

30TH ANNIVERSARY WE ARE ONE





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drives our business stability

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The excellence that
drives our future growth

The excellence that
enhances our strength



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Message from Executive Chairman and Managing Director

Bangkok Aviation Fuel Services Public Company Limited (BAFS) turned 30 in 2013 with strong and constant growth. Throughout these years, the Company has continually developed the aviation fuel services that meet with the widely recognized international standard, which supports the development and competitiveness of Thailand's international airports. At the same time, the Company has encouraged our employees to adhere strictly to the good corporate governance principle that supports the Company's sustainable growth. The Company announced anti-corruption policy in 2013 to clearly demonstrate its position on this matter, underlining its commitment to the good corporate governance principle.

2013 was the most successful year for BAFS as it experienced record-high net profit since its inception. The significant aviation refueling service increase of 8.5% over the previous year contributed greatly to such success. As airlines within Air Asia Group moved to Don Mueang Airport in October 2012, the volume of aviation fuel provided at the airport enormously increased by 174.4% compared to 2012. The aviation fuel volume offered at the Suvarnabhumi International Airport expanded by 1.5% year on year due to new airlines calling the airport and the increasing flight frequency of existing airline customers. In addition, the Company's strong performance is also supported by the acquisition of Fuel Pipeline Transportation Limited (FPT) from financial institutional creditors, which has brought FPT back on track and is able to make profit again at present.

In addition to performance success, the Company has made a significant milestone in the past year. The Company and its subsidiaries are able to set clear business direction for the future. The ASEAN Economic Community integration has opened with opportunities for the Company to invest in other ASEAN member countries. The Company also plans to merge FPT and JP-One Asset Company Limited (JP-One) and only FPT will remain, enabling the Company to strengthen its capability in fuel transmission through pipeline business. Thai Aviation Refuelling Company Limited (TARCO) also reached an agreement with the Airports of Thailand Public Company Limited (AOT) on benefits from hydrant pipeline network Phase II at Suvarnabhumi International Airport, supporting the Company's stable growth in the future.

On behalf of the BAFS Board of Directors, executives, employees and subsidiaries, I guarantee that the Company will continue to strictly adhere to the corporate governance principle in order to secure corporate strength and sustainable growth. I wish to thank all shareholders, customers, trade and business partners as well as all stakeholders for trust on BAFS' capability throughout these years.



(M.R. Supadis Diskul)

Executive Chairman and Managing Director





Key Financial Highlights

(Unit : Million Baht)

	2013	2012	2011
Key Financial Status and Performance			
Services Income	2,761.31	2,349.18	2,338.02
Rental Income	36.90	23.88	22.17
Total Revenue	3,133.71	2,670.90	2,409.33
Cost of Services	1,144.17	949.27	950.76
Administrative, Management Benefit Expenses and Amortization of Concession of Subsidiaries	519.59	484.89	413.56
Total Expenses	1,663.76	1,434.16	1,364.32
Gross Profit	1,654.04	1,423.79	1,409.43
Finance Costs	115.92	139.19	118.64
Profit (Loss) attributable to equity holders of the parent	1,054.13	796.53	527.56
EPS (Baht)	2.07	1.56	1.03
Cash and Short Term Investment	1,356.12	1,004.49	879.95
Total Assets	8,084.02	7,390.70	7,355.22
Total Liabilities	3,095.85	3,102.90	3,534.96
Shareholders' Equity	4,988.17	4,287.79	3,820.26
Key Financial Ratios			
Gross Profit Margin	59.11%	60.00%	59.72%
Net Profit Margin	33.64%	29.82%	21.90%
Return on Assets	13.62%	10.80%	7.41%
Return on Equity	22.73%	19.65%	13.92%
Debt to Equity (Times)	0.62	0.72	0.93
Book Value per Share (Baht)	9.78	8.41	7.49
Number of Shares (million Shares)	510	510	510
Dividend per Shares (Baht)	1.00	0.78	0.65
Earning per Shares (Baht)	2.07	1.56	1.03

General Information



Bangkok Aviation Fuel Services Public Company Limited

Head Office	171/2 Kamphaeng Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10210 Tel : 0 2834 8900 Fax : 0 2834 8999 Website : www.bafsthai.com
Type of Business	Storage and Aircraft Refuelling Services
Registration Number	0107538000487
Registered Capital	509.998 million shares, 1 Baht per share, total 509.998 million Baht
Paid-up Capital	509.997 million shares, 1 Baht per share, total 509.997 million Baht

References

Share Registrar	Thailand Securities Depository Company Limited 62 Rachadapisek Road, Klongteoy, Bangkok 10110 Tel : 0 2229 2800 Fax : 0 2654 5427
Auditor	Dharmniti Auditing Co., Ltd. 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800 Tel : 0 2587 8080 Fax : 0 2586 0301

BAFS Shareholdings in Subsidiary Companies

Name	Type of Business	Type of share	Paid-up Capital (Million Baht)	Shareholding Percentage (%)
Thai Aviation Refuelling Co., Ltd. 99 Moo 10, Srisa Jorakhanoi, Bang Saothong, Samut Prakran 10540 Tel : 0 2134 4021-6 Fax : 0 2134 4020	Operating aviation fuel service using the Hydrant technology at Suvarnabhumi Airport	Ordinary	530	90.00
Fuel Pipeline Transportation Limited^{1/} 424 Kamphaeng Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10120 Tel : 0 2574 6180-3 Fax : 0 2574 6101	Storing and transporting aviation fuel through pipeline system	Ordinary and Preferred	260.67	90.72
JP-One Asset Co., Ltd.^{2/} 171/2 Kamphaeng Phet 6 Rd., Don Mueang, Bangkok 10120 Tel : 0 2929 6090 Fax : 0 2929 6098	Transporting aviation fuel through pipeline system	Ordinary	600	92.50
Intoplane Services Co., Ltd. 171/2 Kamphaeng Phet 6 Rd., Don Mueang, Bangkok 10120 Tel : 0 2834 8982-3 Fax : 0 2834 8999	Conducting Into-plane fuelling service which is hired only for labor. Currently, it provides service at Samui and Sukhothai Airports	Ordinary	0.12	83.33

Notes:

^{1/} On 3 February 2014, Fuel Pipeline Transportation Limited (FPT) increased its registered capital from Baht 139.27 million to Baht 260.67 million by issuing 24,278,941 new shares to be offered to JP-One Assets Company Limited (JP-One) shareholders in exchange of JP-One assets.

^{2/} On 1 February 2014, JP-One transferred its business to FPT and registered the dissolution of its business at the Department of Business Development on 3 February 2014.

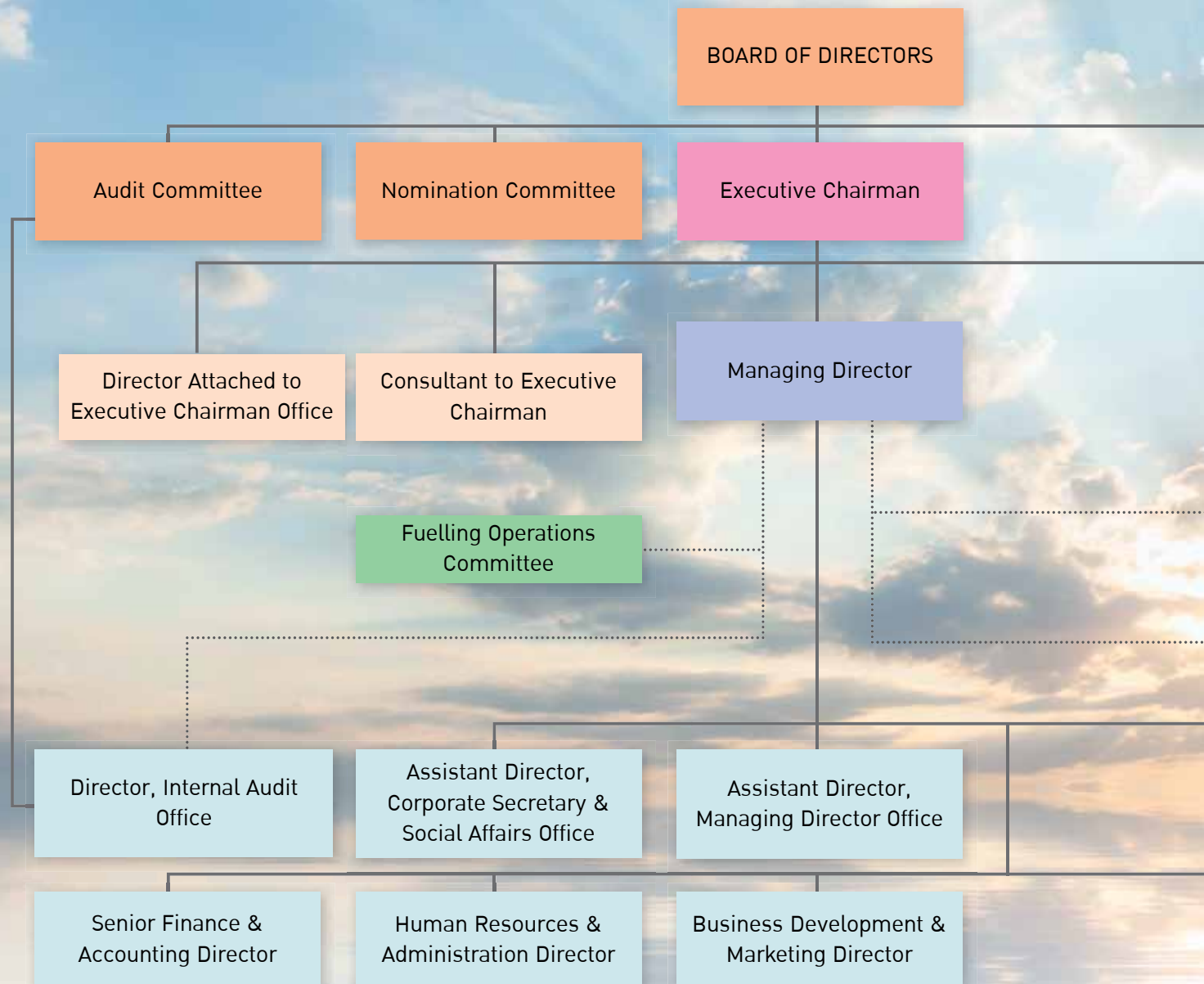


Honorable Award

BAFS won enterprise of safety awards at three locations

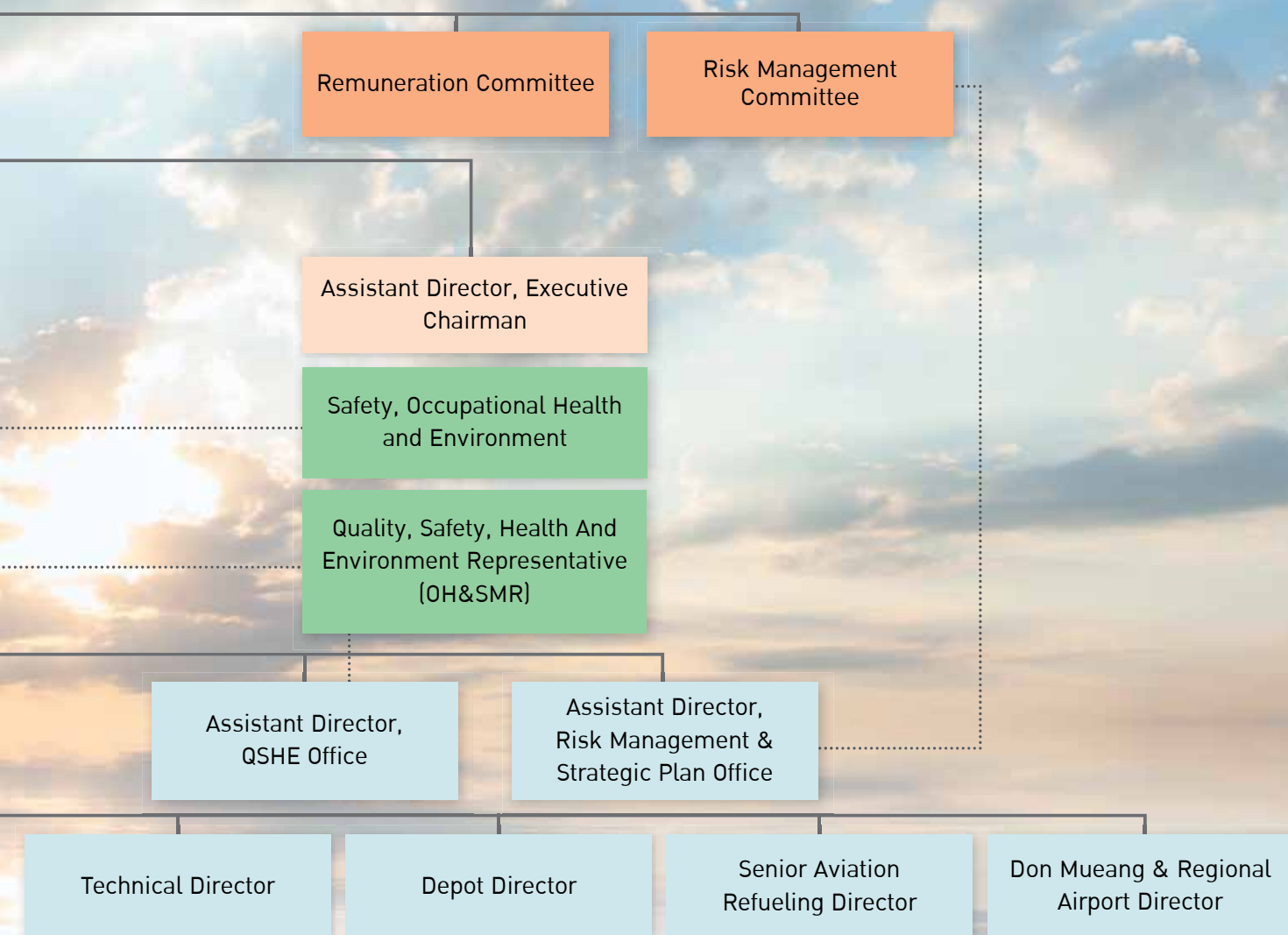
Minister of Labour Protection and Welfare granted the Year 2013's National Award of Outstanding for Enterprise of Safety Operation, Occupational Health and Working Environment to Bangkok Aviation Fuel Services Plc. at Bitec Bangna on 3rd July 2013. In this year, BAFS won these awards for three locations : Don Mueang Depot, Into-Plane Service Sub-station and Suvarnabhumi Depot.

Orgnaization Chart



— Line of Command

..... Reporting Lines



Effective Date : 1st March 2014

Board of Directors



Mr. Palakorn Suwanrath
Chairman and Independent Director

Age 65 Years

Year of appointment as a director

Apr 2007

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master of Arts in International Affairs (M.A.I.A.) Southeast Asia Studies, Ohio University, USA
- Bachelor of Arts in Political Science, Chulalongkorn University
- Certificate, National Defence College, Class 37
- Director Accreditation Program (DAP), Director Certification Program (DCP), The Role of Chairman from Thai Institute of Directors Association (IOD)

Other Current Position

- Privy Councillor

Past Experience

- Chairman Metropolitan Electricity Authority
- Chairman Provincial Electricity Authority
- Director Electricity Generating Authority of Thailand
- Director Expressway and Rapid Transit Authority of Thailand
- Director Government Savings Bank
- Director SCB Securities Co., Ltd.



M.R. Supadis Diskul
Executive Chairman and Managing Director

Age 64 Years

Year of appointment as a director

Dec 1983

(%) Share Holding

- 0.65 (In name of himself and spouse 3,310,000 shares) Increased 160,000 shares in 2013

Education/Training

- Master of Community and Regional Planning, North Dakota State University, USA
- Bachelor of Science, Medical Technology, Mahidol University
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 15
- Director Accreditation Program (DAP), Director Certification Program (DCP), Finance for Non-Finance Director, The Role of Chairman, Role of the Compensation Committee, Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)

Other Current Position

- Director Thai Aviation Refuelling Co., Ltd.
- Chairman Intoplane Services Co., Ltd.
- Chairman Fuel Pipeline Transportation Co., Ltd.

Past Experience

- Executive Vice President, Corporate Development and Support Department Thai Airways International Plc.
- Managing Director Thai Aviation Refuelling Co., Ltd.
- Managing Director JP-One Asset Co., Ltd.
- Managing Director Fuel Pipeline Transportation Ltd.
- Director JP-One Asset Co., Ltd.



Flight Lieutenant Montree Jumrieng
Director

Age 56 Years

Year of appointment as a director

Feb 2010

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Bachelor of Science, Mechanical Engineering, Royal Thai Air Force Academy

Other Current Position

- Executive Vice President, Technical Department Thai Airways International Plc.

Past Experience

- Executive Vice President, Human Resources Development & Management, Thai Airways International Plc.
- Vice President, Human Resources Management Department, Thai Airways International Plc.
- Director, Chief Pilot Department Thai Airways International Plc.



First Lieutenant Athisak Padchuenjai
Director

Age 60 Years

Year of appointment as a director

Nov 2013

(%) Share Holding

- No

Education/Training

- Bachelor of engineering (Survey Engineering) , Chulachomklao Royal Military Academy
- Commercial pilot certification civil aviation training center
- Join training CRM recurrent course
- Mini MBA Chulalongkorn University

Other Current Position

- Executive Vice President, Operations Department
Thai Airways International Plc.

Past Experience

- Vice president , Flight Operations Department
Thai Airways International Plc.
- Vice President, Aviation Resources Development Department
Thai Airways International Plc.
- Mission Commander , Operations, Aviation Resources Development Department
Thai Airways International Plc.



Mrs. Wasukarn Visansawatdi
Director

Age 52 Years

Year of appointment as a director

Feb 2013

(%) Share Holding

- No

Education/Training

- Master Degree in Project Appraisal, Development Economics, National Institute of Development Administration (NIDA)
- Bachelor Degree in Finance and Banking, Economics, Thammasat University
- Executive Program Class 17, Capital Market Academy

Other Current Position

- Executive Vice President, Finance and Accounting, Thai Airways International Plc.

Past Experience

- Vice President, Corporate Finance Department
Thai Airways International Plc.
- Vice President, Business Development and Special Project Department
Thai Airways International Plc.
- Director, Fund Department
Thai Airways International Plc.



Dr. Pongsak Semson
Director

Age 63 Years

Year of appointment as a director

Aug 2013

(%) Share Holding

- No

Education/Training

- Ph.D. (Political Theory, Thai Government Relationships between Countries, Law, Public Policies, Public Administration), Chulalongkorn University
- M.A. (Political Science), Thammasat University
- M.B.A. (Business Administration), National Institute of Development Administration (NIDA)
- B.A. (Political Science), Chiang Mai University
- National Defence Course (Class 4212), National Defence College
King Prajadhipok's Institute, Public Administration and Public Law (Class 1)
- Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP) from Thai Institute of Directors Association (IOD)

Other Current Position

- Vice Chairman Board of Director, Airports of Thailand Plc.

Past Experience

- Chairman Advisor to Political Party Registrar, Office of the Election Commission of Thailand
- Permanent Secretary
Bangkok Metropolitan Administration
- Deputy Permanent Secretary
Bangkok Metropolitan Administration
- Director of Policy and Planning Department
Bangkok Metropolitan Administration



Mr. Ath Hemvijitraphan

Director

Age 55 Years

Year of appointment as a director Mar 2009

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration, Assumption University
- Director Accreditation Program (DAP) from Thai Institute of Directors Association (IOD)

Other Current Position

- Executive Director, Commercial Fuel Business The Shell Company of Thailand Limited
- Secondary Transport Manager: Thailand, Hong Kong and Philippines The Shell Company of Thailand Limited

Past Experience

- General Manager-Distribution: Mekong Cluster, The Shell Company of Thailand Limited
- General Manager-Supply: Mekong Cluster, The Shell Company of Thailand Limited



Mr. Kris Imsang

Director

Age 49 Years

Year of appointment as a director Dec 2013

(%) Share Holding

- No

Education/Training

- Bachelor of Engineering , Civil engineering, Chulalongkorn University
- Graduate Diploma in Business Administration, Sasin Graduate Institute of Business Administration

Other Current Position

- Executive Vice President, Supply & Terminal Operations PTT Plc.

Past Experience

- Executive Vice President, Lubricant Operation Department PTT Plc.
- Vice President, Lubricant Operation Department PTT Plc.
- Managing Director Thai Lube Blending Co., Ltd.
- Vice President, Leadership & Talent Management PTT Plc.



Mr. Trintr Subakarn

Director

Age 43 Years

Year of appointment as a director Nov 2012

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master of Business Administration, Chulalongkorn University
- Bachelor of Engineering, Prince of Songkla University
- Director Certification Program (DCP) from Thai Institute of Directors Association (IOD)

Other Current Position

- Aviation Operations Manager Chevron (Thailand) Co., Ltd.

Past Experience

- Xpress Lube Manager Caltex Oil (Thailand) Co., Ltd.
- Lubricants Trainer Caltex Oil (Thailand) Co., Ltd.
- Sales Manager Interroll (Thailand) Co., Ltd.
- Director Fuel Pipeline Transportation Co., Ltd.



Mr. Navee Lertphanichkul

Director

Age 65 Years

Year of appointment as a director May 2002

(%) Share Holding

- 0.43 (In name of spouse 2,201,000 shares) Increased 460,800 shares in 2013.

Education/Training

- Bachelor Degree, Electrical Engineering, Chulalongkorn University
- Cost/Schedule Engineer, Exxon Research and Engineering, New Jersey
- International Management Program, IMD, Switzerland
- Marketing Strategy, Michigan University
- Director Accreditation Program (DAP), Director Certification Program (DCP), Finance for Non-Finance Director from Thai Institute of Directors Association (IOD)

Other Current Position

-

Past Experience

- Senior Advisor, Purad (Thailand) Co., Ltd.
- Director, ESSO (Thailand) Plc.
- Supply and Distribution Manager ESSO (Thailand) Plc.
- Director, Thai Petroleum Pipeline Co., Ltd.



Mr. Aswin Kongsiri

Independent Director, Chairman of Nominating Committee, and Risk Management Committee Chairman

Age 68 Years

Year of appointment as a director Apr 2005

(%) Share Holding

- 0.006 (In name of spouse 30,000 shares) Increased 30,000 shares in 2013.

Education/Training

- B.A. (Honors) in Philosophy, Politics and Economics, Oxford University, England
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 6
- Chairman 2000 Course, (Class 5/2001) Thai Institutes of Directors Association
- Director Certification Program (DCP 11/2011) Thai Institutes of Directors Association

Other Current Position

- Chairman Ch.Karnchang Plc.
- Member, Monetary Policy Committee Bank of Thailand

Past Experience

- Governor The Stock Exchange of Thailand
- Independent Director and Chairman Thoresen Thai Agencies Plc.
- Independent Director and Vice Chairman Electricity Generating Plc.
- Director and Executive Director Krung Thai Bank Plc.
- Director and Executive Director Siam Commercial Bank Plc.
- President The Industrial Finance Corporation of Thailand



Mr. Pachara Yutidhammadamrong

Independent Director and Chairman of Audit Committee

Age 66 Years

Year of appointment as a director Apr 2009

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Honorary Degree of Doctor of Laws, Ramkhamhaeng University
- Class 399 National Defence Course for the Joint State-Private Sectors, National Defence College
- Barrister at Law, Institute of Legal Education of The Thai Bar
- LL.B., Thammasat University
- Certificate from Naval College
- Director Accreditation Program (DAP), Audit Committee Program (ACP) from Thai Institute of Directors Association (IOD)
- Public Director Certification Program from Public Director Institute

Other Current Position

- Director Office of the Council of State
- Sub-committee Sukhumvit Asset Management Co., Ltd.
- Director Thai Aviation Refuelling Co., Ltd.
- Director Amarin Television Co., Ltd.

Past Experience

- Audit Committee Chairman and Independent Director Krung Thai Bank Plc.
- Attorney General Office of the Attorney General
- Deputy Attorney General Office of the Attorney General
- Senator, Member of the Senate
- National Legislative Assembly Member
- Director Thai Airways International Plc.
- Director IRPC Plc.
- Director Provincial Electricity Authority



Mr. Visut Montriwat

Independent Director,
Audit Committee Director, and
Chairman of Remunerating Committee

Age 67 Years

Year of appointment as a director Nov 2006

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- MBA, Northern Illinois University, USA
- Bachelor of Commerce, Chulalongkorn University
- Certificate, National Defence College, Class 38
- Director Certification Program (DCP), Audit Committee Program (ACP), Role of the Compensation Committee, Financial Statements for Directors (FSD), Monitoring the System of Internal Control and Risk Management (MIR), Corporate Fraud, Monitoring the Quality of Financial Reporting (MFR) from Thai Institute of Directors Association (IOD)

Other Current Position

- Director Thai Aviation Refuelling Co., Ltd.
- Independent Director and Audit Committee Director Srivichaijevivat Plc.
- Director Thai Paiboon Insurance Co., Ltd.

Past Experience

- Audit Committee Chairman and Independent Director Krung Thai Bank Plc.
- Deputy Permanent Secretary Ministry of Finance
- Inspector-General Ministry of Finance
- Comptroller-General Ministry of Finance
- Director-General The Treasury Department, Ministry of Finance



Mr. Sumon Surathin

Independent Director and
Audit Committee Director

Age 72 Years

Year of appointment as a director Apr 2008

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master Degree in Economics, Florida Institute of Technology, USA
- Bachelor Degree in Economics, Asia University, Japan
- Director Accreditation Program (DAP), Financial Statement for Directors (FSD) from Thai Institute of Directors Association (IOD)

Other Current Position

- Chairman JP-One Asset Co., Ltd

Past Experience

- Chairman Krung Thai Asset Management Plc.
- Vice Chairman Krung Thai Asset Management Plc.
- Acting Management Director Krung Thai Asset Management Plc.
- Chairman of Audit Committee Krung Thai Asset Management Plc.
- Assistant Director Bureau of the Budget, Office of the Prime Minister



Mr. Pipat Purnananda

Independent Director and
Audit Committee Director

Age 65 Years

Year of appointment as a director Apr 2013

(%) Share Holding

- No

Education/Training

- Master of Arts (Economics) Western Michigan University, USA
- Bachelor Degree of Arts, Business and Administration (Finance), Thammasat University
- Workshop on Budgeting in the Public Sector, Harvard University
- National Defence College (NDC 3)
- Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP) from Thai Institute of Directors Association (IOD)

Other Current Position

- Sub-Committee in the Improvement of Personnel and Compensation System Office of the Public Sector Development Commission

Past Experience

- Independent Director and Audit Committee Chairman Solution Corner (1998) Plc.
- Deputy Director Bureau of the Budget, Office of the Prime Minister

Management Team



M.R. Supadis Diskul
Executive Chairman and
Managing Director

Age 64 Years

Year of appointment as a director Dec1983
(%) Share Holding

- 0.65 (In name of himself and spouse 3,310,000 shares) Increased 160,000 shares in 2013

Education/Training

- Master of Community and Regional Planning, North Dakota State University, USA
- Bachelor of Science, Medical Technology, Mahidol University
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 15
- Director Accreditation Program (DAP), Director Certification Program (DCP), Finance for Non-Finance Director, The Role of Chairman, Role of the Compensation Committee, Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)

Other Current Position

- Director Thai Aviation Refuelling Co., Ltd.
- Chairman Intoplane Services Co., Ltd.
- Chairman Fuel Pipeline Transportation Ltd.

Past Experience

- Executive Vice President, Corporate Development and Support Department, Thai Airways International Plc.
- Managing Director Thai Aviation Refuelling Co., Ltd.
- Managing Director JP-One Asset Co., Ltd.
- Managing Director Fuel Pipeline Transportation Ltd.
- Director JP-One Asset Co., Ltd.



Mr. Amnuay Pahuvanich
Consultant to Executive Chairman

Age 54 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master of Arts (Leadership in Society, Business and Politics), Rangsit University
- Bachelor Degree, Electrical Engineering, Kasetsart University
- Director Certification Program (DCP), Financial Statement for Directors (FSD), Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion

Other Current Position

- Director and Managing Director Thai Aviation Refuelling Co., Ltd.
- Director Intoplane Services Co., Ltd.

Past Experience

- Consultant to Managing Director Bangkok Aviation Fuel Services Plc.
- Senior Technical Manager Bangkok Aviation Fuel Services Plc.



Mr. Ditsapong Prithaveepong
Consultant to Executive Chairman and
Acting for Business Development &
Marketing Director

Age 57 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- MBA, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University
- Director Certification Program (DCP), Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)

Other Current Position

- Director Intoplane Services Co., Ltd.
- Director Fuel Pipeline Transportation Ltd.

Past Experience

- Consultant to Managing Director Bangkok Aviation Fuel Services Plc.
- Acting for Business Development & Marketing Manager Bangkok Aviation Fuel Services Plc.
- Senior Depot Manager Bangkok Aviation Fuel Services Plc.
- Airfield Manager Bangkok Aviation Fuel Services Plc.
- Director and Managing Director JP-One Asset Co., Ltd.



Mr. Buree Whanchid
Consultant to Executive Chairman

Age 57 years

(%) Shareholding

- No

Education/Training

- Bachelor Degree, Mechanical Engineering, Second Honor, King Mongkut's Institute of Technology North Bangkok
- Director Certification Program (DCP), Understanding The Fundamental of Financial and Director Certification Program (DCP)
- Economics in Public Administration for High-Level Administrators, King Prajadhipok's Institute
- Executive Program Good Governance for Sustainable Development, Office of The Public Sector Development Commission (OPDC)

Other Current Position

- Managing Director Fuel Pipeline Transportation Ltd.

Past Experience

- Consultant to Managing Director Bangkok Aviation Fuel Services Plc.
- Deputy Managing Director Fuel Pipeline Transportation Ltd.
- Operations Department Manager Fuel Pipeline Transportation Ltd.



Mr. Chathaya Bandhaya
Senior Finance & Accounting Director

Age 58 Years

(%) Share Holding

- 0.002 (In name of himself 10,000 shares)
No shareholding change in 2013

Education/Training

- MBA, Personnel Management, NIDA
- Bachelor of Economics, Chulalongkorn University
- Director Certification Program (DCP), Role of the Compensation Committee, Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute

Other Current Position

- Director and Managing Director Intoplane Services Co., Ltd.
- Director Thai Aviation Refuelling Co., Ltd.
- Director Fuel Pipeline Transportation Ltd.

Past Experience

- Senior Finance & Accounting Manager Bangkok Aviation Fuel Services Plc.
- Finance & Accounting Manager Bangkok Aviation Fuel Services Plc.
- Director JP-One Asset Co., Ltd.
- Director BAFS International Limited



Mr. Tawin Saiwaew
Senior Aviation Refueling Director

Age 57 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Master of Management, Mahidol University
- Bachelor of Arts, General Management, Dhonburi Rajabhat University
- Director Certification Program (DCP), Financial Statement for Directors (FSD), Successful Formulation and Execution of Strategy (SFE) from Thai Institute of Directors Association (IOD)

Other Current Position

- Director Thai Aviation Refuelling Co., Ltd.

Past Experience

- Senior Aviation Refuelling Manager Bangkok Aviation Fuel Services Plc.
- Depot Manager Bangkok Aviation Fuel Services Plc.



Mr. Nattapol Narkuam
Technical Director

Age 46 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Bachelor of Industrial Technology, Major in Mechanical Engineering, Siam University

Other Current Position

-

Past Experience

- Technical Manager
Bangkok Aviation Fuel Services Plc.
- Deputy Technical Manager
Bangkok Aviation Fuel Services Plc.



Mr. Manob Pulsombulpol
Depot Director

Age 55 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- Bachelor of Science Industrial Technology, Phranakorn Rajaphat University

Other Current Position

-

Past Experience

- Deputy Manager
Bangkok Aviation Fuel Services Plc.
- Deputy Depot Manager
Bangkok Aviation Fuel Services Plc.
- Control Room and Maintenance Supervisor
Bangkok Aviation Fuel Services Plc.



Mr. Pichai Pathravutigul
Don Mueang and Regional Airport
Director

Age 59 Years

(%) Share Holding

- No (No shareholding change in 2013)

Education/Training

- MBA, Sripratum University
- Bachelor of Science, Chulalongkorn University

Other Current Position

- Director Intoplane Services Co., Ltd.

Past Experience

- Don Mueang and Regional Airport Manager
Bangkok Aviation Fuel Services Plc.
- Deputy Airfield Manager
Bangkok Aviation Fuel Services Plc.



Mrs. Mayuree Nalinwong
Director, Internal Audit Office

Age 50 Years

(%) Share Holding

- 0.006 (In name of herself 30,000 shares)

Education/Training

- MBA, Ramkhamhaeng University
- Bachelor of Accounting, Thammasat University
- Framework of Internal Control System from Federation of Accounting Professions
- Fraud Audit from Federation of Accounting Professions
- Anti - Corruption: The Practical Guide from Thai Institute of Directors Association (IOD)
- Monitoring the Quality of Financial Reporting from Thai Institute of Directors Association (IOD)
- Smart Audit defeat the Notes to Financial Statements from The Revenue Department
- Risk Management for Internal Auditor from PWC.
- Preparation and Presentation of Received and Disbursement for the Project which State Agency is Contract
- Parties from office of the National Anti-Corruption Commission
- Strategic Internal Audit and Corporate Success from OMEGA WORLDCLASS Research Institute

Other Current Position

-

Past Experience

- Executive of Internal Audit Bangkok Aviation Fuel Services Plc.
- Executive Assistant of Internal Audit Bangkok Aviation Fuel Services Plc.
- Internal Audit Manager Grammy Entertainment Plc.



Mr. Peraporn Chobchuen
Human Resources & Administration
Director

Age 57 Years

(%) Share Holding

- No

Education/Training

- Master of Business Administration, Krirk University
- Bachelor of Arts: Political Science, Ramkhamhaeng University

Other Current Position

-

Past Experience

- Human Resources & Administration Manager Bangkok Aviation Fuel Services Plc.
- Deputy Human Resources & Administration Manager Bangkok Aviation Fuel Services Plc.
- Information Technology Supervisor Bangkok Aviation Fuel Services Plc.

Policy and Business Overview



Bangkok Aviation Fuel Services Public Company Limited (BAFS) provides aviation fuel services including aviation fuel depot and aircraft refuelling service at Suvarnabhumi Airport and Don Mueang Airport. Currently, the Company consists of major shareholders namely Thai Airways International Plc., Chevron (Thailand) Ltd., PTT Plc., ESSO (Thailand) Plc., The Shell Company of Thailand Ltd., Airports of Thailand Plc., and Air Total (Thailand) Co., Ltd.

Besides the service at Suvarnabhumi International Airport and Don Mueang International Airport, the Company services two regional airports namely Sukhothai Airport, Sukhothai Province, and Samui Airport, Surat Thani Province.

Furthermore, the Company conducts its business through subsidiaries i.e. Thai Aviation Refuelling Company Limited (TARCO), JP-One Asset Co., Ltd. (JP-One)*, Intoplane Services Company Limited (IPS), and Fuel Pipeline Transportation Limited (FPT) as per details in the “General Information - BAFS Shareholdings in Subsidiaries and Affiliated Companies” Section.

* Already transferred its entire business to FPT on 1 February 2014.

Vision, Goals and Strategy

Vision: Fulfill Green Energy

Goals: 4 goals are set in accordance with work process in each area to support sustainable growth and enable the Company to materialize its vision are as follows:

- 1) **Financial goal:** maintain sustainable growth, regular returns for shareholders
- 2) **Customers and stakeholders:** create trust and thus customer loyalty
- 3) **Internal work process goal:** ensure operational excellence and environmental care
- 4) **Learning and development goal:** enhance personnel capability and ethics for occupational satisfaction

The Company has a clear policy to strategically grow the business within the group. The first business in focus is the aviation fuel service which expands in parallel to the growth of Suvarnabhumi, Don Mueang, Samui and Sukhothai airports. The second is preparation for the Group to becoming fuel service supplier at regional airports by conducting feasibility for business expansion to other ASEAN countries and preparing for trade liberalization under ASEAN Economic Community integration in 2015. The Group's companies, including Thai Aviation Refuelling Company Limited (TARCO) and Fuel Pipeline Transportation Limited (FPT) have similar strategies in growing energy business. The Group determined to grow and create value to the business in sustainable way and with responsibility towards the society and the environment. Its subsidiaries have participated in social and environmental contribution activities, such as physical check up service for surrounding communities, educational promotion activities in nearby schools, voluntary participation in energy saving building campaign arranged by the Department of Alternative Energy Development and Efficiency, Thailand Environmental Institution, and the Thailand Business Council for Sustainable Development.

In 2013, the Company established the Executive Committee, comprising high-level executives of the Company and subsidiaries, to formulate policy, set key business direction for the Group, set corporate key performance indicators (KPIs) for the Group, including human resource development, work process efficiency, compliance to the good corporate governance principle, customer satisfaction and financial performance to ensure healthy operations and ability to regularly pay dividend to shareholders.

Operation Policy of the Group

The aviation fuel service business has a policy to clearly separate responsibility of each company. The Company operates comprehensive aviation refueling system, comprising hydrant pipeline system, depot, and into-plane service. It is the sole refueling service provider at Don Mueang Airport and two regional airports. At Suvarnabhumi International Airport, the Company provides aviation depot and into-plane service, while Thai Aviation Refuelling Company Limited (TARCO) provides only hydrant pipeline system.

For pipeline transportation business, Fuel Pipeline Transportation Limited (FPT) provides multi-product pipeline transportation service. The pipeline begins from oil refinery and oil depot in Chong Nongsi Area to the Company's oil depot at Don Muaeng Airport and ends at FPT's oil depot in Bang Pa-In, Phra Nakhon Sri Ayutthaya. JP-One Asset Company Limited (JP-One) provides pipeline transportation service from Makkasan to the fuel depot at Suvarnabhumi International Airport.

The Board of Directors approved the merger acquisition between FPT and JP-One to become FPT. The move was aimed at increasing the Group's management capability to support the Group's pipeline transportation service expansion, strengthen financial status, add value to the business and enhance management flexibility and efficiency. Under the merger plan JP-One transferred all its business activities to FPT and registered the company liquidation with the Department of Business Development, Commerce Ministry, on 3 February 2014.

Intoplane Services Company Limited (IPS) conducts into-plane fuelling service at Samui and Sukhothai airports through a subcontract agreement with the Company. According to the Group's policy, IPS shall provide refueling service only at regional airports.

Moreover, BAFS International Limited was established as part of the debt restructuring of related companies. Since the mission has been achieved, the Company already approved the liquidation of BAFS International Limited which has already paid back the capital since the first quarter of 2013 and liquidation was completed on 6 December 2013.

The Group's policy may be changed depending on the economic and political situations as well as competition. Each subsidiary's policies will be for the best interest of the entire Group.



Revenue Structure

The Company's sources of revenue are as follows:

1. Services Income from providing aviation fuel services, fuel depot, aviation refuelling services and transportation aviation fuel through the hydrant pipeline system and transportation fuel through the pipeline
2. Rental Income
3. Other Income

In 2013, the Group's income that was not generated by regular business activities were the reversing income from allowance for doubtful debt, profit from merger and acquisition, and flood compensation. Details are as follows:

(Unit : Million baht)

Product/ Business Group	Handled by	% of Group's Shareholding	2013		2012		2011	
			Amount	%	Amount	%	Amount	%
1. Service income	BAFS		1,807.63	57.7	1,603.09	60.0	1,592.86	66.1
	TARCO	90.00	614.78	19.6	605.45	22.7	620.79	25.8
	JP-One	92.50	137.11	4.4	140.64	5.3	124.37	5.2
	FPT	90.72	201.79	6.4				
2. Rental income	BAFS		21.67	0.7	23.88	0.9	22.17	0.9
	JP-One	92.50	15.23	0.5				
3. Reversing income from allowance for doubtful debts	BAFS		123.77	3.9				
4. Profit from merger	BAFS		76.15	2.4				
5. flood compensation income	BAFS		17.35	0.6	133.84	5.0		
6. Others *			118.23	3.8	164.00	6.1	49.14	2.0
Total			3,133.71	100.0	2,670.90	100.0	2,409.33	100.0

Remarks: * Other income comprises of income from other services, gain (loss) from foreign exchange, investment income in other forms, such as interest received and guarantee fee income

In 2013, the Company's total income was Baht 3,134 million, an increase of Baht 463 million or 17.3% compared to 2012. Fuel volume in service at the Suvarnabhumi International Airports and Don Mueang Airport reached 4,951 million liters, an increase of 8.5% per annum compared to 2012 figures. Rental income increased Baht 13 million from the last year. Other irregular income are 1) reversing income from allowance for doubtful debt due to FPT debt restructuring; 2) merger between BAFS and FPT that resulted gain or business combination in Baht 76.1 million; and 3) Baht 17.3 million compensation from insurance companies for flood impact that happened in 2011. In addition, other income of Baht 118.2 million comprises income from other services, gain (loss) from foreign exchange and income from other investment, such as interest received and guarantee fee income.

Results of Operations in 2013



1. Depot Operations

At Suvarnabhumi International Airport

In 2013, the Company provided Jet-A-1 aviation fuel intermediate storage services with 4 main storage tanks, with a combined capacity of 60 million liters¹⁾, equivalent to 3.5 days of operating stock.

The total volume of Jet A-1 received from oil companies was 4,436.2 million liters, with JP-One Assets Co., Ltd. (JP-One) and Thai Petroleum Pipeline Co., Ltd. (Thappline) providing 1,596.2 million liters and 2,840.0 million liters respectively; a ratio of 36 : 64

Note¹⁾ Suvarnabhumi International Airport Depot has 7 tanks with a total capacity of 90 million liters. JP-One, a Company's subsidiary, has rented 3 of the 7 tanks.

Summary of Suvarnabhumi International Airport Depot Operations	2013 (Million liters)	2012 (Million liters)	Increase (decrease) %
Total volume of Jet A-1 received	4,436.2	4,369.2	1.5
Daily average volume of Jet A-1 received	12.2	11.9	2.5
Daily average volume of Jet A-1 received from JP-One	4.4	4.1	7.3
Daily average volume of Jet A-1 received from Thappline	7.8	7.9	(1.3)

At Don Mueang Airport

In 2013, the Company provided Jet A-1 aviation fuel intermediate storage services with 3 main storage tanks, with a combined capacity of 21 million liters. Total volume of Jet A-1 received was 506.2 million liters. This comprised the fuel received through Fuel Pipeline Transportation Limited (FPT) and Thai Petroleum Pipeline Co., Ltd. (Thappline) of 201.9 million liters and 304.3 million liters respectively, representing 40:60 ratio.

Summary of Don Mueang Airport Depot Operations	2013 (Million liters)	2012 (Million liters)	Increase (decrease) %
Total volume of Jet A-1 received	506.2	178.3	183.9
Daily average volume of Jet A-1 received	1.4	0.5	180.0
Daily average volume of Jet A-1 received from FPT	0.6	0.4	50.0
Daily average volume of Jet A-1 received from Thappline	0.8	0.1	700.0

2. Into-plane Operations

2.1 Refuelling Operations

At Suvarnabhumi International Airport

Jet A-1

Total volume of Jet A-1 uplifted was 3,883.0 million liters, or 324 million liters per month, supplying 136,902 total annual flights or an average of 11,409 flights per month.

At Don Mueang Airport

Jet A-1

Total volume of Jet A-1 uplifted was 502.8 million liters, or 41.9 million liters per month, supplying 68,219 total annual flights or an average of 5,685 flights per month.

AVGAS

Total volume of AVGAS uplifted was 356,100 liters or 29,675 liters per month, supplying 5,007 total annual flights or an average of 417 flights per month.

2.2 Defuelling Operations

At Suvarnabhumi International Airport

The Company supplied Jet A-1 defuelling services to 79 flights (7 flights per month), with a total combined volume of 1.16 million liters or 0.10 million liters per month.

At Don Mueang Airport

The Company supplied Jet A-1 defuelling services to 114 flights (10 flights per month), with a total combined volume of 1.50 million liters or 0.13 million liters per month.

2.3 Number of Flights Serviced

In 2013, the Company provided aviation refuelling services to 205,121 flights at Suvarnabhumi International Airport and Don Mueang Airport, an increase of 31,868 flights or 18.4% from 2012. Total volume of fuel uplifted at both airports in 2013 was 4,385.7 million liters, an increase of 429.8 million liters or 10.9% from 2012.

Flights	2013	2012	Increase (decrease), %
At Suvarnabhumi Airport			
Domestic Flights			
Number of flights	32,483	45,471	(28.6)
Volume of fuel uplifted (million liters)	274.8	388.4	(29.2)
International Flights			
Number of flights	104,419	100,053	4.4
Volume of fuel uplifted (million liters)	3,608.2	3,384.3	6.6
At Don Mueang Airport			
Domestic Flights			
Number of flights	47,070	22,270	111.4
Volume of fuel uplifted (million liters)	295.7	132.2	123.7
International Flights			
Number of flights	21,149	5,459	287.4
Volume of fuel uplifted (million liters)	207	51	305.9
Totals			
Total number of flights	205,121	173,253	18.4
Total volume of fuel uplifted (million liters)	4,385.7	3,955.9	10.9

Summary of Business Changing



The Company's core business is to provide fuelling services to four airports, namely Suvarnabhumi International Airport, Don Mueang Airport, Samui Airport and Sukhothai Airport. Its scope of services is as follows:

1. Aviation Fuel Depot
2. Into-plane service
3. Hydrant Pipeline Network service

In addition to aviation refuelling and storage services, the Company operates businesses that are related to its core businesses, including multi-product fuel pipeline transportation business which is operated by FPT, assets and infrastructure leasing service and related utility services. In 2013 significant changes are as follows:

1. Aviation Fuel Depot

The Company also operate aviation fuel depot and provide aviation fuel storage service for all oil suppliers at the airports. All oil suppliers have to be responsible for the supply and transportation of jet fuel to the Company's depot according to their share of supply to be delivered to airline customers.

The Company does not have income from Jet A-1 reception and storage when an oil company loads fuel to the tank and record receipt. However, income will be recognized after Jet A-1 sales is made for into-plane service. The Company charges its clients for fuel storage and into-plane refuelling service and will bill oil companies at the end of each month. The Company's nature of business at airports in 2013 is as follows:

1) Suvarnabhumi International Airport

The Company invested in the jet fuel depot in Bang Saothong District, Samut Prakarn which is out of the airport area and therefore has no limitation related to concession contract. The Company's fuel depot is the only one directly linking to the pipeline of Thai Aviation Refuelling Company Limited (TARCO), one of the Company's subsidiaries that has been granted a concession agreement from Airports of Thailand Public Company Limited (AOT) to provide service through hydrant pipeline network within Suvarnabhumi International Airport. The fuel depot at Suvarnabhumi Airport receives aviation fuel only through pipes. In 2014, the Company's two subsidiaries, JP-One Asset Company Limited (JP-One) and Fuel Pipeline Transportation Limited (FPT) will be merged. After the merger, the aviation fuel depot will receive fuel from FPT and Thappline starting from February 2014.

Given the continuous trend of increasing aviation fuel demand and the Suvarnabhumi International Airport expansion plan phase II where the midfield concourse will be expanded and completed in 2017, the Company plans to add one more fuel tank with 15 million liters capacity. The construction will begin in 2014 and be completed in 2015. This will increase its aviation fuel depot capacity to 75 million liters. However, in case the Suvarnabhumi International Airport expansion project does not go as planned, the Company can continue to use the new tank for fuel reserve storage for rent.

2) Don Mueang Airport

At Don Mueang Airport, the Company uses three aviation fuel storage tanks with total capacity of 21 million liters. The relocation of Thai AirAsia to Don Mueang Airport on 1 October 2012 has driven the increase of aviation fuel demand, thus encouraging Thappline to resume its service at Don Mueang Airport depot after stopping the service when Suvarnabhumi International Airport was opened. FPT was the sole aviation fuel service provider at Don Mueang Airport from 2006.

In 2013, Don Mueang fuel depot began to receive jet fuel from two suppliers – Thappline and FPT. This has provided the airport with greater security since there will be a substitute pipeline in case the other one fails to supply fuel.

3) Regional Airport

At the two regional airports - Samui and Sukhothai - where the Company has been providing refueling services, the Company has built aviation fuel storage tank with one million liter capacity at Samui Airport, Samui Island, Surat Thani province. Since the airport is located on an island, there are some risks of natural disaster and the Company therefore has to keep sufficient aviation fuel reserve and fuel tank. In Sukhothai Airport where the sales per day is moderate, the Company transports jet fuel by trucks for the oil reserve because there is no transport difficulty and can use small tank for fuel storage.

2. Into-plane service

1) Suvarnabhumi Airport

The Company is one of the two aviation refuelling service providers under concession agreement at Suvarnabhumi International Airport for 20 years. The Company began providing the service when the airport was opened on 28 September 2006.

In October 2012, AirAsia relocated its service hub from Suvarnabhumi International Airport to Don Mueang Airport. The Company as the into-plane agent has had to also provide the service at the new location. This not only reduced congestion at the Suvarnabhumi International Airport but also provided greater benefit to the Company. Low-cost carrier has high frequency flight but refuel less for each flight as they provide short haul domestic services. AirAsia's relocation to Don Mueang Airport therefore reduced limitation related to airport congestion. The airline can increase the number of flights and services at Don Mueang Airport. Suvarnabhumi Airport also has higher opportunity to support more long haul and international flights which require higher volume of oil refuelling. Such change resulted to the lower number of flights receiving the Company's refuelling services at Suvarnabhumi International Airport but aviation fuel volume was 3% higher than 2012. The Company can sufficiently provide the service to customer airlines without increasing the number of fuel trucks or employees.

2) Don Mueang Airport

The Company is the sole operator for refuelling services for aircraft of all types and all flights. After AirAsia, a low-cost carrier which provides both domestic and international services, moved back to Don Mueang Airport from 1 October 2012, the Company has gained significant benefits with higher volume of oil refuelling per flight and overall with average service of 187 flights and 1.4 million liters per day. As the traffic at Don Mueang Airport increased, the Company has to increase the number of fuel trucks and employees in order to meet with the demand and larger coverage area.

3) Regional Airports

At present, the Company is the sole aviation refuelling service provider at two regional airports - Samui and Sukhothai. It has received permission from Bangkok Airways Public Company Limited (BKP) that owns the two airports to provide refuelling service to all aircraft and every flight with condition that the contract shall be renewed every 3 years.

Samui Airport has a continual growth trend. Given that Bangkok Airways has a plan to update and expand its fleet.

3. Hydrant Pipeline Network

1) Suvarnabhumi International Airport

Aviation fuel transport through the hydrant pipeline network at Suvarnabhumi International Airport is handled by Thai Aviation Refuelling Company Limited (TARCO), which is the Company's subsidiary. TARCO has received 30-year concession from AOT to constructed underground pipeline linking the Company's fuel depot. In 2013, TARCO was granted the right to provide refueling service through hydrant pipeline network phase II based on the existing contract



in order to support Suvarnabhumi International Airport expansion plan phase II. Under the airport expansion plan, 28 more bays will be built and the airport capacity will be increased from 45 million passengers to 60 million passengers per year. The plan is scheduled for completion in 2017.

2) Don Mueang Airport

The Company provides refueling service through hydrant pipeline network under the apron. The pipeline network is owned by AOT and with the Company as the maintenance service provider and network rental user. The Company is the sole operator and is entitled to rental fee income which is based on hydrant pit where hydrant pit valve is installed for refueling service.

At present, more airlines use Don Mueang Airport, resulting increasing number of flights and demand for refueling service. Since 2012, the Company has resumed its refueling service through hydrant pipeline network to provide sufficient and timely service. In 2013, the Company rented 28 hydrant pits with hydrant pit valves out of 74 pits at the airport and expects to rent all the pits within 3 years to cope with the increasing demand.

4. Assets and Infrastructure Rental

The Company's rental income is from leasing space, infrastructure and hydrant pipeline network to Thapline.

When Suvarnabhumi International Airport was opened for service, Thapline has stopped supplying aviation fuel to Don Mueang from 2006. The Company agreed to reduce space rental fee and infrastructure system fee because of no fuel transport activity. In 2013, however, Thapline resumed its service at Don Mueang Airport again. The Company therefore adjusted the rental fee and infrastructure system fee to the appropriate level. Thapline's service however has affected the fuel transport volume handled by FPT and thus adversely affected the income from jet fuel transport revenue share.

The aviation fuel volume transported to Suvarnabhumi International Airport was lower according to the number of airlines moving to Don Mueang Airport in late 2012. Part of the fuel transported to Don Mueang Airport was transported through Thapline and did not have adverse impact on the revenue share from fuel receiving tank rental received from JP-One.

Aviation Refuelling Overview and Competition



Industry Overview

Aircraft refueling services have expanded in parallel to the airport, tourism and airline industries based on traffic volume. Factors affecting growth of those industries also have direct impact on the overall aircraft refueling service industry.

In 2013, the aircraft refueling industry received benefits from many factors, including the fact that AOT has resumed its service at Don Mueang Airport, increasing number of tourists from China, Hong Kong and Asean and competition among low-cost airlines. These factors have driven air traffic volume. Coupled with the slow recover of global economy, despite domestic political turbulence that began in October 2013, the total volume of Suvarnabhumi and Don Mueang Airport has reached 8.5% expansion in 2013 compared to the previous year. Combined refueling volume at Suvarnabhumi International Airport and Don Mueang Airport was 4,951 million liters. This corresponded to the increasing number of passengers at both airports of 67.8 million, an increase of 15.0% year on year (source: AOT).

These factors that drive aviation fuel demand and tourist arrivals in the past year are the result from AOT policy to relocate some airlines to Don Mueang Airport. This not only optimizes Don Mueang Airport, but also directly reduced congestion at Suvarnabhumi International Airport which has a capacity of handling 45 million passengers per year. Although the number of passenger has already exceeded the airport capacity, the number of flights calling Suvarnabhumi International Airport was lower. This directly affected the aircraft refueling service industry. Those airlines relocated to Don Mueang Airport are mostly low-cost airlines with higher flight frequency but requires less fuel per flight.

The relocation on Don Mueang Airport in October 2012 resulted in drastic reduction in the number of flights at Suvarnabhumi Airport and at the same time an increase of the airport capacity to handle international flights with longer distance and the need for more fuel per flight. As a result, Suvarnabhumi International Airport observed higher volume of aircraft refueling. AOT has a plan to increase Don Mueang Airport capacity and efficiency with an aim to handle 39 million passengers per year. Closer distance to the city compared to Suvarnabhumi International Airport is highlighted as Don Mueang Airport's key strength in attracting new airlines. In December 2013, Thai Lion Air, the latest low cost airline, began its regular service at this airport.

Table of comparison between refueling volume and total flights

Year	Refueling (flights/year)				Refueled volume (million mite/ year)			
	Suvarnabhumi International Airport	Don Mueang Airport	Total	Increase (decrease) %	Suvarnabhumi International Airport	Don Mueang Airport	Total	Increase (decrease) %
2013	149,493	68,219	217,712	17.0	4,448.4	502.9	4,951.3	8.5
2012	158,340	27,729	186,069	8.8	4,381.1	183.1	4,564.2	(0.9)
2011	152,427	18,536	170,963	13.4	4,491.9	115.1	4,607.0	6.7

Competition

1) International Competition

Competition among international airports is mainly intercontinental competition. The Middle East has become the aviation hub of the world, thus encourages many European airlines relocated their hub from Asia to the Middle East. This development has significantly reduced the number of flights since 2012. China and Hong Kong, on the other hand, have played more important role in Asian region where China remains the world's business center and travel destination. In 2013, the total number of Chinese and Hong Kong visitors calling Suvarnabhumi International Airport and Don Mueang Airport was 3.7 million, an increase of 48.8% from the year before, This represented 17.1 per cent of the total foreign travelers visiting Thailand. Although Thailand experienced some adverse impact from European airlines' relocation of aviation hub, Chinese market became a good substitution. In addition, the ASEAN Economic Community integration has resulted in ASEAN airport development which promotes more travel within the region. In 2013, the number of ASEAN visitors coming into Thailand was 2.5 million, an increase of 17.8% year on year, representing 14.3% of the total tourist arrival to the country. Such positive change has provided good benefits to Thai tourism industry and as a result supported the growth of the Company's aviation fuel service business.

2) Domestic competition

AOT operates six domestic airports with the Suvarnabhumi International Airport as the main airport, Don Mueang Airport as the secondary airport, Phuket, Chiang Mai, Hat Yai and Chiang Rai. The Company provides refueling service at Suvarnabhumi and Don Mueang airports which account for 76% of the total flights of the country. At Suvarnabhumi International Airport, the Company is one of the two service providers with 87.3% market share. At Don Mueang Airport, the Company is the sole provider. At other airports, the Company has a policy to expand its investment depending on AOT's policy on providing concession.

Inbound and Outbound Flights at AOT's Airports in 2013

	Inbound flights	Outbound flights
Suvarnabhumi	148,818	148,798
Don Mueang	72,068	72,040
Phuket	36,295	36,294
Chiang Mai	21,681	21,685
Hat Yai	8,775	8,776
Chiang Rai	3,591	3,590
Total	291,228	291,183

Source: Airports of Thailand Plc.

In addition to the AOT-operated airports, the Company has provided refueling service at Samui and Sukhothai airports which is owned and operated by BKP, the owner of Bangkok Airways. The Company is the sole provider with the right to provide refueling service. In 2013, the total volume of aviation fuel refueled was 27.8 million liters, an increase of 9% over last year, and the number flights was 11,525.

Innovating and Developing for the Future

With commitment to its vision and mission, the Company has a strategic plan to increase capability of its aviation fuel refueling equipment and system to enhance competitiveness against competitors in ASEAN and to better cope with traffic growth at Suvarnabhumi International Airport. The Cabinet approved on 24 August 2010 for Suvarnabhumi International Airport to implement the expansion plan to increase airport capacity to handle up to 60 million passengers per annum (phase 1+2) from currently 45 million passengers. The expansion plan will require Baht 62,503 million investment and will be completed in 58 months, which is scheduled for end of 2016. In addition, the Company's capacity increase plan will support a significant development by low-cost airlines at Don Mueang Airport and comprehensive service expansion at Suvarnabhumi International Airport and other airports. Major investment projects are as follows:

1. Hydrant Pipeline Network Expansion Phase 2 at Suvarnabhumi International Airport

Thai Aviation Refueling Company Limited (TARCO), holding 90% by the Company has obtained the right to invest in the hydrant pipeline network expansion phase 2 at Suvarnabhumi International Airport from Airports of Thailand Plc. (AOT). The contract lasts for 22 years and 9 months and will expire on 27 September 2036 (and is expected to commercially generate income from 2017-2036). The project investment value is approximately Baht 710 million. TARCO will pay to AOT the profit share of 18% of its income before expense from the operations of hydrant pipeline network phase 2. The AOT's share in TARCO will be increased from currently 10% to 25%. The project will be an extension for the existing hydrant pipeline network on an area which is connected to the flight operation areas (north, east and west). This will support another 28 hydrant pits for large aircraft, which correspond well with the Suvarnabhumi International Airport Phase 2 expansion plan.

2. 15-million Liter aviation fuel Tank Construction at Suvarnabhumi International Airport's fuel Depot

The Company's initial plan was to build another aviation fuel tank in 2013 to support Suvarnabhumi International Airport expansion phase 2, according to its 5-year strategic plan. However, the Government in October 2012 fully opened the Don Mueang Airport and a number of airlines have relocated to the Don Mueang Airport. This has left the aviation fuel tank at Suvarnabhumi Airport fuel depot with sufficient capacity to handle customers at the airport for some time. The monitoring of refueling service at Suvarnabhumi International Airport and the airport growth rate showed that the Company's would see higher refueling service than projection. As a result, the current fuel tank would not be able to support the increasing demand. To maintain its world-class service, the Company will build a 15-million liter aviation fuel tank with a total investment value of Baht 355 million. The design and construction of the plan will begin in the first quarter of 2014 and is scheduled for completion in the final quarter of 2015, which will be in line with the increasing fuel demand.



3. Purchase of 2 Hydrant Dispenser Trucks at Suvarnabhumi International Airport, Rent 2 Mini Hydrant Dispenser Trucks at Don Mueang Airport and Improvement of Refueling Truck and Equipment

The continuous growth of Suvarnabhumi International Airport has convinced the Company to set a plan to increase its service capacity. Under the plan, the Company will purchase two hydrant dispenser trucks to increase refueling service capability at Suvarnabhumi International Airport within 2014. The Company has also continuously monitored and analyzed information about airlines calling Don Mueang Airport. The information showed that most airlines are low-cost carriers which have rapid growth trend and use small to medium size aircraft. The Company therefore plans to hire two more mini hydrant dispenser trucks to increase service convenience. At the same time, the Company has improved the existing refueling trucks and equipment to further increase its service capability to support new aircraft models as well as to reduce maintenance cost. Equipment improvement project requires Baht 48 million investment cost.

4. 3 Diesel Tanks Construction Project with Total Storage Capacity of 28.5 million liters at Don Mueang Fuel Depot

According to the Government's policy to increase fuel reserve for improved energy security, fuel suppliers in Thailand has to increase their fuel reserve from 5% to 6% of the total domestic sales or a reserve sufficient for 43 days, from currently 36 days. Fuel Pipeline Transportation Limited (FPT) therefore plans to build 3. New diesel storage tanks with total capacity of 28.5 million liters with Baht 230 million investment. The project will also help boost income from such fuel reserve.

5. Fuel Depot and Refueling Services at Trat Airport

BKP the operator of Trat Airport, has requested the Company to provide fuel depot and refueling services at Trat Airport. The feasibility study of the project showed that the Company has sufficient capability to handle the project which will also increase the Company's income. The Company will begin offering fuel depot and refueling service within the third quarter in 2014. The project is in line with the Company's strategic plan to expand its business to other regional airports and requires not exceed Baht 10 million investment.



Risk Factors

Bangkok Aviation Fuel Services Public Company Limited. has continuously and systematically managed its relevant risks, which enables the Company to mitigate risk to the acceptable level of the preceding year. The risks and controlled plans have been annually adjusted to align with the corporate strategic goal, while concerning the sustainable growth of the Company and increasing value to the shareholders in the long run. The risk factors of the Company which may occur and could affect shareholders and stakeholders are as follows:

1. Business Risk

1.1 Risk Associated with the Growth Rate of Thai Aviation Industry

The Company's major revenue is from aircraft refueling services at Suvarnabhumi and Don Mueang Airports with 8 oil companies and Thai Airways International Public Company Limited, which are the Company's shareholders, as the major customers. Approximately 90-95% of the income is from 5 customers, each with similar contribution. Only one customer has more than 30% market share. As the customer is a large state enterprise and a shareholder, the Company has low risk of losing customer or having bad debt from this customer. Considering income growth, the Company's service income is mainly from the refueling volume of all flights at both airports. The risk factors that may affect the country's aviation business are also the risks that may have impact on the Company's income. Although Thailand's aviation industry was affected by the European economic crisis, the US economy however

showed positive trend of recovery. In addition, Asian economies were growing constantly which resulted in increasing flights using the Company's refueling service. From the first to third quarters of 2013, the Company's revenue was growing accordingly. The fully opening Don Mueang Airport has driven growth of low cost airlines, and also the Company's income increase. In the fourth quarter, China implemented Chinese tourist protection law and the local political turbulence in Thailand starting from October 2013 and continued to January 2014. These factors caused short haul flights of Asian airlines, such as Singapore Airline and Cathay Pacific, to be gradually terminated. European airlines did not terminate long haul flight services. As a result, the Company's income was slightly affected, which can be considered as the low-level risk.

The management of the Company has emphasized and closely monitored on the Company's financial performance, as well as set up the trigger points on some financial factors such as EBITDA and cash flow to be early-warning points. In the case that the revenue is going to fall below the budget, the controlling expenses plan will be conducted in every department to cover the decrease in revenue so that the Company can pay dividends to the shareholders continually.

1.2 Risks from the Subsidiaries' Performance as Partly Subjected to BAFS's Performance

The Company has focused on the consistent growth of the complete aviation fuel service business; hence, the Company has acquired FPT which operates pipeline transport of all oil types to strengthen its operation and sustainable growth. Part of the Company's performance therefore depends on FPT's performance. FPT may face the risks arising from their business such as the competition from the other oil pipeline transport service provider and risk from construction of projects along the pipeline. Dividend from TARCO, which was granted concession from AOT to invest and manage jet oil transportation pipeline network at Suvarnabhumi International Airport, may be lower due to additional investment in the Suvarnabhumi International Airport expansion plan phase 2.

However, the Company has nominated its management to sit as the subsidiaries' board of directors. The assigned management has the responsibility in controlling, monitoring, and giving operating advices to the subsidiaries as well as reporting the subsidiaries' performance to the Company's Executive Committee on monthly basis for further report to the Board of Director on quarterly basis. The Company and its subsidiaries therefore have strong operations and can continuously pay dividend to share holders.



2. Risk from Operations

2.1 Risk Relating to Inadequate Refuelling Service Devices to Cope with the Growth of Flight at Suvarnabhumi and Don Mueang Airports

AOT has implemented several marketing activities to encourage airlines to use Suvarnabhumi International Airport and Don Mueang Airport, resulting in continuously increasing flight numbers. As a result, the Company faces the risk of delay services due to the breakdown or incapability of refueling service equipment or insufficient oil reserve during peak hours which may cause flight delays.

The Company has invested in Aviation Refueling Management System (ARMS) replacing the old system with completion scheduled in 2014 to increase service efficiency. The Company has invested in building an additional jet oil tank at Suvarnabhumi International Airport Oil Depot which will be completed in 2015 to support increasing demand for refueling service.

Furthermore, the Company's Fuelling Operations Committee, which comprises the representatives from the Company's management and oil companies, has regularly been meeting for service improvement purpose. Moreover, there is the inspection from Joint Inspection Group (JIG) once a year to make sure that the Company's operating systems meet the international standard.

2.2 Risks from the Improvement of Organizational Capability to Accommodate Business Operation Under Economic Uncertainty and Business Growth Opportunities

The economy fluctuation, the link to ASEAN Economic Community (AEC) in 2015, and the Company's vision in 2013-2017 as "Fulfill Green Energy Services" may push the Company to face the risk of inability to develop human resource capability to replace the impending retirement of managers and employees in the main positions among the business environment that becomes more dynamic and competitive.

Therefore, the succession plan and successor development plan are implemented as well as the employee recruitment and selection processes are improved with the aim to enrich the capability of the Company's employee and to prepare for the replacement of the retiring management. Moreover, the management trainee program is established to enhance the capability of potential management to be keen in the operations of each department. This can assure that the approaching management will have full competency and be able to operate the Company for its sustainable growth.

2.3 Risk Relating to Conflagration or Terrorism

As the Company's business is related to aviation fuel, the fuel storage tanks situated in the vicinity of Suvarnabhumi and Don Mueang Airports may be a risk of conflagration or other hazards such as terrorism. This could cause damage to personnel health, safety issues, property damage, environmental degradation, as well as the Company's operations.

The Company has highly concerned about the importance of safety, by strictly complies with the Occupational Health and Safety Assessment Series: OHSAS 18001:2001. Every employee is well-aware of their individual responsibilities and strictly conforms to the Safety, Occupational Health and Environmental Policy. The Company has also established the Crisis Management Center (CMC) to cope with the crisis that may generate impact on the Company's operations.

Moreover, the Company has conducted the insurance policies Dhipaya Insurance Public Company Limited and Bangkok Insurance Public Company Limited. The policies cover the followings:

1. All-risks insurance policy which covers business interruption. The policy valued Baht 6,183.7 million.
2. Terrorism and Disaster Insurance Policy valued at Baht 6,380.6 million.
3. Aviation Third Party Legal Liability Insurance Policy, valued of USD 750 million.
4. All-risks insurance policy which covers property, only office equipment, parts and property of regional airports as well as business interruption of regional airports. The policy valued Baht 196.9 million.

3. Financial Risk

The Company and its subsidiaries operate comprehensive energy service business. The related financial risks are therefore dependent on operations and liquidity and loan obligation as follows:

3.1 BAFS has financial obligations on long-term loans with 4 financial institutions as follows:

- 1) Loan for the investment in the main depot and into-plane service system projects. The Company obtained 14-year with Baht 2,000 million loan from Bangkok Bank Public Company Limited. The Company has repaid for the loan since 2008 at 3-month current account interest rate + 1.5%. As of 31 December 2013, the Company has outstanding loan of Baht 837.2 million.
- 2) Loan contract with Kasikorn Bank Public Company Limited for subscription of shares issued by Thai Aviation Refuelling Company Limited of Baht 800 million with 14.5-year period. Loan pay back started in 2007. The interest rate is THBFIX 6 MTH +1.15% per annum, which has been hedged at 5.8% fixed rate. The outstanding loan at 31 December 2013 is Baht 222.2 million.
- 3) Loan contract with Thanachart Bank Public Company Limited for subscription of shares issued by JP-One Assets Company Limited worth Baht 220 million for 10-year period. Loan repayment started in 2011. The interest rate is MLR - 2.0%. The outstanding loan as of 31 December 2013 is Baht 145 million.



- 4) Loan contract with Bangkok Bank Public Company Limited for relevant business investment worth Baht 700 million with 8-year period. The Company has to pay interest rate at MLR - 1.75% for the first 2 years, MLR-1.5% for the third to fifth years, and MLR - 1.25% from the sixth year. The Company started repaying in December 2012 and as of 31 December 2013, outstanding loan balance is Baht 525 million.

The Company has been able to respect all loan contracts and maintain its financial conditions at a better than the loan condition requirement. In addition, the Company has prepared cash reserve in advance and thus has low risk level.

3.2 TARCO's Long-Term Debt Obligations are as follows;

Loan contract with Bangkok Bank Public Company Limited for the investment in Hydrant Pipeline Network at Suvarnabhumi International Airport within the credit limit of Baht 870 million. The loan period for the Thai currency loan is 13 years. Debt repayment began in 2008. Interest rate for Thai Baht currency loan is 3-month fixed deposit + 1.75% and MLR - 2.25% per annum. As of 31 December 2013, debt obligation balance is Baht 107 million.

The fact that TARCO obtains the right to operate aviation oil refueling service through hydrant pipeline network at Suvarnabhumi International Airport for 30 years, the Company's cash flow from fixed service income is posed to very low level risk.

3.3 FPT has completed debt restructuring plan and is free from accumulated debt. Debt obligation under the debt restructuring plan is as follows:

Loan repayment contract with BAFS worth Baht 795.33 million and with Bangchak Petroleum Public Company Limited of Baht 37.86 million using cash or excess cash within 10 years. Interest rates are as follows:

MLR - 1.75% per annum from the date the Court agreed with the plan until 31 October 2013

MLR - 1.50% per annum from 1 November 2013 -31 October 2016

MLS - 1.25% per annum from 1 November 2016 onwards

The company made the first loan repayment in October 2012. As of 31 December 2013, FPT debt obligation balance is Baht 656.12 million.

3.4 JP-One's Long Term Debt Obligations are as follows:

Five-year loan contract with Bangkok Bank Public Company Limited worth 90 million baht for hydrant dispenser purchase for leasing to BAFS. Interest rate is charged as progressive rate with the rate for the first six months is MLR - 2.5% per annum and is reduced every 6 months at 0.25% per annum. From the 4th year onwards, the interest rate is MLR - 1% per annum. JP-One has disbursed 60 million baht loan and will begin to repay the principal in March 2014.

JP-One has completed the entire business transfer to FPT on 1 February 2014. As a result, FPT remains the only subsidiary that will receive benefit from the merger and acquisition which is income from the pipeline oil transport service at Suvarnabhumi International Airport while operating costs are lower. At present, the Company has sufficient cash flow to repay debt under the debt restructuring plan. The company's risk related to debt restructuring plan is therefore low.

3.5 IPS hires BAFS to provide refueling service at Samui and Sukhothai airports. The Company's income is mostly from labor cost.

The Company collects service fee from actual cost plus profit margin according to the service agreement. IPS currently is a debt-free entity and is not necessary to seek loans or credits from financial institution and thus has no financial risk.

4. Risk related to investors' investment that may affect dividend payment

The Company has a policy to pay dividend to shareholders at no less than 50% of the profit after corporate tax, reserves as required by laws and other reserves at no less than 10%. This is based on net profit as showed in the Company's financial statement. In the previous years, the Company has regularly paid dividend. Average dividend payment after reserve, based on the past four year record (2009-2012), is 80.2%.

The Company projected that the Group's performance in 2014 continues to enjoy continuous growth thanks to investment in various projects. In the future it is less likely that this would affect the Company's ability to pay dividend to shareholders.

Shareholder and Management Structure

1. Shareholding Structure

Top ten shareholders as of 4 February 2014 (latest shareholding's book closing date) are as follows:

Names	Number of shares	Shareholding %
1. Thai Airways International Plc.	115,186,500	22.59
2. PTT Plc.	36,000,000	7.06
3. Chevron (Thailand) Limited	36,000,000	7.06
4. Esso (Thailand) Plc.	36,000,000	7.06
5. The Shell Company of Thailand Ltd.	36,000,000	7.06
6. Airports of Thailand Plc.	25,200,000	4.94
7. Goldman Sachs & Co	12,621,782	2.47
8. Susco Dealers Company Limited	10,200,000	2.00
9. Air Total (Thailand) Co., Ltd.	10,200,000	2.00
10. Singapore Petroleum (Thailand) Company Limited	10,200,000	2.00

2. Management Structure

The Board of Directors

The Board of Directors of the Company is as follows:

Names	Position
1. Mr. Palakorn Suwanrath	Chairman and Independent Director
2. M.R. Supadis Diskul	Executive Chairman and Managing Director
3. Flight Lieutenant Montree Jumrieng	Director
4. Mr. Ath Hemvijitraphan	Director
5. Mr. Trintr Subakarn	Director
6. Mr. Navee Lertphanichkul	Director
7. Mr. Krit Imsang	Director
8. Mrs. Wasukarn Visansawatdi	Director
9. Mr. Pongsak Semsan	Director
10. First Lieutenant Athisak Padtchuenjai	Director
11. Mr. Aswin Kongsiri	Independent director
12. Mr. Pachara Yutidhammadamrong	Independent director
13. Mr. Visut Montriwat	Independent director
14. Mr. Sumon Surathin	Independent director
15. Mr. Pipat Purnananda	Independent director
Mrs. Parndao Sukhyanga	Company's secretary

Meeting Attendance of Board of Directors and Committees

Name	Meeting attendance in 2013 (Meeting attendance/ total meetings)				
	Board of Directors (7 meetings)	Audit Committee (6 meetings)	Remuneration Committee (3 meetings)	Nomination Committee (7 meetings)	Risk Management Committee (4 meetings)
1. Mr. Palakorn Suwanrath	7/7				
2. M.R. Supadis Diskul	7/7		3/3	7/7	4/4
3. Flight Lieutenant Montree Jumrieng ^{1/}	6/7			3/4	
4. Mr. Ath Hemvijitraphan	7/7				
5. Mr. Trintr Subakarn	7/7				
6. Mr. Navee Lertphanichkul	7/7			7/7	
7. Mr. Aswin Kongsiri	7/7			7/7	4/4
8. Mrs. Wasukarn Visansawatdi	5/7				
9. Mr. Pongsak Semsan ^{2/}	1/4				
10. Lt. Athisak Padchuenjai ^{3/}	2/2				
11. Mr. Krit Imsang ^{4/}	1/1				
12. Mr. Pachara Yutidhamdamrong	7/7	6/6	3/3		
13. Mr. Visut Montriwat	7/7	6/6	3/3		
14. Mr. Sumon Surathin	6/7	5/6	2/3		
15. Mr. Pipat Purnananda ^{5/}	6/6	3/3			2/2
* Mr. Vinai Chamlongrat ^{6/}	1/1				2/2
* Sqn.Ldr.Alongot Pullsuk ^{7/}	4/4				
* Mr. Soopachai Dhadagittisam ^{8/}	6/6				

Remarks:

^{1/} Appointed to the Nomination Committee effective from 7 August 2013 and thus attended 4 Nomination Committee meetings

^{2/} Appointed as a Director effective from 7 August 2013 and therefore attended 4 Board of Directors' meetings

^{3/} Appointed as a Director effective from 6 November 2013 and therefore attended 2 Board of Directors' meetings

^{4/} Appointed as a Director effective from 12 December 2013 and therefore attended 1 Board of Directors' meeting

^{5/} Appointed as a Director effective from 17 April 2013, Audit Committee effective from 8 May 2013, and Risk Management Committee from 15 May 2013; therefore attended the 6 Board of Directors' meetings, 3 Audit Committee meetings and 2 Risk Management Committee meetings

^{6/} Completed term as a Director on 17 April 2013, therefore attended only one Board of Directors' meeting

^{7/} Resigned from Directorship, effective from 4 October 2013, therefore attended 4 Board of Directors' meetings

^{8/} Resigned from Directorship, effective from 12 December 2013, therefore attended 6 Board of Directors' meetings

Directors Authorized to Sign on Behalf of the Company

The directors whose signatures are recognized as binding on the Company are M.R. Supadis Diskul, Mr. Navee Lertphanichkul, Mr. Ath Hemvijitraphan, Mrs. Wasukarn Visansawatdi, Flight Lieutenant Montree Jumrieng, Mr. Trintr Subakarn, Mr. Krit Imsang, Mr. Pongsak Semsan, Lt. Athisak Padchuenjai, two out of nine directors sign and affix the Company's seal.

Composition and Appointment of the Board of Directors

The composition, appointment, removal and termination of the Directors have been prescribed in the Company's rules, which can be summarized as follows:

- The Board of Directors shall consist of at least 11 persons but not exceeding 15 persons elected and removed at the Shareholders' Meeting. At least half of the directors shall reside in Thailand and shall have the qualifications as specified by laws.
- The directors shall be elected by the Shareholders' meeting under the specified rules and regulations.
- At every Annual General Meeting, one-third of the directors who have longest directorship term shall retire from the positions. Anyway, those directors may be reappointed to be the directors.
- The Shareholders' meeting may resolve to remove the Board of Directors prior to their retirement, with a three-quarter vote of the shareholders, who present in the meeting and have voting rights, and with an aggregate number of up to half of all shares held by such shareholders.

The Retirement of the Board of Directors

The Board of Directors specified the retirement age of the director as follows.

- the person whom appointed as the director shall not exceed 72 years old at the date that the Nomination Committee propose the name to the Board of Directors
- the director shall be retired at the age of 75 years old
- Managing Director shall be retired at the end of the last day of the month that the age of 65 years old

The Board of Directors' Scope of Authorities

The Board of Directors shall perform their duties in accordance with Laws, the Company's objectives and rules, as well as shareholders' resolutions with honesty while preserving the Company's interest.

The Board of Directors may appoint other persons to act on behalf of the Company under the supervision of the Board of Directors, or Managing Director, or assign them the authorities in accordance with the proper specified scope and within the certain time period. The Board of Directors may terminate, remove, change or revise such scope of authority as deemed appropriate.

Managing Director's Scope of Authority

The Board of Directors has authorized Managing Director to engage in various activities on behalf of the Company as specified in the Company's Power of Attorney document, which can be summarized as follows:

- Manage or operate normal business within the limit of Baht 10 million except for investment in treasury bill, government bond and for the operating expense as determined by the Company shall be followed the condition set by the Company.
- Engage any legal transaction, agreement or obligation on behalf of the Company after the Board of Directors have approved
- Recruit, pay salary or wages, dismiss or deal with other matters relating to any staffs or employees, as deemed appropriate
- Appoint lawyers and legal counselors
- Act of behalf of, or in the name of the Company in any activities involving government agencies, state enterprises, or other legal entities.
- Appoint and transfer of a sub-recipient of power of attorney, or a representative

However, such authority does not include the authority, which Managing Director can approve the transaction that Managing Director or connected persons have done with the Company or its subsidiaries.

Corporate Secretary

The Board of Directors appointed Mrs. Parndao Sukhyanga as the Corporate Secretary effective from 27 February 2013. The Corporate Secretary shall perform the duty with responsibility, carefulness and integrity in compliance with laws and related rules and regulations. The Corporate Secretary shall provide advice related to laws, rules related to the Company's rules and regulations to the Board of Directors and executives; coordinate and ensure that the Company's objectives and rules, shareholders' resolution/Board of Directors' resolution and legal and other regulations are implemented and met in order to comply with good corporate governance principle; manage and arranging meetings of the Board of Directors, committees and shareholders; manage the Board of Directors' activities, prepare and keep the Company's document, including Director Registration, meeting invites, meeting minutes of the Board of Directors and shareholders, annual report, etc. The Corporate Secretary's background is as follows:

Mrs. Parndao Sukhyanga

Corporate Secretary

Age: 49

Shareholding (%)

0.002 (In name of herself 12,600 shares)

Education and training:

- Master Degree, National University, San Diego, USA
- Bachelor's Degree, Faculty of Law, Thammasat University
- Company Secretary Program 9/2004, Effective Minute Taking, Board Reporting Program and Company Reporting Program from the Institute of Directors (IOD)

Other position

- Assistant Director, Corporate Secretary & Social Affairs Office Bangkok Aviation Fuel Services Plc.

Past Experience

Assistant to Corporate Secretary and Social Affairs Division	Bangkok Aviation Fuel Services Plc.
Head of Legal Department	Bangkok Aviation Fuel Services Plc.
Private Fund Manager	Thai Military Bank Plc.

The Board of Directors and Committees

The Board of Directors has set up various committees to help the Board in studying various issues in details and screen workload to improve work efficiency of the Board. The committees consist of Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee, whose compositions and responsibilities have been prescribed in details in the topic of “Good Corporate Governance”.

The Management Team

As per details in the topic of “Management Team”

3. Nomination of Directors and Managements

3.1 Nomination of Directors

Selection of the Directors and Managing Directors has to be carried out via Nomination Committee to consider and nominate name lists to the Board of Directors and/or the shareholders for their approval.

For selecting directors in place of directors who expires from their terms, which has to be carried out via the Shareholders’ Meeting, shall base on majority votes under the specified rules and regulations as follows:

1. Each shareholder shall have has one vote for each share of which he/she is the holder.
2. Each shareholder shall exercise all votes he/she has as per no.1 to elect one person or many persons as director(s) as such he/she shall not allot his/her votes to any person in any number.
3. The person who receives the most votes according to ranking will be elected as a director according to the position available at that time. The Chairman of the Board will cast the deciding vote in the case where a voting ties between two persons competing for one available position at that time.

As such, shareholder shall not spilt votes in electing directors (Cumulative Voting), according to Section 70 of Public Limited Companies Act.

The Company has specified the qualification of the directors, and also the qualification of independent director more strictly than regulations of the Securities and Exchange Commission (SEC) regarding shareholding qualification to enhance the Company’s independent directors to have real independency, by specifying that “Independent Director” must have the qualifications as follows:

1. holding shares not exceeding 0.5 per cent of the total number of voting rights of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, including the shares held by related persons of the independent director;
2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the company unless the foregoing status has ended not less than two years. This qualification is not include the case that the independent director has been the government officer or advisor of government agency that is major shareholder or controlling person of the company;
3. not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
4. not having a business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder or controlling person of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years;
5. neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and not being a major shareholder, controlling person or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate major shareholder or controlling person of the company unless the foregoing relationship has ended no less than two years;
6. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and neither being nor having been a major shareholder, controlling person or partner of the professional advisor, in case that professional advisor is juristic person, unless the foregoing relationship has ended no less than two years;
7. not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
8. neither doing business that similar to or competitive with business of the company or its subsidiary, nor being a major partner, or executive director, employee, officer, advisor who regularly receives salary, or holding shares not exceeding 1 per cent of the total number of voting rights of other company that doing business that similar to or competitive with business of the company or its subsidiary;

9. not being a director assigned by the board of directors to take part in the business decision of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the company;
10. not being a director of other listed companies, which are the parent company, subsidiary or same-level subsidiary;
11. not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

3.2 Selection of Managements

Managing Director has been provided with the authority to make recruitment decision of qualified, competent and experienced personnel in accordance with Staff Policies and Procedures Manual, Re: Terms and Conditions of Service Employment. If the selection is from outside persons, the candidates have to be interviewed by the interview committee.

4. Remuneration for the Directors and Managements

4.1 Monetary Remuneration

4.1.1 The remuneration of the Board of Directors shall be screened by the Remuneration Committee to the Board of Directors, and approved by the Shareholders' Meeting as follows:

- Monthly remuneration: Chairman receives 30,000 Baht/month, director receives 20,000 Baht/month
- Meeting Allowance: Chairman receives 24,000 Baht/time, director receives 16,000 Baht/time
- Remuneration for Performance (Bonus): shall be aligned with the policy and condition that screened by the Remuneration committee and propose to the Shareholders' Meeting annually.

4.1.2 The remuneration of the Audit Committee shall be screened by the Remuneration Committee to the Board of Directors and approved by the Shareholders' Meeting as follows:

- Monthly remuneration: Chairman receives 25,000 Baht/month, director receives 20,000 Baht/month
- Meeting Allowance: Chairman receives 20,000 Baht/time, director receives 16,000 Baht/time

4.1.3 The remuneration of the Risk Management Committee, the Remuneration Committee, and the Nomination Committee shall be screened by the Remuneration Committee to the Board of Directors and approved by the Shareholders' Meeting as follows:

- Meeting Allowance: Chairman receives Baht 10,000 per time, director receives 8,000 Baht/time

Remuneration for the Board of Directors

Number of Directors	15
Total Directors' remuneration in the positions of Board of Directors, Audit Committee and other committees i.e. Risk Management Committee, Remuneration Committee, and Nomination Committee	
2013	16,674,760.69 Baht
2013	14,730,030.11 Baht

The 2013 remuneration in detail is as follows:

Unit: Baht

Names	Position	Director Remuneration	Audit Committee Remuneration	Other Committee Remuneration	Bonus year 2012 paid in 2013	Total	Remuneration in Subsidiary Companies
1. Mr. Palakorn Suwanrath	Chairman	522,700.00	-	-	1,008,500.00	1,531,200.00	-
2. M.R. Supadis Diskul	Director	348,466.66	-	102,000.00	672,300.00	1,122,766.66	866,270.00
3. Flight Lieutenant Montree Jumrieng	Director	332,466.66	-	24,000.00	672,300.00	1,028,766.66	-
4. Mr. Ath Hemvijitraphan*	Director	348,466.66	-	-	672,300.00	1,020,766.66	-
5. Mr. Trinr Subakarn*	Director	348,466.66	-	-	549,200.00	897,666.66	-
6. Mr. Navee Lertpanichkul	Director	348,466.66	-	52,000.00	672,300.00	1,072,766.66	-
7. Mr. Aswin Kongsiri	Director	348,466.66	-	100,000.00	672,300.00	1,120,766.66	-
8. Mrs. Wasukarn Visansawatdi	Director	279,823.80	-	-	-	279,823.80	-
9. Mr. Pongsak Semsant	Director	112,129.00	-	-	-	112,129.00	-
10. Lieutenant Athisak Padchuenjai	Director	68,666.75	-	-	-	68,666.75	-
11. Mr. Krit Imsang	Director	28,903.20	-	-	-	28,903.20	-
12. Mr. Pachara Yutidhamdamrong	Director	348,466.66	407,399.90	22,000.00	672,300.00	1,450,166.56	561,910.00
13. Mr. Visut Montriwat	Director	348,466.66	332,466.66	27,500.00	672,300.00	1,380,733.32	561,910.00
14. Mr. Sumon Surathin	Director	332,466.66	316,466.66	14,000.00	672,300.00	1,335,233.32	456,540.00
15. Mr. Pipat Pumananda	Director	264,666.71	203,483.84	16,000.00	-	484,150.55	92,933.33
Chokchai Panyayong	Former director	-	-	-	220,400.00	220,400.00	-
Mr. Nattachat Juarujinda	Former director	-	-	-	216,800.00	216,800.00	-
Flying Officer Anirut Thanomkulbutra	Former director	-	-	-	391,300.00	391,300.00	-
Mr. Prakobkiat Ninnat	Former director	23,750.00	-	-	435,300.00	459,050.00	-
Mr. Winai Chamlongrat	Former director	83,799.95	-	12,000.00	672,300.00	768,099.95	466,843.33
Sqn. Ldr. Alongot Pullsuk	Former director	244,337.62	-	-	672,300.00	916,637.62	-
Mr. Soopachai Dhadagittisan	Former director	312,466.66	-	-	455,500.00	767,966.66	-
Total		5,045,443.63	1,259,817.06	369,500.00	10,000,000.00	16,674,760.69	3,006,406.66

Remarks: * The Company didn't directly pay the remuneration to that director, but paid to the shareholder of the Company of which that director has been the executive.

Remuneration for the Management

Number of Management	9
Types of remuneration	Salary, Bonus, Welfare*
Total Management's remuneration	
2013	48,228,623.45 Baht
2012	51,806,633.14 Baht

* including Retirement Benefit Program; Prior to the establishment of the provident fund, each employee is entitled to benefits based on the employee's salary level and the number of years employed by the Company.

For employees and management who have been worked with the Company prior to the establishment of the provident fund, they may choose to join the provident fund program, or remain with the retirement benefit program which the employee will receive after retiring. If they choose to join the provident fund program, the Company will guarantee that provident fund benefits will not be less than that of the retirement benefit.

4.2 Other Remunerations

Another form of remuneration that the Company provides for the managements is as same as that of the employees, which is monthly contribution to the provident fund; Employees who start working with the Company after the Company provides provident fund can choose to join the program. The contribution rate will be a progressive percentage rate of the employees' salary as specified in the Company's rules.

Provident Fund Contribution for the Management

Number of Management	9
Provident Fund Contribution	
2013	3,723,716.53 Baht
2012	4,611,670.56 Baht



5. Corporate Governance, Internal Information Controlling and Internal Audit

As per details in “Corporate Governance”

6. Dividend Policy of the Company and its Subsidiaries

The Company has dividend policy at the ratio of not less than 50% of net profit after tax, legal reserve and other reserves, of no less than 10%, calculating from the net profit of Company’s financial statement only, such ratio of dividend declaration is subject to the Company’s liquidity and business expansion plan. In the past, the Company has paid dividend by aligning with such policy continually as follows:

	Dividend Paid (Mil.Baht)	Dividend per share (Baht)	% of Net Profit (Separate Financial Statement)	
			Before reserve	After reserve
2013	510.0	1.00	64	80
2012	397.8	0.78	56	70
2011	331.5	0.65	79	99
2010	275.4	0.54	63	79
2009	219.3	0.43	59	73

In 2013, the Company paid interim dividend to shareholders at Baht 0.30 per share on 3 September 2013. On 20 February 2014, the Board of Directors meeting agreed with the 2013 dividend payment for the second half of the year at Baht 0.70 per share, bringing the total dividend payment to Baht 1 per share, representing 80% of net profit (after reserves). This is in line with the Company’s dividend payment. This will be presented to the 2014 Shareholders’ Meeting.

The dividend policy of the Company’s Subsidiaries is as follows:

TARCO has the dividend policy at the ratio of no less than 60% of Net Profit after Tax, Legal Reserve and Other Reserves, except in the year that TARCO has investment project; it shall pay at the ratio of not less than 30%.

JP-One Asset has the dividend policy at the ratio of 80% of Net Profit after Tax, Retained Loss and Legal Reserve.

IPS and FPT still have no dividend policy.



Corporate Governance

The Board of Directors of Bangkok Aviation Fuel Service Public Company Limited (BAFS) recognizes the importance of good corporate governance, by adhering to the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand, Corporate Governance Policy, and Code of Conduct, and believes that this will lead the Company to achieve its goal, attain sustainable growth, as well as boost the confidence of shareholders and stakeholders.

The Company complies with the Principles of Good Corporate Governance for Listed Companies 2006. In addition, the Company has tried to improve the compliance with the Principles of Good Corporate Governance for Listed Companies 2012, and explained the reason or the alternative measures in case that the Company cannot comply with some issues in the principles.

The Company assigned Mrs. Parndao Sukhyanga, the head of operations, to be responsible for ensuring that the Company's corporate governance practice complies with related laws, regulations, rules, policies and measures set by related agencies, such as the Securities and Exchange Commission (details of the Head of Operations are in the "Management Structure" section).

1. Corporate Governance Policy

The Board of Directors has made the Corporate Governance Policy in writing since 2002 and it has been regularly updated. The Corporate Governance Policy can be summarized as follows:

BAFS recognizes the importance of good corporate governance including the paramount role that it plays in the sustainable growth and the effective operation of the Company. The Company is therefore committed to do business in compliance with Securities and Exchange Law, Rules and Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, related business laws, Articles of Association of the Company, Code of Best Practice for Directors of Listed Companies and the Principles of Good Corporate Governance of the Stock Exchange of Thailand. The Company takes responsibility for its stakeholders, the environment and contributes to society. As such, the Company specifies the governance policy for the Board of Directors, managements and employees to follow by adhering to the following 5 principles:

1. Accountability
2. Transparency
3. Equitable Treatment
4. Long-Term Value-Added Creation to Shareholders
5. Promotion of Best Practices

And also adhere to Code of Conduct to ensure that the Company can operate with transparency. The Company has announced Corporate Governance Policy to the Board of Directors, managements and employees.

Furthermore, the Company has provided Code of Conduct for the Board of Directors, the managements and the employees of the Company and its subsidiaries to use as a guideline in performing their duties with transparency and conforming to good corporate governance. Also, Code of Conduct Working Group has been set up to ensure the compliance of Code of Conduct and to establish the testing system as well as to improve Code of Conduct and testing system to be updated continually on an annual basis.

The Company is committed to preventing and working against corruption in all forms. To ensure that risks of corruption are appropriately considered and attended to, the Company introduced the Anti-Corruption Policy in 2013 to be used as a framework for operations and practice of the Company, subsidiaries, directors and employees.

2. Committees

The Board of Directors has set up various committees to help the Board in studying various issues in details and screen workload to improve work efficiency of the Board. In addition, the Chairman of each committee is independent director. And to ensure that the performance of every committee is

completely independent, the Chairman of the Board of Directors is not the chairman and member in such various committees. The Company has specified compositions and responsibilities of various committees have been clearly prescribed as follows:

Audit Committee

The Audit Committee consists of 4 independent directors, who qualified according to the Regulations of the SEC, with a directorship term of 3 years as follows:

1. Mr. Pachara Yutidhamdamrong (Independent Director)	Chairman of the Audit Committee
2. Mr. Visut Montriwat (Independent Director)	Director of Audit Committee
3. Mr. Sumon Surathin (Independent Director)	Director of Audit Committee
4. Mr. Pipat Purnananda (Independent Director)	Director of Audit Committee
Mrs. Mayuree Nalinwong (Director, Internal Audit Office)	Secretary of the Audit Committee

Mr. Visut Montriwat, Mr. Sumon Surathin and Mr. Pipat Purnananda are Audit Committee directors who have knowledge and experience in reviewing the Company's financial statements, as per details in the "the Board of Directors" section.

The Audit Committee has always reported the resolutions to the Board of Directors and had fulfilled the responsibility of the Audit Committee Charter as follows:

"Reviewing the correction and sufficiency of the financial reporting, reviewing the correction, completeness and reliability of the operational information reporting, reviewing the internal audit and control system to ensure its suitability and effectiveness, considering the independency of Internal Audit, appointment, transfer, and dismissal of chief of Internal Audit, reviewing compliance with the Securities and Exchange Acts, Regulations of the SET, relevant laws, and given commitments with outside parties, reviewing the adequacy for the safeguarding of assets, reviewing risk management and internal control systems independently, considering and recommending the appointment and the remuneration of the external auditor, attending a non-management meeting with an external auditor at least once a year, reviewing the Connected Transactions to ensure that the compliance with the laws and Regulations of the SET, revising the Charter of the Audit Committee at least once a year, performing the Audit Committee's assessment and self-assessment annually, considering approving the audit plan, budget and man-power of Internal Audit that approved from Managing Director, preparing and disclosing the Audit Committee's report in the Company's annual report, having the power to employ independent professional advisors, inviting the managements and concerned persons, and performing any other functions assigned by the Board of Directors."

The Company has arranged for an internal audit office responsible for assuring and providing fair and independent advice to the Company for improved operations and added value. Mrs. Mayuree Nalinwong, Director, Internal Audit Office, acts as the head of the internal audit office as detailed in the "Executives" section.

The Audit Committee considered that the head of the internal audit unit has appropriate education background, experience and trainings to efficiently perform the duty with knowledge, skills and independence. The appointment or change of the head of internal audit unit shall be approved by the Audit Committee.

Remuneration Committee

The Remuneration Committee consists of at least 3 but no more than 4 directors, with a 2-year term. The Chairman of the Remuneration Committee is an independent director and the Managing Director serves as a committee member. Committee members are as follows:

- | | |
|---|-------------------------------------|
| 1. Mr. Visut Montriwat (Independent Director) | Chairman of Remuneration Committee |
| 2. Mr. Pachara Yutidhammadamrong (Independent Director) | Director of Remuneration Committee |
| 3. Mr. Sumon Surathin (Independent Director) | Director of Remuneration Committee |
| 4. M.R. Supadis Diskul (Executive Chairman and Managing Director) | Committee |
| Mr. Chathaya Bandhaya (Senior Finance & Accounting Director) | Secretary of Remuneration Committee |

The Remuneration Committee has regularly reported to the Board of Directors and has fulfilled the responsibility that was approved by the Board of Directors as follows:

“Considering remuneration, awards, meeting allowance, compensation, bonus and other benefits for the Board of Directors, the Audit Committee, the Nomination Committee, the Fuelling Operation Committee, Managing Director, Committees and Other Sub-Committees for further proposal to the Board of Directors and/or the shareholders for consideration”

In addition, the Remuneration Committee considers the interim and annual dividend payment for shareholders, proposing to the Board of Directors or the shareholder’s meeting. Furthermore, the Remuneration Committee gives opinion in performing its duties as specified in the prescribed responsibility for example opinion in directors’ remuneration, meeting allowance and dividend paid to shareholders, for etc.

Nominating Committee

The Nominating Committee consists of at least 3 directors, with a directorship term of 2 years, where the committee chairman is an independent director. Committee members are as follows:

- | | |
|---|----------------------------------|
| 1. Mr. Aswin Kongsiri (Independent Director) | Chairman of Nominating Committee |
| 2. Mr. Navee Lertphanichkul (Non-Executive Director) | Director of Nominating Committee |
| 3. M.R. Supadis Diskul (Executive Chairman and Managing Director) | Director of Nominating Committee |

4. Flight Lieutenant Montree Jumrieng	Director of Nominating Committee
Mrs. Parndao Sukhyanga (Corporate Secretary)	Secretary of Nominating Committee

The Nominating Committee has fulfilled the responsibility that was approved by the Board of Directors as follows:

“Reviewing the appropriateness in respect of number and composition of the Board of Directors, preparing the specifications and conditions for Managing Director’s contract, and also nominating a director and Managing Director when there is a vacancy for further proposal to the Board of Directors and/or the shareholders for consideration”

The Nominating Committee has selection criteria for new directors, by considering their qualifications in the aspects of individuals’ status, knowledge, competency, ethics, and conflict of interests. It has also set the specification for independent directors and Managing Director.

In addition, the Nomination Committee gives opinion in performing its duties as specified in the prescribed responsibility for example opinion in nominating directors.

Risk Management Committee

The Risk Management Committee consists of 4 directors, with a directorship term of 3 years, where the chairman is independent director. Members are as follows:

1. Mr. Aswin Kongsiri (Independent Director)	Chairman of Risk Management Committee
2. Mr. Pipat Purnananda (Non-Executive Director)	Director of Risk Management Committee
3. M.R. Supadis Diskul (Executive Chairman and Managing Director)	Director of Risk Management Committee
4. Mr. Ditsapong Prithaveepong (Consultant to Executive Chairman and Acting for Business Development & Marketing Director)	Director and Secretary of Risk Management Committee

The Risk Management Committee has constantly reported to the Board of Directors and had fulfilled the responsibility of the Risk Management Committee Charter as follows:

“Supporting the Board of Directors in setting Risk Management Policy and risk tolerance, establishing risk management profile to align with the Risk Management Policy, monitoring the implementation of risk management, reviewing the effectiveness of risk management profile, presenting the Company’s overall risks, measures and results to the Board of Directors as well as considering and reviewing Risk Management Report and performing to ensure that the Company’s risk management is adequate and appropriate, can be managed in acceptable level and is performed continually.”

In addition, in every meeting the Risk Management Committee has considered Key Risk Indicators e.g. EBITDA, cash flow, expenditure control, market share etc., in order to ensure the performance of the Company shall meet its objective. In case that the performance is likely to be lower than targeted, the Risk Management Committee shall direct the managements to have controlling measures.

The Executive Committee

The Executive Committee is appointed by the Board of Directors to ensure that the management, recommendations, major problems solving and monitoring of operating performance of the Company and subsidiaries are smooth, efficient, managed in the same direction and best supports the Company's strategic plan. The Executive Committee also screens significant matters before presenting to the Board of Directors for consideration for the best benefits of shareholders. The Executive Committee comprises representatives from the Company and its subsidiaries' management as follows:

- | | |
|--|---|
| 1. M.R. Supadis Diskul | Executive Chairman and Managing Director |
| 2. Mr. Chathaya Bandhaya | Senior Finance & Accounting Director
Bangkok Aviation Fuel Services Plc. |
| 3. Mr. Amnuay Pahuvanich | Managing Director
Thai Aviation Refuelling Company Limited |
| 4. Mr. Buree Whanchid | Managing Director
Fuel Pipeline Transportation Limited |
| Mrs. Parndao Sukhyanga (Corporate Secretary) | Secretary of Executive Committee |

The Executive Committee has performed its duty by adhering to the criteria approved by the Board of Directors as summarized below:

“Analyze plans, manage risks of the projects related to investment by the Company and subsidiaries, provide recommendation on significant issues related to business administration, human resource management for the Company and subsidiaries, screen subsidiaries' budget, oversee and monitor to ensure that the operations of the Company and subsidiaries progress well as directed by the Board of Directors, approves activities related to budget and finance as permitted by the Board of Directors, and appoint sub committees and working group as appropriate or take other actions as assigned by the Board of Directors.”

3. Supervision of Subsidiaries and Affiliated Entities

3.1 Mechanism for supervision of subsidiaries and affiliated entities

The Company has nominated its management to sit as the subsidiaries' board of directors, executives or employees as part of the supervision of the subsidiaries and affiliated entities. The assigned persons shall be involved in protecting the Company's benefit and coordinate to ensure smooth operations between the Company, subsidiaries and affiliated entities and that the Company can efficiently monitor and control the operations according to internal control system. The Company has prepared criteria for the monitoring of operations and business direction in the subsidiaries and associated entities as follows:

- Qualifications of the Company's representatives: The assigned person shall be a director or employee with sufficient knowledge, capability and experience and does not operate business and is not a director of a company operating similar business or competitor that may create conflict of interest with subsidiaries or associated entities.
- Authority to appoint and dismiss: The appointment or dismissal of the director who is the representative of the Company shall be made by the Board of Directors. The appointment or dismissal of executives who is the Company's representative shall be made by the Managing Director.
- Scope of authority, duties and responsibility of directors or executives who are the Company's representatives: The directors who represent the Company shall consider and approve significant issues, such as policy, goals related to business operations, monitoring and ensuring that the management strictly follows the policies and plans. The executives who represents the Company shall participate in setting strategies and plans in order to meet the target, by monitoring, checking and supervising the operations of subsidiaries and affiliated companies through Board of Directors' meeting or meetings with the management of subsidiaries and affiliated entities.
- Setting direction of subsidiaries and affiliated entities and making engagement between subsidiaries and affiliated entities with outside parties: The representatives shall ensure that the implementations comply with the direction set by Board of Directors, financial reports and auditing are reliable, risk management and internal control systems are appropriate and can prevent conflict of interest.
- Operational performance of subsidiaries and affiliated parties are regularly reported to the Board of Directors or Managing Director as scheduled.

3.2 Agreement between the Company and other Shareholders on Management of Subsidiaries

-None-

4. Using Inside Information

The use of inside information is detailed in Compliance to the Good Corporate Governance Principle Section 2

5. Remuneration for Auditor and Other Service Fees of the Company and Subsidiaries

5.1 Remuneration for Auditor

- The Company and its subsidiaries paid Baht 1,751,708 auditing fees (including other expenses related to auditing fees for the accounting period ending 31 December 2013) as follows:

List	Company	Auditor	Other costs (Baht)
1.	Bangkok Aviation Fuel Services Plc.	Dharmniti Auditing Company Limited	934,485
2.	Thai Aviation Refuelling Co., Ltd.	Dharmniti Auditing Company Limited	302,552
3.	JP-One Asset Co., Ltd.	Dharmniti Auditing Company Limited	182,448
4.	Intoplane Services Co., Ltd.	Dharmniti Auditing Company Limited	75,743
5.	Fuel Pipeline Transportation Ltd. (FPT)*	Ernst & Young Office Limited	256,480
Total			1,751,708

* FPT financial statements were consolidated with the Group's statement starting from 16 July 2013.

- The auditor's fee paid to Dharmniti Auditing Company Limited for BAFS Employees' Provident Fund, which is already registered, in 2013 was Baht 60,000.
- BAFS International Limited, a subsidiary, paid HK\$ 12,000 remuneration to a Hong Kong-based audit company in the past year (for the accounting period 11 October 2012 - 31 March 2013).

5.2 Other Service Fees

- In the past accounting year, the Company's subsidiaries paid remunerations for other services to Dharmniti Seminar and Training Co., Ltd., and Dharmniti Press Co., Ltd. which are related parties of Dharmniti Auditing Co., Ltd. The fees paid are for seminar and training fees and HR magazine renewal totaling Baht 25,242.

6. Compliance to the Good Corporate Governance Principles

The Company has complied with the Principles of Good Corporate Governance of the Stock Exchange of Thailand as follows.

Section 1: Shareholders' Rights

1. Shareholders' Rights Protection

1.1 The Company attaches importance to the protection of shareholders' rights and the promotion of exercising the basic legal rights i.e. the rights to profit share, to obtain the relevant and adequate information of the Company, to participate and vote in the shareholders' meeting to elect and remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the Company such as the dividend payment, the amendment to the Company's articles of association and memorandum of association, the capital decrease or increase, for etc.

1.2 The Company recognizes the importance of shareholders' rights by facilitating shareholders more than legal requirement i.e. providing the current important information via the Company's website, providing Management Discussion and Analysis (MD&A) on a quarterly basis and Newsletter semiannually, for etc.

1.3 The shareholding structure of the Company comprises of numerous minority shareholders to balance with the majority shareholders, not contributing to any person or group to control vote or control of the Company, while enhancing the good corporate governance to shareholders. Currently, the Company has free float more than 40 percent, no cross shareholding, and no pyramid structure. The shareholding of the directors is only 1.09%, while that of the institutional investors is more than 10%.

2. The Shareholders' Meeting

2.1 The Company held the Shareholders' Meeting once a year within 4 months after the end of the accounting period. In 2013, the meeting was held on 17 April, 2013., where Chairman of the Board of Directors, Chairman of committees, Managing Director, director, the management, external auditor, and legal advisor attended the meeting to respond to questions.

2.2 The Company has provided Legal Advisor of HNP Counselors Limited and shareholders' volunteers checking the vote counting in the shareholders' meeting, which was disclosed in the minutes of shareholders' meeting.

3. Delivering the Meeting Invitation Letter

3.1 The Company assigned Thailand Securities Depository Company Limited, the Company's share registrar to send the meeting invitation letter to shareholders 14 days in advance, while posted such information, which is the same information as sent to shareholders, in www.bafsthai.com, the Company's website 30 days before the meeting date to allow shareholders sufficient time to study such information in advance. The Company also advertised the meeting invitation in daily newspapers for 3 consecutive days and 3 days in advance before the meeting in order to inform such shareholder meeting.

3.2 The meeting invitation provide sufficient and complete information, including date, time, place, agenda with details whether each agenda is for acknowledgement or consideration, enclosures of each agenda, purpose and reason, the directors' opinion, articles of association relating to the meeting, map of meeting place, document or evidences required to be presented on the meeting date, and meeting attendance procedure. The Company has also provided meeting invitation letter in English to facilitate foreign shareholders.

3.3 The Company recognizes the importance of shareholders' rights, encourages shareholders to exercise their rights, and does not infringe or curtail shareholders' rights. At the shareholders' meeting, the Company provides significant issues for shareholders consideration and includes important items as required by laws, the Stock Exchange of Thailand's regulations and the Company's regulations.

3.4 In the meeting invitation, agendas are clearly categorized for shareholders' consideration and approval. Details included in the invitation are:

- **Director appointment:** The Company allows shareholders to appoint individual director by providing information about name, age, educational background, work experience, number of listed or non-listed companies served as director, nomination criteria and method, director background, types of director that is proposed for appointment, meeting attendance, and service years in case of proposing previous director, which is screened by the Nomination Committee.
- **Director Remuneration:** The Company provides details of proposed types and amount of the remuneration payment, the director remuneration policy and conditions, which is screened by the Remuneration Committee.
- **Appointment of External Auditors:** The Company provides details of external auditor's name and company, experience and competence, independency, audit fee, service years for the Company (in case of proposing existing external auditors), reason in changing external auditors (in case of proposing new external auditors), consideration method of audit fee appropriateness, which is screened by the Audit Committee
- **Allocating Profit and Dividend Payment:** The Company provides details of profit allocation and reserve fund, dividend amount that align with the Company's dividend policy, together with the reason, and the record date that determined the right to receiving dividend, which is screened by the Remuneration Committee.

4. Facilitating Shareholders

4.1 The Company's policy is to facilitate and encourage institutional investors, major and individual shareholder to attend the meeting.

4.2 The Company allows shareholders to send questions related to the agenda to the Board of Directors in advance via Investor Relations Section. This was informed to the shareholders in the meeting invitation letter, which was published on the Company's website.

4.3 The Company held the shareholders' meeting at Queen Sirikit National Convention Center, the convenient place which is easily accessible by shareholders. The Company also facilitated all shareholders in a fair manner by providing adequate officers to take care of them.

4.4 The Company allows registration of shareholders two hour before the meeting, does not limit the rights of shareholders who come late, and facilitates shareholders to use their meeting rights.

4.5 The Company uses a barcode system detailing each shareholder's information as printed on the registration form. This is to facilitate fast and accurate registration, vote counting and display.

4.6 The Company gives shareholders who show up late a chance to vote on agenda items still under deliberation.

5. Conduct of the Shareholders' Meeting

5.1 At the beginning of the meeting, the meeting chairman introduces directors, chairman of each committee, management, external auditor, and legal advisor attending the meeting and informs shareholders of the meeting rules and voting procedure, as well as the voting right.

5.2 The Company provides enough time for the meeting, encourages equal opportunities for shareholders to express their opinions and raise any questions in the meeting, where directors and management address and answer all questions clearly and precisely.

5.3 The Company conducts the shareholders' meeting in sequence detailed in the agenda as informed in the meeting invitation letter. There was no additional important material or information or agenda other than that printed in the meeting invitation added during the shareholders' meeting.

5.4 The Company provides separate voting card for each agenda for transparency and further investigation in case of argument afterwards, and in case that an agenda includes various topics, such as director appointment, the Company opens the opportunity for the shareholders to separately appoint individual director.

6. After the Shareholders' Meeting

6.1 The Company disclosed the resolutions of the meeting, together with the votes of each agenda, via the Stock Exchange of Thailand and the Company's website at the date of the meeting.

6.2 After the shareholders' meeting resolved on dividend payment, the Company coordinated with Thailand Securities Depository Company Limited to ensure that all shareholders shall receive the dividend according to their right. In addition, the Company set the record date that determined the shareholders' right to the dividend not less than 5 working days after the shareholders' meeting, which aligned with the recommendation of the SET.

6.3 The minutes of meeting was correct, complete and could be verified by shareholders. The minutes covered the name and position of directors who attended the meeting, voting method and counting, shareholders' opinions, the director's clarification and clear resolution, classifying into agree, disagree or abstain votes. The minutes was sent to the SET within 14 days after each meeting as well as posted, together with the web cast recording the meeting proceeding, on the Company's website.

From the above efforts, the Company has received "Excellent" scoring in AGM Assessment Project for six consecutive years.

Section 2: Equitable Treatment to Shareholders

The Company recognizes the importance of rights and equitable treatment of shareholders through the following actions

1. Proposing Additional Meeting Agenda and Nominating Directors

The Company provides channel for shareholders to propose in advance additional meeting agenda and director nominee, by having clear rules, which is disclosed via the SET and the Company's website. One or several shareholders, holding minimum share in the amount of 0.05% can propose meeting agenda and director nominee, together with his/her details, for 3 months, from 15 October – 15 January of each year. This proportion facilitates the shareholders more than that specified by the law, which specifies that one or several shareholders, holding minimum share in the amount of 5% can propose meeting agenda. However, no shareholder proposed additional meeting agenda or director nominee.

2. Appointing Proxies

In case that the shareholders cannot attend the meeting, the Company provides the proxy document, so that the shareholders can make the proxy vote to other persons, independent director or Managing Director. The Company provides the proxy in the format that the shareholders can specify the voting direction (Form B.), and also clearly informs the proxy about the evidence and instruction, which is easy to follow.

3. Measures to Prevent Misuse of Inside Information and Conflict of Interests

3.1 The Company has secured internal information keeping and procedure to prevent the use of inside information for abusive self-dealing such as insider trading or related party transactions that may cause damages to the shareholders. The Company has prescribed about confidential information in Staff Policies and Procedures Manual and in Code of Conduct and has penalties for employees who violate such rules. Moreover, the Company has informed its directors, the management and employees of such information and prohibit directors, the management and employees from trading the Company's shares at least seven days prior to the disclosure date of quarterly financial results.

As for the trading of Company's shares by the Board of Directors and the managements, the Company has notified the Board of Directors and the managements to report changes in any shareholding status to the SEC, as specified in Section 59 of Securities and Exchange Act B.E. 2535. Their shareholding information is included in each Board of Directors' Meeting, and disclosed in the Annual Report.

In addition, for the trading of Company's shares by the employees who are close to the Company's information, the Company has set the procedures that they shall report changes in shareholding within 3 working days and their shareholding agenda shall be report to the management meeting monthly.

3.2 The Company's directors and managements shall disclose the information about the interests of themselves and their related parties to the Company. Such disclosure complies with the business of the Company, related law and regulations. Also, the directors and managements have to report the changing in their interests every time when it occurs. The Company Secretary is responsible in gathering such information.

3.3 The Board of Directors has established a guideline to prohibit the directors or executives who may have conflict of interests from involving the decision making process of transaction between the Company and stakeholders or parties that may have conflict of interest. Before the Board of Directors' meeting begins, the Chairman of the Board informs the meeting and the particular director who has interests in certain issue shall leave the meeting room and has no right to vote for such agenda.

3.4 The Company has uncomplicated shareholding structure and nearly all related party transactions that occurred were normal business transactions.

3.5 The Company adheres with Rules and Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission such as the rules concerning connected transactions, the acquisition and disposition of assets, for etc.

In 2013, the Company did not receive any complaints for not respecting shareholders' rights or any accusation regarding misuse of inside information. The Company has maintained equitable treatment of shareholders.

Section 3: Roles of Stakeholders

1. Treatment of Stakeholders

The Company has written procedures in its Corporate Governance Policy and Code of Conduct to treat with each group of stakeholder i.e. shareholders, customers, trade partners, creditors, competitors, employees, social and environment, which are disclosed in the Company's website. The Company promotes the participation of employees in complying with such policy. The Company has done through the following actions.

1.1 Shareholders: The Company has policy and guideline on treating shareholders with integrity and fairness, managing the business to achieve stable growth, generating appropriate returns to the shareholders, and disclosing information to shareholders in equitable, constant and complete manner. Furthermore, the Company encourages shareholders to express their opinions, give recommendation, proposes meeting agenda and director nominee in the shareholders' meeting.

1.2 Customers: The Company has policy and guidelines for customer treatment as follows:

- The Company cares and responsible for its customers, respects the commitment made with customers, treats every customer equally and fairly, is committed to creating customer satisfaction and ensuring that the customers receive quality service.
- The Company provides aviation refuelling service, conforming to international standard, on time, with highest safety, which receives the certification ISO 9001 and OHSAS 18001.
- The Company has customer satisfaction survey system, which is one of Key Performance Indicators (KPIs) of the Company.
- The Company has customer relationship activities such as inviting customers to visit the Company's operations, arranging seminars for customers, visiting customers to build relationships and get feedback from them on a regular basis, awarding questions that related to the Company, meeting customers in various festivals, for etc.

1.3 Trade partners: The Company has policy and practices towards trade partners, has a clear selection procedure of trade partner that has to be qualified and can perform the procedures set by the Company. New trade partners have to be approved by the Board of Directors.

The Company complies with all agreements made with trade partners, treats every trading partner equally and fairly, bases on the fair return for both parties, not asks for, receives, and gives benefit that dishonest to trade partners. In addition, the Company sets JV Core Principle Policy as a tool to prevent the disclosure of sensitive information.

1.4 Creditors: The Company has established procedures and practices in not violating the rights of creditors. The Company complies with all agreements made with creditors, provides complete financial information, not asks for, receives, and gives benefit that dishonest to creditors.

1.5 Competitors: The Company has policy and practices towards competitors. The Company conducts within the framework of good competition, does not acquire the confidential information of competitors in dishonest or inappropriate way, and not ruin the reputation of competitors by groundless accusation.

1.6 Employees: The Company has policy and practices towards employees. All employee are important part of business, therefore the Company realizes the importance of developing the employees, provides reasonable compensation and fringe benefits to the employee as well as supports the employees' participation as follows:

- Have regulation regarding compensation and employee benefits.
- Have a clear policy in employees' compensation. The employee performance is evaluated using Balance Scorecard concept that covered short term and long term performance in financial, customer, internal process, learning, and development aspects.
- Provide reasonable compensation and fringe benefit e.g. salary, bonus, retirement fund, life insurance, accident insurance and health insurance.
- Provide orientation to new employees; educate them about code of conduct, core value, safety, quality system, fundamental knowledge, as well as giving them on the job training.
- Have policy to promote employee development in systematic way, by adopting Competency Model as the standard in personnel training plans, such as Competency and Potential Assessment, Training Roadmap, Individual Development Plan, Career Development Plan, Succession Plan, for etc. In 2013, the Company has 407 employees and the average training hours are 51 hours/person.
- Provide education support programs e.g. scholarships for employees.
- Promote ethics and moral by organizing a training on "Dharma at Work, Making Merit every Minute" and encouraging employees to practice meditation at the Young Buddhist Association of Thailand.
- Have activities to promote good relationships among employees such as arranging sport day, New Year party, encouraging employee to participate in various clubs of the Company, and arranging monthly activities for example encouraging operation staffs, bicycle riding, making merit, Happy Hours.

- Promote the participation of employees in complying with the policies towards various stakeholders such as social, community, customers. Arrange the activities to raise the awareness in Core Value, which promote the practices towards stakeholders, establish the Code of Conduct test to encourage the concern in ethics.

1.7 Social and Community:

- The Company realizes the importance of Corporate Social Responsibility (CSR), by establishing CSR Policy, and conducts activities that support CSR and community development which is disclosed in the Company's website.
- The CSR activities were such as the campaign for environmental awareness, teacher volunteering, field trip study, supporting aerospace science project, granting scholarship, educational and sport facilities to various schools, granting scholarship by joining with Woman Thai Muslim Orphan Help Foundation of Thailand, supporting religious activities, Royal Kathin, Annual Kathin Offering Ceremonies, Soldier Moral Improvement Program, for etc.
- The community development activities were such as arranging health checkup for community, visiting people in nearby community, Fire Drill Training, supporting things or equipment for public interests, supporting and joining various events on traditional occasions, supporting the sport competition of the community, for etc.

2. Safety, Occupational Health and Environment

The Company has emphasized in Safety, Occupational Health and Environment in workplace, by established Safety, Occupational Health and Environmental Policy and set up Safety, Occupational Health and Environment Committee. The Company conducted in Safety, Occupational Health and Environment as follows:

- Encourage the development of management system, occupational health and environment systems in accordance with legal provision including international standards and other regulatory obligations which the organization had applied
- Control, improve and prevent any intermediate risk resulting from the organization's implementation in order to maintain the quality assurance of safety, occupational health and environmental management
- Improve the operations of safety, occupational and environment system consecutively
- Enhance good cooperation to employees working under safety, occupational health and environmental regulations

- Develop the knowledge of human resources and raise their awareness in safety, occupational health, environmental management and off the job safety
- Support overall resource to flow effectively under safety, occupational health and environmental regulations

The Company discloses accident statistics at the Company's office. The information includes the safety record on man-hours without a lost time accident, the goal, and the last date that had an accident.

The Company organized various activities e.g. arranging health check up on annual basis, Big Cleaning Day activities, Safety Health and Environment (SHE) Day activities, various training courses such as courses on Occupational Health and Environment in workplace, fire drill training, providing Personal Preventive Equipment for Into-plane staffs, providing for the prevention of accidents, providing measurement of workplace environment, water quality, and aviation fuel vapor, for etc.

3. Responsibility towards Environment and Resources

The operation procedure from the aviation fuel receiving to the refueling of the Company and trade partners throughout the value chain takes into account of the environmental concern. The Company receives the aviation fuel from oil suppliers to the Company's depot and distributes it throughout the airport via the underground pipeline. The underground transporting is the convenient way that can transport the numerous amount of fuel continuously with safety and is suitable to protect the environment as the aviation fuel is liquid, inflammable, and easily evaporate. This method also alleviates the traffic of Bangkok and nearby province.

The Company has promoted the employee to use resources efficiently, with maximum benefit, while concerning of environmental impact. The Company has assessed impact and set measures to prevent and mitigate the impact that may occur systematically. The Company established Energy Conservation Policy, and set up Green Committee with the responsibility to manage the energy using to align with Energy Conservation Policy as follows.

- Summarize and report the performance of energy using and energy conservation to the management consistently at least once a year
- Improve the efficiency of energy using in the building and in the storage and transport procedure of aviation fuel
- Ensure compliance with laws regarding energy using and energy conservation
- Strictly and continually manage energy using and energy conservation
- Promote the use of renewable energy to reduce energy using of the Company
- Promote awareness and educate about energy conservation

- Communicate about the objective, plan, and performance of energy conservation annually to enhance the employee understanding and following

The Company has organized various activities, e.g. training course on environment and energy conservation, seminars and experience trip on energy conservation, electric vehicle testing at Suvarnabhumi International Airport, energy saving in buildings under voluntary agreement (VA) under the concept Energy Beyond Standards, and a campaign for garbage separation and reduction of foam boxes, etc.

4. Respect for Human Rights

The Company has policy and practices towards the respect of human rights. It is the responsibility of every director, management, and employee of the Company and its subsidiaries to fully respect the human rights that specified in Code of Conduct such as

- Commit to democracy and encourage employees to use their constitutional right to vote.
- Treat employees on the basis of the dignity of human beings and respect the rights of individuals.
- Support and respect for human rights, by regularly monitor the Company of not being involved in the violation of human rights e.g. not supporting forced labor, child labor
- Promote the monitoring of compliance with human rights within the Company and encourage compliance with international human rights standards.

There has never been any report or complaint on the violation of human rights of the Company.

5. Intellectual Property or Copyright

The Company has policy and practices towards Intellectual Property or Copyright. It is the responsibility of every director, management, and employee of the Company and its subsidiaries to follow Code of Conduct regarding intellectual property or copyright i.e.

- Protect intellectual property of the Company and avoid infringing the intellectual property of others
- Comply with laws, regulations and obligations regarding intellectual property rights of others, including patents, copyrights, trade secrets and other proprietary information
- Not infringe or misuse intellectual property rights of others
- In the case of a copyright work or other intellectual property occurs from the performance of employees, such copyright or intellectual property rights shall belong to the Company.

There has never been any report or complaint on the violation of Intellectual Property or Copyright of the Company.

6. Anti-Bribery and Corruption

The Company commits to transparent business practices, Anti-Bribery and Corruption. The Company signed in the declaration of Private Sector Collective Action Coalition against Corruption. In addition, the Company set up the Anti Corruption Policy, which is in the Company's Code of Conduct. It is the responsibility of every director, management, and employee of the Company and its subsidiaries to follow Code of Conduct regarding anti-bribery and corruption as follows:

- Directors and employees of all level shall strictly respect the anti-bribery and corruption policy and must not involve directly and indirectly with corruption for the benefits of the Company, individual, family, friends and related parties
- Strictly follow the anti-corruption policy by adopting the guideline stated in the Company's Conduct, rules and regulations as well as related guidelines and practice that will be implemented in the future
- Employees shall not ignore when finding an action that may be considered as corruption related to the Company and shall inform the immediate supervisor or designated person as stated in the Company's Conduct and cooperate in investigation
- The Company will ensure justice and protect the employee who reports or cooperate with the Company in investigating corruption case related to the Company
- Corruption is a breach of Business Ethics and any corrupted act is subjected to disciplinary penalty stated in the Company's regulations. The person involved in such action may be legally punished if the action is illegal.
- The Company realizes the importance of communications to educate and create understanding about anti-corruption practice among directors, employees and stakeholders

The Company has continually supported the activities that promoted and implanted every employee to comply with the related laws and regulations, such as arranging core value activities that related to "Following Best Practices", one of the Company's core values, which emphasized on the honest and compliance concern, establishing annual Code of Conduct on line testing system, for etc.

There has never been any report or complaint on the violation of anti-bribery and corruption of the Company.

7. Communication Channel to Direct Corporate Issues

The Company provides channel for stakeholders to send recommendation, opinion, question, or complaint to the Company via the Company Secretary, e-mail: parndao@bafs.co.th, tel. 0 2834 8912, or Investors Relations Section, e-mail: pitsapong@bafs.co.th, tel. 0 2834 8914. The mailing address is Bangkok Aviation Fuel Services Plc. 171/2 Kamphaeng Phet 6 Rd., Sub-District Don Mueang, Khet Don Mueang, Bangkok 10210

In case that there is any important issue or the matter that may negatively affect the Company, the Company Secretary shall submit it to the Board of Directors.

8. Whistleblower Policy

The Board of Directors has set various channels for whistle blowing in any suspected violation of code of conduct, breach of laws or behavior that may suggest fraud and inequitable treatment. The channels are as follows:

Post:

Executive Chairman or the Chairman of the Audit Committee,

Bangkok Aviation Fuel Services Public Company Limited

171/2 Kamphaeng Phet 6 Rd., Sub-District Don Mueang, Khet Don Mueang, Bangkok 10210

Email: ec@bafs.co.th or ac@bafs.co.th

The Company will investigate the complaint according to the existing procedure and shall not disclose information of the person who reports the case, justly treat the employee who reports the clue or cooperate with the Company and will not punish or accuse the person for such act.

The Company has no record of violation on labor laws, employment, customer, competition, and environment.

In 2013, the Company received outstanding awards i.e. National Award of the Outstanding for Enterprise of Safety Operations, Occupational Health and Working Environment in 3 areas i.e. Don Mueang Depot, Suvarnabhumi Depot, and Suvarnabhumi Intoplane.

Section 4: Information Disclosure and Transparency

1. Information Disclosure

The Company has disclosed significant information in Annual Report and via the Company's website, www.bafsthai.com, both in Thai and English. The information includes vision, mission, various policies, structure of the business group, nature of business and competition, financial and operation information, risk factors, shareholding structure, organization chart, the Board of Directors, the Managements, type of director, background and direct/indirect shareholding of the directors and managements, director training record, the remuneration policy, type and remuneration for directors and managements of the Company and its subsidiaries, performance of the Board of Directors and various committees in previous year e.g. number of meeting, number of attendance of each director, information about Investor Relations, the invitation letter and minutes of shareholders' meeting, press release, for etc., where the information is consistently updated.

2. Financial Reports Preparation

To perform responsibilities in providing the financial reports that they are accurate, complete and transparency enough to protect the Company's assets against fraud, or abnormalities, and in line with the generally accepted accounting standards and using appropriate and consistent accounting policy, and with reasonable and circumspect considering to enhance the stakeholders' confidence to the financial reports, the Board of Directors has appointed the Audit Committee to assume key duties and responsibilities of reviewing the Company's financial statements and operation reports to ensure its correctness and completeness. In addition, the Board of Directors provides Report of the Board of Directors' Responsibilities for Financial Statements, signed by Chairman and Managing Director that covers important topics of Code of Best Practices for Directors of Listed Companies as prescribed by the SET together with Report of Auditor in annual report.

In 2013, the auditors from Dharmniti Auditing Co., Ltd., the Company's external auditors had knowledge, competence, independency, and was approved by the Office of the SEC. The Company's financial statements were approved with unqualified opinion and accurate in accordance with the generally accepted accounting principles, and assented by the Audit Committee/the Board of Directors before disclosing to shareholders.

The Company constantly discloses Management Discussion and Analysis (MD&A) on a quarterly basis to explain analytically about the financial position, earning result, factors that affected financial position and earning result, as well as the major change of the Company. Moreover, the Company distributed important information via BAFS Newsletter semiannually.

The Company established Key Performance Indicators (KPIs), by setting the strategic objectives in line with its strategic goals and risk appetite, using the "Balanced Scorecard" concept which covered various business aspects such as finance, customer, internal process, learning and development. The examples of KPIs were return on assets, market share, customer satisfaction, and success of individual development plan.

3. Information Disclosure Channels

3.1 The Company realizes the importance of disclosing both financial and non-financial information correctly, completely, in a timely manner, and transparency via various channels as follows:

- The SET information dissemination system and the SEC website
- The Company's website, www.bafsthai.com, that provides both Thai and English information
- Providing quarterly performance to analysts and investors in the Opportunity Day at the SET

- Press conference
- Providing newsletter about the financial performance
- Providing information to analysts and investors who visited the Company
- Analyst Meeting
- Sending documents to shareholders by post

3.2 The Company discloses the information in accordance with the Regulations of the SEC and the SET, under the responsibility of Regulatory Compliance Section.

3.3 Investors Relations Section, e-mail: pitsapong@bafs.co.th, tel. 0 2834 8914, has been established to represent the Company in communication with investors, shareholders, stock analysts and other related organizations. In the year 2013, the main activities were participation in the activities of the SET and other parties to meet investors 4 times, arrangement of institutional and retail investors to meet the managements and visit the Company, Analyst Meeting 26 times, providing information for the Company's Credit Rating Review and to the investors that ask questions to the Company.

The Company has no record of being ordered by the SEC to amend the financial statements, and has disclosed its quarterly and yearly financial statements to shareholders and investors within the timeframe.

Section 5: Responsibilities of the Board of Directors

The Board of Directors plays an important role in corporate governance for the best interest of the Company, and is accountable to shareholders and independent of the managements.

5.1 Composition of the Board of Directors

5.1.1 The Board of Directors considers the appropriateness of board structure, and sets the structure to consist of at least 11 directors, but not more than 15 directors. At present, the Board of Directors consists of 15 directors as follows:

- 1 Executive Director (7%)
- 14 Non-Executive Directors (93%),

The Board of Directors comprises 8 outside directors and 6 independent directors, more than one-third of the total directors.

5.1.2 The Board of Directors has established its structure consisting of a mix of directors with various qualifications, and considered about the knowledge, experience, ethics and reputation that is widely recognized, and a mix of special expertise, such as industry knowledge, accounting and finance, management, international marketing, strategy, communications management, laws, corporate governance and others that are beneficial to the Company's business. In addition, it has specified the qualification of independent director more strictly than Regulations of the SEC regarding shareholding, as per details in the topic of "Shareholder and Management Structure".

5.1.3 Chairman of the Board of Directors is independent director, not the same person as Managing Director, and has no relationship with the managements. As such it is better enhance the balance of power within the Board of Directors.

5.1.4 The Company has clearly separated and defined in written the power and authorities among the Board of Directors and the managements.

5.1.5 The directorship term of the Board of Directors has been definitely prescribed in articles of association of the Company that one-third of the directors who has longest term, has to retire from directorship. There is no fixed period for independent director but none of the Company's independent directors holds the position for longer than 9 years.

5.1.6 The Company has no policy in limiting each director to serve as directors in listed companies and non-listed subsidiaries. Nevertheless, from the past performance, every director has used their knowledge, competent, and dedicated time to perform the responsibility competently.

5.1.7 The Company has Assistant Director of Corporate Secretary & Social Affairs Office who educated in Company Secretary Course to serve as a Company Secretary as specified in the topic of "Shareholder and Management Structure"

5.1.8 The Company has established the system to monitor the operation of its subsidiaries, the direction for its subsidiaries, the direction to the person that the Company assigned to be the director or management and the reporting to the Board of Directors to ensure that the Company could monitor the operation of its subsidiaries efficiently.

In addition, the Board of Directors has appointed various committees to screen works, which significantly increases the efficiency of Board of Directors' performance and transparency. Details of committees are presented in the Corporate Governance.

5.2 Roles, Duties and Responsibilities of the Board of Directors

5.2.1 The Board of Directors is responsible for overseeing the Company's operations to comply with laws, objectives and articles of association of the Company, as well as shareholders' resolutions, with honesty while preserving the Company's interests. The Company has set up Compliance Unit to be in charge with compliance matters. In 2013, the Company has no history of any incompliance.

5.2.2 The Board of Directors has considered approving and reviewing the vision and mission

every 5 years, considered and approved important matters regarding the Company's operation e.g. strategies, financial goal, budget, Committee Charter for etc., supervised the managements' performance to comply with the specified policy and plans, efficiently and effectively, and also provided systems to monitor, improve and evaluate operation results comparing with the work plans and approved budget. This is to achieve maximum values to the Company.

5.2.3 The Company clearly segregates the structures, roles, duties and responsibilities of the Board of directors and the managements. Power of attorney is issued to specify the scope and level of authority for the managements engaging in certain business transactions on behalf of the Company. Moreover, the Company regularly communicates the roles, duties and responsibilities to such related persons.

5.2.4 The Company has initiated, participated in preparation, and approved Corporate Governance Policy and Code of Conduct to the directors, managements and employees to use as a guideline in performing their duties to accomplish the mission of the Company, which is communicated throughout the Company and disclosed on the Company's website.

5.2.5 Code of Conduct covers the following topics;

- Ethics for business conduct
- Practices towards various stakeholders i.e. shareholders, employees, customers, trade partners, creditors, competitors, social and environment
- Ethics for the directors
- Ethics for the employees in various aspects such as conflict of interests, confidential information, provision, inside information, anti-bribery and corruption, intellectual property and the use of information technology
- Monitoring procedures and Disciplinary actions.

The Company has encourage the compliance of Code of Conduct, and also has the system to monitor i.e. conducting on line self assessment annually.

5.2.6 The Company has continually arranged training course about good corporate governance and Code of Conduct annually, and has also consistently educated the managements and employees via internal journal since the year 2003.

5.2.7 The Company has clear procedures to oversee transactions that may have conflict of interests and set up the regulation regarding connected transactions that in line with the Regulations of SEC. In case that the transaction must be approved by the Board of Directors and/or the shareholder's meeting, it shall be screened by the Audit Committee. The Audit Committee would give opinion in

entering such transaction. If the Board of Directors has different opinion with the Audit Committee, the Company shall also disclose the different opinion. In addition, in case that particular director has interests in certain issues, he shall not be allowed to vote in such agenda.

5.2.8 The information, necessities and rationale about transactions that may have conflict of interests in the year 2013 are disclosed by complying with Regulations of the SEC as per details in the topic of “Related Party Transactions”.

5.2.9 The Company has an internal control system for operations, financial report and compliance to regulations and policy; has personnel and system to sufficiently and effectively control and monitor the operations of subsidiaries. The Company has not found significant weakness related to internal control as detailed in the “Summary of the Opinion concerning Internal Control System for the Year 2013”.

5.2.10 The Board of Directors has specified the risk management policy by emphasizing the usage of risk management throughout the Company, to enhance the Company to achieve the strategic objectives. Risk Management and Strategic Plan Section has responsibility to monitor the risk management process and evaluate the achievement of strategic annually, set up early warning indicators to prompt the Company in finding measures to amend and improve its performance before the crisis arises, as well as report to Risk Management Committee, which has been reviewed by Audit Committee and reported to the Board of Directors quarterly.

5.2.11 To evaluate the efficiency of the Company’s internal control and risk management system, the Company has Internal Audit office unit, which is responsible to audit, internal control and risk management including provide assurance and consulting to be independent and objectivity that designed to add value and improve the company’s operation, reports the audit results to the Audit Committee and administration matter to Managing Director. The Board of Directors and the Audit Committee has reviewed the Assessment Form of Adequacy of Internal Control System annually.

5.3 The Board of Directors’ Meetings

5.3.1 The Company has set the Board of Directors’ meeting schedule for the entire year in advance and informs each director for acknowledgement so that the director can allocate the time and attend the meetings. The Board of Directors shall held at least 5 regular meetings in a year, which is suitable with the responsibility of the directors and the Company’s business nature, and may held a special meeting if necessary. The Chairman of the Board of Directors and Managing Director shall consider the agenda together and each director can independently propose matter for agenda. In 2013, each director attended the meeting regularly, i.e. 93% of total meetings.

Details on meeting attendance of the Board of Directors and Committees appeared in the Shareholding Structure and Management Section.

5.3.2 The Company sends meeting invitation together with meeting document and clear details to the directors at least 7 days prior to the meeting date. As such the directors would have time to study the document before attending the meeting.

5.3.3 In the Board of Directors' meetings, the Board Chairman allocates sufficient time for the management to present information and for the directors to broadly discuss important matters with prudence. The Chairman promotes the directors to have prudent consideration. In addition, the Board of Directors supports Managing Director to invite the managements to attend the meeting to provide explanation and additional information as they involves in the proposed agenda directly. The directors can also request for additional information from the Company Secretary. In necessary case, the Board of Director may ask for opinion from outside specialists.

5.3.4 The Company Secretary has prepared the minutes of meeting, correctly and completely, which covers details such as name of directors who attended or absent in the meeting, important content, discussion issues, opinions of each director and resolutions. The minutes can be verified by shareholders according to the law. The minutes are kept safely and carefully.

5.4 The Chairman of the Board and Managing Director

The Chairman of the Board and the Managing Directors must have good knowledge, expertise, experience and appropriate qualities and are not the same person in order to create balance of power and the check-and-balance system. The supervision and management roles are clearly separated. The Chairman of the Board is an independent director and chairs the Board of Directors' meeting and the shareholders' meeting.

The Managing Director is the head of the management and reports to the Board of Directors to ensure that policy and strategic plans have been properly implemented.

5.5 Non-executive Directors' Meeting

The Board of Directors has a policy to encourage non-executive directors to meet as necessary to discuss interested management issues without presence of the Management. In 2013, there was no such issue that the non-executive directors had to meet and discuss.

5.6 Self-assessment of the Board

Despite the fact that the Board of Directors and each committee have completely performed their responsibility, they arranged for self-assessment of the Board of Directors and Audit Committee in order to continually improve operational effectiveness. The self-assessment covers assessment for the entire Board of Directors and individual director. The Remuneration Committee, the Nomination

Committee and the Risk Management Committee are subjected to assessments for the entire committee. The performance assessment of the Board of Directors and each committee has the same rating criteria, and is consistent with the example of self assessment of the board, provided by the SET. Furthermore, the assessment has been reviewed regularly to ensure its appropriateness.

The Company has in place an assessment procedure. The Company Secretary and the secretary to each committee sent the assessment form to the directors. After filling in the assessment form, the directors would send it back to the Company. To provide an independent evaluation, the name of the director would be concealed. The assessment result was proposed in the meetings of the Board of Directors and each committee for discussion and sought for the performance improvement. The assessment result for the year 2013 revealed that the Board of Directors and each committee has the performance in “Very Good-to-Excellent” Level.

The Board’s individual assessment consists of 6 main items i.e. 1. Director’s qualifications, 2. Holding the post of Director, 3. Director’s remuneration, 4. Meeting attendance, 5. Roles, duties, and responsibilities of director, and 6. Training and other information. The Board’s entire committee assessment consists of 6 main items i.e. 1. Composition of the Board, 2. Roles, duties, and responsibilities of the Board, 3. Appointment of the Board and various committees, 4. Board’s meeting, 5. Shareholders’ meeting and 6. Information reporting.

Furthermore, the Board of Directors has assessed the efficiency of the meeting every time and the result would be reported in the next meeting. The overall assessment result for the efficiency of the meeting in 2013 reveals “Good-to-Best” level.

5.7 Remuneration

Remuneration for the Board of Directors: the Remuneration Committee has the responsibility to consider remuneration for the Board of Directors. The remuneration is clearly defined in a transparent manner and is approved by the shareholders. The remuneration is comparable to the industry and is appealing enough to attract and retain quality directors. The directors who are assigned additional responsibilities are paid appropriately more.

Remuneration for Managing Director: the remuneration of Managing Director is screened by Remuneration Committee and approved by the Board of Directors, in accordance with the employment contract and using Key Performance Indicators (KPIs) that covers the performances of the Company, the Company’s strategies, comprising of aspects in finance, customers and stakeholders, internal process, learning and development, as well as other criteria approved by the Board of Directors. As the executive director and has interests in this issue, Managing Director would not attend this agenda. The Chairman would communicate the assessment result to Managing Director.

Remuneration for the Management: the remuneration is determined in accordance with the principles and policy set by the Board of Directors, which corresponds to the performances of the Company as well as that of each management by using Key Performance Indicators (KPIs)

The Company also discloses the remuneration of the Board of Directors and the managements as per details in the topic of “Shareholder and Management Structure.”

5.8 Development for the Directors and Management

5.8.1 The Company supports and facilitates training and educating the Boards of Directors, the managements and all employees thus continually improving the performance.

5.8.2 The Board of Directors has established “Corporate Governance Policy” manual to distribute to the directors, which the policy has been frequently updated. This is to acknowledge the directors about the important practices of each committee as well as important policies and information of the Company, and also to enhance the directors to perform the role of corporate governance more effectively.

5.8.3 The Company arranges orientation for new director, whereby Managing Director, concerned Executives, Corporate Secretary shall present the information regarding shareholding structure, organization chart, nature of business, performance of the Company, subsidiaries, the Board of Directors’ meeting and other relevant information.

5.8.4 The Company supports every director to attend the director courses or seminars such as those arranged by Thai Institute of Directors (IOD). In 2013, two directors attended the seminars arranged by IOD, including Mr. Trintr Subakarn and Mr. Pipat Purnananda who attended the Director Accreditation Program (DAP), Director Certification Program (DCP) and Audit Committee Program (ACP).

5.8.5 The Company has prepared the succession plan for important positions, by specifying in the Company’s strategic plan to be the benefit for the management’s work succession and development, and to work in place of Managing Director and the managements when they cannot perform their duties.

From the commitment to Good Corporate Governance, the Company has received Excellent Corporate Governance Scoring from Thai Institute of Directors (IOD) for 5 consecutive years.

Management Discussion and Analysis for the Operating Results Ended December 31, 2013



1. Report and Analysis of the Operating Results

In 2013, the Group's total income was Baht 3,133.7 million, increasing by Baht 462.8 million or 17.3% compared to 2012 revenue of Baht 2,670.9 million. Its net profit was Baht 1,054.1 million, an increase of Baht 257.6 million or 32.3% from Baht 796.5 million. This represents net profit margin of 33.6% or Baht 2.07 per share compared to Baht 1.56 per share in 2012. The main reason for such significant increase is the increasing fuel volume serviced at Suvarnabhumi International Airport and Don Mueang Airport that expanded by 8.5% to 4,951 million liters compared to the total volume in 2012 of 4,564 million liters. The total flights being serviced also increased by 17.0% to 217,712 flights compared to 186,069 flights in the previous year. Aviation fueling service industry grows in parallel to the major economies in the world and in Asia, tourism and aviation industries. Factors that have direct impact on the economy and tourism and aviation industries will also have direct impact on the aviation fuel service industry.

In 2013, the aviation refuelling industry received benefits from many factors, including positive global economic recovery, the Airports of Thailand Public Company Limited (AOT)'s policy that encouraged low-cost airlines to relocate to Don Mueang Airport in order to optimize the airport and reduce traffic at Suvarnabhumi International Airport which can handle up to 45 million passengers, and a significant

growth of low-cost airlines. These are the factors that considerably boost the Company's service income. Although political turbulence began in October 2013, the overall aviation fuel volume continued to expand at a higher than expected rate of 6%. The Company continued to maintain leadership in aviation refuelling service industry and has 87% share in the into-plane service segment. The Company's key strategy is to focus on major customers, which are oil companies who are direct customers, in parallel to maintaining service quality. Safety and advanced service technology are also contributed to creating satisfaction for airline customers who are indirect customers.

Last year was the first time that Fuel Pipeline Transportation Limited's performance was consolidated in the financial statement. The Central Bankruptcy Court ruled to terminate the business rehabilitation plan on 15 July 2013. The Company has recorded the income from the consolidation, which is an irregular item – the reversal of allowance for doubtful accounts of Baht 123.8 million and gain on business combination from the merger of Baht 76.1 million.

The merger between FPT And JP-One Asset Company Limited (JP-One) was aimed at increase the Group's pipeline transport expansion in the future. JP-One has transferred its business to FPT and registered business liquidation with the Department of Business Development, Commerce Ministry on 3 February 2014.

1.1 Revenue

The Company's total revenue in 2013 was Baht 3,133.7 million, comprising

1.1.1 Service Income

Total service income was Baht 2,716.3 million, an increase of Baht 412.1 million or 17.5% compared to the 2012 revenue of Baht 2,349.2 million. When considering the service income from normal operations, excluding FPT's income, the increase was 9.0% which corresponded to the increasing oil volume of 8.5%. The reason for such increase is that the oil volume serviced at Don Mueang Airport grew by 174% from 183 million liters in 2012 to 503 million liters in 2013, representing 10% of the total oil serviced at both airports. In 2012, the growth of oil volume serviced at both airports was 4%.

Service income from Suvarnabhumi Airport also increased by 2% although low-cost airlines have relocated their centers to Don Mueang Airport. The total oil volume at Suvarnabhumi International Airport increased by 1.5% compared to the previous year.

1.1.2 Other income

In 2013, the Group has recorded significant other income as follows

1.1.2.1 Received income

In 2013, received income are from space rental, infrastructure service and oil receiving through pipeline service as the Company allowed FPT and Thai Petroleum Pipeline Company Limited to rent its space for operating oil pipeline transport service. The Company's income is from income share from pipeline transport service fee and rental fee. As the Don Mueang Airport fully resumed its

service, the volume of aviation oil transported to the Don Mueang Airport Depot significantly increased from 2012. In addition, the Company increased space rental fee and infrastructure service fees. The received rental income in 2013 increased by Baht 13.0 million or 54.6% to Baht 36.9 million.

1.1.2.2 Reversal of allowance for doubtful accounths

Reversal of allowance for doubtful accounths of Baht 123.8 million was recorded. Previously, the Company recorded doubtful debt allowance for the loans extended to FPT, which is its subsidiary. FPT later completed the rehabilitation program and has sufficient liquidity to operate business and ended the rehabilitation program. The Company therefore recorded reversing income for doubtful debt allowance (as detailed in item 4.2 of the Notes to Financial Statement)

1.1.2.3 Gain on Business Combination

The Company has consolidated FPT's financial statements because the Company has acquired FPT. Net assets from the merger were Baht 252.8 million. When adjusted to return on investment from converting debts to capital by FPT of Baht 176.6 million, the Company's profit from the merger was Baht 76.1 million (as detailed in the item 8 in Notes to Financial Statements).

1.1.2.4 Compensation for Insurance income

In the first quarter of 2013, the Company received the final payment from the 2011 flood compensation of Baht 17.3 million. In 2012, the Company received Baht 133.8 million.

1.1.2.5 Other income

Other income in 2013 was Baht 118.2 million, a reduction from Baht 45.8 million or 27.9%.

1.2 Expenses

1.2.1 Service cost

Service cost was Baht 1,144.2 million, an increase of Baht 194.9 million or 20.5% from Baht 949.3 million in 2012. Most are the increases from FPT service cost. The Company's service cost from normal operations (not including FPT's service cost) increased by 7.6% to Baht 1,027.5 million. The gross profit for 2013 was 59.1%, which is similar to that of the previous year of 60.0%

Airport Concession Fee for 2013 was Baht 245.3 million.

1.2.2 Administrative and Management Benefit expense

Administrative and Management Benefit expense in 2013 was Baht 491.5 million, increasing by Baht 34.7 million or 7.6% from Baht 456.8 million in 2012. The management expenses were 17.6% of the service income and received rental income. Profit margin before financial cost and tax for the year 2013 was 46.9%, which is similar to 46.3% in the previous year.

Expenses related to employees in 2013 were Baht 576.1 million, an increase of 27.4%. Depreciation and amortization expenses were Baht 365.9 million, an increase of 16.8% in 2012.

1.2.3 Financial costs

In 2013, financial cost was Baht 115.9 million, lower by Baht 23.3 million or 16.7%. Interest payment for long-term loan and financial lease contract of the Group was Baht 94.2 million. Interest cost from net present value of employee benefit obligations according to the Labor Law and the Company's benefits according to the TAS No. 19 on Employees Benefit was Baht 21.7 million.

1.3 Operating Performance

Net profit for 2013 was Baht 1,054.1 million, an increase of Baht 257.6 million or 32.3% from 2012 which reported net profit of Baht 796.5 million. This represent net profit margin of 33.6% compared to 2012 of 29.8%. Earnings per share were Baht 2.07 per share, an increase from Baht 1.56 per share in 2012. Return on Equity was 22.7%, an increase from 19.6% in 2012.

2. Financial Report and Analysis

2.1 Assets

As of 31 December 2013, the Group's total assets were Baht 8,084.0 million, an increase of Baht 693.3 million or 9.4% compared to that recorded on 31 December 2012. Significant items are as follows:

2.1.1 Cash and cash equivalent of Baht 1,147.8 million as detailed below.

- The Group's net cash from operation was Baht 1,404.2 million, an increase of Baht 188.6 million or 15.5% from 2012 net cash of Baht 1,215.6 million
- Cash spent on net investment activities of Baht 178.8 million, an increase of Baht 21.6 million or 13.7%. Cash paid for property, leasehold improvement and equipment was Baht 297.9 million. Cash received from business combination of FPT merger was Baht 119.7 million. Cash received from loan to FPT was Baht 33.2 million. Received interest income was Baht 22.0 million.
- Net cash used in financing activities of Baht 924.7 million represented Baht 9.7 million reduction or 1.0% lower. This included dividend payment of Baht 437.0 million, repayment on long-term loan and debt payment according to financial lease agreement was Baht 450.2 million, and paid interest of Baht 95.0 million.

2.1.2 Property, leasehold improvement and equipment as of 31 December 2013 was Baht 5,415.3 million, an increase of Baht 931.2 million or 20.8%.

2.2 Liabilities

As of 31 December 2013, the Group's total liabilities were Baht 3,095.8 million, which is Baht 7.1 million reduction or 0.2%. This represents a debt to equity ratio of 0.62:1 time, a decrease from 0.72:1 time as of 31 December 2012. The Company's liabilities are as follows:

2.2.1 Account Payable was Baht 85.2 million. This included account payable from related companies of Baht 46.1 million and account payable from other companies of Baht 39.1 million.

2.2.2 Long-term loan from banks which are due within one year totaled Baht 458.1 million. Out of this, The Company's loan was Baht 337.0, TARCO's loan of Baht 107.0 million, and JP-One's loan of Baht 14.0 million. FPT's long-term debt according to the rehabilitation plan that is due in one year totaled Baht 5.0 million.

In addition, the debt from financial lease that is due within one year was Baht 9.5 million, out of this Baht 6.5 million is the Company's obligation and Baht 3.0 million are the TARCO's obligation.

2.2.3 Long-term loans from banks of Baht 1,438.4 million, which is Baht 398.1million lower from 31 December 2012, or 21.7%. This comprises:

- The first portion of Baht 177.8 million was long term loan from KBANK due at 31August 2018 which was semi-annual, principal repayment: Baht 22.2 million/period (the rest principal will be paid in the last) at rate of THBFIX 6-month +1.15% and Company entered into an interest rate swap agreement to swap the above interest rate to a fixed rate at 5.8%.
- The second portion of Baht 669.6 million was long term loan from BBL due on 31 December 2018 which was quarterly, principal repayment: Baht 41.9 million/period, the rest principal will be paid in the last, at rate of 3-month fixed deposit rate +1.5%.
- The third portion of Baht 120.0 million was long term loan from TBANK due on 28 November 2018 which was quarterly, principal repayment: Baht 6.25 million/period and the rest principal will be paid in the last. In addition, interest rate of this loan was reduced from MLR-2.0% to MLR-2.5% for the first 3 years and then back away to MLR-2.0% in the 4th year.
- The forth portion of Baht 425.0 million was long term loan from BBL due on 30 September 2019 which was quarterly, principal repayment: Baht 25.0 million/period, at rate of MLR-1.75% for the first 2 years, MLR-1.50% in the year of 3-5 and MLR-1.25% in the year of 6-8; and
- The remaining portion was JP-One's loans of Baht 46.0 million from BBL which JP-One has made a loan agreement for Baht 90 million to purchase aviation refuelling trucks to be due on 31 March 2018 which was quarterly at Baht 3.5 million at the rate of MLR-(1%-2.50%) depending on the period.

2.2.4 Long-term debt according to the FPT rehabilitation plan and Bangchak Petroleum Public Company Limited of Baht 32.3 million at the rate of MLR – (1.25% to 1.50%) depending on the period, which will be paid separately for the principle and interests on monthly basis within 10 years time from the date the court agreed with the plan, the first payment made on 31 October 2012 and if FPT has exceeding cash, the excess shall be paid before due date.

2.2.5 The Employee benefit obligations was Baht 696.5 million as obligations according to Labor Protection Laws and the Company's benefit according to the TAS No.19 on employee benefits.

2.3 Equity

As of 31 December 2012, shareholders' equity was Baht 4,988.2 million, which increased from 31 December 2011 by Baht 700.4 million or 16.3%.

3. Major factors that may affected operating performance or financial status

In the next year, the Company expected that the total loan from financial institutions will increase by Baht 780 million from investment projects as follows:

3.1 TARCO's investment: TARCO granted the right from AOT to operate hydrant pipeline network in phase 2 at the Suvarnabhumi International Airport. The contract period is 22 years until 27 September 2036. The project is expected to generate commercial income from 2017-2036 according to Suvarnabhumi Airport's capacity expansion plan phase 2. The project value is Baht 710 million and the Internal Rate of Return (IRR) is 14.58%. The project is in the process of loan contract signing with TMB within Baht 550 million baht value.

3.2 Investment in the construction of three diesel oil tanks with total capacity of 28.5 million liters and a water tank for fire extinguishing at Don Mueang Airport Depot by FPT. Total project investment value is Baht 230 million with IRR of 11.75%. The Company expected to receive loan from financial institutions.

When considering the Baht 780 million loan and the Company's current total liabilities, debt to equity ratio will be increased from 0.62 times to 0.78 times.

Significant Financial Ratios in 2012 and 2013

	Consolidated Statement		The Company's financial statement	
	2013	2012	2013	2012
<u>Profitability ratio</u>				
Gross Profit Margin (%)	59.1%	60.0%	54.5%	52.5%
EBIT Margin (%)	46.9%	46.3%	47.7%	46.7%
EBITDA Margin (%)	58.6%	58.0%	56.1%	55.7%
Net Profit Margin (%)	33.6%	29.8%	36.3%	33.3%
Operating Cash Flows to Operating Profit Ratio (%)	95.5%	98.3%	75.3%	71.0%
Returns on Equity (%)	22.7%	19.6%	22.9%	15.2%
<u>Liquidity ratio</u>				
Current ratio (time)	2.35	2.01	2.00	1.95
Quick ratio (time)	2.20	1.80	1.76	1.72
<u>Efficiency ratio</u>				
Return on Assets (%)	13.6%	10.8%	13.0%	11.5%
Return on Fixed assets (%)	28.7%	24.7%	40.1%	36.3%
Total Asset turnover (time)	0.41	0.36	0.36	0.34
<u>Financial Ratio :</u>				
Debt to Equity (time)	0.62	0.72	0.70	0.81
Interest Bearing Debt to Equity (time)	0.39	0.53	0.45	0.60
Interest Coverage ratio (time)	18.65	13.78	12.35	9.57
Book value per share (Baht)	9.78	8.41	7.55	6.79

Report of the Board of Director Responsibilities for 2013 Financial Statements

The Board of Directors is aware of the duties and responsibilities in ensuring that the Company's financial reports are accurate, complete and transparent enough to protect the Company's assets against fraud, and abnormalities, in line with the generally accepted accounting principles, as well as using appropriate and consistent accounting policy. In addition, the Board of Directors considers the reasonability and prudence in preparing the Company's financial reports. This is for the benefit of the shareholders and general investors who are entitled to acknowledge the financial and operation information that is complete, accurate, on time and reasonable.

To provide stakeholders with the confidence that the Company's financial statements is prepared in accordance with the above objectives, the Board of Directors has appointed the Audit Committee, which consists of qualified independent directors as prescribed by the Securities and Exchange Commission and performs duties as prescribed by the Stock Exchange of Thailand, to assume key duties and responsibilities of reviewing the Company's financial statements and operation reports to ensure the correctness and adequacy, the internal control and audit system, and the risk management to ensure the suitability and efficiency, the compliance with the law on the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand, laws related to the Company's business, and commitments, as well as the compliance with the connected transaction regulation, considering and proposing the appointment and the remuneration of the Company's external auditors. The opinion of the Audit Committee is published in this annual report under the Audit Committee's Report section.

The Board of Directors agreed with the opinions of the Audit Committee that the consolidated and separate financial statements are accurate, in line with the generally accepted accounting principles, disclosing correct and complete connected or conflict of interest transactions, and having no deficiency in the accounting internal control system that may significantly impact on the financial statements.



(Mr. Palakorn Suwanrath)
Chairman



(M.R. Supadis Diskul)
Executive Chairman and Managing Director

Financial Statement Report



Report of the Auditor

To The Shareholders and Board of Directors of
Bangkok Aviation Fuel Services Public Company Limited

I have audited the accompanying financial statements of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended and the separate statement of financial position of Bangkok Aviation Fuel Services Public Company Limited as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the 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 financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries and Bangkok Aviation Fuel Services Public Company Limited as at December 31, 2013 and the financial performance and the cash flows for the year then ended in accordance with the Financial Reporting Standards.

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 20, 2014



(Mr. Pichai Dachanapirom)

Certified Public Accountant Registration No. 2421

Statement of Financial Position

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

As at December 31, 2013

Assets	Notes	In Baht			
		Consolidated Financial Statement		Separate Financial Statement	
		2013	2012	2013	2012
CURRENT ASSETS					
Cash and cash equivalents	5	1,147,812,747	847,027,675	597,708,018	546,338,070
Short-term investments	6.1	208,309,967	157,459,192	203,822,142	151,000,000
Trade accounts receivable	7				
Related companies	4.1	297,498,177	233,478,094	242,967,470	220,192,393
Others		331,898	209,900	-	-
Amounts due from and advance to related companies	4.1	-	2,017,810	5,106,818	4,013,701
Current portion of loan to and long-term receivable from related companies	4.2	-	53,703,571	71,579,927	58,885,495
Inventory of spare parts		29,368,090	18,113,709	17,902,671	12,315,172
Other current assets					
Prepaid insurance		47,507,962	41,001,161	28,191,728	30,785,873
Others		37,831,269	27,101,546	24,637,175	19,084,970
TOTAL CURRENT ASSETS		1,768,660,110	1,380,112,658	1,191,915,949	1,042,615,674
NON-CURRENT ASSETS					
Restricted fixed deposits with financial institutions	6.2	12,036,368	12,138,928	-	-
Investments in subsidiaries	8	-	176,602,361	1,974,239,237	1,974,279,235
Other investments in related company	9	-	-	-	-
Loan to and long-term receivable from related companies	4.2	-	469,625,632	554,744,432	515,248,083
Long-term loan to employees	4.4	7,214,544	11,587,221	7,206,544	11,444,821
Investment property	10	47,953,340	47,953,340	47,953,340	47,953,340
Property, leasehold improvement and equipment	11	5,415,258,788	4,484,070,339	2,609,654,321	2,521,834,271
Right of use of land leased by a subsidiary	2.3	31,372,122	33,833,606	-	-
Concession of a subsidiary	2.4	582,142,156	607,742,384	-	-
Computer software	12	14,408,452	7,809,043	11,053,694	6,274,776
Deferred tax assets	17	160,577,484	134,223,234	122,059,896	131,622,199
Other non-current assets		44,391,982	24,996,702	23,817,408	24,765,902
TOTAL NON-CURRENT ASSETS		6,315,355,236	6,010,582,790	5,350,728,872	5,233,422,627
TOTAL ASSETS		8,084,015,346	7,390,695,448	6,542,644,821	6,276,038,301

Notes to financial statements form an integral part of these statements.

Statement of Financial Position (Cont.)

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

As at December 31, 2013

Liabilities and shareholders' equity	Notes	In Baht			
		Consolidated Financial Statement		Separate Financial Statement	
		2013	2012	2013	2012
CURRENT LIABILITIES					
Trade accounts payable					
Related companies	4.1	46,068,900	42,423,352	92,500,556	81,041,958
Others		39,084,923	24,244,770	28,860,749	20,430,605
Current portion of liabilities under finance lease agreements					
Related companies	4.1	-	-	9,836,044	-
Others	13	9,501,780	6,692,470	6,496,256	4,426,319
Current portion of long-term loans from banks	14	458,064,460	444,324,460	337,044,460	337,044,460
Current portion of long-term loan under rehabilitation plan	15	4,987,089	-	-	-
Other current liabilities					
Corporate income tax payable		78,036,869	43,052,217	28,235,518	3,138,852
Other accounts payable		31,231,094	58,903,519	26,505,479	29,282,844
Others	4.5	84,827,056	68,561,308	65,333,673	59,014,449
TOTAL CURRENT LIABILITIES		751,802,171	688,202,096	594,812,735	534,379,487
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements					
Related companies	4.1	-	-	76,253,473	-
Others	13	9,967,899	13,139,716	8,535,826	8,702,119
Long-term loans from banks	14	1,438,377,714	1,836,442,174	1,392,377,714	1,729,422,174
Long-term loan under rehabilitation plan	15	32,255,775	-	-	-
Employee benefit obligations	16	696,473,171	547,796,285	610,299,478	534,340,285
Deferred tax liabilities	17	25,314,311	-	373,966	-
Provisions	8	100,000,000	-	-	-
Other non-current liabilities		41,657,455	17,321,996	9,112,957	5,487,466
TOTAL NON-CURRENT LIABILITIES		2,344,046,325	2,414,700,171	2,096,953,414	2,277,952,044
TOTAL LIABILITIES		3,095,848,496	3,102,902,267	2,691,766,149	2,812,331,531

Notes to financial statements form an integral part of these statements.

Statement of Financial Position (Cont.)

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

As at December 31, 2013

		In Baht			
		Consolidated Financial Statement		Separate Financial Statement	
Liabilities and shareholders' equity (Cont.)	Notes	2013	2012	2013	2012
SHAREHOLDERS' EQUITY					
Share capital - par value Baht 1 each					
Authorized share capital					
ordinary share 509,998,044 shares		509,998,044	509,998,044	509,998,044	509,998,044
Issued and fully paid					
ordinary share 509,997,325 shares		509,997,325	509,997,325	509,997,325	509,997,325
Share premium		434,975,000	434,975,000	434,975,000	434,975,000
Retained earnings					
Appropriated - legal reserve	20	50,999,804	50,999,804	50,999,804	50,999,804
- other reserve		1,196,033,438	1,053,291,907	1,196,033,438	1,053,291,907
Unappropriated		2,564,907,037	2,050,943,466	1,658,873,105	1,414,442,734
TOTAL SHAREHOLDER'S EQUITY		4,756,912,604	4,100,207,502	3,850,878,672	3,463,706,770
OF PARENT COMPANY		4,756,912,604	4,100,207,502	3,850,878,672	3,463,706,770
NON-CONTROLLING INTERESTS		231,254,246	187,585,679	-	-
TOTAL SHAREHOLDERS' EQUITY		4,988,166,850	4,287,793,181	3,850,878,672	3,463,706,770
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,084,015,346	7,390,695,448	6,542,644,821	6,276,038,301

Notes to financial statements form an integral part of these statements.

Statement of Comprehensive Income

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

		In Baht			
		Consolidated Financial Statement		Separate Financial Statement	
	Notes	2013	2012	2013	2012
REVENUES					
Service income		2,761,312,091	2,349,184,295	1,807,631,029	1,603,091,848
Other income					
Rental income		36,902,319	23,875,053	50,707,095	41,311,550
Dividend received from subsidiaries	8	-	-	221,789,263	225,070,662
Reversal of allowance for doubtful accounts	4.2	123,770,707	-	123,770,707	-
Gain on business combination	8	76,147,631	-	-	-
Compensation for insurance income	27	17,348,101	133,838,371	17,348,101	133,838,371
Others		118,224,823	163,998,760	80,757,364	141,176,740
TOTAL REVENUES		3,133,705,672	2,670,896,479	2,302,003,559	2,144,489,171
EXPENSES					
Cost of services	18	1,144,171,839	949,272,528	845,122,687	781,798,347
Administrative expenses	18	397,143,599	378,446,772	288,478,270	289,022,501
Management benefit expenses	4.5, 18	94,388,294	78,374,876	69,717,100	71,854,334
Amortization of concession of subsidiaries		28,061,712	28,068,456	-	-
Finance costs		115,924,655	139,186,486	107,672,799	124,915,007
TOTAL EXPENSES		1,779,690,099	1,573,349,118	1,310,990,856	1,267,590,189
PROFIT BEFORE TAX EXPENSES		1,354,015,573	1,097,547,361	991,012,703	876,898,982
TAX EXPENSES	17	258,312,398	264,475,379	154,820,143	163,191,327
PROFIT FOR THE YEAR		1,095,703,175	833,071,982	836,192,560	713,707,655
OTHER COMPREHENSIVE INCOME					
Actuarial loss	16	(43,779,182)	-	(44,904,948)	-
Income tax effect	17	8,739,242	-	8,980,989	-
Total other comprehensive income		(35,039,940)	-	(35,923,959)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,060,663,235	833,071,982	800,268,601	713,707,655
PROFIT ATTRIBUTABLE TO					
Equity holders of the parent		1,054,127,842	796,533,797	836,192,560	713,707,655
Non-controlling interests		41,575,333	36,538,185	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Equity holders of the parent		1,018,997,426	796,533,797	800,268,601	713,707,655
Non-controlling interests		41,665,809	36,538,185	-	-
BASIC EARNINGS PER SHARE					
Net profit (Baht per share)		2.07	1.56	1.64	1.40
Weighted average number of ordinary shares (shares)		509,997,325	509,997,325	509,997,325	509,997,325

Notes to financial statements form an integral part of these statements.

Statement of changes in Shareholders' Equity

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

In Baht									
Consolidated Financial Statement									
Notes	Shareholder's equity of the parent company							Non-controlling interest	Total
	Issued and paid-up share capital	Share premium	Retained earnings			Total			
			Appropriated		Unappropriated				
			Legal reserve	Other reserve					
Balance as at January 1, 2013	509,997,325	434,975,000	50,999,804	1,053,291,907		2,050,943,466	4,100,207,502	187,585,679	4,287,793,181
Acquisition of non-controlling interest from business combination	-	-	-	-	-	-	-	25,854,496	25,854,496
Adjustment of the effect from business combination	-	-	-	-	-	50,804,375	50,804,375	-	50,804,375
Dividend payment	-	-	-	-	-	(260,097,922)	(260,097,922)	-	(260,097,922)
Other reserve	-	-	-	142,741,531		(142,741,531)	-	-	-
Dividend payment by subsidiaries	-	-	-	-	-	-	-	(12,736,673)	(12,736,673)
Total other comprehensive income for the year	-	-	-	-	-				
Profit for the year	-	-	-	-	-	1,054,127,842	1,054,127,842	41,575,333	1,095,703,175
Other comprehensive income	-	-	-	-	-	(35,130,416)	(35,130,416)	90,476	(35,039,940)
Interim dividend payment	-	-	-	-	-	(152,998,777)	(152,998,777)	-	(152,998,777)
Interim dividend by subsidiaries	-	-	-	-	-	-	-	(11,115,065)	(11,115,065)
Balance as at December 31, 2013	509,997,325	434,975,000	50,999,804	1,196,033,438		2,564,907,037	4,756,912,604	231,254,246	4,988,166,850

Notes to financial statements form an integral part of these statements.

Statement of changes in Shareholders' Equity

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

In Baht								
Consolidated Financial Statement								
Notes	Shareholder's equity of the parent company						Non-controlling interest	Total
	Issued and paid-up share capital	Share premium	Retained earnings			Total		
			Legal reserve	Appropriated	Unappropriated			
Balance as at January 1, 2012		509,997,325	434,975,000	50,999,804	969,723,101	1,679,675,745	174,888,832	3,820,259,807
Dividend payment	19	-	-	-	-	(203,998,370)	-	(203,998,370)
Other reserve	19	-	-	-	83,568,806	(83,568,806)	-	-
Dividend payment by subsidiaries	8	-	-	-	-	-	(13,533,779)	(13,533,779)
Total other comprehensive income for the year								
Profit for the year		-	-	-	-	796,533,797	36,538,185	833,071,982
Other comprehensive income		-	-	-	-	-	-	-
Interim dividend payment	19	-	-	-	-	(137,698,900)	-	(137,698,900)
Interim dividend by subsidiaries	8	-	-	-	-	-	(10,307,559)	(10,307,559)
Balance as at December 31, 2012		509,997,325	434,975,000	50,999,804	1,053,291,907	2,050,943,466	187,585,679	4,287,793,181

Notes to financial statements form an integral part of these statements.

Statement of changes in Shareholders' Equity

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

In Baht						
Separate Financial Statement						
Notes	Issued and paid-up share capital	share premium	Retained earnings			Total
			Legal reserve	Appropriated	Unappropriated	
	509,997,325	434,975,000	50,999,804	969,723,101	1,126,001,155	3,091,696,385
19	-	-	-	-	(203,998,370)	(203,998,370)
19	-	-	-	83,568,806	(83,568,806)	-
Total comprehensive income for the year						
Profit for the year	-	-	-	-	713,707,655	713,707,655
Other comprehensive income	-	-	-	-	-	-
Interim dividend payment	-	-	-	-	(137,698,900)	(137,698,900)
19	509,997,325	434,975,000	50,999,804	1,053,291,907	1,414,442,734	3,463,706,770
19	-	-	-	-	(260,097,922)	(260,097,922)
19	-	-	-	142,741,531	(142,741,531)	-
Total comprehensive income for the year						
Profit for the year	-	-	-	-	836,192,560	836,192,560
Other comprehensive income	-	-	-	-	(35,923,959)	(35,923,959)
Interim dividend payment	-	-	-	-	(152,998,777)	(152,998,777)
19	509,997,325	434,975,000	50,999,804	1,196,033,438	1,658,873,105	3,850,878,672

Notes to financial statements form an integral part of these statements.

Statement of Cash Flows

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit for the year	1,095,703,175	833,071,982	836,192,560	713,707,655
Adjustments to reconcile net profit to net cash provided by (used in) operating activities				
Depreciation and amortization	337,797,925	285,288,129	193,567,133	192,231,589
Amortization of right to use of concession and right of use of land leased by subsidiary	28,061,712	28,068,456	-	-
Allowance for doubtful accounts (reversal)	(123,770,707)	(52,608,561)	(123,770,707)	(34,239,980)
Gain on business combination	(76,147,631)	-	-	-
Employee benefit expenses	62,671,506	46,693,000	56,188,450	44,729,000
Loss (gain) on disposal and written-off fixed assets	(739,184)	1,048,253	(272,653)	763,922
Unrealized (gain) loss on exchange rate	295,650	345,839	337,496	325,497
Dividend income	-	-	(221,789,263)	(225,070,662)
Interest income	(21,951,878)	(32,113,488)	(17,796,467)	(56,375,550)
Amortization of deferred interest under finance lease agreements	1,485,505	788,449	1,170,482	409,070
Interest expenses	92,705,170	114,969,037	85,325,308	101,619,937
Tax expenses	258,312,398	264,475,379	154,820,143	163,191,327
Net profit from operations before changes in operating assets and liabilities	1,654,423,641	1,490,026,475	963,972,482	901,291,805
Operating assets decrease (increase)				
Trade accounts receivable	(17,199,186)	(11,697,630)	(23,109,462)	(16,034,953)
Amounts due from and advances to related companies	(1,362,124)	(1,593,820)	(1,093,117)	(979,148)
Inventory of spare parts	(6,692,380)	1,336,331	(5,587,499)	1,288,217
Other current assets	(8,492,323)	(15,638,736)	(4,011,905)	(12,791,191)
Long-term loan to employees	4,541,984	3,140,591	4,317,584	3,223,391
Other non-current assets	(16,015,640)	4,128,485	893,519	4,119,685
Operating liabilities increase (decrease)				
Trade accounts payable	22,921,359	(9,695,116)	19,888,742	(12,242,300)
Other current liabilities	(12,891,416)	39,622,513	4,372,112	13,202,934
Employee benefit obligations	(25,154,205)	(37,456,631)	(25,134,205)	(37,436,631)
Other non-current liabilities	24,335,450	12,098,872	3,625,491	4,804,113
Cash generated from operations	1,618,415,160	1,474,271,334	938,133,742	848,445,922
Payment for income tax	(214,206,272)	(258,684,051)	(110,806,218)	(137,565,526)
Net cash from (used in) operating activities	1,404,208,888	1,215,587,283	827,327,524	710,880,396

Notes to financial statements form an integral part of these statements.

Statement of Cash Flows (Cont.)

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

	In Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Cash flows from (used in) investing activities				
Increase in short-term investments	(48,801,447)	(503,992)	(52,822,142)	-
Cash received from capital investment of subsidiary	-	-	39,998	-
Cash received from loan to and long-term receivable from related companies	33,199,002	90,375,060	71,579,926	101,057,314
(Increase) decrease in restricted fixed deposits with financial institutions	102,560	(7,629,076)	-	-
Received interest	22,012,840	31,512,913	17,607,958	27,029,007
Dividend received from subsidiaries	-	-	221,789,263	225,070,662
Cash received from business combination	119,742,519	-	-	-
Cash paid for property, leasehold improvement and equipment	(297,887,297)	(267,236,415)	(185,280,220)	(237,830,331)
Cash paid for computer software	(8,382,537)	(4,052,861)	(7,643,037)	(3,706,894)
Cash received from disposal of property, leasehold improvement and equipment	1,225,593	330,493	290,654	304,207
Net cash from (used in) investing activities	(178,788,767)	(157,203,878)	65,562,400	111,923,965
Cash flows from (used in) financing activities				
Payment for liabilities under finance lease agreements	(5,853,842)	(4,405,822)	(4,049,663)	(2,260,901)
Received for long-term loans	60,000,000	-	-	-
Payment for long-term loans	(444,324,460)	(447,748,940)	(337,044,460)	(262,044,460)
Payment for long-term liabilities under rehabilitation plan	(2,526,255)	-	-	-
Payment for interest expenses	(95,024,039)	(116,635,066)	(87,329,154)	(102,897,683)
Dividend payment	(413,096,699)	(341,697,270)	(413,096,699)	(341,697,270)
Dividend payment from subsidiary to non-controlling interests	(23,851,600)	(23,841,338)	-	-
Net cash from (used in) financing activities	(924,676,895)	(934,328,436)	(814,519,976)	(708,900,314)
Net increase (decrease) in cash and cash equivalents	300,743,226	124,054,969	51,369,948	113,904,047
Unrealized gain (loss) on exchange rate, deposit in foreign currency	41,846	(20,342)	-	-
Net increase (decrease) in cash and cash equivalents	300,785,072	124,034,627	51,369,948	113,904,047
Cash and cash equivalents at the beginning of the year	847,027,675	722,993,048	546,338,070	432,434,023
Cash and cash equivalents at the end of the year	1,147,812,747	847,027,675	597,708,018	546,338,070
Supplemental disclosures of cash flows information				
1. The Company purchased vehicles by financial lease agreements	6,342,089	11,315,325	92,431,606	9,623,092
2. Reversal of liabilities under financial lease agreements	388,782	970,979	388,782	716,528

Notes to financial statements form an integral part of these statements.

Notes to Financial Statements

Bangkok Aviation Fuel Services Public Company Limited and its Subsidiaries

For the Year Ended December 31, 2013

1. General Information

Bangkok Aviation Fuel Services Public Company Limited was incorporated as a limited company under Thai laws on 30 December 1983. Later on the Company had registered itself as the public company under the Public Company Law on 28 September 1995 with the registered address at 171/2 Kamphaeng Phet 6 Road, Don Mueang, Bangkok. The Company operates in Thailand and its principal activity is aviation fuel service.

2. Principles of Preparation and Presentation of Financial Statements

2.1 Basis for the preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 The consolidated financial statements include the financial statements of Bangkok Aviation Fuel Services Public Company Limited and a group of subsidiaries that the Company has a direct control as the following:-

	Percentage owned by the Company		Incorporated in country	Nature of Business	Subsidiaries's total assets as a percentage to the consolidated financial statements		Subsidiaries's total revenues as a percentage to the consolidated financial statements	
	As at December 31, 2013	As at December 31, 2012			As at December 31, 2013	As at December 31, 2012	For the years ended December 31,	
							2013	2012
Intoplane Services Company Limited	83.33	83.33	Thailand	Intoplane services	0.08	0.07	-	-
Thai Aviation Refuelling Company Limited	90.00	90.00	Thailand	Hydrant network services	21.31	22.57	19.70	22.71
JP-One Assets Company Limited	92.50	92.50	Thailand	Aviation Fuel Pipeline Transportation services	9.99	9.23	7.31	7.81
Fuel Pipeline Transportation Limited	90.72	90.72	Thailand	Aviation Fuel Pipeline Transportation services	14.32	-	5.59	-
Bafs International Limited	-	100.00	Hong Kong	The objective is to revise and restructure the debt of the related company	-	0.02	-	1.42

2.3 The Company has invested in ordinary shares of JP-One Assets Company Limited. The excess of cost over book value of subsidiary at the acquisition date has been presented as asset under “Right of use of land leased by a subsidiary” in consolidated financial statements and has been amortized by the straight-line method for 17 years and 10 months, stipulated by the remaining of the rental period that the subsidiary has been approved by Airports of Thailand Public Company Limited to rent the land outside the fence the Suvarnabhumi Airport for the aviation fuel transport service and hydrant network from the refinery plant to the Company’s fuel depot. The amortization commenced from December 8, 2008 until the rental agreement expired.

2.4 The Company has invested in ordinary shares of Thai Aviation Refuelling Company Limited. The difference between the investment fund and the subsidiary shareholders’ equity at the acquisition date has been presented as “Concession of Subsidiary” in the consolidated financial statements and amortized on a straight-line basis over of thirty years since September 28, 2006 until the rental agreement expired. The amortization has been stipulated based on the period that the subsidiary has been granted the concession.

2.5 Bafs International Limited (subsidiary) was initially set up on October 11, 2011 to amend debt structure of related company. It has registered capital of HKD 10,000 divided into 10,000 ordinary shares at par value of HKD 1-. The Company has shareholding portion 100% of registered and paid up capital. Since the amendment of debt structure was completed, then it had been proposed at Board of Director meeting No. 4/2012 held on November 7, 2012 to approve the dissolution of Bafs International Limited. In the first quarter 2013, the such subsidiary has paid back the net shareholder capital and already registered for dissolution on December 6, 2013.

2.6 As at December 31, 2012, the Company had not included Fuel Pipeline Transportation Limited (subsidiary) in the consolidated financial statements because the subsidiary is under the legal rehabilitation plan. The Company does not have the power to control until leaving from the rehabilitation plan. On July 15, 2013, the Central Bankruptcy Court ordered the termination of the rehabilitation of the subsidiary above, that the Company has the power to control FPT. Therefore, the Company has included the financial statements of the such subsidiary in the consolidated financial statements from July 15, 2013 onward.

2.7 According to the resolution of the Board of Directors’ Meeting No. 4/2013 on August 7, 2013, the meeting approved in principle a merger between Fuel Pipeline Transportation Limited and JP-One Asset Co., Ltd. by the Entire Business Transfer approach. After the merger was completed, the only remaining entity will be Fuel Pipeline Transportation Limited. Both companies are the Company’s subsidiaries which operate in the same business. Therefore, the merger would enhance the potential in business expansion in pipeline transportation, strengthen the financial positions and add value creation, as well as enable an efficient policy management.

According to the resolution of the Board of Directors’ Meeting No. 5/2556 on October 10, 2013, the meeting approved the increase of registered capital of Fuel Pipeline Transportation Limited from Baht 139,272,855 to Baht 260,667,560. The newly-issued shares shall be allocated to JP-One Asset Co., Ltd. for the transfer of assets and entire business to Fuel Pipeline Transportation Limited. The Board of Directors also approved the dissolution of JP-One Asset Co., Ltd. after transferring entire business to Fuel Pipeline Transportation Limited. Upon completing the liquidation, JP-One Asset Co., Ltd. shall transfer all shares held in Fuel Pipeline Transportation Limited to its shareholders in proportion of shareholding. According to the resolution of the extraordinary shareholder meeting of JP-One Asset Co., Ltd. No. 1/2013 on November 4, 2013, the meeting approved liquidation of the company which will be effective on February 3, 2014.

As at December 31, 2013, JP-One Asset Co., Ltd. (subsidiary) is under process of merger. However, the such subsidiary prepared financial statements on the basis of going concern for the use of business transfer to Fuel Pipeline Transportation Limited.

On February 1, 2014, JP-One Asset Co., Ltd. has transferred its entire business to Fuel Pipeline Transportation Limited.

2.8 Material inter-company balances and transactions are eliminated from the consolidated financial statements. The book value of investments in subsidiaries in the Separate financial statements and the shareholders’ equity of the subsidiaries are eliminated from the consolidated financial statements.

3. Significant Accounting Policies

Significant accounting policies adopted by the Company and its subsidiaries are summarized below.

3.1 Income and expenses recognition

a) Service income

Service income is recognized when service is rendered. Service income presents the invoice, excluding value added tax.

b) Rental income

Rental income is recognized as income on an accrual basis.

c) Interest income

Interest income is recognized as income by period which consider the effective interest rate.

d) Dividend income

Dividend income is recognized when the right to receive the dividends is obtained.

e) Expenses

Expenses are recorded on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, at banks, deposit with financial institutions and short-term investment with an original maturity of 3 months and free from restriction.

3.3 Short-term investments

Short-term investments include fixed deposit and government bond with an original maturity of 1 year and free from restriction.

3.4 Trade accounts receivable

Trade accounts receivable are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any). The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the statement of comprehensive income as part of administrative expenses.

Allowance for doubtful accounts

The Company and its subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on a review of the current status of each receivable by considering the ability to repay debt and the amount expected to be paid from the debtors.

3.5 Inventory of spare parts

Spare parts are stated at cost, by first-in, first-out method and are recorded as expenses whenever consumed.

3.6 Investment property

Investment property is stated at cost less allowance on impairment (if any).

3.7 Property, leasehold improvement and equipment and depreciation

Land and land improvement are stated at cost.

Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any). Assets under finance lease are stated at fair value, on begin agreement date less accumulated depreciation.

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the Company (if any).

Depreciation of leasehold improvement and equipment are calculated by reference to costs or fair value on begin agreement date as the case may be, on a straight-line method over their estimated useful lives as follows:-

Leasehold improvement	5-20 years
Office furniture, equipment and computer	3 - 10 years
Main depot facilities	5 - 28 years, lease period
Hydrant equipment	10 - 30 years, lease period
Intoplane substation	5 - 20 years
Vehicle fleet and motor vehicle	3 - 20 years
Motor vehicle under finance lease agreements	lease period

The Company and its subsidiaries estimate the remaining value of the asset with value that business is expected to receive in the present from that current assets, if having the age and condition that is expected to receive in the present, when ending of useful life.

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining operation result.

No depreciation is provided on land, land improvement, construction in progress and equipment under installation.

Property, leasehold improvement and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.8 Computer software

Computers software is stated at cost less amortization and allowance on impairment (if any). Amortization of intangible assets is calculated by the straight-line method over the estimated useful lives of 3 - 5 years.

3.9 Leasehold rights

Leasehold rights are stated at cost less amortization and allowance on impairment (if any). Amortization of leasehold is calculated by the straight-line method over the lease period of 3 years and 17 years.

3.10 Impairment of assets

The Company and its subsidiaries review the impairment of assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. The recoverable amount of an asset is higher than its value in use and its fair value less costs to sell.

The Company and its subsidiaries recognize an impairment loss in the statements of comprehensive income whenever the carrying value of an asset exceeds its recoverable amount. The Company and its subsidiaries will reverse the impairment loss when there are indications that the value of the asset is no longer impaired or the amount of impairment has decreased. The reversal shall not exceed the carrying value that would have been determined (net of accumulated depreciation or amortization) if had no impairment loss been recognized.

3.11 Investments in subsidiaries and related company

Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operate policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at net cost from allowance on impairment (if any) in the separate

financial statements.

Business combinations

The Company applied the acquisition method for business combinations.

As for the cost of acquiring an investment that is lower than subsidiary net asset fair value proportion, which is a gain on business combination and will be recognized immediately in the statement of comprehensive income.

Other investment in related company

Other investment in related company which is invested in non-marketable equity securities, is stated at net cost. An allowance for impairment loss will be made (if any) when the net recoverable amount is lower than the cost of the investments.

3.12 Borrowing cost

The interest cost and obligation fee of borrowings for construction of project is capitalized as part of the cost of project ending when the project is transferred to be registered as fixed-assets.

3.13 Foreign currencies

Foreign currency transactions incurred during the years are translated into Baht at the rates ruling on the transaction dates. Assets and liabilities denominated in foreign currency outstanding on the statement of financial position dates are translated into Baht at the rates ruling on the statement of financial position dates.

Exchange gains and losses are included in determining earnings.

3.14 Obligations for employee's benefits

Short-term Benefits

The Company and its subsidiaries have recognized salaries, wages, bonuses, social security contributions and provident funds as an expense when transaction incurred.

Benefits for employees after resignation (Contributions and benefits project) and other long-term employee's benefits.

a) The Company has a benefit scheme for its employees whereby an employee is entitled to receive, upon retirement or resignation, a sum computed in accordance with his length of service, and is also entitled to receive part of such amount in advance, in accordance with conditions stipulated by the Company. In 1997, the Company and its employees jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act (B.E. 2530), to replace the old benefit scheme. Most employees chose to join the provident fund and the Company transferred a total of the reserve for employee benefits set aside under the old scheme to the provident fund.

However, the Company has to set reserve for its obligations in respect of employees who had joined the old employee benefit scheme and transferred to the provident fund, equal to the excess of the amount that would have been payable upon termination if the employee had stayed with the old employee benefit scheme over the amount payable upon termination under the provident fund, in respect of the Company's contributions and their related benefits, together with obligations to employees who are still members of the previous scheme.

The employees of the Company started working after provident fund foundation will obtain benefit only from provident fund scheme.

Two subsidiaries provided retirement benefit scheme for its employees retirement or resignation as the parent company until provident fund establishment. The employees of a subsidiary started working after January 2007 will obtain benefit from provident fund scheme onwards.

The employees in another three subsidiaries will obtain benefit from specified conditions of provident fund scheme which the company and its employees joined to establish together.

The provident fund is contributed monthly by both employees and Company and the fund will be paid to employees upon termination of employment in accordance with the rules of the fund. The fund's assets are held separately from the Company and the Company's contributions are recognized as expenses when incurred.

b) Under Labor Protection Laws of Thailand and employee's employment policy, every employee who has age of employment exceed 120 days, has the right to receive workers compensation as rule of labor protection laws when the employees have the retirement.

c) The Company and two subsidiaries have other welfares, which has long-term benefit for the employees who work for the company reached a number of years specified by the Company.

The obligation liabilities after resignation and other long-term employee's benefits of the Company and its subsidiaries calculated by an independent actuary, using projected unit credit method.

Actuarial gains and losses are recognized immediately in the other comprehensive income as a part of retained earnings.

3.15 Finance leases

The Company and its subsidiaries are stated leases that transfer substantially all the risks and rewards of ownership as finance leases, whereby the fair value of the leased properties are recorded as assets and commitment of the future rental (deducted interest portion) as liabilities.

The interest component of the finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

3.16 Operating leases

Payments made under operating leases are recognised in the statement of comprehensive income on the straight line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income for the accounting period in which they are incurred.

3.17 Income tax and deferred tax

Tax expense is the aggregate amount include in the determination of profit or loss for the year in respect of current income tax and deferred tax.

a) Current income tax

Current income tax is the amount of income taxes payable in respect of the taxable profit for the year. Taxable profit is different from net profit shown in the statements of comprehensive income because taxable income does not include items that can be recognized as income or tax expense in other years and not include items that cannot be considered as income or tax expense as well. Current tax liabilities calculating by using tax rate as at the date in the statement of financial position.

b) Deferred tax

Deferred tax is the recognition of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. The Company and its subsidiaries have recognized deferred tax liabilities for temporary differences every item and recognized deferred tax assets for temporary differences, as it is probable that taxable profit will be sufficient to bring the temporary differences to utilize.

3.18 Financial instruments

The Company and its subsidiaries have no policy to speculate or engage in the trading of any financial derivative instruments.

The Company records the derivative instruments for interest rate swaps on an accrual basis.

Financial instruments carried in the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable and payable, loan to related company and loan. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.19 Basic earnings per share

Basic earnings per share are determined by dividing net earnings for the year by the weighted average number of ordinary shares issuing during the year.

3.20 Use of accounting estimates

Preparation of financial statements in conformity with Financial Reporting Standards in certain circumstances requires the management to make estimates and assumptions that affect amounts reported in the accompanying financial statements and notes thereto. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised.

3.21 Related parties

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 subsidiaries are related parties to 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.

3.22 Provision

Provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made at the certain amount of the obligation.

3.23 Accounting standards effective for using in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009 and the new issue of accounting standards, financial reporting standards, the interpretations and accounting treatment guidance of which are effective for using in the periods beginning on or after January 1, 2013, as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets	

Regarding TAS 12 : Income Taxes, the Company and its subsidiaries have applied before the effective date since the period ended December 31, 2011. While the other accounting standards, the management of the Company believes that there is no significant impact on the financial statements for the year when they are initially applied.

3.24 The new and revised accounting standards but are not yet effective

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2014 are as follows:

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 Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
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	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under
TAS 29	Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4 Insurance Contracts

The management of the Company and its subsidiaries are evaluating the impact of these new and revised accounting standards when they are initially applied.

4. Related Party Transactions

4.1 Transaction related to subsidiaries and related companies

During the years, the Company had significant trading transaction with its subsidiaries (eliminated from the interim consolidated financial statements) and related companies (related by shareholder and/or common shareholders and/or common directors) in connection with service income, loan, rental and other income. The Company and its subsidiaries have the following policy on pricing for its related transactions :-

1. Cost of service from the subsidiaries is based on the actual service and expenses.
2. Rental charge for an office building from subsidiaries is based on the every year increase and every-3-year increase in the average rate of CPI by the minimum rate of 5 percent but is not exceeding 7 percent from the latest rental charge.
3. Rental charge for receiving pipeline system from subsidiaries is based on the contract price between the parties.
4. Guarantee fee income is charged at the rate of 1 percent per annum of the guarantee obligation.
5. Interest on loan is charged at the rate of 3.5 percent per annum and MLR-1.75 percent per annum.
6. Other service income is based on the contract price between the parties.
7. Rental charge for receiving pipeline system from a related company/subsidiaries is charged at the rate of 21.5 percent of the annual income received from the transportation of the fuel, JET A-1, via the pipeline system (before discounts and relevant tax).
8. Rental charge for receiving diesel pipeline system from a related company/subsidiaries is based on the contract price between the parties.
9. Rental charge for an office building from a related company/subsidiaries is based on the every-3-year increase in the average rate of CPI which is not less than 5 percent but not more than 7 percent of the latest rental charge.
10. Rental charges for land is based on rental expense paid to Treasury Department and plus a rate of 5 percent of annual rental.
11. Rental charge for land and building include utilities at Suvarnabhumi Airport to a related company is based on the every year increase in the average rate of CPI but is not exceeding 7 percent of the latest rental charge for Don Mueang Airport, the contract is renewed annually at the agreed price. From July 1, 2013, the rental charge at Don Mueang Airport is based on a fixed rate throughout the 3 years lease agreement.
12. Cost of service for rental land include utilities from the subsidiaries is based on the contract price between the parties.
13. The finance lease agreement of the refuelling vehicle from a subsidiary is based on the contract price between the parties 1 contract with the period of 5 years. The repayment is monthly at an equal amount as specified in the contract.

Significant transactions between the Company and its related parties are summarized below :-

(Unit : Million Baht)

	Consolidated Financial Statement		Separate Financial Statement		Pricing Policy
	For the years ended December 31,		For the years ended December 31,		
	2013	2012	2013	2012	
Transactions with subsidiaries:					
Cost of service	-	-	8.7	7.5	(1)
Leasing of refuelling vehicle fuel	-	-	86.1	-	(13)
Rental charges for office building and land	3.6	-	9.1	2.1	(2), (9), (10)
Rental charge for receiving pipeline system	7.8	-	30.7	14.8	(3), (7), (8)
Guarantee fee income	-	-	1.7	3.2	(4)
Interest income	20.5	-	35.0	28.6	(5)
Other income	1.0	-	24.9	22.3	(6)
Transactions with related companies :					
Cost of services	1.6	-	-	-	(12)
Service income	2,003.7	1,599.8	1,807.6	1,599.8	(6)
Rental charges for receiving pipeline system	-	4.8	-	4.8	(7)
Rental charges for receiving diesel pipeline system	-	4.1	-	4.1	(8)
Rental charges for office building and land	-	6.9	-	6.9	(9), (10)
Rental charges for land & building	10.0	8.0	10.0	8.0	(11)
Interest income	-	10.4	-	10.4	(5)
Other income	-	5.5	-	5.5	(6)

The outstanding balance of the above transactions have been separately presented in the statement of financial position under the caption as follow :-

(Unit : Baht)

		Consolidated Financial Statement		Separate Financial Statement	
		As at December 31,		As at December 31,	
Relationship		2013	2012	2013	2012
Trade accounts receivable					
Subsidiaries					
Fuel Pipeline Transportation Limited		-	4,111,432	-	-
Related companies					
Thai Airways International Public Company Limited	Shareholder and a representative director	33,498,649	29,632,597	33,498,649	29,632,597
Chevron (Thailand) Company Limited	Shareholder and a representative director	56,121,835	43,784,546	45,980,876	43,784,546
Esso (Thailand) Public Company Limited	Shareholder	36,956,357	33,687,608	36,956,357	33,687,608
PTT Public Company Limited	Shareholder and a representative director	90,977,470	72,567,429	86,210,180	72,567,429
The Shell Company of Thailand Limited	Shareholder and a representative director	38,787,667	34,394,881	32,238,751	34,394,881
Singapore Petroleum (Thailand) Limited	Shareholder	4,617,564	2,953,934	4,617,564	2,953,934
Susco Dealers Company Limited (Formerly Petronas Retail (Thailand) Company Limited)	Shareholder	3,465,093	3,171,398	3,465,093	3,171,398
Bangchak Petroleum Public Company Limited	Co-Shareholder	33,073,542	9,174,269	-	-
Total		297,498,177	233,478,094	242,967,470	220,192,393

		(Unit : Baht)			
		Consolidated Financial Statement		Separate Financial Statement	
		As at December 31,		As at December 31,	
	Relationship	2013	2012	2013	2012
Amounts due from and advance to related companies					
Subsidiaries					
Thai Aviation Refuelling Company Limited		-	-	103,790	700,868
JP-One Assets Company Limited		-	-	3,313,061	1,295,023
Fuel Pipeline Transportation Limited		-	1,890,613	1,689,967	1,890,613
Related companies					
Thai Petroleum Pipeline Company Limited	Co-Shareholder	-	127,197	-	127,197
Total		-	2,017,810	5,106,818	4,013,701
Loan to and long-term receivable from related companies					
Subsidiaries					
Fuel Pipeline Transportation Limited		-	647,099,910	626,324,359	697,904,285
<u>Less</u> : Allowance for doubtful accounts		-	(123,770,707)	-	(123,770,707)
Net		-	523,329,203	626,324,359	574,133,578
<u>Less</u> : Current Portion		-	(53,703,571)	(71,579,927)	(58,885,495)
Net		-	469,625,632	554,744,432	515,248,083
Trade accounts payable - related companies					
Subsidiaries					
Thai Aviation Refuelling Company Limited		-	-	60,018,410	56,121,770
Fuel Pipeline Transportation Limited		-	4,686,839	-	-
Related companies					
Airports of Thailand Public Company Limited	Shareholder	39,948,455	37,180,884	26,747,377	24,375,562
The Shell Company of Thailand Limited	Shareholder and a representative director	-	31,333	-	20,330
Thai Airways International Public Company Limited	Shareholder and a representative director	1,980	5,800	1,980	5,800
Chevron (Thailand) Company Limited	Shareholder and a representative director	-	20,330	-	20,330
PTT Public Company Limited	Shareholder and a representative director	490,482	498,166	490,482	498,166
Bangkok Petroleum Public Company Limited	Co-Shareholder	326,826	-	-	-
Dhipaya Insurance Public Company Limited	Co-Shareholder	5,301,157	-	5,242,307	-
Total		46,068,900	42,423,352	92,500,556	81,041,958

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2013	2012	2013	2012
Liabilities under finance lease agreements				
Subsidiary				
JP-One Assets Company Limited	-	-	105,952,000	-
Less Deferred interest	-	-	(19,862,483)	-
Less Current portion	-	-	(9,836,044)	-
After one year	-	-	76,253,473	-

4.2 Loan to and long-term receivable from related companies

Movement of loan to and long-term receivable from related companies during the years ended December 31, 2013 and 2012 are as follow:-

(Unit : Baht)

	Consolidated Financial Statement				
	Balance as at January 1, 2013	Movement during the year			Balance as at December 31, 2013
		Increase	Decrease by payment/ reversal	Settlement for business combination	
Fuel Pipeline Transportation Limited					
- Loans from debt restructuring	123,770,707	-	(6,347,216)	(117,423,491)	-
- Loans from purchase of liabilities	523,329,203	-	(26,851,786)	(496,477,417)	-
Total	647,099,910	-	(33,199,002)	(613,900,908)	-
Less : Allowance for doubtful accounts	(123,770,707)	-	123,770,707	-	-
Net	523,329,203				-
Less : Current Portion	(53,703,571)				-
Net	469,625,632				-

(Unit : Baht)

	Consolidated Financial Statement			
	Balance as at January 1, 2013	Movement during the year		Balance as at December 31, 2012
		Increase	Decrease by payment/ reversal	
Fuel Pipeline Transportation Limited				
- Loans from debt restructuring	370,110,834	-	(246,340,127)	123,770,707
- Loans from purchase of liabilities	738,208,895	-	(214,879,692)	523,329,203
Total	1,108,319,729	-	(461,219,819)	647,099,910
Less : Allowance for doubtful accounts	(370,110,834)	-	246,340,127	(123,770,707)
Net	738,208,895			523,329,203
Less : Current Portion	-			(53,703,571)
Net	738,208,895			469,625,632

(Unit : Baht)

	Separate Financial Statement			
	Balance as at January 1, 2013	Movement during the year		Balance as at December 31, 2013
		Increase	Decrease by payment/ reversal	
Fuel Pipeline Transportation Limited				
- Loans from debt restructuring	123,770,707	-	(12,694,431)	111,076,276
- Loans from purchase of liabilities	574,133,578	-	(58,885,495)	515,248,083
Total	697,904,285	-	(71,579,926)	626,324,359
<u>Less</u> : Allowance for doubtful accounts	(123,770,707)	-	123,770,707	-
Net	574,133,578			626,324,359
<u>Less</u> : Current Portion	(58,885,495)			(71,579,927)
Net	515,248,083			554,744,432

(Unit : Baht)

	Separate Financial Statement			
	Balance as at January 1, 2013	Movement during the year		Balance as at December 31, 2012
		Increase	Decrease by payment/ reversal	
Fuel Pipeline Transportation Limited				
- Loans from debt restructuring	370,110,834	-	(246,340,127)	123,770,707
- Loans from purchase of liabilities	-	757,188,588	(183,055,010)	574,133,578
Total	370,110,834	757,188,588	(429,395,137)	697,904,285
Bafis International Limited	766,747,162	28,583,036	(795,330,198)	-
Total	1,136,857,996	785,771,624	(1,224,725,335)	697,904,285
<u>Less</u> : Allowance for doubtful accounts	(370,110,834)	(18,368,581)	264,708,708	(123,770,707)
Net	766,747,162			574,133,578
<u>Less</u> : Current Portion	-			(58,885,495)
Net	766,747,162			515,248,083

As at December 31, 2013 and 2012, loan to and long-term receivable from related companies are loan to Fuel Pipeline Transportation Limited (FPT) (subsidiary) as collateral under the terms of rehabilitation plan.

The Central Bankruptcy Court approved for the rehabilitation of FPT on February 10, 2012, that FPT had proceeded according to the rehabilitation plan and had fully accomplished the terms of the success of the rehabilitation plan and had been out of insolvent and FPT has sufficient liquidity for future operation. On July 15, 2013, the Central Bankruptcy Court ordered the termination of the rehabilitation of FPT.

Under the rehabilitation plan, FPT shall have pay the monthly principal and interest in 10 years (ending in 2022). The interest rate throughout the contract is MLR - 1.25 to 1.75 per annum and starts the first installment on October 31, 2012.

The loans are secured by oil pipelines and oil depot system of FPT as collateral under the terms of the rehabilitation plan.

1) Loans from debt restructuring

As at December 31, 2013 and 2012, the consolidated financial statements amounted to Baht -0- million and Baht 123.77 million, respectively (The separate financial statement amounted to Baht 111.08 million and Baht 123.77 million, respectively).

On April 29, 1999, the Company entered into the agreement to guarantee the debt payment with a group of creditors of Fuel Pipeline Transportation Limited (FPT), under its debt restructuring agreement. The outstanding balance of guarantee obligation, as of December 31, 2001, was approximately Baht 415 million, and the Company had already recorded provision in full amount of the guarantee expenses for such obligation.

On March 28, 2002, FPT entered into the Amendment Agreement (No. 2) relating to the Debt Restructuring Agreement with the group of creditors, and on the same day the Company entered into the Assignment Agreement (relating to Tranche 2 Debts under the Debt Restructuring Agreement of Fuel Pipeline Transportation Limited) with that company's creditors to purchase the rights of claim over debt amounting to Baht 415 million from that company's group of creditors. In this regard, the Company agreed to accept all rights and debt under the agreement, including commitments of the group of creditors with respect to the agreement but excluding interest accrued up to the date of the purchase. As to the above activities, cause the commitment on guarantee agreement revoked.

On December 29, 2009, FPT entered into the Amendment Agreement (No.3) relating to the Debt Restructuring Agreement with the group of creditors again, for running a business straight forward. The creditors approved to waive the accrued interest and reschedule the loan payment as the terms and conditions of the Amendment Agreement (No.3). This restructuring has no effect to debt between BAFS and FPT.

The BAFS has recorded FPT as a debtor amounting of Baht 415 million under the category of "Loan to and long-term receivable from the related company". The Company has also transferred the reserve of guarantee expenses totaling of Baht 415 million to "Allowance for doubtful debt for loan to and long-term receivable from the related company".

Years 2012

On February 10, 2012, Fuel Pipeline Transportation Limited (FPT) has entered into rehabilitation process and make FPT stop the payment of principal and interest. Later, on September 21, 2012, Central Bankruptcy Court approved the rehabilitation plan which consisted of recapitalization and restructuring debt that is changing in the principal amount and terms of repayment as follows:

1. Principal amount of Baht 15.69 million has been converted from debt to capital by FPT issuing the ordinary shares at par value for debt payment
2. Loss of principal haircut at the amount of Baht 213.37 million
3. Outstanding balance of principal amount of Baht 141.05 million which is monthly due in 10 years (in 2022)
4. Interest rate has been monthly paid.

The performance of such plan is subject to the liabilities from loans and the allowance for doubtful accounts decrease at the amount of Baht 193.73 million and increase the investment in FPT subsidiaries amount to Baht 35.33 million (see note 8) with other income from reversal of doubtful accounts on the same amount.

2) Loans from purchase of liabilities

As at December 31, 2013 and 2012, amount to Baht -0- million and Baht 523.33 million, respectively (The separate statements amounted to Baht 515.25 million and Baht 574.13 million, respectively).

Year 2011

According to the resolution of the Board of Directors meeting No.2/2011 held on May 11, 2011, approving in principle to increase the investment in Fuel Pipeline Transportation Limited (FPT) from the previous shareholding of 16.67%, by consenting the Company or its subsidiary (the Company Group) to purchase the debt of FPT with the

amount not more than Baht 850 million and preferred shares at the price not more than 0.10 Baht/share from the group of financial institutions. The Board of Directors considered the FPT has the potential in its operation in fuel pipeline transportation and can create long term value to the Company. Although FPT currently has a lot of debt as a result of Thai Baht floating in 1997, the Board of Directors considered that to mitigate risk from business interruption in fuel pipeline transportation, which is the business the relates to the Company and important to the aviation refueling service of the Company in Don Mueang and Suvarnabhumi Airports, the Board of Directors has approved the Company Group to increase the investment in FPT, by assigning the Risk Management Committee to consider in details and Managing Director to be the authorized person to conduct within the principle and details that set by the Board of Directors and the Risk Management Committee, as follows :-

Details of debt and share purchase

On November 2, 2011, the Company Group purchased the debt of FPT from the group of financial institutions in the amount of Baht 1,717 million at the price of Baht 738 million or at the average discount of 57% of outstanding debt.

In addition, on November 2, 2011, the Company Group purchased 5,147,314 preferred shares of FPT or 32.33% of total shares at the price of 0.10 Baht/share. Therefore, at present the Company Group has increased its shareholding of FPT from 16.67% to 49%

Details of Fuel Pipeline Transportation Limited for the rehabilitation

On November 4, 2011, the Company, as a creditor, petitioned to the Central Bankruptcy Court to request for the rehabilitation of Fuel Pipeline Transportation Limited. On February 10, 2012, the Central Bankruptcy Court has approved for the rehabilitation of Fuel Pipeline Transportation Limited and has appointed Treasure Specialty Co., Ltd as the planner.

Expected Benefits

(1) Mitigate risk from business interruption in fuel pipeline transportation, which is the business that relates to the Company and is critical to the energy security of the country.

(2) Create long term value to the Company. The Company has expected that the rehabilitation of Fuel Pipeline Transportation Limited will be finished at the end of 2012, and Fuel Pipeline Transportation Limited will be revived to be the firm with strong financial position that can generate cash flow continually, which shall be the most beneficial to the Company.

Year 2012

On February 10, 2012, the Central Bankruptcy Court approved the rehabilitation plan of FPT and set up Treasure Specialty Co.,Ltd. to be rehabilitation planner.

Later on September 21, 2012, The Central Bankruptcy Court approved the rehabilitation plan of FPT which specified three of FPT's Board of Directors to be the rehabilitation plan administrator including M.R. Supadis Diskul, Mr. Chathaya Bandhaya, and Mr. Buree Whanchid. The rehabilitation plan consisted of recapitalization and restructuring debt which determined FPT to pay the first principal and interest on October 31, 2012 on onwards.

On September 24, 2012, the Company acquired the right to claim repayment of the FPT from Bafs International Limited, a subsidiary, by issuing promissory notes at the amount of Baht 773.33 million. The Company had the increasing right as a creditor of the FPT to Baht 757.18 million, investment to Baht 0.52 million, guarantee to Baht 15.63 million. The Company recognized the loss from loans to Bafs International Limited at the amount of Baht 18.37 million in the separate statement of comprehensive income.

In December 2012, FPT recapitalized in accordance with the rehabilitation plan as follows:

1. Decreased paid-up capital of FPT by writing off the number of shares from 15,920,000 shares to 1,592 shards on December 19, 2012;

2. Decreased paid-up capital of FPT by reducing par value from 100 Baht/share to 5 Baht/share on December 20, 2012; and
3. Increased paid-up capital for debt-to-equity conversion by issuing ordinary shares of 27,852,979 shares with par value of 5 Baht/share on December 25, 2012.

Due to such recapitalization, the Company's shareholding in FPT has increased to 90.72% which changes the status of FPT from related company to subsidiary of the Company. The performance of such plan is subject to some parts of the loans are converted to be equity (see note 8) and has outstanding loans with repayment period of 10 years (in 2022).

4.3 Transaction related to government entities that may conflict interest

The Company has made a contract with The Ministry of Finance which is the Company's indirect major shareholder (The Ministry of Finance is the major shareholder of Thai Airways International Public Company Limited and Airport of Thailand Public Company Limited, including Thai Airways International Public Company Limited is the major shareholder of the Company) for leasing of land and building of Treasury Department at Don Mueang Airport, rental incurred for the years ended December 31, 2013 and 2012 in amount of Baht 7 million, respectively.

4.4 Long-term loan to employees

The Company and its subsidiaries provide the emergency loans as welfare benefit to the flood impact employees in special case. The employees are entitled to withdraw money from this program as shown below.

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	As at December 31,		As at December 31,	
	2013	2012	2013	2012
Long-term loan to employees, beginning of the year	15,884,649	19,025,240	15,517,849	18,741,240
Add increase during the year	-	2,084,000	-	1,684,000
Less paid during the year	(4,541,984)	(5,224,591)	(4,317,584)	(4,907,391)
Long-term loan to employees ending of the year	11,342,665	15,884,649	11,200,265	15,517,849
Less current portion	(4,128,121)	(4,297,428)	(3,993,721)	(4,073,028)
Net	7,214,544	11,587,221	7,206,544	11,444,821

4.5 Management benefit expenses

Management benefit expenses are as follow:-

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
Management				
Short-term employee benefits	89,405,767	74,698,121	65,469,326	68,177,579
Post-employment benefits	4,980,812	3,657,485	4,246,059	3,657,485
Other long-term benefits	1,715	19,270	1,715	19,270
Total	94,388,294	78,374,876	69,717,100	71,854,334

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Accrued management benefit expenses	11,287,000	9,990,000	10,000,000	9,000,000

5. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2013 and 2012 are comprised of the following:-

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Cash on hand	224,040	111,184	119,5857	9,170
Deposit with banks and financial institutions	578,268,840	268,828,641	127,916,985	100,927,639
Bond and promissory note	569,319,867	578,087,850	469,671,448	445,331,261
Total cash and cash equivalents	<u>1,147,812,747</u>	<u>847,027,675</u>	<u>597,708,018</u>	<u>546,338,070</u>

As at December 31, 2013 and 2012, a subsidiary, Thai Aviation Refuelling Co., Ltd. has cash at banks with a financial institutions amount of Baht 266 million and Baht 205 million, respectively, which are under the financial facility agreement. Under the term of agreement, the subsidiary has to transfer the right on the said cash to the financial institution but it is not effective unless the subsidiary fails to comply with the agreement.

6. Short-term Investments / Restricted Fixed Deposits with Finance Institutions

6.1 As of December 31, 2013 and 2012, the Company has fixed deposit of Baht 90 million with a bank to use for support of “The employee housing loan project” which the Company’s employees who participate in the project will have privileged on the interest rate at below the market rate. However, the Company is able to withdraw the deposit to use in its normal business operations, then the interest rate of the employees’ loans will be adjusted to the market rate.

6.2 As of December 31, 2013 and 2012, a subsidiary, JP-One Assets Co., Ltd. has deposits and bonds of Baht 12.04 million and Baht 12.14 million, respectively, with financial institutions. The deposits and bonds have been placed as collaterals for the issuance of letters of guarantee for the subsidiary and related company.

7. Trade Accounts Receivable

As at December 31, 2013 and 2012, the outstanding balances of trade accounts receivable are not yet due.

8. Investments in Subsidiaries

These represent investments in ordinary and preferred shares of the following companies:-

(Unit : Baht)

Company	Million Baht Paid-up capital		Percentage owned by The Company		Cost method		Dividend	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>Consolidated Financial statement</u>								
Fuel Pipeline Transportation Limited	-	139	-	90.72	-	176,602,361	-	-
<u>Separate Financial Statement</u>								
Intoplane Services Co., Ltd.	0.12	0.12	83.33	83.33	100,000	100,000	-	-
Thai Aviation Refuelling Co., Ltd.	530	530	90.00	90.00	1,235,000,000	1,235,000,000	195,426,777	186,220,683
JP-One Assets Co., Ltd.	600	600	92.50	92.50	600,900,000	600,900,000	26,362,486	38,849,979
Bafs International Limited	-	0.04	-	100.00	-	39,998	-	-
Fuel Pipeline Transportation Limited	139	139	90.72	90.72	138,239,237	138,239,237	-	-
Total					1,974,239,237	1,974,279,235	221,789,263	225,070,662

Additional Information

Thai Aviation Refuelling Co., Ltd.

On March 23, 2012, at the annual general meeting of a subsidiary, Thai Aviation Refuelling Co., Ltd. approved a resolution to declare a cash dividend payment from its 2011 operations at the rate of Baht 36.59 per share for an amount of Baht 193.93 million. The interim dividend payment had been paid at the rate of Baht 15.30 per share amounting to Baht 81.09 million in August 2011. The dividend balance for second half of 2011 operation is at Baht 21.29 per share amounting to Baht 112.84 million. The payment was made on April 5, 2012.

On July 24, 2012, at the Board of Director Meeting No. 2/2012 of a subsidiary, Thai Aviation Refuelling Co., Ltd. approved to declare a cash interim dividend payment from its first half of 2012 operations at the rate of Baht 17.75 per share for an amount of Baht 94.08 million. The payment was made on August 10, 2012.

On March 27, 2013, at the annual general meeting of a subsidiary, Thai Aviation Refuelling Co., Ltd. approved a resolution to declare a cash dividend payment from its 2012 operations at the rate of Baht 40.72 per share for an amount of Baht 215.82 million. The interim dividend payment had been paid at the rate of Baht 17.75 per share amounting to Baht 94.08 million in August 2012. The dividend balance for second half of 2012 operation is at Baht 22.97 per share amounting to Baht 121.74 million. The payment was made on April 5, 2013.

On July 30, 2013, at the Board of Director Meeting No. 3/2013 of a subsidiary, Thai Aviation Refuelling Co., Ltd. approved to declare a cash interim dividend payment from its first half of 2013 operations at the rate of Baht 18 per share for an amount of Baht 95.40 million. The payment will made on August 28, 2013.

JP-One Assets Co., Ltd

On March 27, 2012, at the annual general meeting of a subsidiary, JP-One Assets Co., Ltd. approved a resolution to declare a cash dividend payment from its 2011 operations at the rate of Baht 7.84 per share for an amount of Baht 47.04 million. The interim dividend payment had been paid at the rate at Baht 2.84 per share amounting to Baht 17.04 million in August 2011. The dividend balance at last six-month period of 2011 operation is at Baht 5 per share amounting to Baht 30 million. The payment was made on March 27, 2012.

On July 17, 2012, at the Board of Director Meeting No. 3/2012 of a subsidiary, JP-One Assets Co., Ltd. approved to declare a cash interim dividend payment from its first half of 2012 operations at the rate of Baht 2.00 per share for an amount of Baht 12.00 million. The payment was made on July 18, 2012.

On March 26, 2013, at the annual general meeting of a subsidiary, JP-One Assets Co., Ltd. approved a resolution to declare a cash dividend payment from its 2012 operations at the rate of Baht 3.25 per share for an amount of Baht 19.50 million. The interim dividend payment had been paid at the rate at Baht 2.00 per share amounting to Baht 12.00 million in July 2012. The dividend balance for second half of 2012 operation is at Baht 1.25 per share amounting to Baht 7.50 million. The payment was made on March 29, 2013.

On December 19, 2012, at the Board of Director Meeting No. 4/2013 of a subsidiary, JP-One Assets Co.,Ltd. declare a cash interim dividend payment from its first nine months of 2013 operations at the rate of Baht 3.50 per share for an amount of Baht 21.00 million. The payment was made on December 23, 2013.

Bafs International Limited

On December 6, 2013, the Bafs International Limited had been registered for dissolution.

Fuel Pipeline Transportation Limited

In 2012, the Company has Fuel Pipeline Transportation Limited (FPT) as a subsidiary because FPT has recapitalized in order to comply with the rehabilitation plan as discussed in note 4.2, then the Company has a proportion of investment at 90.72 percent as such company is subsidiary. Therefore, the Company has transferred from the investment in related companies (see note 9) to investment in subsidiary but the Company does not have the power to control FPT due to FPT is under the legal rehabilitation plan. The Company records the investment in ordinary shares of FPT compliance with the habilitation plan, transfer debt to capital at the amount of Baht 176.60 million (the separated financial statements amount of Baht 138.24 million).

From July 15, 2013 onwards, the Company has included the financial statements of Fuel Pipeline Transportation Limited (subsidiary) in the consolidated financial statements as the Company has the power to control as result of the Central Bankruptcy Court ordered the termination of the rehabilitation plan.

According to the best estimate of fair value as at the acquisition date on each item of identified assets and liabilities of FPT has been shown as follows:

	In Baht Fair Value
<u>Assets</u>	
Cash and cash equivalents	119,742,519
Short-term investments	2,049,328
Trade accounts receivable	70,446,968
Inventory of spare parts	4,562,001
Other current assets	10,692,516
Leasehold improvement and equipment	960,604,501
Computer software	1,903,337
Deferred tax assets	35,011,268
Other non-current assets	843,79
<u>Liabilities</u>	
Trade accounts payable	(22,113,964)
Corporate income tax payable	(7,199,436)
Long-term loan under rehabilitation plan	(701,883,440)
Employee benefit obligations	(67,380,403)
Deferred tax liabilities	(26,359,509)
Provisions (see note 23.2.2)	(100,000,000)
Other current liabilities	(2,314,992)
Net assets ²	78,604,488
Less Non-controlling interest of subsidiary	(25,854,496)
Net assets attributed to the parent company	252,749,992
Acquisition cost of investment from conversion of debt to capital	(176,602,361)
Gain on business combination	76,147,631

9. Other Investments in Related Company

Other investments in related company is investment in ordinary and preferred shares of Fuel Pipeline Transportation Limited (FPT). In during year 2012, the proportion of investments had been changed because Fuel Pipeline Transportation Limited has recapitalized in order to comply with the rehabilitation plan as discussed in note 4.2, the Company has a proportion of investment at 90.72% (formerly proportion at 49.02%) as such company is subsidiary that the Company records decrease cost of investment and reclassify to be investment in subsidiary, see note 8. The movement of investment and allowance for impairment loss of investment for the years ended December 31, 2013 and 2012 are shown as follows:

(Unit : Baht)

Consolidated Financial Statement/Separate Financial Statement		
	2013	2012
At Cost		
Beginning of the year	-	265,521,700
Add : Increase during the year	-	514,731
Less : Decrease from reduction in capital from rehabilitation plan	-	(266,032,531)
Less : Decrease from transfer to investment in subsidiary	-	(3,900)
Ending of the year	-	-

(Unit : Baht)

Consolidated Financial Statement/Separate Financial Statement		
	2013	2012
Allowance for impairment loss of investment		
Beginning of the year	-	(265,521,700)
Add : Increase during the year	-	-
Less : Decrease from reduction in capital from rehabilitation plan	-	265,521,700
Ending of the year	-	-

10. Investment Property

(Unit : Baht)

	Consolidated Financial Statement	Separate Financial Statement
Land - cost		
Balance as at January 1, 2012	47,953,340	47,953,340
Add Increase	-	-
Less Decrease	-	-
Balance as at December 31, 2012	47,953,340	47,953,340
Add Increase	-	-
Less Decrease	-	-
Balance as at December 31, 2013	47,953,340	47,953,340

Investment property comprises land that is located in Chiang Mai province with an area of approximately 8 Rais. The fair value estimated by an independent appraiser according to the fair value method on March 2010 was Baht 49.50 million.

Since October 2011 onwards, the Company has revenues from leasing such land to another company for a period of 3 years at the annual rental fee of Baht 300,000.

11. Property, Leasehold Improvement and Equipment

(Unit : Baht)

	Consolidated Financial Statement									
	Land and land improvement	Leasehold improvement	Office furniture/equipment/computer	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet	Motor vehicle under financial lease agreement	Building and equipment under construction/installation	Total
<u>Cost</u> January 1, 2013 Acquisition through business combination Purchase Transfer in Transfer out Disposal December 31, 2013 <u>Accumulated depreciation</u> January 1, 2013 Acquisition through business combination Transfer out Disposal December 31, 2013 <u>Net book value</u> December 31, 2013	160,805,902	2,021,671	200,966,033	3,964,857,498	1,731,999,604	490,156,375	747,628,985	25,950,004	303,931,764	7,628,317,836
	-	8,996,601	15,589,442	2,607,605,285	-	-	-	1,502,298	13,704,549	2,647,398,175
	-	-	6,807,653	7,840,613	-	794,355	59,330,400	6,342,089	223,114,276	304,229,386
	-	622,000	28,377,341	181,842,073	8,018,194	5,346,647	61,465,417	-	-	285,671,672
	-	-	-	-	-	-	-	-	(285,671,672)	(285,671,672)
	-	(107,100)	(703,693)	(245,494)	-	-	(288,000)	(1,826,356)	-	(3,170,643)
	160,805,902	11,533,172	251,036,776	6,761,899,975	1,740,017,798	496,297,377	868,136,802	31,968,035	255,078,917	10,576,774,754
	-	147,175	160,702,996	1,699,499,683	377,831,684	223,667,137	675,662,143	6,736,679	-	3,144,247,497
	-	8,735,927	10,812,842	1,666,605,285	-	-	-	639,619	-	1,686,793,673
	-	-	-	-	-	-	-	-	-	-
<u>Cost</u> January 1, 2012 Purchase Transfer in Transfer out Disposal December 31, 2012 <u>Accumulated depreciation</u> January 1, 2012 Transfer out Disposal December 31, 2012 <u>Net book value</u> December 31, 2012 <u>Depreciation charge in the statements of comprehensive income</u> For the year ended December 31, 2013 For the year ended December 31, 2012	160,805,902	2,484,663	65,981,757	3,186,911,003	1,304,696,217	245,236,793	175,137,643	18,925,893	255,078,917	5,415,258,788
	160,805,902	13,763,944	183,087,119	4,005,623,667	1,731,999,604	490,592,608	739,471,383	18,239,321	83,874,704	7,427,458,252
	-	-	12,370,571	551,676	-	120,470	9,000	11,315,325	254,184,698	278,551,740
	-	-	14,786,810	8,519,971	-	686,780	10,134,077	-	-	34,127,638
	-	-	-	-	-	-	-	-	(34,127,638)	(34,127,638)
	-	(11,742,273)	(9,278,467)	(49,837,816)	-	(1,243,483)	(1,985,475)	(3,604,642)	-	(77,692,156)
	160,805,902	2,021,671	200,966,033	3,964,857,498	1,731,999,604	490,156,375	747,628,985	25,950,004	303,931,764	7,628,317,836
	-	11,787,673	151,766,671	1,592,893,249	320,355,866	197,400,580	661,309,072	4,957,026	-	2,940,470,137
	-	-	-	-	-	-	-	-	-	-
	-	(11,742,260)	(9,026,196)	(49,397,703)	-	(1,243,474)	(1,918,745)	(2,633,663)	-	(75,962,041)
160,805,902	1,874,496	40,263,037	2,265,357,815	1,354,167,920	266,489,238	71,966,842	19,213,325	303,931,764	4,484,070,339	
<u>Depreciation charge in the statements of comprehensive income</u> For the year ended December 31, 2013 For the year ended December 31, 2012										
332,893,440										
279,739,401										

	Separate Financial Statement									(Unit : Baht)
	Land and land improvement	Leasehold improvement	Office furniture/ equipment/ computer	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet	Motor vehicle under financial lease agreement	Building and equipment under construction/ installation	
<u>Cost</u> January 1, 2013 Purchase Transfer in Transfer out Disposal December 31, 2013 <u>Accumulated depreciation</u> January 1, 2013 Transfer out Disposal Depreciation for the year December 31, 2013 <u>Net book value</u> December 31, 2013	160,805,902	-	180,433,509	3,262,842,371	24,798,857	467,621,375	726,991,972	15,676,276	272,111,363	5,111,281,625
	-	-	4,779,783	1,446,421	-	964,355	220,000	92,431,606	177,869,661	277,711,826
	-	-	25,210,491	166,819,699	8,018,194	3,515,647	36,265,417	-	-	239,829,448
	-	-	-	-	-	-	-	-	(239,829,448)	(239,829,448)
	-	-	(62,862)	-	-	-	(288,000)	(1,208,047)	-	(1,558,909)
	160,805,902	-	210,360,921	3,431,108,491	32,817,051	472,101,377	763,189,389	106,899,835	210,151,576	5,387,434,542
	-	-	146,815,285	1,539,096,374	21,428,419	218,875,978	660,548,499	2,682,799	-	2,589,447,354
	-	-	-	-	-	-	-	-	-	-
	-	-	(44,862)	-	-	-	(287,999)	(819,265)	-	(1,152,126)
	-	-	10,524,939	131,659,163	583,205	26,245,537	14,896,703	5,575,456	-	189,484,993
	-	-	157,295,362	1,670,755,527	22,011,624	245,121,515	675,157,203	7,438,990	-	2,777,780,221
	160,805,902	-	53,065,559	1,760,352,964	10,805,427	226,979,862	88,032,186	99,460,845	210,151,576	2,609,654,321
	<u>Cost</u> January 1, 2012 Purchase Transfer in Transfer out Disposal December 31, 2012 <u>Accumulated depreciation</u> January 1, 2012 Transfer out Disposal Depreciation for the year December 31, 2012 <u>Net book value</u> December 31, 2012 <u>Depreciation charge in the statements of comprehensive income</u> For the year ended December 31, 2013 For the year ended December 31, 2012	160,805,902	11,742,273	164,929,617	3,304,120,893	24,798,857	468,057,608	718,834,370	8,767,359	78,162,823
-		-	10,844,690	36,223	-	120,470	9,000	9,623,092	226,819,948	247,453,423
-		-	13,623,180	8,427,371	-	686,780	10,134,077	-	-	32,871,408
-		-	-	-	-	-	-	-	(32,871,408)	(32,871,408)
-		(11,742,273)	(8,963,978)	(49,742,116)	-	(1,243,483)	(1,985,475)	(2,714,175)	-	(76,391,500)
160,805,902		-	180,433,509	3,262,842,371	24,798,857	467,621,375	726,991,972	15,676,276	272,111,363	5,111,281,625
-		11,741,580	141,386,107	1,458,436,152	20,859,292	193,736,171	648,846,591	2,337,426	-	2,477,343,319
-		-	-	-	-	-	-	-	-	-
-		(11,742,260)	(8,821,847)	(49,393,702)	-	(1,243,474)	(1,918,745)	(1,997,647)	-	(75,117,675)
-		680	14,251,025	130,053,924	569,127	26,383,281	13,620,653	2,345,020	-	187,221,710
-		-	146,815,285	1,539,096,374	21,428,419	218,875,978	660,548,499	2,682,799	-	2,589,447,354
160,805,902		-	33,618,224	1,723,745,997	3,370,438	248,745,397	66,443,473	12,993,477	272,111,363	2,521,834,271
<u>Depreciation charge in the statements of comprehensive income</u> For the year ended December 31, 2013 For the year ended December 31, 2012										

According to the rental agreement, the legal right of equipment and building constructed on the leased land on royal property shall be taken over by the lesser upon the completion of construction. However, the Company has the right to use the assets, which the agreement has been continually renewed except to and will be able to continue renew the agreement.

Under the land rental agreement between the Airport of Thailand Public Company Limited and a subsidiary, Thai Aviation Refuelling Co., Ltd., the subsidiary shall transfer the ownership of all buildings and construction to the Ministry of Finance in 3 years since the date of completion of the construction (September 30, 2008). As of December 31, 2013, the ownership right transferring as to the above agreement is under process.

Under the Into-plane Service Agreement and the Permission for Performance Agreement of the aviation fuel hydrant network at Suvarnabhumi Airport, between the Airport of Thailand Public Company Limited and the Company, and a subsidiary, Thai Aviation Refuelling Co., Ltd., respectively, the Company shall transfer the ownership of all buildings and construction to the Ministry of Finance upon the completion of the construction, and the subsidiary shall transfer the Hydrant network to the Airport of Thailand Public Company Limited within 60 days before operating the service. As of December 31, 2013 the right transferring as to the above 2 agreements are under process.

The Fuel Pipeline Transportation Co., Ltd. (subsidiary), has mortgaged the multi-product pipeline system and main depot facilities to secure against the long-term liabilities under the rehabilitation plan to the Company.

As at December 31, 2013 and 2012, the initial cost of the usable fixed assets that have been fully depreciated are as follow :

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Leasehold improvement	8,408,606	-	-	-
Office furniture / equipment / computer	185,454,445	152,286,399	163,986,889	146,992,247
Main depot facilities	696,733,783	647,843,677	678,318,055	647,593,307
Hydrant equipment	16,697,043	16,697,043	16,697,043	16,697,043
Intoplane substation	51,035,851	50,240,581	51,035,851	50,240,581
Vehicle fleet and motor vehicle	494,178,925	523,962,638	471,062,699	506,346,412
Total	1,452,508,653	1,391,030,338	1,381,100,537	1,367,869,590

12. Computer Software

Movements of the computer software account for the years ended December 31, 2013 and 2012 are summarized as follow:

(Unit : Baht)

Cost

	Consolidated Financial Statement	Separate Financial Statement
As at January 1, 2012	49,469,050	46,451,722
Add Acquisitions during the year	4,052,861	3,706,894
Less Disposal and write-off during the year	(147,000)	(147,000)
As at December 31, 2012	53,374,911	50,011,616
Add Acquisitions through business combination	4,691,335	-
Add Acquisitions during the year	8,382,537	7,643,037
Less Disposal and write-off during the year	-	-
As at December 31, 2013	66,448,783	57,654,653
Less : Accumulated amortization		
As at January 1, 2012	(41,372,614)	(40,082,435)
Add Depreciation for the year	(4,340,253)	(3,801,404)
Less Accumulated depreciation on disposals and write-off	146,999	146,999
As at December 31, 2012	(45,565,868)	(43,736,840)
Add Acquisitions through business combination	(2,787,998)	-
Add Depreciation for the year	(3,686,465)	(2,864,119)
Less Accumulated depreciation on disposals and write-off	-	-
As at December 31, 2013	(52,040,331)	(46,600,959)
Net book value as at December 31, 2012	7,809,043	6,274,776
Net book value as at December 31, 2013	14,408,452	11,053,694

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
Amortization	3,686,465	4,340,253	2,864,119	3,801,404

13. Liabilities under Finance Lease Agreements - Others

As at December 31, 2013 and 2012, the Company and its subsidiaries have liabilities under finance lease agreement, leasing of vehicles. The payment details are follows :-

(Unit : Baht)

	Consolidated Financial Statement					
	As at December 31, 2013			As at December 31, 2012		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	9,501,780	278,573	9,780,353	6,692,470	844,373	7,536,843
After one year but						
within five years	9,967,899	542,580	10,510,479	13,139,716	801,306	13,941,022
Total	19,469,679	821,153	20,290,832	19,832,186	1,645,679	21,477,865

(Unit : Baht)

	Separate Financial Statement					
	As at December 31, 2013			As at December 31, 2012		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	6,496,256	98,842	6,595,098	4,426,319	529,350	4,955,669
After one year but within five years	8,535,826	405,383	8,941,209	8,702,119	484,378	9,186,497
Total	15,032,082	504,225	15,536,307	13,128,438	1,013,728	14,142,166

As at December 31, 2013 and 2012, the Company and its subsidiaries have 38 outstanding and 35 outstanding finance lease agreements respectively, with 5 local leasing companies. The lease term will end in 2017, each agreement is repayable on equal monthly installments as specified in the lease agreement.

Under the term of lease agreement as above, the Company and its subsidiaries shall have the right to purchase the assets upon the expiry of the lease agreement and shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under finance lease agreements for the portion due within one year were shown as “current liabilities” in the statement of financial position.

14. Long-term loans from banks

(Unit : Baht)

		Consolidated Financial Statement		Separate Financial Statement	
Credit line no.	Credit line	2013	2012	2013	2012
<u>The Company</u>					
1	Baht 800 million	222	267	222	267
2	Part 1 - Baht 1,700 million	712	854	712	854
	Part 2 - Baht 300 million	125	151	125	151
		837	1,005	837	1,005
3	Baht 220 million	145	170	145	170
4	Baht 700 million	525	625	525	625
<u>The Subsidiaries</u>					
5	Baht 700 million	78	155	-	-
6	Baht 170 million	29	59	-	-
7	Baht 90 million	60	-	-	-
Total long-term loans		1,896	2,281	1,729	2,067
<u>Less Current portion</u>		(458)	(444)	(337)	(337)
Long-term loans from banks - net		1,438	1,837	1,392	1,730

Additional Information

The Company

The Credit line no. 1, the principal will be paid in 16 monthly installments, each installment in Baht 22.22 million. These payments will be paid within August 31, 2018. The interest is payable monthly at the 6-Month THBFX plus a

fixed percentage per annum. The Company made an interest rate hedging agreement in a full amount with a bank. The Company will pay the interest at a fixed rate per annum to the bank and the bank will pay the interest to the Company at the 6-Month THBFIX plus a fixed percentage per annum.

The Credit line no. 2, the part of credit facilities amount of Baht 1,700 million and Baht 300 million, the principal will be paid in 32 quarterly installments, each installment in Baht 35.60 million and Baht 6.30 million, respectively, within December 31, 2018. The interest is payable in monthly at the 3-month fixed deposit rate plus a certain percentage.

The Credit line no. 3, the principal will be paid in 32 installments every three months, each installment in Baht 6.25 million, within November 28, 2018. The interest is payable in monthly at MLR minus a percentage specified in the agreement.

The Credit line no. 4, the principal will be paid in 28 installments every three months, each installment in Baht 25 million, within September 30, 2019. The interest is payable in monthly at MLR minus a percentage specified in the agreement.

Subsidiaries

The Credit line no. 5, the principal will be paid in 18 quarterly installments, each installment in Baht 19.45 million, within December 31, 2014. The interest is payable in monthly at 3-month fixed deposit rate for individuals or corporations whichever is higher, plus a certain percentage.

The Credit line no. 6, the principal will be paid in 18 installments every three months, each installment in Baht 7.37 million, within December 31, 2014. The interest is payable in monthly at MLR minus a percentage specified in the agreement.

The Credit line no. 7, as at June 25, 2013, JP-One Asset Co., Ltd. (subsidiary) has entered into a long-term agreement at credit line the amount of Baht 90 million with Bangkok Bank PLC., for the investment in acquiring the aircraft refuelling vehicles. The first installment will be repaid after 6 months from the first withdrawal and the next installment will be paid in quarterly, totally 26 installments. So that, the subsidiary agrees to repay the principal within 81 months since the first date of withdrawal and pay interest in monthly basis on announced MLR minus a fixed rate in each different period. The such subsidiary has withdrawn the first loan on September 30, 2013 in the amount of Baht 32.10 million and withdrawl the second loan on December 20, 2013 in the amount of Baht 27.90 million, total amount of Baht 60.00 million.

The Credit line no. 5 and 6 are guaranteed by the Company and secured by the rights over deposits, and the transfer of the rights under the Permission for Performance Agreement of the aviation fuel hydrant network.

Under the above agreement, the Company and its subsidiaries required to comply with certain stipulated loan conditions relating to matters such as prohibit of creation of commitment to the assets or transfer of right except for certain conditions, the maintenance of a debt to equity ratio and payback ability ratio, dividend payment and compensation for losses suffered by the credit provider etc.

15. Long-term liabilities under rehabilitation plan

As at December 31, 2013 and 2012, the outstanding long-term liabilities after the restructuring under the rehabilitation plan of Fuel Pipeline Transportation Limited (subsidiary) are as follows:

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Long-term liabilities under rehabilitation plan	29,818,282	-	-	-
Add : Interest expenses pending	7,424,582	-	-	-
Long-term liabilities under rehabilitation plan	37,242,864	-	-	-
Less : Current portion of long-term liabilities	(4,987,089)	-	-	-
Long-term liabilities under rehabilitation plan - net	32,255,775	-	-	-

Movements in the long-term liabilities under rehabilitation plan are summarized below.

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Balance as at January 1,	-	-	-	-
<u>Add</u> Acquisition through business combination	39,769,119	-	-	-
<u>Less</u> Repayment of long-term liabilities under rehabilitation plan	(2,526,255)	-	-	-
Balance as at December 31,	37,242,864	-	-	-

The subsidiary is required to settle outstanding long-term liabilities under the rehabilitation plan principal and interest in monthly installments within a period of 10 years after the date the court approved the rehabilitation plan, with the first installment as at October 31, 2012. However, if the subsidiary has excess cash, it has to use the excess cash to make early repayment of its outstanding debt.

Long-term liabilities under the rehabilitation plan are secured by the mortgage of the subsidiary's multi-product pipeline system and main depot facilities. Moreover, the rehabilitation plan stipulates certain conditions which the subsidiary is required to comply.

16. Employee benefit obligations

16.1 Movements of employee benefit obligations for the years ended December 31, 2013 and 2012 are shown as follow:

(Unit : Baht)

Statement of financial position	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Employee benefit obligations, beginning of the year	547,796,285	538,559,916	534,340,285	527,047,916
<u>Add</u> Acquisitions through business combination	67,380,403	-	-	-
<u>Add</u> Current service cost	39,090,913	23,264,000	35,011,441	21,843,000
Interest cost	22,687,913	23,429,000	21,177,009	22,886,000
Past service cost	892,680	-	-	-
Actuarial loss	43,779,182	-	44,904,948	-
<u>Less</u> Benefits paid	(25,154,205)	(37,456,631)	(25,134,205)	(37,436,631)
Employee benefit obligations, ending of the year	696,473,171	547,796,285	610,299,478	534,340,285

The Company and its subsidiaries recorded actuarial loss in the other comprehensive income.

Expenses recognized in the statements of comprehensive income for the years ended December 31, 2013 and 2012 has described as follow:

(Unit : Baht)

Statement of comprehensive income	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Recognized in profit or loss	62,671,506	46,693,000	56,188,450	44,729,000
Recognized in other comprehensive income				
Actuarial loss	43,779,182	-	44,904,948	-
Total	106,450,688	46,693,000	101,093,398	44,729,000

16.2 Main assessment assumption

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Discount rate				
Employee benefit obligations after resignation	3.61% - 4.27%	4.00% - 4.20%	3.63% - 3.77%	4.00% - 4.20%
Employee benefit obligation under labor protection laws	3.61% - 4.34%	4.25%	3.62%	4.25%
Other employee benefit obligation	3.62% - 4.12%	3.90%	3.62%	3.90%
Salary increase rate	6%, 7.25%	7% - 8%	7.25%	7% - 8%
Employee turnover rate	0% - 22.00%	1.15% - 21.67%	0% - 1.66%	1.15% - 2.97%
Death rate	TMO 2008	75% TMO 1997	TMO 2008	75% TMO 1997
Disability rate	5%, 10% Death rate	10% Death rate	10% Death rate	10% Death rate

16.3 Provident Fund

The Company and its subsidiaries pay the contribution for the years ended December 31, 2013 and 2012, amounted to Baht 32 million and Baht 29 million, respectively.

The Company itself pay the contribution for the years ended December 31, 2013 and 2012, amounted to Baht 27 million.

17. Deferred tax assets and liabilities / tax expenses

The movements of deferred tax assets and liabilities for the years ended December 31, 2013 and 2012 are described as follow :

(Unit : Baht)

	Consolidated Financial Statement				
	Balance as at December 31, 2012	Acquisition through business combination	Income (expense) during the year		Balance as at December 31, 2013
			Profit or loss	Other comprehensive income	
Deferred tax assets					
Receipt of the principal from restructuring	24,754,141	-	(24,754,141)	-	-
Employee benefit obligations	109,451,458	13,361,881	7,520,143	8,739,242	139,072,724
Long-term loan under rehabilitation plan	-	1,649,387	(164,471)	-	1,484,916
Provisions	-	20,000,000	-	-	20,000,000
Depreciation	17,635	-	2,209	-	19,844
Total deferred tax assets	134,223,234	35,011,268	(17,396,260)	8,739,242	160,577,484
Deferred tax liabilities					
Interest income	-	-	(373,966)	-	(373,966)
Revaluation of assets	-	(26,359,509)	1,419,164	-	(24,940,345)
Total deferred tax liabilities	-	(26,359,509)	1,045,198	-	(25,314,311)

(Unit : Baht)

Consolidated Financial Statement				
	Balance as at December 31, 2011	Income (expense) during the year		Balance as at December 31, 2012
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Receipt of the principal from restructuring	74,022,167	(49,268,026)	-	24,754,141
Employee benefit obligations	108,810,786	640,672	-	109,451,458
Depreciation	12,208	5,427	-	17,635
Others	142,264	(142,264)	-	-
Total deferred tax assets	182,987,425	(48,764,191)	-	134,223,234
Deferred tax liabilities	-	-	-	-

(Unit : Baht)

Separate Financial Statement				
	Balance as at December 31, 2012	Income (expense) during the year		Balance as at December 31, 2013
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Receipt of the principal from restructuring	24,754,141	(24,754,141)	-	-
Employee benefit obligations	106,868,058	6,210,849	8,980,989	122,059,896
Total deferred tax assets	131,622,199	(18,543,292)	8,980,989	122,059,896
Deferred tax liabilities				
Interest income	-	(373,966)	-	(373,966)
Total deferred tax liabilities	-	(373,966)	-	(373,966)

(Unit : Baht)

	Separate Financial Statement			Balance as at December 31, 2012
	Balance as at December 31, 2011	Income (expense) during the year		
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Receipt of the principal from restructuring	74,022,167	(49,268,026)	-	24,754,141
Employee benefit obligations	106,586,186	281,872	-	106,868,058
Others	142,264	(142,264)	-	-
Total deferred tax assets	180,750,617	(49,128,418)	-	131,622,199
Deferred tax liabilities	-	-	-	-

Tax expenses of the Company and its subsidiaries for the years ended December 31, 2013 and 2012 consisted of:

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Income tax recognized in profit or loss				
Current income tax	241,961,336	215,711,187	135,902,885	114,062,908
Deferred tax expense relating to temporary differences	16,351,062	48,764,192	18,917,258	49,128,419
Tax expenses	258,312,398	264,475,379	154,820,143	163,191,327
Income tax recognized in other comprehensive income				
Loss from estimate based on actuarial principles	(8,739,242)	-	(8,980,989)	-

For the years ended December 31, 2013 and 2012, reconciliation of amounts between income tax expenses and the multiple of accounting profit and used tax rate are shown as follow:

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Accounting profit before tax expenses	1,354,015,573	1,097,547,361	991,012,703	876,898,982
Tax rate	18.74%	22.86%	20%	23%
Current income tax	253,744,875	250,909,659	198,202,541	201,686,766
Tax effect of expenses that are not deductible for tax purposes	4,907,225	7,755,367	3,474,922	7,099,732
Tax effect of income or profit that are not required in determining profit	-	(33,181,240)	(46,517,618)	(84,532,944)
Current tax adjustments arising from income tax in the prior year	(339,702)	374,343	(339,702)	374,343
Effect of change in applicable tax rate on from reversal of account	-	38,617,250	-	38,563,430
Tax expense shown in the profit or loss	258,312,398	264,475,379	154,820,143	163,191,327

Corporate income tax

Corporate income tax for the Company and subsidiaries, Thai Aviation Refuelling Co., Ltd. and Fuel Pipeline Transportation Limited are calculated on net income for the year after adding back certain expenses and deducting exempted income in compliance with the Revenue Code for the year 2013 and 2012 at the rate of 20 percent and 23 percent of profit before tax expense, respectively.

A subsidiary, JP-One Assets Co., Ltd has been promoted in investment for eight years since 2006 to 2014. The profit for the segment that has not been promoted in investment is calculated the income tax on the profit after adjusted the items required under the Revenue Code or would not be recognized as income or expense in the income tax for the year 2013 and 2012 at the rate of 20 percent and 23 percent of profit before tax expense, respectively.

Corporate income tax for a subsidiary, Intoplane Services Co., Ltd is calculated on net income for the year after adding back certain expenses and deducting exempted income in compliance with the Revenue Code at the rates as follows :

	Year 2013
Profit before income tax expenses (Baht)	Rate
0 - 300,000	Exempted
Over 300,000 - 1,000,000	15%
Over 1,000,000	20%
	Year 2012
Profit before income tax expenses (Baht)	Rate
0 - 150,000	Exempted
Over 150,000 - 1,000,000	15%
Over 1,000,000	23%

On December 21, 2011, a royal decree was enacted the law to reduce corporate income tax rates for 3 years from 30% to 23% for the year of 2012 and 20% for year 2013 and 2014. Later, on January 13, 2012, the Federation of Accounting Professions issued the guideline regarding the reduction in corporate income tax rate in which the substantially enacted tax rate for using in measurement of the deferred tax assets and deferred tax liabilities that should be 23% for the year of 2012 and 20% for the year of 2013 onwards.

Therefore, the Company and its subsidiaries had recorded deferred tax assets to 20%.

18. Expenses by Nature

The Significant expenses by nature are as follow :

(Unit : Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	2013	2012	2013	2012
Employees benefit expenses	571,636,807	448,854,071	454,247,829	412,154,482
Directors' remuneration	25,307,777	21,956,571	17,764,761	15,436,030
Depreciation and amortization expenses	337,797,925	285,288,129	193,567,133	192,231,589
Airport concession fees	245,347,831	238,527,650	233,052,270	226,418,531
Rental expenses	64,314,321	41,341,058	36,774,543	26,083,325
Consulting services expenses	26,083,578	16,752,634	12,981,856	14,887,967

19. Dividend Paid

On August 7, 2013 the board of directors of the Company has approved a payment of the interim dividend from 2013 results at Baht 0.30 per share amounting to Baht 153 million. The dividend was paid on September 3, 2013.

On April 17, 2013, the annual general meeting for the year 2013 of the Company has approved the following ;

- 1) To allot the retained earnings to be reserved for investment expansion amounting to Baht 71.37 million.
- 2) To allot the retained earnings to be reserved for general reserve amounting to Baht 71.37 million.
- 3) To declare dividend from the Company's 2012 result at Baht 0.78 per share amounting to Baht 397.80 million. The Company has paid the interim dividend on September 2012 at Baht 0.27 per share amounting to Baht 137.70 million. The rest of dividend will be paid by cash at Baht 0.51 per share amounting to Baht 260.10 million on May 13, 2013.

On August 8, 2012, at the Board of directors of the Company has approved a payment of interim dividend from 2012 results at Baht 0.27 per share amounting to Baht 137.70 million. The dividend was paid on September 4, 2012.

On April 27, 2012, the annual general meeting for the year 2012 of the Company has approved the following;

- 1) To allot the retained earnings to be reserved for investment expansion amounting to Baht 41.8 million.
- 2) To allot the retained earnings to be reserved for general reserve amounting to Baht 41.8 million.
- 3) To declare dividend from the Company's 2011 at Baht 0.65 per share amounting to Baht 331.50 million. The Company has paid the interim dividend on September 2011 at Baht 0.25 per share amounting to Baht 127.50 million. The rest of dividend paid by cash at Baht 0.40 per share amounting to Baht 204 million on May 23, 2012.

20. Legal Reserve

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve cannot be used for dividend payment.

21. Capital Management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserve the ability to continue its business as a going concern.

According to the consolidated statements of financial position as at December 31, 2013 and 2012, the Company and subsidiaries's debt-to-equity ratio was 0.62 : 1 and 0.72 : 1, respectively.

According to the separate statements of financial position as at December 31, 2013 and 2012, the Company's debt-to-equity ratio was 0.70 : 1 and 0.81 : 1, respectively.

22. Bank Guarantee

As at December 31, 2013, there was an outstanding bank guarantee of the Company and its subsidiaries amounting to approximately Baht 90 million (As at December 31, 2012 : Baht 71 million) and the Company only has outstanding guarantee amounting to approximately Baht 59 million (As at December 31, 2012 : Baht 53 million). The guarantees were in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

23. Commitment and Contingent Liabilities

23.1 Commitment

23.1.1 As at December 31, 2013, the Company and its subsidiaries have the commitment from long-term rental contract which has the minimum amount to pay in the future as follows:

Company	Minimum amount to be paid in the future (Million Baht)			
	Period			Total
	Not over 1 year	Over 1 year but not over 5 years	over 5 year	
Bangkok Aviation Fuel Services Public Company Limited	41.76	48.10	57.08	146.94
Thai Aviation Refuelling Company Limited	1.92	0.87	-	2.79
JP-One Assets Company Limited	13.43	53.71	195.50	262.64
Fuel Pipeline Transportation Limited	37.27	128.19	103.04	268.50
Total	94.38	230.87	355.62	680.87

The details of the principal contracts are as follows:

1. The Company has entered into the following rental agreements with Airports of Thailand Public Company Limited (AOT) :-
 - a) Three-year pipeline system rental agreement used for the refueling operation to the Don Mueang Airport, dated September 19, 1986, renewable every three years until the end of the life of the fuel pipeline system.

Since March 29, 2009, almost flight services at Don Mueang Airport have been moved to Suvarnabhumi Airport. So that the Company had requested AOT to waive the pipeline system rental fee. Later AOT approved to waive the pipeline system rental fee effective from April 1, 2009 to December 31, 2009. Later the Company requested AOT to extend the waiving of the pipeline system rental fee and AOT approved to waive the pipeline system rental fee from January 1, 2010 until the Company start to use the pipeline system.

Since October 1, 2012 onwards, the government's policy to open Don Mueang airport officially : thus, the Company has prepared a permission letter to use more pipeline fuel and rental charges are collected from October 1, 2012 onwards.

- b) Land and building in apron rental agreement at Don Mueang Airport for a period of three years from September 28, 2010 to September 27, 2013. The contract has been renewed for another three years period starting from September 28, 2013 to September 27, 2016.
- c) Outside land in apron agreement for parking by front exit no.3 and the front area cargo building no.2 at Don Mueang Airport for a period of three years from September 19, 2010, to September 27, 2013. The Contract has been renewed for another three years period starting from September 28, 2013 to September 27, 2016.
- d) Land rental agreement at Suvarnabhumi Airport for a period of twenty years from September 28, 2006 to September 27, 2026.
- e) Land in apron rental agreement at Suvarnabhumi Airport for a period of three years since from the date of utilization of the land since October 1, 2006 and October 1, 2009 to September 30, 2012 respectively. The contract has been renewed for another three year period starting from October 1, 2012 to September 30, 2015.
- f) Made the rental agreement for space in passenger building at the edge of the aircraft building, concourse C and concourse F, to use for the Company office at Suvarnabhumi Airport for a period of three years from September 28, 2009 to September 27, 2012. The contract has been renewed for another three year period starting from September 28, 2012 to September 27, 2015.

The Company has to pay annual rental fee to Airports of Thailand Public Company Limited as indicated in the agreements, and the aforesaid rental agreements additionally stipulates the transfer of the ownership of construction on leased land to the landlord and various conditions which the lessee must comply with.

- 2. The Company has entered a land lease agreement with the Treasury Department for a period of three years, as from January 1, 2009 to December 31, 2011. The contract has been renewed for another three years period starting from January 1, 2012 to December 31, 2014, whereby the Company has to pay rental and comply with various conditions indicated in the agreement.
- 3. A subsidiary, Thai Aviation Refuelling Co., Ltd has entered into land in apron rental agreement with Airports of Thailand Public Company Limited at Suvarnabhumi Airport for a period of three years have 4 agreements starting from August 1, 2011 to February 29, 2016.
- 4. A subsidiary, JP-one Assets Co., Ltd has entered into the land lease agreement for the aviation fuel pipeline transport with Airport of Thailand Public Company Limited (AOT) for a period of 20 years from September 28, 2006 to September 24, 2026.
- 5. A subsidiary, JP-one Assets Co., Ltd has entered into the land lease agreement for the aviation fuel pipeline transport with government agency for the period of 24 years, 2 months and 9 days ending on August 9, 2034 , the subsidiary has to pay rental and comply with various conditions indicated in the agreement.
- 6. A subsidiary, JP-one Assets Co., Ltd has entered the online and management the aviation fuel pipeline transportation system service agreements with The Fuel Pipeline Transportation Limited (subsidiary) for a period of 30 years from October 1, 2006 to September 30, 2036, the subsidiary has to pay rental and comply with various conditions indicated in the agreement.

7. A subsidiary, Fuel Pipeline Transportation Limited has entered into the land lease agreement for the aviation fuel pipeline transport with government agency for the period 30 years from February 28, 1992 to February 28, 2022, the subsidiary has to pay rental and comply with various conditions indicated in the agreement.
 8. A subsidiary, Fuel Pipeline Transportation Limited has entered into a land lease and common use of utilities rental agreement for main depot and pumping oil station with a related company for the period 30 years from April 1, 1993 to March 30, 2023.
- 23.1.2 The Company has entered into an agreement with Airports of Thailand Public Company Limited (AOT) whereby it has been granted a permission to provide into-plane services at Suvarnabhumi Airport for a period of 20 years from the date the airport officially opens for service (On September 28, 2006). The Company is to compensate AOT at the rate stipulated in the agreement, and has to comply with certain obligations. These obligations include entering into an agreement to rent land, erect buildings and certain structures on the land and transfer ownership of such construction to the Ministry of Finance immediately upon completion, without charge. They also include the installation of equipment and systems to be used in implementing the project and, at its own expense, maintaining such equipment and systems in good and workable condition throughout the term of the agreement.
- 23.1.3 A subsidiary, Thai Aviation Refuelling Co., Ltd. has been approved by Airports of Thailand Public Company Limited to operate the aviation fuel hydrant network services at Suvarnabhumi Airport, for a period of 30 years from the date of first operation of that company (on September 28, 2006). The subsidiary is obliged to comply with certain conditions including the obligation to transfer the ownership of the hydrant refueling network including related supplies and spare parts for free of charge, and to pay a concession fee to Airports of Thailand Public Company Limited at a rate stipulated in the agreement of the subsidiary's income before deducting expenses from the year of first operation.
- On April 3, 2008, Airports of Thailand Public Company Limited (AOT) informed the subsidiary about the change of the calculation method of concession fee on the operation of the aviation fuel hydrant network services at Suvarnabhumi Airport to be collected from the subsidiary and required the subsidiary to pay additional fee for the year 2006 and 2007 for an amount of Baht 42.96 million. The subsidiary submitted a disputed letter and the resolution of the meeting no. 1/2013 of the project coordination committee on the aviation fuel hydrant network on March 25, 2013, concluded that Airports of Thailand Public Company Limited charge its benefit from the subsidiary as specified condition in the agreement to allow providing aviation fuel system service.
- 23.1.4 As at December 31, 2013, the Company and its subsidiaries have entered into agreement with local companies under which they have commitment in relation to the cost of equipment, supplementary engineering and design and service charges amounting approximately Baht 221 million and USD 50,000 (As at December 31, 2012 : Baht 207 million) with the commitment of the Company amounting to approximately Baht 118 million and USD 50,000 (As at December 31, 2012 : Baht 118 million).
- 23.1.5 The Company has entered into an agreement with a local bank to guarantee credit facilities of subsidiaries to Baht 870 million. The Company is obligated to comply with the terms stipulated in the agreement.

A subsidiary, JP-One Assets Co., Ltd has entered into an agreement with a local bank to guarantee the credit facilities of a related company and a government agency amounting to Baht 10.05 million (As at December 31, 2012 : Baht 10.20 million).

Generally, the Company and its subsidiary's guarantees are binding for as long as the underlying obligations have not yet been discharged by the subsidiary.

23.2 Lawsuit

23.2.1 Lawsuit of the Company

On May 4, 2012, the Company was summoned to become the fourth accused of the lawsuit where a state-enterprise and 3 state agencies were sued by 28 plaintiffs from the accusation of trouble resulting from the fuel smell of the aviation fuel depot. The 27 plaintiffs claimed for damages amounting Baht 300,000 per each person and another plaintiff claimed for damages in the total amount of Baht 1 million, thus the grand total amount of damages was Baht 9.1 million. In addition, each plaintiff also claimed for the monthly damages in the amount of Baht 10,000 until there has been no fuel smell from the Company's depot. The plaintiffs also asked the Company to cease the usage of depot and storage of fuel until there has been the equipment for preventing and controlling the fuel smell.

On August 7, 2012, the company filed the answer for 28 plaintiffs.

Afterward, on October 15, 2012, there were 76 additional plaintiffs to file the lawsuit which make the number of plaintiff in this case increase to the total of 104 plaintiffs and the damages in the total amount of Baht 31.90 million.

The Company is currently pending the court order to file the answer for the plaintiff no. 29 to 104.

On January 8, 2014, the court has issued a notice order the Company to prepare the statement of facts and copies of evidence within 15 days as from the date of receipt this notice, which was stamped on January 10, 2013.

Later, on January 22, 2014, the Company requested an extension of time in filing an explanation along with the copy of the witness statement for a period of 1 month until February 27, 2014.

23.2.2 Lawsuit of the subsidiary / Provisions

On August 22, 2012, a state-enterprise has filed to the Court in the case of the rehabilitation of the Fuel Pipeline Transportation Limited (debtor) in order to cancel the restrictions on the right of the debtor and permitted the plaintiff to sue the debtor in a civil case to relocate the oil pipeline of the debtor. The state-enterprise claims that the debtor breached the lease for oil and petroleum products pipelines buried parallel to the train direction of the state-enterprise. Debtor has filed an objection petition with the Court on October 12, 2012.

On April 26, 2013, the court has recognized that such debt has incurred after the court order to rehabilitate its business operation and before the court has approved the plan, therefore; the court considers to indict a lawsuit against the debtor as a civil case as requested.

On September 20, 2013, the state-enterprise filed a charge to the Civil Court for the subsidiary to remove and relocate the pipeline. The subsidiary filed a testimony to amend the lawsuit on November 28, 2013.

On December 16, 2013, the court made an appointment to take evidence of the state-enterprise and the Company on March 26, 2014 to March 28, 2014.

As at December 31, 2013, the case is under court consideration. The Company has estimated the liabilities in the business combination with the subsidiary at Baht 100 million. The management believes that such situation will not affect the fuel delivery of the subsidiary.

24. Financial Instruments

Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 3.

Financial risk management for financial instruments

The Company and its subsidiaries are exposed to take a risk from changing in market interest rates and currency exchange rates and from nonperformance of contractual obligations by counterparties. The Company and its subsidiaries use certain derivative instruments to manage such risks and do not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's and its subsidiaries operations and their cash flow. The Company and its subsidiaries are exposure to interest rate risk related primarily to their cash and cash equivalents, short-term investments and loans from banks and financial institutions. Such financial assets and liabilities carry interest at rates which vary with reference to the market rates. However, the Company and a subsidiary had entered into the interest rate swap agreement as described in note 14 to the financial statements.

Foreign currency risk

The Company and its subsidiaries are exposure to foreign currency risk relates primarily to their trade debtors, payables and loan which are dominated in foreign currencies. However, the Company's trade debtors are to be settled in Baht in the near future and a subsidiary has foreign currency deposit accounts which used to pay its foreign currency denominated liabilities.

As at December 31, 2013, the Company and a subsidiary had foreign currency denominated deposit account and trade debtors which were unhedged amounting to USD 937,106 (As at December 31, 2012 : USD 852,349).

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts since the majority of services are provided to a limited number of customers. However, due to those customers' creditworthiness, the Company and its subsidiaries do not anticipate material losses from its debt collection.

Liquidity risk

The Company and its subsidiaries manage their liquidity risk by maintaining sufficient level of cash and cash equivalents including management of investment and payment of long-term loans to the appropriation of their operations.

Fair value

Since the majority of financial assets are short-term, and that loan carrying interest at rate close to current market rate, the management believe that fair value of these financial assets and liabilities do not materially differ from their carrying value.

25. Operating Segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company's operating segment.

The one main operating segment of the Company and its subsidiaries is aviation fuel pipeline transportation services and refueling service at the airport and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

26. Promotional Privilege

A subsidiary, JP-One Asset Co., Ltd. was granted various tax privileges by the Board of Investment on January 4, 2005, for the transportation of petroleum products by pipeline system. In certain imposed conditions, the privileges include equipment as approved by the Board and exemption from corporate income tax on profit from the promoted activity for a period of 8 years commencing from the date income first earned from the promoted activity (since year 2006 to 2014), capped at 100 percent of the amount invested by the subsidiary, excluding land cost and revolving fund. The value of the corporate income tax exemption according to the promotional privileged certificate thus amounts to not more than Baht 435,670,000.00. The subsidiary has adjusted the investment amount which excludes cost of land and working capital as the date on which the operation of the promoted project commences, not over Baht 704,498,240.24 as approved by the Board of Investment on May 8, 2008.

27. Flooding Situation

The Company had impacted from flooding in October to November 2011, the Company had completed Don Mueang Airport restoration meanwhile; the insurance representatives took the action and subsidize cost of damage. In year 2013 and 2012, the Company got compensation of Baht 17.35 million and Baht 134 million, respectively, which the Company recorded in the other income account.

28. Events after the reporting period

28.1 On January 16, 2014, the Board of Directors of the Company Meeting approved Thai Aviation Refuelling Company Limited (Subsidiary) of which the Company holds 90%, to accept the right to invest in the project to provide aviation fuel through the underground hydrant pipeline system Phase 2 at Suvarnabhumi Airport (SA) from Airports of Thailand Public Company Limited (AOT). The timing of this project is about 22 years until September 27, 2036. The investment is aimed to support the capacity expansion to serve the growth of passengers at Phase 2 of Suvarnabhumi Airport. Approved the subsidiary to pay AOT as specific on contract and increase AOT's shareholding in the subsidiary from 10% to 25% by issuing new ordinary shares to AOT without any cost or expense to AOT.

28.2 On January 27, 2014, at the annual general meeting of a subsidiary, JP-One Assets Co., Ltd. (subsidiary) approved a resolution to declare a cash dividend payment from its 2013 operations at the rate of Baht 9.25 per share for an amount of Baht 55.50 million. The interim dividend payment had been paid at the rate at Baht 3.50 per share amounting to Baht 21.00 million in December 2013. The rest of dividend will be paid at Baht 5.75 per share amounting to Baht 34.50 million. The payment was made on January 28, 2014.

28.3 On February 20, 2014, the board of director of the Company has approved the following transactions;

- 1) To allot the retained earnings to be reserved for investment expansion amounting to Baht 80.03 million.
- 2) To allot the retained earnings to be reserved for general reserve amounting to Baht 80.03 million.
- 3) To declare dividend from the Company's 2013 result at Baht 1 per share amounting to Baht 510 million of which the Company has paid the interim dividend in September 2013 at Baht 0.30 per share amounting to Baht 153 million. The rest of dividend will be paid by cash at Baht 0.70 per share amounting to Baht 357 million on May 19, 2014.

29. Reclassification of Transaction in Financial Statement

Certain amounts in the financial statements have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

	In Baht			
	Consolidated Financial statement		Separate Financial Statement	
	As reclassified	As previously reported	As reclassified	As previously reported
As at December 31, 2012				
<u>Accounts</u>				
Current portion of employee benefit obligations	-	31,606,085	-	31,606,085
Employee benefit obligations	547,796,285	516,190,200	534,340,285	502,734,200

30. Approval of Financial Statements

These financial statements were authorized for issue by the Board of Directors of the Company on February 20, 2014.

Report of the Audit Committee for the Year 2013

To: The shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Company's Audit Committee comprises of 3 independent directors including Mr. Pachara Yutidhammadamrong as Audit Committee Chairman, Mr. Visut Montriwat and Mr. Sumon Surathin as Audit Committee Directors, with Mrs. Mayuree Nalinwong served as the secretary of the Audit Committee. The Board of Director's meeting No 2/2013 dated 8 May 2013 resolved to appoint Mr. Pipat Purnananda as a Committee Director. Every Audit Committee Directors are qualified according to the Audit Committee Charter and in line with the Regulations of the Office of the Securities and Exchange Commission (SEC).

The Audit Committee fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors that complied with the Regulation of the Stock Exchange of Thailand. The Audit Committee convened 6 times in 2013 and the Director attendance is as follows:

- Mr. Pachara Yutidhammadamrong attended 6 meetings
- Mr. Visut Montriwat attended 6 meetings
- Mr. Sumon Surathin attended 5 meetings
- Mr. Pipat Purnananda attended 3 meetings because he was appointed to the Committee on 8 May 2013.

The Audit Committee attended every meeting with management executives, internal auditors, Compliance Section, as well as external auditors in relating issues, which could be summarized as follows:

1. Reviewed the financial statements, The Audit Committee reviewed the consolidated financial statements of the Company and it's subsidiaries and separate financial statements of the Company by quarterly and annual of 2013 which have already been reviewed and audited by external auditors. The Committee also listened to and questioned the management and the external auditors on the accuracy and completeness of the financial statements, changes that have significant impact on the statements, accounting policy, risks, information disclosure and independence. It also acknowledged the 2013 audit plan of the external auditors. The Audit Committee attended 3 meetings without the presence of the management to discuss the independence in performing the duty, and expressing opinions by the auditors. The Audit Committee agreed with the external auditors that the financial statements were correct and was prepared in accordance with the financial report standard, that the information was adequately disclosed in timely manner. In additions, the Audit Committee had given opinions and made recommendations to the Board of directors every quarter.

2. Reviewed the operation information and the internal control system to evaluate the sufficiency, appropriateness and effectiveness of the internal control system, by evaluating the adequacy of internal control system that in line with the Practice of the Office of the SEC and considering the internal audit report for the year 2013 along with the assessment of the internal control and risk management system, benchmarking with the international standard of COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission-Enterprise Risk Management) by the internal auditor and found no weakness or significant deficiency. Furthermore, the Audit Committee considered the external auditors' suggestion

on the internal control system and concurred with the external auditors that the Company had no deficiency in accounting internal control system that may significantly affect the financial statements, the Company had an internal control system, personnel, asset safeguarding and also had an appropriate and effective system to monitor the operation of its subsidiaries, about control environment, risk assessment, control activities, information and communication, and monitoring activities.

3. **Reviewed the internal audit**, to ensure the appropriateness and effectiveness of its activities, by considering the mission, scope of work, duties and responsibilities, manpower, training plan, budget and independency of the Internal Audit Office, as well as approved internal audit plan for the year 2013 that linked to the corporate risk and reviewed it semi-annually to ensure its appropriateness and consistency with the risk incurred. In addition, the Audit Committee reviewed audit report and evaluated the performance of the Head of Internal Audit Office by using Key Performance Indicators (KPIs). The Audit Committee had opinion that the Company had the internal control system that was appropriate, effective, independent and the internal audit plan correspond to the Company's Risk and goal as well as had developed the audit quality in personnel training and audit work.

4. **Reviewed compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand (SET), and any other relevant laws, including the compliance with the Company's requirement and obligations to external parties.** The Audit Committee did not find any significant incompliance to the law, Regulations and the Company's obligations to external parties.

5. **Reviewed the risk management system**, to ensure the linkage with the strategic plan and the internal control system that manages risks. The Audit Committee reviewed the risk management system to be in line with the Risk Management Policy, and the Strategic Plan and Risk Management Manual. The Audit Committee had the opinion that the Company had a risk management system that was appropriate, sufficient, and effective. The Risk Management Committee Charter, the Strategic Plan and Risk Management Manual, corporate objectives, risk factors, Key Performance Indicators (KPIs), Key Risk Indicators (KRIs) in corporate and functional levels, Risk Appetite and Risk Tolerance were reviewed to be aligned with the 2013-2017 strategic plan, which was annually adjusted to be appropriate and fit with the business environment. The Company had set up the Crisis Management Center to control the crisis and refrain from the emergencies that many impact on the Company and Subsidiaries's operation such as blackout, flood and protest. Also, the Audit Committee gave opinions and recommendations to the Board of Directors quarterly.

6. **Considered the connected transactions or transactions that may have conflict of interests.** The Company set its rule and reviewed regularly and also had the Compliance Section to monitor the compliance of law, Regulation of the Office of the SEC, and the Company's rule. The Audit Committee had the opinion that every transaction was reasonable and beneficial to the business of the Company and was disclosed correctly and completely.

7. **Reviewed the Audit Committee Charter** to be appropriate and in line with the Regulations of the Office of the SEC and the SET, and proposed to the Board of Directors annually.

8. **Considered the overall assessment and self-assessment of the Audit Committee for the year 2013.** The evaluation result revealed that the Audit Committee's performance completely fulfilled according to its Charter. The evaluation items were such as the composition, duties and responsibilities, meeting, financial reporting, internal control, internal audit, law and regulation compliance, and risk management, for etc.

9. Conducted the Report of the Audit Committee's Activities and proposed to the Chairman of the Board of Directors for every Audit Committee meetings.

10. Considered Appointing the External Auditors and their audit fee for the Year 2014 and proposed to the Board of Directors for further approval by the Annual Shareholder's Meeting. The Audit Committee elected the external auditors that were independent, by requesting them to prepare the independent confirmation letter. Considering the selection criteria, the Audit Committee proposed appointing Miss Thipawan Nananuwat, Certified Public Accountant Registration number 3459, Mr. Termphong Opanaphan, Certified Public Accountant Registration number 4501, or Mr. Khitsada Lerdwana, Certified Public Accountant Registration number 4958, of Ernst & Young Office Limited. to serve as the Company's external auditors for the year 2014, with the audit fee of Baht 1,150,000.

The Audit committee had the opinions regarding the appointment of external auditors as follows:

- In compliance with the SEC's regulation on rotation of external auditors who has to sign and certify financial statement every 5 accounting periods, the Company had to select new external auditor because Mr. Pichai Dachanapirom, the auditor from Dharmniti Auditing Company Limited has been the external auditor and signed the Company's financial statements from 2009-2013, totally 5 years. The Audit Committee considered that Ernst & Young Office Limited had the highest score in technical and financial areas.
- The Baht 1,150,000 audit fee for the year 2014 proposed by Ernst & Young Office Limited was considered appropriate. This represented Baht 270,000 or 31% increase from the previous year. In addition, the proposed audit fee is at the similar rate as other listed companies that are in the same level.

In summary, the Audit Committee had fulfilled the responsibility of the Audit Committee Charter that was approved by the Board of Directors, by using their knowledge, competence, and having independency, as well as giving opinions and recommendations to the management, Risk Management Committee and the Board of Directors continually. Furthermore, the Audit Committee had the opinion that the Company disclosed financial and operation information correctly, completely, had appropriate and effective internal control, internal audit, and risk management, complied with laws, regulations and obligations, conducted the connected transactions correctly, and also had selection criteria system to propose independent individuals to serve as the external auditors and considered their audit fee. Moreover, the result of the Corporate Governance Rating in the year 2013 of Thai Institute of Directors (IOD) revealed that the Company received Excellent Corporate Governance Scoring as same as last year.

11 February 2014

On behalf of the Audit Committee

Mr. Pachara Yutidhammadamrong
Chairman of the Audit Committee

Summary of the Opinion Concerning Internal Control System for the Year 2013



The Company's Board of Directors has appointed the Audit Committee that comprises independent directors to review the adequacy and appropriateness of the Company's internal control system, to ensure sufficient personnel to efficiently carry out such works, to monitor and control the subsidiaries to ensure that they can protect the assets of the Company and its subsidiaries from abuse or misuse by directors or the management.

On 20 February 2014, the Company's Board of Directors, with presence of the Audit Committee, held a meeting and agreed with the opinions of the Audit Committee as indicated by the evaluation checklist of the Office of the SEC and summary of the opinion checklist concerning internal control system for the year 2013 that the Company's internal control system, personnel and monitoring system for its subsidiary operations are appropriate and effective and found no significant weakness related to the internal control system as follows:

1. Control Environment

The Company arranged for good control environment as follows:

- The Company's structure its organization by promoting good internal control system that is updated to cope with the changing environment, such as the appointment of the Executive Committee to monitor and assess the operations of the Company and its subsidiaries, ensuring that they are all in the same direction and support the goals according to the goals of the strategic plan. The Company ensures that its employees have duties and responsibilities that are in line with their knowledge competence and experience by providing job description for each work and arranges for an internal audit unit to report functional audit to the Audit Committee and prepare administrative report for Managing Director's review, etc.
- The Company sets policy and work process in writing form, such as the Corporate Governance policy, anti-corruption policy, policy related to alcohol drinks and drugs, and the Code of Conduct booklet for directors and employees to use as guideline. Regulations, guideline on conflict of interest, corruption, alcohol drinking and drug use, and internal control as well as clear punishment. The Company has effective internal and external communication process, ensuring that all employees are aware of such rules and regulations. All employees have to sign in a document acknowledge the Company's rule on prohibiting employees from drinking alcohol and use of drug as well as the Company's Code of Conduct. In addition, there were regular trainings on corporate governance. The Company has included anti-corruption, consumption of alcohol and drugs and Code of Conduct as part of the new employee orientation program.
- The Company has in place the Code of Conduct monitoring system, i.e. requiring the management and employees to take online assessment of Code of Conduct compliance on annual basis, and monitoring and assessment by the Code of Conduct Working Committee and internal control unit. The Company will hire an outsource independent specialist to conduct an assessment in the future. A measure has been prepared to timely tackle an action that breaches the Code of Conduct.
- The Board of Directors comprises directors with a several of qualifications, age, skills and experience that are of benefit for the Company. Independent director's qualifications are stricter than that required in the SEC regulations. Segregation of the scope of duty and responsibility of directors and the management is clear. A strategic plan working committee was established to draft short and 5-year long term strategic plan 2013-2017 to be used as guideline for the Company's business direction. Under the plan, clear and measurable corporate goals are defined. Strategic goal was set to support the goals under the strategic plan based on the Balanced Scorecard concept. Key performance index (KPI) of the Company is assessed and reviewed on regular basis. The budgeting system also reflects and control operational efficiency.

- Employee performance appraisal system is in place with KPI that support strategic plan and Code of Conduct. The system has been communicated to the management and employees who have to sign to acknowledge.
- The Company views that people is the most important resource and thus prepares Succession Plan and people development and trainings to enhance knowledge, skills and capability that address the position and job description, e.g. Successor Development Plan, executive training plans, foreign language training for employees to prep them for more competition in the ASEAN Economic Community (AEC), Individual Development Plan, knowledge refreshing plan for operational employees, KYT safety training, career path and overseas work exchange program. The Company also encourages employees who are assigned to be the director of a subsidiary to attend significant training course by the Thai Institute of Directors (IOD). These programs are crucial mechanism in development and maintaining its human resource.
- The Company was rated “Excellence” in the 2013 Corporate Governance Ranking by IOD which is the same as the previous year.

2. Risk Assessment

The Company gives high importance to the implementation of risk management policy as follows:

- Establishing the Risk Management Committee, preparing risk management policy as approved by the Board of Directors, and communicate the risk management policy throughout the organization for employees of all level to acknowledge and follow.
- Assessing and reviewing risk factors, including regular assessment of risk of fraudulent action through workshop that considers internal and external risk factors, e.g. financial, operational, political, economic, natural disaster and epidemic risks. Risks are categorized into corporate risks and process risks. The Company also considers risk likelihood and impact and ranks risk factors from high, medium and low levels.
- Setting and reviewing risk appetite, key risk indicators (KRIs), risk tolerance, trigger point which is part of the early warning system and ensure that they are in line with the goal set in the strategic plan in order to solve problem immediately.
- Having in place the measures and plan to control risk at the acceptable level by handling high level risk first and adopting risk response method, including Treat (to set measures to reduce risk), Take (to take risk that may occur), Transfer (to transfer risk to third parties) and Terminate (Not to do activity that may cause risk). The Company also assesses the changing external risks, business format and changes in the leadership that may affect business operations, sets sufficient measures to respond to such changes, appoints Crisis Management Committee to analyze and

control crisis or emergency that may have impact on the Company and its subsidiary, such as preparation for power blackout, flood and protest. The Company has emergency plan and regularly practice, especially in case of critical situation that may seriously affect the Company's operations, such as bomb threat and protest. In addition, the Company constantly monitors the implementation of risk management plan by the Risk Management Committee and the Audit Committee on quarterly basis.

3. Control Activities

The Company has set control activities as follows:

- Preparing operational guideline that covers key operational areas by clearly setting scope of responsibility. The duties and responsibilities segregation about approved authority, accounting records and information, and asset safeguarding are clearly segregated. The Company has regulation on connected transaction, in line with the Regulations of the Office of the SEC with strict measures controlling transaction, and ensures that those with approving authority have no conflict of interest and make decision for the best benefit of the Company and reviewing these measures on regular basis.
- Having reporting, reviewing and approving process of transactions or contracts that create Company's obligation and having monitoring and reviewing measures to ensure that the Company's operations corresponds to the agreed conditions.
- Setting control measure on the infrastructure, safety, development and maintenance of information system.
- Preparing guidelines for assigning employees to work at subsidiaries, setting direction for the persons appointed by the Company to sit in the subsidiaries' board of directors or management to follow, and assigning them to report the performance of such companies to the management monthly and to the Board of Directors every 6 months.

4. Information and Communication

The Company has prepared effective information and communication system as follows:

- Preparing meeting document for the Board of Directors using electronic system and tablet which provides necessary and sufficient information to support decision making and sending the information to the directors within the timeframe set by laws, assessing the efficiency of every board meeting and preparing meeting report which includes sufficient details for reference within 14 days after the meeting date
- Implementing generally accepted accounting standard that directly addresses the Company's nature of business, keeping accounting document in categories. The Company has never received complaint from auditors on weakness related to internal control.

- Providing communications channel for the Board of Directors/Audit Committee to have easy access to information important to support their ability to perform duty and to review activities, i.e. assigning the Corporate Secretary to coordinate between the Company and the Board of Directors, arranging meetings between the Board of Directors and the management in other occasion than company meeting
- Providing communications channel for the entire company and subsidiaries, such as email, annual meeting between the management and employees and monthly department meeting. The Company also provides other internal and external channels for outsiders to report clues or information about fraudulent activity and the person who provides the information will be fully protected by the Company.
- Assigning the Investors Relations Department to be responsible for communications with stakeholders through various channels, such as the Company's website, quarterly analyst meeting and activity to strengthen relations with shareholders.

5. Monitoring Activities

The Company provides for a monitoring and assessment system as follows:

- Preparing operational performance report with comparison of the actual performance against the goal agreed with the Executive Committee and the Management on monthly basis to ensure that the operations are well on track. The performance shall be reported regularly to the Board of Directors. In case that the actual performance is different from the goal, an immediate action shall be taken to monitor and solve problem.
- Reporting events that may have significant impact on the Board of Directors or Committees, such as the Audit Committee and the Risk Management Committee. The management shall report the progress and solution to the problems in timely manner.
- Having an independent internal audit unit that assesses, investigates and monitors the internal control system of the Company and subsidiaries according to the annual auditing plan which is part of the Risk-based Audit Plan, and assuring and providing fair recommendations by reporting the audit result to the Audit committee. The Company also develops and encourages the internal auditor to attend trainings and continuously enhance knowledge, skills and capability.

Mr. Pichai Dachanapirom of Dharmniti Auditing Company Limited who audit and reviewed the Company's quarterly and annual financial statements in 2013 has studied and assess the efficiency of the internal control system related to important accounting practice in order to set scope, testing method and auditing period and found no weakness in the internal control system related to accounting that may have significant impact on the financial statement. However, the auditor did not review every item, but using a test for the purpose of accounting audit. Therefore, the auditor cannot provide opinion on the effectiveness of the Company's internal control system.

Related Parties Transactions

1. Transactions between BAFS and persons who may have conflict of interests

Name	Type of Transaction	Relationship
1. Thai Airways International Plc. (THAI)	1. Aviation fuel storage, fuel and defuel service at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of service fee for aviation fuel transport through Hydrant System at Suvarnabhumi Airport 3. Customs Service Fee	1. THAI is major shareholder of BAFS 2. The Company's directors are <ul style="list-style-type: none"> - Flight Lieutenant Montree Jumrieng - Sqn.Ldr.Alongot Pullsuk (ended 3 Oct 2013) - Mr. Prakonkiat Ninnad (ended 8 Feb 2013) - Mrs. Wasukarn Visansawatdi (from 27 Feb 2013) - First Lieutenant Athisak Padchuenjai (from 6 Nov 2013) BAFS's directors are the executives of THAI
2. Chevron (Thailand) Ltd.	1. Aviation fuel storage, refuel and defuel service at Don Mueang Airport 2. Collection of service fee for aviation fuel transport through Hydrant System at Suvarnabhumi Airport 3. Customs Service Fee	Mr. Trintr Subakarn, the Company's director, is the controlling person of Chevron (Thailand) Ltd's
3. The Shell Company of Thailand Ltd.	1. Aviation fuel storage, refuel and defuel service at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of service fee for aviation fuel transport through Hydrant System at Suvarnabhumi Airport 3. Customs Service Fee	Mr. Ath Hemvijitraphan, BAFS's director is the controlling person of The Shell Company of Thailand Ltd.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	239.50 Million Baht	22.21 Million Baht	Continue
	-	96.40 Million Baht	9.10 Million Baht	Continue
	-	-	-	Continue
	-	339.38 Million Baht	30.73 Million Baht	Continue
	-	136.52 Million Baht	12.31 Million Baht	Continue
	-	-	-	Continue
	-	294.20 Million Baht	23.74 Million Baht	Continue
	-	71.79 Million Baht	5.13 Million Baht	Continue
	-	-	-	Continue

Name	Type of Transaction	Relationship
4. Bangchak Petroleum Plc. (Bangchak)	<ol style="list-style-type: none"> Aviation fuel storage, refuel and defuel service at Don Mueang Airport and Suvarnabhumi Airport Collection of service fee for aviation fuel transport through Hydrant System at Suvarnabhumi Airport Customs Service Fee 	<ol style="list-style-type: none"> Ministry of Finance is indirect major shareholder of BAFS Ministry of Finance is direct and indirect major shareholder of Bangchak
5. PTT Plc. (PTT)	<ol style="list-style-type: none"> Aviation fuel storage, refuel and defuel service at Don Mueang Airport and Suvarnabhumi Airport Collection of service fee for aviation fuel transport through Hydrant System at Suvarnabhumi Airport Aviation refuel and defuel service at Samui and Sukothai Airports Petrol to refuel the vehicles 	<ol style="list-style-type: none"> Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc. Mr. Krit Imsang, the Company's director (from 12 Dec 2013) is the controlling person of PTT
6. Airports of Thailand Plc. (AOT)	<ol style="list-style-type: none"> Lease for Fuel Pipeline, Building and Area <ul style="list-style-type: none"> Don Mueang Airport <ol style="list-style-type: none"> Fuel Pipeline Lease Lease for office building and area inside parking apron Lease area outside parking apron Suvarnabhumi Airport <ol style="list-style-type: none"> Concession fee for aviation refuel and defuel service Lease area outside parking apron Lease area inside passenger building Lease area for parking dispensers and refuellers inside apron Utility and other charges 	<ol style="list-style-type: none"> Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT Mr. Pongsak Semsan (from 7 Aug 2013), the Company's director, is the controlling person of AOT

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	2.94 Million Baht	-	Continue
	-	0.75 Million Baht	-	Continue
	-	-	-	Continue
	-	609.31 Million Baht	60.82 Million Baht	Continue
	-	179.64 Million Baht	18.08 Million Baht	Continue
	-	23.62 Million Baht	2.20 Million Baht	Continue
	-	5.21 Million Baht	0.46 Million Baht	Continue
	756,806.10 Baht/month	9.19 Million Baht	-	Continue
	115 Baht/sqm./month	9.33 Million Baht	-	Continue
	85 Baht/sqm./month	0.60 Million Baht	-	Continue
	0.06 Baht/Litre	211.65 Million Baht	21.40 Million Baht	Continue
	67.42 Baht/sqm./month	6.28 Million Baht	-	Continue
	450 Baht/sqm./month	0.72 Million Baht	-	Continue
	150 Baht/sqm./month	3.27 Million Baht	-	Continue
	-	4.94 Million Baht	0.20 Million Baht	Continue

Name	Type of Transaction	Relationship
7. Ministry of Finance	<ol style="list-style-type: none"> 1. Lease for office building and land at Don Mueang Airport 2. Penalty and fee from fence construction and office expansion for aviation refueling control room 	Ministry of Finance is indirect major shareholder of BAFS
8. Thai Petroleum Pipeline Co., Ltd. (Thappline)	<ol style="list-style-type: none"> 1. Lease of Land, Building, Utility Service <ul style="list-style-type: none"> • <u>Don Mueang Depot</u> <ol style="list-style-type: none"> 1. Lease of Land and Building 2. Utility service • <u>Suvarnabhumi Depot</u> <ol style="list-style-type: none"> 1. Lease of Land and Building 2. Utility service 2. Water for fire extinguishing, tap water and electricity systems 	Ministry of Finance is indirect major shareholder of BAFS and Thappline
9. Dhipaya Insurance Plc. (Dhipaya)	<ol style="list-style-type: none"> 1. All Risks Insurance, Aviation Third Party Legal Liability Insurance and Terrorism Insurance 2. Car Insurance and Car Casualty Coverage 3. Employees' integrity insurance 4. Cash keeping insurance 	Ministry of Finance is indirect major shareholder of BAFS and Dhipaya
10. IRPC Plc. (IRPC)	Preparing procedure and practice guideline in case of emergency	Ministry of Finance is indirect major shareholder of BAFS and IRPC

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	7.40 Million Baht	-	Continue
	-	0.38 Million Baht	-	-
	-	1.36 Million Baht	-	Continue
	-	2.00 Million Baht	-	Continue
	-	3.93 Million Baht	-	Continue
	-	2.68 Million Baht	-	Continue
	-	0.29 Million Baht	-	Continue
	-	14.05 Million Baht	4.86 Million Baht	Continue
	-	1.11 Million Baht	0.04 Million Baht	Continue
	-	0.03 Million Baht	-	Continue
	-	0.16 Million Baht	-	Continue
	-	0.31 Million Baht	-	-

2. Transactions between Thai Aviation Refuelling Co., Ltd. (Subsidiary) and persons who may have conflict of interests

Name	Type of Transaction	Relationship
1. Airports of Thailand Plc. (AOT)	<ul style="list-style-type: none"> Suvarnabhumi Depot <ol style="list-style-type: none"> Permission for Operation of the Hydrant Pipeline Network Lease for land on east side Lease for area behind domestic cargo Lease for room inside passenger building Lease for area inside parking apron Utility and other charges 	<ol style="list-style-type: none"> Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT TARCO's directors are <ul style="list-style-type: none"> Mr. Somchai Sawasdeepon (ended 21 May 2013) Miss Vilaiwan Nadvilai (ended 7 May 2013) Mrs. Rawiwan Netrakavesna (from 20 Jun 2013) Miss Chanalai Chayakul (from 20 Jun 2013) are the controlling persons of AOT Mr. Pongsak Semsan (from 7 Aug 2013), the Company's director, is the controlling person of Shell Thailand
2. The Shell Company of Thailand Ltd.	Gas to refuel the vehicles	Mr. Ath Hemvijitraphan, BAFS's director is the controlling person of The Shell Company of Thailand Ltd.
3. PTT Plc. (PTT)	Gas to refuel the Company's vehicles	<ol style="list-style-type: none"> Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Mr. Krit Imsang (from 12 Dec 2013), BAFS' director, is the controlling person of PTT
4. Dhipaya Insurance Plc. (Dhipaya)	All Risks Insurance, Aviation Third Party Legal Liability Insurance	Ministry of Finance is indirect major shareholder of BAFS and Dhipaya

	Unit Price	Amount	Outstanding Balance as of 31 Dec 2013	Continuation of Transaction
	2% of BAFS' revenue before expense per annum	12.30 Million Baht	12.30 Million Baht	Continue
	60 Baht/sqm./month	0.10 Million Baht	-	Continue
	63.6 Baht/sqm./month	1.37 Million Baht	-	Continue
	450 Baht/sqm./month plus service fee	0.94 Million Baht	-	Continue
	150 Baht/sqm./month	0.08 Million Baht	-	Continue
	-	0.58 Million Baht	0.04 Million Baht	Continue
	-	0.29 Million Baht	0.02 Million Baht	Continue
	-	0.48 Million Baht	0.04 Million Baht	Continue
	-	2.64 Million Baht	-	Continue

3. Transactions between JP-One Asset Co., Ltd. (Subsidiary) and persons who may have conflict of interests

Name	Type of Transaction	Relationship
1. Chevron (Thailand) Ltd.	Service charge for pipeline system to Suvarnabhumi Depot	Mr. Trintr Subakarn (since 7 Nov 2012) BAFS's director is the executive of Chevron (Thailand) Ltd.
2. The Shell Company of Thailand Ltd.	Service charge for pipeline system to Suvarnabhumi Depot	Mr. Ath Hemvijitraphan, BAFS's director is the executive of The Shell Company of Thailand Ltd.
3. The Bangchak Petroleum Plc.	Service charge for pipeline system to Suvarnabhumi Depot	1. Ministry of Finance is indirect major shareholder of BAFS 2. Ministry of Finance is direct and indirect major shareholder of Bangchak
4. PTT Plc.	1. Service charge for pipeline system to Suvarnabhumi Depot 2. Subleasing land for pipeline construction	1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc. 2. Mr. Krit Imsang (from 12 Dec 2013), BAFS' director, is PTT Plc's controlling person
5. Airports of Thailand Plc. (AOT)	Land lease outside airport ground within Suvarnabhumi Airport	1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT 2. Mr. Pongsak Semsan (from 7 Aug 2013), (from 7 Aug 2013), BAFS's director is the executive of AOT

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	81.33 Million Baht	7.81 Million Baht	Continue
	-	73.34 Million Baht	5.28 Million Baht	Continue
	-	119.28 Million Baht	10.88 Million Baht	Continue
	-	0.51 Million Baht	-	Continue
	-	103.09 Million Baht	-	-
	60 Baht/sqm./month	1.79 Million Baht	-	Continue

4. Transaction between Fuel Pipeline Transportation Limited and other parties that may have conflict of interest

Name	Type of Transaction	Relationship
1. Chevron (Thailand) Ltd.	<ol style="list-style-type: none"> 1. Service charge for pipeline system and oil dept to Makkasan Station 2. Service charge for pipeline system and oil depot to Don Mueang Airport 3. Service charge for pipeline system and oil depot to Bang Pa-In Depot 4. Fuel reserve storage at Bang Pa-In Depot 5. Oil receiving from truck to depot system at Bang Pa-In Depot 6. Sales service at Sales office at Bang Pa-In Depot 	<p>Mr. Trintr Subakarn</p> <p>BAFS's director is the executive of Chevron (Thailand) Ltd.</p>
2. The Shell Company of Thailand Ltd.	<ol style="list-style-type: none"> 1. Service charge for pipeline system and oil dept to Makkasan Station 2. Service charge for oil transport through pipeline system to Don Mueang Airport 3. Service charge for pipeline system and oil depot to Bang Pa-In Depot 4. Fuel reserve storage at Bang Pa-In Depot 5. Fuel reserve storage at Bang Pa-In Depot 6. Lease of office building at Bang Pa-In oil depot 	<p>Mr. Ath Hemvijitraphan,</p> <p>BAFS's director is the executive of The Shell Company of Thailand Ltd.</p>
3. Bangchak Petroleum Plc.	<ol style="list-style-type: none"> 1. Service charge for aviation fuel transport through pipeline system and oil depot to Makkasan Station 2. Service charge for pipeline system and oil dept to Don Mueang Airport * FPT received service fee excess from Bangchak Petroleum for the oil volume Bangchak Petroleum sold to PTT Plc. 	<ol style="list-style-type: none"> 1. Ministry of Finance is indirect major shareholder of BAFS 2. Ministry of Finance is direct and indirect major shareholder of Bangchak Petroleum Plc.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	16.76 Million Baht	1.69 Million Baht	Continue
	-	0.47 Million Baht	-	Continue
	-	35.89 Million Baht	3.37 Million Baht	Continue
	-	7.36 Million Baht	0.68 Million Baht	Continue
	-	1.46 Million Baht	0.12 Million Baht	-
	-	1.31 Million Baht	0.10 Million Baht	Continue
	-	10.79 Million Baht	0.78 Million Baht	Continue
	-	16.88 Million Baht	1.46 Million Baht	Continue
	-	2.95 Million Baht	0.03 Million Baht	Continue
	-	12.58 Million Baht	1.05 Million Baht	Continue
	-	3.32 Million Baht	0.78 Million Baht	Continue
	-	0.29 Million Baht	0.02 Million Baht	Continue
	-	42.13 Million Baht	4.16 Million Baht	Continue
	-	0.57 Million Baht	(0.09) Million Baht *	Continue

Name	Type of Transaction	Relationship
3. Bangchak Petroleum Plc. (continue)	3. Service charge for pipeline system and oil depot to Bang Pa-In Depot of Bangchak Petroleum Plc. 4. Service charge for pipeline system and oil depot to Bang Pa-In Depot 5. Service charge for issuing oil delivery document at Bang Pa-In Depot 6. Land and infrastructure lease	
4. PTT Plc. (PTT)	1. Service charge for aviation fuel transport through pipeline system and oil depot to Makkasan Station 2. Service charge for pipeline system and oil depot to Don Mueang Airport 3. Service charge for oil transport through pipeline system to Bang Pa-In Depot 4. Land lease at Bang Pa-In Depot 5. Lease of office building at Bang Pa-In Depot	1. Ministry of Finance is indirect major shareholder of BAFS and a shareholder of PTT 2. Mr. Kris Imsang (from 12 Dec 2013), the company's director, is the controlling person of PTT
5. PTT Natural Gas Delivery Co., Ltd.	Natural gas transport pipeline	Ministry of Finance is indirect major shareholder of BAFS and PTT Natural Gas Delivery Co., Ltd.
6. Dhipaya Insurance Plc.	1. All Risks Insurance, Aviation Third Party Legal Liability Insurance and political violence protection insurance 2. Car and victim from car accident insurance	Ministry of Finance is indirect major shareholder of BAFS and Dhipaya Insurance Plc.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 Dec 2013 (exclude VAT)	Continuation of Transaction
	-	175.82 Million Baht	13.88 Million Baht	Continue
	-	39.61 Million Baht	6.25 Million Baht	Continue
	-	-	-	-
	-	3.91 Million Baht	0.31 Million Baht	Continue
	-	0.19 Million Baht	-	Continue
	-	1.49 Million Baht	0.09 Million Baht	Continue
	-	52.20 Million Baht	4.29 Million Baht	Continue
	-	0.16 Million Baht	0.03 Million Baht	-
	-	0.21 Million Baht	0.02 Million Baht	Continue
	-	-	-	-
	-	6.14 Million Baht	-	Continue
	-	0.51 Million Baht	-	Continue

Opinion on Related Party Transactions for the Year 2013



The Company's Board of Directors has appointed the independent Audit Committee to consider the related party transactions of the Company in compliance with the Regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC)

In 2013, the Company engaged in transactions with persons who may have conflict of interests in various normal business conditions. The disclosure of pricing policy of such transactions appeared in section Related Party Transaction in the notes to financial statements for the year ended December 31, 2013.

Furthermore, in the Board of Directors' meeting held on 20 February 2013, attended by the Audit Committee, the Board of Directors agreed with the opinions of the Audit Committee that these transactions were reasonable and beneficial to the business of Company, in accordance to the Regulations of the SEC as follows.

1. The transactions between the Company and the persons who may have conflict of interests

1.1 Thai Airways International Public Company Limited

1.2 Chevron (Thailand) Limited

1.3 The Shell Company of Thailand Limited

1.4 Bangchak Petroleum Public Company Limited

Rationale and Necessity

The Company provides the aviation fuel storage, refuelling and defuelling services at Don Mueang and Suvarnabhumi Airports. The Company and the users have established an agreement to clearly set the terms and service rate which equals to the rate charged on external parties except for new oil companies that are not the Company's shareholders to be charged as the terms specified, in accordance with the policies approved by the Board of Directors.

However, for the fuel transportation through the Hydrant Pipeline System at Suvarnabhumi Airport, the Company, the users, and Thai Aviation Refuelling Company Limited who receives the concession in operating the Hydrant System, have jointly agreed upon the terms and service fees in aviation fuel transportation at the same rate as the external parties.

The Company represents Thai Aviation Refuelling Company Limited in charging the representative service fee to the users with the pre-specified contracts.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and the most beneficial to the Company's operation since they are part of normal business operation of the aviation refuelling service at Don Mueang and Suvarnabhumi Airports.

Moreover, the Company provides free custom clearance service for the users who has a full-service contract. The Audit Committee has the opinion that such transaction is related party transaction, but is offered to facilitate users, which is the supporting normal business transaction with general business conditions. This service should benefit the Company's operation in both Don Mueang and Suvarnabhumi Airports.

1.5 PTT Plc.

Rationale and Necessity

The Company provides the aviation fuel storage, refuelling and defuelling services, as well as collection of service fee for Hydrant pipeline to PTT Public Company Limited (PTT) as same as to Thai Airways International Public Company Limited, Chevron (Thailand) Limited, The Shell Company of Thailand Limited and Bangchak Petroleum Public Company Limited

Moreover, the Company provides the aviation fuel storage, refuelling and defuelling service at Samui and Sukhothai Airports, whereby only PTT supplies aviation fuel through aviation refuelling system. PTT has agreed on the aviation fuel service charge to the Company in accordance with the pre-specified terms and the service rate. The Audit Committee has the opinion that such transactions are related party transactions, but are beneficial to the Company's operation.

The Company bought fuel from PTT gas stations to for the Company's vehicles. PTT charges the Company according to the market price with general business conditions. The Audit Committee has the opinion that such transaction is related party transaction, but is beneficial to the Company's operation.

1.6 Airports of Thailand Plc. (AOT)

Rationale and Necessity

- **Don Mueang Airport**

The Company has entered into the Hydrant Pipeline Lease Agreement with AOT since it is part of the normal business operations of aviation refuelling service in transporting aviation fuel through Hydrant System at Don Mueang Airport. The Company has to compensate AOT at the rate stipulated in the agreement which 16% of Hydrant pipeline investment and the rate would be adjusted annually according to the Consumer Price Index. From October 1, 2012 the Government introduced a policy to fully utilize Don Mueang Airport and to serve low-cost airlines which have continuous fleet expansion plan. The Company therefore asked for permission from AOT to lease the Hydrant pipeline for 19 parking aprons for the service.

The Company has the lease contract for offices and the areas inside and outside parking apron at Don Mueang Airport for operating the aviation refuelling service and parking for the Company's staff who work inside parking apron at Don Mueang Airport on the same rental rate as the external parties.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and the most beneficial to the Company's operation since they are part of normal business operation of the aviation refuelling service at Don Mueang Airport.

- **Suvarnabhumi Airport**

The Company has entered the Into-plane Service contract with AOT at Suvarnabhumi Airport to provide the aviation refueling and defueling services. AOT has granted the concession for into-plane service to the Company at Suvarnabhumi Airport for 20 years, starting from the date of the official opening of the airport on September 28, 2006. The Company has to compensate AOT at the rate stipulated in the agreement which equals to the rate for external parties and also comply with certain obligations.

The Audit Committee has the opinion that such transaction is a related party transaction, but is necessary and the most beneficial to the Company's operation since it is a part of normal aviation refuelling operation at Suvarnabhumi Airport.

The Company has also entered into the lease agreement outside the parking apron at Suvarnabhumi Airport to construct the office buildings and the amenities for aviation refuelling service for 20 years, starting from the date of formal opening of the airport at the same rate as charged on external parties.

In addition, the Company has entered into the lease agreements inside the passenger building and necessary area for parking dispensers and refuellers inside parking apron at Suvarnabhumi Airport for the Into-plane operation, on the same rental rate as the external parties.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and the most beneficial to the Company's operation since it is a part of normal aviation refuelling operation at Suvarnabhumi Airport.

Moreover, the Company uses infrastructure and facilities of AOT in various airports. These are services AOT provides to facilitate the Company's operation to refuel aircraft in the airport. The Company must pay service fees and comply to AOT's conditions, which are the same standard as if made with other external parties. The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and beneficial to the Company's operation since they are parts of normal aviation refuelling operation in airports.

1.7 Ministry of Finance

Rationale and Necessity

The Company has entered into the lease agreement with the Ministry of Finance for rental the building and land relating to the Company's building and fuel depot. The agreement also circumvents the lease for Fuel Pipeline Transportation Limited and JP-One Asset Company Limited. The rented buildings and land are used for aviation refuelling and related services of the Company and its subsidiaries. The Company agreed to pay the rent and comply with the terms specified in the agreement.

The Company had to build the fence and extend part of the building for aviation refueling control room, replacing the old one which was affected by the flood, which is considered an urgent project that is also related to the national security. The project had to be completed before Don Mueang Airport was opened for service according to the Government's policy. The Company therefore had to begin the construction before permission was granted from the Department of Treasury. As a result, the Company had to pay fine, other fees and additional rental fee from such action and comply with terms specified in the agreement.

The Audit Committee has the opinion that such transaction is related party transaction, but is necessary for the Company to urgently complete before the opening of Don Mueang Airport according to the Government's policy, and is the most beneficial to the Company's operation since it is a part of normal business operation of the aviation refuelling service at Don Mueang Airport.

1.8 Thai Petroleum Pipeline Company Limited (THAPPLINE)

Rationale and Necessity

- **Don Mueang Airport**

The Company as lessor of land has entered into land leasing and utility services contracts with Thai Petroleum Pipeline Company Limited (THAPPLINE) at Don Mueang depot to construct a building and equipment to support the receiving and distributing aviation fuel transported through THAPPLINE's pipeline network. According to contract, THAPPLINE must pay rental service fee and comply with conditions in the contract. However, THAPPLINE asked for extend the contract for another three years from July 1, 2013 to June 30, 2016 at fixed rental and service rates because THAPPLINE had just resume its commercial operations at Don Mueang Airport from November 1, 2012 to support the Government's policy to use Don Mueang Airport as a hub for low-cost airlines, domestic flight service and international point-to-point service.

The Audit Committee has the opinion that such transactions are related party transactions, but enable THAPPLINE to construct facilities and the aviation fuel pipeline receiving and distribution system. These transactions are necessary and the most beneficial to the Company's operation since it is a part of normal business operation of the aviation refuelling service at Don Mueang Airport.

- **Suvarnabhumi Airport**

The Company has entered land and building leasing and service contracts with THAPPLINE at Suvarnabhumi Depot to construct building and equipment for fuel transportation pipeline. THAPPLINE had to pay rental fee and comply with the conditions specified in the contract. The service fees will be adjusted according to consumer price index. The utilities service here does not include water for fire suppression system, water and electricity, which is charged according to actual usage.

The Audit Committee has the opinion that such transactions are related party transactions, but enable THAPPLINE to construct building and equipment for fuel transportation pipeline. These transactions are necessary and the most beneficial to the Company's operation since it is a part of normal business operation of the aviation refuelling service at Suvarnabhumi Airport.

1.9 Dhipaya Insurance Plc.

Rationale and Necessity

The Company made All Risks Insurance, Aviation Third Party Legal Liability Insurance, and Terrorism Insurance, as well as Car Insurance and Car Casualty Coverage, Employee Integrity Insurance and Financial Keeping Insurance with Dhipaya Insurance Plc. (Dhipaya Insurance). The Company must pay insurance premium and comply with the conditions Dhipaya Insurance stated in insurance policies. The insurance premium is charged at the market rate. The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and beneficial to the Company's operation as they cover risk and reduce damage that may result from the Company's aviation refuelling operation in airports as well as risks from performance of employees involved with financial work.

1.10 IRPC Public Company Limited

Rationale and Necessity

The Company commissioned IRPC Public Company Limited (IRPC) to be its advisor in preparing the procedure and practice guideline for operations during crisis because IRPC is reputable and widely known for management risks from crisis or disaster. The fee is charged at the same rate as external part.

The Audit Committee has the opinion that such transaction is related party transaction, but is necessary and beneficial to the Company's operation as the Company realizes various issues and crisis may have impact on its operations and subsidiaries. Having prepared such procedure will enable the Company to efficiently operate during crisis.

2. The transactions between Thai Aviation Refuelling Company Limited (a subsidiary) and the persons who may have conflict of interests

2.1 Airports of Thailand Public Company Limited (AOT)

Rationale and Necessity

Thai Aviation Refuelling Company Limited (TARCO) was authorized by AOT to operate the aviation fuel transport system via underground pipeline (Hydrant System) at Suvaranbhumi Airport for 30 years as of September 28, 2006 the first day the Company commenced operations at the airport. According to the terms of Permission for Operation of the Hydrant Pipeline Network Contract at Suvarnabhumi Airport, TARCO pays 2% of the total income before deducting expenses per year in exchange for the operations rights.

The AOT introduced the Suvarnabhumi Airport expansion plan phase 2. To support this plan, TARCO studied and drafted the concept for the hydrant system phase 2 and submitted the plan to AOT for permission to invest and provide service. The AOT viewed that the Hydrant system service phase 2 is part of the project under the agreement. To support and enable the Suvarnabhumi Airport expansion plan phase 2 to complete as scheduled according to the Cabinet resolution, the AOT and TARCO therefore prepared a memorandum of agreement on the operational cooperation for the construction of the hydrant system network phase 2 construction at the airport. The agreement will later be amended. In case that any events cause the project to be terminated, suspended, delayed or significantly changed that cause both parties not to be able to sign on the agreement amendment, TARCO will be compensated for the investment and actual expenses. TARCO also has to transfer the construction and all the assets incurred to the AOT or the Ministry of Finance or other organizations.

TARCO has entered into the lease agreement for land at Suvarnabhumi Airport to stack equipments and Hydrant for maintenance, parking the vehicle and other facilities, room inside passenger building for being office for service staffs, area inside parking apron for parking the service vehicles and storing ground support equipment, as well as area behind domestic cargo to construct for parking the service vehicles and other facilitators. Those rental fees are as similar as the rate that AOT made with external parties.

Moreover, TARCO uses infrastructure and facilities of AOT in Suvarnabhumi Airport area. These are services AOT provides to facilitate TARCO's operation to transport aviation fuel in the airport. TARCO must pay service fees and comply to AOT's conditions, which are the same standard as if AOT made with external parties.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and the most beneficial to TARCO's operation since they are parts of normal aviation transporting in Suvarnabhumi Airport.

2.2 The Shell Company of Thailand Limited

2.3 PTT Plc.

Rationale and Necessity

TARCO bought fuel from PTT Plc. (PTT) and The Shell Company of Thailand Ltd. (Shell) gas stations to refuel TARCO's vehicles. PTT and Shell charged TARCO according to the market price with general business conditions.

The Audit Committee has the opinion that such transactions are related party transactions, but are beneficial to TARCO's operation.

2.4 Dhipaya Insurance Public Company Limited

Rationale and Necessity

TARCO made All Risks Insurance and Aviation Third Party Legal Liability Insurance with Dhipaya Insurance Plc. (Dhipaya Insurance). The insurance premium is charged at the market rate.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and beneficial to TARCO's operation as they cover risk and reduce damage that may result from TARCO's operation.

3. The transactions between JP-One Asset Co., Ltd. (a subsidiary) and the persons who may have conflict of interests

3.1 Chevron (Thailand) Ltd.

3.2 The Shell Company of Thailand Ltd.

Rationale and Necessity

JP-One has entered into the agreements of memorandums on aviation fuel pipeline system from Bangchak Refinery to Chong Nonsi fuel depot through pipeline system of FPT and JP-One to fuel depot at Suvarnabhumi Airport. The service rate was at the same rate as charged to the external parties. However, the throughput fee through FPT's pipeline would reimburse to JP-One.

The Audit Committee has the opinion that such transactions are related party transactions, but are the most beneficial to JP-One since they are part of normal business operation.

3.3 The Bangchak Petroleum Plc.

Rationale and Necessity

JP-One has entered into the agreements of memorandums on aviation fuel pipeline system from Bangchak Refinery to Chong Nonsi fuel depot through pipeline system of FPT and JP-One to fuel depot at Suvarnabhumi Airport. The service rate was at the same rate as charged to the external parties. However, the throughput fee through FPT's pipeline would reimburse to FPT.

The Audit Committee has the opinion that such transaction is related party transaction, but is the most beneficial to JP-One since they are part of normal business operation.

3.4 PTT Plc.

Rationale and Necessity

JP-One entered into an agreement to provide aviation fuel transportation through the pipeline and charge to PTT Plc. (PTT) in the similar manner it does with Bangchak Petroleum Plc.

JP-One also made a contract with PTT to sublease land and amended the memorandum of understanding on land use for building natural gas pipeline construction. JP-One charges subleasing fees at the same rate it pays to the State Railways of Thailand plus 5.5% for the operation fee.

The Audit Committee has the opinion that such transaction is related party transaction that allows PTT to continue the natural gas transportation pipeline, which is an alternative energy transportation, but is beneficial to JP-One and does not cause benefit transfer.

3.5 Airports of Thailand Plc. (AOT)

Rationale and Necessity

JP-One signed land lease contract with AOT for outside the airport ground but within the operating area of Suvarnabhumi Airport to lay aviation fuel pipeline from fuel refinery to the Company's fuel depot. The rental fee is as similar rate as the rate that AOT made with external parties.

The Audit Committee has the opinion that such transaction is related party transaction, but is necessary and the most beneficial to JP-One as its core business require underground aviation fuel pipeline from users and feed those fuel into the Company's fuel depot system at Suvarnabhumi Airport.



4. The transactions between Fuel Pipeline Transportation Limited (a subsidiary) and the persons who may have conflict of interests

4.1 Chevron (Thailand) Limited

Rationale and Necessity

Fuel Pipeline Transportation Limited (FPT) is the provider of aviation fuel transportation and on-ground service through the multi-products pipeline from the fuel reception point through 3 destinations, namely the Bangchak fuel refinery, Shell Thailand's oil depot and Chevron (Thai)'s depot in Chong Nonsi. FPT transports aviation fuel to BAFS' depot in Don Mueang and deliver aviation fuel at Makkasan Control station to JP-One Asset Company Limited. In addition, FPT transports fuel on ground to FPT depot in Bang Pa-In, Phra Nakhon Si Ayutthaya province. FPT agreed with Chevron to provide aviation transport service and ground services. The service fees are as similar rate as the rate that FPT made with external parties.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and the most beneficial to FPT because FPT is the provider of aviation fuel transport and ground product through pipeline network to other depot.

FPT signed an agreement with Chevron to provide fuel reserve service at Bang Pa-In depot for reserving fuel as required by law. This supports FPT's core business. Service terms and fees are charged at market rate.

The Audit Committee has the opinion that such transaction is a related party transaction, but is necessary to support the government policy and beneficial to FPT.

In addition, FPT provides sales office management service to Chevron at the Bang Pa-In depot, which is the sales office that sells on-ground fuel services to gas stations and the industrial sector. FPT provides such service because Chevron has no policy to hire employee at regional sales office. Service terms and fees are charged according to the volume of oil dispatched from the Bang Pa-in depot.

FPT also provides receiving of 95-octane petrol for vehicle for reserve and distribution to Chevron's customers. Chevron does not have 95-octane petrol reserve at Chong Nonsi depot which is the reception point for fuel transmission to FPT's pipeline system. Service terms and fees are based on the cost structure and comparison between transport cost by truck and by pipeline.

The Audit Committee has the opinion that such transaction is a related party transaction, but is necessary to facilitate Chevron for the benefit of FPT in providing service at Bang Pa-In oil depot.

4.2 The Shell Company of Thailand Limited

Rationale and Necessity

FPT provides aviation fuel transportation and ground service through the underground pipeline network and charge the Shell Company of Thailand Limited for the service fee in the same manner it does with Chevron.

FPT made an agreement with Shell to provide fuel reserve storage at the depots at Don Mueang Airport and Bang Pa-In to keep the fuel reserve as required by law, which also supports FPT's core business. Service terms and charges are based on market rate.

The Audit Committee has the opinion that such transaction is a related party transaction, but is necessary to support the government's policy and is beneficial to FPT.

FPT has entered into an agreement with Shell to lease building at Bang Pa-In depot to be used as the office for issuing selling documents. FPT specified the leasing condition and rates at the same rate it charges external parties.

The Audit Committee has the opinion that such transaction is a related party transaction, but is necessary to facilitate Shell and is beneficial to FPT.

4.3 Bangchak Petroleum Plc.

FPT provides aviation fuel transportation through underground pipeline with Bangchak Petroleum Plc. (Bangchak) in the same manner it did with Chevron and Shell. It transports fuel ground to the FPT and Bangchak depot at Bang Pa-In. The service terms and rate are based on the same rate it charges external parties.

The Audit Committee has the opinion that such transaction is a related party transaction, but is part of normal business operation and the most beneficial to FPT which provides aviation fuel transportation and ground product through pipeline network to various oil depots.

FPT entered into an agreement for issuing selling documents service customers' Bangchak who fill their trucks at the Bang Pa-In depot. The service terms and fees are based on the volume of fuel distributed from Bang Pa-In depot.

The Audit Committee has the opinion that such transaction is a related party transaction, but is to facilitate Bangchak which is also beneficial to FPT.

FPT also entered into a contract with Bangchak to lease land and use public utilities for 30 years from April 1, 1993 for the construction of the depot to support petroleum products to be transported through FPT's pipeline network. FPT has to pay for the lease and comply with the conditions set in the contract.

The Audit Committee has the opinion that such transaction is a related party transaction, but is for leasing land for the construction of oil dept, office building and equipment, which are necessary and the most beneficial to FPT as part of the normal business in the fuel pipeline transport and oil depot.

4.4 PTT Plc.

FPT provides aviation fuel transport and ground service through underground fuel pipeline. The company sets conditions and charges PTT Plc. In the same way it does with Chevron and Shell.

FPT made an agreement with PTT to lease land at Bang Pa-In depot which is used for receiving-storing-distribution aviation fuel to AVGAS customers. Service terms and rates are fixed at monthly rate based on the operational costs. This includes the agreement to lease office building to be used as document issuing center for PTT. Leasing terms and rate are the same as it charges from external parties.

The Audit Committee has the opinion that such transaction is a related party transaction, but is introduced to facilitate PTT in establishing a center for receiving, storing and distributing AVGAS as well as being the oil distribution center at Bang Pa-In oil dept, which is beneficial to FPT.

4.5 PTT NGD Company Limited

FPT made an agreement with PTT NGD Company Limited (PTT NGD) to natural gas provide pipeline network service from Liab Khlong Premprachakorn Road to Bangchak Biofuel Company Limited. The pipeline is the old pipeline that FPT no longer uses. The service terms and fees are based on the account value of the residual assets and the volume of natural gas being transported, which is a strategy to create value to unused assets.

The Audit Committee has the opinion that such transaction is a related party transaction, but is introduced to facilitate PTT NGD and the most beneficial to optimize FPT's assets.

4.6 Dhipaya Insurance Plc.

The Company made All Risks Insurance, Aviation Third Party Legal Liability Insurance, and Terrorism Insurance, as well as Car Insurance and Car Casualty Coverage with Dhipaya Insurance Plc. (Dhipaya Insurance). The insurance premium is charged at the market rate.

The Audit Committee has the opinion that such transactions are related party transactions, but are necessary and beneficial to the FPT's operation as they cover risk and reduce damage that may affect FPT's operations.

Measure or Procedures regarding Related Party Transactions

The procedures in conducting related party transactions between the Company and the person who may have conflict of interests and the disclosure of related party transactions of the Company comply with the Regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand. In case that the transaction must be approved by the shareholder's meeting or the Board of Directors, it shall be screened by the Audit Committee. The Audit Committee would give opinion in entering such transaction. If the Audit Committee has different opinion with the Board of Directors, the Company shall also disclose the different opinion. In entering the related party transactions, the Company concerns that such transactions would be the most beneficial to the Company's business, fair, reasonable, in market price and have normal business condition. In addition, according to the Company's rules, in case that particular director has interests in certain issues, he/she shall not be allowed to vote in approving such related party transaction agenda.

Moreover, to capacitate the Company to operate in accordance with Section 89/12 (1) of Securities and Exchange Act (No. 4) B.E. 2551, the Board of Directors approved in principle in transactions that have general trading conditions between the Company or subsidiaries and director, management, or related person.

Policy or Trend regarding Future Related Party Transaction

The Company has a policy to ensure that related transactions are conducted in compliance with the rules and regulations set by the Securities and Exchange of Thailand. The Company has ensured that conditions and terms are set based on fair price and trade terms and that such conditions and terms do not involve conflict of interest between the Company, subsidiaries and shareholders. Considering that the Company operates comprehensive aviation refueling services and its shareholding structure that comprises Thai Airways International Plc., Airports of Thailand Plc. and many oil companies, it is likely that transaction between the Company and person/businesses may involve conflict of interest in the future. However, all the related transactions are reasonable, necessary and beneficial for the Company's operations and are normal business operations items in the aviation refueling activities at Don Mueang Airport and Suvarnabhumi International Airport. The Company has disclosed related transactions in the notes to financial statements which are audited by the company's auditor based on the accounting standards set by professional council.

In addition, the Company has made all insurance, third party liability insurance, asset insurance against terrorist at Dhipaya Insurance to protect the Company against risks and reduce impact of damage that may occur to the business. The Company appointed IRPC Plc. as the advisor in preparing operational procedure, including emergency or crisis handling procedure, which will provide benefits to the Company's normal business operations.



Service with our heart

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