complete, and adequate information in a timely fashion. The Board of Directors also encourages shareholders to attend and cast their vote at the meeting, or else have a proxy or have an independent director vote on their behalf in their absence. In addition, shareholders are equally given opportunities to express their views, request an explanation, or ask a question.

Banpu held the 2014 Annual General Meeting (AGM) on 3 April 2014, at 1:00 P.M. in the Grand Hall, which is located on the second Floor of the Imperial Queen’s Park Hotel, No. 199, Sukhumvit 22 Alley, Sukhumvit Road, Bangkok, 10110. All twelve directors attended the Meeting. Banpu assigned Thailand Securities Depository Co., Ltd., its share registrar, to send the invitation letter to shareholders in advance, and posted it on the Company’s website at [http://www.banpu.com/en\\_agm\\_egm.php](http://www.banpu.com/en_agm_egm.php) 30 days prior to the meeting date. The minutes of the 2014 AGM were also posted on the Company’s website 14 days after the meeting took place, so that the shareholders could propose amendments, if they found the minutes to be inaccurate, within the 30-day period after the minutes were posted. The minority shareholders were also given opportunities between November and December 2013 to propose agenda items to be included in the AGM, and to nominate candidates to be considered for the director positions. The Company informed the SET of such opportunities in order that the shareholders were informed accordingly. The invitation to propose agenda items and nominees was also posted, and the procedures and methods for considering proposals were clearly stated on the Company’s website: [http://www.banpu.com/en\\_agm\\_egm.php](http://www.banpu.com/en_agm_egm.php) No shareholder proposed an agenda item or nominated candidates for director positions for the 2014 AGM.



In 2014, an Extraordinary General Meeting (EGM) was held once on 6 October 2014 at 2:00 P.M. in the Royal Paragon Hall 3, on the fifth Floor of Siam Paragon Shopping Mall, No. 991, Rama 1 Road, Pathumwan, Bangkok, 10330. Ten out of the twelve directors attended the EGM.

## 2. Equitable Treatment of Shareholders

### Shareholders' Meeting

It is a policy of the Board of Directors that shareholders are engaged in the decision making and given complete, adequate, and timely information in doing so. Prior to the shareholders' meeting, Banpu sends to the shareholders the invitation letter for the meeting together with information relevant to each of the meeting's agenda items. Opinions of the Board of Directors also accompany each agenda item. The meeting is attended by 12 directors, including the chair of the Audit Committee, the chair of the Corporate Governance and Nomination Committee, and the chair of the Compensation Committee. High-level executives, the auditor, and independent observers from a law firm also attend the meeting.

The chairman opens to meeting to allow every shareholder to examine the Company's operations and to present questions in each of the agenda items. The chairman also encourages shareholders to voice their opinions and make inquiries about the Company's operations. In addition, the Board of Directors completes the minutes of the meeting and releases them on, the Company's website 14 days after the meeting, so that shareholders can review the minutes and if necessary propose amendments within 30 days.

### Shareholders' Meeting

The 2014 AGM took place on 3 April 2014 at 1:00 P.M. at Grand Hall, the second Floor of the Imperial Queen's Park Hotel, No. 199, Sukhumvit 22 Alley, Sukhumvit Road, Bangkok, 10110. The AGM was attended by all twelve directors, 985 shareholders and 1,235 proxies, bringing the total to 2,220 persons representing 1,057,072,712 shares. This accounted for 40.94% of all 2,581,878,550 issued shares.

The EGM meeting was held once in 2014 on 6 October 2014 at 2:00 P.M. in the Royal Paragon Hall 3, on the fifth Floor of Siam Paragon shopping mall, No. 991, Rama 1 Road, Pathumwan, Bangkok, 10330. The EGM was attended by ten of the twelve directors, 818 shareholders and 825

proxies, bringing the total to 1,643 persons representing 1,051,336,941 shares. This accounted for 40.71% of all 2,581,878,550 issued shares.

### Site Visits and Information Provided for Shareholders

To improve the shareholders' understanding of Banpu's businesses and monitor its operation, the Company has regularly arranged for shareholders to visit Banpu's operation sites and meet with the executives. Eighty shareholders visited the BLCP Power Plant in Rayong province, Thailand on 8 May 2014.

## 3. Roles of Stakeholders

Committed to maintaining fairness for all stakeholders, Banpu incorporates policies on stakeholders into the Corporate Governance Policy and promotes collaboration with various stakeholders, such as employees, clients, trading partners, debtors, government agencies, the communities in which the Company is located, and the society as a whole. Based on such principles, the Code of Conduct Handbook provides guidelines for the directors, executives, and employees to follow based on fairness and balanced mutual interests. Important guidelines pertain to conflicts of interest, responsibility to shareholders, and policies on and treatment of employees, clients, trading partners, debtors, competitors, and the society in general. It is considered a duty and a responsibility that Directors, executives, and all employees must acknowledge, understand, and strictly comply with the guidelines, in order to ensure and maintain confidence that all stakeholders are treated well and have their rights protected.

In addition, Banpu has created a communication channel to receive complaints and grievances regarding corporate governance and business ethics, which reaches out to and covers all groups of stakeholders. Information can be found on the Company's website under the Corporate Governance section, with the contact address GNCSecretariat@banpu.co.th, which is regularly monitored and reported.

In 2014, the Board of Directors has approved a policy on complaints and grievances which also ensures protection of complainants. The policy is known as the "Whistleblower Policy", which protects informants and explains the processes in dealing with complaints that may expose wrongdoing.



Banpu has declared its intention to support the anti-corruption movement since 2010 and followed with a self-assessment in 2012. Currently, Banpu is preparing related policies and guidelines to submit for certification from the Private Sector Collective Action Coalition Against Corruption (CAC).

The policies and the guidelines in regard to the anti-corruption campaign, particularly in regard to corporate bribery has been stipulated in the Code of Conduct Handbook as follows:

### 3.4 Giving and Receiving Bribery

- (1) Executives and staff are prohibited from demanding or receiving any benefit from trading parties, contractors, suppliers, advisors and those with whom the Company is doing business.
- (2) Executives and staff are strictly prohibited from offering any benefit to government officers, customers, labour unions or any other external parties in any attempt to persuade them to commit a fraudulent action.

### 3.5 Gifts, Gratuities and Business Entertainment

- (1) Executives and staff should refrain from giving gifts or gratuities to, or receiving them from any trading partner or others with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided they have an appropriate value and are not related to any business commitment.
- (2) Executives and staff should refrain from giving or receiving unusually lavish entertainment to or from those with whom the Company is doing business.

### Employees

Banpu recognises that its workforce is a critical factor to the Company's success. As stated in the Code of Conduct, the employees shall be fairly treated, regardless of their nationality or language, whether in terms of opportunity, remuneration, appointment, job transfer or skill development, including providing a safe environment for each employee and their property. The Company shows full and proper compliance with safety, occupational health, and environmental measures so as to prevent work-related casualties, injuries, and illnesses.

Banpu upholds a "Human Resources Philosophy" (HR Philosophy), on which the human resource management and development are based. The HR Philosophy stands mainly on three principles: (1) equitability, (2) performance, and (3) competency.

Due to the changing business world and world economy, Banpu considers it a duty to develop its workforce, such that they are adaptable, flexible, ready to work in all areas and circumstances, motivated to speak with positive creativity, and maintain ultimate professionalism. In short, the Company intends to build a professional workforce that strongly upholds its commitment to the corporate culture "Banpu Spirit", and equally provides opportunities for every employee, regardless of their nationality, ethnicity, language, and gender. The employees are committed to working together under clearly-defined visions and goals as well as strongly uniting and becoming unified under the "Banpu Spirit", which includes Innovation, Integrity, Care, and Synergy.



1. Innovation
2. Integrity
3. Care
4. Synergy

The Company maintains a remuneration policy that is fair to the employees and consistent with the Company's performance both in the short and the long terms and in all forms of compensation, including monthly salary, welfare, and other benefits which are linked to the creation of values added for the shareholders in the long run. Human resource management is fair, and regularly and inclusively provides opportunities for learning and development to the full capacity of each employee. With goals set at maintaining transparency as well as building a workforce that is able to steadily and sustainably progress into the future, the Company has set up a Job Evaluation Committee, Organisation Development Committee, and has given full support to the Compensation Committee and Corporate Governance and Nomination Committee.



### Clients

Banpu is always determined to seek out ways to effectively and efficiently respond to the needs of clients. Contained in the Code of Conduct are the policy and guidelines on how Banpu should treat its clients and honour the promises made to them. This includes delivering quality goods and services that match the clients' expectation, at a fair price, promptly offering accurate and sufficient information, strictly complying with the conditions that have been agreed on with the clients, systematically organising the process where clients can bring up complaints about quality, volume or safety of the Company's goods and services, and providing advice on how to effectively use the Company's goods and services to the clients' best interest. Moreover, Banpu keeps client confidentiality and places restrictions on the use or abuse of client information.

### Trading Partners and Creditors

Banpu has a policy to equitably and fairly treat its trading partners and/or creditors, taking into consideration the Company's interest whilst acting on the basis of mutual benefit. The practice is also based on the grounds that both parties receive fair returns and that conflicts of interest between the parties shall be avoided, while adhering to mutually agreed obligations.

### Competitors

Policy and guidelines on how to treat competitors have been included in the Code of Conduct Handbook, whereby the competitors shall be treated according to an international standard and the rules of law related to competition. Banpu will not fraudulently infringe upon or seek to obtain trade secrets of any competitors. The Company is also committed to conduct its businesses with fairness, in accordance with the guidelines indicated in the Code of Conduct. In the past year, Banpu had no disputes with any competitors.

### Community and Society

Banpu's policy is to conduct businesses that are beneficial to the economy and the society as a whole, while maintaining balance between growth of business and development of the community, the society and the environment. Great emphasis is placed on conservation of the culture and traditions of the community where the Company's unit is located. It is also Banpu's policy to be a good citizen and to fully comply

with the relevant laws and regulations. Banpu is determined in its continuous efforts to improve the quality of society, whether it is done solely by the Company itself, or in collaboration with the government, the community, or non-governmental organisations. A Sustainable Development Policy has been implemented, with the Company's standard being benchmarked against the global standard for activities such as reports on the effect of greenhouse gases resulting from coal mines and power plants, and the formulation of best practice guidelines to effectively achieve safety, health, and high environmental standards. Also included in such guidelines are the indicators, evaluation, and assessment of risk that results from the Company's operation which may affect employees, business partners, the environment, and the community in which the Company conducts its business.

In support of the above policy, the Company has undertaken Corporate Social Responsibility (CSR) activities, with a belief that "a good industry must develop hand in hand with the society and its development." Accordingly, in the Company's three decades of business, Banpu has always allocated part of its earnings to CSR activities both at the local and corporate level, including CSR projects in countries in which Banpu has operations. Notable among these projects are the ones in Indonesia and China, which focus on "learning" for several target groups. The Company believes that "learning" will encourage change and development, particularly when it is promoted among children who will be the main force behind the societal and national development in the future. In addition, the Company has raised awareness at all levels of its workforce to maintain good corporate culture, and ultimately for the community and the society to sustainably grow in line with the Banpu "Do by Heart" principle, based on a sincere and willing commitment to social responsibility.

### Communication Channel with Banpu

Stakeholders may submit their opinions through the following channels:

Headquarters	: 26 <sup>th</sup> -28 <sup>th</sup> Floor, Thanaphum Building, No. 1550, New Petchburi Road, Makkasan, Ratchthewi, Bangkok, 10400
Telephone	: +66 (0) 2694 6600
Fax	: +66 (0) 2207 0696-8



information reflecting the state of the Company’s operations and financial status as well as the Company’s future. Banpu makes sure that it strictly follows the laws and regulations pertaining to information disclosure as issued by the SEC and the SET. Aside from the required information disclosure, Banpu communicates to shareholders and investors via a variety of channels, with the Investor Relations Department working to directly communicate with shareholders, investors, and securities analysts both domestically and abroad. The corporate communications team disseminates corporate news to shareholders, investors, and the general public through both domestic and international media.

## 1. Conflict of Interest

In 2014, Banpu offered the following opportunities to disclose information to international investors, institutional investors, small investors, securities analysts, and press:

International investors via road show abroad	2 times
Domestic institutional investors	2 times
Stock analyst via analyst meeting to release quarterly and annual performance	4 times
Opportunity for listed companies to meet investors to release quarterly performance	4 times
Press conference on the Company's performance	2 times

The Company also welcomed investors and analysts 22 times, and issued press releases when important investment or business activities took place.

Bulletins are also made available on the Company's website: [www.banpu.com](http://www.banpu.com), so that all stakeholders can equally receive information releases. Interested parties may contact or make inquiries to the Company's Investor Relations, Telephone: +66 (0) 2694 6744, Fax: +66 (0) 2207 0557, or e-mail: [investor\\_relations@banpu.co.th](mailto:investor_relations@banpu.co.th).



## 5. Responsibilities of the Board of Directors

### 1. Leadership and Vision

The Board of Directors oversees the formulation of vision, mission, goals, policies, direction, long-term strategic plan, action plans, and annual budget. The Board charges the management with making pertinent proposals, on which the Board comments and thoroughly discusses, in order to reach an agreement before giving approval. The Board of Directors has tasked the Chief Executive Director with responsibilities to develop and implement strategies, and has clearly defined roles, duties, and responsibilities to be shared among the Directors, the sub-committees, and the management.

In 2014 the management led by the Chief Executive Officer proposed a strategic plan and the Company's corresponding business direction for the coming five years (2015-2020). The goals of the plan are to be responsive to the quickly-changing business environment, to assess Company risk, and prepare strategies and outcomes in a variety of circumstances. The Board of Directors has contributed by giving advice on how to improve the Company's strategic plan and business direction. The Board of Directors also approved in principle the Company's strategic plan during the 11<sup>th</sup> Board of Directors' meeting in August 2014.

### 2. Code of Conduct

Aside from adhering to the principles of good corporate governance, the Board of Directors makes it a policy to maximise benefits for the shareholders, giving emphasis on the goals and the means to achieve them. The Code of Conduct Handbook spells out goals, vision, mission, values, corporate governance principles and guidelines, in order to make it clear and convenient for the directors, executives, and employees to focus on the standards expected of them in dealing with employees, shareholders, clients, trading partners, creditors, competitors, and the society as a whole.

Banpu designates as a duty and a responsibility of directors, executives, and all employees to acknowledge, understand, and follow the Company's policies and guidelines as set out in the Code of Conduct Handbook. Clarifications on the policies and guidelines are made at meetings, while materials and activities are created to improve awareness

and understanding among employees both domestically and abroad. The Company also assigns management in each area of operation to ensure that employees under their supervision know, understand, and strictly comply with the policies and guidelines. The employees at all levels must act as an example for their peers.

Consistent with the standards of behaviour set in the Code of Conduct Handbook, Banpu organises a project "Corporate Shared Values" to promote values and good corporate culture together among employees. Instructions on what should or should not be practiced are explicitly given, so that concrete results are attained.

### 3. Balance of Power by Non-Executive Directors

The Board of Directors ensures that the number of directors is suitable for the size of the Company. At present, there are twelve directors, consisting of four executive directors, two non-executive directors, and six independent directors.

During the past year, the Corporate Governance and Nomination Committee reviewed the composition of the Board of Directors, particularly the proportion of non-executive directors and independent directors within the Board, and found that the proportion of non-executive directors is already appropriate.

### 4. Consolidation or Separation of Office

The Board of Directors specifies that the roles of Chairman and Chief Executive Director are held by two different persons. The roles, power, and responsibilities of the two are clearly separated, so that the balance between management and good corporate governance is maintained. The current Chairman of the Board is an independent director.

### 5. Board of Directors' Meetings

The Board of Directors convenes at least once a month, at a meeting scheduled in advance on the last Wednesday of the month. Additional meetings are called as necessary. Before each month's meeting, agenda items are clearly set, with accurate, complete, and sufficient supporting documents sent to the directors at least seven days in advance of the meeting, to allow them sufficient time to study the documents. Adding an agenda item after the distribution of the documents can be done only when it is extremely



necessary and when it is approved by the Chairman. Each meeting lasts approximately 3.5 hours, during which all directors have opportunities to openly comment and debate. The Chairman synthesises and summarises the resolutions of the meeting. Directors who have significant stakes or possible conflict of interest with an issue being discussed by the Board must leave the meeting when the issue is considered.

Meeting minutes are made in writing. After the minutes are endorsed by the meeting, the Chairman and the Secretary of the Board sign to certify their accuracy. Meeting minutes are kept as both the original paper copies and digitally scanned. All documents, including those accompanying agenda items and meeting minutes, are kept as electronic files for at least five years, safe from manipulation or damage, and for easy reference by directors and related parties.

## 6. Reports of the Board of Directors

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information appearing in the annual reports. The financial statements are prepared in accordance with the Generally-Accepted Accounting Principles (GAAP) in Thailand, where an appropriate accounting policy is selected and consistently practiced. The Audit Committee and the auditors together review the appropriateness of the accounting policy. The Board of Directors insists that the preparers of the financial statements exercise utmost care in the process, and sufficiently reveal important information in the supporting notes. The Board also tasks the Audit Committee with a responsibility to oversee the quality of financial reports and the internal control system, and to ensure that any opinions of the Board have been reflected in both the Audit Committee's report and the Annual Report.

The Board of Directors comes to the opinion that the financial reports of the Company and its subsidiaries as of 31 December 2014 are accurate, complete, adequate, and reliable.

## 7. Internal Control and Audit System

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 to ensure the 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 risk management to improve Banpu's business processes and ensure that the business continues to grow in the rapidly changing economy.

## **2 Sub-committees**

As of 31 December 2014, the Board of directors is served by both directors and executives. Among the directors are independent directors, non-executive directors, and executive directors, with independent directors holding half the seats on the Board.

The Board of Directors appoints three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee, and the Compensation Committee. The Chairman of each of these sub-committees, including all members of the Audit Committee must be independent directors.

## **The Corporate Governance and Nomination Committee**

In 2014 the Corporate Governance and Nomination Committee consists of four directors, with both non-executive directors and independent directors serving as members. An independent director serves as the Chairman. The Committee's main responsibilities are (1) to review policies and guidelines for good corporate governance and business ethics, as well as monitor compliance with these policies and the Code of Conduct, and (2) to recruit and nominate candidates as directors and as CEO as well as monitor the succession plan in order to seek appropriate candidates for high-level executive positions, particularly from the department head level upwards, and report to the Board of Directors for approval or for further submission to the Shareholders' Meeting, as appropriate.



In addition, the Corporate Governance and Nomination Committee also suggests to the Board of Directors the method used to evaluate the directors and the Board, completes the evaluation, and based on the evaluation results, monitors corrective action. In 2013, the Committee began using an evaluation form to evaluate the three sub-committees, starting from the evaluation of their performance in 2012. In 2014, the Committee proposed the Individual self assessment to the Board for approval and will use this assessment evaluating the performance of each of the directors, starting from the evaluation of their performance in 2014.

In 2014, the Corporate Governance and Nomination Committee convened four times, all with full attendance. 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. Sudiarso Prasetyo      | Member*   |
| 4. Mr. Verajet Vongkusolkrit  | Member  |

\*Mr. Sudiarso Prasetyo became director in April 2014.

The Corporate Governance and Nomination Committee has a three-year term, which began in April 2013 and ends on the date of the 2016 AGM.

#### Duties and Responsibilities of the Corporate Governance and Nomination Committee

According to the charter, The Corporate Governance and Nomination Committee has two major duties: firstly, to review the Corporate Governance policy and the Code of Conduct and to monitor compliance of the policy and practices so that it remains within an ethical framework and secondly, to nominate directors, Chief Executive Officer and Executive Officers, to review a succession plan, and to report to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. The responsibilities in detail are:

1. To consider and review whether the Company's Corporate Governance policy and its Code of Conduct are appropriate and adequate and to regularly update the Corporate Governance policy.

2. To monitor and supervise directors and staff's compliance with the Corporate Governance policy and the Code of Conduct so that it is in line with those determined by the Board of Directors and to arrange a system where Banpu can receive grievance with regards to the Corporate Governance and Code of Conduct from stakeholders.
3. To review the structure and components of the Board of Directors, to monitor the term of office of its directors, Chief Executive Officer and Executive Officers, and to prepare a succession plan of senior executives (starting from Department Vice President and over).
4. To recruit and nominate persons as Directors, Chief Executive Officers and Executive Officers when the term is due or whenever there is a vacancy as entrusted by the Board.
5. To provide measure of performance evaluation of the Board of Directors as a group and individual director to the Board of Directors; to participate in the evaluation and to monitor improvements based on results of such evaluation.
6. To review and recommend an amendment to scopes of work, duties and responsibilities of the Corporate Governance and Nomination Committee to respond to changing circumstances.
7. To submit an operation report to the Board of Directors at least once a year.
8. To do any other tasks as designated by the Board of Directors.

So that the Corporate Governance and Nomination Committee can effectively complete their responsibilities, the Committee may do the followings:

- (1) Within the scopes of its authority, inviting executive officer or supervisor to attend its meeting for clarification purpose or to submit relevant documents.
- (2) Hiring consultants or spend money in any other ways relating to its job at the Company's costs.

### **3 Supervision of Subsidiaries and Associated Companies**

Banpu manages its subsidiaries and directs its businesses to maximize potential and efficiency in the following areas:

### Investment Policies by Banpu and Its Subsidiaries

1. Management must study and assess preliminary findings of the Investment Committee before reporting the results and investment summary outlook to the Board of Directors. The Board then considers and approves the project for funding, development and/or expansion. The Board of Directors also has power to approve the establishment of subsidiaries as well as their dissolution as necessary to ensure that Banpu can be most efficiently managed.
2. The Board of Directors considers and approves investments that meet the criteria set by the SEC and the SET, such as connected investments and decisions that involve receipts or sales of assets.
3. The subsidiaries must submit reports on their performance and operation, particularly of their main businesses. They must also assess the sensitivity of the business to risk and evaluate it against set goals or benchmarks. These management reviews provide a basis for policy formulation and business model improvement, so that the subsidiary grows in a sustainable manner.

### Internal Control Policy and Central Management Policy

In order to reinforce the independence of the Audit Committee, the Board of Directors and the management require that each area of operations conduct an internal audit and report directly to the Audit Committee, who subsequently reports progress to the Board of Directors on a quarterly basis.

Management within each subsidiary is determined based on Company investment share. The Board of Directors appoints an executive to serve as a director in each subsidiary so that those companies operate consistently in accordance with Banpu's direction, policies, and strategies. Executive selection is decided based on established criteria of knowledge, capabilities particularly in the target business, location (where the director position is at a foreign subsidiary), and health and readiness of the executive. Executives holding director positions in subsidiary companies are reviewed at least once a year.

### Budget Policy

Investment budget preparation and implementation must be in accordance with the budget regulations at each of the subsidiaries and also consistent with Banpu's budget rules. Budget preparation and review must be completed within the

deadline and corresponding information submitted according to Banpu's standard operation. The Board of Directors must approve a project investment higher than THB 1,500 million or an expenditure of more than 15% of the investment budget set for any approved project.

## **4 Supervision of Internal Information Usage**

Banpu recognises the importance of information disclosure and transparency, and sets out policies on information disclosure, transparency in financial statements and corresponding policy implementation in the Company's Corporate Governance Policy. This is to ensure that financial and non-financial information about the businesses and the performance of the Company is disclosed to shareholders, investors, securities analysts, and the general public accurately, completely, adequately, reliably, and timely. The Board of Directors is determined to make sure that laws and regulations regarding information disclosure and transparency are strictly followed. Sales or purchases of shares by any director or executive are duly reported to the SEC and the SET. Each director's and each executive's securities holdings are also reported monthly at the Board of Directors' Meeting.

To supervise use of the Company's internal information, the Company has put in place preventive measures as detailed in the Code of Conduct Handbook under the section "Conflicts of Interest and Keeping Confidential Information", with emphasis placed on the use of the Company's internal information.

Banpu emphasizes the responsibility of all directors, executives, and employees to strictly maintain the confidentiality of the Company, especially about any information that has yet to be disclosed to the public or information that may impact business management or share price movement. The Directors themselves have specific guidelines in the 2009 Board of Directors Guidelines and the Code of Conduct as follows.

1. The directors, the executives, and the employees shall not use any opportunity or any information obtained as a director, an executive, or an employee for personal benefit, or to conduct any business that competes directly with the Company or any other Banpu related businesses.





2. Internal information shall neither be employed for personal benefit in the sale or purchase of Company shares, nor given to other parties for similar purposes.
3. The Company's confidential information shall never be disclosed to other parties, particularly the Company's competitors, even after the executive or the employee leaves the Company.

In addition, Banpu has prescribed in the Corporate Governance Policy that no directors, executives, or employees may take advantage of opportunities obtained from being in such positions for personal benefit, or engage in businesses in direct competition with or related to Banpu. They shall also avoid making transactions that may create conflict of interest with the Company. When it is necessary to make such transactions, the Company must ascertain that the transactions are transparent, fair, and treat similarly to transactions made with outside parties. Moreover, the directors, executives, or employees conducting such transactions may not engage in the approval process. If a transaction is considered a connected transaction under the SET regulation, then corresponding procedures regarding its disclosure must be strictly followed. The Board of Directors also provides guidelines governing such cases where the directors learn about information yet to be disclosed to the public. Securities holdings by the directors and the executives must be monthly reported at the Board of Directors' Meetings.

Information Technology (IT) has been utilised to control the use of Company information. For example, systems are in place to prevent access to information from outside parties and to align each employee's information access level to his or her responsibility. In the case where an executive or employee participates in a special task using information which has yet to be publically disclosed, is still under negotiation, or may be subject to internal control given its possible impact on Banpu's share price, such executive and employee must sign a Confidentiality Agreement with the Company. The Agreement remains in effect until the information is disclosed to the SET and the SEC.

The internal information usage control is addressed in the Company's rules within the "Disciplinary Action" section. Applying to all levels of employees, the rule states that any employee who fails to comply or violates the set disciplinary

requirements is considered to have breached Company rules and is subject to disciplinary action and punishment according to the nature of offence. Regarding information use, it is stated that anyone "who discloses the Company's secrets with an intention to destroy its reputation, credibility, or products, resulting in a financial loss or a loss in business opportunity to Banpu" may be subject to severe punishment up to dismissal from the Company.

## 5 Other Issues in Corporate Governance Principles

Banpu has followed the 2012 Corporate Governance Principles for Listed Companies as set out by the SET, with details as follows.

### 2012 Corporate Governance Principles for Listed Companies

#### Section 3. Roles, Duties, and Responsibilities of the Board of Directors

3.1 The duties and responsibilities of the Board of Directors should include:

1. The Board of Directors should review and approve the Company's vision, functions, and strategies in the past accounting year.

Banpu's action: In the Board of Directors' Meetings in August 2014, the Board approved in principle the Company's business plan and strategies for 2015-2020.

#### Section 5. Responsibilities of the Board of Directors

1. Structure of the Board of Directors

1.4 The Board of Directors should clearly specify in the corporate governance policy the term for which the directors would hold the position.

Banpu's action: Banpu specifies that independent directors shall be in the position for no longer than nine years or three consecutive terms. (Ref. Practices for the Board of Directors No. 6.2 Term and Termination of Office) Specified in the Corporate Governance Policy (No. 4.7 Director's Retirement), Banpu also sets a retirement age for a director at 72 years.

1.5 The Board of Directors should take into consideration the qualification of candidates for independent directors, so that the independent directors are suited to the Company's specific quality and truly remain independent. At minimum, the independence of the independent directors must be in accordance with the criteria set by the SEC





and the SET. The Board of Directors should also limit the term of office for each independent director to nine years counting from the date he or she is first appointed an independent director. In case that an independent director's term is to be extended, the Board of Directors should take into account the reasons and the necessities of such extension.

Banpu's action: The Company allows an independent director to hold the office for no longer than nine years or for no more than three consecutive terms. (Ref: Practices for the Board of Directors No. 6.2: Term and Termination of Office)

- 1.8 The Board of Directors should specify a regulation pertaining to a director who also holds office in other companies, by carefully considering the effectiveness of such director who maintains office in several companies, so as to assure that the director can adequately dedicate his or her time to the Company. The specified number of companies at which each director may hold office depends on the Company's characteristics and business conditions. As the effectiveness of the director may decrease if he or she holds many director offices, it is recommended that the number should not exceed five listed companies. Such regulation shall also be disclosed to the public.

Banpu's action: Banpu specifies as a general qualification that a director may not hold a director office in more than five listed companies (Ref: Practices for the Board of Directors No. 5.1 Clause 5: Director's Qualification)

## 5. The Board of Directors' Individual Self-Evaluation

- 5.1 The Board of Directors and the sub-committees should evaluate their own performance at least once a year, so that the directors and the committee members can together review the performance and problems, for which solutions can then be found. The actual performance should be compared to a set benchmark, based on set criteria.

- 5.2 Performance evaluation should be done wholly for the Board as well as individually for each director, with criteria, procedures, and general results shown in the annual report.

Banpu's action: Banpu conducts performance evaluation for the Board of Directors and the sub-committees. In

2014 the Board of Directors agreed that, starting in 2014, the directors shall also be evaluated individually. The criteria, procedures, and evaluation results in general are published in the annual report.

- 5.3 Companies should, at least once every three years, employ outside consultancy in outlining evaluation procedures and selecting evaluation criteria for assessing the Board of Directors, and report such matters in the annual report.

Banpu's action: Banpu has in place an annual evaluation of the Board of Directors and sub-committees, both wholly and individually. The Corporate Governance and Nomination Committee has not yet ruled that outside consultancy is to be employed to provide assistance in the outlining of evaluation procedures and evaluation topics for the assessment of the Board of Directors.

## **Sub-committees**

Nomination Committee: Members of the Nomination Committee should all be independent directors. The Nomination Committee considers the criteria and the procedures for recruiting persons with appropriate qualifications for the positions of directors and high-level executives, and conducts the recruitment according to the set procedures. The Committee then reports to the Board of Directors, who then proposes the appointment to the shareholders' meeting. The recruitment criteria and the procedures are also reported to the shareholders.

Banpu's action: Banpu's Corporate Governance and Nomination Committee consists of four members, with an independent director serving as the Chairman. Half of the Committee members are independent directors.

## **The Corporate Governance and Nomination Committee Report**

The Corporate Governance and Nomination Committee consists of Mr. Anothai Techamontrikul, the Chairman of Committee, and three other members, Mr. Ravi Corsiri, Mr. Sudiarso Prasetyo, and Mr. Verajet Vongkusolkrit. The Committee works independently and covers all the responsibilities assigned to them by the Board of Directors, according to the Charter set for the Corporate Governance and Nomination Committee and the SET Good Corporate Governance Principles.



In 2014, the Corporate Governance and Nomination Committee convened four times, always with full attendance from the Committee members. The Committee's performance results in 2014 can be summarised as follows.

### Corporate Governance

#### 1. Promotion of corporate culture and attitudes regarding corporate governance.

The Committee monitored the publicity plan to promote corporate culture and attitudes towards corporate governance within Banpu. The plan has been implemented in 2014 and earned satisfactory results.

#### 2. Corporate Governance Complaint Channel

Banpu has organised channels and processes to receive grievances from all stakeholders related to corporate governance. Among the channels is a submission through the Company's website under the "Corporate Governance" section and with an effective email address [GNCSecretariat@banpu.co.th](mailto:GNCSecretariat@banpu.co.th). The Secretary to the Committee is the direct recipient of any grievances, and reports them to the Committee, who after a consideration, reports them to the Board of Directors. In 2014, there was no grievance reported from any of the stakeholders.

#### 3. Performance Evaluation of the Board of Directors

The Corporate Governance and Nomination Committee reviewed the methods and the form used to evaluate the performance of the Board of Directors. The Board of Directors has given approval for use of this form in the yearly evaluation of the Board. The evaluation form is composed of questions regarding the responsibilities of the Board in five major sections, namely, (1) the structure and the composition of the Board, (2) the roles, duties, and responsibilities of the Board, (3) the directors nomination, (4) the compensation to the directors, and (5) the Board of Directors' meetings and the Board's responsibilities. The Corporate Governance and Nomination Committee reported the 2013 evaluation outcomes to the Board of Directors. The Board's performance as a whole was deemed to be satisfactory with the score 4.9 out of 5. Specifically, each topic received a score in the 'good to excellent' range (4.6-5.0). The Board acknowledged the evaluation results together with suggestions, and exchanged views in the Board of Directors' Meetings, so as to bring about changes in the best interest of the Company.

The Corporate Governance and Nomination Committee has created a form for each member of the Board to evaluate himself individually, and proposed such form to the Board of Director Meeting and received approval in November 2014. The form will be used for the directors' individual self-evaluation of the 2014 performance.

#### 4. Whistleblower Policy

The Corporate Governance and Nomination Committee has formulated a policy on how grievances and complaints shall be dealt with and processed, so that employees can effectively and responsibly communicate any grievances regarding corporate governance and business ethics. The Committee proposed the policy to the Board of Director and received approval in November 2014.

### Directors nomination and Succession Plan for High-level Executive Positions

The Corporate Governance and Nomination Committee recruits candidates for director positions that become vacant through completion of the full term or due to retirement. Selection is based on several criteria, including knowledge, expertise and experience (skill mix), and the overall structure and composition of the Board of Directors. The nomination process corresponds with the timeline approved by the Board of Directors, and culminates with the election by shareholders at the AGM.

In 2014, three directors were nominated to replace the outgoing directors, namely,

- |                               |                                     |
|-------------------------------|-------------------------------------|
| 1. Dr. Suthad Setboonsarng    | to replace Mr. Montri Mongkolswat   |
| 2. Mr. Sudiarso Prasetio      | to replace Mr. Somkiat Charoenkul   |
| 3. Mr. Buntoeng Vongkusolkrit | to replace Mr. Vitoon Vongkusolkrit |

In 2014 the Corporate Governance and Nomination Committee twice received progress reports on the succession plan and once reported the plan to the Board of Directors.

Mr. Anothai Techamontrikul  
Chairman of the Corporate Governance and Nomination Committee



# Corporate Social Responsibilities: CSR

## Corporate Social Responsibility Policy

“An industry will be strong only when it is developed in tandem with social and environmental responsibility” is the business credo upheld by Banpu and its subsidiaries throughout 30 years of doing business. With a vision to be Asia’s energy provider that is dynamic and committed to offering quality products and services, as well as widely accepted for its integrity, fairness, professionalism, and concern for society and environment, Banpu seeks to balance, throughout its production process and beyond, business growth with the development of communities, society, and the environment. Banpu is dedicated to ensuring its entire production process operates with “care and responsibility” for all stakeholders. As part of this commitment, Banpu strictly complies with all laws and regulations, strives to achieve international best practice standards, conducts business ethically and transparently, and acts as a good corporate citizen in all areas of its business operations.

## Banpu’s Guidelines on Corporate Social Responsibility

### 1. Fair Operating Practice

Banpu is committed to fair business practice, as enshrined in the Company’s vision and missions. The Company has published its Corporate Governance Policy and Code of Conduct Manual, so that the Company’s directors, executives, and all employees can maintain high standards, morals, and ethics, all of which can assist the Company to achieve its business goals, for the benefit of stakeholders, shareholders, the Company, and society.

### 2. Anti-corruption

The Company has since 2002 formulated a Corporate Governance Policy and a Code of Conduct Manual, which prescribe guidelines for how to prevent corruption and highlights areas susceptible to corruption. The guidelines prohibit receiving or taking bribes, and indicate that employees shall refrain from receiving gifts or excessive

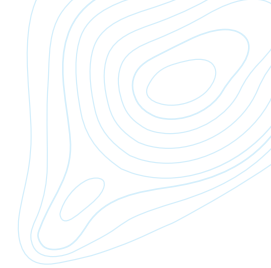
entertainment (Clause 3.4 and 3.5 of the Code of Conduct Manual). The management has publicised the guidelines and employees put them to practice. Another preventive action is the setting up of a Corporate Compliance and Advisory unit to help steer employees and business units away from unintended wrongdoings.

To suppress such wrongdoings, the Company has created a Fraud Management Committee to investigate complaints related to fraudulent activities within the Company. Investigations involve fact-finding and, if one is proven guilty, disciplinary action is imposed, and issues are brought up as case studies for all employees to heed.

Banpu has continually cooperated with the Collective Anti-Corruption (CAC) movement by Thailand’s private sector, and announced its commitment to the movement since 2010. The Company reported to the Audit Committee information and mechanisms regarding the CAC in 2012. When the self-evaluation form was completed, Banpu evaluated itself as such, then reported to the Corporate Governance and Nomination Committee, and finally summarised information and processes of CAC for the Board of Directors in 2013.

### 3. Respect for Human Rights

The Company has a policy that it will treat employees with dignity as human beings and with respect for their individuality. In every country where Banpu has operations, the Company specifies the age qualification of all employees to be older than that specified in regulations governing child labour. In Indonesia, Banpu has assisted its employees to organise a labour union in order to protect employee welfare rights as well as to help properly manage labour agreements. The Company meets with the labour union every quarter.



#### 4. Fair Employment and Treatment

Banpu believes that the Company's success depends on a workforce that is capable and well-behaved. It is, therefore, crucial to equally treat and provide opportunities to all employees regardless of their ethnicity, language, and gender, and to maintain fair treatment of the employees in every process of human resource management, such as in the recruitment or the selection of an employee, where opportunities shall be given equally to every candidate, regardless of his or her ethnicity or nationality. At present, Banpu employs staff of up to twelve nationalities. Employee remuneration is linked to performance, with the Compensation Committee and the Evaluation Committee ensuring that remuneration management is transparent.

#### 5. Responsibility to Consumers

It is Banpu's policy to deliver products that match what has been agreed with clients and that are safe to use. For example, the Company has in place a measure to prevent coal contamination by having a GPS system installed in coal-moving equipment at the Bontang Coal Terminal, so as to prevent the equipment's blade from cutting into the ground where the coal stockpile is located, as it may cause stones on the ground to break and contaminate the coal stockpile.

#### 6. Environmental Protection

Business growth alongside social responsibility and environmental protection is a challenge in the coal and power plant businesses. The Company, therefore, assesses the risks and impacts on the environment at all of its projects, so that it can create an effective production plan and an appropriate measure to reduce such impacts. Based on the assessment, important environmental issues faced by the Company include energy conservation, climate change, legal compliance, land use, and biodiversity. Details of the Company's management of each issue are included in the Company's Sustainability Report.

#### 7. Community and Social Development

Banpu partakes in the development of surrounding communities and society, with a goal to respond to the "community's actual needs". Banpu also involves community members in the improvement of the community's well-being in such aspects as infrastructure, public utilities,

employment, education, and conservation of culture and traditions.

#### 8. Innovation and promotion of innovation resulting from responsibility to society, environment and stakeholders

Banpu realises that innovation is an important factor to lift the Company's competitiveness. The Company promotes innovation as part of its corporate values, also known as "Banpu Spirit". Each year, the Company organises activities where a notable innovation is presented and awarded, and where innovative ideas can be exchanged. The innovation awards are judged by the Company's high-level executives. The selected project from the past year is the Underground Mining Boot, which was a coordination between Centennial Coal and Australian shoes manufacturer. Technology was implemented to solve the problem underground by using special leather as good as what is used in hiking shoes to increase softness, flexibility and water resistance. Materials of the shoelaces also contain steel substance to avoid damage.

### Business Operation and Reporting

#### 1. Reporting Process

Banpu's Sustainable Development Report is created based on the Global Reporting Initiative (GRI) framework. It considers stakeholders from various sectors, such as clients, employees, contractors, shareholders, communities, and government agencies. Each stakeholder has a role in indicating the sustainability issue that is important to him or her, which can be communicated to the Company via multiple channels, including meetings and responses to questionnaires. The issues raised by the stakeholders are considered external, which will be compared to the Company's internal sustainability issues and together summarised into topics to be included in the Sustainable Development Report.

#### 2. Compliance with Disclosed Policies

The Company has instituted a process which gives confidence that the disclosed policies will be followed. The process is multi-pronged, with audits done both internally and externally. Internally, the Quality Assurance Review (QAR) process is employed between departments and between the Company's headquarters in Bangkok and offices in different countries. This is in addition to



the internal audit process conducted by the Internal Audit Department. Externally, the audit process is undertaken through several channels, such as by government agencies. For example, in Indonesia, responsible government agencies periodically inspect the coal mines with regards to their occupational health, safety and environmental practices.

### CSR Activities in 2014

Responsibilities to the society and the environment are Banpu's top priority in all areas of business operations. The Company frequently supports activities that contribute positively to society, and allocates parts of its earnings to CSR activities, both at the local level and the corporate level, plus the activities in countries where Banpu operates, such as Indonesia and China.

Banpu's principle in conducting CSR activities is "Do by Heart", which is based on the concepts of "sincerity", "serious concern", and genuine "good will". For the CSR activities to achieve their goals, the Company raises awareness among all employees to feel responsible for the society and to hold as a top priority the sustainable development of society and community.

#### Thailand

In 2014, Banpu continued many of its CSR activities, which cover three main areas, namely, educational development, environmental development, and youth development. All three come under the core concept of consistent "learning" in multiple formats-both in-classroom and out-of-classroom, as it is Banpu's belief that "Learning is a Power of Change and Development".

#### Educational Development

##### *Education for Sustainable Development*

2014 marks the eleventh year that this program has been ongoing. The program provided native English speakers to teach English at six schools in the provinces of Lamphun, Lampang, and Phayao, aiming to improve the English communication skills of students and teachers at Banpu-sponsored schools and to prepare Thai children for the advent of the ASEAN Economic Community in the coming year. Banpu also financially sponsors other school projects, so as to support self-development and self-learning

by students, with a goal to equip them with knowledge and morals. Teaching standards at the schools are lifted to ensure that education is offered at the same quality as other urban schools, and so that the schools can become long-term learning centres for their communities.

Throughout the eleven years of the program, Banpu's support of learning and teaching activities at the six schools are worth altogether more than THB 32 million. The contribution results in better educational outcomes, improved English communication skills, and stronger ethics for the students. Students also receive awards from regional and national academic competitions as well as moral-promoting activities. As for teachers, they are more capable of making lessons more interesting, triggering students to think and analyse. Teachers are also encouraged to connect among themselves to exchange teaching experiences. At the school level, their teaching standards appear to have improved, as the schools have become the community learning centres, and in many aspects, been selected as an exemplary school or a pilot school.

#### *Scholarships for Geology and Mining Engineering Students*

Banpu is in its sixth year of supporting the generation of geology and mining engineering personnel, who are currently in high demand. Each year, the Company provides scholarships to ten geology and mining engineering senior students from four universities, namely, Chulalongkorn University, Khon Kaen University, Chiang Mai University, and Prince of Songkhla University. Over the past six years, the Company has awarded scholarships to 58 students in total.

#### *Financial Support for Schools in the Southern Provinces: Year 8*

Banpu provides financial support in the total amount of THB 2 million to ten schools in the Special Development Zone of Southern Border Provinces, including Pattani, Narathiwat, and Yala. In this eighth year of such support, Mr. Kamol Rodklai, the Secretary-General of the Office of the Basic Education Commission, Ministry of Education, received the support on the schools' behalf at the Office of the Basic Education Commission, Ratchadamnoen Nok Road, Bangkok.





### *New Building for Ban Donyai Nongsano School, Nakorn Ratchasima*

Banpu has provided a newly constructed building for Ban Donyai Nongsano School, Dan Kun Tod District, Nakorn Ratchasima Province, aiming to improve the quality of education, promote learning, and develop new potential for students. The building houses a library, computer lab, and an English classroom, serving more than 150 students.

### Environmental Development

#### *The Power Green Camp 9 ‘How To Prepare and Handle Geohazards for Thai Youth’*

Together with the Faculty of Environment and Resource Studies, Mahidol University, Banpu organised the Power Green Camp, which is in its ninth year in 2014. The goal is to generate awareness and understanding among youth with regard to environmental science and to achieve the ultimate goal of sustainable environmental preservation. In 2014, the Power Green Camp was held under the concept “How to Prepare and Handle Geohazards for Thai Youth,” and hosted 70 eleventh-grade science students from schools nationwide, who connected, created a network of youths for environmental science, and furthered the “Power Green” network. In the nine years of hosting the Power Green Camp, approximately 570 students have participated. Moreover, to further expand the environmental network, the Company has developed approximately 160 environmental science youth leaders as mentors for youth in the Power Green Camp.

### Youth Development

#### *Banpu Champions for Change: Year 4*

In 2014 Banpu Champions of Change continued into its fourth year of support for a new generation of social entrepreneurs. Particularly, support was accorded “social enterprises” which are run by youth, to connect business with society and the environment, and combine business management with ethics. Financial support and skill development were provided for ten teams of young participants, as they experimented with running their own social enterprises for three months. Four teams were selected to enter the next round, in which they operated their businesses for another six-month trial. The four selected social enterprises comprised a co-working space and a hub for sharing and exchanging knowledge to grow sustainable social enterprise networks, local community travel, education, and a digital career hub providing work for young people.

Since its inception in 2011, Banpu Champions for Change has supported more than 41 social enterprises to experiment with their ideas and interests. Banpu has also supported 16 other social enterprises with outstanding performance to continue running their business in a sustainable manner. Throughout the Banpu Champions for Change Program, Banpu has offered advice and provided training to develop youth social entrepreneurs in such issues as business modelling, financial planning, and social assessment.

#### *Banpu Table Tennis Club*

Banpu Table Tennis Club has continually developed skills and introduced new approaches to table tennis for the athletes through various activities. In 2014 the Club maintained its focus on athletes’ self-development both physically and mentally through activities such as daily training, competitions in both domestic and international tournaments, selecting athletes with distinguished performance and strong moral discipline to train at the Zhengding Table Tennis Training Centre in China for six months from November 2014 to April 2015. The training is supported through collaboration between Banpu’s Bangkok headquarters and Banpu Investment (China) Ltd. (BIC), Banpu’s subsidiary, with a goal that athletes receive training from professional coaches who can impart important techniques to the athletes. It also presents a great opportunity for young athletes to learn about Chinese language and culture.

The Club keeps improving its standards and its management, while personalising a development plan for each athlete. Also reinforced through activities are morals, ethics, discipline, and unity. At present, Banpu Table Tennis Club has about 55 athletes and members under its umbrella.

In the past seven years, athletes from the Club have been accepted in undergraduate programs for their table tennis ability, and won many awards from tournaments domestically as well as internationally.

### Sustainable Community and Social Development

After the rehabilitation of the Samorkhon community, Villages No. 1, 2 and 3 following the 2011 flood, Banpu has continued to support the community economically and socially in the past three years, under the “Sustainable



Community Development of Samorkhon, Lopburi” program. The initiative consists of three sub-programs, all of which strive for sustainable development in the community through the promotion of unity within the community and the development of professional capabilities and skills.

#### *Promotion of Organic “Sin Lek” Rice Farming Project*

Banpu’s support for “Sin Lek” organic rice farming has continued into its third year in 2014. Five households in the Samorkhon District, with a total farming area of 69.5 rai, started farming in September 2014 and harvested the rice on 25 December 2014. The total paddy harvested is 19,616 kilograms. The project has helped lift agricultural production capability in the area. The better-quality produce and the lower production costs leave the rice farmers with more income, which leads to financial stability for the farmer group. The organic farming techniques, which involve no chemicals in the farming process, also mean that the farmers become healthier.

#### *Farmers’ Fertilizer Fund*

Banpu has provided extra funding in the amount of THB 800,000 to the Fertilizer Fund, in order to help the Fund obtain fertilizers for 64 members. Throughout 2014, Banpu has tracked its progress, and this year, the members have borrowed 1,019 bags of fertilizers in total, worth THB 669,325. An important change is that the Fund members have started to look for ways for the community to become self-reliant and more sustainable, starting with asking the Fund members to annually save money with the Fund.

#### *Off-season Lime Cultivation*

Banpu donated 114 lime trees and other production factors to 39 project members, who started to grow the off-season limes on 5 December 2013 and continued throughout 2014. The group members were provided technical support on how to organically grow and take care of the lime trees. Methods of undertaking biological fermentation with Effective Microorganisms (EM) and herbal solutions to eradicate unwanted insects and weeds were also demonstrated to the farmers. Progress is tracked through monthly visits to each of the project members. Members also report to one another on a regular basis, which helps to stimulate the members’ curiosity to learn and exchange knowledge and experiences among each other.

#### *Climbing Wattle Planting Project*

Banpu donated 1,430 climbing wattles for interested farmers on 25 April 2014. This project not only generates income for the farmers, but also stimulates knowledge exchange and problem solving among the project members on how to give the best care for the climbing wattles and how collectively sell the product. Banpu visited each of the members every month. Cross-reporting between members also helped to stimulate the members’ curiosity to learn and exchange knowledge and experiences.

#### Community Development

- **Public Utilities Development:** The Lamphun Mine constructed a mountain tap water system for Van-Narin Village, a community near the mine, in order to ease the water shortage problem in the area. Banpu also supported the construction of buildings for public use, such as the Li District Meeting Hall, the Mae Ta crematorium, the Li District Shrine, and the Chao Por Neew-mue-ngam Shrine.
- **Healthcare Development:** The Lamphun Mine hosted a mobile medical service unit, which conducted health examinations, provided dental care, and gave health-related knowledge, to people of the Hong and the Van-Narin Villages, without charge.
- **Educational Development:** During the 2014 academic year, the Lamphun mine awarded 95 scholarships to students from communities surrounding the mine, altogether worth THB 200,000. The Lamphun mine has continuously awarded scholarships to students around the mine for six years since 2009, with scholarships worth THB 1,400,000 million in total. In addition to supporting regular activities of the schools around the mine, the Lamphun mine sponsored snacks and toys for Children’s Day activities.
- **Development of Religions and Local Traditions:** The Lamphun Mine joined local communities in making merit at the end of Buddhist Lent, sponsoring the Vessantara Sermon, and taking part in religious activities at the Li District Shrine. The mine representatives also participated in a water-pouring ceremony to pay respect to the elders and the senior government officials during the Thai New Year (Songkran). These activities aim to strengthen the relationship between the mine and the communities and to preserve local traditions.



- **Environmental Improvement in the Community:** Banpu donated land and assets worth about THB 100 million in total, including an office building, a staff accommodation building, and an athletic field at the Banpu Nitat Centre, Sobprab District, as well as the Pha Lad staff accommodation building at Mae Ta District, Lampang to the Faculty of Environment and Resource Studies, Mahidol University. The structures will be used as a research centre, where technologies related to natural resources and the environment of communities in Thailand and ASEAN are on display and exchanged. Banpu has also donated land and assets of the Banpu mine in Li District of Lamphun to the Department of Probation, Ministry of Justice, so that they can be developed into a halfway house or a rehabilitation centre for convicts released on parole and other drug users. The Chiang Muan Mine has continuously developed the old mining area into a knowledge centre and a tourist attraction in the Province of Phayao.
- **Economic Development:** The Lamphun Mine supports professional development activities, such as poultry farming, egg farming, and compost making from cow dung, to supplement the income of people living in the communities surrounding the mine. Various professional training programs are regularly scheduled for the community members.

## Indonesia

Banpu places as much priority on CSR for communities as it does on 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 the Indominco, Kitadin, Jorong, Trubaindo and Bharinto Mines. Banpu supports projects that benefit 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 organised to generate long-term income for communities. Training included agriculture, rubber

farming, poultry farming, and cage fish farming. Savings groups 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 organised 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 organised 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

To forge a good relationship between Thailand and China, Banpu Investment (China) Ltd. (BIC), Banpu's subsidiary in China, supports CSR activities for community development, environmental preservation, and investment promotion in



the provinces in which Banpu operates. BIC also integrates CSR concepts into the running of businesses. For example, in the production and sale of steam as a basic utility for the locals, BIC makes sure that the steam and heat are distributed consistently and without interruption throughout the winter. The management of the three power plants by BIC to provide stable power for the locals reflects BIC's social responsibility. BIC also supports and assists local communities surrounding the mines and the power plants in the following ways:

### Educational Development

- BIC provides funding in the amount of RMB 50,000 to improve the learning environment for disabled children in the Luannan Banpu School for Special-needs Children in Luannan County. With 98 students and 37 teachers, the school provides education to students with hearing impairments, speech impairments, intellectual challenges, and other physical disabilities. The support has continued into its seventh year, with accumulated support amounting to more than RMB 480,000. Since 2010, the Luannan Banpu School for Special-needs Children is the only school in the Hebei province that provides education without charge.
- BIC collaborates with the Henan Association of Enterprises with Foreign Investment in its support of RMB 40,000 for the Qian Feng Primary School in Henan to purchase computers, photocopiers, printers, and other teaching aids.
- The Gaohe Mine donates RMB 50,000 for the Gaohe Primary School to purchase refrigerators, washing machines, and water heaters, so as to improve the well-being of the students.
- The Gaohe Mine donates RMB 100,000 to the Song Village School and RMB 50,000 to the Gao Village School to purchase computers, photocopiers, printers, and other teaching aids. The combined number of students in these two schools is more than 270.

- The Hebi mine donates RMB 32,000 to nearby schools to purchase teaching aids. The donations have continued since 2010.

### Environmental conservation

- Equipment has been installed to prevent, control, and reduce pollution from the power plants, so as to ensure that their operations are in accordance with the government's environmental regulations and that the power plants are well accepted by local governments as a good example and a learning centre for other agencies with regards to environmental management and preservation as well as resource conservation.
- The Zouping Power Plant has been designated "exemplary" in terms of local environmental management, and has welcomed local government officers to study control systems of sulphur dioxide and dust resulting from coal production and the stockyard.
- The Zhengding Power Plant has been praised for its air pollution control, following inspection of the entire environmental control system of the Power Plant by the Environmental Protection Ministry of China.

### Sport Activities

- BIC provides support for the Zhengding Table Tennis Club, which is recognised for training and developing national-level table tennis players and as a training ground for coaches around the world.

### Community Support

- The Hebi Mine donates RMB 68,000 to a local hospital to purchase equipment for blood analysis, which is used in the prevention and diagnosis of several diseases, including hyperlipidaemia, diabetes, and cancer.





# Board of Directors and Management

Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
1. Mr. Krirk-Krai Jirapaet  • Independent Director Dated 4 April 2008  • Chairman Dated 11 April 2008	71	<ul style="list-style-type: none"> <li>• B.A. (Hons) Political Science, Chulalongkorn University</li> <li>• Master of Economics, Sydney University, Australia</li> <li>• Certificate in Economic Developments, Japan</li> <li>• Certificate in Project Appraisal, Oxford University, UK</li> <li>• Certificate in Commercial Counsellor Practices, Federal Republic of Germany</li> <li>• National Defence College (Class 37)</li> <li>• Role of Chairman (RCP) # 11/2005, Thai Institute of Directors Association (IOD)</li> <li>• Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD)</li> <li>• Audit Committee Program # 8/2005, Thai Institute of Directors Association (IOD)</li> <li>• Capital Market Academy Leader Program (CMA) # 9, Capital Market Academy</li> <li>• Top Executive Program, Thailand Energy Academy (TEA) # 4</li> </ul>	-	Present	Independent Director/ Chairman	Banpu Public Company Limited
					Member, Council of the University of the Thai Chamber of Commerce	The University of the Thai Chamber of Commerce
					Chairman of the Board of Directors	Thai Garment Development Foundation
					Chairman	Thai Institute of Director (IOD)
				2006 - 2008	Chairman Economic Reform Committee National Reform Council	National Reform Council
					Minister of Commerce	Ministry of Commerce
2. Mr. Anothai Techamontrikul  • Vice Chairman Dated 30 April 2014  • Independent Director Dated 31 January 2006  • Chairman of the Corporate Governance and Nomination Committee Dated 12 April 2012	71	<ul style="list-style-type: none"> <li>• B.A. (Accounting), Chulalongkorn University</li> <li>• Diploma in Advanced Vocational Training, Germany</li> <li>• Director Accreditation Program (DAP) # 5/2003, Thai Institute of Directors Association (IOD)</li> <li>• Director Certification Program (DCP) # 89/2007, Thai Institute of Directors Association (IOD)</li> <li>• Role of the Nomination and Governance Committee # 4/2013, Thai Institute of Directors Association (IOD)</li> </ul>	-	2006 - Present	Independent Director	Banpu Public Company Limited
				Present	Chairman of the Corporate Governance and Nomination Committee	Banpu Public Company Limited
				2007 - 2012	Member of the Audit Committee Member of the Corporate 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
					Vice Chairman	United Auditing PKF Limited
					Director	Safety Steel Industry Company Limited



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
3. Mr. Rutt Phanijphand  • Independent Director Dated 27 April 2005  • Chairman of the Compensation Committee Dated 4 May 2005  • Member of the Audit Committee Dated 30 April 2014	67	<ul style="list-style-type: none"> <li>• M.S. in Business Ad., Fort Hays Kansas State University, Hays, Kansas, USA</li> <li>• B.S., Kasetsart University</li> <li>• Directors Accreditation Program (DAP): Governance Training for Listed Company Directors, # 4/2003, Thai Institute of Directors Association (IOD)</li> <li>• Directors Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD)</li> <li>• Financial Institutions Governance Program (FGP) # 1/2010, Thai Institute of Directors Association (IOD)</li> <li>• National Defence College (Class 388)</li> </ul>	-	2005 - Present	Independent Director/Chairman of the Compensation Committee	Banpu Public Company Limited
				Present	Member of the Audit Committee	Banpu Public Company Limited
				2013 - Present	Chairman/Director	Land and Houses Securities 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
				2007 - Present	Chairman of the Nomination and Compensation Committee	Home Product Centre 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
					Director	Home Product Centre Public Company Limited
				2006 - 2009	Director/Member of the Audit Committee	IRPC Public Company Limited
4. Mr. Teerana Bhongmakapat  • Independent Director Dated 4 April 2012  • Chairman of the Audit Committee Dated 30 April 2014  • Member of the Compensation Committee Dated 30 April 2014	59	<ul style="list-style-type: none"> <li>• Ph.D (Econ), University of Wisconsin at Madison, USA</li> <li>• M.Econ, Thammasat University</li> <li>• B.Econ (Quantitative Economics), Chulalongkorn University</li> <li>• Capital Market Academy Leader Program (CMA) # 14, Capital Market Academy</li> <li>• Director Certification Program (DCP) # 161/2012, Thai Institute of Directors Association (IOD)</li> <li>• Financial Institutions Governance Program (FGP) # 7/2013, Thai Institute of Directors Association (IOD)</li> <li>• Director Certification Program Update (DCPU) # 2/2014, Thai Institute of Directors Association (IOD)</li> <li>• Audit Committee Effectiveness Seminar, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King</li> </ul>	-	Present	Independent Director/Chairman of Audit Committee	Banpu Public Company Limited
					Member of Compensation Committee	Banpu Public Company Limited
				Present	Independent Director/ Member of Corporate Governance Committee	Tisco Financial Group Public Company Limited and Tisco Bank Public Company Limited
				2011 - Present	Professor (C11) of Economics	Chulalongkorn University
				2010 - Present	Eminent Member, Anti-Money Laundering Committee (AMLO)	Anti-Money Laundering Office (AMLO)
				2006 - Present	Professor of Economics	Chulalongkorn University
				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	Organisation
5. Mr. Rawi Corsiri  • Director Dated 6 April 2012  • Member of the Corporate Governance and Nomination Committee Dated 12 April 2012	65	• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor Degree (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, USA • Top Executive Program (TEA#3)	0.02	2012 - Present	Director	Banpu Public Company Limited
				2012 - Present	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.
6. Mr. Chanin Vongkusolkrit  • Director Dated 16 May 1983  • Chief Executive Officer Dated 8 January 2001  * An uncle of person number 9, and 11	62	• M.B.A. (Finance), St. Louis University, Missouri, USA • B. Economics, Thammasat University • DCP Refresher Course # 3/2006, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 20/2002, Thai Institute of Directors Association (IOD)	0.68	1983 - Present	Director/Chief Executive Officer	Banpu Public Company Limited
				1983 - Present	Director	Mitr Phol Sugar Corp., Ltd.
				2004 - Present	Director	The Erawan Group Public Company Limited
				2011 - Present	Chairman	Thai Listed Companies Association





Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
7. Mr. Metee Auapinyakul  • Director Dated 16 May 1983  • Advisor Dated 1 January 2014  * An older brother of person number 8	61	<ul style="list-style-type: none"> <li>• B.S.C. (Management), St. Louis University, Missouri, USA</li> <li>• Infrastructure for the Market Economy, Harvard University John F. Kennedy School of Government, Boston, USA</li> <li>• Doctor of Business, Engineering and Technology, St. Louis University, Missouri, USA</li> <li>• National Defence College (Class 377) # 7</li> <li>• National Defence College, College of Management, (Class#1)</li> <li>• Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD)</li> </ul>	0.14	1983 - Present	Director/Advisor	Banpu Public Company Limited
				2004 - Present	Chairman of Advisors	GENCO Public Company Limited
				2008 - 2013	Honorary Advisor, Energy Committee	House of Representatives
				2009 - 2013	Advisor, the National Accreditation Council	Ministry of Industry
				2007 - 2011	Director	Thai Agro Energy Public Company Limited
8. Mr. Ongart Auapinyakul  • Director Dated 29 July 1983  • Executive Officer Dated 8 January 2001  * A younger brother of person number 7	58	<ul style="list-style-type: none"> <li>• B.S. (Mechanical Engineering), University of Missouri, Columbia, USA</li> <li>• Senior Executive Program 3, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>• National Defence College (Class 4414)</li> <li>• Director Certification Program (DCP) # 23/2002, Thai Institute of Directors Association (IOD)</li> <li>• Capital Market Academy Leader Program (CMA) # 8, Capital Market Academy</li> <li>• Top Executive Program 1, Urban Green Development Institute</li> <li>• Top Executive Program (TEA#1) Thailand Energy Academy</li> <li>• Top Executive Program 17, Indicial Training Institute</li> <li>• Top Executive Program 1, Institute of Business and Industrial Development</li> <li>• Top Executive Program in Commerce and Trade (TEPCoT) # 4</li> </ul>	0.25	1983 - Present	Director/Executive Officer	Banpu Public Company Limited



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
9. Mr. Verajet Vongkusolkrit  • Director Dated 1 June 2010  • Member of the Corporate Governance and Nomination Committee Dated 1 June 2010  * A nephew of person number 6 and a cousin of person number 11	50	<ul style="list-style-type: none"> <li>Bachelor of Science (Finance) Babson College, Massachusetts, USA</li> <li>Director Certification Program (DCP) # 24/2002, Thai Institute of Directors Association (IOD)</li> </ul>	-	2010 - Present	Director/Member of the Corporate Governance and Nomination Committee	Banpu Public Company Limited
				2008 - Present	Director	Mitr 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
10. Mr. Suthad Setboonsarng  • Independent Director Dated 3 April 2014  • Member of the Audit Committee Dated 30 April 2014	63	<ul style="list-style-type: none"> <li>B.A. in Economics, Thammasat University</li> <li>M.A. in Agricultural Economics, University of Hawaii (USA)</li> <li>Ph.D. in Economics, University of Hawaii (USA)</li> <li>Director Certification Program (DCP) # 194/2014, Thai Institute of Directors Association (IOD)</li> </ul>	0.00	Present	Independent Director/Member of the Audit Committee	Banpu Public Company Limited
				2013 - Present	Chairman	NawaChiOne Foundation
				2013 - Present	Director	Board of Trustee International Rice Research Institute (IRRI) Los Banos, Philippines
				2013 - Present	Director	Cambodia Development Research Institute (CDRI), Phnom Penh, Cambodia
				2013 - Present	Advisor	AEC Prompt, Board of Trade, Thailand
				2011 - 2012	Senior Advisor	Bower Group Asia, Washington D.C. USA
				2009 - 2011	Thailand Trade	Office of Thailand Trade



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
11. Mr. Buntoeng Vongkusolkiet  • Director Dated 3 April 2014  • Member of the Compensation Committee Dated 30 April 2014  * A nephew of person number 6 and a cousin of person number 9	58	• B.S. in Political Science, Ramkhamhaeng University • M.S. in Political Science, Ramkhamhaeng University • Top Executive Program (TEA#5) Thailand Energy Academy • TLCA Leadership Development Program (LDP 1), Thai Listed Companies Association • Top Executive Program in Commerce and Trade (TEPCoT) #5 • Director Certification Program (DCP) #161/2012, Thai Institute of Directors Association (IOD) • Senior Executive Program #9, Sasin Graduate Institute of Business • Management Problem Solving and Decision Making Program Kepner - Tregoe, International, Princeton, New Jersey, U.S.A	0.01	Present	Director/ Member of the Compensation Committee	Banpu Public Company Limited
				1982 - Present	Director	Mitr Phol Group
				2011 - Present	Senior Executive Vice President, Sugarcane Development & Management Group	Mitr Phol Group
				2008 - 2011	Group Managing Director - ASEAN Business	Mitr Phol Group
12. Mr. Sudiarso Prasetyo  • Independent Director Dated 3 April 2014  • Member of the Corporate Governance and Nomination Committee Dated 30 April 2014	66	• Civil Engineering, Brawijaya University Malang Indonesia • Astra Middle Management Program, INSEAD • Astra Executive Program, INSEAD • Professional Director Program • Leadership, Focus & Execution	-	Present	Independent Director / Member of the Corporate Governance and Nomination Committee	Banpu Public Company Limited
				2007 - 2013	President Director	PT Pamapersada Nusantara
				2013 - Present	Commissioner	PT United Tractors Tbk. (listed company)
				2007 - 2014	Vice President Commissioner	PT Pama Indo Kodeco
				2011 - 2014	President Commissioner	PT Asmin Bara Bronang/Asmin Bara Jaan
				2013 - Present	President Director	PT Unitras Energy
				2008 - Present	Member of Advisory Board	Indonesian Mining Services Association
				2013 - 2014	Commissioner	PT Pamapersada Nusantara



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
13. Mr. Somyot Ruchirawat  • Deputy Chief Executive Officer Dated 1 January 2013	59	<ul style="list-style-type: none"> <li>• B.Eng (Chemical Engineering), Chulalongkorn University</li> <li>• M.Eng (Industrial Engineering and Management), Asian Institute of Technology (AIT)</li> <li>• M.B.A. (Executive), Chulalongkorn University</li> <li>• Director Certification Program (DCP) # 75/2006, Thai Institute of Directors Association (IOD)</li> <li>• Capital Market Academy Leader Program (CMA) # 3, Capital Market Academy</li> </ul>	-	2013 - Present	Deputy Chief Executive Officer	Banpu Public Company Limited
				2011 - 2012	Chief Operating Officer	Banpu Public Company Limited
				2014 - Present	Director	Akira Energy Limited
				2014 - Present	Director	Akira Energy (South) Limited
				2014 - Present	Director	Aura Land Development Pte. Ltd.
				2014 - Present	Director	Banpu Renewable Energy Co., Ltd.
				2014 - Present	Director	Japan Solar Estate
				2014 - Present	Director	Akira Hokkaido Limited
				2014 - Present	Director	Banpu Renewable Energy International Ltd.
				2013 - Present	Director	BMS Coal Sales Pte. Ltd.
				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
				2012 - Present	Director (Commissioner)	PT. Indo Tambangraya Megah Tbk
				2006 - 2012	President Director	PT. Indo Tambangraya Megah Tbk



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
14. Mr. Voravudhi Linananda  • Chief Operating Officer Dated 1 January 2013	58	<ul style="list-style-type: none"> <li>M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>B.S. (Mechanical Engineering), Kasetsart University</li> <li>Advanced Management Program (AMP173) Harvard Business School, USA</li> <li>Director Certificate Program (DCP 149/2011) Thai Institute of Directors Association (IOD)</li> <li>Orchestrating Winning Performance Program (OWP II/2013), International Institute for Management Development (IMD SE Asia)</li> </ul>	0.00	1 January 2013 - Present	Chief Operating Officer	Banpu Public Co., Ltd.
				2009 - Present	Director	Banpu Power Co., Ltd.
					Director	BLCP Power Co., Ltd.
					Director	Banpu Coal Power Co., Ltd.
					Director	Hongsa Power Co., Ltd.
					Director	Phufai Mining Co., Ltd.
				2013 - Present	Director	Hebi Zhong Tai Mining Co., Ltd.
					Director	Hunnu Gobi Altai LLC
					Director	Hunnu Investment Pte. Ltd.
				2014 - Present	Director	Hunnu Coal Pty Ltd.
					Director	Shanxi Gaohe Energy Co., Ltd.
					Director	Bright Electronics Limited
					Director	Banpu Engineering Services Co., Ltd.
					Director	Banpu Energy Service (Thailand) Co., Ltd.
					Director	Banpu Energy Service (Japan) Co., Ltd.
				2009 - 2012	Managing Director	Hongsa Power Co., Ltd.
					Managing Director	Phufai Mining Co., Ltd.
15. Ms. Somruedee Chaimongkol  • Chief Financial Officer Dated 1 January 2006	53	<ul style="list-style-type: none"> <li>B.Sc. (Accounting), Bangkok University</li> <li>Program for Global Leadership, Harvard University Graduate School of Business Administration, Boston, USA</li> <li>Director Certification Program (DCP) # 78/2006, Thai Institute of Directors Association (IOD)</li> <li>Top Executive Program, Capital Market Academy (CMA) # 18</li> </ul>	0.06	2006 - Present	Chief Financial Officer	Banpu Public Company Limited
				2001 - 2006	Senior Vice President - Finance	Banpu Public Company Limited
				Present	Director	BMS Coal Sales Pte. Ltd.
					Director	Banpu Singapore Pte. Ltd.
					Director	Banpu Minerals Co., Ltd.
					Director	Banpu International Ltd.
					Director	BP Overseas Development Co., Ltd.



Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
					Director	Centennial Coal Company Limited
					Director	Banpu Engineering Services Co., Ltd.
					Director	Banpu Engineering Services (Thailand) Co., Ltd.
					Director	Biofuel Development Holdings Co., Ltd.
					Director	Hunnu Coal Pty Ltd.
					Director	Banpu Minerals (Singapore) Pte. Ltd.
					Director	Chiang Muan Mining Co., Ltd.
					Director	Banpu Coal Investment Co., Ltd.
					Director	Banpu Power Ltd.
					Director	Asian American Coal, Inc.
					Director	AACI SAADEC (BVI) Holdings Limited
					Director	PT. Indo Tambangraya Megah Tbk
					Director	Banpu Australia Resources Pty Ltd.
					Director	Banpu Australia Co. Pty., Ltd.
16. Mr. Sathidpong Wattananuchit	56	<ul style="list-style-type: none"> <li>• Doctor of Philosophy in Strategic Management, University of Northern Washington</li> <li>• M.B.A. Strategic Management Leadership, IOU of Netherlands</li> <li>• Theology Study, Saint Sabriel's Institution India</li> <li>• Director Certification Program (DCP) # 74/2006, Thai Institute of Directors Association (IOD)</li> </ul>	-	2006 - Present	Assistant Chief Executive Officer-Corporate Services	Banpu Public Company Limited
				2004 - 2005	Senior Vice President -Internal Audit	Banpu Public Company Limited
				1998 - 2003	Senior Vice President -Human Resources	Banpu Public Company Limited
17. Mr. Akaraphong Dayananda	56	<ul style="list-style-type: none"> <li>• B.S. (Engineering), Chulalongkorn University</li> <li>• M.B.A., Bowling Green State University, Ohio, USA</li> <li>• Executive Program in Strategy and Organization, Stanford University, California, USA</li> <li>• Director Certification Program (DCP) # 91/2007, Thai Institute of Directors Association (IOD)</li> <li>• Director Diploma Examination # 22/2007, Thai Institute of Directors Association (IOD)</li> </ul>	0.00	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
					Director	Banpu Minerals Company Limited
					Director	Banpu Power Limited
					Director	Banpu International Limited
					Director	Banpu Australia Co. Pty Ltd.





Name/ Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organisation
				2010 - Present	Director	Banpu Engineering Services Co., Ltd
					Director	Biofuel Development Holdings Co., Ltd.
					Director	Banpu Renewable Energy Co., Ltd.
					Director	Prachuab Wind Energy Co., Ltd.
					Director	Banpu Energy Services (Thailand) Co., Ltd.
				2010 - Present	Director	Ratchasima Green Energy Co., Ltd.
				2011 - Present	Director	Chiang Muan Mining Co., Ltd.
					Director	Banpu Coal Power Ltd.
					Director	Banpu Australia Resources Pty Ltd.
					Director	Hunnu Coal Pty Ltd.
				2013 - Present	Director	BMS Coal Sales Pte. Ltd.
				Present	Director	Banpu Coal Limited Liability Company
					Director	AFE Investments Pty Ltd.
					Director	Hunnu Investment Pte. Ltd.
					Director	Akira Energy Ltd.
					Director	BOG Co., Ltd.
					Director	Aizu Energy Pte. Ltd.
					Director	Akira Energy (South) Ltd.
					Director	Japan Solar Estate
					Director	Hokkaido Solar Estate G.K.
					Director	Akira Hokkaido Ltd.
					Director	Banpu Renewal Energy International Ltd.
18. Ms. Udomlux Olarn  • Senior Vice President -Corporate Affairs Dated 1 July 2009	55	• B.A., Journalism and Mass Communication (Advertising and Public Relations), Thammasat University	0.00	2009 - Present	Senior Vice President - Corporate Affairs	Banpu Public Company Limited
19. Ms. Boonsiri Charusiri  • Company Secretary Dated 27 August 2008	57	• 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)	-	2008 - Present	Company Secretary	Banpu Public Company Limited



# Shareholdings of the Board of Directors and Management

As of 31 December 2014

Name	Ordinary Share		
	31 Dec 2014	31 Dec 2013	+ / (-)
1. Mr. Kirk-Krai Jirapaet	-	-	-
Spouse/Minor child	-	-	-
2. Mr. Buntoeng Vongkusolkit	330,000	N/A	-
Spouse/Minor child	-	-	-
3. Mr. Rawi Corsiri	-	-	-
Spouse/Minor child	600,000	600,000	-
4. Mr. Sudiarso Prasertio	-	-	-
Spouse/Minor child	-	-	-
5. Mr. Teerana Bhongmakapat	-	-	-
Spouse/Minor child	-	-	-
6. Mr. Suthad Setboonsarng	15,000	N/A	-
Spouse/Minor child	-	-	-
7. Mr. Rutt Phanijsphand	-	-	-
Spouse/Minor child	-	-	-
8. Mr. Anothai Techamontrikul	-	-	-
Spouse/Minor child	-	-	-
9. Mr. Chanin Vongkusolkit	14,435,420	14,435,420	-
Spouse/Minor child	3,244,290	3,244,290	-
10. Mr. Metee Auapinyakul	3,408,000	3,408,000	-
Spouse/Minor child	310,000	250,000	60,000
11. Mr. Ongart Auapinyakul	4,734,250	4,442,250	292,000
Spouse/Minor child	1,680,000	1,650,000	30,000
12. Mr. Verajet Vongkusolkit	-	-	-
Spouse/Minor child	-	-	-
13. Mr. Somyot Ruchirawat	-	-	-
Spouse/Minor child	-	-	-
14. Mr. Voravudhi Linananda	-	-	-
Spouse/Minor child	11,000	11,000	-
15. Ms. Somruedee Chaimongkol	1,431,790	1,431,790	-
Spouse/Minor child	-	-	-
16. Mr. Sathidpong Wattananuchit	-	-	-
Spouse/Minor child	-	-	-
17. Mr. Akaraphong Dayananda	54,000	54,000	-
Spouse/Minor child	-	-	-
18. Ms. Udomlux Olarn	110,000	110,000	-
Spouse/Minor child	-	-	-



# Remuneration of the Board of Directors and Management

## 1. Remuneration in Cash for the Year Ending 31 December 2014

1.1 Total cash remuneration of the Board of Directors in forms of meeting allowance and annual remuneration amounted to THB 41,668,904.00 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	1,118,000.00	-	-	-	3,132,530.00	4,250,530.00
2. Mr. Anothai Techamontrikul Vice Chairman/ Chairman of the Corporate Governance and Nomination Committee/ Independent Director	965,000.00	-	130,000.00	-	2,409,639.00	3,504,639.00
3. Mr. Teerana Bhongmakapat Independent Director/ Chairman of the Audit Committee/Member of the Compensation Committee	890,000.00	264,000.00	-	80,000.00	2,409,639.00	3,643,639.00
4. Mr. Rutt Phanijphand Independent Director/ Chairman of the Compensation Committee/ Member of the Audit Committee	890,000.00	120,000.00	-	182,000.00	2,409,639.00	3,601,639.00
5. Mr. Sudiarsa Prasertio Independent Director/ Member of the Corporate Governance and Nomination Committee	540,000.00	-	40,000.00	-	-	580,000.00
6. Mr. Suthad Setboonsarng Director/Member of the Audit Committee	520,000.00	72,000.00	-	-	-	592,000.00
7. Mr. Rawi Corsiri Director/Member of the Corporate Governance and Nomination Committee	890,000.00	-	100,000.00	-	2,409,639.00	3,399,639.00
8. Mr. Buntoeng Vongkusolkrit Director/Member of the Compensation Committee	480,000.00	-	-	40,000.00	-	520,000.00
9. Mr. Metee Auapinyakul Director	870,000.00	-	-	-	2,409,639.00	3,279,639.00
10. Mr. Chanin Vongkusolkrit Director	540,000.00	-	-	-	2,409,639.00	2,949,639.00



Name/ Position	Meeting Allowance (THB)					Annual Remuneration (THB)	Total Remuneration (THB)
	Director	Audit Committee	Corporate Governance and Nomination	Compensation Committee			
11. Mr. Ongart Auapinyakul Director	540,000.00	-	-	-	2,409,639.00		2,949,639.00
12. Mr. Verajet Vongkusolkrit Director/Member of the Corporate Governance and Nomination Committee	890,000.00	-	100,000.00	-	2,409,639.00		3,399,639.00
<b>Total</b>							<b>32,670,642.00</b>
13. Mr. Vitoon Vongkusolkrit Vice Chairman/Member of the Compensation Committee	379,500.00	-	-	60,000.00	2,771,084.00		3,210,584.00
14. Mr. Somkiat Charoenkul Independent Director/ Chairman of the Audit Committee	330,000.00	140,400.00	-	-	2,409,639.00		2,880,039.00
15. Mr. Montri Mongkolsawat Independent Director/Member of the Audit Committee/ Member of the Compensation Committee	330,000.00	108,000.00	-	60,000.00	2,409,639.00		2,907,639.00
<b>Total</b>							<b>8,998,262.00</b>

**Notes:**

1. Mr. Vitoon Vongkusolkrit (person number 13) resigned as a Vice Chairman and Member of the Compensation Committee, effective from 3 April 2014.
2. Mr. Somkiat Charoenkul (person number 14) resigned as a director and Chairman of the Audit Committee, effective from 3 April 2014.
3. Mr. Montri Mongkolsawat (person number 15) resigned as a director, Member of the Audit Committee and Member of the Compensation Committee, effective from 3 April 2014.

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

Unit: THB	Number of Executives	2014	Number of Executives	2013
Total Salaries	7	73,221,420	7	70,437,000
Total Bonuses	7	17,747,248	7	36,745,813
<b>Total</b>		<b>90,968,668</b>		<b>107,182,813</b>

**Notes:** 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	2014	Number of Executives	2013
Contribution to Provident Fund	6	3,045,024	6	2,907,756

**Notes:** There were six executives, namely, 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 2014

Major Shareholders	Amount of Shares Held	Percentage
1. The Vongkusolkrit Family	267,186,360	10.35
Mitr Phol Sugar Corp., Ltd.	144,064,080	5.58
TME Capital Co., Ltd.	62,116,000	2.41
City Holding Co., Ltd.	37,600,000	1.46
United Farmer and Industry Co., Ltd.	17,794,450	0.69
MP Particle Board Co., Ltd.	15,209,650	0.59
Mid-Siam Capital Co., Ltd.	7,453,500	0.29
Pacific Sugar Corporation Ltd.	6,819,050	0.26
Ufinves Co., Ltd.	6,606,110	0.25
Mitr Phol Bio-Power Phu Viang Co., Ltd.	6,152,000	0.24
Mitr Kalasin Sugar Co., Ltd.	4,800,000	0.18
2. Thai NVDR Co., Ltd.	183,685,324	7.11
3. HSBC (Singapore) Nominees Pte. Ltd.	87,075,696	3.37
4. GIC Private Limited - C	49,008,900	1.90
5. MR. Prateep Tangmatitham	38,059,300	1.47
6. State Street Bank Europe Limited	37,061,419	1.44
7. Social Security Office	35,710,000	1.38
8. UBS Ag Singapore Branch	34,988,000	1.36
9. Chase Nominees Limited 28	31,116,350	1.21
10. Mr. Thaveechat Jurangkool	20,550,000	0.80
<b>Total</b>	<b>1,093,056,189</b>	<b>42.34</b>

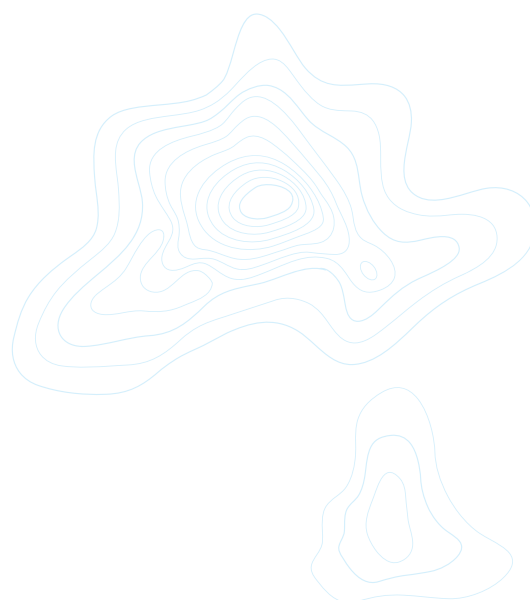
## Notes :

- Mitr Phol Sugar Corp., Ltd.  
*Mid-Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.*
- TME Capital Co., Ltd.  
*The Vongkusolkrit Family holds 54.23% of its paid-up capital.*  
*Ufinves Co., Ltd. holds 15.23% of its paid-up capital.*
- City Holding Co., Ltd.  
*The Vongkusolkrit Family holds 100% of its paid-up capital.*
- United Farmer and Industry Co., Ltd.  
*Mitr Phol Sugar Corp., Ltd. holds 87.56% of its paid-up capital.*
- MP Particle Board Co., Ltd.  
*United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.*
- Mid-Siam Capital Co., Ltd.  
*Mid-Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.*
- Pacific Sugar Corporation Ltd.  
*Mitr Phol Sugar Corp., Ltd. holds 99.99% of its paid-up capital.*
- Ufinves Co., Ltd.  
*TME Capital Co., Ltd. holds 100% of its paid-up capital.*
- Mitr Phol Bio-Power Phu Viang Co., Ltd.  
*United Farmer and Industry Co., Ltd. holds 51.04% of its paid-up capital.*
- Mitr Kalasin Sugar Co., Ltd.  
*United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.*



## Dividend Policy

Banpu has a policy to pay approximately 50 percent 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 5.58% of its paid-up capital 2) The major shareholder is Mid Siam Sugar Corp., Ltd. 3) There are 3 joint directors, as follows: 1. Mr. Chanin Vongkusolkrit 2. Mr. Buntoeng Vongkusolkrit 3. Mr. Verajet Vongkusolkrit	As of 31 December 2014, 1. Mid Siam Sugar Corp., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Chanin Vongkusolkrit 3. Mr. Buntoeng Vongkusolkrit 4. Mr. Choosak Vongkusolkrit 5. Mr. Klanarong Sriroth 6. Mr. Thaweevat Thaweepiyamaporn 7. Wg. Cdr. Lucksamee Vongkusolkrit 8. Mr. Krisda Monthienvichienchai 9. Mr. Verajet Vongkusolkrit 10. Assoc. Prof. Chiradet Ousawat 11. Mr. Attaphol Vongkusolkrit
2. TME Capital Co., Ltd. (Investment Company)	1) One of the shareholders of Banpu Plc., holding 2.41% of its paid-up capital 2) The major shareholder is the Vongkusolkrit Family 3) There are 4 joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Mr. Metee Auapinyakul 3. Mr. Ongart Auapinyakul 4. Mr. Verajet Vongkusolkrit	As of 31 December 2014, 1. The Vongkusolkrit Family 54.23% 2. The Auapinyakul Family 24.16% 3. Ufinves Co., Ltd. 15.23% 4. The Kantatham Family 3.17% 5. The Kanjanakumnerd Family 2.58% 6. The Putongsiriporn Family 0.63%	1. Mr. Soonthorn Vongkusolkrit 2. Mr. Vitoon Vongkusolkrit 3. Mr. Chanin Vongkusolkrit 4. Mr. Metee Auapinyakul 5. Mr. Ongart Auapinyakul 6. Mr. Pakon Kantatham 7. Mr. Annap Vongkusolkrit 8. Mr. Verajet Vongkusolkrit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkrit
3. City Holding Co., Ltd. (Holding Company)	1) One of the shareholders of Banpu Plc., holding 1.46 % of its paid-up capital 2) The major shareholder is the Vongkusolkrit Family 3) There are 2 joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Mr. Verajet Vongkusolkrit	As of 31 December 2014 1. Vongkusolkrit Family 87.00% 2. Kanjanakumnerd Family 6.00% 3. The Putongsiriporn Family 2.00% 4. Lattapanit Family 2.00% 5. Jenlapwattanakul Family 1.50% 6. Pradittan Family 1.50%	1. Mr. Kamol Vongkusolkrit 2. Mr. Soonthorn Vongkusolkrit 3. Mr. Vitoon Vongkusolkrit 4. Mr. Isara Vongkusolkrit 5. Mr. Chanin Vongkusolkrit 6. Mr. Verajet Vongkusolkrit 7. Mr. Banchoet Vongkusolkrit 8. Ms. Jintana Kanjanakumnerd 9. Mrs. Arada Lattapanit
4. United Farmer and Industry Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.69% of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There are 2 joint directors as follows: 1. Mr. Buntoeng Vongkusolkrit 2. Mr. Verajet Vongkusolkrit	As of 31 December 2014 Mitr Phol Sugar Corp., Ltd. 87.56%	1. Mr. Isara Vongkusolkrit 2. Mr. Buntoeng Vongkusolkrit 3. Ms. Chayawadee Chaianan 4. Mr. Taweewat Taweepiyamaporn 5. Ms. Jintana Kanjanakumnerd 6. Mr. Sukkan Wattanawekin 7. Mr. Krisda Monthienvichienchai 8. Mr. Verajet Vongkusolkrit 9. Mrs. Arada Lattapanit



Connected Persons/ Type of Business	Description of Relationship	Major Shareholders	Board of Directors Membership
5. MP Particle Board Co., Ltd. (Investment Company)	1) Shareholder of Banpu Plc., holding 0.59% 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 2014 United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Krisda Monthienvichienchai 3. Mrs. Amporn Kanjanakumnerd 4. Mr. Pariwat Kanchanathana 5. Mr. Attaphol Vongkusolkrit
6. Mid-Siam Capital Co., Ltd.	1) Shareholder of Banpu Plc., holding 0.29% of its paid-up capital 2) The major shareholder is Mid Siam Sugar Corp., Ltd. 3) There is one joint director, namely: Mr. Buntoeng Vongkusolkrit	As of 31 December 2014 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. Supanit Manachit
7. Pacific Sugar Corporation Ltd. (Import and export of sugar)	1) Shareholder of Banpu Plc., holding 0.26% of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There is one joint director, namely: Mr. Verajet Vongkusolkrit	As of 31 December 2014 Mitr Phol Sugar Corp., Ltd. 99.99%	1. Mr. Krisda Monthienvichienchai 2. Mrs. Amporn Kanjanakumnerd 3. Mr. Jirasak Vongkusolkrit 4. Mr. Verajet Vongkusolkrit
8. Ufinves Co., Ltd. (Holding Company)	1) Shareholder of Banpu Plc., holding 0.25% of its paid-up capital 2) The major shareholder is TME Capital Co., Ltd. 3) There are 4 joint directors as follows: 1. Mr. Chanin Vongkusolkrit 2. Mr. Metee Auapinyakul 3. Mr. Ongart Auapinyakul 4. Mr. Verajet Vongkusolkrit	As of 31 December 2014 1. 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. Pakon Kantatham 7. Mr. Annop Vongkusolkrit 8. Mr. Verajet Vongkusolkrit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkrit
9. Mitr Phol Bio-Power (Phu Viang) Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.24% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is one joint director, namely: Mr. Buntoeng Vongkusolkrit	As of 31 December 2014 1. United Farmer and Industry Co., Ltd. 51.04%	1. Mr. Isara Vongkusolkrit 2. Mr. Buntoeng Vongkusolkrit 3. Mr. Krisda Monthienvichienchai
10. 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 one joint director, namely: 1. Mr. Buntoeng Vongkusolkrit	As of 31 December 2014 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



## Other References

1) Ordinary Share Registrar	<p><a href="#">Thailand Securities Depository Company Limited</a> 62 The Securities Exchange of Thailand Building Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. +66 (0) 2229 2800</p>
2) Debenture Registrar	<p><a href="#">TMB Bank Public Company Limited</a> 3000 Phaholyothin Road, Jatujak, Bangkok 10900 Tel. +66 (0) 2299 1111</p> <p><a href="#">Bangkok Bank Public Company Limited</a> 333 Silom Road, Bangrak, Bangkok 10500 Tel. +66 (0) 2230 1893</p>
3) Bond Representative	<p><a href="#">Siam Commercial Bank Public Company Limited</a> 9 Ratchadapisek Road, Jatujak, Bangkok 10900 Tel. +66 (0) 2544 1111</p> <p><a href="#">Kasikornbank Public Company Limited</a> <b>Head Office:</b> 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Bangkok 10140</p> <p><b>Contact :</b> 400/22 Phaholyothin Road, Phaya Thai, Bangkok 10400 Tel. +66 (0) 2470 3687, +66 (0) 2470 1946</p> <p><a href="#">Bangkok Bank Public Company Limited</a> 333 Silom Road, Bangrak, Bangkok 10500 Tel. +66 (0) 2230 1893</p>
4) Auditor	<p><b>Ms. Amornrat Pearmpoonvatanasuk</b> Authorised Auditor No. 4599 <a href="#">PricewaterhouseCoopers ABAS Ltd.</a> 15<sup>th</sup> Floor, Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Tel. +66 (0) 2286 9999, +66 (0) 2344 1000</p>
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 090 Banpu Public Company Limited



# 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 Public Company Limited	Energy	3,404,904,790 Baht	2,581,878,550 Baht	2,581,878,550	1	-	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
Subsidiary companies									
Thailand									
2	Banpu Minerals Company Limited	Coal mining and trading	3,200,000,000 Baht	3,200,000,000 Baht	3,200,000	1,000	99.99%	58/1 Soi Thungkwaw 1, Yantarakijkosol Road, Moo 1, Tambon Thungkwaw, Amphoe Muang Phrae, Phrae Province, Thailand	66 (0) 2694 6600
3	Banpu Engineering Services Co., Ltd. (Formerly named Banpu New Energy Holdings Company Limited)	Investment in alternative energy	197,000,000 Baht	197,000,000 Baht	19,700,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
4	Banpu Power Limited	Investment in power	6,021,995,000 Baht	6,021,995,000 Baht	602,199,500	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
5	BOG Co., Ltd.	Investment in energy business	30,000,000 Baht	15,000,000 Baht	300,000	100	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
6	Silamani Corporation Limited	Coal trading	75,000,000 Baht	75,000,000 Baht	7,500,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
7	Banpu International Limited	Investment in coal mining	250,000,000 Baht	250,000,000 Baht	25,000,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
8	Chiang Muan Mining Company Limited	Coal mining and trading	231,350,000 Baht	231,350,000 Baht	23,135,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
9	Silamani Marble Company Limited	Coal trading	50,000,000 Baht	50,000,000 Baht	500,000	100	99.96%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
10	Biofuel Development Holdings Company Limited	Investment in alternative energy	76,000,000 Baht	76,000,000 Baht	7,600,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
11	Prachuab Wind Energy Company Limited	Investment in alternative energy	10,000,000 Baht	10,000,000 Baht	1,000,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
12	Banpu Renewable Energy Co., Ltd. (Formerly named Petchkasem Wind Energy Company Limited)	Investment in alternative energy	960,000,000 Baht	247,500,000 Baht	96,000,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
13	Banpu Energy Services (Thailand) Co., Ltd. (Formerly named Mittraphap Wind Energy Company Limited)	Investment in alternative energy	10,000,000 Baht	2,500,000 Baht	1,000,000	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
14	Banpu Coal Power Limited	Investment in power	5,921,587,160 Baht	5,921,587,160 Baht	592,158,716	10	99.99%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
Indonesia									
15	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
16	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
17	PT. Jorong Barutama Greston	Coal Mining in Indonesia	318,855,000,000 IDR	318,855,000,000 IDR	21,257	15,000,000	99.67%	Pondok Indah Office Tower 3, 3 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
18	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
19	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
20	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100
21	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 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6221 29328100



	Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
22	PT. Tambang Raya Usaha Tama	Mining services	500,000,000,000 IDR	125,000,000,000 IDR	12,500	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6222 29328100
23	PT. ITM Energi Utama	Energy business	40,000,000,000 IDR	11,000,000,000 IDR	11,000	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6223 29328100
24	PT. ITM Batubara Utama	Coal mining business	40,000,000,000 IDR	11,000,000,000 IDR	11,000	1,000,000	99.99%	Pondok Indah Office Tower 3, 3 <sup>rd</sup> Floor, Jl. Sultan Iskandar Muda, Pondok Indah Kav. V-TA, Jakarta 12310, Indonesia	6224 29328100
China									
25	Shijiazhuang Chengfeng Cogen Co., Ltd.	Power and heat production and sales	30,516,000 USD	30,516,000 USD	NA	NA	100.00%	North Beiguan,Zhengding County, Shijiazhuang City 050800, Hebei Province.PRC	(86311) 85176918
26	Banpu Power Investment (China) Co., Ltd.	Investment in electrical power business	30,000,000 USD	30,000,000 USD	NA	NA	100.00%	9A, 9 <sup>th</sup> Floor, Tower B, Gateway Plaza, No. 18 Xia Guang Li, North Road of East Third Ring, Chaoyang District, Beijing, PRC 100027	(8610) 5758 0388
27	Tangshan Banpu Heat and Power Co., Ltd.	Power and heat production and sales	47,504,000 USD	47,504,000 USD	NA	NA	100.00%	West of Gujiaying Village,Bensi Road, Luannan County,Tangshan City 063500, Hebei Province.PRC	(86315) 4168274
28	Zouping Peak CHP Co., Ltd.	Power and heat production and sales	261,800,000 RMB	261,800,000 RMB	NA	NA	70.00%	Xiwang Industrial Region,Handian Town, Zouping County,Binzhou City 256209, Shandong Province.PRC	(86543) 4615655
Australia									
29	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
30	Centennial Coal Company Ltd.	Coal Mining and Marketing	444,039,896 AUD	444,039,896 AUD	444,039,896	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
31	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
32	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
33	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
34	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
35	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
36	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
37	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
38	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
39	Centennial Inglebrook 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
40	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
41	Centennial Manmanning 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
42	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
43	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
44	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
45	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
46	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
47	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
48	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
49	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
50	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
51	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
52	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
53	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
54	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
55	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
56	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



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
57 Powercoal Employees 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
58 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
59 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
60 Centennial Drilling Services Pty Ltd.	Drilling Services	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
61 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
62 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
63 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
64 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
65 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	62 2 9266 2700
66 Banpu Resources Pty Limited	Dormant	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	62 2 9266 2700
67 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	62 2 9266 2700
68 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
69 Hunnu Coal Pty Ltd.	Coal mining and trading	213,771,706 AUD	213,771,706 AUD	347,501,242	No par value*	100.00%	Level 1, 330 Churchill Avenue, Subiaco, WA 6008, Australia	61 8 9328 6262
Mongolia								
70 Banpu Coal LLC	Investment in coal mining	4,602,708,000 MNT	4,602,708,000 MNT	3,300,000	1394.76	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
71 Hunnu Altai LLC	Foreign Trade, Minerals Mining	93,142,351,744 MNT	93,142,351,744 MNT	672,557	138,490	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
72 Munkh Sumber Uul LLC	Foreign Trade	1,457,620,000 MNT	1,457,620,000 MNT	145,762	10,000	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
73 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 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
74 Great East Minerals LLC	Foreign Trade, Mineral exploration	1,000,000 MNT	1,000,000 MNT	100	10,000	70.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
75 Bilegt Khaikhan Uul LLC	Foreign Trade, Mineral exploration	10,000,000 MNT	10,000,000 MNT	1,000	10,000	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
76 Hunnu Power LLC	Foreign Trade	1,000,000 MNT	1,000,000 MNT	100	10,000	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
77 Borganchan LLC	Foreign Trade	11,586,000 MNT	11,586,000 MNT	11,586	1,000	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
78 Munkhnoyov Suvraga LLC	Foreign Trade, Minerals mining, Tourism, and Construction	1,000,000 MNT	1,000,000 MNT	1,000	1,000	90.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
79 Hunnu Gobi Altai LLC	Foreign Trade, Mineral exploration, Mining	155,000,000 MNT	155,000,000 MNT	155,000	1,000	80.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
80 Hunnu Altai Minerals LLC	Foreign Trade, Minerals Exploration	145,000,000 MNT	145,000,000 MNT	145,000	1,000	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
81 Hunnu Resources LLC	Foreign Trade	203,533,279,528 MNT	203,533,279,528 MNT	129,998,679	1,566	100.00%	Suite 1502, Fides Tower, Gegeenten Complex, 15 <sup>th</sup> khoroo, Khan-Uul district, Ulaanbaatar-17011, Mongolia	(976) 75551221, (976) 75551551
Singapore								
82 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 11,000,000	No par value* No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
83 BMS Coal Sales Pte. Ltd.	Coal trading including coal agent and coal blending	5,000,000 USD	5,000,000 USD	5,000,000	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
84 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
85 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
86 Hunnu Investments Pte. Ltd.	Foreign Trade	100 SGD 34,708,188.82 USD	100 SGD 34,708,188.82 USD	100 34,708,188	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
87 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





Name		Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
Mauritius									
88	Banpu Coal Investment Company Limited	Investment in coal mining	11,050,500 USD	11,050,500 USD	11,050,500	1	100.00%	4 <sup>th</sup> Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 404 8000
89	BP Overseas Development Company Limited	Investment in coal mining	15,533,002 USD	15,533,002 USD	15,533,002	1	100.00%	4 <sup>th</sup> Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 404 8000
90	Banpu Power International Limited	Investment in power	63,050,000 USD	63,050,000 USD	63,050,000	1	100.00%	4 <sup>th</sup> Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 404 8000
91	Banpu Renewable Energy International Ltd.	Investment in solar and other renewable energy business	100 USD	100 USD	100	1	100.00%	4 <sup>th</sup> Floor, Ebene Skies, Rue de L' Institut, Ebene, Republic of Mauritius	230 404 8000
British Virgin Islands									
92	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 <sup>nd</sup> Floor, #333 Waterfront Drive, Road Town, Tortola, British Virgin Islands	284 494 4388
93	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
Cayman Islands									
94	Pan-Western Energy Corporation LLC	Investment in power	100,000 USD	100,000 USD	10,000,000	0.01	100.00%	PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands	1 345 949 8066
Japan									
95	Banpu Energy Services Japan Co., Ltd.	Cosultancy services to the operator of power generation in Japan	1,000,000 JPY	100 JPY	1	No par value*	100.00%	1-1 Marunouchi 3-chome, Chiyō-ku, Tokyo	81 3 5219 8777
Associated companies									
Thailand									
96	BLCP Power Ltd.	Power generation and sales	12,010,000,000 Baht	12,010,000,000 Baht	120,100,000	100	50.00%	9 I-8 Road, Map Ta Phut Industrial Estate, Muang District, Rayong, Thailand	66 (0) 38 925100
97	Ratchasima Green Energy Company Limited	Investment in alternative energy	250,000,000 Baht	250,000,000 Baht	25,000,000	10	30.00%	2 Sukhumvit Road, Klongtoey, Bangkok 10110, Thailand	66 (0) 2794 1000
98	Bright Electrons Limited	Consultancy services in respect of power business	4,000,000 Baht	1,000,000 Baht	400,000	10	60.00%	26-28 <sup>th</sup> Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	66 (0) 2694 6600
China									
99	Shanxi Gaohe Energy Co., Ltd.	Coal Mining in China	1,519,860,000 RMB	1,519,860,000 RMB	NA	NA	45.00%	Changzhi County, Changzhi City, Shanxi, P.R. China	(8610) 5820 3663
100	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, the PRC	(86) 392 291 7401-2
Australia									
101	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
Singapore									
102	Aizu Energy Pte. Ltd.	Investment in solar energy business	100 USD	100 USD	100	No par value*	75.00%	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
103	Aura Land Development Pte. Ltd.	Investment in property for solar energy business	3,840,989.20 USD	3,840,989.20 USD	3,840,988	No par value*	50.54%	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
Hong Kong									
104	Akira Energy Limited	Investment in solar energy business	62,017,100 HKD	62,017,100 HKD	62,017,100	1	60.00%	9 <sup>th</sup> Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
105	Akira Energy (South) Limited	Investment in solar energy business	14,469,043 HKD	14,469,043 HKD	14,469,043	1	60.00%	9 <sup>th</sup> Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
106	Akira Hokkaido Limited	Investment in solar energy business	500 HKD	500 HKD	500	1	60.00%	9 <sup>th</sup> Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
107	Japan Solar Estate Limited	Investment in solar energy business	500 HKD	500 HKD	500	1	60.00%	9 <sup>th</sup> Floor, York House, The Landmark, 15 Queen's Road, Central, Hong Kong	852 2522 8101
Laos									
108	Hongsu Power Company Limited	Power production and sales	76,000,000 USD	76,000,000 USD	7,600,000	10	40.00%	Souphanouvong Road, Sithanneau Village, Sikhottabong District, Vientiane Capital, Lao PDR	865 (0) 21222482
109	Phu Fai Mining Company Limited	Investment in coal mining	50,000 USD	50,000 USD	5,000	10	37.50%	Souphanouvong Road, Sithanneau Village, Sikhottabong District, Vientiane Capital, Lao PDR	865 (0) 21222483



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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 2014 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

(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. Teerana Bhongmakapat, as Chairman, with Mr. Rutt Phanijphand and Mr. Suthad Setboonsarng, as members. The Audit Committee have knowledge and experiences in the fields of financial accounting and economics, to carry out Board-assigned duties under Banpu's regulations on the criteria and guidelines for its Audit Committee, in alignment with the regulations of the Stock Exchange of Thailand (SET). The Audit committee performs their duties independently according to the good corporate governance and reports the Minutes of Meetings as required agendas to Board of Directors on a regular basis. Miss Wiyada Wiboonsirichai is currently the Secretary of the Audit Committee.

In 2014, the Audit Committee held eight meetings, with executives, Head of Internal Audit, and the external auditors in the related agenda. Additionally, the Audit Committee have a separated private meeting with the external auditor without the presence of executive management, the key activities can be summarized as follows:

- 1. Review of Financial Information:** The Audit Committee reviewed the quarterly financial information and the 2014 financial statements to be assured that they were in accordance with the regulations and financial reporting standards. All adequate information had been disclosed in the financial statements for the benefit of investors or users, which the auditors expressed as "Unqualified Opinion".
- 2. Review of Internal Control System:** The Audit Committee reviewed the internal control system of Banpu Group with a focus on accounting and finance, safeguard of assets, operation, monitoring, and compliance with the relevant regulations. The Internal Audit Department performed independent reviews to ensure effectiveness and efficiency of internal control system to protect the benefit of investors and other stakeholders.
- 3. Review of Compliance:** The Audit Committee determined that Banpu duly complied with the relevant laws and regulations, and no significant issues were noted.
- 4. Review of the Connected Transactions or Transactions with Potential Conflict of Interests:** The Audit Committee reviewed the connected transactions between Banpu, its subsidiaries, and related parties. Those transactions were carried out for the company benefit and strictly followed the SEC's and SET's rules and regulations.
- 5. Review of Risk Management:** The Audit Committee examined the annual plan and monitored the progress of risk management on a quarterly basis. Banpu had suitable and efficient risk management processes in place to reduce any impacts from potential business uncertainties.



## 6. Appointment of Auditors and Audit Fees for 2015

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. As a result, the Audit Committee proposed the appointment of auditors to the Board of Directors for shareholders approval for 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. Vichien Khingmontri          | CPA, License No. 3977;        |

of PricewaterhouseCoopers ABAS Limited (PwC), an international company with extended networks over several countries, as Banpu's auditor of 2015. The audit fees for the annual and quarterly auditing of Banpu Plc. and the Banpu Group were proposed at THB 2,206,500 and THB 57,159,201, respectively.

The Audit Committee is assured that the Company was actively committed to its corporate governance policy and 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 changes. All connected transactions that may lead to conflicts of interest were carried out for the company benefit. The financial statements for the accounting period ending on 31 December 2014 were duly prepared and properly disclosed with accurate, adequate and reliable information.

16 February 2015  
On behalf of the Audit Committee

(Mr. Teerana Bhongmakapat)  
Chairman of Audit Committee  
Banpu Public Company Limited



# Management's Discussion and Analysis of the Consolidated Financial Statements

No. BP 0215 / 012

Bangkok Office  
18 February 2015

Re: Management's Discussion and Analysis of the consolidated financial statements for the year ended 31 December 2014  
Attention: President  
The Stock Exchange of Thailand

Attachment: 2 sets of consolidated financial statements for the year ended 31 December 2014

Banpu Public Company Limited ("the company") hereby submits 2 sets of consolidated financial statements for the year ended 31 December 2014 which were audited by auditors to the Stock Exchange of Thailand and accordingly to the general public.

The company's management would like to explain its performance for the year ended 31 December 2014 in comparison with last year and its statement of financial position as of 31 December 2014 compared with the restated statement of financial position as of 31 December 2013.

Commencing 1 January 2014, the Group has applied for IFRIC 4 "Determining whether an arrangement contains a lease". The adoption of this interpretation has resulted in accounting records for certain contractual arrangements on power purchase agreements of an associate. In addition, the Group has applied for IFRIC 20 "Stripping costs in the production phase of a surface mine". The Group has retrospectively applied this interpretation and the impact of the changes on the consolidated statement of financial position as at 31 December 2013 and the consolidated statement of comprehensive income for the year ended 31 December 2013 are as follows:





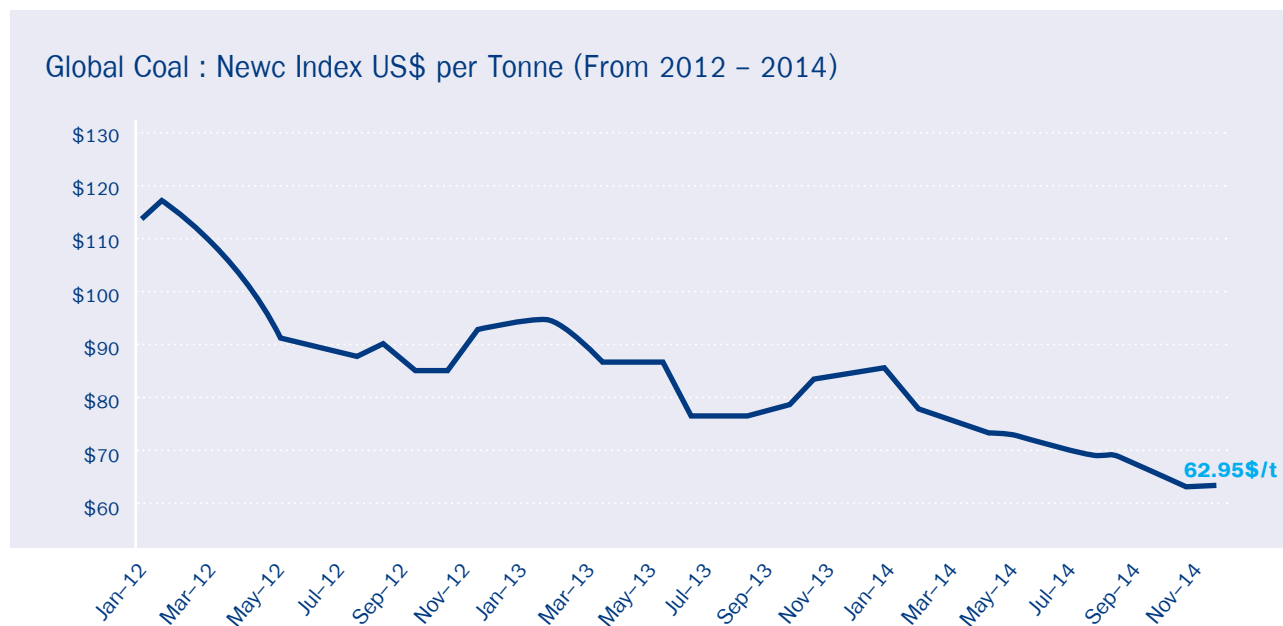
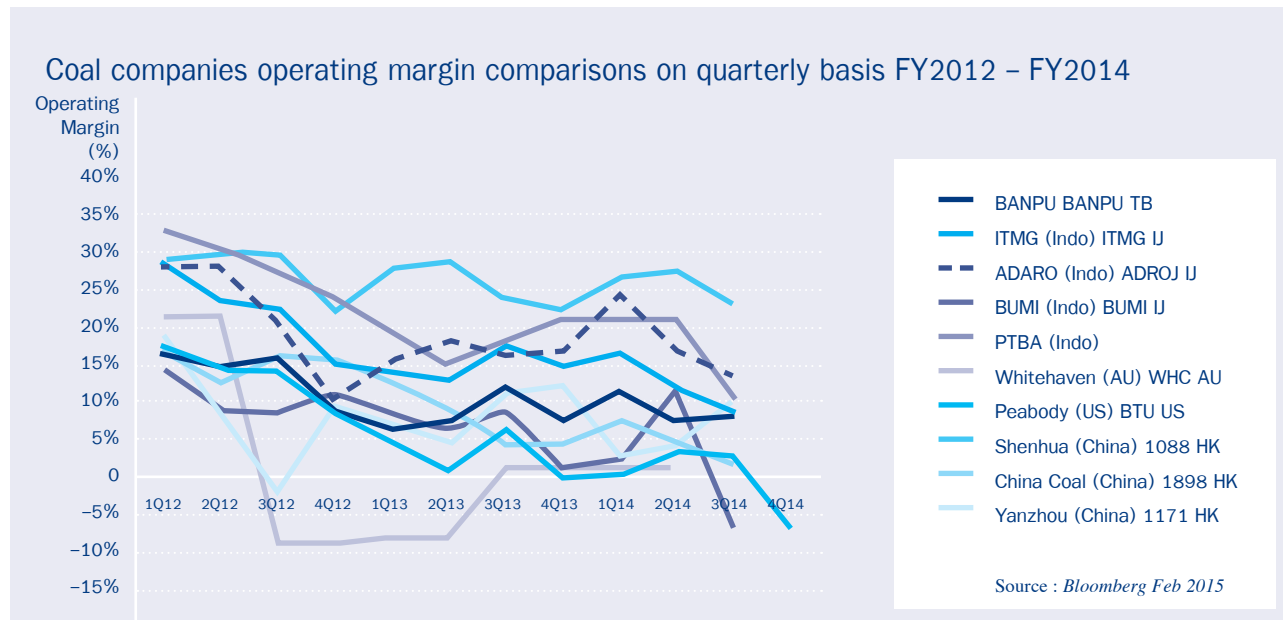
USD'000

	Before adjustments	Retrospective adjustments	After adjustments
<b>Statement of financial position as at 31 December 2013</b>			
Inventories, net	160,632	(2,432)	158,200
Interests in joint ventures	571,130	(18,240)	552,890
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	959,933	(62,953)	896,980
Retained earnings as at 1 January 2013	2,184,468	(36,111)	2,148,357
Retained earnings as at 31 December 2013	2,019,586	(60,741)	1,958,845
Non-controlling interests as at 1 January 2013	372,231	(13,958)	358,273
Non-controlling interests as at 31 December 2013	363,163	(22,884)	340,279
<b>Consolidated statement of Comprehensive Income for the year ended 31 December 2013</b>			
Cost of sales	(2,275,671)	(25,505)	(2,301,176)
Share of profit from joint ventures	95,433	(8,051)	87,382
Income taxes	(90,119)	-	(90,119)
Profit for the year	187,451	(33,556)	153,895
<b>Attributable to:</b>			
Owners of the parent	102,655	(24,630)	78,025
Non-controlling interests	84,796	(8,926)	75,870
	<u>187,451</u>	<u>(33,556)</u>	<u>153,895</u>



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

Market coal price has continuously declined since mid of 2012 which impacted to operating performance of all companies in coal industry. Following presentations illustrate operating margin of major coal companies in each country and coal price index during past 3 years;



## 2. Company Performance Analysis

The analysis and explanation of company performance for the year ended 31 December 2014 and 2013 (Restated) is as follows;

## Consolidated statements of Income for the year ended 31 December 2014 and 2013

Consolidated financial performance (Unit : Million USD)	2014	2013 Restated
Sales	3,145	3,351
Cost of sales	(2,139)	(2,301)
Gross margin	1,006	1,050
Selling expenses	(276)	(272)
Administrative expenses	(174)	(225)
Royalty fee	(303)	(325)
Profit sharing from associates	87	87
Other income (expense)	42	56
Financial costs	(132)	(127)
Profit before tax	250	244
Income tax	(70)	(90)
Reversal of deferred income tax assets for MRRT	(24)	-
Net profit for the period	156	154
Owners of the parent	82	78
Non-controlling interest	74	76
Earnings per share (Unit : USD)	0.032	0.030

2.1 Sales revenue reported at \$3,145 million (equivalent Baht 102,122 million), a decrease of \$206 million or 6% compared to last year. It was net impact of a decreasing of average selling price compared to last year as a result from the weakened global coal price and an increase of coal sale volume. Details of the company's revenue are as follows:

- Revenue from coal sales of \$2,953 million accounted for 94% of total sales revenue. Revenue from coal sales includes
  - Sales revenue from Indonesian coal mines of \$1,996 million;
  - Sale revenue from Australian coal mine of \$957 million.
- Sales of power & steam and others of \$192 million represented 6% of total sales revenue.

Revenue	2014 Amount (Million USD)	2013 Amount (Million USD)
Coal Business	2,953	3,128
Power/Steam Business	168	192
Others	24	31
Total	3,145	3,351

## Coal Business

Source of Coal	2014 Sales Vol. MTon	2013 Sales Vol. MTon	2014 Avg. Price Per Ton	2013 Avg. Price Per Ton	2014 Avg. Cost Per Ton	2013 Avg. Cost Per Ton
Indonesia Mine	28.98	29.21	US\$ 67.26	US\$74.95	US\$44.68	US\$48.17
Australia Mine	15.47	13.59	A\$ 68.53	A\$ 69.75	A\$49.70	A\$53.13
Total	44.45	42.80				



- Coal sale volume of 2014 was 44.45 million tonnes, a net increase of 1.65 million tonnes or 4% as a result of a higher sale volume of 1.88 million tonnes from Australia mines and a lower sale volume of 0.23 million tonnes from Indonesia compared to 2013.
- Average selling price of 2014 was at \$65.36 per tonne compared to average selling price of 2013 was at \$72.41 per tonne, decreased by 10% which was a result of a decline of global coal market price.

The average selling price of Indonesia mines was at \$67.26 per tonne which decreased from last year by \$7.69 per tonne or 10%.

The average selling price of Australia mines was at A\$68.53 per tonne, a decrease of A\$1.22 per tonne. It is net impact between an increase of domestic average selling price per ton compared to last year by A\$2.56 or 4.52% (2014: A\$59.18 per tonne vs 2013: A\$56.62 per tonne) which derive from a better production performance compared to production plan and last year. It results in more allocation volume into high price contracts. And a decrease of export average selling price per tonne which is impacted from the weaken of global coal price.

- 2.2 Cost of sales \$2,139 million decreases by \$162 million or 7%, which was a net result of an increase of coal sale volume by 4% and a decrease in average cost per tonne compared to last year. Indonesia mine's average cost per tonne was reduced by \$3.49 which mainly caused from a decrease of stripping ratio (BCM : coal tonne) from 11.50 to 9.76 and production cost saving program that has been continuously implemented since last year. For Australia mine's average cost per tonne decreased by A\$3.43 as a result of a better of production performance by 1.38 million tonnes than last year. In previous year, it faced underground mining's geological problem and delayed in Mandalong's longwall relocation. In addition, there was a planned Longwall changeover at Mandalong mine, resulting in production stoppage during August to mid of September 2013.
- 2.3 Gross profit reported \$1,006 million, a decrease of \$44 million or 4%. Gross profit margin of 2014 was calculated at 32% derived from coal business of 32% and power business of 33% (2013: Gross profit 31% derived from coal business of 31% and power business of 27%). An increase of Coal business's gross profit was net impact of a decline in global coal market price and a saving of average cost per tonne as described on item 2.1 and 2.2. On the other hand, the lower coal price was favorable factor for coal fired power business, reflected an increase of power business's gross profit compared to last year.
- 2.4 Selling expenses reported \$276 million, a increase of \$4 million or 1% mainly was a result of more coal sale volume than last year.
- 2.5 Administrative expenses reported at \$174 million, a decrease of \$51 million or 23% mainly was from a decrease of carbon tax expense which was repealed by government since 1 July 2014 while there was full year charges of \$18 million in last year. And also a decrease of expenses which was a result of cost reduction program that has been continuously implemented since last year.
- 2.6 Royalty fees reported at \$303 million, a decrease of \$22 million or 7% was due to the lower of coal selling price.
- 2.7 Equity income from associates reported at \$87 million, which did not significant change from last year. Equity income was comprised of profit sharing from BLCP by \$70 million, China coal business by \$21 million and loss sharing from others of \$4 million.



## 2.8 Other income of \$42 million was comprised of;

2.8.1 Interest income of \$9 million;

2.8.2 Loss from derivative financial instruments of \$5 million which comprised of;

- Unrealized loss on change in fair value of Coal swap, oil hedging, interest rate swap of \$31 million and unrealized gain on change in fair value of Cross Currency Swap and Forward contracts by \$7 million.
- Realized gain on coal swap and oil hedging by \$31 million offset against a realized loss on forward contracts and interest rate swap by \$12 million.

2.8.3 Net gain on exchange rate of \$3 million mainly was a result of the depreciation of Baht currency against USD currency during 2014.

2.8.4 Management fees and others of \$35 million were comprised of a subsidy income from Australia's government relating to carbon tax of \$9 million and other income of \$26 million.

2.9 Corporate income tax of \$70 million, a decrease of \$20 million compared to last year as a result of a lower of net operating profit.

2.10 Extraordinary item: A reversal of deferred income tax asset for the Minerals Resource Rent Tax in Australia of \$24 million. The Minerals Resource Rent Tax Repeal and Other Measures Act ("the repeal of MRRT Act") was enacted on 5 September 2014. Therefore, the deferred tax asset net of income tax consequences for the Minerals Resource Rent Tax in Australia was written off. As a result, the Australian subsidiaries have no tax obligations in the future.

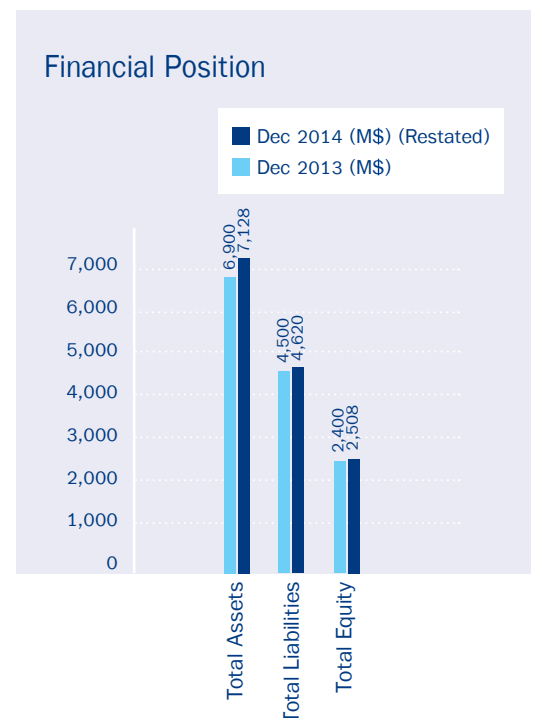
2.11 Net profit for the year ended 31 December 2014 reported at \$82 million, increased of \$4 million or 5%.

Earnings per share (EPS) reported at \$0.032 per share, equivalent Baht 1.038 per share (2013: Earnings per share at \$0.030 per share or equivalent Baht 0.900 per share), increased by 5%.

## 3. Statements of Consolidated Financial Position as of 31 December 2014 in comparison with Restated Statements of Consolidated Financial Position as of 31 December 2013

3.1 Total assets of \$6,900 million, a decrease of \$229 million compared to last year with details described below:

- Cash and cash equivalents of \$391 million, decreased \$55 million or 12% (See explanation in # 4 Consolidated Statement of Cash Flow)
- Accrued dividends from related party of \$217 million was accrued dividend income of domestic power business, increased by \$1 million which was net result of received dividend by \$93 million and additional declared dividend during the year by \$94 million.
- Derivative assets of \$0.7 million represented unrealized gain from change in fair value of interest rate swap.





- Investment in joint venture and associates of \$562 million, increased by \$9 million or 2% from profit sharing recognized net of dividend received during the year by \$26 million, additional investments of \$24 million and loss from foreign exchange translation at the end of year of \$11 million.
- Property, plant and equipment of \$1,331 million, decreased by \$124 million from purchased equipment of subsidiaries in Indonesia and Australia of \$200 million, depreciation for the year of \$183 million and loss from foreign exchange translation of \$141 million.

3.2 Total liabilities of \$4,500 million decreased \$121 million compared to last year with details described below:

- Current portion of long-term loans of \$160 million, a net decrease of \$120 million or 43% was from a reclassification of long-term portion to current portion of \$367 million, repayment during the year of \$483 million and gain from foreign exchange translation of \$4 million.
- Current portion of debenture of \$76 million, an increase of \$9 million or 13% was from a reclassification of long-term portion to current portion of \$76 million and repayment during the year of \$67 million.
- Accrued overburden and coal transportation expenses of \$165 million, a decrease of \$1 million which mainly was from the Indonesian operations.
- Long-term loans of \$1,716 million, an increase of \$44 million which was net impact from new long-term loans of \$734 million, reclassification to current portion and repayment during the year by \$367 million and \$288 million, respectively and gain from foreign exchange translation of \$35 million.
- Debenture of \$1,220 million, an increase of \$163 million which was net impact from a new issuance of \$246 million and reclassification to current portion of \$76 million and gain from foreign exchange translation of \$7 million.
- Derivative liability of \$70 million represented unrealized loss from change in fair value of derivatives at the end of year which comprised of unrealized loss from change in fair value of forward contracts, Cross Currency Swap and Interest rate swap by \$19 million, \$37 million and \$14 million, respectively.

3.3 Shareholders' equity of \$2,400 million, a decrease of \$109 million was due to;

- An increase of \$82 million from net profit of the year
- An increase of \$74 million from non-controlling interests
- A decrease from dividend payment of \$166 million
- A decrease from subsidiaries' foreign exchange translations of \$94 million
- A decrease of \$5 million from change in fair value of available for sales investments, hedged financial instruments and others.

3.4 Net debt-to-equity as of 31 December 2014 reported at 1.17 times for the consolidated financial statement of position (As at 31 December 2013: 1.10 times)

#### 4. Statements of Consolidated Cash Flows for the year ended 31 December 2014 in comparison with the year ended 31 December 2013

Banpu's statement of consolidated cash flows for the year ended 31 December 2014 recorded a decrease in net cash flow of \$55 million (included the effect from exchange rate translation loss of \$6 million). The consolidated cash flows is divided into:





- 4.1 Net cash inflows from operation of \$194 million; with major operating items as follows;
- Collection from coal sale of \$3,113 million
  - Payment to suppliers of \$1,905 million
  - Interest payment of \$111 million
  - Payment of corporate income tax of \$97 million
  - Royalty payment of \$280 million
  - Others of \$526 million
- 4.2 Net cash outflows from investing activities of \$127 million; with major items as follows;
- Payment in machine, equipment and project in progress of \$222 million
  - Payment for investment in other companies and short-term investment of \$35 million
  - Proceeds from disposal of other investment of \$3 million
  - Dividend received from subsidiaries and power business in Thailand of \$93 million
  - Receiving from interest income and others of \$34 million.
- 4.3 Net cash outflows from financing of \$115 million;
- Dividend payment to shareholder of \$166 million
  - Repayment of bank loan, long-term loan and Baht debenture of \$1,195 million
  - Payment for financial charge of \$12 million
  - Proceeds from short-term, long-term loans from banks and Baht debenture issuance of \$1,258 million

## 5. Management Discussion and Analysis

The financial report of 2014 reports a net profit of \$82 million. This marks an increase by 5% from the restated net profit for 2013. The earnings from coal business were affected by weakened global coal price. Nevertheless the power business continuously contributed solid performance and provided significant of the consolidated earning proportion to the company. In addition earnings from non-operation are affected primarily by financial derivatives loss of \$5 million and the reversal of deferred tax due to the Minerals Resource Rent Tax (MRRT) by the Australian government of \$24 million.

During 2014 the unfavorable coal market price has been dragged from oversupply situation throughout the year. The benchmark coal price, based on NEX Index, started with the highest of the year at \$86 per tonne in January but then slid down to lowest of \$62 per tonne at the end of the year. The weak coal market price in 2014 represents the average NEX of \$70 per tonne which was 18% decline compared to the previous year.

Indonesia coal (ITM) operation delivered sale volume of 29 million tonnes, lower by 1% from 2013, with ASP of \$67.26 per tonne declined from \$74.95 per tonne from the previous year or lower 10%. The actively adjusted mine plans to increase the efficiency and reduce cost led to the lower average stripping ratio to be 9.76 times compared to 11.50 times from previous year. Fortunately, the falling of diesel market price became another major cost reduction of the year since diesel price was above \$1 per litre in first 3 quarters and then dropped to \$0.82 per litre in the last quarter. Additionally, cost reduction programme was also emphasized in coal handling and port management to minimize energy cost, streamline coal flows from mines to ports, and improve shipment scheduling to reduce port demurrage. As a result of these, ITM cost of goods sold was effectively reduced by 7% from 2013 to \$44.68 per tonne.

For 4Q/2014, sale volume of ITM was 7.42 million tonnes with ASP of \$63.07 per tonne, (-6% QoQ). Its cost of sale was at \$41.84 per tonne (-11% QoQ).



The smoother operation performance driven Australia coal (CEY) business with strong equity sale volume of 15.5 million tonnes, 14% higher than 2013, resulting from the productivity improvement of Mandalong, Springvale and Airly. ASP of CEY was less affected by the weakened coal price as export tonnage accounted for only 40% of coal sale. Its ASP of A\$68.53 per tonne in 2014 represents only 2% lower than 2013. The unit cost of goods sold in 2014 was A\$49.7 per tonne or 7% decrease from 2013.

In 4Q/2014, the equity sale volume was 3.73 million tonnes (-20% QoQ) because of the Longwall changeover of Mandalong. The ASP and unit cost of goods sold were A\$66.64 per tonne (+2 QoQ) and A\$51.69 per tonne (+16% QoQ) respectively.

For China coal business, Gaohe entered its third year of operation with a significant production growth to 8.6 million tonnes which achieved the highest output record and increased 43% from 2013. The ASP also had an impact from weakened domestic coal price. Equity income from China coal was \$21 million in 2014.

Earnings from power business remained solid as reflected by strong performance at both BLCP and Power in China (BIC). BLCP equity income was \$70 million including FX loss of \$4.2 million. The equity income in 4Q/2014 was tiny at \$2.5 million due to scheduled shutdown as annual maintenance plan. The power plant in China generated a record annual net profit of \$27 million, with winter demand pushed up quarterly net profit to \$7.14 million in 4Q/2014.

EBITDA for 2014 amounted to \$643 million, lower 3% from previous year. EBITDA from coal was \$538 million (lower 6%) and EBITDA from power was \$105 million (higher 11%).

Please be informed accordingly,

Sincerely yours,

**Chanin Vongkusolkrit**  
Chief Executive Officer

Ms. Arisara Sakoongaravek  
Tel. 0 2694 6614



# 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 2014, 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 2014, 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 33 - Litigation c) 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.

Amornrat Pearmpoonvatanasuk

Certified Public Accountant (Thailand) No. 4599

PricewaterhouseCoopers ABAS Ltd.

Bangkok

18 February 2015



## Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

US Dollar'000

	Notes	Consolidated		
		31 December 2014	31 December 2013 Restated	1 January 2013 Restated
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	8	390,974	445,916	744,889
Short-term investments		32,262	12,262	23,160
Trade accounts receivable, net	9	306,627	280,638	318,552
Amounts due from related parties	32	255	191	199
Dividend receivable from a related party	32	217,075	215,835	248,081
Advances to related parties	32	11	-	45
Inventories, net	10	174,682	158,200	203,589
Spare parts and machinery supplies, net		33,420	40,056	51,182
Financial derivative assets due in one year	11	687	1,293	12,179
Short-term loans to other companies		2,399	275	-
Current portion of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	17	58,314	65,760	134,197
Other current assets	12	140,563	145,023	161,636
<b>Total current assets</b>		<b>1,357,269</b>	<b>1,365,449</b>	<b>1,897,709</b>
<b>Non-current assets</b>				
Loans to employees		652	697	459
Interests in joint ventures	13	562,036	552,890	531,099
Other investments, net		17,636	18,204	23,901
Investment property, net	14	2,404	2,406	3,263
Property, plant and equipment, net	15	1,331,282	1,455,779	1,574,446
Deferred income tax assets, net	16	95,286	120,731	117,076
Financial derivative assets	11	384	675	7,603
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	17	794,916	831,220	751,836
Mining property rights, net	18	1,950,451	2,051,015	2,142,739
Projects under development		3,158	2,607	2,506
Goodwill	19	524,120	524,120	524,103
Other non-current assets		260,086	203,171	85,264
<b>Total non-current assets</b>		<b>5,542,411</b>	<b>5,763,515</b>	<b>5,764,295</b>
<b>Total assets</b>		<b>6,899,680</b>	<b>7,128,964</b>	<b>7,662,004</b>

The accompanying notes are an integral part of these financial statements



# Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

US Dollar'000

	Notes	Consolidated		
		31 December 2014	31 December 2013 Restated	1 January 2013 Restated
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short-term loans from financial institutions	20	63,310	151,566	7,955
Trade accounts payable		37,401	70,382	97,592
Current portion of long-term borrowings, net	22	160,196	280,636	265,009
Current portion of debentures, net	23	75,811	67,045	-
Financial derivative liabilities due in one year	11	54,033	40,164	8,405
Accrued overburden and coal transportation costs		164,837	165,607	185,678
Accrued interest expenses		27,482	17,577	12,236
Accrued royalty expenses		12,873	35,623	46,585
Accrued income taxes		13,706	21,343	37,050
Accrued employee benefits	24	76,231	82,919	97,427
Other current liabilities	21	316,178	308,833	307,084
<b>Total current liabilities</b>		<b>1,002,058</b>	<b>1,241,695</b>	<b>1,065,021</b>
<b>Non-current liabilities</b>				
Long-term loans from other company		675	738	861
Long-term borrowings, net	22	1,715,783	1,672,152	1,988,791
Debentures, net	23	1,220,240	1,057,634	905,954
Deferred income tax liabilities, net	16	224,575	245,710	262,204
Employee benefits obligation	24	29,402	24,529	28,005
Deferred unfavourable contract liabilities, net		157,835	221,125	276,349
Financial derivative liabilities	11	70,307	74,083	49,689
Other liabilities		78,806	82,727	88,842
<b>Total non-current liabilities</b>		<b>3,497,623</b>	<b>3,378,698</b>	<b>3,600,695</b>
<b>Total liabilities</b>		<b>4,499,681</b>	<b>4,620,393</b>	<b>4,665,716</b>
<b>Shareholders' equity</b>				
Share capital	25			
Registered share capital				
3,404,904,790 ordinary shares of Baht 1 each				
(2013: 3,540,504,790 ordinary shares of Baht 1 each				
2012: 354,050,479 ordinary shares of Baht 10 each)		100,834	104,850	104,850
Issued and paid-up share capital				
2,581,878,550 ordinary shares of Baht 1 each				
(2013: 2,717,478,550 ordinary shares of Baht 1 each				
2012: 271,747,855 ordinary shares of Baht 10 each)		76,461	80,477	80,477
Premium on share capital	25	149,800	149,800	149,800
<u>Less</u> Treasury stocks	25	-	(133,379)	-
Retained earnings				
Appropriated				
- Legal reserve	26	76,967	74,979	71,894
- Other reserves	27	20,592	152,944	11,931
Unappropriated		1,945,972	1,958,845	2,148,357
Other components of shareholders' equity	28	(213,715)	(115,374)	175,556
<b>Total parent's shareholders' equity</b>		<b>2,056,077</b>	<b>2,168,292</b>	<b>2,638,015</b>
<b>Non-controlling interests</b>		<b>343,922</b>	<b>340,279</b>	<b>358,273</b>
<b>Total shareholders' equity</b>		<b>2,399,999</b>	<b>2,508,571</b>	<b>2,996,288</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,899,680</b>	<b>7,128,964</b>	<b>7,662,004</b>

The accompanying notes are an integral part of these financial statements



## Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

Baht'000

	Notes	Consolidated		
		31 December 2014	31 December 2013 Restated	1 January 2013 Restated
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	8	12,887,669	14,632,112	22,817,155
Short-term investments		1,063,469	402,375	709,415
Trade accounts receivable, net	9	10,107,330	9,208,745	9,757,745
Amounts due from related parties	32	8,421	6,252	6,096
Dividend receivable from a related party	32	7,155,444	7,082,311	7,599,111
Advances to related parties	32	356	-	1,389
Inventories, net	10	5,758,055	5,191,118	6,236,270
Spare parts and machinery supplies, net		1,101,640	1,314,361	1,567,785
Financial derivative assets due in one year	11	22,636	42,430	373,055
Short-term loans to other companies		79,093	9,024	-
Current portion of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	17	1,922,207	2,157,822	4,110,696
Other current assets	12	4,633,391	4,758,727	4,951,169
<b>Total current assets</b>		<b>44,739,711</b>	<b>44,805,277</b>	<b>58,129,886</b>
<b>Non-current assets</b>				
Loans to employees		21,492	22,878	14,070
Interests in joint ventures	13	18,526,397	18,142,301	16,268,430
Other investments, net		581,338	597,345	732,131
Investment property, net	14	79,239	78,949	99,958
Property, plant and equipment, net	15	43,883,057	47,769,341	48,227,800
Deferred income tax assets, net	16	3,140,914	3,961,624	3,586,267
Financial derivative assets	11	12,663	22,150	232,887
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	17	26,202,818	27,275,345	23,029,898
Mining property rights, net	18	64,292,713	67,301,171	65,635,537
Projects under development		104,110	85,530	76,748
Goodwill	19	17,276,579	17,198,275	16,054,122
Other non-current assets		8,573,199	6,666,786	2,611,764
<b>Total non-current assets</b>		<b>182,694,519</b>	<b>189,121,695</b>	<b>176,569,612</b>
<b>Total assets</b>		<b>227,434,230</b>	<b>233,926,972</b>	<b>234,699,498</b>

The accompanying notes are an integral part of these financial statements



# Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

Baht'000

	Notes	Consolidated		
		31 December 2014	31 December 2013 Restated	1 January 2013 Restated
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short-term loans from financial institutions	20	2,086,888	4,973,439	243,669
Trade accounts payable		1,232,849	2,309,491	2,989,390
Current portion of long-term borrowings, net	22	5,280,550	9,208,679	8,117,657
Current portion of debentures, net	23	2,498,942	2,200,000	-
Financial derivative liabilities due in one year	11	1,781,087	1,317,941	257,452
Accrued overburden and coal transportation costs		5,433,532	5,434,173	5,687,609
Accrued interest expenses		905,901	576,773	374,804
Accrued royalty expenses		424,345	1,168,905	1,426,970
Accrued income taxes		451,801	700,353	1,134,905
Accrued employee benefits	24	2,512,799	2,720,877	2,984,334
Other current liabilities	21	10,422,202	10,133,882	9,406,565
<b>Total current liabilities</b>		<b>33,030,896</b>	<b>40,744,513</b>	<b>32,623,355</b>
<b>Non-current liabilities</b>				
Long-term loans from other company		22,249	24,218	26,375
Long-term borrowings, net	22	56,557,369	54,869,336	60,919,846
Debentures, net	23	40,222,786	34,704,764	27,750,830
Deferred income tax liabilities, net	16	7,402,652	8,062,634	8,031,739
Employee benefits obligation	24	969,163	804,874	857,852
Deferred unfavourable contract liabilities, net		5,202,701	7,255,910	8,465,018
Financial derivative liabilities	11	2,317,532	2,430,917	1,522,048
Other liabilities		2,597,723	2,714,584	2,721,343
<b>Total non-current liabilities</b>		<b>115,292,175</b>	<b>110,867,237</b>	<b>110,295,051</b>
<b>Total liabilities</b>		<b>148,323,071</b>	<b>151,611,750</b>	<b>142,918,406</b>
<b>Shareholders' equity</b>				
Share capital	25			
Registered share capital				
3,404,904,790 ordinary shares at par of Baht 1 each				
(2013: 3,540,504,790 ordinary shares at par of Baht 1 each				
2012: 354,050,479 ordinary shares of Baht 10 each)		3,404,905	3,540,505	3,540,505
Issued and paid-up share capital				
2,581,878,550 ordinary shares of Baht 1 each				
(2013: 2,717,478,550 ordinary shares of Baht 1 each				
2012: 271,747,855 ordinary shares of Baht 10 each)		2,581,879	2,717,479	2,717,479
Premium on share capital	25	5,058,329	5,058,329	5,058,329
<u>Less</u> Treasury stocks	25	-	(3,958,569)	-
Retained earnings				
Appropriated				
- Legal reserve	26	2,504,509	2,440,047	2,347,572
- Other reserves	27	629,391	4,558,383	371,409
Unappropriated		64,534,413	64,911,252	70,594,537
Other components of shareholders' equity	28	(7,534,060)	(4,155,976)	(251,027)
<b>Total parent's shareholders' equity</b>		<b>67,774,461</b>	<b>71,570,945</b>	<b>80,838,299</b>
Non-controlling interests		11,336,698	10,744,277	10,942,793
<b>Total shareholders' equity</b>		<b>79,111,159</b>	<b>82,315,222</b>	<b>91,781,092</b>
<b>Total liabilities and shareholders' equity</b>		<b>227,434,230</b>	<b>233,926,972</b>	<b>234,699,498</b>

The accompanying notes are an integral part of these financial statements



## Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

	Notes	Company			
		US Dollar'000		Baht'000	
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	33,939	25,872	1,118,746	848,967
Trade accounts receivable, net	9	19,999	10,292	659,211	337,702
Amounts due from related parties	32	108,622	32,238	3,580,498	1,057,858
Dividend receivables from related parties	32	311,729	426,097	10,275,538	13,981,774
Advances to related parties	32	610	248	20,099	8,152
Inventories, net	10	9,662	6,147	318,476	201,706
Spare parts and machinery supplies, net		1,777	1,808	58,584	59,326
Financial derivative assets due in one year	11	687	-	22,636	-
Short-term loan to a related party	32	3,034	46	100,000	1,500
Other current assets	12	5,770	6,141	190,191	201,505
<b>Total current assets</b>		<b>495,829</b>	<b>508,889</b>	<b>16,343,979</b>	<b>16,698,490</b>
<b>Non-current assets</b>					
Loans to employees		1	1	17	19
Long-term loans to related parties	32	2,299,136	2,304,016	75,786,430	75,603,062
Investments in subsidiaries	13	373,592	369,757	12,314,706	12,133,058
Other investments		12,521	9,137	412,734	299,811
Investment property	14	1,539	1,539	50,721	50,491
Property, plant and equipment, net	15	4,193	5,123	138,222	168,093
Deferred income tax asset	16	10,622	10,934	350,105	358,778
Financial derivative assets	11	355	675	11,718	22,150
Projects under development		332	332	10,951	10,901
Other non-current assets		5,077	6,699	167,373	219,823
<b>Total non-current assets</b>		<b>2,707,368</b>	<b>2,708,213</b>	<b>89,242,977</b>	<b>88,866,186</b>
<b>Total assets</b>		<b>3,203,197</b>	<b>3,217,102</b>	<b>105,586,956</b>	<b>105,564,676</b>

The accompanying notes are an integral part of these financial statements

## Statement of Financial Position

As at 31 December 2014

Banpu Public Company Limited

		Company			
		US Dollar'000		Baht'000	
	Notes	2014	2013	2014	2013
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	20	20,000	118,000	659,260	3,872,005
Trade accounts payable to a subsidiary	32	13,694	6,406	451,393	210,193
Advances from and amounts due to related parties	32	1,542	2	50,835	60
Accrued interest expenses		26,999	17,469	889,956	573,233
Accrued royalty expenses		275	375	9,061	12,304
Short-term loan from a related party	32	3,500	-	115,371	-
Current portion of long-term borrowings, net	22	152,125	208,878	5,014,511	6,854,032
Current portion of debentures, net	23	75,811	67,045	2,498,942	2,200,000
Other current liabilities	21	5,195	6,958	171,228	228,326
<b>Total current liabilities</b>		<b>299,141</b>	<b>425,133</b>	<b>9,860,557</b>	<b>13,950,153</b>
<b>Non-current liabilities</b>					
Long-term borrowings, net	22	997,813	1,059,878	32,890,898	34,778,421
Debentures, net	23	1,220,240	1,057,634	40,222,786	34,704,764
Employee benefits obligation	24	8,851	8,451	291,761	277,292
Financial derivative liabilities	11	51,326	46,385	1,691,872	1,522,061
Other liabilities		111	122	3,696	3,989
<b>Total non-current liabilities</b>		<b>2,278,341</b>	<b>2,172,470</b>	<b>75,101,013</b>	<b>71,286,527</b>
<b>Total liabilities</b>		<b>2,577,482</b>	<b>2,597,603</b>	<b>84,961,570</b>	<b>85,236,680</b>
<b>Shareholders' equity</b>					
Share capital	25				
Registered share capital					
3,404,904,790 ordinary shares of Baht 1 each					
(2013: 3,540,504,790 ordinary shares of Baht 1 each)		100,834	104,850	3,404,905	3,540,505
Issued and paid-up share capital					
2,581,878,550 ordinary shares of Baht 1 each					
(2013: 2,717,478,550 ordinary shares of Baht 1 each)		76,461	80,477	2,581,879	2,717,479
Premium on share capital	25	149,800	149,800	5,058,329	5,058,329
Less Treasury stocks	25	-	(133,379)	-	(3,958,569)
Retained earnings					
Appropriated					
- Legal reserve	26	10,485	10,485	354,051	354,051
- Other reserve	27	-	133,379	-	3,958,569
Unappropriated		388,721	379,033	11,553,184	11,192,257
Other components of shareholders' equity	28	248	(296)	1,077,943	1,005,880
<b>Total shareholders' equity</b>		<b>625,715</b>	<b>619,499</b>	<b>20,625,386</b>	<b>20,327,996</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,203,197</b>	<b>3,217,102</b>	<b>105,586,956</b>	<b>105,564,676</b>

The accompanying notes are an integral part of these financial statements



# Statement of Comprehensive Income

For the year ended 31 December 2014

Banpu Public Company Limited

		Consolidated			
		US Dollar'000		Baht'000	
	Notes	2014	2013 Restated	2014	2013 Restated
Sales and service income		3,144,931	3,350,891	102,121,735	102,943,785
Cost of sales and services		(2,138,732)	(2,301,176)	(69,443,067)	(70,728,152)
<b>Gross profit</b>		<b>1,006,199</b>	<b>1,049,715</b>	<b>32,678,668</b>	<b>32,215,633</b>
Selling expenses		(276,384)	(271,661)	(8,976,252)	(8,330,872)
Administrative expenses		(174,166)	(225,401)	(5,661,662)	(6,933,827)
Royalty fee		(302,774)	(324,978)	(9,829,328)	(9,987,496)
Dividend income from other companies		441	378	14,352	11,460
Interest income		8,573	12,130	278,562	371,288
Net gains (losses) from financial derivatives		(5,039)	27,005	(161,858)	784,463
Management fee and others		35,325	43,174	1,150,550	1,318,693
Net gains (losses) on exchange rate		2,691	(27,036)	90,481	(780,416)
Interest expenses		(120,926)	(116,240)	(3,926,517)	(3,575,432)
Other finance costs		(10,615)	(10,454)	(344,791)	(321,639)
Share of profit from joint ventures	13	86,546	87,382	2,805,475	2,639,220
<b>Profit before income taxes</b>		<b>249,871</b>	<b>244,014</b>	<b>8,117,680</b>	<b>7,411,075</b>
Income taxes	16	(69,667)	(90,119)	(2,260,224)	(2,787,047)
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia	16	(24,232)	-	(777,726)	-
<b>Profit for the year</b>		<b>155,972</b>	<b>153,895</b>	<b>5,079,730</b>	<b>4,624,028</b>
<b>Other comprehensive income (expense), net after taxes:</b>					
Losses on remeasuring on available-for-sale investments		(1,219)	(5,963)	(41,124)	(196,628)
Losses on cash flow hedge reserve		(1,924)	(78,526)	(71,439)	(2,522,615)
Share of other comprehensive income (expense) of a joint venture		(726)	6,999	(28,011)	154,132
Exchange differences on translating financial statements		(94,532)	(198,916)	(2,763,421)	(493,850)
<b>Other comprehensive expense for the year, net of taxes</b>		<b>(98,401)</b>	<b>(276,406)</b>	<b>(2,903,995)</b>	<b>(3,058,961)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>57,571</b>	<b>(122,511)</b>	<b>2,175,735</b>	<b>1,565,067</b>
<b>Attributable to:</b>					
Owners of the parent		82,246	78,025	2,679,632	2,324,843
Non-controlling interests		73,726	75,870	2,400,098	2,299,185
		<b>155,972</b>	<b>153,895</b>	<b>5,079,730</b>	<b>4,624,028</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		(16,095)	(198,683)	(698,452)	(1,117,754)
Non-controlling interests		73,666	76,172	2,874,187	2,682,821
		<b>57,571</b>	<b>(122,511)</b>	<b>2,175,735</b>	<b>1,565,067</b>
		US Dollar		Baht	
		2014	2013 Restated	2014	2013 Restated
<b>Earnings per share</b>					
Basic earnings per share	30	0.032	0.030	1.038	0.900
Diluted earnings per share	30	0.032	0.030	1.038	0.900

The accompanying notes are an integral part of these financial statements

# Statement of Comprehensive Income

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Company			
		US Dollar'000		Baht'000	
		2014	2013	2014	2013
Sales		71,672	52,116	2,329,614	1,599,010
Cost of sales		(66,542)	(48,486)	(2,162,928)	(1,488,060)
<b>Gross profit</b>		<b>5,130</b>	<b>3,630</b>	<b>166,686</b>	<b>110,950</b>
Selling expenses		(1,707)	(2,808)	(55,433)	(86,167)
Administrative expenses		(39,489)	(52,097)	(1,282,395)	(1,601,301)
Royalty fee		(18)	(61)	(579)	(1,932)
Dividend income from subsidiaries	32	105,128	214,954	3,433,674	6,423,468
Dividend income from other companies		207	183	6,726	5,473
Interest income		88,796	75,492	2,884,088	2,321,246
Net gains (losses) from financial derivatives		(4,324)	2,969	(144,270)	66,179
Management fee and others		28,481	37,657	924,941	1,151,497
Net gains on exchange rate		12,001	32,173	391,191	1,009,779
Interest expenses		(89,394)	(88,213)	(2,902,946)	(2,714,668)
Other finance costs		(2,844)	(3,476)	(92,377)	(106,861)
<b>Profit before income taxes</b>		<b>101,967</b>	<b>220,403</b>	<b>3,329,306</b>	<b>6,577,663</b>
Income taxes	16	(175)	(6,277)	(5,947)	(202,704)
<b>Profit for the year</b>		<b>101,792</b>	<b>214,126</b>	<b>3,323,359</b>	<b>6,374,959</b>
<b>Other comprehensive income (expense), net after taxes:</b>					
Gains (losses) on remeasuring on available-for-sale investments		544	(2,052)	17,839	(63,457)
Exchange differences on translating financial statements		-	-	54,224	1,356,940
<b>Other comprehensive income (expense) for the year, net of taxes</b>		<b>544</b>	<b>(2,052)</b>	<b>72,063</b>	<b>1,293,483</b>
<b>Total comprehensive income for the year</b>		<b>102,336</b>	<b>212,074</b>	<b>3,395,422</b>	<b>7,668,442</b>
		US Dollar		Baht	
		2014	2013	2014	2013
<b>Earnings per share</b>					
Basic earnings per share	30	0.039	0.083	1.287	2.469
Diluted earnings per share	30	0.039	0.083	1.287	2.469

The accompanying notes are an integral part of these financial statements



# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

US Dollar'000

## Consolidated

Attributable to owners of the parent														
Other components of shareholders' equity														
Other comprehensive income (expense)														
Notes	Retained earnings					Surplus (discount) on dilution of investments in subsidiaries	Fair value reserve of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income (expense) of joint ventures	Translating financial statements	Total other components of shareholders' equity	Non-controlling interests	Total share-holders' equity	
	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserves									Un-appropriated
Opening balance as at 1 January 2014														
	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
3	-	-	-	-	-	(60,741)	-	-	-	-	-	-	(22,884)	(83,625)
Balance after adjusted														
26	80,477 (4,016)	149,800 -	(133,379) 133,379	74,979 -	152,944 (133,379)	1,958,845 4,016	148,501 -	(6,410) -	(53,718) -	(27,249) -	(176,498) -	(115,374) -	340,279 -	2,508,571 -
27	-	-	-	1,988	-	(1,988)	-	-	-	-	-	-	-	-
28	-	-	-	-	1,027	(1,027)	-	-	-	-	-	-	-	-
31	-	-	-	-	-	(96,120)	-	-	-	-	-	-	(70,023)	(96,120) (70,023)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid of a subsidiary (expense) for the year	-	-	-	-	-	82,246	-	(1,219)	(1,924)	(726)	(94,472)	(98,341)	73,666	57,571
Total comprehensive income														
Closing balance as at 31 December 2014														
	76,461	149,800	-	76,967	20,592	1,945,972	148,501	(7,629)	(55,642)	(27,975)	(270,970)	(213,715)	343,922	2,399,999

The accompanying notes are an integral part of these financial statements



# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

US Dollar'000

Consolidated													
Attributable to owners of the parent													
Other components of shareholders' equity													
Other comprehensive income (expense)													
Notes	Retained earnings			Surplus (discount) on dilution of investments in subsidiaries	Fair value reserve of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income (expense) of joint ventures	Transla -ting financial state-ments	Total other components of shareholders' equity	Non- controlling interests	Total share- holders' equity		
	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks									Legal reserve	Other reserves
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
3	-	-	-	-	(36,111)	-	-	-	-	-	-	(13,958)	(50,069)
Balance after adjusted	80,477	149,800	-	71,894	11,931	162,722	(447)	24,808	(34,248)	22,721	175,556	358,273	2,996,288
Treasury stocks	25	-	(133,379)	-	-	-	-	-	-	-	-	-	(133,379)
Treasury stocks reserve	25	-	-	133,379	(133,379)	-	-	-	-	-	-	-	-
Legal reserve	26	-	-	3,085	(3,085)	-	-	-	-	-	-	-	-
Other reserves	27	-	-	-	(7,634)	-	-	-	-	-	-	-	-
Dividend paid	31	-	-	-	(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)
Total comprehensive income (expense) for the year	-	-	-	-	78,025	-	(5,963)	(78,526)	6,999	(199,219)	(276,709)	76,173	(122,511)
Closing balance as at 31 December 2013	80,477	149,800	(133,379)	74,979	152,944	148,501	(6,410)	(53,718)	(27,249)	(176,498)	(115,374)	340,279	2,508,571

The accompanying notes are an integral part of these financial statements



# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

Baht'000

## Consolidated

Attributable to owners of the parent

Other components of shareholders' equity

Other comprehensive income (expense)

Retained earnings

Surplus (discount)

on dilution of

investments in

subsidiaries

Fair value

reserve of

available-for-sale

investments

Cash flow

hedge reserve

Share of other

comprehensive income

(expenditure) of joint

ventures

Translating

financial statements

Total other components of

shareholders' equity

Total share-

holders' equity

Notes Issued and paid-up share capital Premium on share capital Treasury stocks Legal reserve Other reserves appropriated Un-

### Opening balance as at 1 January 2014

Effects of a change in accounting policies 3

### Balance after adjusted

Decrease of share capital

Legal reserve

Other reserves

Dividend paid

Dividend paid of a subsidiary

Total comprehensive income

(expense) for the year

### Closing balance as at 31 December 2014

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
-	-	-	-	-	(2,012,768)	-	-	-	-	27,083	27,083	(758,324)	(2,744,009)
2,717,479	5,058,329	(3,958,569)	2,440,047	4,558,383	64,911,252	5,539,012	(210,320)	(1,762,707)	(894,138)	(6,827,823)	(4,155,976)	10,744,277	82,315,222
(135,600)	-	3,958,569	-	(3,958,569)	135,600	-	-	-	-	-	-	-	-
-	-	-	64,462	-	(64,462)	-	-	-	-	-	-	-	-
-	-	-	-	29,577	(29,577)	-	-	-	-	-	-	-	-
-	-	-	-	-	(3,098,032)	-	-	-	-	-	-	(2,281,766)	(3,098,032)
-	-	-	-	-	-	-	-	-	-	-	-	(2,281,766)	(2,281,766)
-	-	-	-	-	2,679,632	-	(41,124)	(71,439)	(28,011)	(3,237,510)	(3,378,084)	2,874,187	2,175,735
2,581,879	5,058,329	-	2,504,509	629,391	64,534,413	5,539,012	(251,444)	(1,834,146)	(922,149)	(10,065,333)	(7,534,060)	11,336,698	79,111,159

The accompanying notes are an integral part of these financial statements

# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

Baht'000

Consolidated													
Attributable to owners of the parent													
	Notes	Retained earnings					Surplus (discount) on dilution of investments in subsidiaries	Other components of shareholders' equity					
		Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserves		Un-appropriated	Fair value of reserve of available-for-sale investments	Cash flow hedge reserve	Share of other comprehensive income (expense) of joint ventures	Translating financial statements	Total other components of shareholders' equity
<b>Opening balance as at 1 January 2013</b>		2,717,479	5,058,329	-	2,347,572	371,409	71,781,151	(13,692)	759,908	(1,048,270)	(6,061,903)	93,314,808	
Effects of a change in accounting policies	3	-	-	-	-	-	(1,186,614)	-	-	-	111,566	(1,533,716)	
<b>Balance after adjusted</b>		2,717,479	5,058,329	-	2,347,572	371,409	70,594,537	(13,692)	759,908	(1,048,270)	(5,950,337)	91,781,092	
Treasury stocks	26	-	-	(3,958,569)	-	-	-	-	-	-	-	(3,958,569)	
Treasury stocks reserve	26	-	-	-	-	3,958,569	(3,958,569)	-	-	-	-	-	
Legal reserve	27	-	-	-	92,475	-	(92,475)	-	-	-	-	-	
Other reserves	28	-	-	-	-	228,405	(228,405)	-	-	-	-	-	
Dividend paid	32	-	-	-	-	-	(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)	
Total comprehensive income (expense) for the year		-	-	-	-	-	2,324,843	(196,628)	(2,522,615)	154,132	(877,486)	1,565,067	
<b>Closing balance as at 31 December 2013</b>		2,717,479	5,058,329	(3,958,569)	2,440,047	4,558,383	64,911,252	(210,320)	(1,762,707)	(894,138)	(6,827,823)	82,315,222	

The accompanying notes are an integral part of these financial statements



# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

US Dollar'000

## Company

Attributable to owners of the parent

Other components of shareholders' equity

Other comprehensive income (expense)

Retained earnings

Legal reserve

Other reserve

Unappropriated

of shareholders' equity

Fair value reserve available for-sale investments

Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Legal reserve	Other reserve	Unappropriated	Fair value reserve available for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
<b>Opening balance as at 1 January 2014</b>	80,477	149,800	(133,379)	10,485	133,379	379,033	(296)	(296)	619,499
25 Decrease of share capital	(4,016)	-	133,379	-	(133,379)	4,016	-	-	-
31 Dividend paid	-	-	-	-	-	(96,120)	-	-	(96,120)
Total comprehensive income for the year	-	-	-	-	-	101,792	544	544	102,336
<b>Closing balance as at 31 December 2014</b>	76,461	149,800	-	10,485	-	388,721	248	248	625,715
<b>Opening balance as at 1 January 2013</b>	80,477	149,800	-	10,485	-	421,725	1,756	1,756	664,243
25 Treasury stocks	-	-	(133,379)	-	-	-	-	-	(133,379)
25 Treasury stocks reserve	-	-	-	-	133,379	(133,379)	-	-	-
31 Dividend paid	-	-	-	-	-	(123,439)	-	-	(123,439)
Total comprehensive income (expense) for the year	-	-	-	-	-	214,126	(2,052)	(2,052)	212,074
<b>Closing balance as at 31 December 2013</b>	80,477	149,800	(133,379)	10,485	133,379	379,033	(296)	(296)	619,499

The accompanying notes are an integral part of these financial statements

# Statement of Changes in Shareholders' Equity

Banpu Public Company Limited

For the year ended 31 December 2014

Baht'000

Company										
Attributable to owners of the parent										
Other components of shareholders' equity										
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Treasury stocks	Retained earnings			Fair value reserve of available for-sale investments	Translating financial statements	Total other components of shareholders' equity	Total shareholders' equity
				Legal reserve	Other reserve	Unappropriated				
<b>Opening balance as at 1 January 2014</b>										
25	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
Decrease of share capital	(135,600)	-	3,958,569	-	(3,958,569)	135,600	-	-	-	-
Dividend paid	-	-	-	-	-	(3,098,032)	-	-	-	(3,098,032)
Total comprehensive income for the year										
	-	-	-	-	-	3,323,359	17,839	54,224	72,063	3,395,422
Closing balance as at 31 December 2014										
	2,581,879	5,058,329	-	354,051	-	11,553,184	8,175	1,069,768	1,077,943	20,625,386
<b>Opening balance as at 1 January 2013</b>										
Treasury stocks	2,717,479	5,058,329	-	354,051	-	12,504,546	53,793	(341,396)	(287,603)	20,346,802
25	-	-	(3,958,569)	-	-	-	-	-	-	(3,958,569)
Treasury stocks reserve	-	-	-	-	3,958,569	(3,958,569)	-	-	-	-
25	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(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
<b>Closing balance as at 31 December 2013</b>										
	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

The accompanying notes are an integral part of these financial statements





# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Consolidated			
		US Dollar'000		Baht'000	
		2014	2013 Restated	2014	2013 Restated
Cash flows from operating activities					
Profit for the year before income taxes		249,871	244,014	8,117,680	7,411,075
Adjustment to reconcile profit for cash receipts (payments) from operations					
- Depreciation and amortisation		220,604	226,117	7,165,174	6,947,680
- Write-off property, plant and equipment	15	2,281	6,937	74,157	213,187
- Allowance for impairment of property, plant and equipment	15	12	-	390	-
- Write-off investment property	14	-	767	-	23,589
- Allowance for impairment of investment property	14	-	19	-	599
- Write-off investment in other company		431	-	14,007	-
- Reversal of dividend payables		-	(725)	-	(22,271)
- (Reversal) Allowance for doubtful debts		747	(1,081)	24,262	(33,199)
- (Reversal) Allowance for net realisable value of coal		(11)	11	(357)	328
- (Reversal) Allowance for slow-moving of spare parts and machinery supplies		527	(108)	17,117	(3,321)
- Interest expenses		120,926	116,240	3,926,517	3,575,432
- Other finance costs		10,615	10,454	344,791	321,639
- Interest income		(8,573)	(12,130)	(278,562)	(371,288)
- Share of profit from joint ventures		(86,546)	(87,382)	(2,805,475)	(2,639,220)
- Dividend income from other companies		(441)	(378)	(14,352)	(11,460)
- Gains on disposal of investment property		-	(4)	-	(123)
- (Gains) losses on disposal of property, plant and equipment		(476)	-	(15,460)	8
- Gains on disposal of other companies		-	(3,665)	-	(112,598)
- Net unrealised losses from financial derivatives		10,990	73,967	356,953	2,272,710
- Net unrealised gains on exchange rate		(26,904)	(195,154)	(893,176)	(5,176,050)
Cash flow before changes in working capital		494,053	377,899	16,033,666	12,396,717
Changes in working capital					
- Trade accounts receivable		(31,879)	38,994	(1,035,424)	1,198,131
- Amounts due from related parties		(64)	8	(2,079)	260
- Advances to related parties		(11)	45	(357)	1,393
- Inventories		(19,589)	40,068	(636,247)	1,231,146
- Spare parts and machinery supplies		5,141	(4,907)	166,979	(150,783)
- Other current assets		5,117	13,829	166,199	424,916
- Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs		43,750	(10,930)	1,420,991	(335,853)
- Loans to employees		45	(238)	1,462	(7,309)
- Other non-current assets		(54,485)	(102,513)	(1,769,662)	(3,149,816)
- Trade accounts payable		(17,882)	(34,638)	(580,804)	(1,064,285)
- Accrued overburden and coal transportation costs		(770)	(20,070)	(25,009)	(616,685)
- Accrued royalty expenses		(22,750)	(10,962)	(738,915)	(336,829)
- Employee benefits obligation		(1,815)	(17,984)	(58,951)	(552,585)
- Other current liabilities		7,345	2,470	238,564	75,884
- Other liabilities		(3,921)	(6,114)	(127,353)	(187,848)
Cash generated from operating activities		402,285	264,957	13,053,060	8,926,454

The accompanying notes are an integral part of these financial statements



# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Consolidated			
		US Dollar'000		Baht'000	
		2014	2013 Restated	2014	2013 Restated
Cash generated from operating activities		402,285	264,957	13,053,060	8,926,454
- Interest paid		(111,021)	(110,899)	(3,605,940)	(3,407,484)
- Income tax paid		(97,484)	(126,994)	(3,166,261)	(3,902,012)
Net cash receipts from operating activities		193,780	27,064	6,280,859	1,616,958
Cash flows from investing activities					
Cash receipts (payment) from short-term investments from financial institutions, net		(20,000)	10,898	(649,596)	334,825
Cash payments from short-term loan to other company		(2,124)	(275)	(68,987)	(8,450)
Cash receipts from disposal of other investments		2,767	7,381	89,870	226,805
Cash payments for purchase of other investments		(6,158)	(8,037)	(200,011)	(246,932)
Cash payments for additional of interest in a joint venture	13	(6,713)	-	(218,037)	-
Cash payments for projects under development		(47)	(101)	(1,527)	(3,104)
Cash payments for purchase of property, plant and equipment		(214,729)	(208,625)	(6,974,355)	(6,410,226)
Cash receipts from disposal of investment property		-	41	-	1,246
Cash payments for finance lease		(7,349)	(8,041)	(238,694)	(247,061)
Cash receipts from disposal of property, plant and equipment		24,636	5,236	800,172	160,880
Interest received		8,523	13,016	276,825	399,933
Cash receipts from dividends from joint ventures		93,084	103,591	3,023,350	3,182,945
Cash receipts from dividends from other companies		441	378	14,324	11,625
Net cash payments from investing activities		(127,669)	(84,538)	(4,146,666)	(2,597,514)
Cash flows from financing activities					
Cash receipts from short-term loans from financial institutions		277,123	318,144	9,000,900	9,775,293
Repayments of short-term loans from financial institutions		(362,831)	(174,836)	(11,784,678)	(5,372,012)
Cash receipts from long-term loans from financial institutions	22	734,347	397,295	23,851,442	12,207,297
Repayments of long-term loans from financial institutions	22	(763,669)	(691,265)	(24,803,815)	(21,239,805)
Cash payments for finance costs		(11,420)	(7,509)	(370,919)	(230,721)
Cash receipts from debentures	23	246,070	292,727	7,992,298	8,994,342
Repayments of debentures	23	(68,074)	(5,160)	(2,211,042)	(158,547)
Cash payments for treasury stocks	25	-	(133,379)	-	(3,958,569)
Dividend paid to shareholders	31	(96,120)	(123,439)	(3,098,032)	(3,728,679)
Dividend paid to non-controlling interests		(70,023)	(94,167)	(2,274,333)	(2,881,337)
Net cash payments from financing activities		(114,597)	(221,589)	(3,698,179)	(6,592,738)

The accompanying notes are an integral part of these financial statements



# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Consolidated			
		US Dollar'000		Baht'000	
		2014	2013 Restated	2014	2013 Restated
Net decrease in cash and cash equivalents		(48,486)	(279,063)	(1,563,986)	(7,573,294)
Exchange losses on cash and cash equivalents		(6,456)	(19,910)	(180,457)	(611,749)
Cash and cash equivalents at beginning of the year		445,916	744,889	14,632,112	22,817,155
Cash and cash equivalents at end of the year		390,974	445,916	12,887,669	14,632,112
<b>Non-cash transactions</b>					
Significant non-cash transactions as at 31 December are as follow:					
Other accounts payable and finance lease for purchase of property, plant and equipment		18,896	33,977	622,864	1,114,902
Increase in interest in a joint venture convert from dividend receivable	13	17,470	-	575,864	-

The accompanying notes are an integral part of these financial statements

# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Company			
		US Dollar'000		Baht'000	
		2014	2013	2014	2013
Cash flows from operating activities					
Profit for the year before income taxes		101,967	220,403	3,329,306	6,577,663
Adjustment to reconcile profit for					
cash receipts (payments) from operations					
- Depreciation and amortisation		1,999	2,015	64,916	61,913
- Write-off property, plant and equipment	15	12	150	361	4,617
- Write-off investment property	14	-	767	-	23,589
- Reversal of dividend payables		-	(725)	-	(22,271)
- Allowance for doubtful debts		-	(33)	-	(1,005)
- Interest expenses		89,394	88,213	2,902,946	2,714,668
- Other finance costs		2,844	3,476	92,377	106,861
- Interest income		(88,796)	(75,492)	(2,884,088)	(2,321,246)
- Dividend income from a subsidiary		(105,128)	(214,954)	(3,433,674)	(6,423,468)
- Dividend income from other companies		(207)	(183)	(6,726)	(5,473)
- (Gains) losses on disposal of property, plant and equipment		49	(1,917)	1,585	(58,902)
- Gains on disposal of other companies		-	(2,601)	-	(79,918)
- Net unrealised (gains) losses from financial derivatives		4,574	(126)	148,567	(3,871)
- Net unrealised gains on exchange rate		(8,547)	(10,676)	(295,679)	(633,352)
Cash flow before changes in working capital		(1,839)	8,317	(80,109)	(60,195)
Changes in working capital					
- Trade accounts receivable		(9,707)	3,944	(315,281)	121,194
- Amounts due from related parties		11,212	(1,980)	364,155	(60,837)
- Advances to related parties		(361)	(392)	(11,735)	(12,045)
- Inventories		(3,515)	1,977	(114,153)	60,751
- Spare parts and machinery supplies		31	-	997	-
- Other current assets		1,014	2,564	32,948	78,781
- Other non-current assets		995	(171)	32,323	(5,254)
- Trade accounts payable to a subsidiary		7,288	2,743	236,722	84,271
- Advances from and amounts due to related parties		1,459	671	47,390	20,617
- Accrued royalty expenses		(100)	(56)	(3,251)	(1,721)
- Employee benefits obligation		401	28	13,014	860
- Other current liabilities		(1,768)	(2,214)	(57,388)	(68,027)
- Other liabilities		(11)	(25)	(306)	(768)
Cash generated from operating activities		5,099	15,406	145,326	157,627
- Interest paid		(79,742)	(80,994)	(2,590,007)	(2,488,622)
Net cash payments from operating activities		(74,643)	(65,588)	(2,444,681)	(2,330,995)

The accompanying notes are an integral part of these financial statements



# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Company			
		US Dollar'000		Baht'000	
		2014	2013	2014	2013
Cash flows from investing activities					
Cash receipts from short-term loans to related parties		2,421	-	78,632	-
Cash payments for short-term loans to related parties		(5,438)	-	(176,613)	-
Cash receipts from long-term loans to related parties	32	49,186	128,640	1,597,547	3,952,593
Cash payments for long-term loans to related parties	32	(44,388)	(80,095)	(1,441,718)	(2,460,999)
Cash payments for increase of investments in subsidiaries	13	(3,835)	-	(124,553)	-
Cash receipts from disposal of investment in other investments		2,767	4,104	89,870	126,094
Cash payments for purchase of other investments		(6,158)	(2,752)	(200,011)	(84,558)
Cash payments for projects under development		-	(4)	-	(119)
Cash payment for purchases of property, plant and equipment		(520)	(1,023)	(16,894)	(31,433)
Cash receipts from disposal of property, plant and equipment		17	80	554	2,458
Interest received		1,164	73,836	37,803	2,268,685
Cash receipts from dividends from a subsidiary		221,838	87,270	7,205,251	2,864,656
Cash receipts from dividends from other companies		207	183	6,732	5,623
Net cash receipts from investing activities		217,261	210,239	7,056,600	6,643,000
Cash flows from financing activities					
Cash receipts from short-term loans from financial institutions		231,000	266,000	7,502,834	8,173,116
Repayments of short-term loans from financial institutions		(329,000)	(148,000)	(10,685,854)	(4,547,448)
Cash receipts from short-term loan from a subsidiary		7,000	-	227,359	-
Repayments of short-term loan from a subsidiary		(3,500)	-	(113,679)	-
Cash receipts from loan from a subsidiary		-	(21,800)	-	(669,827)
Cash receipts from long-term loans from financial institutions	22	90,000	100,000	2,923,182	3,072,600
Repayments of long-term loans from financial institutions	22	(208,878)	(494,476)	(6,784,308)	(15,193,255)
Cash payments for financial costs		(2,940)	(2,765)	(95,487)	(84,957)
Cash receipts from debentures	23	246,070	292,727	7,992,298	8,994,342
Repayments of debentures	23	(68,074)	(5,160)	(2,211,042)	(158,547)
Cash payments for treasury stocks	25	-	(133,379)	-	(3,958,569)
Dividend paid to shareholders	31	(96,120)	(123,439)	(3,098,032)	(3,728,679)
Net cash payments from financing activities		(134,442)	(270,292)	(4,342,729)	(8,101,224)
Net increase (decrease) in cash and cash equivalents		8,176	(125,641)	269,190	(3,789,219)
Exchange gains (losses) on cash and cash equivalents		(109)	(1,336)	589	(43,829)
Cash and cash equivalents at beginning of the year		25,872	152,849	848,967	4,682,015
Cash and cash equivalents at end of the year		33,939	25,872	1,118,746	848,967

The accompanying notes are an integral part of these financial statements



# Statement of Cash Flows

For the year ended 31 December 2014

Banpu Public Company Limited

	Notes	Company			
		US Dollar'000		Baht'000	
		2014	2013	2014	2013
<b>Non cash transactions</b>					
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 from related parties decreased		-	(23,223)	-	(762,045)
- Loan to related parties increased		-	(212,357)	-	(6,968,184)

The accompanying notes are an integral part of these financial statements



# Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2014

## 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 18 February 2015.

## 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.

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 2012) “The Effects of Changes in Foreign Exchange Rates”. 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 2.4 (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 judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment 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 statements 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 2014 as described in Note 2.2.1 and 3.

## 2.2 New financial reporting standards, revised accounting standards, and interpretations (collectively “the accounting standards”)

2.2.1 The accounting standards which are effective for the periods beginning on or after 1 January 2014 and adopted by the Group:

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
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
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





Commencing 1 January 2014, 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 adoption of TFRIC 4 “Determining whether an arrangement contains a lease” (information of accounting policy for determining whether an arrangement contains a lease is described in Note 2.15). The adoption of this interpretation has resulted in accounting records for certain contractual arrangements on power purchase agreements with the Electricity Generating Authority of Thailand. The Group has retrospectively applied this interpretation and the impact of the changes on the consolidated statement of financial position as at 31 December 2013 and 1 January 2013 and the consolidated statements of comprehensive income for the year ended 31 December 2013 are presented in Note 3.

## 2.2.2 The accounting standards which are effective for the periods beginning on or after 1 January 2015

### 1) The new and revised accounting standards with significant changes

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

The Group’s management is in the process of assessing the impacts of those accounting standards. Significant changes in those new and revised accounting standards are summarised as below.

- (a) TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in “other comprehensive income” (“OCI”) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The revised accounting standard does not address which items are presented in OCI.



- (b) TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.
- (c) TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed “remeasurements” and will be recognised immediately in “other comprehensive income” (“OCI”). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment. Unvested benefits will no longer be spread over a future-service period.
- (d) TAS 27 (revised 2014), the amendments are to change its name from “Consolidated and separate financial statements” to “Separate financial statements” and to specify the accounting treatment and disclosure of information for investments in subsidiaries, interests in joint ventures and investment in associates whenever the entity prepares the separate financial statements.
- (e) TAS 28 (revised 2014), the amendment is to change its name from “Investments in associates” to “Investments in associates and joint ventures” and to specify the accounting treatment for investments in associates and joint ventures. In addition the revised accounting standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
- (f) TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.
- (g) TFRS 10 defined the principles of control which shall replace the principles of control and consolidation under TAS 27 (revised 2009) “Consolidated and separate financial statements”. This accounting standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns.



- (h) TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting.
- (i) TFRS 12 requires entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- (j) TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs.
- (k) TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

The Group has not early adopted the aforementioned accounting standards, except TFRIC 20 "Stripping costs in the production phase of a surface mine". The interpretation determines the accounting for recognising stripping costs in the production phase of a surface mine. Commencing 1 January 2014, the Group has applied such interpretation which resulted in two key changes. Firstly, the initial recognition of the deferred overburden expenditures/stripping costs and subsequent amortisation is determined by reference to components of the ore body rather than by reference to the entire operation. Secondly, the amortisation of the deferred overburden expenditures/stripping costs shall be calculated using the units of production method, rather than the average life of mine stripping ratio. The Group has retrospectively applied this interpretation and the impact of the changes to the consolidated statement of financial position as at 31 December 2013 and 1 January 2013 and the consolidated statements of comprehensive income for the year ended 31 December 2013 are presented in Note 3.



2) The revised accounting standards with minor changes are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers



### 2.2.3 The accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 (revised 2014)

Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

## 2.3 Group accounting – Investments in subsidiaries and associates and interests in joint ventures

### 2.3.1 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.

Intercompany transactions, balances and unrealised gains or losses 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 is shown in Note 13.



### 2.3.2 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.

### 2.3.3 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.

In the Company's separate financial statements, investments in associates and interests in joint ventures are accounted for using the cost method.

### 2.3.4 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.



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

## 2.4 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 difference 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 2.4 (c).

## 2.5 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.





## 2.6 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.

## 2.7 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.

## 2.8 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.

## 2.9 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.

## 2.10 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.

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.

## 2.11 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.



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.

Land is not depreciated. 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. All other borrowing costs except for the listed above are expensed in the profit or loss.

## 2.12 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.



## 2.13 Other non-current assets

### 2.13.1 Computer software

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 5 years.

### 2.13.2 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.

### 2.13.3 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.

### 2.13.4 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; and
- 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.

#### 2.13.5 Stripping costs/Overburden costs

The Group recognises the production stripping costs as assets if, and only if, all of the following are met:

- a) It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- b) The entity can identify component of the ore body for which access has been improved; and
- c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred overburden expenditures/stripping costs shall be initially measured at cost and subsequently stated at cost less accumulated amortisation. Amortisation is calculated using the units of production method.

### 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

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements (e.g. for services and the cost of inputs) on the basis of their relative fair values. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

#### Leases - where a Group is the lessee

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



Long-term leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### Leases - where a Group company is the lessor

Leases in which a significant portion of risks and rewards of ownership are retained by the lessee are classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income (interest income from finance leases) is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The recognition follows accounting policy in Note 2.21.

Leases in which a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term. The recognition follows accounting policy in Note 2.21.

## 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 under finance and operating lease agreements related to power purchase agreements, which comprises servicing income and fuel cost received from leases with respect to the leased assets, is recognised when the services have been rendered.

Contingent rents are recognised in the income statement in the period in which they are incurred. Contingent rent is that portion of lease payments that is not fixed in amount but varies based on a future factor, such as the amount of use or production.

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 the aforementioned accounting standards. Impact of the adoption of TFRIC 4 "Determining whether an arrangement contains a lease" and TFRIC 20 "Stripping costs in the production phase of a surface mine" on the consolidated financial statements are as follows:

	US Dollar'000		
	Before adjustments	Retrospective adjustments	After adjustments
<b>Consolidated statement of financial position as at 1 January 2013</b>			
Inventories, net	203,589	-	203,589
Interests in joint ventures	541,288	(10,189)	531,099
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	925,913	(39,880)	886,033
Retained earnings	2,184,468	(36,111)	2,148,357
Non-controlling interests	372,231	(13,958)	358,273
<b>Consolidated statement of financial position as at 31 December 2013</b>			
Inventories, net	160,632	(2,432)	158,200
Interests in joint ventures	571,130	(18,240)	552,890
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	959,933	(62,953)	896,980
Retained earnings	2,019,586	(60,741)	1,958,845
Non-controlling interests	363,163	(22,884)	340,279
<b>Consolidated statement of comprehensive income for the year ended 31 December 2013</b>			
Cost of sales	(2,275,671)	(25,505)	(2,301,176)
Share of profit from joint ventures	95,433	(8,051)	87,382
Profit for the year	187,451	(33,556)	153,895
<b>Attributable to</b>			
Owners of the parent	102,655	(24,630)	78,025
Non-controlling interests	84,796	(8,926)	75,870
	<u>187,451</u>	<u>(33,556)</u>	<u>153,895</u>
Basic earnings per share (US Dollar)	0.040	(0.010)	0.030
Diluted earnings per share (US Dollar)	0.040	(0.010)	0.030



	Baht'000		
	Before adjustments	Retrospective adjustments	After adjustments
<b>Consolidated statement of financial position as at 1 January 2013</b>			
Inventories, net	6,236,270	-	6,236,270
Interests in joint ventures	16,580,528	(312,098)	16,268,430
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	28,362,212	(1,221,618)	27,140,594
Retained earnings	71,781,151	(1,186,614)	70,594,537
Other components of shareholders' equity	(362,593)	111,566	(251,027)
Non-controlling interests	11,401,461	(458,668)	10,942,793
<b>Consolidated statement of financial position as at 31 December 2013</b>			
Inventories, net	5,270,901	(79,783)	5,191,118
Interests in joint ventures	18,740,846	(598,545)	18,142,301
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	31,498,848	(2,065,681)	29,433,167
Retained earnings	66,924,020	(2,012,768)	64,911,252
Other components of shareholders' equity	(4,183,059)	27,083	(4,155,976)
Non-controlling interests	11,502,601	(758,324)	10,744,277
<b>Consolidated statement of comprehensive income for the year ended 31 December 2013</b>			
Cost of sales	(69,871,980)	(856,172)	(70,728,152)
Share of profit from joint ventures	2,908,858	(269,638)	2,639,220
Profit for the period	5,749,838	(1,125,810)	4,624,028
<b>Other comprehensive expense, net after taxes:</b>			
Exchange differences on translating financial statements	(409,367)	(84,483)	(493,850)
<b>Attributable to</b>			
Owners of the parent	3,150,997	(826,154)	2,324,843
Non-controlling interests	2,598,841	(299,656)	2,299,185
	<u>5,749,838</u>	<u>(1,125,810)</u>	<u>4,624,028</u>
Basic earnings per share (Baht)	1.220	(0.320)	0.900
Diluted earnings per share (Baht)	1.220	(0.320)	0.900



## 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 fair value less cost to sell 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 Segment information

	Coal				Power			Eliminated entries	Total	Total	Consolidated US Dollar'000
	Republic of Indonesia		People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic					
	Thailand		Australia				Head Office				
For the year ended 31 December 2014											
Quantity of coal sales (unit : thousand tons)	2,839	28,986	15,281	-	-	-	-	-	47,106	-	47,106
Sales	209,256 (192,532)	1,961,773 (1,294,135)	956,769 (692,389)	-	-	168,094 (113,350)	-	18,776 (17,865)	3,314,668 (2,310,271)	(169,737) 171,539	3,144,931 (2,138,732)
Cost of sales											
Gross profit	16,724	667,638	264,380	-	-	54,744	-	911	1,004,397	1,802	1,006,199
Gross profit margin (%)	8%	34%	28%			33%		5%	30%		32%
Interest in joint ventures	-	-	-	20,793	70,107	-	(3,510)	(844)	86,546	-	86,546
Selling expenses	(1,847)	(138,896)	(132,552)	-	-	-	-	(3,354)	(276,649)	265	(276,384)
Administrative expenses	-	(25,169)	(24,441)	(13,384)	(2,199)	(19,477)	-	(48,127)	(132,797)	9,277	(123,520)
Royalty fee	(18)	(238,406)	(64,350)	-	-	-	-	-	(302,774)	-	(302,774)
Interest income	89,935	6,268	332	170	10	1,008	-	73,966	171,689	(163,116)	8,573
Profit (loss) from operation before interest expenses and income taxes	104,794	271,435	43,369	7,579	67,918	36,275	(3,510)	22,552	550,412	(151,772)	398,640
Net loss on exchange rate											2,691
Net gain from financial derivatives											(5,039)
Management fee and others											(25,495)
Interest expenses											(120,926)
Income taxes											(69,667)
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia											(24,232)
Non-controlling interests											(73,726)
Profit for the year - owners of the parent											82,246
Total segmented assets	29,982	1,010,726	1,514,574	164,692	2,836	259,259	-	-	2,382,069	(24,491)	2,957,578
Total unallocated assets											3,942,102
Total assets											6,899,680





Consolidated  
US Dollar'000  
Restated

	Coal			Power				Eliminated entries	Total	Total
	Thailand	Republic of Indonesia	Australia	People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic			
<b>For the year ended 31 December 2013</b>										
Quantity of coal sales (unit : thousand tons)										
Sales	2,056	29,125	13,589	-	-	-	-	-	44,770	44,770
Cost of sales	176,450 (186,152)	2,198,829 (1,428,775)	913,383 (699,417)	-	-	191,403 (142,094)	-	12,205 (10,737)	3,492,270 (2,447,175)	3,350,891 (2,341,887)
<b>Gross profit</b>	10,298	770,054	213,966	-	-	49,309	-	1,468	1,045,095	1,009,004
<b>Gross profit margin (%)</b>	6%	35%	23%			26%		12%	30%	30%
Interest in joint ventures	-	-	-	27,418	73,940	-	(13,866)	(110)	87,382	87,382
Selling expenses	(2,863)	(127,363)	(130,156)	-	-	-	-	(1,508)	(261,890)	(271,661)
Administrative expenses	-	(31,292)	(25,476)	(15,930)	(1,955)	(15,458)	-	(43,669)	(133,780)	(89,208)
Royalty fee	(61)	(285,958)	(58,959)	-	-	-	-	-	(324,978)	(324,978)
Interest income	146,565	8,847	237	4,520	19	733	-	17,514	178,435	12,130
<b>Profit (loss) from operation before interest expenses and income taxes</b>	153,939	354,288	(388)	16,008	72,004	34,584	(13,866)	(26,305)	590,264	422,669
Net loss on exchange rate										(27,036)
Net gain from financial derivatives										27,005
Management fee and others										(62,384)
Interest expenses										(116,240)
Income taxes										(90,119)
Non-controlling interests										(75,870)
<b>Profit for the year - owners of the parent</b>										78,025
Total segmented assets	25,307	1,071,870	1,680,791	173,421	2,209	259,357	-	-	3,212,955	3,198,168
Total unallocated assets										3,930,796
<b>Total assets</b>										7,128,964



	Coal				Power				Eliminated entries	Total	Consolidated Baht'000
	Republic of Indonesia		People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic					
	Thailand	Australia									
For the year ended 31 December 2014											
Quantity of coal sales (unit : thousand tons)	2,839	28,986	15,281	-	-	-	-	-	-	47,106	47,106
Sales	6,799,677	63,701,193	31,056,483	-	-	5,468,765	-	609,951	(5,514,334)	107,636,069	102,121,735
Cost of sales	(6,256,720)	(42,012,186)	(22,480,617)	-	-	(3,686,602)	-	(580,452)	5,573,512	(75,016,579)	(69,443,067)
Gross profit	542,957	21,689,005	8,575,866	-	-	1,782,163	-	29,499	59,178	32,619,490	32,678,668
Gross profit margin (%)	8%	34%	28%			33%		5%		30%	32%
Interests in joint ventures	-	-	-	672,536	2,273,929	-	(113,641)	(27,349)	-	2,805,475	2,805,475
Selling expenses	(59,975)	(4,512,490)	(4,303,354)	-	-	-	-	(109,095)	8,662	(8,984,914)	(8,976,252)
Administrative expenses	-	(818,383)	(794,062)	(434,847)	(71,523)	(632,898)	-	(1,564,839)	301,607	(4,316,552)	(4,014,945)
Royalty fee	(579)	(7,740,194)	(2,088,555)	-	-	-	-	-	-	(9,829,328)	(9,829,328)
Interest income	2,921,124	203,572	10,796	5,534	330	32,707	-	2,402,350	(5,297,851)	5,576,413	278,562
Profit (loss) from operation before interest expenses and income taxes	3,403,527	8,821,510	1,400,691	243,223	2,202,736	1,181,972	(113,641)	730,566	(4,928,404)	17,870,584	12,942,180
Net loss on exchange rate											90,481
Net gain from financial derivatives											(161,858)
Management fee and others											(826,606)
Interest expenses											(3,926,517)
Income taxes											(2,260,224)
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia											(777,726)
Non-controlling interests											(2,400,098)
Profit for the year - owners of the parent											2,679,632
Total segmented assets	988,297	33,316,554	49,924,916	5,428,746	93,497	8,545,963	-	-	(807,296)	98,297,973	97,490,677
Total unallocated assets											129,943,553
Total assets											227,434,230



	Coal				Power				Eliminated entries	Total	Consolidated Baht'000 Restated
	Republic of Indonesia		People's Republic of China and Mongolia	Thailand	People's Republic of China	Lao People's Democratic Republic					
	Thailand		Australia				Head Office				
For the year ended 31 December 2013											
Quantity of coal sales (unit : thousand tons)	2,056	29,125	13,589	-	-	-	-	-	-	44,770	44,770
Sales	5,392,729	67,549,378	28,065,020	-	-	5,877,509	-	387,273	(4,328,124)	107,271,909	102,943,785
Cost of sales	(5,080,989)	(43,946,519)	(21,465,960)	-	-	(4,364,724)	-	(340,687)	3,219,841	(75,198,879)	(71,979,038)
Gross profit	311,740	23,602,859	6,599,060	-	-	1,512,785	-	46,586	(1,108,283)	32,073,030	30,964,747
Gross profit margin (%)	6%	35%	24%								
Interests in joint ventures	-	-	-	839,551	2,238,174	26%	-	(3,204)	-	30%	30%
Selling expenses	(86,611)	(3,900,722)	(3,994,355)	-	-	-	-	(47,794)	(301,390)	2,639,220	2,639,220
Administrative expenses	-	(963,584)	(779,037)	(486,431)	(60,048)	(475,988)	-	(1,340,452)	1,368,099	(8,029,482)	(8,330,872)
Royalty fee	(1,931)	(8,173,198)	(1,812,367)	-	-	-	-	-	-	(4,105,540)	(2,737,441)
Interest income	4,650,509	271,002	7,256	138,013	574	22,385	-	389,992	(5,108,443)	(9,987,496)	(9,987,496)
										5,479,731	371,288
Profit (loss) from operation before interest expenses and income taxes	4,873,707	10,836,357	20,557	491,133	2,178,700	1,059,182	(435,301)	(954,872)	(5,150,017)	18,069,463	12,919,446
Net loss on exchange rate											(780,416)
Net gain from financial derivatives											784,463
Management fee and others											(1,936,986)
Interest expenses											(3,575,432)
Income taxes											(2,787,047)
Non-controlling interests											(2,299,185)
Profit for the year - owners of the parent											2,324,843
Total segmented assets	830,409	35,171,906	55,152,789	5,690,559	72,480	8,510,442	-	-	(485,200)	105,428,585	104,943,365
Total unallocated assets											128,983,587
Total assets											233,926,972



## 8 Cash and cash equivalents

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Cash on hand	139	134	4,591	4,407
Deposits held at call with banks	224,747	222,276	7,408,314	7,293,675
Fixed deposits	160,021	223,506	5,274,764	7,334,030
Bills of exchange	6,067	-	200,000	-
Total cash and cash equivalents	390,974	445,916	12,887,669	14,632,112

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Cash on hand	13	13	435	435
Deposits held at call with banks	27,859	25,859	918,311	848,532
Bills of exchange	6,067	-	200,000	-
Total cash and cash equivalents	33,939	25,872	1,118,746	848,967

The interest rate on deposits held at call with banks was 0.05% to 2.15% per annum (2013: 0.50% to 3.30% per annum).

The interest rate on fixed deposits with banks was 0.45% to 10.00% per annum (2013: 2.97% to 8.22% per annum).

As at 31 December 2014, bills of exchange had original maturities less than three-month and the interest rate was 1.68% per annum.



## 9 Trade accounts receivable, net

Trade accounts receivable consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Trade accounts receivable - third parties	307,374	280,638	10,131,945	9,208,745
<u>Less</u> Allowance for doubtful accounts	(747)	-	(24,615)	-
Trade accounts receivable, net	306,627	280,638	10,107,330	9,208,745
	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Trade accounts receivable				
- Subsidiaries (Note 32)	3,865	452	127,373	14,808
- Third parties	16,134	9,840	531,838	322,894
Total Trade accounts receivable	19,999	10,292	659,211	337,702

Trade accounts receivable are aged as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Trade accounts receivable under credit term	165,918	176,316	5,469,097	5,785,573
Trade accounts receivable due for payment				
- Less than 3 months	138,677	102,867	4,571,221	3,375,424
- Over 3 months but less than 6 months	982	156	32,377	5,123
- Over 6 months but less than 12 months	329	926	10,857	30,384
- Over 12 months	1,468	373	48,393	12,241
Total trade accounts receivable	307,374	280,638	10,131,945	9,208,745
<u>Less</u> Allowance for doubtful accounts	(747)	-	(24,615)	-
Trade accounts receivable, net	306,627	280,638	10,107,330	9,208,745
	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Trade accounts receivable under credit term	18,298	9,932	603,130	325,903
Trade accounts receivable due for payment				
- Less than 3 months	1,701	360	56,081	11,799
- Over 3 months but less than 6 months	-	-	-	-
- Over 6 months but less than 12 months	-	-	-	-
- Over 12 months	-	-	-	-
Total trade accounts receivable	19,999	10,292	659,211	337,702



## 10 Inventories, net

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
		Restated		Restated
Coal inventories	177,782	158,106	5,860,238	5,188,032
Coal in transit	-	3,205	-	105,156
<u>Less</u> Allowance for slow-moving	(3,100)	(3,100)	(102,183)	(101,720)
<u>Less</u> Allowance for net realisable value	-	(11)	-	(350)
Inventories, net	174,682	158,200	5,758,055	5,191,118

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Coal inventories	12,548	5,828	413,591	191,234
Coal in transit	-	3,205	-	105,156
<u>Less</u> Allowance for slow-moving	(2,886)	(2,886)	(95,115)	(94,684)
Inventories, net	9,662	6,147	318,476	201,706

## 11 Derivative financial instruments

	Consolidated			
	US Dollar'000		Baht'000	
	Assets	Liabilities	Assets	Liabilities
<b>As at 31 December 2014</b>				
Interest rate swaps contracts	716	14,538	23,581	479,227
Forward foreign exchange contracts	-	53,611	-	1,767,144
Cross currency swaps contracts	355	36,869	11,718	1,215,322
Oil hedging contracts	-	19,322	-	636,926
Total derivative financial instruments	1,071	124,340	35,299	4,098,619
<u>Less</u> Non-current portion:				
Interest rate swaps contracts	(29)	(14,457)	(945)	(476,550)
Forward foreign exchange contracts	-	(18,981)	-	(625,660)
Cross currency swaps contracts	(355)	(36,869)	(11,718)	(1,215,322)
Total non-current portion	(384)	(70,307)	(12,663)	(2,317,532)
Total current portion	687	54,033	22,636	1,781,087



	Consolidated			
	US Dollar'000		Baht'000	
	Assets	Liabilities	Assets	Liabilities
<b>As at 31 December 2013</b>				
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
	Company			
	US Dollar'000		Baht'000	
	Assets	Liabilities	Assets	Liabilities
<b>As at 31 December 2014</b>				
Interest rate swaps contracts	687	14,457	22,636	476,550
Cross currency swaps contracts	355	36,869	11,718	1,215,322
Total derivative financial instruments	1,042	51,326	34,354	1,691,872
<u>Less</u> Non-current portion:				
Interest rate swaps contracts	-	(14,457)	-	(476,550)
Cross currency swaps contracts	(355)	(36,869)	(11,718)	(1,215,322)
Total non-current portion	(355)	(51,326)	(11,718)	(1,691,872)
Total current portion	687	-	22,636	-



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

The fair value of derivative financial instruments 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 reliable.

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 financial institutions.
- The fair value of forward foreign exchange contracts and cross currency swaps are determined using the mark-to-market valuations obtained from financial institutions.
- The fair value of coal swap contract is determined using market price specified the API4 index and Newcastle coal index.
- 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 by using the instruments as follows:

#### Forward foreign exchange contracts

As at 31 December 2014, the Group has entered into the forward foreign exchange contracts amounting to US Dollars 10 million at the exchange rate of Baht 33.11 to 33.15 per US Dollar 1, and US Dollars 318.90 million at the exchange rate of Australian Dollars 0.9200 to 0.9990 per US Dollar 1. (2013: 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).





#### Cross currency swap contracts

As at 31 December 2014, 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 16,293 million to be US Dollars 529.35 million at the fixed interest rates, starting from 10 June 2011 to 1 April 2026 (2013: 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).

#### Interest rate swap contracts

As at 31 December 2014, 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 425 million (2013: US Dollars 343 million) by converting floating interest rates to fixed interest rates, starting from 18 December 2012 to 27 December 2022.

As at 31 December 2014 and 2013, the Company has entered into the interest rate swap contracts 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 2014, the Group has entered into the interest rate swap contracts for the borrowing of Australian Dollars 70 million by converting floating interest rates to fixed interest rates, starting from 17 December 2014 to 9 December 2018 (2013: 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 to 87.25 per ton. Such contracts are due within 1 year.

#### Oil hedging contracts

As at 31 December 2014, the Group has entered into oil hedging contracts of 600,000 barrels at the rates between US Dollars 113.25 to 118.50 per barrel that were unwinded but not settled. (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). Such contracts are due within 1 year.



## 12 Other current assets

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Prepayments	29,786	20,602	981,870	676,017
Advances for business	10,497	9,621	346,003	315,682
Interest receivables	80	30	2,651	986
Advances to Coal Industry Fund	41,753	45,031	1,376,299	1,477,639
Value added tax	7,855	12,911	258,909	423,672
Withholding tax	22,063	22,144	727,257	726,640
Other accounts receivable	23,833	31,718	785,618	1,040,764
Accrued income	4,089	2,966	134,784	97,327
Others	607	-	20,000	-
Total other current assets	140,563	145,023	4,633,391	4,758,727

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Prepayments	590	1,542	19,435	50,592
Advances for business	15	20	478	660
Interest receivable	63	29	2,081	962
Value added tax	1,376	1,295	45,354	42,497
Withholding tax	2,226	2,209	73,366	72,482
Other accounts receivable	893	1,046	29,477	34,312
Others	607	-	20,000	-
Total other current assets	5,770	6,141	190,191	201,505



### 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	
	2014	2013 Restated	2014	2013 Restated
<b>Joint ventures</b>				
BLCP Power Ltd.	184,728	185,568	6,089,170	6,089,170
Hebi Zhong Tai Mining Co., Ltd.	48,320	48,320	1,592,785	1,585,566
Shanxi Gaohe Energy Company Limited	308,933	291,462	10,183,349	9,563,926
Hongsa Power Company Limited	29,828	29,963	983,200	983,200
Phu Fai Mining Company Limited	25	25	836	836
Ratchasima Green Energy Co., Ltd.	2,275	2,286	75,000	75,000
Akira Energy Limited	4,800	-	158,224	-
Aura Land Development Pte. Ltd.	1,895	-	62,466	-
Bright Electrons Limited	18	-	600	-
Aizu Energy Pte. Ltd.	-	-	2	-
Interests in joint ventures - cost method	580,822	557,624	19,145,632	18,297,698
Add Cumulative equity account of interests in joint ventures	(18,786)	(4,734)	(619,235)	(155,397)
Interests in joint ventures	562,036	552,890	18,526,397	18,142,301
	Company (Cost method)			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
Banpu Minerals Co., Ltd.	102,434	102,434	3,376,543	3,361,239
BP Overseas Development Co., Ltd.	17,963	17,963	592,117	589,434
Banpu Power Ltd.	183,547	183,547	6,050,262	6,022,840
Banpu Power International Co., Ltd.	62,926	62,926	2,074,228	2,064,827
Banpu Engineering Services Co., Ltd. (formerly named "Banpu New Energy Holding Co., Ltd.")	6,256	2,887	206,190	94,718
BOG Co., Ltd.	466	-	15,366	-
Investments in subsidiaries	373,592	369,757	12,314,706	12,133,058



### 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	
	2014	2013 Restated	2014	2013 Restated
Opening net book value as previously reported	571,130	541,288	18,740,846	16,580,528
Adjustment (Note 3)	(18,240)	(10,189)	(598,545)	(312,098)
Opening net book value after adjusted	552,890	531,099	18,142,301	16,268,430
Additional of interest in a joint venture	24,184	-	785,486	-
Dividend received from joint ventures	(111,794)	(71,345)	(3,631,032)	(2,192,150)
Translation adjustment	11,118	(118)	453,653	1,246,393
Add Share of profit from joint ventures during the year	86,546	87,382	2,805,475	2,639,220
Share of other comprehensive income (expense)	(908)	5,872	(29,486)	180,408
Closing balance	562,036	552,890	18,526,397	18,142,301

As at 31 December 2014, 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 (2013: Baht 12,010 million and US Dollars 30.20 million), as collateral for loans from financial institutions of such joint ventures.

	Company (Cost method)			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening balance	369,757	346,803	12,133,058	10,623,131
Additional of investments in subsidiaries	3,835	22,954	124,553	705,285
Translation adjustment	-	-	57,095	804,642
Closing balance	373,592	369,757	12,314,706	12,133,058



#### Investments in subsidiaries

During 2014, the Company increased its investment in a subsidiary, Banpu Engineering Services Co., Ltd. (formerly name "Banpu Energy Holding Co., Ltd."). The investment amounted to US Dollars 3.37 million and the company fully paid for this investment. In addition, the Company established a subsidiary, BOG Co., Ltd., and fully paid for the investment amounted to US Dollars 0.47 million.

On 21 August 2014, PT. ITM Energi Utama and PT. ITM Batubara Utama, which are subsidiaries of Indo Tambangraya Megah Tbk ("a subsidiary of the Company"), were incorporated in the Republic of Indonesia to invest in the coal and energy businesses. Registered share capitals of those two newly incorporated subsidiaries are Indonesian Rupiah 40,000 million and Indonesian Rupiah 40,000 million respectively. The Group holds 99.99% of total registered share capital of each company. As at 31 December 2014, the Group has not paid for the share capital.

#### Interests in joint ventures and dividend income from joint ventures

During 2014, the Group has invested in joint ventures which are Akira Energy Limited, Aizu Energy Pte. Ltd., Aura Land Development Pte. Ltd. and Bright Electrons Limited which totalling US Dollars 6.71 million.

During 2014, Shanxi Gaohe Energy Company Limited, a joint venture of the Group, has declared dividend amounting to US Dollars 50.84 million, and the Group has converted the dividend receivable amounting to US Dollars 17.47 million to investment in such joint venture. The Group has fully received remaining portion of dividend receivable. The remaining dividend income from joint ventures represented the dividend income from BLCP Power Ltd. of US Dollars 60.95 million (2013: 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).

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

Name of company	Percentage of shareholding	Property, plant and equipment										US Dollar'000		
		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 2014														
BLCP Power Ltd.	50	13,740	588,896	602,636	166,228	10,619	283,922	460,769	141,867	182,544	75,940	5,834	70,106	
Hebi Zhong Tai Mining Co., Ltd.	40	41,912	56,253	98,165	-	1,567	5,571	7,138	91,027	41,809	378	95	283	
Shanxi Gaohe Energy Co., Ltd.	45	349,198	167,838	517,036	54,817	17,102	249,268	321,187	195,849	226,777	43,213	11,212	32,001	
Hongsa Power Company Limited	40	10,630	1,010,898	1,021,528	979,179	29,765	64,365	1,073,309	(51,781)	-	(3,508)	-	(3,508)	
Phu Fai Mining Company Limited	37.50	-	18	18	-	2	8	10	8	-	(2)	-	(2)	
Ratchasima Green Energy Co., Ltd.	30	6,218	1,515	7,733	3,822	-	2,363	6,185	1,548	9,015	(576)	-	(576)	
Akira Energy Limited	60	-	4,775	4,775	-	4	-	4	4,771	-	(22)	-	(22)	
Aura Land Development Pte. Ltd.	51	1,711	-	1,711	-	1	4	5	1,706	-	(239)	-	(239)	
Bright Electrons Limited	60	-	18	18	-	1	-	1	17	-	(1)	-	(1)	
Aizu Energy Pte. Ltd.	75	-	-	-	-	2	3	5	(5)	-	(5)	-	(5)	
31 December 2013														
BLCP Power Ltd.	50	16,573	611,911	628,484	204,784	10,098	281,119	496,001	132,483	168,916	89,949	16,008	73,941	
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)	





Name of company	Percentage of shareholding	Property, plant and equipment	Baht'000										
			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 2014													
BLCP Power Ltd.	50	452,915	19,411,768	19,864,683	5,479,370	350,037	9,358,935	15,188,342	4,676,341	5,929,008	2,466,524	189,478	2,277,046
Hebi Zhong Tai Mining Co., Ltd.	40	1,381,529	1,854,267	3,235,796	-	51,650	183,647	235,297	3,000,499	1,357,946	12,267	3,076	9,191
Shanxi Gaohe Energy Co., Ltd.	45	11,510,610	5,532,437	17,043,047	1,806,937	563,745	8,216,615	10,587,297	6,455,750	7,365,659	1,403,556	364,170	1,039,386
Hongsa Power Company Limited	40	350,401	33,322,223	33,672,624	32,276,675	981,138	2,121,669	35,379,482	(1,706,858)	-	(113,938)	-	(113,938)
Phu Fai Mining Company Limited	37.50	-	581	581	-	66	289	335	246	-	(74)	-	(74)
Ratchasima Green Energy Co., Ltd.	30	204,957	49,935	254,892	126,000	-	77,881	203,881	51,011	292,817	(18,713)	-	(18,713)
Akira Energy Limited	60	-	157,392	157,392	-	143	-	143	157,249	-	(701)	-	(701)
Aura Land Development Pte. Ltd.	51	56,385	16	56,401	-	38	130	168	56,233	-	(7,751)	-	(7,751)
Bright Electrons Limited	60	-	600	600	-	30	-	30	570	-	(44)	-	(44)
Aizu Energy Pte. Ltd.	75	-	2	2	-	69	104	173	(171)	-	(171)	-	(171)
31 December 2013													
BLCP Power Ltd.	50	543,822	20,079,003	20,622,825	6,719,690	331,350	9,224,541	16,275,581	4,347,244	5,190,115	2,724,668	491,849	2,232,819
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)





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

			Percentage of direct shareholding	
			2014	2013
Name of company	Country	Business	%	%
Direct shareholding				
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 Engineering Services Co., Ltd. (formerly named "Banpu New Energy Holding Co., Ltd.")	Thailand	Investment in renewable energy	99.99	99.99
BOG Co., Ltd.	Thailand	Investment in power	99.99	-
Indirect - shareholding				
Banpu Minerals Co., Ltd.				
Subsidiaries and a joint venture are as follows:				
Subsidiaries				
1) Chiang Muan Mining Co., Ltd.	Thailand	Coal mining and trading	100.00	100.00
2) Banpu International Co., Ltd.	Thailand	Investment in coal mining	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	25.00
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	Investment in coal mining	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	99.99
- PT. Tambang Raya Usaha Tama	Republic of Indonesia	Coal mining and trading	99.99	99.99
- PT. ITM Energi Utama	Republic of Indonesia	Investment in power	99.99	-
- PT. ITM Batubara Utama	Republic of Indonesia	Investment in coal mining	99.99	-
- BMS Coal Sales Pte Ltd.	Singapore	Coal trading	100.00	100.00



			Percentage of direct shareholding	
			2014	2013
Name of company	Country	Business	%	%
<u>Indirect - shareholding</u> (continued)				
Banpu Minerals Co., Ltd. (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 Khaikhan Uul LLC	Mongolia	Coal mining and trading	100.00	100.00
- Hunnu Power LLC	Mongolia	Coal trading	100.00	100.00
- Borganchan LLC	Mongolia	Coal trading	100.00	100.00
- 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
<u>Joint Venture</u>				
1) Hebi Zhong Tai Mining Co., Ltd.	People's Republic of China	Coal mining and trading	40.00	40.00
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	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



			Percentage of direct shareholding	
			2014	2013
Name of company	Country	Business	%	%
<u>Indirect - shareholding</u> (continued)				
BP Overseas Development Co., Ltd. (continued)				
Asian American Coal Inc., subsidiaries and joint ventures (continued)				
2) Banpu Singapore Pte. Ltd. and subsidiaries (continued)				
- Banpu Australia Co., Pty Ltd. and subsidiaries (continued)				
- Centennial Coal Co., Ltd., and subsidiaries, associate and joint ventures (continued)				
<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 Superannuation 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
- Centennial Drilling Services Pty Limited (formerly named "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	2014 %	2013 %
Indirect – shareholding (continued)				
BP Overseas Development Co., Ltd. (continued)				
Asian American Coal Inc., subsidiaries and joint ventures (continued)				
2) Banpu Singapore Pte. Ltd. and subsidiaries (continued)				
- Banpu Australia Co., Pty Ltd. and subsidiaries (continued)				
- Centennial Coal Co., Ltd., and subsidiaries, associate and joint ventures (continued)				
- Centennial Springvale Holdings Pty Limited and subsidiaries and a joint venture	Australia	Coal mining and trading	100.00	100.00
Subsidiaries				
- 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
Jointly controlled entities				
- Springvale Coal Sales Pty Limited	Australia	Coal trading	50.00	50.00
Associate				
- Port Kembla Coal Terminal Ltd.	Australia	Port service	16.66	16.66
Jointly controlled operations				
- 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
Joint Ventures				
- 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:				
Subsidiary				
1) Banpu Coal Power Ltd. and a joint venture	Thailand	Investment in power	99.99	99.99
Joint venture				
- BLCP Power Ltd.	Thailand	Power production and trading	50.00	50.00
2) Banpu Renewable Energy Co.,Ltd (formerly named "Petchkasem Wind Energy Co., Ltd")	Thailand	Investment in renewable energy	99.99	-
Subsidiary				
- Banpu Renewable Energy International Ltd.	Mauritius Islands	Investment in renewable energy	100.00	-
Joint venture				
- Aizu Energy Pte. Ltd.	Singapore	Investment in renewable energy	75.00	-
Joint ventures				
- 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



			Percentage of direct shareholding	
			2014	2013
Name of company	Country	Business	%	%
Indirect - shareholding (continued)				
Banpu Power International Co., Ltd.,				
Subsidiaries and a joint venture are as follows :				
Subsidiaries				
1) Banpu Power Investment Co., Ltd. and subsidiaries	Singapore	Investment in power	100.00	100.00
Subsidiaries				
- Shijiazhuang Chengfeng Cogen Co., Ltd.	People's Republic of China	Power and steam production and trading	100.00	100.00
- 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 and steam production and trading	12.08	12.08
- 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 and steam production and trading	70.00	70.00
- 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 and steam production and trading	87.92	87.92
Joint venture				
5) Akira Energy Limited	Hong Kong Special Administrative Region of the People's Republic of China	Investment in power	60.00	-
Banpu Engineering Services Co., Ltd.				
Subsidiaries are as follows:				
1) Bio Fuel Development Holdings Co., Ltd and a joint venture	Thailand	Investment in renewable energy	99.99	99.99
- Ratchasima Green Energy Co., Ltd	Thailand	Investment in renewable energy	30.00	30.00
2) Prachuap Wind Energy Co., Ltd	Thailand	Investment in renewable energy	99.99	99.99
3) Banpu Energy Services (Thailand) Co., Ltd. (formerly named "Mittrarp Wind Energy Co., Ltd") and a subsidiary and joint ventures	Thailand	Investment in renewable energy	99.99	99.99
Subsidiaries				
- Banpu Energy Services Japan Co., Ltd.	Japan	Investment in power	100.00	-
Joint ventures				
- Aura Land Development Pte. Ltd.	Singapore	Investment in renewable energy	51.00	-
- Bright Electrons Limited	Thailand	Management of services company	60.00	-
4) Banpu Renewable Energy Co., Ltd. (formerly named "Petchkasem Wind Energy Co., Ltd")	Thailand	Investment in renewable energy and trading	-	99.99



## 14 Investment property, net

	Consolidated		Company	
	Land		Land	
	US Dollar'000	Baht'000	US Dollar'000	Baht'000
<b>As at 31 December 2012</b>				
Cost	3,954	121,129	2,306	70,650
<u>Less</u> Allowance for impairment	(691)	(21,171)	-	-
Net book amount	<u>3,263</u>	<u>99,958</u>	<u>2,306</u>	<u>70,650</u>
<b>For the year ended 31 December 2013</b>				
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>
<b>As at 31 December 2013</b>				
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>
<b>For the year ended 31 December 2014</b>				
Opening net book amount	2,406	78,949	1,539	50,491
Translation adjustment	(2)	290	-	230
Closing net book amount	<u>2,404</u>	<u>79,239</u>	<u>1,539</u>	<u>50,721</u>
<b>As at 31 December 2014</b>				
Cost	3,072	101,263	1,539	50,721
<u>Less</u> Allowance for impairment	(668)	(22,024)	-	-
Net book amount	<u>2,404</u>	<u>79,239</u>	<u>1,539</u>	<u>50,721</u>
Fair value amount	<u>2,789</u>	<u>91,937</u>	<u>1,539</u>	<u>50,721</u>

The Group determined that the fair values of all of its investment properties were reliably determinable. The investment properties were valued 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.

## 15 Property, plant and equipment, net

	Furniture and								Consolidated	
	Land	Land improvement	Land	Building and infrastructures	Machinery and equipment	office equipment	Tools	Motor vehicles	Construction in progress	US Dollar'000
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
Less 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
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







	Furniture and								Consolidated
	Land		Building an		Machinery and		Tools		US Dollar'000
	improvement	infrastructures	equipment	office	vehicles	in progress			
Year ended 31 December 2014									
Opening net book amount	67,637	28,917	136,220	1,135,736	8,756	9,731	4,708	64,074	1,455,779
Additions	-	-	1,307	151,953	1,167	1,619	403	43,199	199,648
Disposals - Net book value	(2,534)	-	(805)	(15,164)	(4,434)	(62)	(179)	(982)	(24,160)
Reclassification	-	-	11,227	28,794	3,864	348	-	(47,167)	(2,934)
Write-off	-	-	(407)	(1,044)	(19)	(28)	(115)	(668)	(2,281)
Translation adjustment	(5,656)	(34)	(606)	(102,820)	(101)	(123)	(151)	(1,937)	(111,428)
Impairment	-	-	(1)	-	(9)	(1)	(1)	-	(12)
Depreciation charge	-	(1,137)	(25,478)	(149,433)	(2,701)	(3,299)	(1,282)	-	(183,330)
Closing net book amount	59,447	27,746	121,457	1,048,022	6,523	8,185	3,383	56,519	1,331,282
As at 31 December 2014									
Cost	59,447	94,259	283,739	2,058,297	20,597	24,898	8,384	56,519	2,606,140
Less Accumulated depreciation	-	(66,513)	(162,281)	(1,010,275)	(14,065)	(16,712)	(5,000)	-	(1,274,846)
Allowance for impairment	-	-	(1)	-	(9)	(1)	(1)	-	(12)
Net book amount	59,447	27,746	121,457	1,048,022	6,523	8,185	3,383	56,519	1,331,282

Consolidated Baht'000										
	Furniture and									
	Land	Land improvement	Land	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress	Total
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	2,389,847	915,162		3,756,706	38,214,840	245,908	228,850	168,730	2,307,757	48,227,800
Year ended 31 December 2013										
Opening net book amount	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
Less 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



	Consolidated									
	Baht'000									
	Land	Land improvement	Land	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress	Total
Year ended 31 December 2014										
Opening 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
Additions	-	-	-	42,466	4,935,402	37,913	52,593	13,075	1,403,109	6,484,558
Disposals - Net book value	(82,303)	-	-	(26,160)	(492,537)	(143,999)	(2,024)	(5,817)	(31,879)	(784,719)
Reclassification	-	-	-	364,652	935,225	125,520	11,309	-	(1,531,962)	(95,256)
Write-off	-	-	-	(13,224)	(33,925)	(625)	(908)	(3,727)	(21,748)	(74,157)
Translation adjustment	(177,561)	2,637		(6,336)	(3,212,339)	(3,081)	(3,260)	(4,840)	(57,007)	(3,461,787)
Impairment	-	-	-	(15)	-	(297)	(39)	(39)	-	(390)
Depreciation charge	-	(36,933)		(827,523)	(4,853,558)	(87,716)	(107,166)	(41,637)	-	(5,954,533)
Closing net book amount	1,959,565	914,556		4,003,686	34,545,886	215,033	269,790	111,526	1,863,015	43,883,057
As at 31 December 2014										
Cost	1,959,565	3,107,055		9,352,961	67,847,654	678,948	820,711	276,362	1,863,015	85,906,271
Less Accumulated depreciation	-	(2,192,499)		(5,349,260)	(33,301,768)	(463,618)	(550,882)	(164,797)	-	(42,022,824)
Allowance for impairment	-	-	-	(15)	-	(297)	(39)	(39)	-	(390)
Net book amount	1,959,565	914,556		4,003,686	34,545,886	215,033	269,790	111,526	1,863,015	43,883,057

	Company						
	US Dollar'000						
	Land improvement	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress
							Total
<b>As at 31 December 2012</b>							
Cost	3,105	6,595	52,947	4,017	560	1,663	70,944
Less 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	7,141
<b>Year ended 31 December 2013</b>							
Opening net book amount	298	1,462	752	1,479	31	1,062	7,141
Additions	-	-	-	425	18	195	1,023
Disposals - Net book value	-	(39)	(7)	(35)	-	-	(81)
Reclassification	-	61	21	140	-	-	(1,560)
Write-off	(1)	(145)	6	(1)	-	(1)	(150)
Depreciation charge	(44)	(213)	(153)	(533)	(10)	(297)	(1,250)
Closing net book amount	253	1,126	619	1,475	39	959	5,123
<b>As at 31 December 2013</b>							
Cost	2,642	3,497	45,343	4,117	472	1,639	58,362
Less 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	5,123
<b>Year ended 31 December 2014</b>							
Opening net book amount	253	1,126	619	1,475	39	959	5,123
Additions	-	-	-	268	3	-	520
Disposals - Net book value	-	-	-	(66)	-	-	(66)
Reclassification	-	-	-	-	-	-	(257)
Write-off	-	-	-	(12)	-	-	(12)
Depreciation charge	(42)	(106)	(147)	(495)	(14)	(311)	(1,115)
Closing net book amount	211	1,020	472	1,170	28	648	4,193
<b>As at 31 December 2014</b>							
Cost	2,642	3,497	45,343	4,134	475	1,640	58,375
Less Accumulated depreciation	(2,431)	(2,477)	(44,871)	(2,964)	(447)	(992)	(54,182)
Net book amount	211	1,020	472	1,170	28	648	4,193



	Land improvement	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress	Company Baht'000
<b>As at 31 December 2012</b>								
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	9,122	44,799	23,054	45,286	974	32,508	62,998	218,741
<b>Year ended 31 December 2013</b>								
Opening net book amount	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
<b>As at 31 December 2013</b>								
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
<b>Year ended 31 December 2014</b>								
Opening net book amount	8,300	36,957	20,263	48,413	1,284	31,494	21,382	168,093
Additions	-	-	-	8,695	92	9	8,098	16,894
Disposals - Net book value	-	-	-	(2,140)	-	-	-	(2,140)
Reclassification	-	-	-	-	-	-	(8,342)	(8,342)
Write-off	-	-	-	(346)	(15)	-	-	(361)
Translation adjustment	17	117	23	73	-	(6)	94	318
Depreciation charge	(1,373)	(3,452)	(4,752)	(16,117)	(439)	(10,107)	-	(36,240)
Closing net book amount	6,944	33,622	15,534	38,578	922	21,390	21,232	138,222
<b>As at 31 December 2014</b>								
Cost	87,101	115,282	1,494,637	136,285	15,661	54,046	21,232	1,924,244
Less Accumulated depreciation	(80,157)	(81,660)	(1,479,103)	(97,707)	(14,739)	(32,656)	-	(1,786,022)
Net book amount	6,944	33,622	15,534	38,578	922	21,390	21,232	138,222



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

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Cost	51,891	54,108	1,710,498	1,775,477
<u>Less</u> Accumulated depreciation	(17,476)	(13,540)	(576,067)	(444,300)
Net book amount	34,415	40,568	1,134,431	1,331,177

As at 31 December 2014, property, plant and equipment in the consolidated financial statements that used as collateral under the condition of loan for project finance was completely withdrawn (2013: US Dollars 114.38 million have been used as collateral).

As at 31 December 2014, the Group has capital commitments which are shown in Note 33.

## 16 Deferred income taxes and Income tax

Corporate income tax for the years ended 31 December 2014 and 2013 are calculated based on the net profit (tax base) which excludes the interests in joint ventures. The rates are as follows:

	2014	2013
Thailand	20%	20%
Singapore	17%	17%
Indonesia	25% to 30%	25% to 30%
People's Republic of China	25%	25%
Mauritius Island	15%	15%
Australia	30%	30%
Mongolia	10% to 25%	10% to 25%
Japan	25.5%	-



## 16.1 Deferred income tax assets and deferred income tax liabilities

16.1.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	6,345	7,537	209,161	247,312
Deferred tax asset to be recovered after more than 12 months	88,941	113,194	2,931,753	3,714,312
	95,286	120,731	3,140,914	3,961,624
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	-	-	-	-
Deferred tax liability to be settled after more than 12 months	(224,575)	(245,710)	(7,402,652)	(8,062,634)
	(224,575)	(245,710)	(7,402,652)	(8,062,634)
Deferred income taxes, net	(129,289)	(124,979)	(4,261,738)	(4,101,010)

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	4,820	4,903	158,852	160,890
Deferred tax asset to be recovered after more than 12 months	5,802	6,031	191,220	197,888
Deferred income tax asset	10,622	10,934	350,102	358,778

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.





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

	Consolidated US Dollar'000				
	At 1 January 2014	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	Translation adjustment	At 31 December 2014
<b>Deferred tax assets:</b>					
Employee benefit obligation	4,211	2,664	-	-	6,875
Loss carried forward	18,561	(3,569)	-	23	15,015
Financial derivative	9,421	4,067	-	-	13,488
Depreciation and amortisation	36,051	(2,827)	-	318	33,542
Interests in joint ventures	22,544	800	182	-	23,526
Provision for mine rehabilitation	3,531	857	-	-	4,388
Provision for decommissioning	617	51	-	-	668
Minerals Resource Rent Tax in Australia	33,180	(24,232)	-	(8,948)	-
Others	(2,669)	6,137	(254)	-	3,214
Tax effect of currency translation on tax base	(4,716)	(714)	-	-	(5,430)
<b>Total</b>	<b>120,731</b>	<b>(16,766)</b>	<b>(72)</b>	<b>(8,607)</b>	<b>95,286</b>
<b>Deferred tax liabilities:</b>					
Interests in joint ventures	(18,829)	2,171	-	988	(15,670)
Mining property rights	(415,477)	27,189	-	(10,079)	(398,367)
Financial derivative	18,462	1,182	6,527	(2,324)	23,847
Loss carried forward	152,141	33,084	-	(16,274)	168,951
Allowance for slow moving of spare part	775	(775)	-	-	-
Depreciation and amortisation	(146,380)	15,385	-	11,091	(119,904)
Employee benefit obligation	1,461	(1,461)	-	-	-
Provision for decommissioning	1,661	(1,661)	-	-	-
Other reserves	92,354	(23,012)	-	(5,654)	63,688
Others	68,122	(30,300)	1,178	13,880	52,880
<b>Total</b>	<b>(245,710)</b>	<b>21,802</b>	<b>7,705</b>	<b>(8,372)</b>	<b>(224,575)</b>
<b>Net</b>	<b>(124,979)</b>	<b>5,036</b>	<b>7,633</b>	<b>(16,979)</b>	<b>(129,289)</b>



	Consolidated US Dollar'000				
	At 1 January 2013	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	Translation adjustment	At 31 December 2013
<b>Deferred tax assets:</b>					
Employee benefit obligation	4,566	(355)	-	-	4,211
Loss carried forward	14,649	3,912	-	-	18,561
Financial derivative	9,167	254	-	-	9,421
Depreciation and amortisation	14,877	21,174	-	-	36,051
Interests in joint ventures	25,379	(1,085)	(1,750)	-	22,544
Provision for mine rehabilitation	2,770	761	-	-	3,531
Provision for decommissioning	511	106	-	-	617
Minerals Resource Rent Tax in Australia	38,710	-	-	(5,530)	33,180
Others	7,682	(12,239)	1,888	-	(2,669)
Tax effect of currency translation on tax base	(1,235)	(3,481)	-	-	(4,716)
<b>Total</b>	<b>117,076</b>	<b>9,047</b>	<b>138</b>	<b>(5,530)</b>	<b>120,731</b>
<b>Deferred tax liabilities:</b>					
Interests in joint ventures	(13,813)	(5,016)	-	-	(18,829)
Mining property rights	(444,156)	28,679	-	-	(415,477)
Financial derivative	(7,828)	(1,182)	27,472	-	18,462
Loss carried forward	108,103	67,931	-	(23,893)	152,141
Allowance for slow moving of spare part	775	-	-	-	775
Depreciation and amortisation	(112,005)	(34,375)	-	-	(146,380)
Employee benefit obligation	1,821	(360)	-	-	1,461
Provision for decommissioning	3,471	(1,810)	-	-	1,661
Other reserves	113,286	(6,083)	-	(14,849)	92,354
Others	89,085	(22,927)	-	1,964	68,122
Tax effect of currency translation on tax base	(943)	943	-	-	-
<b>Total</b>	<b>(262,204)</b>	<b>25,800</b>	<b>27,472</b>	<b>(36,778)</b>	<b>(245,710)</b>
<b>Net</b>	<b>(145,128)</b>	<b>34,847</b>	<b>27,610</b>	<b>(42,308)</b>	<b>(124,979)</b>



	Consolidated Baht'000				
	At 1 January 2014	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	Translation adjustment	At 31 December 2014
<b>Deferred tax assets:</b>					
Employee benefit obligation	138,169	86,526	-	1,916	226,611
Loss carried forward	609,063	(115,931)	-	1,823	494,955
Financial derivative	309,141	132,082	-	3,372	444,595
Depreciation and amortisation	1,182,977	(91,805)	-	14,519	1,105,691
Interests in joint ventures	739,756	25,984	5,897	3,842	775,479
Provision for mine rehabilitation	115,865	27,835	-	942	144,642
Provision for decommissioning	20,246	1,656	-	117	22,019
Minerals Resource Rent Tax in Australia	1,088,768	(777,726)	-	(311,042)	-
Others	(87,584)	199,319	(8,199)	2,410	105,946
Tax effect of currency translation on tax base	(154,777)	(23,194)	-	(1,053)	(179,024)
<b>Total</b>	<b>3,961,624</b>	<b>(535,254)</b>	<b>(2,302)</b>	<b>(283,154)</b>	<b>3,140,914</b>
<b>Deferred tax liabilities:</b>					
Interests in joint ventures	(617,862)	70,528	-	30,791	(516,543)
Mining property rights	(13,633,280)	883,105	-	(381,177)	(13,131,352)
Financial derivative	605,802	38,391	211,997	(70,128)	786,062
Loss carried forward	4,992,294	1,074,562	-	(497,716)	5,569,140
Allowance for slow moving of spare part	25,431	(25,172)	-	(259)	-
Depreciation and amortisation	(4,803,262)	499,705	-	351,156	(3,952,401)
Employee benefit obligation	47,941	(47,453)	-	(488)	-
Provision for decommissioning	54,503	(53,949)	-	(554)	-
Other reserves	3,030,466	(747,415)	-	(183,700)	2,099,351
Others	2,235,333	(984,480)	38,255	453,983	1,743,091
<b>Total</b>	<b>(8,062,634)</b>	<b>707,822</b>	<b>250,252</b>	<b>(298,092)</b>	<b>(7,402,652)</b>
<b>Net</b>	<b>(4,101,008)</b>	<b>172,568</b>	<b>247,950</b>	<b>(581,246)</b>	<b>(4,261,738)</b>



	Consolidated Baht'000			
	At 1 January 2013	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	At 31 December 2013
<b>Deferred tax assets:</b>				
Employee benefit obligation	145,073	(15,794)	-	138,169
Loss carried forward	448,767	120,166	-	609,063
Financial derivative	287,828	1,226	-	309,141
Depreciation and amortisation	1,097,554	49,592	-	1,182,977
Interests in joint ventures	772,495	(28,747)	(51,650)	739,756
Provision for mine rehabilitation	84,850	23,382	-	115,865
Provision for decommissioning	15,653	3,257	-	20,246
Minerals Resource Rent Tax in Australia	1,185,763	-	-	1,088,768
Others	(461,047)	275,988	58,991	(87,584)
Tax effect of currency translation on tax base	9,331	(151,144)	-	(154,777)
<b>Total</b>	<b>3,586,267</b>	<b>277,926</b>	<b>7,341</b>	<b>3,961,624</b>
<b>Deferred tax liabilities:</b>				
Interests in joint ventures	(423,129)	(154,122)	-	(617,862)
Mining property rights	(13,041,105)	434,005	-	(13,633,280)
Financial derivative	(278,573)	-	874,362	605,802
Loss carried forward	3,311,368	2,087,248	-	4,992,294
Allowance for slow moving of spare part	23,740	-	-	25,431
Depreciation and amortisation	(4,787,925)	1,475	-	(4,803,262)
Employee benefit obligation	55,780	(11,061)	-	47,941
Provision for decommissioning	34,591	11,553	-	54,503
Other reserves	3,783,140	(480,002)	-	3,030,466
Others	3,319,265	(1,125,278)	-	2,235,333
Tax effect of currency translation on tax base	(28,891)	9,487	-	-
<b>Total</b>	<b>(8,031,739)</b>	<b>773,305</b>	<b>874,362</b>	<b>(8,062,634)</b>
<b>Net</b>	<b>(4,445,472)</b>	<b>1,051,231</b>	<b>881,703</b>	<b>(4,101,010)</b>



	Company US Dollar'000			
	At 1 January 2014	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	At 31 December 2014
Deferred tax assets:				
Employee benefit obligation	1,690	80	-	1,770
Loss carried forward	3,197	(1,270)	-	1,927
Financial derivative	9,061	996	-	10,057
Others	1,225	600	(137)	1,688
Tax effect of currency translation on tax base	(4,239)	(581)	-	(4,820)
Total	10,934	(175)	(137)	10,622

	Company US Dollar'000			
	At 1 January 2013	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	At 31 December 2013
Deferred tax assets:				
Employee benefit obligation	1,684	6	-	1,690
Loss carried forward	7,513	(4,316)	-	3,197
Financial derivative	9,167	(106)	-	9,061
Others	(402)	1,148	479	1,225
Tax effect of currency translation on tax base	(1,230)	(3,009)	-	(4,239)
Total	16,732	(6,277)	479	10,934



	Company Baht'000			
	At 1 January 2014	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	At 31 December 2014
<b>Deferred tax assets:</b>				
Employee benefit obligation	55,458	2,582	-	58,352
Loss carried forward	104,898	(41,895)	-	63,518
Financial derivative	297,327	33,136	-	331,503
Others	40,185	19,471	(4,453)	55,610
Tax effect of currency translation on tax base	(139,090)	(19,241)	-	(158,878)
<b>Total</b>	<b>358,778</b>	<b>(5,947)</b>	<b>(4,453)</b>	<b>350,105</b>

	Company Baht'000			
	At 1 January 2013	Charged (credited) to profit or loss	Charged (credited) to other comprehensive income or expense	At 31 December 2013
<b>Deferred tax assets:</b>				
Employee benefit obligation	51,599	172	-	55,458
Loss carried forward	230,139	(132,624)	-	104,898
Financial derivative	280,806	(3,260)	-	297,327
Others	(12,357)	25,442	14,417	40,185
Tax effect of currency translation on tax base	(37,691)	(92,434)	-	(139,090)
<b>Total</b>	<b>512,496</b>	<b>(202,704)</b>	<b>14,417</b>	<b>358,778</b>



## 16.2 Income taxes

16.2.1 Income tax for the year ended 31 December is as follow:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Current tax:				
Current tax on profits for the year	96,459	103,516	3,130,979	3,184,312
Adjustments in respect of prior year	(10,528)	2,323	(343,902)	71,376
Withholding tax for dividends	13,004	19,127	423,441	582,590
Total current tax	98,935	124,966	3,210,518	3,838,278
Deferred tax:				
Origination and reversal of temporary differences	(29,268)	(34,847)	(950,294)	(1,051,231)
Total deferred tax	(29,268)	(34,847)	(950,294)	(1,051,231)
Total tax expense	69,667	90,119	2,260,224	2,787,047
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia	24,232	-	777,726	-

The Minerals Resource Rent Tax Repeal and Other Measures Act ("the repeal of MRRT Act") was enacted on 5 September 2014. Therefore, the deferred tax asset net of income tax consequences for the Minerals Resource Rent Tax in Australia was written off and recognised as income tax expenses in the statement of comprehensive income. As a result, the Australian subsidiaries have no tax obligations in the future.

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.

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Current tax:				
Current tax on profits for the year	-	-	-	-
Total current tax	-	-	-	-
Deferred tax:				
Origination and reversal of temporary differences	175	6,277	5,947	202,704
Total deferred tax	175	6,277	5,947	202,704
Total tax expense	175	6,277	5,947	202,704





16.2.2 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:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Profit before tax	249,870	244,014	8,117,680	7,411,075
Tax calculated at a tax rate of 20% (2013: 20%)	49,974	48,803	1,623,152	1,482,215
Tax effect of:				
Income not subject to tax	(1,606)	(2,214)	(52,176)	(68,027)
Expenses not deductible for tax purpose	9,753	8,332	316,773	256,001
Tax losses for which no deferred income tax asset was recognised	15,887	11,046	515,992	344,498
Tax losses of previous periods for which no deferred income tax asset was recognised	(608)	-	(19,741)	-
Re-measurement of gain (loss) from exchange rate of US Dollar financial statements	(86)	5,346	(2,801)	164,252
Deferred income tax assets on functional currency	708	2,083	23,003	64,016
Tax effect of currency translation on tax base	(307)	513	(9,977)	15,748
Adjustment in respect of prior year	(10,528)	2,323	(343,902)	71,376
Re-measurement of tax base of assets (Tax uplift)	(14,460)	-	(469,663)	-
Withholding tax for dividends	13,004	19,127	423,441	582,590
Others	7,936	(5,240)	256,123	(125,622)
Tax expense	69,667	90,119	2,260,224	2,787,047
Reversal of deferred income tax assets for the Minerals Resource Rent Tax in Australia	24,232	-	777,726	-



	US Dollar'000		Company Baht'000	
	2014	2013	2014	2013
Profit before tax	101,967	220,403	3,329,306	6,577,663
Tax calculated at a tax rate of 20% (2013: 20%)	20,393	44,081	662,367	1,315,533
Tax effect of:				
Income not subject to tax	(21,067)	(43,027)	(684,254)	(1,322,059)
Expense not deductible for tax purpose	397	555	12,899	17,041
Re-measurement of gains (losses) from exchange rate	(448)	2,565	(14,547)	78,809
Deferred income tax assets on functional currency	581	1,960	18,875	60,228
Recognise loss carried forward from prior period	-	(396)	-	(12,135)
Adjustment in respect of prior year	549	-	17,824	-
Re-measurement of deferred tax change in tax rate	-	-	-	-
Tax effect of currency translation on tax base	(230)	539	(7,217)	65,287
Income taxes	175	6,277	5,947	202,704



## 17 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:

	US Dollar'000		Consolidated Baht'000	
	2014	2013 Restated	2014	2013 Restated
<b>Current portion:</b>				
- Deferred exploration and development expenditures	-	-	-	-
- Deferred overburden expenditures/stripping costs	58,314	65,760	1,922,207	2,157,822
	58,314	65,760	1,922,207	2,157,822
<b>Non-current portion:</b>				
- Deferred exploration and development expenditures	628,851	627,068	20,728,807	20,576,371
- Deferred overburden expenditures/stripping costs	166,065	204,152	5,474,011	6,698,974
	794,916	831,220	26,202,818	27,275,345
<b>Total deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net</b>	<b>853,230</b>	<b>896,980</b>	<b>28,125,025</b>	<b>29,433,167</b>



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

	US Dollar'000		Consolidated Baht'000	
	2014	2013	2014	2013
		Restated		Restated
<b>As at 1 January</b>				
Cost	1,309,810	3,994,762	42,979,587	122,365,955
<u>Less</u> Accumulated amortisation	(411,331)	(3,096,678)	(13,497,217)	(94,856,231)
Allowance for impairment	(1,499)	(12,051)	(49,203)	(369,130)
Net book amount	896,980	886,033	29,433,167	27,140,594
<b>For the year ended 31 December</b>				
Opening net book amount	896,980	886,033	29,433,167	27,140,594
Additions	990,969	1,109,536	32,186,486	34,091,610
Write-off	-	(27,168)	-	(834,758)
Reversal of impairment	-	10,551	-	324,194
Amortisation	(976,009)	(979,439)	(31,700,589)	(30,229,378)
Translation adjustment	(58,710)	(102,533)	(1,794,039)	(1,059,095)
Net book amount	853,230	896,980	28,125,025	29,433,167
<b>As at 31 December</b>				
Cost	2,209,599	1,309,810	72,835,029	42,979,587
<u>Less</u> Accumulated amortisation	(1,354,870)	(411,331)	(44,660,577)	(13,497,217)
Allowance for impairment	(1,499)	(1,499)	(49,427)	(49,203)
Net book amount	853,230	896,980	28,125,025	29,433,167

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.



## 18 Mining property rights, net

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

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening net book amount	2,051,015	2,142,739	67,301,171	65,635,537
Amortisation	(100,564)	(91,724)	(3,266,287)	(2,818,339)
Translation adjustment	-	-	257,829	4,483,973
Closing net book amount	1,950,451	2,051,015	64,292,713	67,301,171

## 19 Goodwill

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<b>As at 1 January</b>				
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
<b>For the year ended 31 December</b>				
Opening net book amount	524,120	524,103	17,198,275	16,054,122
Adjustment	-	17	-	522
Translation adjustment	-	-	78,304	1,143,631
Net book amount	524,120	524,120	17,276,579	17,198,275
<b>As at 31 December</b>				
Cost	524,120	524,120	17,276,579	17,198,275
<u>Less</u> Allowance for impairment	-	-	-	-
Net book amount	524,120	524,120	17,276,579	17,198,275

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.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.



A segment-level summary of the goodwill allocation is presented below.

								Consolidated
								US Dollar'000
2014				2013				
People's Republic of China and Mongolia				People's Republic of China and Mongolia				
Indonesia	Australia	Mongolia	Total	Indonesia	Australia	Mongolia	Total	
Goodwill allocation	17,418	466,928	39,774	524,120	17,418	466,928	39,774	524,120

								Consolidated
								Baht'000
2014				2013				
People's Republic of China and Mongolia				People's Republic of China and Mongolia				
Indonesia	Australia	Mongolia	Total	Indonesia	Australia	Mongolia	Total	
Goodwill allocation	574,143	15,391,354	1,311,082	17,276,579	571,540	15,321,595	1,305,140	17,198,275

#### Impairment tests for goodwill

The management reviews the impairment testing by considering the recoverable amount of a cash generating unit ("CGU") is determined based on fair value less cost to sell. These calculation based on the cashflow projections based on financial budgets covering the mining period of each mine in each country. Cash inflow from revenues based on the estimated coal production quantities of each mine and selling prices which are referred from Wood MacKenzie, published on December 2014. Cash outflow using the inflation rate for the five-year period and using fixed inflation rate for the period after that. The discount rates used are based WACC of each country at the rates between 8.60% to 14.61% per annum. If the discount rate used in the calculation is increase by 0.5% per annum, there is no impairment of goodwill record in the consolidated financial statements for the year ended 31 December 2014.

## 20 Short-term loans from financial institutions

### Consolidated

As at 31 December 2014, short-term loans from financial institutions represent CNY loans amounting to CNY 118.16 million and US Dollars 44 million (2013: CNY 86.70 million and US Dollars 133 million). The loans bear interest at the rates of 3.23% to 5.88% per annum and 0.70% to 0.95% per annum respectively (2013: 5.88% per annum and 0.85% to 0.92% per annum) and are due for repayment within one year.



## Company

As at 31 December 2014, short-term loans from financial institutions represent US Dollar loans amounting to US Dollars 20 million (2013: US Dollars 118 million). The loans bear interest at the rate of 0.70% per annum (2013: 0.85% to 0.90% per annum) and are due for repayment within one year.

### 21 Other current liabilities

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Accrued expenses	256,173	250,076	8,444,251	8,205,907
Other accounts payable	65	61	2,139	2,000
Withholding tax payable	31,590	29,900	1,041,298	981,137
Value added tax payable	8,843	9,621	291,489	315,684
Retention payable	2,510	1,984	82,725	65,100
Others	16,997	17,191	560,300	564,054
Total other current liabilities	316,178	308,833	10,422,202	10,133,882

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Accrued expenses	4,482	6,179	147,713	202,742
Other accounts payable	61	61	2,000	2,000
Withholding tax payable	499	543	16,457	17,814
Value added tax payable	147	165	4,854	5,436
Retention payable	6	10	204	334
Total other current liabilities	5,195	6,958	171,228	228,326





## 22 Long-term borrowings, net

Long-term borrowings consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<u>Current portion</u>				
Long-term loans from financial institutions	152,425	273,627	5,024,400	8,978,701
Finance lease liabilities, net	7,771	7,009	256,150	229,978
Total current portion, net	160,196	280,636	5,280,550	9,208,679
<u>Non-current portion</u>				
Long-term loans from financial institutions, net	1,470,977	1,416,599	48,487,803	46,483,688
Private placement notes, net	222,479	222,839	7,333,602	7,312,177
Finance lease liabilities, net	22,327	32,714	735,964	1,073,471
Total non-current portion, net	1,715,783	1,672,152	56,557,369	54,869,336
Total long-term borrowings, net	1,875,979	1,952,788	61,837,919	64,078,015

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<u>Current portion</u>				
Long-term loans from financial institutions	152,125	208,878	5,014,511	6,854,032
Total current portion	152,125	208,878	5,014,511	6,854,032
<u>Non-current portion</u>				
Long-term loans from financial institutions, net	997,813	1,059,878	32,890,898	34,778,421
Total non-current portion, net	997,813	1,059,878	32,890,898	34,778,421
Total long-term borrowings, net	1,149,938	1,268,756	37,905,409	41,632,453



## Long-term loans from financial institutions

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Long-term US Dollar loans	1,305,961	1,493,339	43,048,396	49,001,825
Long-term foreign currency loans	324,896	203,296	10,709,545	6,670,861
Total	1,630,857	1,696,635	53,757,941	55,672,686
<u>Less</u> Deferred financing service fee	(7,455)	(6,409)	(245,738)	(210,297)
	1,623,402	1,690,226	53,512,203	55,462,389
<u>Less</u> Current portion of long-term loans from financial institutions	(152,425)	(273,627)	(5,024,400)	(8,978,701)
Long-term loans from financial institutions, net	1,470,977	1,416,599	48,487,803	46,483,688

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Long-term US Dollar loans	1,154,461	1,273,339	38,054,502	41,782,833
<u>Less</u> Deferred financing service fee	(4,523)	(4,583)	(149,093)	(150,380)
	1,149,938	1,268,756	37,905,409	41,632,453
<u>Less</u> Current portion of long-term loans from financial institutions	(152,125)	(208,878)	(5,014,511)	(6,854,032)
Long-term loans from financial institutions, net	997,813	1,059,878	32,890,898	34,778,421



Movements in long-term loans from financial institutions of the Group are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening net balance	1,690,226	2,003,884	55,462,389	61,382,163
Additions	734,347	397,295	23,851,442	12,207,297
Repayment of loans	(763,669)	(691,265)	(24,803,815)	(21,239,805)
Financing service fees	(6,780)	(1,141)	(220,224)	(35,062)
Amortisation of deferred financing service fees	5,734	3,935	186,246	120,908
Net (gains) losses on exchange rate	(1,794)	29,679	(58,266)	911,906
Translation adjustment	(34,662)	(52,161)	(905,569)	2,114,982
Closing net balance	1,623,402	1,690,226	53,512,203	55,462,389

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening net balance	1,268,756	1,662,089	41,632,453	50,912,427
Additions	90,000	100,000	2,923,182	3,072,600
Repayment of loans	(208,878)	(494,476)	(6,784,308)	(15,193,255)
Financing service fees	(1,487)	(757)	(48,298)	(23,254)
Amortisation of deferred financing service fees	1,547	1,913	50,241	58,779
Net gains on exchange rate	-	(13)	-	(400)
Translation adjustment	-	-	132,139	2,805,556
Closing net balance	1,149,938	1,268,756	37,905,409	41,632,453

During 2014, the Group has made an early payment of loans amounting to US Dollars 490 million (2013: Baht 375 million or equivalent to US Dollars 12.24 million and US Dollars 419.60 million.).



Long-term loans of the Company from banks amounting to US Dollars 1,154.46 million (2013: US Dollars 1,273.34 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 50 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 to expired agreement on 28 July 2015.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 80 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 to expired agreement on 25 August 2015.
- 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 to expired agreement on 14 September 2018.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 11.11 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 to expired agreement on 14 October 2015.
- Loan from a bank, which is an unsecured liability, amounting to US Dollars 33.35 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 to expired agreement on 14 August 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 every 6 months commencing 12 November 2015 to expired agreement on 12 November 2019.
- 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 to expired agreement on 25 June 2022.
- 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.



#### US Dollar loan (continued)

- Loan from a bank, which is an unsecured liability, amounting to US Dollars 90 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 31 March 2019.
- 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.

Long-term loans of subsidiaries represent loan from banks amounting to US Dollars 151.50 million (2013: US Dollars 220 million) and Australian Dollars 400 million (2013: Australian Dollars 230 million). Detail of loans is shown as follow:

#### US Dollar loan

- Loan from a bank, which is a secured liability, amounting to US Dollars 1.5 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 26 May 2017.
- Loan from a bank, which is a secured liability, amounting to US Dollars 5 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 24 December 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 within 25 July 2019.
- 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 within 9 December 2018.

Australian Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to Australian Dollars 275 million bears interest rate of BBSY plus applicable fixed margin. The principal of the loan is repayable within 9 December 2018.
- Loan from a bank, which is an unsecured liability, amounting to Australian Dollars 125 million bears interest rate of BBSY plus applicable fixed margin. The principal of the loan is repayable within 9 December 2018.

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

	2014	2013
	%	%
US Dollar loan	2.47	2.30
Australian Dollar loan	4.83	5.01

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

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
- at fixed rates	-	-	-	-
- at floating rates	1,630,857	1,696,635	53,757,941	55,672,686
Total loans	1,630,857	1,696,635	53,757,941	55,672,686

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
- at fixed rates	-	-	-	-
- at floating rates	1,154,461	1,273,339	38,054,502	41,782,833
Total loans	1,154,461	1,273,339	38,054,502	41,782,833



Maturities of long-term loans from financial institutions are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Within 1 year	152,511	273,627	5,027,224	8,978,701
Later than 1 year but not later than 5 years	1,278,346	1,223,008	42,138,117	40,131,265
Later than 5 years	200,000	200,000	6,592,600	6,562,720
Total loans	1,630,857	1,696,635	53,757,941	55,672,686

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Within 1 year	152,211	208,878	5,017,335	6,854,032
Later than 1 year but not later than 5 years	802,250	864,461	26,444,567	28,366,081
Later than 5 years	200,000	200,000	6,592,600	6,562,720
Total loans	1,154,461	1,273,339	38,054,502	41,782,833

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 2014 and 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 (2013: 4.55% per annum).





## Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Not later than 1 year	7,771	9,431	256,150	309,481
Later than 1 year but not later than 5 years	22,510	37,688	742,007	1,236,690
	30,281	47,119	998,157	1,546,171
<u>Less</u> Future finance charges on finance leases	(183)	(7,396)	(6,043)	(242,722)
Present value of finance lease liabilities	30,098	39,723	992,114	1,303,449
Representing lease liabilities:				
- Current portion	7,771	7,009	256,150	229,978
- Non-current portion	22,327	32,714	735,964	1,073,471
Total finance lease liabilities	30,098	39,723	992,114	1,303,449

The present value of finance lease liabilities is as follow:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Not later than 1 year	7,771	7,009	256,150	229,978
Later than 1 year but not later than 5 years	22,327	32,714	735,964	1,073,471
Total finance lease liabilities	30,098	39,723	992,114	1,303,449



## 23 Debentures, net

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Local debentures	1,298,257	1,126,729	42,794,450	36,972,040
<u>Less</u> Deferred financing service fee	(2,206)	(2,050)	(72,722)	(67,276)
	1,296,051	1,124,679	42,721,728	36,904,764
<u>Less</u> Current portion of debentures	(75,811)	(67,045)	(2,498,942)	(2,200,000)
Debentures, net	1,220,240	1,057,634	40,222,786	34,704,764

Movements in debentures for the years ended 31 December are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening net balance	1,124,679	905,954	36,904,764	27,750,830
Additions	246,070	292,727	7,992,298	8,994,342
Repayment of debentures	(68,074)	(5,160)	(2,211,042)	(158,547)
Financing service fee	(444)	(700)	(14,415)	(21,515)
Amortisation of deferred financing fee	288	255	9,351	7,842
Net gains on exchange rate	(6,468)	(68,397)	(210,062)	(2,101,590)
Translation adjustment	-	-	250,834	2,433,402
Closing net balance	1,296,051	1,124,679	42,721,728	36,904,764

During 2013, the Company early redeemed of debentures of US Dollars 5.16 million.

### Issued debentures

During 2014, the Company issued 2 series of the Thai Baht, specifying name, senior and unsecured debentures totaling Baht 8,000 million or equivalent to US Dollars 246 million which are detailed as follows:



Bond Description	BANPU 1/2014 # 1	BANPU 1/2014 # 2
- Type	Senior and unsecured debentures. Principal repayment at the maturity date.	Senior and unsecured debentures. Principal repayment at the maturity date.
- Category	Thai Baht, Specifying name	Thai Baht, Specifying name
- Total offering price	Baht 3,000 million	Baht 5,000 million
- Issue amount	3,000,000 units	5,000,000 units
- Par value	Baht 1,000	Baht 1,000
- Offering price per unit	Baht 1,000	Baht 1,000
- Coupon rate per annum	4.36% per annum	4.80% per annum
- Interest paid	Twice a year	Twice a year
- Life	6 years	10 years
- Issue date	4 July 2014	4 July 2014
- Maturity date	4 July 2020	4 July 2024

Debentures are unsecured liabilities. However, the Group is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio, etc.

The interest rates on the debentures of the Group are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
- at fixed rates	1,298,257	1,126,729	42,794,450	36,972,040
- at floating rates	-	-	-	-
Total debentures	1,298,257	1,126,729	42,794,450	36,972,040

The weighted average effective interest rate of debentures of the Group after recognised effect from interest rate swap contracts is 4.60% per annum (2013: 4.65% per annum).



Maturities of debentures are as follows:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Within 1 year	75,843	67,045	2,500,000	2,200,000
Later than 1 year but not later than 5 years	317,022	307,799	10,450,000	10,100,000
Later than 5 years	905,392	751,885	29,844,450	24,672,040
Total debentures	1,298,257	1,126,729	42,794,450	36,972,040

## 24 Employee benefits obligation

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<u>Current portion:</u>				
Accrued employee benefits	76,231	82,919	2,512,799	2,720,877
<u>Non-current portion:</u>				
Employee retirement benefits obligation	29,402	24,529	969,163	804,874
Total	105,633	107,448	3,481,962	3,525,751

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
<u>Non-current portion:</u>				
Employee retirement benefits obligation	8,851	8,451	291,761	277,292
Total	8,851	8,451	291,761	277,292

Accrued employee benefits presented as current liabilities amounting to US Dollars 76,231 million (2013: US Dollars 82,919 million) is provision for employee annual leave, sick leave and long service leave according to Australian regulation.



Movements of employee benefits obligation are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening balance	107,448	125,432	3,525,751	3,842,186
Recognition in statement of comprehensive income	33,450	30,532	1,086,450	267,390
Payment during the year	(28,076)	(25,400)	(911,910)	(90,619)
Net unrealised gains from exchange rate	(53)	(9,194)	(1,731)	(282,514)
Translation adjustment	(7,136)	(13,922)	(216,598)	(210,692)
Closing balance	105,633	107,448	3,481,962	3,525,751

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Opening balance	8,451	8,422	277,292	257,993
Recognition in statement of comprehensive income	856	886	27,818	27,223
Payment during the year	(405)	(257)	(13,144)	(7,897)
Net unrealised gains from exchange rate	(51)	(600)	(1,661)	(18,466)
Translation adjustment	-	-	1,456	18,439
Closing balance	8,851	8,451	291,761	277,292

Principal actuarial assumptions are as follows:

	2014	2013
Discount rate	3.40% to 9.00%	2.68% to 9.00%
Salary increase rate	2.00% to 8.00%	2.00% to 8.00%
Withdrawal rate	1.80% to 6.80%	1.80% to 5.60%
Normal retirement age	55 to 60 years	55 to 60 years



## 25 Share capital and premium on share capital

	Number of registered shares Share	Issued and paid-up share capital				
		Number of shares Share	Ordinary shares US Dollar'000	Share premium US Dollar'000	Treasury stocks US Dollar'000	Total US Dollar'000
As at 1 January 2014	3,540,504,790	2,717,478,550	80,477	149,800	(133,379)	96,898
<u>Less</u> Decrease share capital	<u>(135,600,000)</u>	<u>(135,600,000)</u>	<u>(4,016)</u>	<u>-</u>	<u>133,379</u>	<u>129,363</u>
As at 31 December 2014	<u>3,404,904,790</u>	<u>2,581,878,550</u>	<u>76,461</u>	<u>149,800</u>	<u>-</u>	<u>226,261</u>

	Number of registered shares Share	Issued and paid-up share capital				
		Number of shares Share	Ordinary shares Baht'000	Share premium Baht'000	Treasury stocks Baht'000	Total Baht'000
As at 1 January 2014	3,540,504,790	2,717,478,550	2,717,479	5,058,329	(3,958,569)	3,817,239
<u>Less</u> Decrease share capital	<u>(135,600,000)</u>	<u>(135,600,000)</u>	<u>(135,600)</u>	<u>-</u>	<u>3,958,569</u>	<u>3,822,969</u>
As at 31 December 2014	<u>3,404,904,790</u>	<u>2,581,878,550</u>	<u>2,581,879</u>	<u>5,058,329</u>	<u>-</u>	<u>7,640,208</u>

### 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 the 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). On 6 February 2014, the Company reduced the registered share capital in accordance with the treasury stocks and 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 and changing the issued and paid-up share capital from 2,717,478,550 shares to 2,581,878,550 shares.



## 26 Legal reserve

The movement of legal reserve for the year ended 31 December is as follows;

	Consolidated and Company					
	US Dollar'000			Baht'000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Opening balance						
as at 1 January 2013	10,485	61,409	71,894	354,051	1,993,521	2,347,572
Appropriation during the year	-	3,085	3,085	-	92,475	92,475
Closing balance						
as at 31 December 2013	10,485	64,494	74,979	354,051	2,085,996	2,440,047
Opening balance						
as at 1 January 2014	10,485	64,494	74,979	354,051	2,085,996	2,440,047
Appropriation during the year	-	1,988	1,988	-	64,462	64,462
Closing balance						
as at 31 December 2014	10,485	66,482	76,967	354,051	2,150,458	2,504,509

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.

## 27 Other reserves

Other reserves of the Group comprised of 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. As at 31 December 2013, the Company had reserve for treasury stock. On 6 February 2014, the Company reduced the registered share capital in accordance with the treasury stocks.

## 28 Other components of shareholders' equity

Movements of other components of shareholders' equity for the years ended 31 December are as follows:

	Consolidated				
	Unit : US Dollar'000				
	Surplus (discount) on changes of % shareholding in subsidiaries	Fair value reserve of available-for- sale investments	Cash flow hedge	Share of other comprehensive income (expense) of joint ventures	Translation Adjustment Total
Opening balance as at 1 January 2013, net of taxes	162,722	(447)	24,808	(34,248)	175,556
Discount on increase % of shareholding in subsidiaries	(14,221)	-	-	-	(14,221)
Changes in fair value	-	(7,851)	-	-	(7,851)
Share of other comprehensive income (expense)	-	-	(105,998)	8,749	(296,468)
Tax charge(credit) to other comprehensive income (expense)	-	1,888	27,472	(1,750)	27,610
Closing balance as at 31 December 2013, net of taxes	148,501	(6,410)	(53,718)	(27,249)	(115,374)
Opening balance as at 1 January 2014, net of taxes	148,501	(6,410)	(53,718)	(27,249)	(115,374)
Changes in fair value	-	(1,918)	-	-	(1,918)
Share of other comprehensive expense	-	-	(6,127)	(908)	(101,507)
Tax change (credit) to other comprehensive income (expense)	-	699	4,203	182	5,084
Closing balance as at 31 December 2014, net of taxes	148,501	(7,629)	(55,642)	(27,975)	(213,715)





Movements of other components of shareholders' equity for the years ended 31 December are as follows: (continued)

		Consolidated					Unit : Baht'000	
	Note	Surplus (discount) on changes of % shareholding in subsidiaries	Fair value reserve of available-for- sale investments	Cash flow hedge	Share of other comprehensive income (expense) of joint ventures	Translation adjustment	Total	
Opening balance as at 1 January 2013, net of taxes as previously report								
Adjustment	3	6,001,364	(13,692)	759,908	(1,048,270)	(6,061,903)	(362,593)	
Opening balance after adjusted							111,566	
Discount on increase % of shareholding in subsidiaries		6,001,364	(13,692)	759,908	(1,048,270)	(5,950,337)	(251,027)	
Changes in fair value		(462,352)	-	-	-	-	(462,352)	
Share of other comprehensive income (expense)		-	(232,522)	-	-	-	(232,522)	
Tax charge(credit) to other comprehensive income (expense)		-	-	(3,374,562)	258,251	-	(3,116,311)	
Translation adjustment		-	58,991	874,362	(51,650)	-	881,703	
Closing balance as at 31 December 2013, net of taxes		-	(23,097)	(22,415)	(52,469)	(877,486)	(975,467)	
Opening balance as at 1 January 2014, net of taxes as previously report		5,539,012	(210,320)	(1,762,707)	(894,138)	(6,827,823)	(4,155,976)	
Adjustment	3	5,539,012	(210,320)	(1,762,707)	(894,138)	(6,854,906)	(4,183,059)	
Opening balance after adjusted							27,083	
Changes in fair value		-	-	-	-	-	-	
Share of other comprehensive income (expense)		-	(63,140)	(187,031)	(30,062)	-	(217,093)	
Tax charge(credit) to other comprehensive income (expense)		-	22,939	133,351	6,012	-	162,302	
Translation adjustment		-	(923)	(17,759)	(3,961)	(3,237,510)	(3,260,153)	
Closing balance as at 31 December 2014, net of taxes		5,539,012	(251,444)	(1,834,146)	(922,149)	(10,065,333)	(7,534,060)	



Movements of other components of shareholders' equity for the years ended 31 December are as follows: (continued)

	Note	Company	
		Fair value reserve of available-for- sale investments US Dollar'000	Total US Dollar'000
Opening balance as at 1 January 2013, net of taxes		1,756	1,756
Changes in fair value		(2,531)	(2,531)
Tax charge(credit) to other comprehensive income (expense)	16	479	479
Closing balance as at 31 December 2013, net of taxes		(296)	(296)
Opening balance as at 1 January 2014, net of taxes		(296)	(296)
Changes in fair value		681	681
Tax charge(credit) to other comprehensive income (expense)	16	(137)	(137)
Closing balance as at 31 December 2014, net of taxes		248	248

	Note	Company		
		Fair value reserve of available-for- sale investments Baht'000	Translation adjustment Baht'000	Total Baht'000
Opening balance as at 1 January 2013, net of taxes		53,793	(341,396)	(287,603)
Changes in fair value		(76,251)	-	(76,251)
Tax charge (credit) to other comprehensive income (expense)	16	14,417	-	14,417
Translation adjustment		(1,623)	1,356,940	1,355,317
Closing balance as at 31 December 2013, net of taxes		(9,664)	1,015,544	1,005,880
Opening balance as at 1 January 2014, net of taxes		(9,664)	1,015,544	1,005,880
Changes in fair value		21,986	-	21,986
Tax charge (credit) to other comprehensive income (expense)	16	(4,453)	-	(4,453)
Translation adjustment		306	54,224	54,530
Closing balance as at 31 December 2014 net of taxes		8,175	1,069,768	1,077,943



## 29 Expenses by nature

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Staff costs	347,564	385,468	11,288,536	11,843,893
Depreciation and amortisation	1,199,064	1,213,026	38,945,351	35,813,215
Write-off of assets	2,295	6,937	74,552	213,187
Operating leases	34,982	36,197	1,135,987	1,112,192
Allowance for slow-moving of coal	(521)	-	(16,896)	-
Demurrage expenses	20,794	24,142	675,290	741,789
(Reversal) Allowance for doubtful accounts	826	(1,081)	26,791	(33,199)

	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Staff costs	19,812	23,536	643,388	723,171
Depreciation and amortisation	1,999	2,015	64,916	61,913
Write-off of assets	66	150	2,140	4,617
Operating leases	1,253	1,357	40,679	41,694
Demurrage expenses	-	3	-	77
Reversal allowance for doubtful accounts	-	(33)	-	(1,005)



### 30 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 are as follows:

	Consolidated		Company	
	2014	2013 Restated	2014	2013
<b>US Dollar</b>				
Net profit attributable to ordinary shares (US Dollar'000)	82,246	78,025	101,792	214,126
Weighted average ordinary shares (Thousand shares) (Note 25)	2,581,879	2,581,879	2,581,879	2,581,879
Basic earnings per share (US Dollar)	0.032	0.030	0.039	0.083
<b>Baht</b>				
Net profit attributable to ordinary shares (Baht'000)	2,679,632	2,324,843	3,323,359	6,374,959
Weighted average ordinary shares (Thousand shares) (Note 25)	2,581,879	2,581,879	2,581,879	2,581,879
Basic earnings per share (Baht)	1.038	0.900	1.287	2.469

The Company recalculates basic earnings per share for the year ended 31 December 2013 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 2014.

There are no potential dilutive shares in issue for the years ended 31 December 2014 and 2013.

### 31 Dividends

At the Annual General Shareholders' meeting on 3 April 2014, the shareholders approved a payment of final dividends of 2013 of Baht 0.70 per share for 2,581,878,550 shares, totaling of Baht 1,807.31 million or equivalents to US Dollars 55.79 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totaling of Baht 0.16 million or equivalents to US Dollars 4,877. Such dividend was paid to the shareholders on 29 April 2014.



At the Board of Directors' meeting on 27 August 2014, the board approved a payment of interim dividends of 2014 of Baht 0.50 per share for 2,581,878,550 shares, totaling of Baht 1,290.94 million or equivalents to US Dollars 40.33 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totaling of Baht 0.06 million or equivalents to US Dollars 1,997. Such dividend was paid to the shareholders on 26 September 2014.

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.

## 32 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.



The following significant transactions were carried out with related parties:

### 32.1 Transactions during the years ended 31 December are as follows:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Management income from joint ventures	1,247	1,117	40,487	34,353
	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Sales of goods and services to a subsidiary	10,039	7,126	326,661	215,459
Purchases of goods and cost of services from subsidiaries	61,240	38,164	1,990,726	1,178,247
Dividend from subsidiaries	105,128	214,954	3,433,674	6,423,468
Interest income from subsidiaries	87,890	73,532	2,854,580	2,261,345
Interest expense to a subsidiary	105	193	3,385	5,879
Management income from subsidiaries	28,013	32,072	909,685	984,914

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 to subsidiaries for rendering the marketing consultant and management in transportation. The fees are based on 1.5% of gross revenue of export coals.



## 32.2 Amounts due from related parties as at 31 December consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Other receivables - joint ventures	255	191	8,421	6,252
Dividend receivables from joint ventures	217,075	215,835	7,155,444	7,082,311
	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Trade accounts receivable - a subsidiary (Note 9)	3,865	452	127,373	14,808
Interest receivable - subsidiaries	101,509	13,914	3,346,030	456,556
Other receivables - subsidiaries	7,113	18,324	234,468	601,302
Total amounts due from related parties	108,622	32,238	3,580,498	1,057,858
Dividend receivables from subsidiaries	311,729	426,097	10,275,538	13,981,774

## 32.3 Advances and long-term loans to related parties as at 31 December consist of:

	Consolidated			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Advances to a joint venture	11	-	356	-
	Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Advances to subsidiaries	610	248	20,099	8,152
Short-term loans to related parties	3,034	46	100,000	1,500
Long-term loans to related parties	2,299,136	2,304,016	75,786,430	75,603,062



Long-term loans to subsidiaries represent US Dollar loans amounting to US Dollars 2,297 million and Thai Baht loans amounting to US Dollars 60 million (2013: US Dollars 2,304 million) bearing interest at rates of 3.61% to 4.02% per annum (2013: 3.74% to 3.76% 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	
	2014	2013	2014	2013
Opening balance	2,304,016	2,139,116	75,603,062	65,524,550
Increase	44,388	2,383,772	1,441,718	73,243,539
Repayment	(49,186)	(2,220,385)	(1,597,547)	(68,223,335)
Realised gains (losses) on exchange rate	(82)	1,513	(3)	46,495
Translation adjustment	-	-	339,200	5,011,813
Closing balance	2,299,136	2,304,016	75,786,430	75,603,062

#### 32.4 Trade accounts payable, advances and loans from related parties comprised:

	US Dollar'000		Company Baht'000	
	2014	2013	2014	2013
Trade accounts payable - a subsidiary	13,694	6,406	451,393	210,193
Other payables - subsidiaries	1,452	-	47,847	-
Accrued interest expenses - a subsidiary	81	-	2,680	-
Advances from subsidiaries	9	2	308	60
Total advances from and amounts due to related parties	1,542	2	50,835	60
Short-term loan from a subsidiary	3,500	-	115,371	-

As at 31 December 2014, short-term loan from a subsidiary represents US Dollar loans amounting to US Dollars 3.50 million, bears interest at rate of 3.32% per annum. The repayment for principle and interest is on 24 June 2015.





### 32.5 Key management compensation comprised:

	Consolidated and Company			
	US Dollar'000		Baht'000	
	2014	2013	2014	2013
Salaries and other short-term employee benefits	2,891	3,003	94,014	92,718
Post-employment benefits	93	93	3,031	2,850
Other long-term benefits	2	2	50	51
	2,986	3,098	97,095	95,619

## 33 Commitment, significant contracts and contingent liabilities

As at 31 December, the Group has obligations with banks as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Million (Original currency)	Million (Original currency)	Million (Original currency)	Million (Original currency)
Letters of Guarantee				
- US Dollar	212.24	204.29	204.24	204.24
- Thai Baht	102.34	4,104.87	52.44	4,052.77
- Indonesian Rupiah	489,180.74	382,405.58	-	-
- Australian Dollar	132.13	136.20	-	-
Letters of Credit				
- US Dollar	4.79	6.40	-	-
- Australian Dollar	-	0.35	-	-
- Euro	1.04	-	-	-

### Capital commitments

As at 31 December 2014, the Group had capital commitments but not recognised in the consolidated financial statements in the amount of Australian Dollars 32.91 million and US Dollars 70.43 million (2013: Australian Dollars 65.74 million and US Dollars 2.55 million).



## Coal Supply Agreement commitments

As at 31 December 2014, the Group of Indonesian subsidiaries had coal supply commitments in accordance with the Coal Supply Agreement in the amount of 43.82 million tonnes at the market price (2013: 50.60 million tonnes), such coals to be delivered within 2021 (2013: 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 2.90 million (2013: Australian Dollar 3.70 million).

## Significant contracts

- a) A subsidiary in Thailand has entered into a 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.
- b) A subsidiary in Thailand has entered into a 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.
- c) 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 2015 and October 2019.
- d) In October 2014, Indonesian subsidiaries have extended the fuel purchase agreement entered into with Pertamina with the addition of a new sales scheme to some of the subsidiaries known as the Vendor Held Stock System whereby Pertamina is responsible to ensure the availability of fuel stock in the Group's borrowed fuel storage facility.
- 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 an Indonesian subsidiary are 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, an Indonesian subsidiary are 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. As at 31 December 2014, The total remaining contract value is Indonesian Rupiah 30,050 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) 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 2014, 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.
- b) A joint partner in Mongolia filed a civil lawsuit 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 2014, the case was in judicial process. However, the Group's management believes that the subsidiaries have no responsible on this claim as the claim is invalid.



- c) In 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 September 2012, the Civil Court issued a judgement 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 complaints involving Banpu International Limited and the management were dismissed.

On 9 September 2014, the Civil Court announced the judgment of the Appeal Court whereby the Plaintiff's complaint was dismissed. The grounds for dismissal were that the Defendants had always acted in good faith before and after the Joint Development Agreement was entered into, and that the Defendants did not commit a wrongful act against the Plaintiffs. The Appeal Court also found that it was the Plaintiffs that breached the Joint Development Agreement, and that the Defendants had no obligation to return to the Plaintiff the documents in which the information relating to the Plaintiff's Hongsa Project contains.

As at 31 December 2014, under the law, the case has yet to reach its final stage, the Plaintiff has filed with the Supreme Court a petition against the judgment of the Appeal Court, and the Defendants is preparing the response to the Plaintiff's petition for the final judgment of the Supreme Court. It is anticipated that the determination process in the stage of the Supreme Court will take approximately 3 to 5 years. However, The management of the Company and Banpu Power Limited are 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. As a result, as at 31 December 2014, the Company and Banpu Power Limited do not record a contingent liability in respect of this case in the financial statements.



- d) During 2010, an Indonesian subsidiary has been issued tax underpayment assessment for the fiscal year 2008 of US Dollars 9.33 million and Indonesian Rupiah 161,769 million or equivalent to US Dollars 22.23 million. The management of such subsidiary has disagreed and filed the appeal to tax court. In 2013, the Tax Court issued a decision which accepted the appeal of US Dollars 6.90 million but rejected the US Dollars 2.43 million and Indonesian Rupiah 161,769 million or equivalent to US Dollars 15.43 million. The management of such subsidiary required legal advisor to review the judgement and their legal opinion firmly assures that there are strong defenses. The management filed an appeal to the Supreme Court. As at 31 December 2014, the case was in judicial process.
- e) During 2013, an Indonesian subsidiary has been issued tax underpayment assessment for the fiscal year 2011 of US Dollars 37.68 million from DGT regarding the dividend payment. The management of such subsidiary has disagreed with the claim and filed the objection letter to DGT and DGT refused this letter on May 2014. The management took a legal action to Indonesian Tax Court on 25 July 2014. Additionally, during 2014, such Indonesian subsidiary has been issued tax underpayment assessment for the fiscal year 2012 of US Dollars 14.30 million regarding the dividend payment to an Indonesian parent company. The management of such subsidiary has disagreed with the claim and believe that they can discuss with DGT. However, the management of has filed an objection letter to DGT.

During 2014, two Indonesian subsidiaries have been issued tax underpayment assessment regarding the submission of withholding tax of Indonesian Rupiah 231,348 million or equivalent to US Dollars 18.59 million deducted from dividend payment to an Indonesian parent company. The management of such subsidiaries has filed an objection letter to DGT on 15 January 2014 and DGT refused in November 2014. On 13 February 2015, the management took a legal action to Indonesian Tax Court.

- f) During 2013, an Indonesian subsidiary has been issued tax underpayment assessment for the fiscal year 2009 of US Dollars 28.63 million from DGT. However, if such subsidiary uses the same basis of the tax underpayment of US Dollars 28.63 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. However, in December 2013, DGT has refused to perform tax audit for the fiscal year 2008. The management of such subsidiary believes that the objection of DGT could be the evidence to support tax refund from DGT. In February 2014, the management, therefore, took a legal action to Indonesian Tax Court to request for tax audit of the fiscal year 2008 from DGT. Currently, the case is in judicial process.
- g) On 30 April 2014, an Indonesian subsidiary has been issued tax underpayment assessment of US Dollars 0.96 million from DGT regarding intercompany coal price sales and Indonesian Rupiah 81,856 million or equivalent to US Dollars 6.58 million regarding interpretation of double tax treaty and documentation on certification of domicile. The management of such subsidiary has disagreed with the claim and filed the objection letter to DGT on 24 July 2014.
- h) On 4 May 2014, an Indonesian subsidiary has been sued and asked for the claim for land amounting to Indonesian Rupiah 500,000 million or equivalent to US Dollars 41.78 million and compensation of Indonesian Rupiah 11,700 million or equivalent to US Dollars 0.98 million. On 8 December 2014, the District Court issued a decision to require such subsidiary to pay the compensation of Indonesian Rupiah 400 million. The management has appealed to High Court and they are of the view that they have no responsibility for such damages and claims. Consequently, the subsidiary has not provided for any liabilities in the financial statements as at 31 December 2014.



- i) In 2014, an Indonesian subsidiary have been issued tax underpayment assessment of US Dollars 13.03 million and Indonesian Rupiah 48,296 million or equivalent to US Dollars 3.88 million from DGT regarding the income tax and the withholding tax for the fiscal year 2009 respectively. DGT is of the view that the payment of management and market fee paid to the Company considered as dividend payment, treated as non-taxable expenses and subjected to the withholding tax. The management of such subsidiary has disagreed with the claim and filed the objection letter to DGT on 15 October 2014.
- j) On 28 December 2014, two Indonesian subsidiaries have been issued tax underpayment assessment of Indonesian Rupiah 38,618 million or equivalent to US Dollars 3.10 million from DGT regarding the withholding tax resulting from the interpretation of double tax treaty and documentation on certification of domicile. The management of such subsidiary has disagreed with the claim and believe that they can discuss with DGT.

### Others

- a) Five 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.
- b) An Australian subsidiary has been advised by the Australian Government Department ("Ausindustry") that a tax claim for Research and Development expenditure related to longwall mine design has been disallowed. As a result, the amount of the tax claim included interest charges of Australian Dollars 36 million to be paid if the tax claim is disallowed. However, the management of such subsidiary believes that the claim is valid and will be defending its right to the tax claim in the Administrative Appeals Tribunal. Therefore, no provision has been recorded in the financial statement.

## 34 Subsequent event

- a) On 15 January 2015, Shanxi Luguang Power Co., Ltd. was approved to be established by the Department of Commerce of Shanxi Province of the People's Republic of China. It is jointly invested among Banpu Power Investment Co., Ltd, a subsidiary, Shanxi Lu'an Mining (Group) Co., Ltd. and Gemeng International Energy Co., Ltd. The Group holds 30% of shareholding of registered share capital of CNY 1,500 million.
- b) On 10 February 2015, BOG Co., Ltd., a subsidiary, established Banpu North America Corporation, taking 100% of shareholding of the registered capital of US Dollar 100. Such company registered in the United States of America for the purpose of investing in an energy business.





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