

ANNUAL REPORT 2014



BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED



ANNUAL REPORT 2014



BAFS is moving forward as the leader in integrated aviation fuel services. The Company operates business with fairness, responsibility, transparency and concerns all stakeholders under the internal control system that meets international standards. BAFS is part of the energy stability of Thailand.

CONTENTS

6

Message from
Managing Director

8

Key Financial
Highlights

9

General Information

11

Honorable Awards

12

Organization Chart

14

Board of Directors

20

Management Team

25

Policy and Business
Overview

29

Results of
Operations in 2014

32

Summary of
Business Changing

39

Aviation Refuelling
Overview and
Competition

41

Innovating and
Developing for the
Future

42

Risk Factors

48

Shareholder and
Management
Structure

58

Corporate
Governance

89

Management
Discussion and
Analysis for the
Operating Results
ended December
31, 2014

95

Report of the Board
of Directors
Responsibilities for
2014 Financial
Statements

96

Financial
Statements Report

146

Report of the Audit
Committee for
the Year 2014

150

Summary on the
Opinion Concerning
Internal Control System
for the Year 2014

156

Related Parties
Transactions

"Investors can study more information from the Annual Registration Statement (Form 56-1) by which the Company has published via www.sec.or.th or www.bafsthai.com"



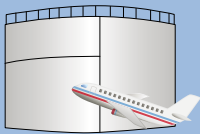
BAFS operates business with responsibility towards the environment and to the highest standard of responsibility for the society. Conservation of energy are being conducted seriously and continually for sustainable development of the company into the future.



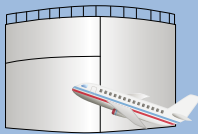
Aviation Fuel Depot

Suvarnabhumi Airport

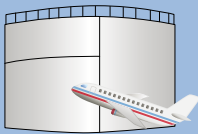
15 million liters



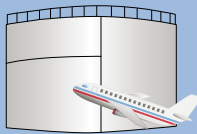
15 million liters



15 million liters

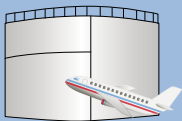


15 million liters

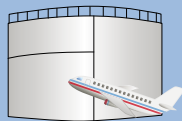


Fuel Pipeline Transportation Limited (subsidiary)

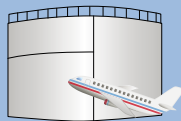
10 million liters



10 million liters



10 million liters

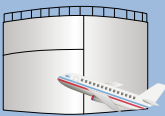


Total Capacity

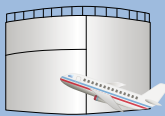
90
million liters

Don Mueang Airport

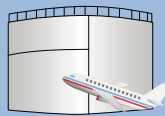
7 million liters



7 million liters



7 million liters

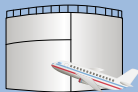


Total Capacity

21
million liters

Samui Airport, Samui Island, Surat Thani Province

1 million liters

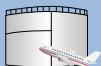


Total Capacity

1
million liters

Sukhothai Airport

25,000 liters



Total Capacity

25,000
liters



Apart from the achievement in business performance, BAFS considers the excellence in operation procedures. The consequence of dedication in business executive to attain the goals in 2014, the company received several awards from distinguished institutions, ranging from the Thailand's Corporate Brand Rising Star 2014 as the highest growing corporate brand value in resource sector, Top Corporate Governance Report Awards and the National Award of Outstanding for Enterprise of Safety Operation, Occupational Health and Working Environment. All of which are the honorable milestone and pride for BAFS.



+

Number of Flights and Volume of Jet A-1 Aviation Refueling

Suvarnabhumi Airport

Number of
Refueling Aviation
(flights per year)

145,524



2012

136,902



2013

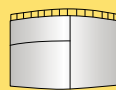
132,647



2014

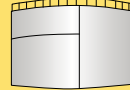
Volume of Fuel
(million liters per year)

3,773



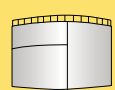
2012

3,883



2013

3,661.8



2014

Don Mueang Airport

Number of
Refueling Aviation
(flights per year)

27,729



2012

68,219



2013

84,395



2014

Volume of Fuel
(million liters per year)

183



2012

503



2013

637



2014



Message from Managing Director

BAFS' Board of Directors, by the proposal of the Nominating and Corporate Governance Committee, appointed me as Managing Director of BAFS effective 1st of August 2014.

I am very honored and proud to have received the trust from the Board of Directors who must have considered that I, with my qualifications and work experiences, am qualified for this prestigious position.

I determined to perform my duties and carry on BAFS mission, following the success of my predecessor, M.R. Supadis Diskul, who retired and took up a new position as BAFS' Executive Chairman.

Achievements worth noting of the year 2014 included the merger between subsidiary companies with the entire business transfer of JP-One Asset Company Limited to Fuel Pipeline Transportation Limited to enhance management efficiency and to support expansion of fuel transportation service business of BAFS Group in the future. Furthermore, there are other challenging tasks to be accomplished, such as the investment and construction plan of the fuel pipeline network to the Northern provinces. This project will enhance our business and ensure our growth. The AEC integration in 2015 will, definitely, create business opportunities across the AEC countries, which means the opportunities for our future growth as well.

Our net profit in 2014 worth Baht 757.8 million, a decrease of Baht 295.4 million or 28.1% from the year 2013. The net profit significantly dropped compared to the year 2013 due to the decrease in air traffic hence fueling services and irregular items from non-operating income. If exclude those irregular items, the net profit only fell Baht 95.5 million or 11.2%. Such drop resulted by the reduced income causing by the decrease of aviation fuel volume serviced at Suvarnabhumi Airport, which in turn, was the result of Europe's economic downturn, stagnant economic growth across Asia and domestic political factors.

However; performance in early 2015 has shown that the revenue growth is as forecasted. It is therefore foreseeable that the trend of the Company's performance shall be improved compared to the previous year.

Factors contributing to the sustainable growth of the Company are the determination in practicing corporate governance principles. As well, BAFS has strongly determined to prevent and fight against corruption. As a result, the Company received the certificate for collective action against corruption from Thailand's Private Sector Collective Action Coalition against Corruption Council in 2014. Furthermore, the Company has continually strived to comply with the good corporate governance, reflecting in the Excellent Corporate Governance Scoring for 6 consecutive years from the Thai Institute of Directors (IOD).

On behalf of the BAFS Board of Directors, managements, employees, and BAFS Group, I would like to thank the shareholders, customers, partners, business alliance, and all stakeholders for supporting the Company throughout the years. BAFS will conduct our business with good corporate governance for a sustainable growth and BAFS envisions that our business will remain the business that benefits the society and overall economic of the country as well.

Mr. Prakobkiat Ninnad
Managing Director





Key Financial Highlights

Bangkok Aviation Fuel Services Public Company Limited

Unit : Million Baht

	2014	2013 Restated	2012
--	------	------------------	------

Key Financial Status and Performance

Services Income	2,981.00	2,761.31	2,349.18
Other Income	43.85	372.39	321.71
Total Revenue	3,024.84	3,133.71	2,670.90
Cost of Services	1,380.44	1,187.81	949.27
Administrative Expenses	547.26	473.87	484.89
Total Expenses	1,927.69	1,661.68	1,434.16
Gross Profit	1,600.56	1,573.50	1,399.91
Finance Costs	101.90	119.08	139.19
Profit (Loss) attributable to equity holders of the parent	757.75	1,053.27	796.53
EPS (Baht)	1.49	2.07	1.56
Cash and Short Term Investment	1,246.00	1,356.12	1,004.49
Total Assets	8,258.06	8,105.75	7,390.70
Total Liabilities	3,045.66	3,127.57	3,102.90
Shareholders' Equity	5,212.40	4,978.19	4,287.79

Key Financial Ratios

Gross Profit Margin	53.69%	56.98%	59.59%
Net Profit Margin	25.05%	33.61%	29.82%
Return on Assets	9.26%	13.59%	10.80%
Return on Equity	14.87%	22.73%	19.65%
Debt to Equity (Times)	0.58	0.63	0.72
Book Value per Share (Baht)	10.22	9.76	8.41
Number of Shares (million Shares)	510	510	510
Dividend per Share (Baht)	1.10	1.00	0.78
Earning per Share (Baht)	1.49	2.07	1.56

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 Ratchadaphisek Road, Klongteoy, Bangkok 10110 Tel : 0 2229 2800 Fax : 0 2359 1259
Auditor	EY Office Company Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137, Ratchadaphisek Road, Klongteoy, Bangkok 10110 Tel : 0 2264 0777 Fax : 0 2264 0789-90





BAFS Shareholdings in Subsidiary Companies

Name	Type of Business	Type of share	Paid-up Capital (Million Baht)	Share-holding 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 pipeline system at Suvarnabhumi Airport	Ordinary	530	90.00
Fuel Pipeline Transportation Limited 424 Kamphaeng Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10120 Tel : 0 2574 6180-3 Fax : 0 2574 6101	Storage and transportation aviation fuel through pipeline system	Ordinary and Preferred	260.67	91.55
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



Honorable Awards



BAFS won enterprise of safety awards for three locations

Minister of Labour Protection and Welfare granted the Year 2014's National Award of Outstanding for Enterprise of Safety Operation, Occupational Health and Working Environment to Bangkok Aviation Fuel Services Public Company Limited at Bitec Bangna on 3rd July 2014. In this year, BAFS won these awards for three locations: Don Mueang Depot, Into-Plane Service Sub-station and Suvarnabhumi Depot.



BAFS won Thailand's Corporate Brand Rising Star 2014

Bangkok Aviation Fuel Services Public Company Limited received Thailand's Corporate Brand Rising Star 2014 on 18th September 2014 as the listed company with the highest growing cooperate brand value in resource. The awards are the resulted from the research on "The Evaluation and Ranking of Thailand's Corporate Brand" by Faculty of Commerce and Accountancy, Chulalongkorn University partnered with Manager online and www.settrade.com



BAFS received a certificate for collective action coalition against corruption

Bangkok Aviation Fuel Services Public Company Limited received a certificate from Mr. Pramon Sutivong, chairman of Anti-Corruption in the 5th National Conference Action Against Corruption of Thailand to acknowledge BAFS as Thailand's Private Sector Collective Action Coalition Against Corruption Council. The ceremony was hosted by the Thai Institute of Directors Association (IOD) together with Thai Chamber of Commerce, the Joint Foreign Chamber of Commerce in Thailand, the Thai Listed Company Association, the Thai Bankers Association, the Federation of Thai Capital Market Organizations, the Federation of Thai Industries and Tourism Council of Thailand on 16th October 2014 at Plaza Athenee Bangkok, a Royal Meridien Hotel



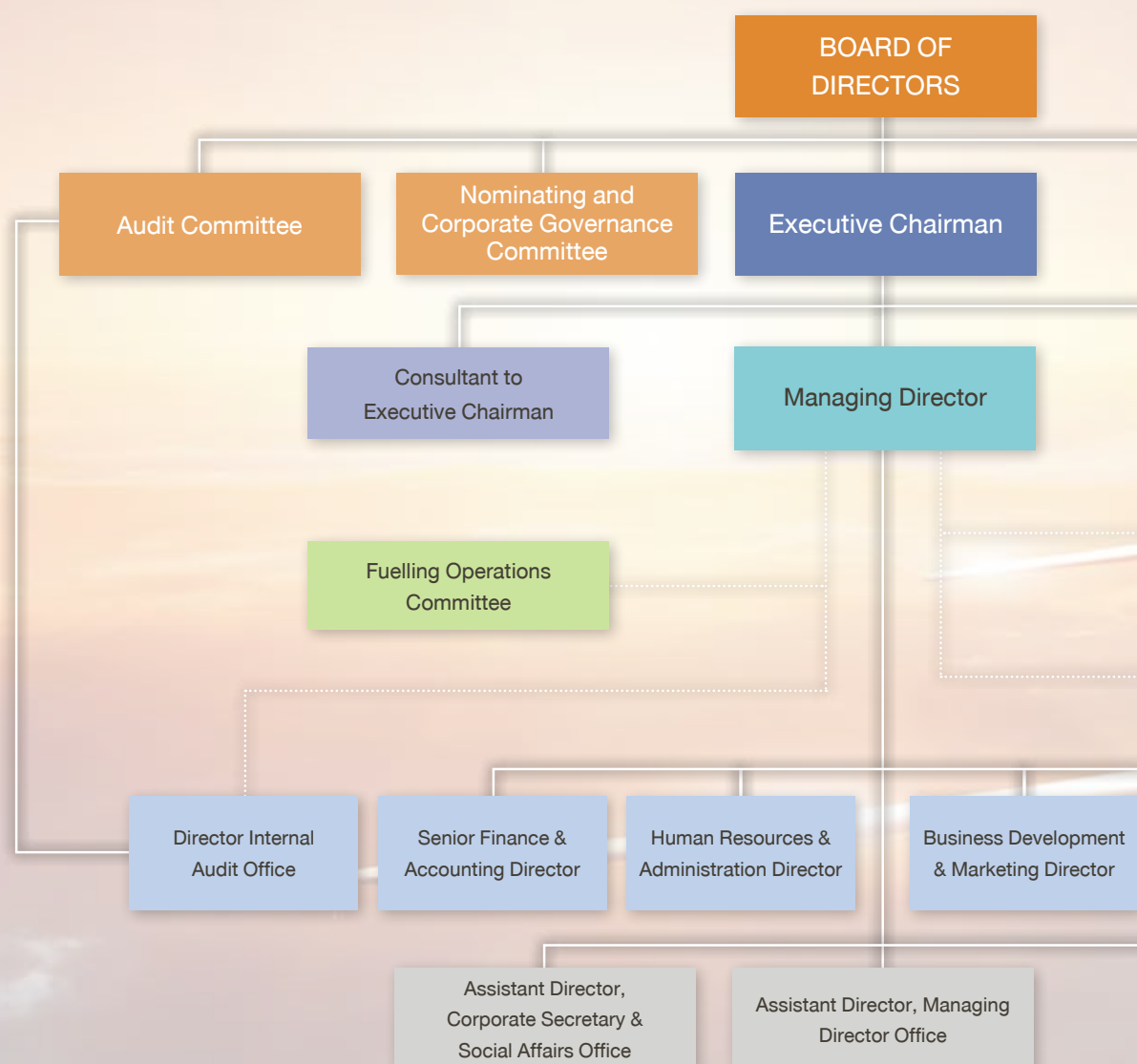
BAFS won SET AWARD 2014

Bangkok Aviation Fuel Services Public Company Limited received 2 awards from SET Award 2014 in Outstanding Company Performance with SET market capitalization between THB10 bln. - THB20 bln. and Top Corporate Governance Report. The award hosted by the Stock Exchange of Thailand together with Money and Banking Magazine on 27th November 2014 at the Prof. Sangvien Indaravijaya Hall, The Stock Exchange of Thailand.

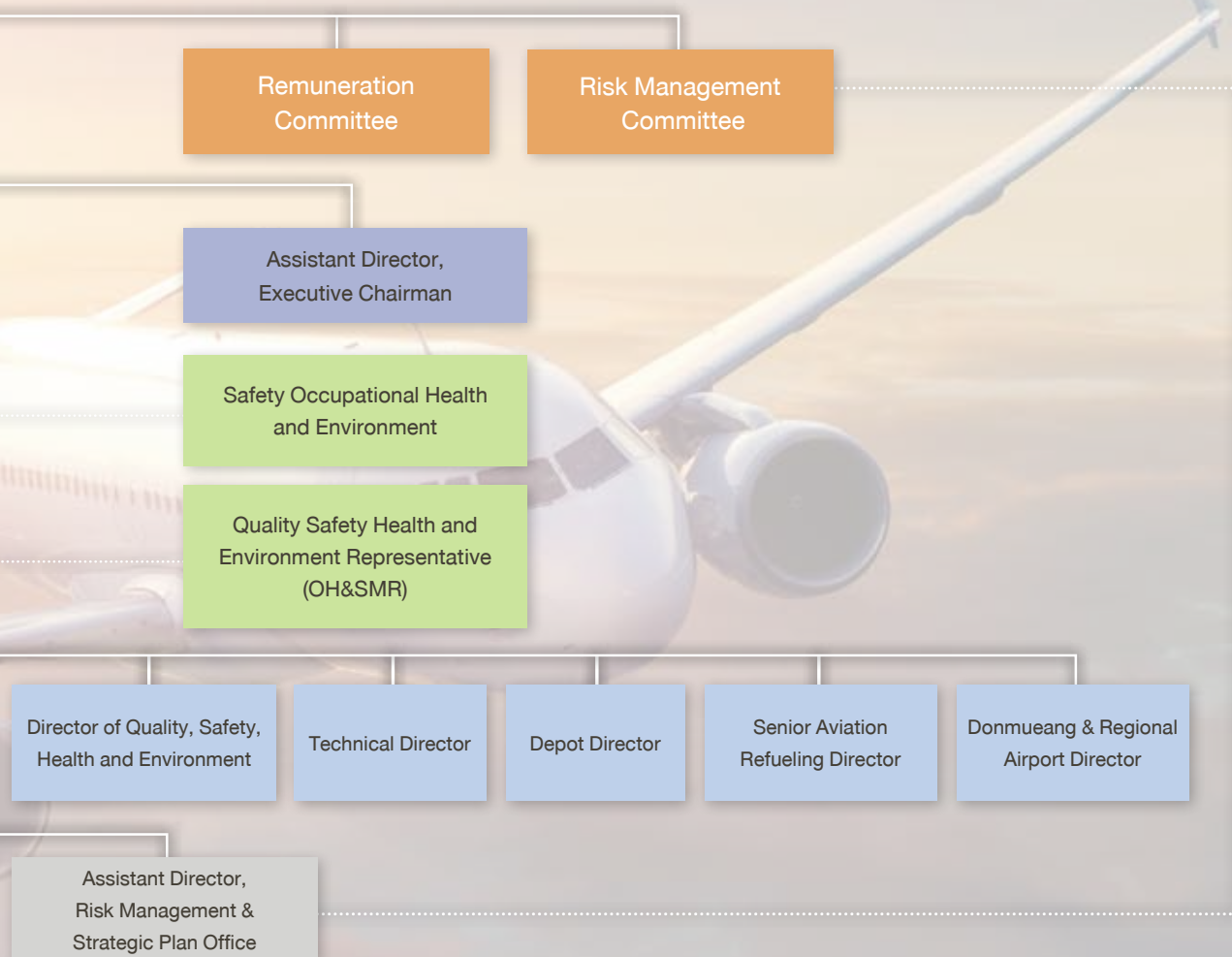


ORGANIZATION CHART

Bangkok Aviation Fuel Services Public Company Limited



— Line of Command
..... Reporting Lines

Effective Date : 1st February, 2015



Board of Directors



Mr. Palakorn Suwanrath (66 years)
Chairman and Independent Director

Starting Date of Directorship 2 April 2007

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Arts in Political Science, Chulalongkorn University
- Master of Arts in International Affairs (M.A.I.A) Southeast Asia Studies, Ohio University, USA
- Certificate, National Defence College, Class 37
- Directors Certification Program (DCP) 92/2007
- Director Accreditation Program (DAP) 63/2007
- The Role of Chairman (RCM) 16/2007

Work Experience

- | | |
|----------------|---|
| 2007 - Present | Chairman and Independent Director,
Bangkok Aviation Fuel Services Plc. |
| 2001 - Present | Privy Councillor |
| 2001 - 2008 | Director, SCB Securities Co. Ltd. |
| Past | 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 |

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- None

Illegal Record

- None



M.R. Supadis Diskul (65 years)
Director, Remuneration Committee Director,
Nominating and Corporate Governance
Committee Director, Risk Management
Committee Director and Executive
Chairman

Starting Date of Directorship 30 December 1983

Shareholding of the Company

- 0.62% (In name of himself and spouse 3,141,400 shares) Decreased 168,600 shares in 2014

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science, Medical Technology, Mahidol University
- Master of Community and Regional Planning, North Dakota State University, USA
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 4515
- Director Certification Program (DCP) 51/2004
- Director Accreditation Program (DAP) 12/2004
- Finance for Non-Finance Director (FND) 14/2004
- Role of the Compensation Committee (RCC) 4/2007
- The Role of Chairman Program (RCP) 16/2007
- Successful Formulation and Execution of Strategy (SFE) 5/2009
- Anti-Corruption for Executive Program (ACEP) 11/2014

Work Experience

- | | |
|----------------|---|
| 2013 - Present | Executive Chairman, Bangkok Aviation Fuel Services Pcl.
Independent Director, Bangkok Insurance Plc. |
| 2010 - Present | Chairman, Fuel Pipeline Transportation Limited |
| 1996 - Present | Director, Thai Aviation Refuelling Co., Ltd. |
| 1986 - Present | Chairman, Intoplane Service Co., Ltd. |
| 1983 - Present | Director, Bangkok Aviation Fuel Services Plc. |
| 1983 - 2014 | Managing Director, Bangkok Aviation Fuel Services Plc. |
| 2004 - 2014 | Director, JP-One Asset Co., Ltd. |
| 2011 - 2013 | Director BAFS International Limited |
| 1996 - 2011 | Managing Director, Thai Aviation Refuelling Co., Ltd. |
| 2004 - 2011 | Managing Director, JP-One Asset Co., Ltd. |
| 1991 - 2010 | Director, Fuel Pipeline Transportation Ltd. |

Current Position in Other Companies

Listed companies

- Independent Director, Bangkok Insurance Plc.

Non-listed companies

- 3 companies

Illegal Record

- None



Mr. Prakobkiat Ninnad (58 years)
Director, Remuneration Committee Director,
Nominating and Corporate Governance
Committee Director, Risk Management
Committee Director, and Managing
Director

Starting Date of Directorship 24 April 2014

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International Plc.
- Directors Certification Program (DCP) 193/2014
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion

Work Experience

- 2014 - Present Director and Managing Director, Bangkok Aviation Fuel Services Plc.
- 2003 - 2014 Vice President, Petroleum, Corporate Insurance and Aviation Environment Department, Thai Airways International Plc.
- 2012 - 2013 Director, Bangkok Aviation Fuel Services Plc.
- 2006 - 2013 Director, Fuel Pipeline Transportation Limited

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- None

Illegal Record

- None



Flight Lieutenant Montree Jumrieng (57 years)
Director and Nominating and Corporate
Governance Committee Director

Starting Date of Directorship 18 February 2010

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science, Mechanical Engineering, Royal Thai Air Force Academy
- Honorary Degree, Management, Rajamangala University of Technology Thanyaburi
- Public Director Certification Program (PDI) 9/2012, King Prajadhipok's Institute
- Anti-Corruption for Executive Program (ACEP) 4/2012, Thai Institute of Directors
- Leadership Succession Program (LSP) 1/2013, Institute of Research and Development for Public Enterprises (IRDP)
- Business Leader Development Program 2014, University of Oxford, UK

Work Experience

- 2014 - Present Executive Vice President, Corporate Strategy and Sustainable Development, Thai Airways International Plc.
Director, Nok Airlines Plc.
Director, Thai Smile Co., Ltd.
- 2010 - Present Director, Bangkok Aviation Fuel Services Plc.
- 2009 - 2014 Executive Vice President, Technical Department, Thai Airways International Plc.
Director, Don Muang International Airport Hotel Co., Ltd.

Current Position in Other Companies

Listed companies

- Executive Vice President, Corporate Strategy and Sustainable Development, Thai Airways International Plc.
- Director, Nok Airlines Plc.

Non-listed companies

- 1 company

Illegal Record

- None



Flying Officer Chalermpon Intarawong (58 years)
Director

Starting Date of Directorship 6 November 2014

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree of Science (Mechanical Engineering), Royal Thai Air Force Academy
- Master's degree of Public Administration, The National Institute of Development Administration (NIDA)

Work Experience

- 2014 - Present Director, Bangkok Aviation Fuel Services Plc.
Executive Vice President, Technical Department, Thai Airways International Plc.
Director, Don Muang International Airport Hotel Co., Ltd.
- 2009 - 2014 Vice President, Aircraft Maintenance, Thai Airways International Plc.
- 2003 - 2009 Deputy Vice President, Aircraft Maintenance, Thai Airways International Plc.

Current Position in Other Companies

Listed companies

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

Non-listed companies

- 1 company

Illegal Record

- None



Squadron Leader Bhurith Sriwatana
(59 years)
Director

Starting Date of Directorship 6 November 2014

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree of Science, Aeronautical Engineering, Royal Thai Air Force Academy

Work Experience

2014 - Present	Director, Bangkok Aviation Fuel Services Plc. Vice President, Flight Operations Department, Thai Airways International Plc.
2012 - 2014	Mission Commander, Flight Operations Department, Thai Airways International Plc.
2010 - 2012	Director, Flight Operations Department, Thai Airways International Plc.
2008 - 2010	Deputy Director, Flight Operations Department, Thai Airways International Plc.

Current Position in Other Companies

Listed companies

Vice President, Flight Operations Department, Thai Airways International Plc.

Non-listed companies

- None

Illegal Record

- None



Mr. Nirandra Theeranartsin (63 years)
Director

Starting Date of Directorship 17 December 2014

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree in Political Science, Chulalongkorn University
- Diploma in Modern Management, Wharton University of Pennsylvania, USA
- Graduate Diploma in Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Successful Formulation and Execution of Strategy (SFE) 2014

Work Experience

2014 - Present	Director, Bangkok Aviation Fuel Services Plc. Director and Acting President, Airports of Thailand Plc.
2011 - 2011	Acting President, Airports of Thailand Plc.
2010 - 2011	Senior Executive Vice President (Regional Airports), Airports of Thailand Plc.
2009 - 2010	General Manager of Suvarnabhumi Airport, Airports of Thailand Plc.

Current Position in Other Companies

Listed companies

- Director and Acting President, Airports of Thailand Plc

Non-listed companies

- None

Illegal Record

- None



Mr. Ath Hemvijitraphan (56 years)
Director

Starting Date of Directorship 6 March 2009

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Business Administration, Assumption University
- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP) 79/2009
- Director Certification Program (DCP) 167/2012

Work Experience

2013 - Present	Executive Director, Commercial Fuel Business, The Shell Company of Thailand Limited
2011 - Present	Secondary Transport Manager: Thailand, Hong Kong and Philippines, The Shell Company of Thailand Limited
2009 - Present	Director, Bangkok Aviation Fuel Services Plc.
2009 - 2010	General Manager-Distribution: Mekong Cluster, The Shell Company of Thailand Limited
2007 - 2008	General Manager-Supply: Mekong Cluster, The Shell Company of Thailand Limited

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 company

Illegal Record

- None



Mr. Kris Imsang (49 years)
Director

Starting Date of Directorship 12 December 2013

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Engineering, Civil engineering, Chulalongkorn University
- Graduate Diploma in Business Administration, Sasin Graduate Institute of Business Administration
- Director Certification Program (DCP) 139/2010

Work Experience

- 2013 - Present Director, Bangkok Aviation Fuel Services Plc.
Executive Vice President, Depot Operations, PTT Plc.
Director, PTT Tank Terminal Co., Ltd.
Director, Thai Petroleum Pipeline Co., Ltd.
- 2012 - 2013 Vice President, Lubricants Operation Department, PTT Plc.
- 2011 - 2012 Manager, Lubricants Operation Department, PTT Plc.
Managing Director, Thai Lube Blending Co., Ltd.
- 2008 - 2011 Manager, Leadership & Talent Management, PTT Plc.
- 2008 Managing Director, Business Services Alliance Co., Ltd.
- 2007 General Manager, Business Services Alliance Co., Ltd.

Current Position in Other Companies

Listed companies

- Executive Vice President, Depot Operations, PTT Plc.

Non-listed companies

- 2 companies

Illegal Record

- None



Mr. Trintr Subakarn (44 years)
Director

Starting Date of Directorship 7 November 2012

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Engineering, Prince of Songkla University
- Master of Business Administration, Chulalongkorn University
- Director Certification Program (DCP) 171/2013

Work Experience

- 2012 - Present Director, Bangkok Aviation Fuel Services Plc.
- 2004 - Present Aviation Operations Manager
Chevron (Thailand) Co., Ltd.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 company

Illegal Record

- None



Mr. Navee Lertphanichkul (66 years)
Director and Nominating and Corporate Governance Committee Director

Starting Date of Directorship 10 May 2002

Shareholding of the Company

- 0.50% (holding by spouse 2,554,500 shares)
Increased 351,500 shares in 2014

Relationship with Management

- None

Education / Director Training Program

- 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) 2/2003
- Finance for Non-Finance Director (FND) 7/2003
- Director Certification Program (DCP) 51/2004

Past Experience

- 2002 - Present Director, Bangkok Aviation Fuel Services Plc.
- 2006 - 2008 Senior Advisor, Purad (Thailand) Co., Ltd.
- Past Director, ESSO (Thailand) Plc.
Supply and Distribution Manager, ESSO (Thailand) Plc.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- None

Illegal Record

- None



Mr. Aswin Kongsiri (69 years)
Independent Director, Chairman of
Nominating and Corporate Governance
Committee, and Chairman of Risk
Management Committee

Starting Date of Directorship 22 April 2005

Shareholding of the Company

- 0.00% (holding by spouse 20,000 shares)
(No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- 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
- The Role of Chairman (RCM) 5/2001
- Director Certification Program (DCP) 11/2001

Work Experience

2010 - Present	Chairman, Thai Orix Leasing Co., Ltd.
2009 - Present	Chairman, Ton Poh Thailand Fund
2005 - Present	Independent Director, Bangkok Aviation Fuel Services Plc.
1999 - Present	Chairman and Audit Committee Member, OHTL Plc.
1994 - Present	Chairman, Ch.Karnchang Plc.
1993 - Present	Audit Committee Member, Thai Reinsurance Plc.
1981 - Present	Audit Committee Member, Padaeng Industry Plc.
2011 - 2014	Member, Monetary Policy Committee Bank of Thailand
2010 - 2012	Chairman, Thoresen Thai Agencies Plc. Governor, The Stock Exchange of Thailand

2001 - 2012	Vice Chairman, Electricity Generating Plc.
2009 - 2010	Director and Risk Management Committee Member, Krung Thai Bank Plc.

Current Position in Other Companies

Listed companies

- Chairman and Audit Committee Member, OHTL Plc.
- Chairman, Ch.Karnchang Plc.
- Audit Committee Member, Thai Reinsurance Plc.
- Audit Committee Member, Padaeng Industry Plc.

Non-listed companies

- 1 Company

Illegal Record

- None



Mr. Pachara Yutidhammadamrong (67 years)
Independent Director, Chairman of Audit
Committee and Remuneration Committee
Director

Starting Date of Directorship 8 April 2009

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- LL.B., Thammasat University
- Honorary Degree of Doctor of Laws, Ramkhamhaeng University
- Barrister at Law, Institute of Legal Education of The Thai Bar
- National Defence Course for the Joint State-Private Sectors, National Defence College, Class 399
- Certificate from Naval College
- Director Accreditation Program (DAP) 55/2006
- Audit Committee Program (ACP) 22/2008
- Public Director Certification Program from Public Director Institute

Work Experience

2014 - Present	Director, Magic Enterprise Co., Ltd.
2013 - Present	Director, Amarin Television Co., Ltd.
2009 - Present	Independent Director and Chairman of Audit Committee, Bangkok Aviation Fuel Services Plc. Director, Thai Aviation Refuelling Co., Ltd. Sub-committee, Sukhumvit Asset Management Co., Ltd. Director, Office of the Council of State
Present	Chairman of the Audit Committee and Independent Director, Krung Thai Bank Plc. Attorney General, Office of the Attorney, General Deputy Attorney General, Office of the Attorney General Member of National Legislative Assembly Director, Thai Airways International Plc. Director, IRPC Plc. Director, Provincial Electricity Authority
2005 - 2010	
Past	

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 4 companies

Illegal Record

- None



Mr. Visut Montrivat (68 years)

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

Starting Date of Directorship 9 November 2006

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Commerce, Chulalongkorn University
- MBA, Northern Illinois University, USA
- Certificate, National Defence College, Class 38
- Audit Committee Program (ACP) 15/2006
- Directors Certification Program (DCP) 77/2006
- Monitoring the system of Internal Control and Risk Management (MIR) 1/2007
- Role of the Compensation Committee (RCC) 2/2007
- Monitoring of the Quality of Financial Report (MFR) 7/2009

Work Experience

- 2011 - Present Independent Director and Audit Committee Director, Srivichaivejvivat Plc.
- 2008 - Present Director, Thai Aviation Refuelling Co., Ltd.
- 2006 - Present Independent Director and Audit Committee Director, Bangkok Aviation Fuel Services Plc.
- 2013 - 2014 Director, Thai Pailoon Insurance Co., Ltd.
- 2010 - 2011 Chairman of the Independent Director Committee and Chairman of the Audit Committee, Krung Thai Bank Plc.

- 2009 - 2010 Chairman of the Independent Director Committee and Member of Audit Committee, Krung Thai Bank Plc.
- 2006 - 2009 Independent Director and Member of the Audit Committee, Krung Thai Bank Plc.
- Past Deputy Permanent Secretary, Ministry of Finance
Inspector-General, Ministry of Finance
Comptroller-General, Ministry of Finance
Director-General, The Treasury Department, Ministry of Finance

Current Position in Other Companies

Listed companies

- Independent Director and Audit Committee Director, Srivichaivejvivat Plc.

Non-listed companies

- 1 Company

Illegal Record

- None



Mr. Pipat Purnananda (66 years)

Independent Director, Audit Committee Director, and Risk Management Committee Director

Starting Date of Directorship 17 April 2013

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree of Arts, Business and Administration (Finance), Thammasat University
- Master of Arts (Economics) Western Michigan University, USA.
- Workshop on Budgeting in the Public Sector, Harvard University
- National Defence College (NDC 3)
- Director Accreditation Program (DAP) 94/2012
- Director Certification Program (DCP) 172/2013
- Audit Committee Program (ACP) 43/2013
- Financial Statements For Director (FSD) 2/2014

Work Experience

- 2013 - Present Independent Director and Audit Committee Director, Bangkok Aviation Fuel Services Plc.
- 2010 - 2013 Independent Director and Audit Committee Chairman, Solution Corner (1998) Plc.
- 2011 Sub-Committee in the Improvement of Personnel and Compensation System Office of the Public Sector Development Commission
- 2008 - 2009 Deputy Director Bureau of the Budget, Office of the Prime Minister

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 Company

Illegal Record

- None



Management Team



Mr. Prakobkiat Ninnad (58 years)
Director, Remuneration Committee Director,
Nominating and Corporate Governance
Committee Director, Risk Management
Committee Director, and Managing
Director

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International Plc.
- Directors Certification Program (DCP) 193/2014
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion

Work Experience

2014 - Present	Director and Managing Director, Bangkok Aviation Fuel Services Plc.
2003 - 2014	Vice President, Petroleum, Corporate Insurance and Aviation Environment Department, Thai Airways International Plc.
2012 - 2013	Director, Bangkok Aviation Fuel Services Plc.
2006 - 2013	Director, Fuel Pipeline Transportation Limited



Mr. Amnuay Pahuvanich (55 years)
Consultant to Executive Chairman

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree, Electrical Engineering, Kasetsart University
- Master of Arts (Leadership in Society, Business and Politics), Rangsit University
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion
- Director Certification Program (DCP) 96/2007
- Financial Statements for Directors (FSD) 6/2009
- Successful Formulation and Execution of Strategy (SFE) 8/2010

Work Experience

2014 - Present	Consultant to Executive Chairman, Bangkok Aviation Fuel Services Plc.
2012 - Present	Managing Director, Thai Aviation Refuelling Co., Ltd.
2006 - Present	Director, Thai Aviation Refuelling Co., Ltd.
1994 - Present	Director, Intoplane Service Co., Ltd.
2012 - 2014	Consultant to Managing Director, Bangkok Aviation Fuel Services Plc.
2008 - 2012	Senior Technical Manager, Bangkok Aviation Fuel Services Plc.



Mr. Ditsapong Prithaveepong (57 years)

Consultant to Executive Chairman and
Acting for Business Development &
Marketing Director

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- MBA, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University
- Director Certification Program (DCP) 108/2008
- Successful Formulation and Execution of Strategy (SFE) 7/2010
- Financial Statements for Director (FSD) 10/2010

Work Experience

- | | |
|----------------|--|
| 2014 - Present | Consultant to Executive Chairman and Acting for Business Development & Marketing Director, Bangkok Aviation Fuel Services Plc. |
| 2013 - Present | Director, Fuel Pipeline Transportation Co., Ltd. |
| 2011 - Present | Director, Intoplane Service Co., Ltd. |
| 2012 - 2014 | Consultant to Managing Director, Bangkok Aviation Fuel Services Plc. |
| 2013 | Director and Managing Director, JP-One Asset Co., Ltd. |
| 2008 - 2012 | Senior Depot Manager, Bangkok Aviation Fuel Services Plc. |



Mr. Chathaya Bandhaya (59 years)

Senior Finance & Accounting Director

Shareholding of the Company

- 0.002%(holding by himself 10,000 shares)
(No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Economics, Chulalongkorn University
- MBA, Personnel Management, NIDA
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute
- Quality of Financial Reporting (QFR) 3/2006
- Director Accreditation Program (DAP) 55/2006
- Role of the Compensation Committee (RCC) 3/2007
- Director Certification Program (DCP) 108/2008
- Successful Formulation and Execution of Strategy (SFE) 8/2010

Work Experience

- | | |
|----------------|--|
| 2014 - Present | Senior Finance & Accounting Director, Bangkok Aviation Fuel Services Plc. |
| 2012 - Present | Director, Fuel Pipeline Transportation Co., Ltd. |
| 2011 - Present | Director, Thai Fuel Aviation Co., Ltd.
Managing Director, Intoplane Service Co., Ltd. |
| 1997 - Present | Director, Intoplane Service Co., Ltd |
| 2008 - 2014 | Senior Finance & Accounting Manager, Bangkok Aviation Fuel Services Plc. |
| 2011 - 2013 | Director, BAFS International Limited |
| 1994 - 2008 | Finance & Accounting Manager, Bangkok Aviation Fuel Services Plc. |
| 2008 - 2012 | Director, JP-One Asset Co., Ltd. |



Mr. Tawin Saiwaew (58 years)
Senior Aviation Refueling Director

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Arts, General Management, Dhonburi Rajabhat University
- Master of Management, Mahidol University
- Director Certification Program (DCP) 131/2010
- Financial Statement for Directors (FSD) 10/2010
- Successful Formulation and Execution of Strategy (SFE) 13/2011

Work Experience

2014 - Present	Senior Aviation Refueling Director Bangkok Aviation Fuel Services Plc.
2009 - 2014	Senior Aviation Refuelling Manager, Bangkok Aviation Fuel Services Plc.
Past	Aviation Refuelling Manager, Bangkok Aviation Fuel Services Plc. Depot Manager, Bangkok Aviation Fuel Services Plc.



Mr. Nattapol Narkuam (47 years)
Technical Director

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

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

Work Experience

2014 - Present	Technical Director, Bangkok Aviation Fuel Services Plc.
2012 - 2014	Technical Manager, Bangkok Aviation Fuel Services Plc.
Past	Deputy Technical Manager, Bangkok Aviation Fuel Services Plc.



Mr. Manob Pulsombulpol (56 years)
Depot Director

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science Industrial Technology, Phranakorn Rajaphat University

Work Experience

2014 - Present	Depot Director, Bangkok Aviation Fuel Services Plc.
2012 - 2014	Depot Manager, Bangkok Aviation Fuel Services Plc.
2012	Deputy Depot Manager, Bangkok Aviation Fuel Services Plc.
1992 - 2012	Control Room and Maintenance Supervisor, Bangkok Aviation Fuel Services Plc.



Mr. Peraporn Chobchuen (58 years)
Human Resources & Administration Director

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

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

Work Experience

2014 - Present	Human Resources & Administration Director, Bangkok Aviation Fuel Services Plc.
2012 - 2014	Human Resources & Administration Manager, Bangkok Aviation Fuel Services Plc.
Past	Deputy Human Resources & Administration Manager, Bangkok Aviation Fuel Services Plc. Information Technology Supervisor, Bangkok Aviation Fuel Services Plc.



Mrs. Mayuree Nalinwong (51 years)
Director, Internal Audit Office

Shareholding of the Company

- 0.006% (holding by herself 30,000 shares)
(No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Accounting, Thammasat University
- MBA, Ramkhamhaeng University
- Certificate of Business Management for Internal Audit from Federation of Accounting Professions
- Anti-Corruption : The Practical Guide from Thai Institute of Directors (IOD)
- Monitoring the Quality of Financial Reporting from Thai Institute of Directors (IOD)
- Business Management for Internal Audit from Federation of Accounting Professions
- Framework of Internal Audit System from Federation of Accounting Professions
- Fraud Auditing from Federation of Accounting Professions
- Intensive English Program from Michigan State University
- Business Contract and tax from Revenue Department

- Preparation and Presentation of Received and Disbursement for the Project which State Agency is contract parties from Office of the National Anti-Corruption Commission
- Risk Management for Internal Auditor from PricewaterhouseCoopers ABAS Ltd
- Through the flow of change from EY Office Limited

Work Experience

2014 - Present	Director, Internal Audit Office, Bangkok Aviation Fuel Services Plc.
2012 - 2014	Executive of Internal Audit, Bangkok Aviation Fuel Services Plc.
2000 - 2012	Executive Assistant of Internal Audit, Bangkok Aviation Fuel Services Plc.
Past	Internal Audit Manager Grammy Entertainment Plc.



Mr. Chanchalad Bunnag (42 years)
Don Mueang and Regional Airport Director

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree of Forestry, Kasetsart University
- Master Degree of Engineering, Kasetsart University

Work Experience

2014 - Present	Don Mueang and Regional Airport Director, Bangkok Aviation Fuel Services Plc.
2014 - 2014	Deputy Don Mueang & Regional Airport Director, Bangkok Aviation Fuel Services Plc.
2012 - 2014	Deputy Don Mueang & Regional Airport Manager, Bangkok Aviation Fuel Services Plc.
2007 - 2012	Don Mueang Airport Supervisor, Bangkok Aviation Fuel Services Plc.



Miss Saowapak Jungpattaphong (53 years)
Director, Quality Safety Health and Environment Office

Shareholding of the Company

- 0.018% (holding by herself 93,000 shares)

Relationship with Management

- None

Education / Director Training Program

- MBA, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Accountancy (Accounting) Commerce and Accountancy Faculty, Chulalongkorn University

Work Experience

2015 - Present	Director, Quality Safety Health and Environment Office, Bangkok Aviation Fuel Services Plc.
2009 - 2015	Assistant Director, QSHE Office, Bangkok Aviation Fuel Services Plc.
Past	Senior Stock Control Supervisor

Policy and Business Overview

Bangkok Aviation Fuel Services Public Company Limited (BAFS) mainly operates aviation fuel services, including aviation fuel depot and aircraft refuelling service at Suvarnabhumi Airport and Don Mueang Airport. As well, the Company serves two regional airports which are Samui Airport and Sukhothai Airport. BAFS offers three core services as follows:

1. Aviation Fuel Depot
2. Hydrant Pipeline Network
3. Into-Plane Services

Additionally, the Company runs other businesses through three subsidiaries, including:

1. Thai Aviation Refuelling Company Limited (TARCO), offering hydrant pipeline network at Suvarnabhumi Airport.
2. Pipeline Transportation Limited (FPT) services embrace the provision of aviation fuel depot and multi-product fuel pipeline service, starting from Bangchak Refinery and oil depot in Chongnonsi area further to Suvarnabhumi Sub-station, Don Mueang Sub-station before terminating at the Bang Pa-in on-ground depot.
3. Intoplane Services Company Limited (IPS), delivering into-plane fuelling service at Samui Airport and Sukhothai Airport through subcontractor.

Our business overview well reflected that the Company emphasizes business growth in the area of complete energy services through the operation of the Company and subsidiaries, including TARCO and FPT, for which the Company holds 90 percent and 91.55 percent of company's shares, respectively. In order to achieve, the Company hence prescribed our vision, goals and strategy as follows:

Vision: Fulfill Green Energy Services

Goals: Our four goals, designated to assist sustainable growth in complete energy services side by side with the conservation of environment, comprises of:

- 1) **Financial:** achieve sustainable growth and provide regular returns to shareholders.
- 2) **Customers and Stakeholders:** build optimum level of trust and operate business basing on Good Governance principle.





- 3) **Internal Work Procedures:** ensure excellent operation with environmental concerns.
- 4) **Learning and Development:** enhance personnel capabilities along with ethics among employees to promote rapport.

In order to accomplish the vision and goals, the Company and subsidiaries have designed the strategies focusing on sustainable growth and value creation in the area of complete energy services together with responsibility towards society and the environment we live in. Our two key strategies consists of:

First Part

The Company aims to maintain good relationship with oil companies and Thai Airways International Public Company Limited, the latter of whom is customer and also a major shareholder of our company. As well, the Company will create reliability by offering safe services which not only meet international standards but also are punctual. Our services are delivered right to aircrafts which commute tremendous volume of passengers. Fatal accidents or delay can definitely damage the reputation of airlines who are key customers of oil company. With more than 30 years of operation in complete aviation fuel services, the Company is committed to use our experience to grow our own business. For example, expansion to the AEC and ASEAN countries or further to other regions. Meanwhile, subsidiaries are getting well armed with projects designed to boost business growth stipulated under the Government's policy, including the hydrant pipeline network phase II by TARCO for the Suvarnabhumi Airport Development Project Phase II and the north pipeline extension project of FPT.

Second Part

The strategy concentrates on social and environmental responsibilities basing on the Sustainability Development Framework initiated in late 2014 and continued to 2015. The framework, which is a collaboration with Thaipat Institute, consists of responsibility towards economic, society and the environment with emphasis in the "CSR in Process: business for the society" that means making profits from business with social and environmental responsibilities. As a result, CSR has been brought to main operation procedures of the business. For example, the pilot project focusing on "organization's carbon footprint concern and carbon footprint label" held by Thailand Greenhouse Gas Management Organization (Public Organization) and National Metal and Materials Technology Center (MTEC) under the National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology. The calculation of greenhouse gas emission has begun in 2012. The joining with energy saving building project has taken place through the Voluntary Agreement:VA under the concept of "VA: Energy beyond standards", held by the Department of Alternative Energy Development and Efficiency, Thailand Environment Institute (TEI) and Thailand Business Council for Sustainable Development (TBCSD). The endeavors have reflected through various projects, such as the solar car park project, solar cell panels for air-cooling of aircraft refueling vehicles at the airport project and the LED lighting project for energy conservation and etc. Moreover, the Corporate Sustainable Development Committee was appointed, from selected high management of the Company and subsidiaries, in order to direct various projects and ensure that all attempts shall meet the requirements of the Sustainability Development Framework throughout our group of companies.

Thus, with the integration of aforementioned strategies and the pursuance of Performance Management system of the Company and subsidiaries using Key Performance Indicators: KPIs, the management is confident that the Company and subsidiaries will grow with value, both in business, social and environmental aspects.

Revenue Structure

The Company's sources of revenue are as follow:

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

Table of Revenue Structure of the Company by Year (by Category of Business) from 2012 to 2014

Unit : Million Baht)

Type of income	Handled by	% of Group's Shareholding	2012		2013		2014	
			Amount	%	Amount	%	Amount	%
1. Service income	BAFS		1,603.09	60.02	1,807.63	57.68	1,821.89	60.23
	TARCO	90%	605.45	22.67	614.78	19.62	582.94	19.27
	JP-One	2012-13 : 92.5% ^{1/} 2014 : 0%	140.64	5.27	137.11	4.38	13.79	0.46
	FPT	2012-13 : 90.72% ^{1/} 2014 : 91.55%	-	-	201.79	6.44	562.38	18.59
2. Rental income	BAFS		23.88	0.89	21.67	0.69	10.92	0.36
	TARCO	90%	-	-	-	-	-	-
	JP-One	2012-13 : 92.5% ^{1/} 2014 : 0%	-	-	15.23	0.49	1.20	0.04
	FPT	2012-13 : 90.72% ^{1/} 2014 : 91.55%	-	-	-	-	0.40	0.01
3. Flood compensation income	BAFS		133.84	5.01	17.35	0.55	-	-
4. Profit from merger			-	-	76.15	2.43	-	-
5. Reversing income from allowance for doubtful debts			-	-	123.77	3.95	-	-
6. Others ^{2/}			164.00	6.14	118.23	3.77	31.32	1.04
Total			2,670.90	100.00	3,133.71	100	3,024.84	100.00

Remarks ^{1/} on 1 February 2014, Fuel Pipeline Transportation Limited (FPT) received the transfer of entire business from JP-One Asset Co., Ltd. (JP-One). FPT issued ordinary shares totaling 24,278,941 shares at par value of Baht 5 per share, thereby equal to Baht 121,394,705 for which was transferred to JP-One to compensate for the entire business transfer conducted on 3 February 2014. FPT increased registered capital to Baht 260,667,560. The business transfer has increased shareholding proportion of BAFS in FPT from 90.72% to 91.55%.

On 3 February 2014, JP-One registered liquidation with the Department of Business Development, Ministry of Commerce. Later on 7 November 2014, JP-One transferred aforementioned shares of FPT to BAFS, according to the shareholding proportion, for 22,458,041 shares and to Bangkok Insurance Plc. for 1,820,922 shares. JP-One had completed the liquidation registration with Ministry of Commerce on 27 November 2014.

^{2/} Other income comprises income from other services, gain (loss) from foreign exchange and interest.



In 2014, the Company's total income was Baht 3,024.8 million, a decrease of Baht 108.9 million or 3.5% compared to 2013 that the total income was Baht 3,133.7 million. Income from services concluded at Baht 2,981.0 million, an increase of Baht 219.7 million or 8.0%, while other income totaled at Baht 43.8 million, or a decrease of Baht 328.5 million or 88.2% compared to 2013 which totaled at Baht 372.4 million. Other income significantly decreased, resulting from certain transactions conducted in 2013. The aforementioned irregular income include reversing income from allowance for doubtful debt of Baht 123.8 million; profits from business merger of Baht 76.1 million; income from JP-One for the retrospective rental fee of Baht 69.6 million earned from space leasing and income from the request for indemnity of Baht 17.3 million. In addition, the reduced income was due to the reduction of income of FPT, which dropped by Baht 36.0 million since the information on other income of FPT did not appear in consolidated financial statements as it was considered related party transactions.

Results of Operations in 2014

1. Oil Depots

Suvarnabhumi Airport

In 2014, the Company maintained and provided the Jet A-1 aviation fuel intermediate storage service at Suvarnabhumi Airport Depot utilizing four main storage tanks with the capacity of 60 million liters¹⁾ in total, or equivalent to 3.5 days of operating stock.

Total volume of Jet A-1 received from oil companies was 4,199.4 million liters. In 2014, JP-One Asset Co., Ltd. successfully merged with Fuel Pipeline Transportation Limited (FPT), the latter of whom had provided a total of 1,459.8 million liters through FPT pipeline network and another 2,739.5 million liters through the network of Thai Petroleum Pipeline Co., Ltd. (Thappline); equivalent to a ratio of 35:65.



Summary of Suvarnabhumi International Airport Depot Operations	2014 (Million liters)	2013 (Million liters)	Increase (Decrease) %
Total Volume of Jet A-1 Received	4,199.4	4,436.2	(5.3)
Daily Average Volume of Jet A-1 Received	11.5	12.2	(5.7)
Daily Average Volume of Jet A-1 Received from FPT	4.0	4.4	(9.1)
Daily Average Volume of Jet A-1 Received from Thappline	7.5	7.8	(3.8)

Note ¹⁾ Suvarnabhumi Airport Depot has 7 storage tanks with a total capacity of 90 million liters. FPT, a Company's subsidiary, has rented 3 out of 7 tanks.

Don Mueang Airport

In 2014, the Company maintained and provided the Jet A-1 aviation fuel intermediate storage service at Don Mueang Airport Depot utilizing three storage tanks with the capacity of 21 million liters in total. Volume of Jet A-1 received through the network of Fuel Pipeline Transportation Limited (FPT) was 347.2 million liters and 462.9 million liters through the system of Thai Petroleum Pipeline Co., Ltd. (Thappline), equivalent to a ratio of 43:57.



Summary of Don Mueang International Airport Depot Operations	2014 (Million liters)	2013 (Million liters)	Increase (Decrease) %
Total Volume of Jet A-1 Received	810.2	506.2	60.0
Daily Average Volume of Jet A-1 Received	2.2	1.4	60.0
Daily Average Volume of Jet A-1 Received from FPT	1.0	0.6	66.7
Daily Average Volume of Jet A-1 Received from Thapline	1.3	0.8	62.5

2. Into-Plane Operations

2.1 Aircraft Refueling Operations

Suvarnabhumi Airport

JET A-1

Total volume of Jet A-1 uplifted was 3,662 million liters or 305 million liters in average per month, supplying 132,647 flights a year or 11,054 flights in average per month.

Don Mueang Airport

JET A-1

Total volume of Jet A-1 uplifted was 637 million liters or 53 million liters in average per month, supplying 84,395 flights a year or 7,033 flights in average per month.

AVGAS

Total volume of AVGAS uplifted was 195,951 liters or 16,329 liters in average per month, supplying 2,596 flights a year or 216 flights in average per month.

2.2 Defueling

Suvarnabhumi Airport

The Company serves various airlines in Jet A-1 defueling services which totaled at 0.98 million liters or 0.08 million liters in average per month. Total flights served was 66 or 6 flights in average per month.

Don Mueang Airport

The Company serves various airlines in Jet A-1 defueling services which totaled at 0.76 million liters or 0.06 million liters in average per month. Total flights served was 103 or 9 flights in average per month.

2.3 Number of Flights Served

In 2014, the Company delivered aviation refueling services to 217,042 flights at Suvarnabhumi Airport and Don Mueang Airport, a surge of 11,921 flights or +5.8% from 2013. Total volume of fuel uplifted at both airports in 2014 was 4,298.8 million liters, a plunge of 86.9 million liters or -2% as compared to the prior year.

Flights	2014	2013	Increase/(Decrease) %
---------	------	------	-----------------------

At Suvarnabhumi Airport

Domestic Flights			
Number of Flights	34,634	32,483	6.6
Volume of Fuel Uplifted (million liters)	269.3	274.8	(2.0)
International Flights			
Number of Flights	98,013	104,419	(6.1)
Volume of Fuel Uplifted (million liters)	3,392.5	3,608.2	(6.0)

Don Mueang Airport

Domestic Flights			
Number of Flights	61,115	47,070	29.8
Volume of Fuel Uplifted (million liters)	398.3	295.7	34.7
International Flights			
Number of Flights	23,280	21,149	10.1
Volume of Fuel Uplifted (million liters)	238.7	207	15.3

Totals

Number of Flights	217,042	205,121	5.8
Volume of Fuel Uplifted (million liters)	4,298.8	4,385.7	(2.0)



Summary of Business Changing



Bangkok Aviation Fuel Services Public Company Limited (BAFS) provides aviation fuel storage and into-plane fueling services at four airports, namely Suvarnabhumi Airport, Don Mueang Airport, Samui Airport, and Sukhothai Airport. Our scope of services consists of:

1. Aviation fuel storage
2. Into-plane Service
3. Hydrant Pipeline Network

The Company also invests in multi-product fuel pipeline transportation operating by Fuel Pipeline Transportation Limited (FPT). Moreover, the company has income from asset rentals and utility services. In 2014, significant changes are as follows:

1. Aviation Fuel Storage Facilities

The Company operates aviation fuel storage servicing to all fuel suppliers at the airports. The fuel suppliers are responsible for the supply and transportation of jet fuel to the storage facilities due to percentage of sales volume to their airline customers.

The revenue from storage and into-plane service are made in one bill only after fuel delivery to aircrafts and stock closed at the end of each month.

The fuel suppliers are not charged for fuel storage handling once they transfer their volume to BAFS receiving tank. Therefore, the Company does not need to reserve fuel in excessive volume as it will increase in storage handling cost, but the Company will reserve fuel that is suffice with each airport demand to ensure that the Company can continually supply fuel with safety and highest fuel quality standard. The Company's nature of business at airports in 2014 is as follows:

1) Suvarnabhumi Airport

The Company invested in the jet fuel storage facilities in Bang Saothong District, Samut Prakarn which located outside airport therefore free of airport concession. The fuel storage system consists of 11 aviation fuel Hydrant pumps which capable of pumping fuel at the highest rate of 4,950 cubic meters per hour which transfers aviation fuel into Hydrant Pipeline Network at Suvarnabhumi Airport to refuel into the aircraft with Dispenser truck.

The Company's fuel storage facilities is the only one directly linked 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 Airport. Presently, there are four fuel storage tanks with 15 million liters capacity each, 60 million liters in total. According to annual sales in 2014, the average daily sales is 11.6 million liters per day which makes the reserved capacity fuel volume at about 5.2 days. Moreover, there are 3 more fuel tanks rented by its subsidiary (FPT), in total capacity of 30 million liters. Therefore, Suvarnabhumi fuel storage facilities has reserved the grand total of 90 million liters and receive through pipeline system only from FPT and Thappline (Thai Petroleum Pipeline Company Limited).

Given the continuous trend of increasing aviation fuel demand volume and the Suvarnabhumi Airport expansion project where the midfield satellite building will be completed in 2017, the Company plans to install one more fuel tank with 15 million liters capacity. The construction will begin in 2014 and to be completed by 2015. This will increase its aviation fuel storage capacity to 75 million liters. However, in case Suvarnabhumi Airport aviation fuel volume does not meet the demand as projected, the new tank will be rented.

2) Don Mueang Airport

At Don Mueang Airport, there are three aviation fuel storage tanks with total capacity of 21 million liters together with two Hydrant Pumps with capacity of 270 cubic meters per hour and one Jockey Pump with 70 cubic meters per hour. In 2014, Don Mueang aviation fuel facilities receive jet fuel from two pipeline sources, FPT and Thappline, with the average daily sales of 1.7 million liters which makes the reserved volume last for 12 days.

3) Regional Airport

At the two regional airports, Samui and Sukhothai, the company provides fuel facilities and into-plane services. Due to Sumui Airport is located on the Island, the jet fuel is transported from Suratthani Province by tank truck and ferry to our fuel facilities. The Company installed one million liter



capacity tank to ensure that the airports being served sufficiently with safety and international standards to maintain service level in case of natural disaster such as rainstorm which may cause ferry service interruption. Whereas Sukhothai Airport which located inland, the average sales volume per day is slightly less, the jet fuel transported by truck will be stocked in a skid tank of 25,000 liters which is sufficient for service.

In 2014, at Samui Airport, the throughput volume per day was 0.1 million liter with capacity of 1 million liter, resulted in the reserved volume of 13.4 days.

2. Into-plane Service

For aviation fueling services business, the company was granted the concessionaire by Airports of Thailand (AOT) although the grant is not guarantee the continuity of operation in Suvarnabhumi Airport but its provide the company a superior position as into-plane service provider in the airport. Moreover, the grant has also given our company a strong business leverage to fend off new competitors envisaging to enter aviation fuel service domain. Whereas Don Mueang Airport, the required amount of investment is the business leverage for new entries. Other than concession limitation, there is no other factor affecting aviation fuel services business because our company has made capability expansion plan by preparing dispenser trucks with experienced operators according with the numbers of flight at the airport.

1) Suvarnabhumi Airport

The Company is one of the two aviation refuelling service providers under concession at Suvarnabhumi Airport for 20 years. The Company has been operating the service since the airport was opened on 28 September 2006. In 2014, there are 10 fuel suppliers at Suvarnabhumi Airport and refuel only JET A-1.



At Suvarnabhumi Airport, which has been designed to have hydrant network system underneath the apron throughout the airport. The Company operates its services by using dispenser truck for refuelling service and refueller truck for defuelling service.

After AirAsia had relocated its service hub from Suvarnabhumi Airport to Don Mueang Airport. This is not only reduced congestion at the Suvarnabhumi Airport but also provided greater benefit to our company. Low-Cost Carriers have high frequency flights but less refuel volume per flight because most of flights are short haul and domestic routes. After the relocation to Don Mueang Airport, Thai AirAsia Group increase their flights frequency and services whereas Suvarnabhumi Airport has gained back airport capacity for more long haul flights which refuel higher volume per flight.

**Number of flights and Jet A-1 refueling volume under the Company's service
At Suvarnabhumi Airport from 2012 - 2014**

Year	Number of Aircrafts (Flights / year)	Refueling Volume (Million liters / year)
2014	132,647	3,661.8
2013	136,902	3,883
2012	145,524	3,773

2) Don Mueang Airport

For Don Mueang Airport, the Company is a sole service provider that has been granted for service all flights advised by fuel suppliers. In 2014, there are 5 fuel suppliers at Don Mueang Airport.

There are 2 fuel products, Jet A-1 and AVGAS but very low demand for AVGAS. The Company uses both dispenser and refueller trucks at Don Mueng Airport. The refuellers are used for refuelling at remote parking bays which do not have hydrant pit underneath and also used for defueling.

After Thai AirAsia, a Low-Cost Carrier which provides both domestic and international services, has been moved back to Don Mueang Airport from 1 October 2012. Our company has gained significant benefits with higher refuelling volume per flight in average of 231 flights or 1.7 million liters per day. As the traffic at Don Mueang Airport increased, our company has to increase the number of dispenser trucks and employees to support the demand and larger coverage area. In 2014, the Company has 11 dispenser and 9 refueller trucks for its service operating 24 hours.



**Number of flights and Jet A-1 refueling volume under the Company's service
At Don Mueang Airport from 2012 - 2014**

Year	Number of Aircrafts (Flights / year)	Refueling Volume (Million liters / year)
2014	84,395	637
2013	68,219	503
2012	27,729	183

3) Regional Airports

The Company is a sole into-plane service provider at two regional airports, Samui and Sukhothai, and PTT Public Company Limited (PTT) is the only fuel supplier. The Company was granted by Bangkok Airways Public Company Limited (BKP), to service those two airports, and renew contract every 3 years.

The Company uses only refueller trucks for servicing both refuelling and defuelling of JET A-1 product because of low frequency flights per day.

For Samui Airport which has a continual growth. Given that Bangkok Airways has a plan to update and expand its fleet. The Company uses 5 refueller trucks to operate at the airport.

3. Hydrant Pipeline Network

The Jet A-1 fuel from the Company's intermediate tank is channeled through hydrant pumps into the hydrant pipeline network underneath the apron and spreading throughout the aircraft parking area. Jet A-1 fuel delivery from the hydrant pit to the aircraft by dispenser truck which are provided with metering, filtration, and control valves to safely control the fuel flow into the aircraft, also equipped with pressure controls to regulate the suitable pressure into the aircraft. Moreover, the hydrant pipeline network is specifically designed with Hydrant Control System, Leakage Monitoring System, and the Hydrant Emergency Shutdown system to assure the safety and service efficiency.

1) Suvarnabhumi Airport

JET A-1 fuel is transported through the hydrant pipeline network at Suvarnabhumi Airport, operated by the Company's subsidiary; Thai Aviation Refuelling Company Limited (TARCO). TARCO has granted 30 years concession from AOT to construct hydrant pipeline system that connected with the

Company's fuel storage facilities, and spreading throughout the aircraft parking area of 119 parking pits. In addition, based on the existing concession, TARCO was granted the right to operate hydrant pipeline system in order to support the expansion project phrase 2 of Suvarnabhumi Airport. Regarding the expansion project, 28 more aircraft bays will be constructed and the airport capacity can be served up to 60 million passengers per year. The plan is scheduled for completion in 2017.

2) Don Mueang Airport

The Company provides refuelling service through hydrant pipeline network underneath the apron which rented from AOT. The Company is responsible for maintenance and the hydrant rental fee is based on the number of hydrant pits where the hydrant pit valves are installed for refuelling service. After Suvarnabhumi Airport is operated, the air traffic in Don Mueang Airport has reduced which resulting in lesser demand of refuelling service. The Company decided to use Refueller truck instead of hydrant pipeline network in order to minimize the rental fee as well as the operation cost. However, in 2012, the shifted back of low cost airlines to Don Mueang Airport has increased the number of air traffic which then made the Company to resume its refuelling service through hydrant pipeline network in order to meet the demand. Additionally, in 2014, the Company rented 38 more hydrant pits out of 74 pits and expects to rent all the remaining pits within three years.





4. Assets and Infrastructure Rental

Other than aviation fuel services business, the Company is also doing minor businesses which are assets and infrastructure rental. Our company earns an income from FPT and Thapline for leasing space and accessing in facilities under the contract.

The Company's fuel depots at Suvarnabhumi and Don Mueung receive fuel from two providers as follows:

1. FPT transfers aviation fuel from Chong Nonsri area which located in Bang Jak refinery and Chevron and Shell depots. The Company receives partial revenue from transferring through pipeline and space rental fee.
2. Thapline transfers aviation fuel from fuel refinery at Sriracha area and Rayong province. The Company receives revenue from space rental fee and infrastructure service fee in linking pipelines to our depot.

The Volume of Jet A-1 Reception Transferred through Pipeline System From 2012 - 2014

Year	Suvarnabhumi		Don Muaeng		Total	
	FPT	Thapline	FPT	Thapline	FPT	Thapline
2014	1,458.7	2,736.6	346.6	461.2	1,805.3	3,197.8
2013	1,594.4	2,836.5	400.3	304.3	1,994.7	3,140.8
2012	1,492.7	2,871.2	280.2	38.6	1,772.9	2,909.8

Unit: Million liters at observed temperature

Aviation Refuelling Overview and Competition

Industrial Competition

The aviation fuelling business tend to grow along with the other industries which are, airport traffic, tourism, and airlines businesses. Therefore, any factor relating to these industries will directly affect the growth of aviation fuel storage and fuelling services businesses.

There were several negative factors affected the aviation fuelling business in 2014 which are, a domestic political unrest, military coup, the slow growth in economy among Russia, Japan, and the European nations and also the intense competition. Moreover, the world economy and politics weakened has cut the demand of aviation fuelling at Suvarnabhumi Airport and Don Mueang Airport from the previous year by 1.9% to 4,855 million liters in 2014.

Even though the overall fuel demand in terms of volume decreased, surprisingly, there was a growth at Don Mueang Airport by 26.7% whereas fuel demand at Suvarnabhumi Airport decreased by 5.1% regarding the decrease of international flights in China and Hong Kong routes which currently are the major market for Thai tourism.

The comparison of volume and flights

Year	Refuelling (flight / year)				Refueled Volume (million liters / year)			
	Suvarnabhumi Airport	Don Mueang Airport	Total	Increase (decrease) %	Suvarnabhumi Airport	Don Mueang Airport	Total	Increase (decrease) %
2014	145,629	84,395	230,024	5.7	4,218.1	636.9	4,855.0	(1.9)
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)

Competition

1) International Competition

The competition of international airports to be a hub is mainly among intercontinental. As the Middle East has become the world's hub, many European airlines then relocated their hub from Asia to Middle East. Due to this fact, it has significantly reduced the numbers of flight in Suvarnabhumi Airport since 2012. While China and Hong Kong tourism markets have played an important role in Asian region where China still remains as the world's business center and travel destination. Although, Thailand struggled



from European airlines' relocation of their Asian hub, fortunately it has been replaced by Chinese market. Together with an integration of ASEAN Economic Community (AEC) has resulted in the development among ASEAN airports which helps to promote more travel within the region. Additionally, the political situation in European nations, Ukraine, and Russia favors Thailand tourism market. As a result, it will help boost up Thailand tourism industry and also increase the demand of refuelling service.

2) Domestic competition

The Airports of Thailand (AOT) operates 6 domestic airports consists of Suvarnabhumi Airport as its main airport, Don Mueang Airport, Chiang Mai, Chiang Rai, Phuket, and Hat Yai. The Company provides refuelling service at Suvarnabhumi Airport and Don Mueang Airport which account for 75% of the total inbound-outbound flights in Thailand.

At Suvarnabhumi Airport, our company is one of the two service providers with 86.8% market share, whereas, at Don Mueang Airport we are the sole service provider. For the future business expansion, we look forward to providing fuelling services for the rest of AOT's airports.

Inbound and Outbound Flights at AOT's Airports in 2014

	Inbound Flights	Outbound Flights
Suvarnabhumi	146,477	146,455
Don Mueang	80,925	80,906
Phuket	37,253	37,248
Chiang Mai	24,840	24,839
Hat Yai	10,485	10,480
Chiang Rai	5,015	5,014
Total	304,995	304,942

Source: Airports of Thailand Plc.

In addition to the AOT's airports, the Company also provides into-plane services at Samui and Sukhothai airports which are owned and operated by Bangkok Airways (BA). In 2014, the total volume of aviation refuelling service was 27.4 million liters which slightly decrease of 1% from the previous year.

Innovating and Developing for the Future

With the ambition to fulfil vision and mission established, the Company designed the strategies focusing on the optimization of our equipment and aviation refueling system to be able to compete efficiently in the AEC, as well as to serve ceaseless growth of Suvarnabhumi Airport and the expansion of low-cost airlines operating at Don Mueang Airport for which have continued to grow by leaps and bounds. In addition, the Company is now working in detail to extend our line of complete business further to airports in other regions and abroad. At present, there are prospective plans as follows:

1. Purchase of One 8,000-liter Hydrant Low Point Flushing Vehicle

According to the Government's policy to launch the full operation of Don Mueang Airport and to relocate certain flights here from Suvarnabhumi Airport from October 2012, Don Mueang Airport has continued to handle more and more flights each year now. As a result, usage of hydrant pipeline network has increased too. In order to enhance service efficiency and reliability of hydrant pipeline network of the airport, the Company has planned to purchase 1 new hydrant low point flushing vehicle. The purchase is expected to serve the inspection of fuel quality in the hydrant pipeline system to ensure that the operation responds to the plan regulated in the JIG standards and the EI 1560 (Recommended Practice for The Operation, Inspection, Maintenance and Commissioning of Aviation Fuel Hydrant Systems and Hydrant System Extensionss). The purchase is scheduled for completion in the Q4 of 2015.

2. Purchase of Four Hydrant Dispensers for Aircraft Refueling Service at Don Mueang Airport

Don Mueang Airport has a constant growth rate of low-cost carriers transiting at the airport. The trend is lucrative for the airport to cater more small-sized and medium-sized aircrafts by which different airlines would continue to add to their fleet. The Company has planned to purchase four hydrant dispensers for aircraft refueling service in order to enhance service efficiency and serve the growth of Don Mueang Airport. The purchase is scheduled for completion in the Q4 of 2015.





Risk Factors



Bangkok Aviation Fuel Services Public Company Limited has continued to manage risks in a systematic practice for which enabled the Company to handle risk mitigation to an acceptable level through the years. The management reviews risk factors annually and adjusts controlling plans to align with corporate strategic goal basing on concerns on sustainable growth of the Company and generation of increased value to shareholders in the long run. However, there are some risk factors that may occur and affect shareholders or stakeholders as follows:

1. Business Risks

1.1 Risk Associated with the Growth of Thai Aviation Industry

Majority of the Company's revenue comes from aviation fuel storage and refueling services at Suvarnabhumi Airport and Don Mueang Airport where the Company serves 7 key customers who are oil companies and shareholders, including Thai Airways International Public Company Limited. Approximately 95% of revenue is from 5 customers, each with similar contribution. Only one customer has contributed more than 30% market share. As the customer is a large state enterprise and a shareholder, the Company has low risk of losing this customer or having bad debt from this customer.

The growth of the Company's income is mainly from the refueling volume provided to all flights operating at both airports. There are two refueling service providers at Suvarnabhumi Airport, while the Company is the only service provider at Don Mueang Airport. Risk factor affecting the growth of Thai aviation industry is therefore affecting the Company's income.

In 2014, Thai aviation industry was tremendously affected by political turmoil in the first half of the year, resulting in the decrease of tourists due to fears in safety. Such impact reflected through the number of flights reduced. Although Thai travel promotion campaign was launched after the coup d'état

announced on 22 May 2014, the number of tourists or flights increased only in a small fraction by which resulted in the decrease of the Company's 2014 income growth compared to the previous year. In the meantime, Civil Aviation Training Center had foreseen that Thai aviation industry may improve due to positive changes in political situation, accompanying by reduced fuel prices that, in turn, cut down the cost of low-cost airlines. These consequences were considered positive effects for aviation business and the Company's income.

The Company has closely monitored financial performance every month, side by side with the use of Trigger Point that helps to alarm unusual financial factors, such as EBITDA and cash flow as early-warning points. In case the revenue shows a negative sign to plunge below the budget, the Company will conduct the expense control plan to cover the decreased revenue in order to reduce impact caused by business risk to the lowest point possible. Through this approach, the Company can ensure annual dividends for shareholders.

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

The Company has acquired shares in the subsidiaries (group companies) of which the business is fuel pipeline transport service, including Thai Aviation Refuelling Company Limited (TARCO) and Fuel Pipeline Transportation Limited (FPT) that the Company owns shares of 90% and 91.55%, respectively. The investment in these subsidiaries was projected to boost growth and create value of comprehensive energy transport service system. Therefore, part of the Company's operation performance is dependent on the results of operations of its subsidiaries since these subsidiaries have risks from business expansion as well. In 2015, TARCO has risks from the investment in fuel hydrant pipeline network at Suvarnabhumi Airport phase 2 operating under the concession with the AOT. FPT has risks from the possibility of accidents from the construction projects alongside of fuel pipeline network of FPT which may cause damage, as well as risks from obtaining the right to invest in the multi-product jet fuel pipeline network to the North which is considered a long-term investment project. In order to handle such risk, the Company has nominated its management to sit as the subsidiaries' board of directors. The assigned management has the responsibilities in controlling and monitoring the subsidiaries' operation. As well, the subsidiaries' performance must be reported to the Company's Executive Committee on a monthly basis before proceeding to the Board of Director who will be evaluating appropriate risk management to ensure coherence of operation between the Company and subsidiaries.

2. Risks from Operation

2.1 Risk Relating to the Malfunctioning Aviation Refueling Devices or Inadequate Fuel in Relation to the Growth of Flight Numbers at Suvarnabhumi Airport and Don Mueang Airport

AOT has initiated marketing activities aiming to attract airlines to use Suvarnabhumi Airport and Don Mueang Airport, resulting in the continuously increasing flight numbers. Consequently, the Company has to encounter the risk of service breakdown or inadequate jet fuel for which could cause flight delays.



In order to minimize such risk, while still being able to maintain refueling service efficiency and timeliness, the Company has continued to invest in the improvement of devices and services, as well as in various projects to support the growth of flight numbers handled by the AOT as follows:

- Construction of aviation fuel tank at Suvarnabhumi Airport project
- Aviation Refueling Management System : ARMS Project
- Purchase of Dispensers Project

Moreover, the Company's Fueling Operations Committee, which comprises the representatives from the Company's management and oil companies, have been attending regular meeting for service improvement. In addition, the inspection by the Joint Inspection Group (JIG) is being conducted once a year to ensure the Company's operating system meets international standards.

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

With economic fluctuation, challenging business competition and the integration of AEC countries in 2015, accompanying with the Company's vision to expand business in a "Fulfill Green Energy Service" notion, the Company may encounter the risk of inability to develop human resource capabilities to replace the impending retirement of managers and senior employees of main positions among business environment that becomes more dynamic and challenging.

Consequently, the succession plan and successor development plan are being implemented through the management trainee program designed to enhance employee recruitment and selection procedures in order to develop proficient employees to serve business expansion and replace the retiring management in a timely manner. The scheme can assure the approaching management will have full competency required to bring the Company towards sustainable growth in the long run.

2.3 Risk Relating to Conflagration or Terrorism

Since the Company's business is related to aviation fuel storage, the fuel depot located nearby Suvarnabhumi Airport and Don Mueang Airport may risk the conflagration or other hazards, such as terrorism and etc. These happenings could cause damage to personnel, property, environment, as well as the Company's operations.

With high concerns about safety, the Company has designed the safety measures, "Occupational Health and Safety Assessment Series: OHSAS 18001:2001", side by side with the Safety, Occupational Health and Environment Policy for which every employee has to maintain awareness and conform to. As well, the Company has appointed the Crisis Management Center (CMC) to handle critical incidents that may affect the Company's operations. Furthermore, the Company has advanced emergency practice to the Business Continuity Plan : BCP in order to secure the Business Continuity Management : BCM and prevent Business Interruption crisis.



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

- 1) All-risks Insurance Policy, covering business interruption, valued at Baht 6,501.5 million.
- 2) Terrorism and Disaster Insurance Policy, valued at Baht 6,745 million.
- 3) Aviation Third Party Legal Liability Insurance Policy, valued at US dollars 750 million.
- 4) All-risks Insurance Policy, covering property, office equipment only, parts and property of regional airports as well as business interruption of regional airports. The policy valued at Baht 243.5 million.

3. Financial Risk

The Company and subsidiaries have core business in comprehensive energy services, including aviation fuel storage and refueling, which are considered ultra-high value infrastructure investment projects according to the Government's policy. The Company has therefore applied for loans to support business expansion of each company. Therefore, financial risks are dependent on the nature of operation, liquidity and loan obligation of each company 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 project and Into-plane services project. The company was granted a 14-year loan valued at Baht 2,000 million from Bangkok Bank Plc. The Company has repaid the loan since 2008 via 3-month current account with 1.5% interest rate. As of 31 December 2014, the Company has outstanding loan of Baht 669.6 million.



- 2) Loan for the subscription of shares issued by Thai Aviation Refuelling Company Limited with Kasikorn Bank Public Company Limited. The 14.5-year loan valued at Baht 800 million. The Company started to repay in 2007. The interest rate is THBFIX 6 MTH. + 1.15% per annum, which has been hedged at 5.8% fixed rate. As of 31 December 2014, the Company has outstanding loan of Baht 177.8 million.
- 3) Loan for the subscription of shares issued by JP-One Asset Company Limited with Thanachart Bank Public Company Limited, valued at Baht 220 million for 10-year period. The company started the repayment since 2011, using the interest rate of MLR-2.0%. As of 31 December 2014, the Company has outstanding loan of Baht 120 million.
- 4) Loan for relevant business investment. The company was granted an 8-year loan valued at Baht 650 million from Bangkok Bank Plc, using the interest rate of MLR-1.5% until 2016 and MLR-1.25% thereafter. The Company has repaid the loan since December 2012. As of 31 December 2014, the Company has outstanding loan of Baht 425 million.

The Company has been capable of respecting all loan contracts and maintaining satisfactory financial conditions at a much better rate than the loan's requirements. Additionally, the Company has prepared ample cash reserve for loan repayment and hence has low risk level.

3.2 TARCO's Long-term Debt Obligations are as follows:

- 1) Loan for the investment of Hydrant Pipeline Network phase II at Suvarnabhumi Airport with TMB Bank Plc, valued at Baht 550 million for 8-year period (2014 - 2021). The company will start the repayment in 2017, using the interest rate of BIBOR 3 MTH. + 1.35% per annum. As of 31 December 2014, the Company has outstanding loan of Baht 144.53 million.

Given the fact that TARCO has been granted to operate aviation fuel refueling services through hydrant pipeline network at Suvarnabhumi Airport for 30 years, thus the Company's cash flow is considered stable due to fixed service income that poses low risk level.

3.3 FPT has debt obligations under the debt restructuring plan and 3 loan contracts for investment as follows:

- 1) Loan repayment contract with BAFS of Baht 795.33 million and Bangchak Petroleum Public Company Limited of Baht 37.86 million within 10 years. The interest rate used is as follows: MLR-1.75% per annum from the date the Court agreed upon the plan until 31 October 2013; MLR-1.5% per annum from 1 November 2013 to 31 October 2016 and MLR-1.25% from 1 November 2016 onwards. The company has started the first loan repayment in October 2012. As of 31 December 2014, the Company has debt obligation of Baht 581.15 million.

- 2) Loan for the purchase of 9 hydrant dispensers, worth Baht 90 million (actual loan of Baht 60 million), from Bangkok Bank Plc. The 81-month loan uses the interest rate as follows: MLR-2.50% per annum in the first year and increases every 6 months at 0.25%. From the fourth year, the interest rate is MLR-1% per annum. The Company repays the loan at Baht 3.5 million every quarter, starting in March 2014. As of 31 December 2014, the Company has outstanding loan of Baht 46 million.
- 3) Loan for the construction of 3 fuel depots and 1 fire protection water tank, worth Baht 230 million, from Bangkok Bank Plc. The 105-month loan uses the interest rate as follows: MLR-2.25% per annum in the first year and increases at 0.25% per annum. From the fifth year, the interest rate is MLR-1.25% per annum. The Company repays the loan at Baht 2.20 million every month. As of 31 December 2014, the loan made by the Company is Baht 125.45 million.

FPT has been capable of respecting all loan contracts and maintaining satisfactory financial conditions by the loan's requirements, hence facing low risk level.

- 3.4 BAFS hires IPS in the provision of refueling service employee at Samui and Sukhothai Airports and future airports that BAFS is projecting to deliver the service. IPS charges service fees basing on actual cost plus profit margin stipulated in the agreement. Currently, IPS is a debt-free entity and does not have necessity to seek loans from financial institution. Thus IPS faces no financial risk.

4. Risk Related to Investors' Investment that May Affect Dividend Payment

The Company has an ambition to grow with stability and continuity. Investment for business expansion will be conducted with care, using the analysis of cash flow while concerning in the competency to pay regular dividends. The Company has a policy to pay dividends 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% based on net profit declared on the Company's financial statement. Through the years, the Company has continued to pay dividends regularly. Average dividend payment after reserve, basing on the records over the past five years (2009-2013), is 80% which is considered higher than the law's requirement.

Performance of the Company in 2015 shows continuing growth. Investment plans are handled with care. Furthermore, the Company has employed financial risk indicator, which was designed to alarm before the Company reaching acceptable risk points. Therefore, chances are rare that the Company will not be able to pay dividends to the shareholders.



Shareholder and Management Structure

1. Shareholding Structure

Top ten shareholders as of 25 August 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 Petroluem (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:

Name	Position
1. Mr. Palakorn Suwanrath	Chairman and Independent Director
2. M.R. Supadis Diskul	Director and Executive Chairman
3. Mr. Prakobkiat Ninnad	Director and Management Director
4. Flight Lieutenant Montree Jumrieng	Director
5. Flying Officer Chalermpon Intarawong	Director
6. Squadron Leader Bhurith Sriwatana	Director
7. Mr. Nirandra Theeranartsin	Director
8. Mr. Kris Imsang	Director

Name	Position
9. Mr. Ath Hemvijitraphan	Director
10. Mr. Trintr Subakarn	Director
11. Mr. Navee Lertphanichkul	Director
12. Mr. Aswin Kongsiri	Independent director
13. Mr. Pachara Yutidhammadamrong	Independent director
14. Mr. Visut Montrivat	Independent director
15. Mr. Pipat Purnananda	Independent director
Mrs. Parndao Sukhyanga	Corporate secretary

Meeting Attendance of Board of Directors and Committees

Name	Meeting attendance in 2014 (Meeting attendance / total meetings)				
	Board of Directors (6 meetings)	Audit Committee (6 meetings)	Remuneration Committee (4 meetings)	Nominating and Corporate Governance Committee (6 meetings)	Risk Management Committee (4 meetings)
1. Mr. Palakorn Suwanrath	6/6				
2. M.R. Supadis Diskul	6/6		4/4	6/6	4/4
3. Mr. Prakobkiat Ninnad ^{1/}	4/4			3/3	1/1
4. Flight Lieutenant Montree Jumrieng	4/6			4/5 ^{9/}	
5. Flying Officer Chalermpon Intarawong ^{2/}	2/2				
6. Squadron Leader Bhurith Sriwatana ^{2/}	2/2				
7. Mr. Nirandra Theeranartsin ^{3/}	1/1				
8. Mr. Kris Imsang	3/6				
9. Mr. Ath Hemvijitraphan	3/6				
10. Mr. Trintr Subakarn	6/6				
11. Mr. Navee Lertphanichkul	5/6			6/6	
12. Mr. Aswin Kongsiri	6/6			5/5 ^{9/}	4/4
13. Mr. Pachara Yutidhammadamrong	6/6	6/6	4/4		
14. Mr. Visut Montrivat	6/6	6/6	4/4		



Name	Meeting attendance in 2014 (Meeting attendance / total meetings)				
	Board of Directors (6 meetings)	Audit Committee (6 meetings)	Remuneration Committee (4 meetings)	Nominating and Corporate Governance Committee (6 meetings)	Risk Management Committee (4 meetings)
15. Mr. Pipat Purnananda	6/6	6/6		1/1 ^{10/}	4/4
Mr. Sumon Surathin ^{4/}	2/2	3/3	3/4		
Mrs. Wasukarn Visansawatdi ^{5/}	0/2				
Mr. Pongsak Semsan ^{6/}	0/3				
Mr. Makin Petplai ^{7/}	1/1				
First Lieutenant Athisak Padtchuenjai ^{8/}	3/4			1/1 ^{10/}	

Remarks:

- ^{1/} Appointed as a Director effective from 24 April 2014; Remuneration Committee, Nominating and Corporate Governance Committee and Risk Management Committee effective from 1 August 2014 and thus attended 4 Board of Directors' meetings, 3 Nominating and Corporate Governance Committee's meetings and 1 Risk Management Committee's meeting, respectively.
- ^{2/} Appointed as a Director effective from 6 November 2014 and therefore attended 2 Board of Directors' meetings.
- ^{3/} Appointed as a Director effective from 17 December 2014 and therefore attended 1 Board of Directors' meeting.
- ^{4/} Completed term as a Director and Audit Committee Member on 24 April 2014 and therefore attended 2 Boards of Directors' meetings and 3 Audit Committee's meetings.
- ^{5/} Resigned from Directorship effective from 15 April 2014.
- ^{6/} Resigned from Directorship effective from 12 May 2014.
- ^{7/} Appointed as a Director effective from 7 August 2014 and resigned from Directorship effective from 16 September 2014 and therefore attended 1 Board of Directors' meeting.
- ^{8/} Resigned from Directorship effective from 1 October 2014 and therefore attended 3 Board of Directors' meetings.
- ^{9/} The Board of Directors' meeting no.7/2013 has appointed the special nominating committee. Mr. Aswin Kongsiri and Flight Lieutenant Montree Jumrieng ended their terms and did not attend those special meeting no. 2/2014.
- ^{10/} Appointed as a Nominating Committee Director, particularly for the meeting no. 2/2014.

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, Flight Lieutenant Montree Jumrieng, Mr. Trintr Subakarn, Mr. Kris Imsang, Mr. Prakobkiat Ninnad, Flying Officer Chalermpon Intarawong, Squadron Leader Bhurith Sriwatana, Mr. Nirandra Theeranartsin, two out of ten 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 Articles of Association, 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 directors prior to their retirement, with a three-fourth 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 who is proposed to be the director shall not exceed 77 years old and must be healthy.
- The director shall be retired on the last day of the birth month turning 77 years old.
- The managing director shall be retired on the last day of the birth month turning 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 Articles of Association, 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 authorities as deemed appropriate.

Managing Director's Scope of Authorities

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, 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 has 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 on 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 Articles of Association and regulations to the Board of Directors and executives; coordinate and ensure that the Company's objectives and Articles of



Association, shareholders' resolution/Board of Directors' resolution, legal and other regulations are implemented and met in order to comply with good corporate governance principle; manage and arrange 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 invitations, 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: 50

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.
- Legal Supervisor, 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, Nominating and Corporate Governance 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 Nominating and Corporate Governance committee to consider and nominate name lists to the Board of Directors and/or the shareholders for their approval. In selecting directors Nominating and Corporate Governance committee, shall use any methods, such as searching among qualified persons who have experiences relevant to the Company's business; consulting professional search firm; director pool; nomination from directors or shareholders etc.

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 procedure 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% 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 Baht 2 million 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% 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 Baht 30,000/month, director receives Baht 20,000/month
 - Meeting Allowance: Chairman receives Baht 24,000/time, director receives Baht 16,000/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 Baht 25,000/month, director receives Baht 20,000/month
 - Meeting Allowance: Chairman receives Baht 20,000/time, director receives Baht 16,000/time

4.1.3 The remuneration of the Risk Management Committee, the Remuneration Committee, and the Nominating and Corporate Governance 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/time, director receives Baht 8,000/time

Remuneration for the Board of Directors

Number of Directors	15 persons
Total Directors' remuneration in the positions of Board of Directors, Audit Committee and other committees i.e. Risk Management Committee, Remuneration Committee and Nominating and Corporate Governance Committee	
2014	Baht 18,329,570.00
2013	Baht 16,674,760.69

The 2014 remuneration in detail is as follows:

Unit : Baht

Names	Position	Director Remuneration	Audit Committee Remuneration	Other Committee Remuneration	Bonus year 2013 paid in 2014	Total	Remuneration in Subsidiary Companies
1. Mr. Palakorn Suwanrath	Chairman	504,000.00	-	-	1,222,600.00	1,726,600.00	-
2. M.R. Supadis Diskul	Director	336,000.00	-	112,000.00	815,100.00	1,263,100.00	1,316,300.00
3. Mr. Prakobkiat Ninnad	Director	228,000.00	-	32,000.00	84,900.00	344,900.00	-
4. Flight Lieutenant Montree Jumrieng	Director	304,000.00	-	32,000.00	815,100.00	1,151,100.00	-
5. Flying Officer Chalermpon Intarawong	Director	68,666.75	-	-	-	68,666.75	-
6. Squadron Leader Bhurith Sriwatana	Director	68,666.75	-	-	-	68,666.75	-
7. Mr. Nirandra Theeranartsin	Director	25,677.40	-	-	-	25,677.40	-
8. Mr. Kris Imsang	Director	288,000.00	-	-	44,700.00	332,700.00	-
9. Mr. Ath Hemvijitraphan *	Director	288,000.00	-	-	815,100.00	1,103,100.00	-
10. Mr. Trintr Subakarn *	Director	336,000.00	-	-	815,100.00	1,151,100.00	-
11. Mr. Navee Lertphanichkul	Director	320,000.00	-	48,000.00	815,100.00	1,183,100.00	-
12. Mr. Aswin Kongsiri	Director	336,000.00	-	90,000.00	815,100.00	1,241,100.00	-
13. Mr. Pachara Yutidhammadamrong	Director	336,000.00	420,000.00	32,000.00	815,100.00	1,603,100.00	592,930.00
14. Mr. Visut Montrivat	Director	336,000.00	336,000.00	40,000.00	815,100.00	1,527,100.00	592,930.00
15. Mr. Pipat Purnananda	Director	336,000.00	336,000.00	42,000.00	576,200.00	1,290,200.00	378,860.00
Mr. Sumon Surathin	Former director	112,000.00	128,000.00	24,000.00	815,100.00	1,079,100.00	376,500.00
Mrs. Wasukarn Visansawatdi	Former director	69,333.33	-	-	687,800.00	757,133.33	-
Mr. Pongsak Semsan	Former director	87,096.77	-	-	328,300.00	415,396.77	-
Mr. Makin Petplai	Former director	42,129.00	-	-	-	42,129.00	-
First Lieutenant Athisak Padtchuenjai	Former director	228,000.00	-	8,000.00	125,050.00	361,050.00	-
Mr. Vinai Chamlongrat	Former director	-	-	-	239,000.00	239,000.00	202,800.00
Sqn. Ldr. Alongot Pullsuk	Former director	-	-	-	623,050.00	623,050.00	-
Mr. Soopachai Dhadagittisarn	Former director	-	-	-	732,500.00	732,500.00	-
Total		4,649,570.00	1,220,000.00	460,000.00	12,000,000.00	18,329,570.00	3,460,350.00



Remuneration for the Management

Number of Management	9 persons
Types of remuneration	Salary, Bonus, Welfare*
Total Management's remuneration	
2014	Baht 55,354,252.62
2013	Baht 48,228,623.45

* 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 persons
Provident Fund Contribution	
2014	Baht 3,898,246.53
2013	Baht 3,723,716.53

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 statements 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 (Million Baht)	Dividend per share (Baht)	% of Net Profit (Separate Financial Statement)	
			Before reserve	After reserve
2014	561.0	1.10	81	102
2013	510.0	1.00	61	76
2012	397.8	0.78	56	70
2011	331.5	0.65	79	99
2010	275.4	0.54	63	79

In 2014, the Company paid interim dividend to shareholders at Baht 0.28 per share on 4 September 2014. On 19 February 2015, the Board of Directors' meeting agreed with the 2014 dividend payment for the second half of the year at Baht 0.82 per share, bringing the total dividend payment to Baht 1.10 per share, representing 102% of net profit (after reserves). This is in line with the Company's dividend payment. This will be presented to the 2015 Shareholders' Meeting.

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

Thai Aviation Refuelling Co., Ltd. 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%.

Fuel Pipeline Transportation Limited has the dividend policy at the ratio of 20% of net profit after tax and legal reserve.

Intoplane Services Co., Ltd. has no dividend policy



Corporate Governance



Corporate Governance

The Board of Directors of Bangkok Aviation Fuel Service Public Company Limited 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 appointed Mrs. Parndao Sukhyanga as the Corporate Secretary, who serves as the center of operation supervision to ensure the Company's business is in compliance with the laws, rules, regulations, policy and requirements of relevant authorities, such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. (Details on the profile of the Company's operation management head is included in the "Shareholder and Management Structure")

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:

The Company 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's 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, Corporate Governance 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. As well, the Company has issued the Anti-Corruption Manual as the direction of operation for the management and employees. Consequently, the Company received certificate for collective action against corruption from Thailand's Private Sector Collective Action Coalition against Corruption Council in 2014.

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) | Audit Committee Director |
| 3. Mr. Pipat Purnananda (Independent Director) | Audit Committee Director |
| 4. Mr. Sumon Surathin (Independent Director) | Audit Committee Former Director |
| 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. However, Mr. Sumon Surathin completed the term as Director and Audit Committee on 24 April 2014.

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: (as per the resolutions of Board of Directors’ meeting No. 4/2557 dated 7 August 2014)

1. Mr. Visut Montriwat (Independent Director)	Chairman of Remuneration Committee
2. Mr. Pachara Yutidhammadamrong (Independent Director)	Remuneration Committee Director
3. Mr. Sumon Surathin (Independent Director)	Remuneration Committee Director (completed term as Director on 24 April 2014)
4. M.R. Supadis Diskul (Executive Chairman)	Remuneration Committee Director
5. Mr. Prakobkiat Ninnad (Managing Director)	Remuneration Committee Director (appointed as Director, effective from 1 August 2014)
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, Risk Management Committee, the Nominating and Corporate Governance Committee, the Fuelling Operation Committee, Executive Chairman, Managing Director, Sub-Committees and Other Sub-Committees and to make further proposal to the Board of Directors or the shareholders’ meeting for consideration for approval as the case may be”

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 and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of at least 3 directors, with a directorship term of 2 years, where the Chairman of Nominating and Corporate Governance Committee is an Independent Director. Members of such Committee are as follows:

1.	Mr. Aswin Kongsiri	(Independent Director)	Chairman of Nominating and Corporate Governance Committee
2.	Mr. Navee Lertphanichkul		Nominating and Corporate Governance Committee Director
3.	Flight Lieutenant Montree Jumrieng		Nominating and Corporate Governance Committee Director
4.	M.R. Supadis Diskul	(Executive Chairman)	Nominating and Corporate Governance Committee Director
5.	Mr. Prakobkiat Ninnad	(Managing Director)	Nominating and Corporate Governance Committee Director
	Mrs. Parndao Sukhyanga	(Corporate Secretary)	Secretary of Nominating and Corporate Governance Committee

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

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

The Nomination, Managing Director and the Nominating and Corporate Governance 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 Nominating and Corporate Governance Committee gives opinion in performing its duties as specified in the prescribed responsibility; for example, to provide opinion in nominating directors etc.

In respect of corporate governance, the Nominating and Corporate Governance Committee will regularly review and update corporate governance policy, supervise, monitor and provide not only suggestions to Management leading to a good management administration but also recommendations of the good corporate governance to Board of Directors resulting in the business operation of the Company according to regulations of a compliance unit.

To ensure the Company's operation responds to the principles of the Corporate Governance regulators

Risk Management Committee

The Risk Management Committee consists of 5 directors, with a directorship term of 3 years, where the chairman is independent director. Members of such Committee are as follows:

- | | | | |
|----|-----------------------------|--|--|
| 1. | Mr. Aswin Kongsiri | (Independent Director) | Chairman of Risk Management Committee |
| 2. | Mr. Pipat Purnananda | (Independent Director) | Risk Management Committee Director |
| 3. | M.R. Supadis Diskul | (Executive Chairman) | Risk Management Committee Director |
| 4. | Mr. Prakobkiat Ninnad | (Managing Director) | Risk Management Committee Director
(Functional Committee since 1 August 2014) |
| 5. | Mr. Ditsapong Prithaveepong | (Consultant to Executive
Chairman and Acting for
Business Development &
Marketing Director) | Risk Management Committee Director
and Secretary |

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:

“Monitoring on compliance of a risk management policy and considering, approving a corporate risk management, reviewing the effectiveness of risk management profile, monitoring risks of the Company and its subsidiaries (Group's Company) as well as considering and reviewing overall risks 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

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 | |
| 2. | Mr. Prakobkiat Ninnad | Managing Director | |
| 3. | Mr. Chathaya Bandhaya | Senior Finance & Accounting Director | Bangkok Aviation Fuel Services Plc. |
| 4. | Mr. Amnuay Pahuvanich | Managing Director | Thai Aviation Refuelling Company Limited |
| 5. | 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:

"Formulate the policy and consider the budget of the Company and its subsidiaries before proposing to the Board of Directors of each company, supervision, follow up the progress and assess the operating results of the Company and subsidiaries as designated by the Board of Directors; has authority in requesting documents and calling related personnel on the purpose of information clarification as part of decision making on the issues relevant to the execution of authority; appoint the subcommittee and working group where appropriate and perform other tasks as assigned by the Board of Directors."

3 The Nominaion and Appointment of the Board of Directors and Top Executive

The nomination and appointment of the Board of Directors and Managing Director are being conducted by the Nominating and Corporate Governance Committee who will examine the qualifications of candidates and propose to the Board of Directors and/or shareholders for consideration.

In the recruitment of the Board of Directors, the Nominating and Corporate Governance Committee will use one or many ways to recruit, such as searching from competent person (s) who has relevant experience with the Company's nature of business. Occasionally, professional search firm or Director Pool or nomination by the Board of Directors or shareholders may be the recruitment method.

The recruitment of the Board of Directors in place of the Director (s) vacating the office at the end of their term requires the proposal at the shareholder's meeting for position appointment. In this case, principles and method of majority voting will be used as follows:

1. One shareholder is entitled to one vote.
2. Each shareholders shall exercise its vote as prescribed in 1, to vote for one particular or more as director (s) but his votes are indivisible.
3. The person who obtains the highest vote will be elected as a director respective order according to the required number of directors. In the case that if two or more persons obtain equal votes, the Chairman must exercise a casting vote.



The Company has specified the director and the independent director, qualification's which goes beyond the qualifications prescribed by the SEC in terms of shareholding in order to ensure the Company's independent director is genuinely independent. The Company defined the "Independent Director" with the following qualifications:

1. Hold less than 0.5% of the total ordinary shares of the Company, holding company, subsidiaries, affiliates, majority shareholder or the Company's authorized person. In any case, shares held by any person related to the such independent director must also be included.
2. Never or used to be executive director, employee, consultant with fixed salary or the authorized person of the Company, holding company, subsidiaries, affiliates, same-level subsidiary, majority shareholders or the Company's authorized person, unless the foregoing status has ended not less than two years. The above prohibited characters exclude the independent director who was a government employee or a consultant of any governmental bodies who is also a majority shareholder or the company's authorized person.
3. Don't have a genetic relationship by registration as a parent, spouse, relative and a child as well as a spouse of a child of the directors, major shareholder, authorized person or person who is proposed to be director or an authorized person of the Company or its subsidiaries.
4. Never or used to have business relationship with the Company, holding company, subsidiaries, affiliates, majority shareholders or the Company's authorized person of which may obstruct independent judgement, including not being or used to be significant shareholders or the Company's authorized person having business relationship with Company, subsidiaries, affiliates, majority shareholders or the Company's authorized person, unless the foregoing status has ended not less than two years.
5. Never or used to be the auditors of the Company, holding company, subsidiaries, affiliates, majority shareholders or the Company's authorized person or partner of the auditing firm hired as a auditor of by the Company, holding company, subsidiaries, affiliates, majority shareholders or the Company's authorized person, unless the foregoing status has ended not less than two years.
6. Never of used to be a professional service provider whose business includes legal or financial consultation, who receives service fee more than Baht 2 million per annual from the Company, holding company, subsidiaries, affiliates, majority shareholders or the Company's authorized person and not a significant shareholders, authorized person or partner of the professional service provider, unless the foregoing status has ended not less than two years.
7. Not an appointed Director as the representative of the Company's directors , majority shareholders or a shareholder that relates to majority shareholders.
8. Not operate similar business and a significant competitive business with the Company or subsidiaries or not a significant partner in partnership or an executive director of such business, employee consultant who earns monthly salary or holds more than 1% of the overall ordinary share of another company which operates the same business and be a significant competitor with the Company or subsidiaries.

9. Not be Director empowered by Board of Directors to make executive decision for the Company, subsidiaries, affiliates, same-level subsidiary, majority shareholders or the Company's authorized person.
10. Not be a Director of the Company, subsidiaries or same-level subsidiary, particularly a listed company.
11. No characteristics preventing the independent opinions on the Company's operation.

4. Supervision of Subsidiaries and Affiliated Entities

4.1 Mechanism for supervision of subsidiaries and affiliated entities

The Company has mechanism for supervision of subsidiaries and affiliated entities by nominating representative 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 represent 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: To 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.



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

-None-

5. Using Inside Information

The use of inside information is detailed in (7) Compliance to the Good Corporate Governance Principle

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

6.1 Remuneration for External Auditor

- The Company and its subsidiaries paid Baht 2,750,177 auditing fees (including other expenses related to auditing fees for the accounting period ending 31 December 2014) as follows:

List	Company	Auditor	Other costs (Baht)
1.	Bangkok Aviation Fuel Services Plc.	EY Office Limited	1,190,000
2.	Thai Aviation Refuelling Co., Ltd.	EY Office Limited	572,000
3.	JP-One Asset Co., Ltd.*	Dharmniti Auditing Company Limited	53,177
4.	Intoplane Services Co., Ltd.	EY Office Limited	95,000
5.	Fuel Pipeline Transportation Ltd. (FPT)	EY Office Limited	840,000
Total			2,750,177

* The company was merged with FPT since 3 February 2014

6.2 Other Fee

- In the past fiscal year, Subsidiary settled a compensation in the form of other fee to EY Corporate Services Limited, which relates to EY Office Limited, as the fee for consulting and merger of Baht 382,345.

7. 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 and BAFS Newsletter, 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 1.12%, while that of the institutional investors is more than 9.53%.

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 2014, the meeting was held on 24 April, 2014., where Chairman of the Board of Directors, Chairman of all sub-committees, Managing Director, directors, 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 21 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 Nominating and Corporate Governance 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 Corporate Secretary. 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 fully 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 Company introduces Board of Directors, chairman of each sub-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 will announce on the Company's website within 9.00 AM of the day after the shareholders' meeting date.
- 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 seven 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. In the 2014 Annual General Meeting of Shareholders, no shareholder proposed any issue or nominated any person as a Director.

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 by directors and management for, abusive self-dealing such as insider trading or related party transactions that may cause damages to the shareholders etc. 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, the use of inside information and conflict of interests. 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 directors and the managements, the Company has notified 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 agenda of 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 sets rule of disclosing the information about the interests of directors and management and their related parties to the Company. Such rule accords to 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 2014, 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 2014, the Company has 442 employees and the average training hours are 41 hours/person.
 - Provide education support programs e.g. scholarships for employees and domestic or international site visiting.
 - Promote ethics and moral by organizing a training on the "anti-corruption measures" and launching a test on business ethics for the employees to enter in order to enhance working ethics among the employees. As well, the Company encourages employees to practice the dharma at the Young Buddhists Association of Thailand and Sripathumdhamma.
 - Support the campaigning and fostering of core value by holding activities, such as internal relationship activities, award presentation for outstanding staff, safety training activity, corporate value test for employees, and so on. All of which aims to promote employees' participation so that they will learn, understand and realize the importance of corporate values and practice in similar direction.
 - Have activities to promote good relationships among employees such as arranging sport day, New Year party, annual company outing, 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.

- Support the creation of awareness, fostering of corporate values, and participation of employees in the compliance with the policy towards all stakeholders, such as society, community and customer. In addition, activities with concentration on core value should be held to promote proper practice towards stakeholders.

1.7 Society and Community:

Corporate Social Responsibility: CSR is part of the sustainability development plan. Part of the Company's objectives on CSR program is the provision of support for community around the Company's operation areas, while the other part lies in the support for overall society. The Company's CSR activities are divided into activities for community and society, including educational support for young children with the aims to promote the religion and local culture as well as to connect and enhance the well being of the community and the provision of support for divisions with dedication for public good.

- The Company's CSR projects for the society include supporting the project for Thai veterans due to battle injuries, educational tours, supporting skill development projects held by various schools, scholarship program, supporting the holding of Buddhist activities, and etc.
- The Company's CSR projects for community development include the annual medical check-up for the community, the holding of basic fire fighting course for the community, community visit, supporting and attending traditional ceremonies held by local community, supporting sporting events of the community, and 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
- Ensure safety for the life of employees, workers and property in the areas responsible by the Company. Regularly review safety measures and ensure the practice is up to date.



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. Environmental Conservation and Efficient Use of Resources

The Company supports efficient use of resources across all procedures relating to business operation basing on concerns in the environment. The Company monitors the impact closely and establishes the measures for the protection and the relief of impact in a systematic way through the supervision of Green Committee specially appointed to ensure the Company's energy management is harmonious with the energy conservation policy. Details are as follows:

- The Company will operate and develop appropriate energy management system by placing energy conservation as one of the Company's operations by which must comply with the law and other regulations.
- The Company will improve the efficiency of energy resources' usage in a successive manner and in line with the nature of business, technology and good operation practice.
- The Company will determine appropriate plan and goal of energy conservation every year and communicate the mission to the employees for understanding and accurate practice.
- The Company is certain that energy conservation is the duty of the management of all levels and every employee. All company members should comply with the measures in order to achieve the goals.
- The Company will support human resources, budget, operating time, training and participation in the presentation of opinions to advance the energy management.
- The management and the Green Committee will review and improve the policy, goals and energy management plan every year to ensure it is appropriate and coherent with actual situation.

In the past year, the Company has emphasized the credibility of carbon footprint report and accelerated the accuracy of information by the Excellence Center of Eco-energy, Faculty of Engineering, Thammasat University. With our ceaseless effort, the Company received the Carbon Footprint Certificate from Natural Resources and Environment Minister on 24 September 2014.

The Company continually holds seminar about energy for employees, such as the lights' turning off on Earth Hour campaign, the energy conservation Question & Answer session on the Company's internal IT system, the training on energy and the AEC integration, and so on.

Furthermore, the Company has practical energy saving measures, including the installation of Photovoltaic (grid solar cell) on the roof of Building 4 of Don Mueang Depot and the change of High Pressure Sodium

lights to LED lights at Suvarnabhumi Depot. Both measures will be able to reduce the energy consumption of the Company by 11,000 units a year, or equal to the reduction of carbon dioxide for as much as 6,394 kg. of carbon dioxide equivalents.

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 has strived to operate business with transparency against bribery and corruption by which reflected through our joining with the Private Sector Collective Action Coalition Against Corruption. In 2014, the Company was officially certified a member.

In 2013, the Company has announced the Anti-Corruption Policy, which was approved by the Board of Directors in order for the directors, management and employees to comply by with details are as follows:

- Directors and employees of all level shall strictly respect the anti-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.

In 2014, the Company composed the Anti-Corruption practice manual to ensure that the management and employees are working in harmonious with the policy. Key ideas are as follows:

1. Payment for donation or sponsorship

- Donation for charity and the sponsorship must have clear objectives and can be proved that such action is not an excuse for a corruption and is being done under the Company's name.
- Not accept or offer bribery, as well as not proceed unethical transaction of all sorts regardless of direct or indirect manner with government employee, other person or other institute/company in exchange for an action benefiting oneself or other benefit from the Company's operation.

2. Political Support : The Company has faith in the Democracy Constitutional Monarchy and is neutral on politics with no political support or assistance provided to any party. The Company encourages employees to use their rights to vote in elections.

3. Giving and Receiving Gifts

- Never accept or request benefits or offer bribery of all sorts, including other inappropriate expense regardless of direct or indirect manner to exchange for an action benefiting oneself, the Company or other benefits from the Company's operation.
- Giving or receiving gift (s) must be done with transparency and not affected any business decision of the Company.

4. Hosting and Reception Arrangement

- The holding of reception and receiving of reception according to social norms for which aims to benefit the Company's business in a proper limitation that's not exceeding normal business relationship and is considered reasonable.
- Never pay travel cost, reception expense or other payment that is not appropriate and not related to the Company's business, to government employee, other person or other institute/company.

- Never accept or request benefits or accept invitation to celebration, reception or attend any business tour that an outside party offers to pay for the cost or accept the payment from an outside party for which will influence mutual business decision or repay for the action of benefits or the action aiming at the Company's benefits.

Moreover, the Company has preventive measures against the involvement with corruption as follows:

1. The Company appointed the Executive Chairman to partly handle risk management of projects related to the investment of the Company and subsidiaries.
2. The Company has assessed the risk at organizational level and procedures that may relate to corruption and risk control plan was designed in written notice for continual monitoring and controlling of the risk management, consistently.
3. The Company has communicated business ethics and anti-corruption policy both inside and outside of the Company, such as to partners via electronics document system, notification at the bulletin board of office and on the Company's website, having the employees signed on the business ethics notification for them to put into practice etc. In addition, good corporate governance training is being held for employees every year, as well as the workshop on anti-corruption was also included as one of the topics of the orientation for new employees.
4. Every year, the Company supported activities that promotes and fosters the compliance with the law and relevant regulations among employees. For example, the activity designed to promote core value in the "Following Best Practice" which focuses on fulfilling duties with integrity and obligation in the Company's regulations, the annual holding of online self-assessment on ethics, seminar on the anti-corruption measures for directors and employees, and so on.
5. The Company well realized the importance of anti-corruption measures and joined the Private Sector Collective Action Coalition Against Corruption in 2012. Recently in 2014, the Company was officially certified a member. The coalition committee had examined the qualifications and the sufficiency of anti-corruption measures required for members in order to derive certification.

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 Corporate Secretary, e-mail: parndao@bafs.co.th, tel. 0 2834 8912. The mailing address is Bangkok Aviation Fuel Services Plc. 171/2 Kamphaeng Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10210

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

8. [Whistleblower Policy](#)

The Board of Directors has provided various channels for whistleblowing 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:



8.1 Complaints

The Company has established channels for whistleblowing, complaints, or violation of the code of conduct, illegal act, behavior that may indicate fraud and unfair treatment. Filing can be made via the following channels:

- (1) Reliable supervisor at all levels
- (2) Corporate Governance Committee
- (3) Via 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

- (4) E-mail: ec@bafs.co.th or ac@bafs.co.th
- (5) Website: www.bafsthai.com

8.2 Procedures upon the Submission of Complaints

When the whistleblowing or complaint is being filed, the Company will collect the evidences, evaluate and formulate measures to relieve damages caused to affected person by considering total impact. Afterwards, the person responsible for the case will follow up results of the relief and report to the complaint staff and the filer. Results of action will be reported to the managing director, chairman, audit committee and the Board of Directors, respectively, depending on each case.

8.3 Protection Measures

In order to protect the right of whistleblower, the Company will not reveal name, surname, address, picture or other information of the whistleblower or those who participated in the investigation. The Company will formulate protection measures in case the whistleblower is not certain about his or her safety or may foresee any probable damages. Person affected by the damage will be relieved with procedures that are appropriate and fair.

In case that the Company investigates and discovers that the person in the complaint genuinely violates business conduct and the anti-corruption measures, the Company will consider punishment as per the regulations of the Company or the person will be punished as prescribed by laws

The Company has no record of violation on labor laws, employment, customer and business competition. There has been no complaints received.

In 2014, the Company received outstanding awards, i.e. National Award of the Outstanding for Enterprise of Safety Operations, Occupational Health and Working Environment in 3 locations: 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 2014, the auditors from EY Office Limited, 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 SEC and SET, under the responsibility of Regulatory Compliance Division.
- 3.3 Investors Relations Section, 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 2014, 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 40 times, Shareholder Site Visit 1 time, providing information for the Company's Credit Rating Review beside responding to the investors who make inquiries 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 time frame.

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:

- 2 Executive Director (13.33%)
- 13 Non-Executive Directors (86.67%)

The Board of Directors comprises 8 outside directors and 5 independent directors, more than one-third of the total directors. There were 8 Directors who are not the members of management team and have experiences in the business or core industry in which the Company operates.

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". Details under selection 3 of directors and management in component and selection of directors and executive committee.

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 or determine the tenure of longest period of the committee's term of office since the selection of directors with relevant experience to the Company is considered a limited opportunity.

5.1.6 The Company's committee values the importance of efficient conduct of Director and Managing Director, therefore the Company stipulates a clear policy regarding the Director's position holding in other companies which has to be in line with ethical practices as prescribed by good business conduct. According to the policy, a Managing Director shall not hold directorship positions in more than five listed companies. Directorship in the role of director or chairman in other company which is not



a subsidiary or associated company or other company that the Company holds the shares must be granted with approval from the Board of Directors.

- 5.1.7 The Company has the Assistant Director, Corporate Secretary & Social Affairs Office with a wide knowledge of laws and has passed the training on the Assistant Director, Corporate Secretary and other secretarial courses, who serves as the Company's Secretary. Details are as stated in the "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 as per details in 2 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 etc.
- 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 and has personnel that sufficiently and effectively controls and monitors the operations of subsidiaries. The Company has found the system capable of protecting the property of the Company and subsidiaries from fraudulent conduct of director or the management. The Company has not found significant weakness related to internal control as detailed in the "Summary on the Opinion Concerning Internal Control System for the Year 2014".
- 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 Division 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, 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 have reviewed the Assessment Form of Adequacy of Internal Control System annually.

5.2.12 For the assessment of the efficiency of risk management system, the Internal Audit Office has reviewed key risk indicator or risk factors that may impact the objectives and the directions of risk management of the person involved. The assessment will ensure the identification and assessment of risks are conducted in a timely manner and in a systematic practice with quarterly reports submitted to concerned persons within appropriate timeframe. In addition, review of risk is being conducted continually on a quarterly basis.

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 2014, each director attended the meeting regularly, i.e. 90% 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 has submitted meeting invitation together with meeting document and clear details to the directors at least 5 working days prior to the meeting date. As such the directors would have time to study the document before attending the meeting.
- 5.3.3 Decision of the Board of Directors' meeting shall be made by majority votes. One director is entitled to one vote. Director, who have conflict of interests in a given matter of agenda have no right to vote on such matter. In case the votes are equal, the Chairman of the meeting shall have one vote to decide besides the vote entitles to as a director. In order to vote in the Board of Directors' meeting, the Company requires a quorum of two-third of directors to participate.
- 5.3.4 In the Board of Directors' meetings, the 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 consultants or specialists.
- 5.3.5 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 is an independent director and acts as follows:

1. To lead the Board of Directors for supervising, monitoring and overseeing administration of the Sub-committee that the purposes are fulfilled as determined.
2. To chair the Board of Directors' meeting and proceeds the meeting according to relevant law, corporate regulations and agenda as specified in the notice, as well as allocates sufficient time for the meeting.
3. To chair the Shareholders' meeting and proceeds the meeting according to relevant law, corporate regulations and agenda as specified in the notice.
4. To hold the responsibilities of Chairman as stipulated by law.

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 2014, one Non-executive Directors' meeting was held without the presence of the Management and outcome of the meeting was notified with Managing Director by Chairman.

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 Nominating and Corporate Governance 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 2014 revealed that the Board of Directors and each committee have 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. Directorship, 3. Director's remuneration, 4. Meeting attendance, 5. Roles, duties, and responsibilities of director, and 6. Training and other information. The Board's entire assessment consists of 6 main items i.e. 1. Composition of the Board, 2. Roles, duties, and responsibilities of the Board, 3. Appointment of directors and sub-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 2014 reveals "Good-to-Best" level.

5.7 The Assessment of Managing Director

The Company launches the assessment of Managing Director every year by having the Remuneration Committee conducted the evaluation and proposed to the Board of Directors for opinion. Conclusion of the assessment result of the Managing Director's performance is considered confidential and unable to be disclosed. Assessment of the Managing Director consists of 3 sections as follows: 1. Operation performance of the Company 2. strategic plan of the Company and 3. Behavior and management practice. Results of the assessment will be used for consideration of salary adjustment for the Managing Director before being proposed to the Remuneration Committee for approval.

5.8 Remuneration

Remuneration for the Directors: the Remuneration Committee has the responsibility to consider remuneration for the 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 shall receive 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 shall 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."

5.9 Development for the Directors and Management

- 5.9.1 The Company supports and facilitates training and educating the Boards of Directors, the managements and all employees thus continually improving the performance.
- 5.9.2 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.
- 5.9.3 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, information of subsidiaries, the Board of Directors' meeting and other relevant information.
- 5.9.4 The Company emphasizes on training or seminars to benefit the development of the director's competence. All Directors will be encouraged to join training or seminar relating to workings as directors, such as the seminar course organized by the Thai Institute of Directors (IOD). In 2014, three directors attended the seminar held by IOD, including M.R. Supadis Diskul, Mr. Pipat Purnananda and Mr. Prakobkiat Ninnad, all of whom attended the Anti-Corruption for Executive Program (ACEP), Financial Statements for Directors (FSD) and Directors Certification Program (DCP), respectively.



5.10 Succession Plan

The Board of Directors well realized that growth with continuity and sustainability is what the organization has given priority to dedicate for. One of the most significant key factors of growth is the human resources, specifically the Managing Director and the management team. As a result, the Successor Plan, designed to prepare personnel for aforementioned positions, was established to nurture responsibilities in systematic organization management. Having led by high potential management is the pathway towards the growth of organization. Therefore, the Company has formulated nomination and selection procedures which are visible, fair, complying to corporate governance and good business conduct in order to achieve the foremost goal of the Company.

The Company has the nomination and selection procedures to recruit personnel of management and executive levels prior to the designation time. The procedures were designed with suitability and transparency in order to ensure the Company will derive the management with morality, potency and readiness in all aspects to lead the Company towards ceaseless and sustainable growth. The Company has the selection criteria of the successors as follows:

1. Managing Director

The Company has formulated the scheme for executive development in a continuing practice, both in terms of operation management and the fulfillment of role and duties as a Managing Director and as a Director in order to prepare in case the position of Managing Director is becoming vacant.

2. Deputy Director and Department Director

When the position of deputy director or department director is approaching the end of its term, the Company will begin the nomination and selection procedures from personnel with potency within the organization at the level equivalent to the Department Manager, abiding by the following procedures:

- 2.1 Assess the qualifications of the candidates qualified for a test.
- 2.2 Enter the test, which was designed to evaluate various skills, such as English language, competency and skills, managerial concept, presentation, before proceeding to have an interview with examination committee, which is a team of high management.
- 2.3 Map out the development plan for the selected management to prepare for terminating position (s).
- 2.4 When the position is designated, the period of probation and assessment will be determined. The assessment of performance will be conducted applying a systematic KPI.

The Succession Planning is the resolution that helps to reduce the scarcity of key positions as the Company will assess the situation and foresee the scenario periodically and be able to select, train and prepare the replacements in a successive manner for which is one of key elements towards sustainable corporate governance.

Considering the continuing commitment in good corporate governance, the Company has received “Excellent” corporate Governance Scoring from Thai Institute of Directors (IOD) for 6 consecutive years.

Management Discussion and Analysis for the Operating Results ended December 31, 2014

1. Report and Analysis of the Operating Results

In 2014, Bangkok Aviation Fuel Services Public Company Limited (the Company) has changed the structure of the Company and its subsidiaries (Group). On 1 February 2014, Fuel Pipeline Transportation Limited (FPT), a subsidiary, received an entire business transfer from JP-One Asset Company Limited (JP-One), another subsidiary. FPT issued 24.3 million ordinary shares with a par value of Baht 5 each, totaling amount Baht 121.4 million and allocated the shares to JP-One as consideration for JP-One's transfer of entire business to FPT. On 3 February 2014, FPT registered the increase of its capital to Baht 260.7 million. As a result of the transfer of business, the Company held in FPT increased from 90.72% to 91.55%.

On 3 February 2014, JP-One registered its dissolution with Department of Business Development, Ministry of Commerce (MOC). On 7 November 2014, JP-One transferred FPT's share as its proportion of shareholding to the Company and Bangkok Insurance Public Company Limited in the amount of 22,458,041 and 1,820,922 shares, respectively. In this regard, JP-One has already registered its completion of liquidation with Department of Business Development, MOC on November 27, 2014. However, the transfer of business is accounted for as a business combination under common control. Therefore, there is no significant effect to the consolidated financial statements of the Group.

The Group's performance of 2014 included the full year performance of FPT while 2013 included only the second-half year of FPT as a result of the Central Bankruptcy Court ordered, which terminated the rehabilitation of FPT in Q3/2013.

In 2014, the service volume at Suvarnabhumi (BKK) and Don Mueang (DMK) Airport decreased by 1.9% to 4,855.0 million litres, while 2013 was 4,951.3 million litres. The total flights increased by 5.7% from 217,712 flights to 230,024 flights. The decreased volume resulted from internal factor: political problem in the early of year 2014 which affected the long haul flight, external factors from economic crisis in Europe, Russia and economic growth slowdown in Japan and China. Furthermore, an Ebola virus disease also has effected to the tourist volume which are the significant influence to number of flight and volume growth of the Company at BKK Airport decreased by 5.2% comparing with year 2013. Although, the volume of low cost airline at DMK Airport has increased by 26.7% but the total volume in 2014 decreased by 1.9% (as shown in table below)

	2014	2013	(y-o-y)	Q4/2014	Q4/2013	Q3/2014	Growth	
							(y-o-y)	(q-o-q)
Jet Fuel Volume (mil.litres)	4,855.0	4,951.3	(1.9%)	1,289.5	1,306.8	1,130.5	(1.3%)	14.1%
Number of flight (flights)	230,024.0	217,712.0	5.7%	64,315.0	59,228.0	54,159.0	8.6%	18.8%



The total revenues in 2014 for the Group was Baht 3,024.8 million decreased by Baht 108.9 million or 3.5% comparing with 2013 at Baht 3,133.7 million. The services revenue was Baht 2,918.0 million, increased by Baht 219.7 million or 8.0 % and the net profit was Baht 757.8 million, decreased by Baht 295.4 million or 28.1 comparing with 2013 at Baht 1,053.2 million that representing net profit margin at 25.1% and the earning per share was Baht 1.49 while 2013 was Baht 2.07. The main reason of the net profit decreasing has resulted from recording of irregular items, non-operating income: flood compensation in the amount of Baht 17.3 million, rental charge of JP-One in the amount of Baht 69.6 million, reversal of allowance for doubtful accounts of Baht 123.8 million and the FPT's acquisition gain of Baht 76.1 million. The last two items did not affect our cash flow.

Table summarizes the operating results of the Group.

	2014	2013	(y-o-y)	Q4/2014	Q4/2013	Q3/2014	Growth	
							(y-o-y)	(q-o-q)
Service income	2,981.0	2,761.3	8.0%	795.2	793.1	690.8	0.3%	15.1%
Other income	43.8	372.4	(88.2%)	9.0	91.5	10.3	(90.2%)	(12.4%)
Total revenue	3,024.8	3,133.7	(3.5%)	804.2	884.7	701.1	(9.1%)	14.7%
Total expenses	1,927.7	1,661.7	16.0%	572.1	570.8	438.1	0.2%	30.6%
EBIT	1,097.1	1,472.0	(25.5%)	232.2	313.9	262.9	(26.0%)	(11.7%)
EBIT Margin	36.3%	47.0%		28.9%	35.5%	37.5%		
Depreciation and amortization	474.2	369.4	28.4%	123.6	110.2	120.4	12.2%	2.6%
EBITDA	1,571.3	1,841.4	(14.7%)	355.8	424.0	383.4	(16.1%)	(7.2%)
EBITDA Margin	51.9%	58.8%		44.2%	47.9%	54.7%		
Finance cost	(101.9)	(119.1)	(14.4%)	(23.5)	(27.9)	(24.6)	(15.8%)	(4.7%)
Income tax expenses	(199.8)	(258.1)	(22.6%)	(46.3)	(60.1)	(46.1)	(23.1%)	0.4%
Net Profit	757.8	1,053.2	(28.1%)	154.2	213.2	182.9	(27.7%)	(15.7%)
Net Profit Margin	25.1%	33.6%		19.2%	24.1%	26.1%		
Earning per share (Baht)	1.49	2.07		0.30	0.42	0.36		

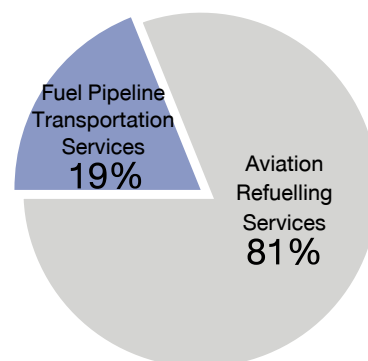
1.1 Revenue

For 2014, total revenues of the Group was Baht 3,024.8 million which comprising of

1.1.1 Services Income

Total services income of the Group was Baht 2,981.0 million, an increase of Baht 219.7 million or 8.0% from 2013 which was at the amount of Baht 2,761.3. The main reason of the services income increasing has resulted from consolidating FPT's income for the full year of 2014 while the revenue recognized only half year in 2013. As the results of above mentioned, income of fuel pipeline transportation services rose Baht 237.3 million (y-o-y). In contrast, income of aviation refueling services decreased by Baht 17.6 million or 0.7% in line with the decrease of fuel's volume. In 2014, the income proportion separating by business structure found that the income of aviation refueling services was 81% while income of fuel pipeline transportation service was 19%.

Revenue structure of the Group



1.1.2 Other Income

Other income was Baht 43.8 million, a decrease of Baht 328.5 million or 88.2% from Baht 372.4 million in year 2013. The main reason that results in other income decreased significantly was that the Company recognized the other incomes from reversal of allowance for doubtful accounts of Baht 123.8 million and the FPT's acquisition gain of Baht 76.1 million, rental charge of JP-One of Baht 69.6 million and flood compensation in the amount of Baht 17.3 million. In addition, other incomes from FPT has reduced by Baht 36.0 million in 2014 due to the elimination of transactions between companies.

1.2 Expenses

1.2.1 Cost of services

In 2014, cost of services was Baht 1,380.4 million, an increase of Baht 192.6 million or 16.2% from Baht 1,187.8 million in 2013. The main reason was that the Company has consolidated the cost of services of FPT for the full year in 2014 while consolidated only half year in 2013.

Focusing on aviation refueling services, service cost increased around 6.9% due to the increase in depreciation and amortization of approximately Baht 29.8 million, the Hydrant pipeline rental fee from Airports of Thailand Public Company Limited at DMK Airport of Baht 11.5 million and maintenance cost of Baht 10.9 million. In 2014 a gross profit margin decreased to 53.7% from 57.0%.



1.2.2 Administrative Expenses

Administrative expenses in 2014 was Baht 547.3 million, increasing by Baht 73.4 million or 15.5% from Baht 473.9 million in 2013. The main reason was that the Company has consolidated the administrative expenses of FPT, likewise the cost of services. Focusing on aviation refueling services, the administrative cost increased by approximately 4.0%.

EBIT for 2014 amounted to Baht 1,097.1 million, a decrease from 2013 Baht 374.9 million or 25.5%, representing EBIT Margin at 36.3%.

The total of depreciation and amortization for 2014 were Baht 474.2 million, raised Baht 104.8 million, resulting to EBITDA amounted to Baht 1,571.3 million, which representing an EBITDA Margin of 51.9%. In 2013, EBITDA was Baht 1,841.4 million and EBITDA Margin was at 58.8%. When excluding items that not affect to cash flow such as the reversal of allowance for doubtful accounts of Baht 123.8 million and acquisition profit of Baht 76.1 million, the EBITDA for 2013 was 1,641.5 million or representing EBITDA margin at 52.4%.

1.2.3 Finance Costs

Finance Costs for the year 2014 was Baht 101.9 million, decreased by Baht 17.2 million or 14.4% which was comprised of the interest cost of long term loan and financial lease in the amount of Baht 79.6 million and the other was interest cost of the effect of the adoption of TAS 19 Employee Benefit which was Baht 22.3 million.

1.3 Operating Results

Net profit of the Group for the year 2014 was Baht 757.8 million, decreased Baht 295.4 million or 28.1% when compared with the amount of Baht 1,053.2 million. This represent net profit margin of 25.1% and EPS was at Baht 1.49 per share. The net profit can be divided into aviation refueling services of 86% and transportation fuel through the pipeline of 14%. While the Net profit margin of the year 2013 was 33.6% and EPS was at Bath 2.07. The main reasons were the results of the decreasing in volume service which dropped 1.9% and other incomes, decreased Baht 328.5 million or 88.2% from reversal of allowance for doubtful accounts of Baht 123.8 million, the FPT's acquisition gain of Baht 76.1 million, rental charge of JP-One in the amount of Baht 69.9 million, the receiving compensatory damages of floods of Baht 17.3 million. However, if exclude non-cash extra items, net profit for 2014 will decrease Baht 95.5 million or 11.2%.

2. Report and Analysis of Financial Status

2.1 Assets

As at December 31, 2014 the Group had total assets in the amount of Baht 8,258.1 million, increased by Baht 152.3 million or 1.9% from December 31, 2013. The important details of cash flow for 2014 were as follows:

2.1.1 Cash and cash equivalent of Baht 1,037.5 million as detailed below.

- The Group's net cash from operation was Baht 1,383.7 million, lower by Baht 26.1 million or 1.9% from Baht 1,409.8 million.
- Cash from investment activities of Baht 689.3 million, an increase of Baht 504.9 million which mainly was cash paid for property, leasehold improvement and equipment at Baht 697.0 million.
- Net cash used in financing activities of Baht 804.7 million, decreased Baht 119.9 million or 13.0%. This included dividend payment of Baht 526.4 million, repayment on long-term loan and debt payment according to financial lease agreement was Baht 475.8 million including the withdrawal of long-term loan for Baht 270.0 million, comprising of Baht 144.5 million by TARCO for expansion of high-pressure hydrant pipeline project at BKK Airport and Baht 125.5 million by FPT for the construction of Diesel storage tank project at DMK depot, respectively.

2.1.2 Property, leasehold improvement and equipment at December 31, 2014 was Baht 4,316.9 million increased by Baht 357.8 million or 9.0%.

2.1.3 Project costs under concession agreements was Baht 1,967.3 million which comprise of 1) Into-plane substation project of Baht 132.7 million 2) Hydrant equipment of Baht 1,237.0 million 3) Concession of a subsidiary of Baht 556.5 million and 4) Right to use leased land related to concession agreement of Baht 41.1 million.

2.2 Liabilities

As at December 31, 2014, the Group had total liabilities of Baht 3,045.7 million, decreased by Baht 81.9 million or 2.6% (y-o-y) and debt to equity ratio was 0.58 : 1 time from 0.63 : 1 time compared from December 31, 2013. The liabilities comprised of major items which are follows:

2.2.1 Account payable and others account payable was Baht 191.9 million.

2.2.2 Long term loan from banks, which are due within one year, was Baht 357.6 million which were belonged to BAES in the amount of Baht 337.0 million and FPT in the amount of Baht 20.6 million.

2.2.3 Long-term loans from banks were Baht 1,350.7 million, decreased by Baht 87.7 million from December 31, 2013, or 6.1%. This comprises:

BAES

- Long term loan from KBANK was Baht 133.3 million due on August 31, 2018 which was semi-annual, principal repayment: Baht 22.2 million/period (the last repayment will be made for remaining principal) at rate of THBFIX 6-month +1.15% and Company made an interest rate hedging agreement at the fixed rate at 5.8% per annum.



- Long term loan from BBL was Baht 502.0 million due on December 31, 2018 which was quarterly, principal repayment: Baht 41.9 million/period, the last repayment will be made for remaining principal, at rate of 3-month fixed deposit rate +1.5% per annum.
- Long term loan from TBANK was Baht 95.0 million due on November 28, 2018 which was every 3 months, principal repayment: Baht 6.25 million/period (the last repayment will be made for remaining principal) at rate of MLR-2.0% per annum.
- Long term loan from BBL was Baht 325.0 million due on March 31, 2019 which was quarterly, principal repayment: Baht 25.0 million/period, at rate of MLR-1.50% and MLR-1.25% in the year 2017 onwards.

FPT

- Long term loan from BBL was Baht 32.0 million due on March 31, 2018 which was quarterly, principal repayment: Baht 3.5 million/period at the rate of MLR-(1% to 2.50%) per annum as specified in agreement.
- long term loan from BBL was Baht 118.9 million which FPT has made a loan agreement for Baht 230 million to expand investment in the projects of 3 Diesel Fuel Tanks at DMK depot. The loan will be due on May 31, 2024 which was monthly principal repayment at Baht 2.2 million at the rate of MLR-(1.25% to 2.25%) per annum as specified in agreement.

TARCO

- Long term loan from TMB was Baht 144.5 million, which TARCO had a loan agreement for Baht 550 million to expand investment in the projects high-pressure hydrant pipeline at BKK Airport with the total investment cost of approximately Baht 587.0 million. The loan will be due on December 31, 2021 which was quarterly principal repayment at Baht 27.5 million at the rate of Bibor 3-month+ 1.35% per annum.

2.2.4 Long-term debt of FPT under rehabilitation plan with Bangchak Petroleum Public Company Limited was Baht 27.5 million at the rate of MLR – (1.25% to 1.50%) as specified in agreement, monthly repayment at Baht 0.3 million within a period of 10 years after the date the court approved the rehabilitation plan, with the first installment as at 31 October 2012 onward.

2.2.5 The Employee benefit obligations was Baht 758.7 million according to Labor Protection Laws as TAS no.19 on employee benefits.

2.3 Shareholders' Equity

As at December 31, 2014, shareholders' equity was Baht 5,212.4 million, which increased from December 31, 2013 by Baht 234.2 million or 4.7% as a result, the book value per share increased from Baht 9.76 to Baht 10.22.

Report of the Board of Directors Responsibilities for 2014 Financial Statements

The Board of Directors has been well aware of duties and responsibilities in ensuring that the Company's financial statements are efficiently produced with complete details that are accurate and transparent enough to protect the Company's property, preventing fraud and abnormalities. Additionally, the financial statements were compiled basing on Thai Financial Reporting the standards and the use of appropriate accounting policy as well as applied consistently. In producing the financial statements, the Board of Directors has consistently obliged by reasonabilities and prudence. Disclosure of essential financial information and business operation results shall benefit shareholders and general investors, as these reports are complete, accurate, timely and reasonable.

The Board of Directors has appointed the Audit Committee, which comprises qualified independent directors as prescribed by the Securities and Exchange Commission and performs duties as prescribed by the Stock Exchange of Thailand, to serve in the reviewing of the Company's financial statements and operation reports. The Audit Committee holds responsibilities to ensure accurate and sufficient inspection, for which the internal control, internal audit system, risk management are being implemented in accordance with the compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, laws related to the Company's business and commitments, as well as the compliance with connected transactions or those with conflict of interest as prescribed by law and the regulations of the Stock Exchange of Thailand. Accompanying the aforementioned duties, the Audit Committee assisted the Company in the consideration and proposal of the appointment and remuneration of the Company's external auditors. The opinions of Audit Committee can be found 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 and in accordance with Thai Financial Reporting Standards.



(Mr. Palakorn Suwanrath)
Chairman



(Mr. Prakobkiat Ninnad)
Managing Director



Financial Statements Report



Independent Auditor's Report

To the Shareholders of Bangkok Aviation Fuel Services Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Aviation Fuel Services Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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

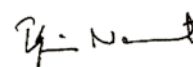
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries and of Bangkok Aviation Fuel Services Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Financial Reporting Standard Interpretations 12 Service Concession Arrangements. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2013, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2013 as comparative information, using the newly adopted accounting policy for service concession arrangements. My conclusion is not qualified in respect of this matter.

Other matter

The financial statements of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries for the year ended 31 December 2013 (before restatement) were audited by another auditor who, under his report dated 20 February 2014, expressed an unqualified opinion on those financial statements.



Thipawan Nananuwat



Statement of financial position

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2014	31 December 2013 (Restated)	1 January 2013	31 December 2014	31 December 2013 (Restated)	1 January 2013
Assets							Current
assets							Cash and cash
equivalent	8	1,037,454,942	1,147,812,747	847,027,675	425,339,335	597,708,018	546,338,070
Current investments	9	208,546,516	208,309,967	157,459,192	203,286,090	203,822,142	151,000,000
Trade and other receivables	10	307,200,777	297,830,075	235,705,804	253,016,114	248,074,288	224,206,094
Inventories		28,062,844	29,368,090	18,113,709	15,308,935	17,902,671	12,315,172
Current portion of long-term loan to and receivable from related party	7	-	-	53,703,571	71,579,927	71,579,927	58,885,495
Other current assets		76,214,968	85,339,231	68,102,707	47,658,815	52,828,903	49,870,843
Total current assets		1,657,480,047	1,768,660,110	1,380,112,658	1,016,189,216	1,191,915,949	1,042,615,674
Non-current assets							
Restricted bank deposits		10,010,019	12,036,368	12,138,928	-	-	-
Long-term investment		1,986,656	-	-	-	-	-
Investment in subsidiaries	11	-	-	176,602,361	1,974,239,237	1,974,239,237	1,974,279,235
Long-term loan to and receivable from related party, net of current portion	7	-	-	469,625,632	483,164,505	554,744,432	515,248,083
Investment properties	12	47,953,340	47,953,340	47,953,340	47,953,340	47,953,340	47,953,340
Property, leasehold improvement and equipment	13	4,316,913,725	3,959,118,350	2,960,546,186	2,615,537,582	2,465,829,436	2,366,851,440
Project costs under concession agreements	4, 14	1,967,253,015	2,064,412,349	2,161,571,688	173,726,986	188,379,403	203,031,822
Other intangible assets	15	71,137,114	64,205,337	59,386,490	20,496,264	11,053,694	6,274,776
Deferred tax assets	24	153,033,030	137,758,576	136,505,077	134,440,929	124,181,333	133,904,042
Other non-current assets		32,291,359	51,606,526	36,583,923	11,844,070	31,023,952	36,210,723
Total non-current assets		6,600,578,258	6,337,090,846	6,060,913,625	5,461,402,913	5,397,404,827	5,283,753,461
Total assets		8,258,058,305	8,105,750,956	7,441,026,283	6,477,592,129	6,589,320,776	6,326,369,135

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

Statement of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

(Unit: Baht)

Consolidated financial statements								Separate financial statements		
	Note	31 December 2014	31 December 2013 (Restated)	1 January 2013	31 December 2014	31 December 2013 (Restated)	1 January 2013			
Liabilities and shareholders' equity										
Current liabilities										
Trade and other payables	16	191,929,716	145,075,134	147,179,880	185,199,648	168,185,836	150,808,051			
Current portion of liabilities under finance lease agreement	17	15,310,772	9,501,780	6,692,470	20,710,269	16,332,300	4,426,319			
Current portion of long-term loans	18	357,644,460	458,064,460	444,324,460	337,044,460	337,044,460	337,044,460			
Current portion of long-term liabilities under rehabilitation plan	19	4,849,464	4,987,089	-	-	-	-			
Current portion of provision for land leased related to concession agreement	4, 20	2,784,318	2,559,990	2,426,676	2,784,318	2,559,990	2,426,676			
Corporate income tax payable		48,586,971	78,036,869	43,052,217	15,853,010	28,235,518	3,138,852			
Other current liabilities		50,112,767	56,136,839	46,953,070	39,064,936	45,014,621	38,961,805			
Total current liabilities		671,218,468	754,362,161	690,628,773	600,656,641	597,372,725	536,806,163			
Non-current liabilities										
Liabilities under finance lease agreement, net of current portion	17	26,726,965	9,967,899	13,139,716	98,539,418	84,789,299	8,702,119			
Long-term loans, net of current portion	18	1,350,713,717	1,438,377,714	1,836,442,174	1,055,333,254	1,392,377,714	1,729,422,174			
Long-term liabilities under rehabilitation plan, net of current portion	19	27,481,751	32,255,775	-	-	-	-			
Provision for land leased related to concession agreement, net of current portion	4, 20	51,687,224	54,471,542	57,031,531	51,687,224	54,471,542	57,031,531			
Provision for long-term employee benefits	21	758,740,003	696,473,171	547,796,285	662,162,736	610,299,478	534,340,285			
Provision	30.4	100,000,000	100,000,000	-	-	-	-			
Other non-current liabilities		59,093,394	41,657,455	17,321,996	14,576,797	9,112,957	5,487,466			
Total non-current liabilities		2,374,443,054	2,373,203,556	2,471,731,702	1,882,299,429	2,151,050,990	2,334,983,575			
Total liabilities		3,045,661,522	3,127,565,717	3,162,360,475	2,482,956,070	2,748,423,715	2,871,789,738			

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

Statement of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2014	31 December 2013 (Restated)	1 January 2013	31 December 2014	31 December 2013 (Restated)	1 January 2013
Shareholders' equity							
Share capital							
Registered							
509,998,044 ordinary shares of Baht 1 each		509,998,044	509,998,044	509,998,044	509,998,044	509,998,044	509,998,044
Issued and fully paid-up							
509,997,325 ordinary shares of Baht 1 each		509,997,325	509,997,325	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	434,975,000	434,975,000
Retained earnings							
Appropriated - statutory reserve	22	50,999,804	50,999,804	50,999,804	50,999,804	50,999,804	50,999,804
- other reserve		1,356,087,158	1,196,033,438	1,053,291,907	1,356,087,158	1,196,033,438	1,053,291,907
Unappropriated		2,617,998,984	2,554,925,426	2,041,816,093	1,642,576,772	1,648,891,494	1,405,315,361
Equity attributable to owners of the Company		4,970,058,271	4,746,930,993	4,091,080,129	3,994,636,059	3,840,897,061	3,454,579,397
Non-controlling interests of the subsidiaries		242,338,512	231,254,246	187,585,679	-	-	-
Total shareholders' equity		5,212,396,783	4,978,185,239	4,278,665,808	3,994,636,059	3,840,897,061	3,454,579,397
Total liabilities and shareholders' equity		8,258,058,305	8,105,750,956	7,441,026,283	6,477,592,129	6,589,320,776	6,326,369,135

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

Statement of comprehensive income

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013 (Restated)
Profit or loss:					
Revenues					
Service income		2,980,995,143	2,761,312,091	1,821,886,562	1,807,631,029
Dividend income	11	-	-	247,802,547	221,789,263
Gain on business combination	11	-	76,147,631	-	-
Other income		43,846,906	296,245,950	122,062,441	272,583,267
Total revenues		3,024,842,049	3,133,705,672	2,191,751,550	2,302,003,559
Expenses					
Costs of service		1,380,438,748	1,187,807,172	918,523,343	860,696,306
Administrative expenses		547,255,905	473,873,338	372,969,486	340,536,817
Total expenses		1,927,694,653	1,661,680,510	1,291,492,829	1,201,233,123
Profit before finance cost and income tax expenses		1,097,147,396	1,472,025,162	900,258,721	1,100,770,436
Finance cost		(101,900,172)	(119,077,386)	(99,305,958)	(110,825,530)
Profit before income tax expenses		995,247,224	1,352,947,776	800,952,763	989,944,906
Income tax expenses	24	(199,836,023)	(258,098,839)	(112,590,150)	(154,606,584)
Profit for the year		795,411,201	1,094,848,937	688,362,613	835,338,322
Other comprehensive income:					
Actuarial losses	21	(43,557,559)	(43,779,182)	(43,557,559)	(44,904,948)
Income tax effect	24	8,711,512	8,739,242	8,711,512	8,980,989
Other comprehensive income for the year		(34,846,047)	(35,039,940)	(34,846,047)	(35,923,959)
Total comprehensive income for the year		760,565,154	1,059,808,997	653,516,566	799,414,363

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



Statement of comprehensive income (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013 (Restated)
Profit attributable to:					
Equity holders of the Company		757,750,893	1,053,273,604	688,362,613	835,338,322
Non-controlling interests of the subsidiaries		37,660,308	41,575,333		
		795,411,201	1,094,848,937		
Total comprehensive income attributable to:					
Equity holders of the Company		722,904,846	1,018,143,188	653,516,566	799,414,363
Non-controlling interests of the subsidiaries		37,660,308	41,665,809		
		760,565,154	1,059,808,997		
Basic earnings per share					
Profit attributable to equity holders of the Company	26	1.49	2.07	1.35	1.64

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

Cash flow statement

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from operating activities				
Profit before tax	995,247,224	1,352,947,776	800,952,763	989,944,906
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:-				
Depreciation and amortisation	474,182,029	369,354,109	238,371,718	197,061,605
Doubtful debts (reversal)	-	(123,770,707)	-	(123,770,707)
Gain on business combination	-	(76,147,631)	-	-
Loss from write-off withholding tax	165,607	-	-	-
Loss (gain) on disposal of equipment and other intangible assets	1,314,650	(739,184)	(814,754)	(272,653)
Unrealised loss on exchange	335,654	295,650	338,417	337,496
Dividend income	-	-	(247,802,547)	(221,789,263)
Long-term employee benefits expenses	44,606,819	39,090,913	37,409,744	35,011,442
Interest income	(21,454,047)	(20,105,264)	(47,824,979)	(17,796,467)
Interest expenses	101,900,172	119,077,386	99,305,958	110,825,530
Income from operating activities before changes in operating assets and liabilities	1,596,298,108	1,660,003,048	879,936,320	969,551,889
Operating assets (increase) decrease				
Trade and other receivables	(9,709,119)	(18,561,310)	(5,280,243)	(24,202,579)
Inventories	1,305,246	(6,692,380)	2,593,736	(5,587,499)
Other current assets	10,256,924	(8,492,323)	6,434,851	(4,011,905)
Other non-current assets	19,315,167	(11,473,656)	19,179,881	5,211,103
Operating liabilities increase (decrease)				
Trade and other payables	47,738,030	22,921,359	17,861,301	19,888,742
Other current liabilities	(6,024,072)	(12,891,416)	(5,949,685)	4,372,112
Provision for long-term employee benefits	(51,396,466)	(25,154,205)	(51,396,466)	(25,134,205)
Other non-current liabilities	11,856,533	24,335,450	(115,567)	3,625,491
Cash flows from operating activities	1,619,640,351	1,623,994,567	863,264,128	943,713,149
Cash paid for corporate income tax	(235,967,711)	(214,206,272)	(126,520,742)	(110,806,218)
Net cash flows from operating activities	1,383,672,640	1,409,788,295	736,743,386	832,906,931

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



Cash flow statement (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from investing activities				
Decrease (increase) in current investment	8,650,100	(48,801,447)	9,385,975	(52,822,142)
Increase in long-term investment	(1,986,656)	-	-	-
Cash receipt of capital of subsidiary	-	-	-	39,998
Decrease in long-term loan to and receivable from related party	-	33,199,002	71,579,927	71,579,927
Decrease in restricted bank deposits	2,026,349	102,560	-	-
Interest received	11,387,973	22,012,840	37,710,293	17,607,957
Cash received from business combination	-	119,742,519	-	-
Dividend income from subsidiaries	-	-	247,802,547	221,789,263
Acquisitions of property, leasehold improvement and equipment	(696,979,716)	(303,466,704)	(333,215,772)	(190,859,627)
Acquisitions of software	(15,310,594)	(8,382,537)	(12,835,392)	(7,643,037)
Proceed from disposal of property, leasehold improvement and equipment and other intangible assets	2,917,950	1,225,593	1,881,365	290,654
Net cash flows from (used in) investing activities	(689,294,594)	(184,368,174)	22,308,943	59,982,993
Cash flows from financing activities				
Repayment of liabilities under finance lease agreements	(12,841,241)	(5,853,842)	(26,946,825)	(4,049,663)
Cash receipt from long-term loans	269,980,463	60,000,000	-	-
Repayment of long-term loans	(458,064,460)	(444,324,460)	(337,044,460)	(337,044,460)
Repayment of long-term liabilities under rehabilitation plan	(4,911,649)	(2,526,255)	-	-
Dividend paid	(499,777,568)	(413,096,699)	(499,777,568)	(413,096,699)
Dividend paid to non-controlling interests of subsidiaries	(26,576,042)	(23,851,600)	-	-
Interest paid	(72,548,117)	(95,024,039)	(67,652,159)	(87,329,154)
Net cash flows used in financing activities	(804,738,614)	(924,676,895)	(931,421,012)	(841,519,976)
Unrealised gain on exchange for cash and cash equivalents	2,763	41,846	-	-
Net increase (decrease) in cash and cash equivalents	(110,357,805)	300,785,072	(172,368,683)	51,369,948
Cash and cash equivalents at beginning of year	1,147,812,747	847,027,675	597,708,018	546,338,070
Cash and cash equivalents at end of year	1,037,454,942	1,147,812,747	425,339,335	597,708,018
Supplemental cash flow information:				
Non-cash transactions				
Acquisitions of vehicles under finance lease agreements	34,493,348	6,342,089	37,885,464	92,431,606
Reversal of liabilities under finance lease agreement	801,215	388,782	-	388,782

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

Statement of changes in shareholders' equity

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
	Issued and fully paid-up share capital	Share premium	Legal reserve	Retained earnings			
			Appropriated	Other reserve	Unappropriated		
Balance as at 31 December 2012 - as previously reported	509,997,325	434,975,000	50,999,804	1,053,291,907	2,050,943,466	4,100,207,502	187,585,679
Cumulative effect of change in account policy for service concession agreements (Note 4)	-	-	-	-	(9,127,373)	(9,127,373)	-
Balance as at 31 December 2012 - as restated	509,997,325	434,975,000	50,999,804	1,053,291,907	2,041,816,093	4,091,080,129	187,585,679
Profit for the year - restated	-	-	-	-	1,053,273,604	1,053,273,604	41,575,333
Other comprehensive income for the year	-	-	-	-	(35,130,416)	(35,130,416)	90,476
Total comprehensive income for the year - restated	-	-	-	-	1,018,143,188	1,018,143,188	41,665,809
Acquisition of non-controlling interest from business combination	-	-	-	-	-	-	25,854,496
Adjustment of the effect from business combination	-	-	-	-	50,804,375	50,804,375	-
Dividend paid from subsidiary	-	-	-	-	-	-	50,804,375
Dividend paid (Note 29)	-	-	-	-	(413,096,699)	(413,096,699)	(23,851,738)
Other reserve	-	-	-	142,741,531	(142,741,531)	-	(413,096,699)
Balance as at 31 December 2013	509,997,325	434,975,000	50,999,804	1,196,033,438	2,554,925,426	4,746,930,993	231,254,246
Balance as at 31 December 2013 - as previously reported	509,997,325	434,975,000	50,999,804	1,196,033,438	2,564,907,036	4,756,912,603	231,254,246
Cumulative effect of change in account policy for service concession agreements (Note 4)	-	-	-	-	(9,981,610)	(9,981,610)	-
Balance as at 31 December 2013 - as restated	509,997,325	434,975,000	50,999,804	1,196,033,438	2,554,925,426	4,746,930,993	231,254,246
Profit for the year	-	-	-	-	757,750,893	757,750,893	37,660,308
Other comprehensive income for the year	-	-	-	-	(34,846,047)	(34,846,047)	-
Total comprehensive income for the year	-	-	-	-	722,904,846	722,904,846	37,660,308
Dividend paid from subsidiary	-	-	-	-	-	-	(26,576,042)
Dividend paid (Note 29)	-	-	-	-	(499,777,568)	(499,777,568)	-
Other reserve	-	-	-	160,053,720	(160,053,720)	-	-
Balance as at 31 December 2014	509,997,325	434,975,000	50,999,804	1,356,087,158	2,617,998,984	4,970,058,271	242,338,512
							5,212,396,783

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



Statement of changes in shareholders' equity (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings			Total
			Legal reserve	Appropriated	Other reserve	
Balance as at 31 December 2012 - as previously reported	509,997,325	434,975,000	50,999,804	1,053,291,907	1,414,442,734	3,463,706,770
Cumulative effect of change in account policy for service concession agreements (Note 4)	-	-	-	-	(9,127,373)	(9,127,373)
Balance as at 31 December 2012 - as restated	509,997,325	434,975,000	50,999,804	1,053,291,907	1,405,315,361	3,454,579,397
Profit for the year - restated	-	-	-	-	835,338,322	835,338,322
Other comprehensive income for the year	-	-	-	-	(35,923,959)	(35,923,959)
Total comprehensive income for the year - restated	-	-	-	-	799,414,363	799,414,363
Dividend paid (Note 29)	-	-	-	-	(413,096,699)	(413,096,699)
Other reserve	-	-	-	142,741,531	(142,741,531)	-
Balance as at 31 December 2013	509,997,325	434,975,000	50,999,804	1,196,033,438	1,648,891,494	3,840,897,061
Balance as at 31 December 2013 - as previously reported	509,997,325	434,975,000	50,999,804	1,196,033,438	1,658,873,104	3,850,878,671
Cumulative effect of change in account policy for service concession agreements (Note 4)	-	-	-	-	(9,981,610)	(9,981,610)
Balance as at 31 December 2013 - as restated	509,997,325	434,975,000	50,999,804	1,196,033,438	1,648,891,494	3,840,897,061
Profit for the year	-	-	-	-	688,362,613	688,362,613
Other comprehensive income for the year	-	-	-	-	(34,846,047)	(34,846,047)
Total comprehensive income for the year	-	-	-	-	653,516,566	653,516,566
Dividend paid (Note 29)	-	-	-	-	(499,777,568)	(499,777,568)
Other reserve	-	-	-	160,053,720	(160,053,720)	-
Balance as at 31 December 2014	509,997,325	434,975,000	50,999,804	1,356,087,158	1,642,576,772	3,994,636,059

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

Notes to consolidated financial statements

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2014

1. General information

Bangkok Aviation Fuel Services Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the aviation fuel service. The registered office of the Company is at 171/2 Kamphang Phet 6 Rd., Don Mueang, Khet Don Mueang, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, 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 the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Aviation Fuel Services Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 Percent	2013 Percent
Intoplane Services Co., Ltd.	Intoplane service	Thailand	83.33	83.33
Thai Aviation Refuelling Co., Ltd.	Hydrant network services	Thailand	90.00	90.00
JP-One Asset Co., Ltd.	Aviation fuel pipeline transportation services	Thailand	-	92.50
Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation services	Thailand	91.55	90.72

On 1 February 2014, Fuel Pipeline Transportation Limited, a subsidiary, received an entire business transfer from JP-One Asset Company Limited (JP-One), another subsidiary. Fuel Pipeline Transportation Limited issued 24,278,941 ordinary shares with a par value of Baht 5 each, totaling Baht 121,394,705, and allocated these shares to JP-One as consideration for JP-One's transfer of its entire business to Fuel Pipeline Transportation Limited. On 3 February 2014, Fuel Pipeline Transportation Limited registered the increase of its capital to Baht 260,667,560. As a result of the transfer of business, the Company's shareholding in Fuel Pipeline Transportation Limited increased from 90.72 percent to 91.55 percent.



On 3 February 2014, JP-One filed for deregistration with the Ministry of Commerce and on 7 November 2014, JP-One transferred 22,458,041 shares of Fuel Pipeline Transportation Limited to the Company and 1,820,922 shares to Bangkok Insurance Public Company Limited, in proportion to their shareholdings. JP-One completed the filing of its liquidation with the Ministry of Commerce on 27 November 2014.

However, the transfer of business is accounted for as a business combination under common control. Therefore, there is no significant effect to the consolidated financial statements of the Company and subsidiaries.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholder equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

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
Accounting Standard Interpretations:	
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
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
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements, except as follows.

TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on the accounting by operators for recognizing and measuring the obligations and related rights in public-to-private service concession arrangement. The operators shall recognise the consideration received or receivable at its fair value to be rights to a financial asset or to an intangible asset, depending on the conditions of service concession arrangement. The Company and its subsidiary have adopted this TFRIC in the current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiary had initially recognised such transaction. The cumulative effect of the adoption of this TFRIC has been included in Note 4 to the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. Based on the preliminary analysis, the management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:



TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of TFRIC 12 Service Concession Arrangements. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2014		As at 31 December 2013		As at 1 January 2013	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Decrease in property, leasehold improvement and equipment	(1,369,651)	(132,667)	(1,437,716)	(143,825)	(1,505,780)	(154,983)
Decrease in concession of a subsidiary	(556,542)	-	(582,142)	-	(607,742)	-
Increase in project costs under concession agreements	1,967,253	173,727	2,064,413	188,380	2,161,571	203,032
Increase in deferred tax assets	2,682	2,682	2,495	2,495	2,282	2,282
Increase in provision for land lease related to concession agreement	(54,471)	(54,471)	(57,032)	(57,032)	(59,458)	(59,458)
Decrease in unappropriated retained earnings	10,729	10,729	9,982	9,982	9,127	9,127

(Unit: Thousand Baht)

	For the year ended 31 December 2014		For the year ended 31 December 2013	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Decrease in rental expense	(5,579)	(5,579)	(5,579)	(5,579)
Increase in amortisation	3,495	3,495	3,495	3,495
Increase in interest expense	3,019	3,019	3,153	3,153
Decrease in income tax expense	(188)	(188)	(214)	(214)
Decrease in profit attributable to equity holders of the Company	(747)	(747)	(855)	(855)
Decrease in basic earnings per share (Baht)	(0.0015)	(0.0015)	(0.0017)	(0.0017)

5. Significant accounting policies

5.1 Revenue recognition

Rendering of services

Service revenue is recognised when services have been rendered and represents the invoice value, excluding value added tax.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.



5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Spare parts are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to expenses whenever consumed.

5.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

Business Combinations

The Company applies the acquisition method to account for business combinations.

To the extent that the cost of acquiring an investment in a subsidiary is lower than the fair value of the Company's proportionate interest in the net assets of the subsidiary, the difference is treated as a gain on business combination and recognized immediately in the statement of comprehensive income.

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.7 Property, leasehold improvement and equipment/Depreciation

Land is stated at cost. Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	5-20 years
Furniture, fixtures and office equipment	3-10 years
Main depot facilities	5-28 years, lease period
Hydrant equipment	5-20 years
Intoplane substation	5-20 years
Vehicle fleet and motor vehicle	3-20 years
Motor vehicles and equipment under finance lease agreements	lease period

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and equipment under installation.

An item of property, leasehold improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Project costs under concession agreements and amortisation method

The project costs under concession agreements are stated at cost less accumulated amortisation and allowance for loss on impairment of project costs (if any).

Amortisation of project costs is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Hydrant equipment	Concession period (30 years)
Equipment, building and intoplane substation	Concession period (20 years)
Concession of a subsidiary	Concession period (30 years)
Right to use lease land related to concession agreement	Rental agreement period (20 years)

Amortisation is included in profit or loss.

5.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Right to use leased land of subsidiary	17 years and 10 months
Subsidiary's right to use building under land lease agreement	20 years
Computer software	3-10 years

5.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

5.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period if the Company and its subsidiaries expect not to purchase such assets at the end of the lease period.



Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiaries' functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, leasehold improvement and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.15 Provision for land lease related to concession agreement

The Company records provision for land lease related to concession agreement based on the present value of future rental payment obligations for land used in the provision of service under the service agreement.

5.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income and from other long-term benefits are recognised immediately in profit and loss.

5.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.19 Financial instruments

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:



Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Property, leasehold improvement and equipment/Depreciation

In determining depreciation of leasehold improvement and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, leasehold improvement and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management of the Company and its subsidiaries have used judgement to assess the outcome of the litigation and believes that the recorded provision is appropriate.

7. Related party transactions

During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties. The Company and its subsidiaries have the following policy on pricing for its related transactions.

1. Cost of service charge from the subsidiaries is based on the actual service and expenses.
2. Rental charges for an office building from the 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 the 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 MLR-1.75 percent per annum.
6. Service income is based on the contract price agreed between the parties.
7. Rental charge for receiving pipeline system from the subsidiaries is charged at the rate of 21.50 percent of the annual income received (before discounts and relevant tax) from the transportation of the fuel, JET A-1, via the pipeline system.
8. Rental charge for receiving diesel pipeline system from the subsidiaries is based on the contract price agreed between the parties.
9. Rental charges for land is based on rental expense paid to Treasury Department and plus 5 percent of annual rental.
10. 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 Muang Airport, the contract is renewed annually at the agreed price. From 1 July 2013, the rental charge at Don Muang Airport is based on a fixed rate throughout the 3 years lease agreement.
11. The Company has to pay a concession fee for Into-plane service at Suvarnabhumi Airport, at the rate stipulated in the agreement.
12. The subsidiary has to pay a concession fee for Hydrant network system at a rate stipulated in the agreement of the subsidiary's income before deducting expenses.
13. The Company and its subsidiaries have to pay the rental fee for land and space at a rate stipulated in the agreements.
14. The Company has to pay a concession fee for pipeline system at Don Muang Airport. The rental charge is based on the every year increase in the rate of CPI.
15. Lease of the refueling vehicle from a subsidiary is based on the contract price with the period of 5 years. The repayment is monthly at an equal amounts specified in the contract.
16. Subsidiary's cost of renting land, including utilities, from related party, priced at an agreed rate.



Significant transactions between the Company and its subsidiaries and related parties are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of service	-	-	9.4	8.7	(1)
Leasing of refueling vehicle fuel	-	-	24.6	86.1	(15)
Rental charges for office building and land	-	3.6	8.4	9.1	(2) (9)
Rental charge for receiving pipeline system	-	7.8	28.5	30.7	(3) (7) (8)
Guarantee fee income	-	-	0.7	1.7	(4)
Interest income	-	20.5	31.6	35.0	(5)
Other income	-	1.0	21.4	24.9	(6)
<u>Transactions with related companies</u>					
Cost of service	3.8	1.6	-	-	(16)
Service income	2,977.7	2,755.7	1,821.9	1,807.7	(6)
Rental changes for land and certain structures	10.0	10.0	10.0	10.0	(10)
Airport concession fee - Into-plane service	219.8	219.8	219.8	233.1	(11)
Airport concession fee - Hydrant network system	11.7	11.7	-	-	(12)
Rental expense for space and land	31.5	24.1	27.1	20.0	(13)
Rental expense for pipeline system	20.7	9.2	20.7	9.2	(14)

The balances of the accounts as at 31 December 2014 and 2013 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties (Note 10)</u>				
Related companies (shareholder or common shareholder or representative director)	305,574	297,498	249,373	242,967
<u>Other receivables - related parties (Note 10)</u>				
Subsidiary companies	-	-	3,643	5,107
Related companies (shareholder or common shareholder or representative director)	1,182	-	-	-
Total other receivables - related parties	1,182	-	3,643	5,107
<u>Long-term loan to and receivable from related party</u>				
<u>Subsidiary company</u>				
Fuel Pipeline Transportation Limited	-	-	554,745	626,324
Less: Current portion	-	-	(71,580)	(71,580)
Long-term loan to and receivable from related party - net of current portion	-	-	483,165	554,744
<u>Trade accounts payable - related parties (Note 16)</u>				
Subsidiary companies	-	-	57,785	60,019
Related companies (shareholder or common shareholder or representative director)	40,545	40,768	27,548	27,240
Total trade accounts payable - related parties	40,545	40,768	85,333	87,259
<u>Other payables - related party (Note 16)</u>				
Related company (common shareholder)	34	5,301	34	5,242
<u>Liabilities under finance lease agreement - related parties (Note 17)</u>				
<u>Subsidiary company</u>				
Fuel Pipeline Transportation Limited (31 December 2013: JP-One Assets Company Limited)				
Current portion of liabilities under finance lease agreement	-	-	12,389	9,836
Liabilities under finance lease agreement, net current portion	-	-	87,189	76,253
<u>Provision for land lease related to concession agreement (Note 20)</u>				
Related company (shareholder)	54,472	57,032	54,472	57,032
<u>Other non-current liabilities</u>				
Related company (shareholder and representative director)	8,446	8,446	-	-



The movement of long-term loan to and receivable from related party during the year ended 31 December 2014 was as follows:

(Unit: Thousand Baht)

Separate financial statements				
Long-term loan to and receivable	Balance as at 1 January 2014	Increase during the period	Decrease during the period	Balance as at 31 December 2014
Fuel Pipeline Transportation Limited				
Loans from debt restructuring	111,076	-	(12,695)	98,381
Loans from purchase of debts	515,248	-	(58,885)	456,363
Total	626,324	-	(71,580)	554,744
Less: current portion	(71,580)	-	-	(71,580)
Net of current portion	554,744	-	(71,580)	483,164

The loans are secured by mortgaged oil pipelines and oil depot system of Fuel Pipeline Transportation Limited as collateral under the terms of rehabilitation plan.

Directors and management's remuneration

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	121,981	89,406	71,066	65,469
Post-employment benefits	10,545	4,980	5,857	4,246
Other long-term benefit	2	2	2	2
Total directors and managements remuneration	132,528	94,388	76,925	69,717

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	205	224	120	120
Deposit with banks and financial institutions	391,912	578,269	75,439	127,917
Bond and promissory note	645,338	569,320	349,780	469,671
Total cash and cash equivalents	1,037,455	1,147,813	425,339	597,708

As at 31 December 2014, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.35 and 2.01 percent per annum (2013: between 0.25 and 2.31 percent per annum) (Separate financial statements: between 0.375 and 1.99 percent per annum (2013: between 0.25 and 2.31 percent per annum)).

9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed deposit	202,286	202,898	202,286	202,822
Others	6,260	5,412	1,000	1,000
Total current investments	208,546	208,310	203,286	203,822

As of 31 December 2014, the Company has fixed deposit of Baht 90 million (2013: 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, and then the interest rate of the employees’ loans will be adjusted to the market rate.

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade receivables</u>				
- Related parties (Note 7)	305,574	297,498	249,373	242,967
- Unrelated parties	-	332	-	-
Total trade receivables	305,574	297,830	249,373	242,967
<u>Other receivables</u>				
- Related parties (Note 7)	1,182	-	3,643	5,107
- Unrelated parties	445	-	-	-
Total other receivables	1,627	-	3,643	5,107
Trade and other receivables	307,201	297,830	253,016	248,074

All the trade receivables of the Company and its subsidiaries are within their credit terms.



11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
Fuel Pipeline Transportation Ltd.	260,664	139,269	91.55	90.72	739,139	138,239	-	-
Intoplane Services Co., Ltd.	120	120	83.33	83.33	100	100	-	-
JP-One Asset Co., Ltd.	-	600,000	-	92.50	-	600,900	31,912	26,362
Thai Aviation Refuelling Co., Ltd.	530,000	530,000	90.00	90.00	1,235,000	1,235,000	215,890	195,427
Total investments in subsidiaries					1,974,239	1,974,239	247,802	221,789

2014

On 1 February 2014, Fuel Pipeline Transportation Limited, a subsidiary, received an entire business transfer from JP-One Asset Company Limited (JP-One), another subsidiary. Fuel Pipeline Transportation Limited issued 24,278,941 ordinary shares with a par value of Baht 5 each, totaling Baht 121,394,705, and allocated these shares to JP-One as consideration for JP-One's transfer of its entire business to Fuel Pipeline Transportation Limited. On 3 February 2014, Fuel Pipeline Transportation Limited registered the increase of its capital to Baht 260,667,560. As a result of the transfer of business, the Company's shareholding in Fuel Pipeline Transportation Limited increased from 90.72 percent to 91.55 percent.

On 3 February 2014, JP-One filed for deregistration with the Ministry of Commerce and on 7 November 2014, JP-One transferred 22,458,041 shares of Fuel Pipeline Transportation Limited to the Company and 1,820,922 shares to Bangkok Insurance Public Company Limited, in proportion to their shareholdings. JP-One completed the filing of its liquidation with the Ministry of Commerce on 27 November 2014.

2013

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 the subsidiary has been shown as follows:

	(Unit: Thousand Baht)
	Fair Value
Assets	
Cash and cash equivalents	119,742
Short-term investments	2,049
Trade accounts receivable	70,447
Inventory of spare parts	4,562
Other current assets	10,692
Leasehold improvement and equipment	960,605
Computer software	1,903
Deferred tax assets	35,011
Other non-current assets	844
Liabilities	
Trade accounts payable	(22,114)
Corporate income tax payable	(7,199)
Long-term loan under rehabilitation plan	(701,883)
Employee benefit obligations	(67,380)
Deferred tax liabilities	(26,360)
Provisions (see note 30.4)	(100,000)
Other current liabilities	(2,315)
Net assets	278,604
<u>Less:</u> Non-controlling interest of subsidiary	(25,854)
Net assets attributed to the parent company	252,750
Acquisition cost of investment from conversion of debt to capital	(176,602)
Gain on business combination	76,148

12. Investment property

The investment property is land that is located in Chiangmai Province and is presented at cost. The fair value of the investment property as at 31 December 2014, as estimated by management based on market prices, was Baht 59 million.



As at 31 December 2014, the subsidiaries had an outstanding balance of construction in progress of the main depot facilities and hydrant equipment of approximately Baht 314 million (2013: None). Construction of the main depot facilities and hydrant equipment has been financed with a loan from a financial institution and borrowing costs totaling approximately Baht 6 million were capitalised during the year ended 31 December 2014 (2013: None).

As at 31 December 2014, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,425 million (2013: Baht 1,453 million) (Separate financial statements: Baht 1,349 million, (2013: Baht 1,381 million)).

As at 31 December 2014, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 39 million (31 December 2013: Baht 19 million) (Separate financial statements: Baht 117 million (31 December 2013: Baht 99 million)).

Under the lease agreement, the lessor will assume legal ownership of the equipment and buildings erected on the leased state-owned land upon termination of the agreement, which has a term of 3 years. However the Company has continually renewed the agreement and expects to be able to continue renewing it.

The Fuel Pipeline Transportation Limited (subsidiary), has mortgaged the multi-product pipeline system and main depot facilities with net book value of Baht 826 million (2013: Baht 903 million) to secure long-term liabilities under the rehabilitation plan.

14. Project costs under concession agreements

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements		
	Equipment, building and intoplane substation	Hydrant equipment	Concession of a subsidiary	Right to use leased land related to concession agreement	Total (Restated)	Equipment, building and intoplane substation	Right to use leased land related to concession agreement	Total (Restated)
Cost								
As at 1 January 2013	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
As at 31 December 2013	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
As at 31 December 2014	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
Accumulated amortisation								
As at 1 January 2013	72,565	356,403	160,265	21,840	611,073	72,565	21,840	94,405
Amortisation for the year	11,158	56,907	25,599	3,494	97,158	11,158	3,494	14,652
As at 31 December 2013	83,723	413,310	185,864	25,334	708,231	83,723	25,334	109,057
Amortisation for the year	11,158	56,907	25,600	3,495	97,160	11,158	3,495	14,653
As at 31 December 2014	94,881	470,217	211,464	28,829	805,391	94,881	28,829	123,710
Net book value								
As at 1 January 2013	154,983	1,350,798	607,741	48,049	2,161,571	154,983	48,049	203,032
As at 31 December 2013	143,825	1,293,891	582,142	44,555	2,064,413	143,825	44,555	188,380
As at 31 December 2014	132,667	1,236,984	556,542	41,060	1,967,253	132,667	41,060	173,727

Under the Into-plane Service Agreement and the Permission for Performance Agreement of the fuel hydrant network at Suvarnabhumi Airport, made with Airport of Thailand Public Company Limited by the Company and a subsidiary, Thai Aviation Refuelling Company Limited, respectively, the Company is to transfer ownership of all equipment, buildings, related fixtures and construction to the Ministry of Finance immediately upon completion of construction, and the subsidiary is to transfer the Hydrant network to the Airport of Thailand Public Company Limited within 60 days before it begins operating the service. As of 31 December 2014, transfer of ownership under the two agreements is in progress.

The Company has invested in ordinary shares of Thai Aviation Refuelling Company Limited (subsidiary), and the difference between the amount invested and the shareholders' equity of the subsidiary at the acquisition date has been recorded as "Concession of a subsidiary" and presented as "Project costs under concession agreements" in the consolidated statement of financial position. It is amortised on a straight-line basis over a period of 30 years, which is the term of the concession of the subsidiary, from 28 September 2006 until the agreement expires.

15. Other intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements
	Right to use leased land of subsidiary	Subsidiary's right to use building under land lease agreement	Computer software	Total	Computer software
Cost					
As at 1 January 2013	43,848	22,535	53,375	119,758	50,012
Acquisitions through business combination	-	-	4,691	4,691	-
Additions	-	1,831	8,383	10,214	7,643
As at 31 December 2013	43,848	24,366	66,449	134,663	57,655
Additions	-	-	15,311	15,311	12,835
Disposals	-	-	(3,218)	(3,218)	(2,773)
As at 31 December 2014	43,848	24,366	78,542	146,756	67,717
Accumulated amortisation					
As at 1 January 2013	10,015	4,791	45,566	60,372	43,737
Acquisitions through business combination	-	-	2,788	2,788	-
Amortisation for the year	2,461	1,150	3,686	7,297	2,864
As at 31 December 2013	12,476	5,941	52,040	70,457	46,601
Amortisation for the year	2,461	1,219	4,676	8,356	3,379
Amortisation on disposals	-	-	(3,194)	(3,194)	(2,759)
As at 31 December 2014	14,937	7,160	53,522	75,619	47,221
Net book value					
As at 1 January 2013	33,833	17,744	7,809	59,386	6,275
As at 31 December 2013	31,372	18,425	14,409	64,206	11,054
As at 31 December 2014	28,911	17,206	25,020	71,137	20,496



The Company has invested in ordinary shares of JP-One Assets Company Limited (subsidiary), and the excess of the cost of the investment over the book value of the subsidiary at the acquisition date has been recorded as “Rights to use leased land of subsidiary” and presented as an asset under the caption of “Other intangible assets” in the consolidated statement of financial position. This is amortised by the straight-line method over 17 years and 10 months, which was the remaining term for which the subsidiary has approval from Airports of Thailand Public Company Limited to lease land outside the fence at Suvarnabhumi Airport for provision of aviation fuel transport services and a hydrant network from the refinery plant to the Company’s fuel depot. Amortisation is from 8 December 2008 until the agreement expires. As a result of the transfer of business of the subsidiary mentioned in note 2.2 to financial statements, the rights to use the leased land of JP-One Asset Company Limited were transferred to Fuel Pipeline Transportation Limited, effective from the business transfer date. Under a land lease agreement between the Airport of Thailand Public Company Limited and a subsidiary, Thai Aviation Refuelling Company Limited, the subsidiary is to transfer ownership of all buildings and construction on the leased land to the Ministry of Finance 3 years after the date of completion of the construction (September 30, 2008). The subsidiary presented those assets as “Subsidiary’s right to use building under land lease agreement” under the caption of “Other intangible assets”. As of 31 December 2014, the subsidiary is in the process of transferring ownership in accordance with the agreement.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties (Note 7)	40,545	40,768	85,333	87,259
Trade payables - unrelated parties	12,844	27,704	8,325	17,480
Other payables - related parties (Note 7)	34	5,301	34	5,242
Other payables - unrelated parties	102,082	42,612	64,417	37,886
Accrued expenses	36,425	28,690	27,091	20,319
Total trade and other payables	191,930	145,075	185,200	168,186

17. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Liabilities under finance lease agreements	45,928	20,754
Less : Deferred interest expenses	(3,890)	(1,284)
Total	42,038	19,470
Less : Portion due within one year	(15,311)	(9,502)
Liabilities under finance lease agreements, net of current portion	26,727	9,968

(Unit: Thousand Baht)

Separate financial statements		
	2014	2013
Related parties (Note 7)		
Liabilities under finance lease agreement	118,652	105,952
Less : Deferred interest expenses	(19,074)	(19,863)
Total	99,578	86,089
Less : Portion due within one year	(12,389)	(9,836)
Liabilities under finance lease agreement, net of current portion	87,189	76,253

(Unit: Thousand Baht)

Separate financial statements (continued)		
	2014	2013
Unrelated parties		
Liabilities under finance lease agreement	21,085	15,536
Less : Deferred interest expenses	(1,414)	(504)
Total	19,671	15,032
Less : Portion due within one year	(8,321)	(6,496)
Liabilities under finance lease agreement, net of current portion	11,350	8,536
Total		
Current portion of liabilities under finance lease agreement	20,710	16,332
Liabilities under finance lease agreement, net of current portion	98,539	84,789

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2014			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	17,530	28,398	45,928
Deferred interest expenses	(2,219)	(1,671)	(3,890)
Present value of future minimum lease payments	15,311	26,727	42,038



(Unit: Thousand Baht)

Consolidated financial statements			
As at 31 December 2013			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	10,242	10,512	20,754
Deferred interest expenses	(740)	(544)	(1,284)
Present value of future minimum lease payments	9,502	9,968	19,470

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2014			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	27,619	112,118	139,737
Deferred interest expenses	(6,909)	(13,579)	(20,488)
Present value of future minimum lease payments	20,710	98,539	119,249

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2013			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	22,119	99,369	121,488
Deferred interest expenses	(5,787)	(14,580)	(20,367)
Present value of future minimum lease payments	16,332	84,789	101,121

18. Long-term loans

(Unit: Thousand Baht)						
Loan		Credit line	Consolidated financial Statements		Separate financial Statements	
			2014	2013	2014	2013
<u>The Company</u>						
1	Baht 800 million		177,778	222,222	177,778	222,222
2	Part 1 - Baht 1,700 million		569,400	711,800	569,400	711,800
	Part 2 - Baht 300 million		100,200	125,400	100,200	125,400
3	Baht 220 million		120,000	145,000	120,000	145,000
4	Baht 700 million		425,000	525,000	425,000	525,000
<u>The Subsidiaries</u>						
5	Baht 550 million		144,530	-	-	-
6	Baht 700 million		-	77,700	-	-
7	Baht 170 million		-	29,320	-	-
8	Baht 230 million		125,450	-	-	-
9	Baht 90 million		46,000	60,000	-	-
Total long-term loans			1,708,358	1,896,442	1,392,378	1,729,422
Less: Current portion			(357,644)	(458,064)	(337,045)	(337,045)
Long-term loans - net from current portion			1,350,714	1,438,378	1,055,333	1,392,377

Loan no. 1: The principal will be paid in 16 semi-annual installments of Baht 22.22 million each, within 31 August 2018. Interest is payable semi-annually at 6-Month THBFIX plus a fixed percentage per annum. The Company has entered into an agreement with a bank to hedge the interest rate risk on the full amount of the loan, whereby the Company will pay interest at a fixed rate per annum to the bank and the bank will pay interest to the Company at the 6-Month THBFIX plus a fixed percentage per annum. As at 31 December 2014, the fair value of these interest rate swap contracts is approximately negative Baht 10 million.

Loan no. 2: Facilities of Baht 1,700 million and Baht 300 million, for which principal is to be paid in 32 quarterly installments, of Baht 35.60 million and Baht 6.30 million each, respectively, within 31 December 2018. Interest is payable monthly at the 3-month fixed deposit rate plus a fixed percentage per annum.

Loan no.3: Principal is to be paid in 32 quarterly installments of Baht 6.25 million each, within 28 November 2018. Interest is payable monthly at MLR minus a fixed percentage per annum.



Loan no. 4: Principal is to be paid in 28 quarterly installments of Baht 25 million each, within 30 September 2019. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no. 5: Principal is to be paid in quarterly installments of Baht 27.50 million each, beginning in March 2017, and the loan matures in December 2021. Interest is payable monthly at 3-month BIBOR plus a fixed percentage per annum.

Loan no. 6: Principal is to be paid in 18 quarterly installments of Baht 19.45 million each, within 31 December 2014. Interest is payable monthly at the higher of the 3-month fixed deposit rate for individuals or corporations, plus a fixed percentage per annum.

Loan no. 7: Principal is to be paid in 18 quarterly installments of Baht 7.37 million each, within 31 December 2014. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no. 8: Principal is to be paid in 105 monthly installments of Baht 2.20 million each, beginning in October 2015, and the loan matures in May 2024. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no. 9: Principal is to be paid in 26 quarterly installments of Baht 3.50 million each, beginning in March 2014, and the loan matures in May 2020. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no. 8 is secured by savings and fixed deposits of the subsidiary, which are presented under the caption "Restricted bank deposit" in the statement of financial position.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain debt-to-equity and debt service coverage ratios at the rates prescribed in the agreements.

As at 31 December 2014, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 540 million (2013: Baht 30 million).

19. Long-term liabilities under rehabilitation plan

Movements in the long-term liabilities under rehabilitation plan account of Fuel Pipeline Transportation Limited (the subsidiary) during the year ended 31 December 2014 and 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Balance at beginning of year	37,243	-
Add: Acquisition through business combination	-	39,769
Less: Repayment of long-term liabilities during the year	(4,912)	(2,526)
Balance at end of year	32,331	37,243
Less: Current portion	(4,849)	(4,987)
Long-term liabilities under rehabilitation plan - net of current portion	27,482	32,256

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 on 31 October 2012. However, if the subsidiary has excess cash, it has to use the excess cash to make early repayment of its outstanding debt.

Payments of interest on long-term liabilities under the rehabilitation plan is to be made monthly, with the first payment due in the month following the month the Central Bankruptcy Court approved the plan.

The interest rates charged on long-term liabilities under the rehabilitation plan are as summarised below.

<u>Period</u>	<u>Annual interest rate</u>
The date after the court approved the plan until 31 October 2013	MLR - 1.75%
1 November 2013 until 31 October 2016	MLR - 1.50%
1 November 2016 onwards	MLR - 1.25%

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.

20. Provision for land lease related to concession agreement

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2014	2013 (Restated)
Provision for land lease related to concession agreement as at the beginning of year	57,032	59,458
Payment during year	(5,579)	(5,579)
Interest cost	3,018	3,153
Provision for land lease related to concession agreement at the end of year	54,471	57,032
Less: Current portion	(2,784)	(2,560)
Provision for land lease related to concession agreement, net of current portion	51,687	54,472



21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire from the Company and its subsidiaries and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	696,473	547,796	610,299	534,340
Acquisitions through business combination	-	67,381	-	-
Current service cost	44,607	39,090	37,410	35,011
Interest cost	25,498	22,688	22,292	21,177
Benefits paid during the year	(51,396)	(25,154)	(51,396)	(25,134)
Actuarial loss	43,558	43,779	43,558	44,905
Past service costs	-	893	-	-
Defined benefit obligation at end of year	758,740	696,473	662,163	610,299

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	44,607	39,090	37,410	35,011
Interest cost	25,498	22,688	22,292	21,177
Past service costs recognised during the year	-	893	-	-
Total expenses recognised in profit or loss	70,105	62,671	59,702	56,188
Line items in profit or loss under which such expenses are included				
Cost of services	25,894	26,561	23,599	23,168
Administrative expenses	18,713	13,422	13,811	11,843
Finance cost	25,498	22,688	22,292	21,177

As at 31 December 2014, cumulative actuarial losses, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 87 million (2013: Baht 44 million) (Separate financial statements: Baht 88 million and 2013: Baht 45 million).

Key actuarial assumptions used for the valuation are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014 (% per annum)	2013 (% per annum)	2014 (% per annum)	2013 (% per annum)
Discount rate	2.87 - 4.34	3.61 - 4.34	2.87 - 2.88	3.63 - 3.77
Future salary increase rate	6.0 - 7.25	6.0 - 7.25	7.25	7.25
Staff turnover rate (depending on age)	0 - 22	0 - 22	0 - 1.66	0 - 1.66

The amounts of defined benefit obligations and experience adjustments for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	758,740	662,163	-	-
Year 2013	696,473	610,299	28,982	33,190
Year 2012	547,796	534,340	-	-
Year 2011	538,560	527,048	-	-

22. Statutory reserve

Pursuant to Section 116 of 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 capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	640,139	571,637	470,529	454,248
Depreciation and amortisation	474,182	369,354	238,372	197,062
Airport concession fees	231,423	245,348	219,764	233,052
Rental expenses from operating lease agreements	92,239	64,314	42,235	36,775
Consulting services expenses	32,537	26,084	20,607	12,982



24. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	206,916	241,961	114,655	135,903
Adjustment in respect of income tax of previous year	(516)	(340)	(516)	(340)
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,564)	16,478	(1,549)	19,044
Income tax expense reported in the statement of comprehensive income	199,836	258,099	112,590	154,607

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax relating to actuarial losses	8,712	8,739	8,712	8,981
	8,712	8,739	8,712	8,981

The reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	995,247	1,352,948	800,953	989,945
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	199,049	270,590	160,191	197,989
Adjustment in respect of income tax of previous year	(516)	(340)	(516)	(340)
Effect of preparing the consolidated financial statements	5,851	(7,037)	-	-
Effects of:				
Promotional privileges (Note 25)	(7,229)	(5,149)	-	-
Dividends received are excluded from taxable profit	-	-	(49,561)	(44,358)
Non-deductible expenses	10,033	3,936	2,890	1,651
Additional expense deductions allowed	(7,274)	(4,084)	(414)	(335)
Others	(78)	183	-	-
Total	(4,548)	(5,114)	(47,085)	(43,042)
Income tax expenses reported in the statement of comprehensive income	199,836	258,099	112,590	154,607

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

Statements of financial position				
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Provision for long-term employee benefits	151,693	139,073	132,433	122,060
Provision for land lease related to concession agreements	2,682	2,495	2,682	2,495
Long-term liabilities under rehabilitation plan	1,186	1,485	-	-
Provision	20,000	20,000	-	-
Accumulated depreciation	21	20	-	-
Total	175,582	163,073	135,115	124,555
Deferred tax liabilities				
Deferred interest received	(674)	(374)	(674)	(374)
Difference between fair value of assets and tax base	(21,875)	(24,940)	-	-
Total	(22,549)	(25,314)	(674)	(374)

25. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for transportation of petroleum products by pipeline system, pursuant to the investment promotion certificate No. 1213(2)/อ./2557 issued on 18 February 2014 (Formerly 1003(2)/2548 issued on 4 January 2005 for JP-One Asset Co., Ltd.). Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (The subsidiary began generating revenue in 2006 and the tax-exemption period therefore ends in 2014).

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

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 to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in the fuel pipeline transportation services and aviation refueling service at the airport. Its operations are carried on only in 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 exclusively to the aforementioned reportable operating segment and geographical area.



Major customers

For the year ended 31 December 2014 and 2013, the Company and its subsidiaries had revenue from six major customers and five customers, respectively. Revenue from each customer were as follows:

(Unit: Million Baht)

	2014	2013
Customer 1	924	814
Customer 2	593	505
Customer 3	387	413
Customer 4	341	378
Customer 5	301	336
Customer 6	338	-

28. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly in accordance with the fund rules. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiaries contributed Baht 39 million (2013: Baht 32 million) (Separate financial statements: Baht 28 million (2013: Baht 27 million)) to the fund.

29. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 17 April 2013	260,098	0.51
Interim dividends for 2013	Board of Directors' meeting on 7 August 2013	152,999	0.30
Total for 2013		413,097	0.81
Final dividends for 2013	Annual General Meeting of the shareholders on 24 April 2014	356,979	0.70
Interim dividends for 2014	Board of Directors' meeting on 7 August 2014	142,799	0.28
Total for 2014		499,778	0.98

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2014, the Company and its subsidiaries had capital commitments of approximately Baht 783 million (2013: Baht 221 million and US Dollar 50,000), relating to the construction of assets and acquisition of equipment (Separate financial statements: Baht 236 million (2013: Baht 118 million and US Dollar 50,000)).

30.2 Commitments under various agreements

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of hydrant equipment, land, airport space and building and motor vehicle. The terms of the agreements are generally between 1 and 30 years. These operating lease agreements are non-cancellable agreements, under which the Company and its subsidiaries are required to comply with the certain conditions, including obligations to transfer the ownership of constructed assets to the lessors under some land lease agreements.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 December 2014			
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	44	63	-	107
Thai Aviation Refueling Co., Ltd.	2	2	-	4
Fuel Pipeline Transportation Ltd.	59	208	375	642
Total	105	273	375	753

(Unit: Million Baht)

	As at 31 December 2013			
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	36	21	-	57
Thai Aviation Refueling Co., Ltd.	2	1	-	3
JP-One Assets Co., Ltd.	13	54	196	263
Fuel Pipeline Transportation Ltd.	37	128	103	268
Total	88	204	299	591

- b) The Company has entered into an agreement with Airports of Thailand Public Company Limited (AOT) whereby it was granted permission to provide into-plane services at Suvarnabhumi Airport for a period of 20 years from the date the airport officially opened for service (28 September 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.
- c) A subsidiary, Thai Aviation Refuelling Co., Ltd. has been granted approval by Airports of Thailand Public Company Limited to operate aviation fuel hydrant network services at Suvarnabhumi Airport, for a period of 30 years from the date of first operation of that company at the airport (28 September 2006). The subsidiary is obliged to comply with certain conditions, including an obligation to transfer the ownership of the hydrant refueling network including related supplies and spare parts, free of charge to Airports of Thailand Public Company Limited, and to pay a concession fee at a percentage of the subsidiary's income before deducting expenses, as stipulated in the agreement, as from the year of first operation.



30.3 Guarantees

- a) As at 31 December 2014, the Company has obligations under its guarantees of loans and credit facilities provided to its subsidiary company by local bank totaling Baht 870 million (2013: Baht 870 million). As at 31 December 2014, the subsidiary has no the outstanding loan (2013: Baht 107 million).
- b) The Company and its subsidiaries have outstanding bank guarantees as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Guarantee electricity use	10	10	3	3
Guarantees for agreements	95	80	61	56

30.4 Legal cases

- a) On 4 May 2012, the Company was summoned as the fourth defendant in a lawsuit where a state-enterprise and 3 state agencies were sued by 28 plaintiffs who alleged that they had been disturbed by the smell of fuel fumes from the aviation fuel depot. The 27 plaintiffs claimed damages amounting Baht 300,000 each, and another plaintiff claimed damages totaling Baht 1 million, making total damages of Baht 9.10 million. In addition, each plaintiff claimed monthly damages in the amount of Baht 10,000 until there is no fuel smell from the Company's depot. The plaintiffs also asked the Company to cease the usage of the depot and storage of fuel until there is equipment for preventing and controlling the fuel smell. Afterwards, on 15 October 2012, 76 additional plaintiffs filed lawsuits, bringing the total number of plaintiffs in this case to 104, with damages totaling Baht 31.90 million. The appeal is currently under the consideration of the Administrative Court.

However, the Company's management believes that no significant losses will be incurred to the Company and the Company has therefore not recorded provision for this legal case.

- b) On 20 September 2013 a party that leases land to a subsidiary filed a civil lawsuit, seeking an order for the subsidiary to remove certain parts of fuel pipeline from the leased land. The subsidiary filed an objection to the lawsuit since the subsidiary believes that the removal would contrary to the conditions of the contract. On 30 May 2014, the Court of First Instance ordered the subsidiary to remove the fuel pipeline, but the subsidiary has submitted an appeal and an application for a stay of execution. Currently, the case is pending the consideration of the Court of Appeal. However, the Company has set aside provision of Baht 100 million in the consolidated financial statements and the management believes that such events will not have any impact on the subsidiary's delivery of fuel.

31. Financial instruments

31.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and

other receivables, loan to, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries is exposed to credit risk primarily with respect to trade and other receivables and long-term loan to and receivable from related party. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedure. Although, the Company and its subsidiaries provide services to a limited number of customers in the same industry, the Company and its subsidiaries do not expect to incur material financial losses since most of their customers are creditworthy.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, bond and promissory note, current investments, liabilities under finance lease agreements, long-term liabilities under rehabilitation plan and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Million Baht)

Consolidated financial statements							
	As at 31 December 2014						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	645	-	-	384	8	1,037	0.35 - 2.01
Current investments	202	-	-	5	1	208	2.152 - 3.10
Trade and other receivables	-	-	-	-	307	307	-
Restricted bank deposits	-	-	-	10	-	10	1.50
Long-term investment	-	-	2	-	-	2	3.75
	847	-	2	399	316	1,564	
Financial liabilities							
Trade and other payables	-	-	-	-	192	192	-
Liabilities under finance lease agreements	15	27	-	-	-	42	4.67 - 9.86
Long-term loans	-	-	847	861	-	1,708	2.75 - 5.80
Long-term liabilities under rehabilitation plan	-	-	-	32	-	32	5.575
	15	27	847	893	192	1,974	



(Million Baht)

Consolidated financial statements							
	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	569	-	-	571	7	1,147	0.25 - 2.31
Current investments	204	-	-	4	-	208	2.65 - 3.15
Trade and other receivables	-	-	-	-	298	298	-
Restricted bank deposits	-	-	-	12	-	12	2.00
	773	-	-	587	305	1,665	
Financial liabilities							
Trade and other payables	-	-	-	-	145	145	-
Liabilities under finance lease agreements	9	10	-	-	-	19	4.67 - 6.75
Long-term loans	-	-	1,059	837	-	1,896	3.25 - 5.80
Long-term liabilities under rehabilitation plan	-	-	-	37	-	37	5.575
	9	10	1,059	874	145	2,097	

(Million Baht)

Separate financial statements							
	As at 31 December 2014						
	Fixed interest rates			Floating interest rate	Non – interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1–5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	350	-	-	75	-	425	0.375 - 1.99
Current investments	202	-	-	-	1	203	2.152 - 3.10
Trade and other receivables	-	-	-	-	253	253	-
Long-term loan to and receivable from related party	-	-	-	555	-	555	5.575
	552	-	-	630	254	1,436	
Financial liabilities							
Trade and other payables	-	-	-	-	185	185	-
Liabilities under finance lease agreements	21	98	-	-	-	119	4.67 - 9.86
Long-term loans	-	-	847	545	-	1,392	2.75 - 5.80
	21	98	847	545	185	1,696	

(Million Baht)

Separate financial statements							
	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	470	-	-	128	-	598	0.25 - 2.31
Current investments	203	-	-	-	-	203	2.65 - 3.15
Trade and other receivables	-	-	-	-	248	248	-
Long-term loan to and receivable from related party	-	-	-	626	-	626	5.575
	673	-	-	754	248	1,675	
Financial liabilities							
Trade and other payables	-	-	-	-	168	168	-
Liabilities under finance lease agreements	16	85	-	-	-	101	4.67 - 6.75
Long-term loans	-	-	1,059	670	-	1,729	3.25 - 5.80
	16	85	1,059	670	168	1,998	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from service transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies, which the associated foreign exchange risk is not hedged, are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014	2013	2014	2013	2014 (Baht per 1 foreign currency unit)	2013
US dollar	915,883	923,106	-	14,000	32.9630	32.8136

31.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature, loan to and loan from bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. This excludes the fair value of the interest rate swap contracts mentioned in Note 18 to the financial statements.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.



32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.58:1 (2013: 0.63:1) and the Company's was 0.62:1 (2013: 0.72:1).

33. Events after the reporting period

On 19 February 2015, the Company's Board of Directors Meeting no. 1/2015 approved the following.

- 33.1 Allotment of Baht 68.8 million of retained earnings to a reserve to fund expansion of investment.
- 33.2 Allotment of Baht 68.8 million of retained earnings to a general reserve.
- 33.3 Declaration of a dividend payment of Baht 1.10 per share, or a total of Baht 561 million, from the 2014 operating results. On 4 September 2014, the Company paid an interim dividend of Baht 0.28 per share, a total of Baht 143 million, and the remaining dividend is Baht 0.82 per share, or a total of Baht 418 million. The dividend will be paid on 14 May 2015 in 2 parts as follows.
- 1) A stock dividend at the ratio of 1 stock dividend for every 4 existing shares, or at Baht 0.25 per share, totalling Baht 127 million.
 - 2) A cash dividend at the rate of Baht 0.57 per share, totalling Baht 291 million.

34. Reclassification

The Company and its subsidiaries reclassified certain amounts in the financial statements to conform to the current year's classification.

(Unit: Thousand Baht)

Consolidated financial statements				
	31 December 2013		1 January 2013	
	As reclassified	As previously reported after adjustment in note 4	As reclassified	As previously reported after adjustment in note 4
Trade accounts receivable	-	297,830	-	235,706
Trade and other receivables	297,830	-	235,706	-
Long-term loan to employees	-	7,215	-	11,587
Property, leasehold improvement and equipment	3,959,118	3,977,543	2,960,546	2,978,290
Right of use of land leased by a subsidiary	-	31,372	-	33,834
Other intangible assets	64,205	-	59,387	-
Computer software	-	14,409	-	7,809
Deferred tax assets	137,759	163,072	136,505	136,505
Other non-current assets	51,607	44,392	36,584	24,997
Trade accounts payable	-	(85,154)	-	(66,668)
Other accounts payable	-	(31,231)	-	(58,904)
Trade and other payables	(145,075)	-	(147,180)	-
Other current liabilities	(56,137)	(84,827)	(46,953)	(68,561)
Deferred tax liabilities	-	(25,314)	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2013		1 January 2013	
	As reclassified	As previously reported after adjustment in note 4	As reclassified	As previously reported after adjustment in note 4
Trade accounts receivable	-	242,967	-	220,192
Amounts due from and advance to related companies	-	5,107	-	4,014
Trade and other receivables	248,074	-	224,206	-
Long-term loan to employees	-	7,207	-	11,445
Other intangible assets	11,054	-	6,275	-
Computer software	-	11,054	-	6,275
Deferred tax assets	124,181	124,555	133,904	133,904
Other non-current assets	31,024	23,817	36,211	24,766
Trade accounts payable	-	(121,361)	-	(101,473)
Other accounts payable	-	(26,505)	-	(29,283)
Trade and other payables	(168,186)	-	(150,808)	-
Other current liabilities	(45,014)	(65,334)	(38,962)	(59,014)
Deferred tax liabilities	-	(374)	-	-

The reclassifications had no effect to previously reported profit or shareholders' equity.

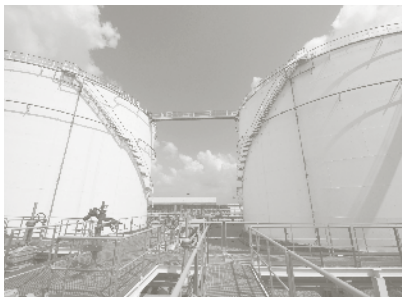
35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2015.





Report of the Audit Committee for the Year 2014



To The shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Audit Committee of the Company consists of 4 independent directors, including Mr. Pachara Yutidhammadamrong as Audit Committee Chairman, Mr. Visut Montriwat, Mr. Pipat Purnananda and Mr. Sumon Surathin as Audit Committee Directors. However, Mr. Sumon Surathin completed his term on 24 April 2014. All Audit Committee Directors are well 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 completely performed responsibilities according to the scope, duties and responsibilities assigned by the Board of Directors for which correctly complied with the Regulations of the Stock Exchange of Thailand. In 2014, the Audit Committee convened 6 times by which every director attended all 6 meetings, excluding Mr. Sumon Surathin whose term had ended and thus he attended 3 Audit Committee's meetings.

The Audit Committee attended every meeting with the management executives, internal auditors, lawyers, Compliance Section, as well as external auditors to consult 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 its subsidiaries, as well as separate financial statements of the Company, including both quarterly and by annually reports of 2014. All of which was reviewed and audited by external auditors. The Committee had listened and questioned the management and the external auditors on the accuracy and completeness of financial statements, changes posing significant impact on the financial statements, accounting policy, information disclosure and independence. The Committee also acknowledged the 2014 audit plan of the external auditors. The Audit

Committee attended 3 meetings without the presence of the management to discuss the independence in performing duties and derive the opinions of the auditors. The Audit Committee agreed with the external auditors that the financial statements were present fairly in all material respects and in accordance with Thai Financial Reporting Standards, while in overall, the Audit Committee has provided opinions and advice to the Board of Directors quarterly.

2. **Reviewed the operation information and the internal control system** - With the objectives to evaluate the sufficiency, appropriateness and effectiveness of the internal control system, the evaluation of adequacy of internal control system as stipulated by the Practice of the Office of the SEC was conducted. Consideration of the internal audit report for the year 2014 along with the assessment of the internal control and risk management benchmarking with the international standard of COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management) by the internal auditor were also included. The Audit Committee had the opinion that the Company's internal control system had been sufficient and appropriate with personnel enough for efficient internal control, property protection, as well as had a monitoring system that supervised the operation of subsidiaries to ensure the property of the Company and subsidiaries should not be misused by directors or the management. In 2014, no such case was found, including any other significant deficiency of the Company's internal control system.
3. **Reviewed the internal audit** - In order to ensure the internal audit activities were conducted with appropriateness and effectiveness, a wide array of reviews had included the mission, scope, duties and responsibilities, manpower, training plan, budget and independency of the Internal Audit Office. As well, the internal audit plan for the year 2014 designed in relation to corporate risk was approved and reviewed on a semi-annually basis in order to ensure appropriateness and consistency. Additionally, the Audit Committee reviewed audit report and assessed the performance of the Head of Internal Audit Office using the Key Performance Indicators (KPIs). The Audit Committee had the opinion that the Company had the internal control system that had been appropriate, effective and independent. The annual internal audit plan corresponded to the Company's risk, as well as the audit quality in the areas of personnel and the audit work that had continued to improve continuously.
4. **Reviewed the compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand (SET) and other laws relevant to the Company's business and the compliance with the Company's requirements 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** - In order to ensure connection with strategic plan and internal control system to manage risks. The Audit Committee reviewed the risk management system basing on the compliance with Risk Management Policy and the Strategic Plan and Risk Management Manual.



The Audit Committee provided opinions and advice to the Risk Management Committee and the Board of Directors on a quarterly basis. The Audit Committee had the opinion that the Company had appropriate, sufficient and effective risk management system.

6. **Considered the connected transactions or transactions that may have conflict of interests** - The Company set its rule and also had the Compliance Section to monitor the compliance of law, Regulation of the Office of the SEC and the Company's rules. The Audit Committee had the opinion that such transactions were reasonable and beneficial to the Company's business.
7. **Reviewed the good Corporate Governance** - The Audit Committee reviewed the self-assessment in the area of anti-corruption measures as prescribed by the Thai Institute of Directors (IOD). The Audit Committee had the opinion that the assessment items were accurate and sufficient. As a result, the Private Sector Collective Action Coalition Against Corruption Council has certified the Company as a member of the council.
8. **Reviewed the Audit Committee Charter** - The review was to ensure appropriateness and compliance to the Office of the SEC and the SET, and proposed to the Board of Directors annually.
9. **Considered the overall assessment and self-assessment of the Audit Committee for the year 2014** - The assessment result concluded that the Audit Committee had fulfilled all duties as prescribed by the Audit Committee Charter. The assessment items included the composition, duties and responsibilities, meeting, financial reporting, internal control, internal audit, law and regulation compliance and risk management, etc.
10. **Conducted the Report of the Audit Committee's Activities** - The report was conducted and proposed to the Chairman of the Board of Directors for every Audit Committee meeting.
11. **Considered of Appointing the External Auditors and audit fee for the Year 2015** - The issues were proposed for consideration to the Board of Directors and for further approval to the Annual Shareholder's meeting. The Audit Committee elected the external auditors by evaluating the skills, knowledge, competence of external auditors and auditing team, performance in the past year's audit and independence by requesting them to prepare the independent confirmation letter. Considering the appropriateness of the audit fee. The Audit Committee proposed appointing Miss Thipawan Nananuwat, Certified Public Accountant Registration number 3459, or Mr. Termphong Opanaphan, Certified Public Accountant Registration number 4501, or Mr. Khitsada Lerdwana, Certified Public Accountant Registration number 4958, of EY Office Limited to serve as the Company's external auditors for the year 2015, with the audit fee of Baht 1,150,000.

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

- In the past accounting year, the external auditors had produced well-prepared audit plan by clearly determining the scope of work, content and duration. The external auditors worked at full attempt using knowledge and professional capability, as well as regularly attended meetings with the Auditing Committee, resulting in satisfactory working quality and consistency of auditing.
- The audit fee of Baht 1,150,000 that EY Office Limited proposed for the year 2015 was considered appropriate and equal to the year 2014's fee. Comparing to other listed companies of the same level, the proposed audit fee is at similar rate.
- The Company has obliged by the SEC's regulations on the rotation of external auditors who has to sign and certify financial statements every 5 accounting periods. The Company has used the EY Office Limited for the year 2014 as the first year.
- The auditors have to be independent, have no relation and/or conflict of interest between the auditors and the Company/subsidiary/the management/major shareholder or person related to aforementioned parties.


In conclusion, the Audit Committee had performed all duties as prescribed in the Audit Committee Charter approved by the Board of Directors. They had used their knowledge, competence and having independency, as well as provided opinion and advice 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 and completely, had appropriate and effective internal control, internal audit and risk management. The Company's conduct had been compliant with laws, regulations and obligations, as well as had treated connected transactions correctly and good Corporate Governance principles. The Company had selection criteria system in the proposing of independent individuals to serve as the external auditors and considering appropriate audit fee.

Moreover, the Corporate Governance Rating in the year 2014 of Thai Institute of Directors (IOD) has scored the Company's Corporate Governance an Excellent as same as the previous year.

10 February 2015

On Behalf of the Audit Committee



(Mr. Pachara Yutidhammadamrong)

Chairman of the Audit Committee



Summary on the Opinion Concerning Internal Control System for the Year 2014



The Company's Board of Directors has appointed the Audit Committee, which consists of independent directors to review the adequacy and suitability of the Company's internal control system, in order to ensure the operation achieves effectiveness and efficiency, as well as the Company's assets are properly protected.

On 19 February 2015, the Company's Board of Directors, held the meeting with the presence of the Audit Committee and agreed upon the opinions of the Audit Committee as indicated by the evaluation checklist of the Office of the Securities and Exchange Commission (the Office of the SEC) and the summary of opinion checklist concerning internal control system for the year 2014 that the Company's internal control system is adequate and suitable, while personnel has been allocated sufficiently to ensure efficient internal control system. In addition, monitoring system for subsidiaries' operation has been appropriate and is thus capable of protecting the assets of the Company and subsidiaries from the misuse by directors or the management. No such case was found in 2014. No significant deficiency of internal control system was found. In conclusion, opinions concerning the Company's internal control system can be summarized as follows:

1. Control Environment

The Company arranged good control environment as follows:

- The Company has structured the organization with a good internal control system that enhances the operation's efficiency and relates to the Company's goals. Assignment of responsibilities is being conducted to ensure check and balance of overall operation. Segregation of duties and responsibilities, knowledge, capabilities and experiences has been made in accordance with the positions basing on job description for which shall be adapted with the organization's structure. Authority and function of the Nominating Committee has been extended in the Corporate Governance realm. Stipulation of the criteria of Board of Directors and the Managing Director in chairing

as directors in other companies is clearly specified to ensure the Board of Directors and Managing Director will dedicate their time for the Company at the fullest and efficiently. Recruitment channel of the Board of Directors has been extended more via professional search firm or Director Pool. Determination of authority and function of the Board of Directors and Chairman has been further clarified, as well as the internal control department that was assigned to provide functional report to the Audit Committee and administrative report to the Managing Director.

- The Company has stipulated the policy and operation direction under the Corporate Governance principle in written form, including the Corporate Governance policy, Anti-corruption policy, risk management policy, alcoholic drinks and drugs relevant policy, Code of Conduct manual, handbook of Anti-corruption measures and brochure for the Board of Directors and employees to study and practice. All of which includes important issues such as conflict of interests, corruption, giving and receiving gifts, accepting the reception, internal control, alcoholic drinks and drugs, etc. As well, clear punishment for violation of regulations was included. The Company has internal and external communication procedures, requiring all employees to sign a document to acknowledge the Company's policy in alcoholic drinks and use drugs as well as the Code of Conduct issues. Regular trainings on Code of Conduct and anti-corruption measures have been held and included as part of the new employee and all promoted employee orientation program. Continuing support is being provided to employees joining the practice of dharma. Furthermore, the Company was submit a signed Declaration of Intent certified a member of the Private Sector Collective Action Coalition Against Corruption under the Collective Anti-Corruption : CAC project. In addition, the Company received the Top Corporate Governance Report Award from the Stock Exchange of Thailand.
- The Company has exercised the monitoring system for the Code of Conduct and corporate values running by the Corporate Governance Working Committee, internal control unit and Code of Conduct Working Committee, who will be monitoring via certain tools, i.e. the management and employees are being called in to take online assessment on the Code of Conduct annually, the evaluation plan for the compliance of Code of Conduct and anti-corruption measures and the survey of employees' understanding in good practice and the continual campaigning of corporate values. Moreover, the Company is working in progress in the hiring of outsource independent specialist to conduct the assessment of compliance with the Code of Conduct. A measure has been prepared to handle any action violating the Code of Conduct in the timeliest manner possible.
- The Board of Directors comprises directors with different qualifications, ranging from age, skills and experiences for which benefit the Company. Independent Director's qualifications are stricter than the requirements of the SEC. Segregation of the scope of duty and responsibility of the Board of Directors and the management is clear. Moreover, the improvement of the strategic planning working committee was conducted for the year 2015-2017, basing on changing business environment, for which serves as the tool to draw guideline for the Company's business direction. Clear and measurable goals are determined. Strategic goals were defined in line with the goals prescribed in the strategic plan under the Balanced Scorecard concept. The Company's achievement



is being assessed using the Key Performance Indicators : KPIs, while regular reviews are being conducted along with budgeting system that reflects and controls operational efficiency.

- Employee performance appraisal system is in use with the KPI that supports strategic plan and the Code of Conduct. Balanced Scorecard operation is being used. Aforementioned systems have been communicated to the management and employees for acknowledgement.
- The Company has placed people as the most important resource and thus has prepared the Succession Plan to produce replacement of high potential, as well as provided trainings for the advancement of knowledge, skills and capability to fit people and their assigned duties. For example, Successor Development Plan, executive training scheme, foreign language course for employees to prepare for ASEAN Economic Community : AEC, Individual Development Plan, knowledge refreshing program for operational employees and Training Roadmap that features knowledge and skill for working, performance development and professional certification, overseas work exchange program, as well as training on the related transactions, connected transactions and the acquisition and disposition of assets for executives and related persons of the Company and subsidiaries. The Company encourages the management and employees assigned to chair the director's position at the subsidiaries to attend distinct training course held by the Thai Institute of Directors (IOD). Additionally, the Company hosted the IFQP (IATA Fuel Quality Pool) - Airfield Inspection Training Course, which was the first time in ASEAN, with the objectives to promote the Company in international market, as well as to increase employees' experience and enhance competency development of the Company's employees.
- The Company received remarkable awards, including the "Excellent" rate of The 2014 Corporate Governance Ranking by IOD, which is the same as the previous year, the Outstanding Company Performance Award, the Thailand's Top Corporate Brand Rising Star 2014 from the Stock Exchange of Thailand and the Year 2014's National Award of Outstanding for Enterprise of Safety Operation, Occupational Health and Working Environment for the 3 locations comprising Don Mueang Depot, Into-Plane Service Sub-station and Suvarnabhumi Depot. Moreover, the Company received the Corporate Carbon Footprint Certificate which well enhances the image of business leader with environmental concern.

2. Risk Assessment

The Company has realized the importance of the implementation of risk management policy as follows:

- Appointing the Risk Management Committee, preparing risk management policy as approved by the Boards of Directors and communicating the risk management policy across the organization for employees of all levels to acknowledge and practice.
- Evaluating and reviewing risk factors, including risk fraudulent action and business risk as stipulated by international standard of aviation operation through the holding of workshop for executives by which internal and external factors are considered in order to achieve the objectives of risk strategy,

operation, reporting and compliance with regulations. Risks are categorized into corporate risks and functional risks. The Company considers risk likelihood, impact of each risk factor and ranks risk factors from high, medium and low levels.

- Reviewing risk appetite, key risk indicators (KRIs), risk tolerance and trigger point which is considered the early warning system to ensure they are in accordance with the goal prescribed in the strategic plan in order to solve problems immediately.
- Having risk control measures and plan formulated at acceptable level by handling high level risk at first and applying risk response method, which includes Treat (setting measures to reduce risk), Take (taking risk that may occur), Transfer (transferring risk to third parties) and Terminate (not to perform activity that may pose risk). In addition, the Company evaluates changing external risks, type of business and changes in the leadership which may affect the Company's operation and formulates measures that sufficiently respond to changes. For example, appointment of Crisis Management Committee for the assessment and control of urgent issues that may pose impact on the business of the Company and subsidiaries, preparation of necessary actions in case of electricity shortage and political turmoil, preparation of contingency plan and rehearse in case of critical situation that may pose significant impact on the Company's operation, installation of the Aviation Refuelling Management System (ARMS) to escalate efficiency of aviation refueling service, launching the aviation refueling service project to Trat Airport and organizing the orientation session for new Managing Director. 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 established control activities as follows:

- Compiling guideline of the Company's main operation regulations by clearly specifying scope of responsibilities. Producing the manual of authorities and segregation of responsibilities of approving are conducted. Record of accounting and IT data and the asset safeguarding are clearly segregated. Regulations on related transactions must be compiled in line with the requirements of the SEC with strict measures to control transactions and ensure that those with approving authority have no conflict of interest and have made the decision out of the best benefits for the Company. The controlling measures must be reviewed regularly.
- Having held executive meeting, department meeting and other meeting regularly for the monitoring of management and operation control.
- Sorting out procedures of reporting, reviewing and approving transaction or contract that brings the Company the obligations. The procedures must include monitoring and reviewing measures to ensure the Company's operation corresponds to agreed conditions.



- Stipulating general control measures on the infrastructure, safety, development and appropriate maintenance of the Company's information system.
- Setting guidelines for the assignment of employees to work at subsidiaries, determining the direction of the person appointed by the Company to chair the director's position or the management to follow. Executive Committee is being assigned to monitoring, follow up and assess the performance of the Company and subsidiaries. In addition, report on the operation performance of subsidiaries must be submitted to the Executive Committee on a monthly basis and to the Board of Directors at every 6 months.

4. Information and Communication

The Company has arranged good information technology and communications system as follows:

- Distributing meeting document and preparing minutes for the Board of Directors within pre-determined timeframe and ensuring it contains necessary and sufficient information. Assessing the efficiency of every board meeting.
- Having the IT development system, such as SAP, payroll and business data systems, established in order to ensure operational efficiency.
- Implementing Generally Accepted Accounting Standard that appropriately addresses the Company's nature of business, as well as compiling manual of accounting record and having sorted accounting document in categories.
- Providing communication channels for the Board of Directors/Audit Committee to access information necessary for the operation or reviewing, i.e. assigning the Corporate Secretary to coordinate between the Company and the Board of Directors, arranging meeting for the Board of Directors without the presence of the executives.
- Having communication channels that allow thorough contact across the Company and subsidiaries, such as e-mail, annual meeting for the executives and employees and monthly department meeting. Additionally, having the communication channel for whistle-blowing or complaint filing for both internal and external filers in case the violation of Code of Conduct, illegal act, fraud or an unfair treatment is found. Notification can be made via post, e-mail and company website by directing the issue (s) to the Executive Chairman or Chairman of Audit Committee. The company has a privacy policy for which the information of filer and the employee responsible for the case will not be disclosed.
- Appointing the Investor Relations Department to hold responsibilities for communication with stakeholders via various channels, such as company website, quarterly investor meeting and other investor relations activities.



5. Monitoring Activities

The Company has the following 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 a monthly basis for consideration and monitoring to ensure the Company is achieving the goal. The performance shall be reported to the Board of Directors regularly. Further, in case actual performance is different from the goal, an alteration of action shall be made immediately to solve the situation.
- Having reports of events that may pose significant impact to the Board of Directors or Sub-committee, such as Audit Committee and Risk Management Committee, etc. The management shall report the progress and solution to the problem within appropriate timeframe.
- Having an independent internal audit unit that assures and consults, as well as audits the compliance with the internal control system, Code of Conduct and the Anti-corruption according to the Company's annual auditing plan which is part of the Risk-Based Audit Plan and eventually ensures the results are being reported to the Audit Committee including follow up and progress audit report on regularly basis. Arranging the self-assessment of internal control system of the Company and subsidiaries by the management and with true independence under the responsibility of internal control unit. In addition, developing and supporting the internal auditors to attend training continually in order to extend knowledge, skills and professional capabilities of internal auditing.



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, refueling and defueling services at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of concession fee for aviation refueling service at Don Mueang Airport 3. Collection of service fee for aviation fuel transport through Hydrant system at Suvarnabhumi Airport 4. 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 - Mrs .Wasukarn Visansawatdi (ended 15 Apr 2014) - First Lieutenant Athisak Padchuenjai (ended 1 Oct 2014) - Flying Officer Chalermpon Intarawong (from 6 Nov 2014) - Squadron Leader Bhurith Sriwatana (from 6 Nov 2014) BAFS's directors are the executives of THAI
2. Chevron (Thailand) Ltd.	1. Aviation fuel storage, refueling and defueling services at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of concession fee for aviation refueling service at Don Mueang Airport 3. Collection of service fee for aviation fuel transport through Hydrant system at Suvarnabhumi Airport 4. Customs Service Fee	Mr. Trintr Subakarn, the Company's director, is the controlling person of Chevron (Thailand) Ltd.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 214.11 Million	Baht 20.58 Million	Continue
	0.07 Baht/litre	Baht 0.13 Million	Baht 0.01 Million	Continue
	-	Baht 86.59 Million	Baht 8.37 Million	Continue
	-	-	-	Continue
	-	Baht 348.57 Million	Baht 31.92 Million	Continue
	0.07 Baht/litre	Baht 0.11 Million	Baht 0.01 Million	Continue
	-	Baht 141.04 Million	Baht 12.81 Million	Continue
	-	-	-	Continue



Name	Type of Transaction	Relationship
3. The Shell Company of Thailand Ltd.	<ol style="list-style-type: none"> 1. Aviation fuel storage, refueling and defueling service at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of concession fee for aviation fuel service at Don Mueang Airport 3. Collection of service fee for aviation fuel transport through Hydrant system at Suvarnabhumi Airport 4. Customs Service Fee 	Mr. Ath Hemvijitraphan, BAFS's director, is the controlling person of The Shell Company of Thailand Ltd.
4. PTT Plc. (PTT)	<ol style="list-style-type: none"> 1. Aviation fuel storage, refueling and defueling service at Don Mueang Airport and Suvarnabhumi Airport 2. Collection of concession fee for aviation fuel service at Don Mueang Airport 3. Collection of service fee for aviation fuel transport through Hydrant system at Suvarnabhumi Airport 4. Aviation fuel storage, refueling and defueling services at Samui and Sukhothai Airports 5. Petrol to refuel the vehicles 	<ol style="list-style-type: none"> 1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc. 2. Mr. Kris Imsang, the Company's director, is the controlling person of PTT Plc.

Unit Price		Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 262.49 Million	Baht 25.52 Million	Continue
	0.07 Baht/litre	Baht 16.05 Million	Baht 1.58 Million	Continue
	-	Baht 51.02 Million	Baht 4.70 Million	Continue
	-	-	-	Continue
	-	Baht 682.63 Million	Baht 64.17 Million	Continue
	0.07 Baht/litre	Baht 24.85 Million	Baht 2.80 Million	Continue
	-	Baht 185.94 Million	Baht 16.59 Million	Continue
	-	Baht 23.28 Million	Baht 1.99 Million	Continue
	-	Baht 5.26 Million	Baht 0.54 Million	Continue



Name	Type of Transaction	Relationship
5. Airports of Thailand Plc. (AOT)	<ol style="list-style-type: none"> 1. Lease for Fuel Pipeline, Building and Area and Fees <ul style="list-style-type: none"> ● <u>Don Mueang Airport</u> <ol style="list-style-type: none"> 1. Fuel Pipeline Lease 2. Concession Fee for aviation fuel service at Don Mueang Airport for AOT 3. Lease for office building and area inside parking apron 4. Lease area outside parking apron ● <u>Suvarnabhumi Airport</u> <ol style="list-style-type: none"> 1. Concession fee for aviation refueling and defueling service 2. Lease area outside parking apron 3. Lease area inside passenger building 4. Lease area for parking dispensers inside apron 2. Utility and other charges 	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT 2. The Company's directors <ul style="list-style-type: none"> - Mr. Pongsak Semsan (ended 12 May 2014) - Mr. Makin Petplai (from 7 Aug 2014 to 16 Sept 2014) - Mr. Nirandra Theeranartsin (from 17 December 2014) are the directors and executives of AOT

Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
1,531,612.20 Baht/month. (1 Oct 2013 - 27 Jan 2014) and 1,535,824.70 Baht/month (28 Jan 2014 - 27 Jan 2015)	Baht 18.43 Million	-	Continue
0.07 Baht/litre	Baht 44.54 Million	Baht 4.74 Million	Continue
115 Baht/sqm./month	Baht 9.33 Million	-	Continue
85 Baht/sqm./month	Baht 0.60 Million	-	Continue
0.06 Baht/litre	Baht 219.76 Million	Baht 20.50 Million	Continue
67.42 Baht/sqm./month	Baht 5.58 Million	-	Continue
450 Baht/sqm./month	Baht 0.72 Million	-	Continue
150 Baht/sqm./month	Baht 3.27 Million	-	Continue
-	Baht 5.17 Million	Baht 0.41 Million	Continue



Name	Type of Transaction	Relationship
6. Ministry of Finance	Lease for State Property Building and land at Don Mueang Depot	Ministry of Finance is indirect major shareholder of BAFS
7. Thai Petroleum Pipeline Co., Ltd. (Thappline)	<ol style="list-style-type: none"> 1. Lease of Land, Building, and Utility Service ● <u>Don Mueang Depot</u> <ol style="list-style-type: none"> 1. Lease of Land 2. Utility Service ● <u>Suvarnabhumi Depot</u> <ol style="list-style-type: none"> 1. Lease of Land and Building 2. Utility Service 2. Collection of fee for water for fire extinguishing, tap water and electricity systems 	<ol style="list-style-type: none"> 1. Ministry of Finance is indirect major shareholder of BAFS and Thappline 2. Mr. Kris Imsang, the Company's director is the director of Thappline
8. Dhipaya Insurance Plc. (Dhipaya)	<ol style="list-style-type: none"> 1. All Risks Insurance, Aviation Third Party Legal Liability Insurance and Terrorism Insurance 2. Auto Insurance and Coverage for Victims of Motor Vehicle Accidents 	The Ministry of Finance is indirect major shareholder of BAFS and Dhipaya
9. IRPC Plc. (IRPC)	Participation in 'Advanced Fire Fighting' and 'On-Scene Commander' training course	The Ministry of Finance is the indirect major shareholder of BAFS and IRPC
10. NPC Safety and Environmental Service Co., Ltd.	Participation in 'Advanced Fire Fighting' training course	The Ministry of Finance is indirect major shareholder of BAFS and NPC Safety and Environmental Service Co., Ltd

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 7.48 Million	-	Continue
	-	Baht 1.36 Million	-	Continue
	-	Baht 2.00 Million	-	Continue
	-	Baht 4.00 Million	-	Continue
	-	Baht 2.73 Million	-	Continue
	-	Baht 0.27 Million	-	Continue
	-	Baht 15.92 Million	-	Continue
	-	Baht 1.11 Million	Baht 0.03 Million	Continue
	-	Baht 0.28 Million	-	-
	-	Baht 0.14 Million	-	-



2. Transactions between Thai Aviation Refueling 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 Airport 1. Permission for Operation of Fuel Delivery Service through the Hydrant Pipeline Network 2. Lease for land of east side 3. Lease for area behind Domestic Cargo Terminal 4. Lease for room inside passenger building 5. Lease for area inside parking apron 6. Utility and other charges 	<ul style="list-style-type: none"> 1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT 2. TARCO's directors <ul style="list-style-type: none"> - Mrs. Rawiwan Naetrakawessana (ended on 1 Oct 2014) - Ms. Chanalai Chayakul (from 20 Jun 2013) - Ms. Sasisubha Sukontasap (from 18 Nov 2014) are the executives of AOT 3. BAFS' directors <ul style="list-style-type: none"> - Mr. Pongsak Semsan (ended 12 May 2014) - Mr. Makin Petplai (from 7 Aug 2014 to 16 Sep 2014) - Mr. Nirandra Theeranartsin (from 17 Dec 2014) are the directors and executives of AOT

Unit Price		Amount	Outstanding Balance as of 31 December 2014	Continuation of Transaction
	2% of TARCO's revenue before expense per annum	Baht 11.66 Million	Baht 11.66 Million	Continue
	60 Baht/sqm./month	Baht 0.09 Million	-	Continue
	67.42 Baht/sqm./month	Baht 1.25 Million	-	Continue
	450 Baht/sqm./month plus service fee	Baht 0.94 Million	-	Continue
	150 Baht/sqm./month	Baht 0.08 Million	-	Continue
	-	Baht 0.46 Million	Baht 0.06 Million	Continue



Name	Type of Transaction	Relationship
2. The Shell Company of Thailand Ltd.	Petrol to refuel the vehicles	Mr. Ath Hemvijitraphan, BAFS' director, is the controlling person of The Shell Company of Thailand Ltd.
3. PTT Plc. (PTT)	Petrol to refuel the vehicles	<p>1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc.</p> <p>2. Mr. Kris Imsang, the Company's director, is the controlling person of PTT Plc.</p>
4. Dhipaya Insurance Plc. (Dhipaya)	All Risks Insurance, Domestic All Risks Insurance and Aviation Third Party Legal Liability Insurance and Terrorism Insurance	The Ministry of Finance is indirect major shareholder of BAFS and Dhipaya

	Unit Price	Amount	Outstanding Balance as of 31 December 2014	Continuation of Transaction
	-	Baht 0.20 Million	Baht 0.01 Million	Continue
	-	Baht 0.48 Million	Baht 0.03 Million	Continue
	-	Baht 2.82 Million	-	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, BAFS' director, is the controlling person of Chevron (Thailand) Ltd.
2. The Shell Company of Thailand Ltd.	Service Charge for pipeline system to Suvarnabhumi Depot	Mr. Ath Hemvijitraphan, BAFS' director, is the controlling person of The Shell Company of Thailand Ltd.
3. 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 Petroleum Plc.
4. PTT Plc.	1. Service Charge for pipeline system to Suvarnabhumi Depot 2. Subleasing land and the use of land	1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc. 2. Mr. Kris Imsang, BAFS's director, is the controlling person of PTT Plc.
5. Airports of Thailand Plc. (AOT)	Land lease outside airport ground within Suvarnabhumi Airport	1. The Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT 2. The Company's directors - Mr. Pongsak Semsan (ended 12 May 2014) - Mr. Makin Petplai (from 7 Aug 2014 to 16 Sep 2014) - Mr. Nirandra Theeranartsin (from 17 Dec 2014) are the directors and executives of AOT

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 4.53 Million	-	-
	-	Baht 3.53 Million	-	-
	-	Baht 5.88 Million	-	-
	-	-	-	-
	-	Baht 0.45 Million	-	-
	60 Baht/sqm./month	Baht 0.15 Million	-	-



4. Transactions between Fuel Pipeline Transportation Limited and persons who may have conflict of interests

Name	Type of Transaction	Relationship
1. Chevron (Thailand) Ltd.	<ol style="list-style-type: none"> 1. Service Charge for aviation fuel transport through pipeline system and oil depot to Suvarnabhumi Depot 2. Service Charge for aviation fuel transport through pipeline system and oil depot to Don Mueang Depot 3. Service Charge for on-ground fuel transport through pipeline system and Bang Pa-in Depot 4. Fuel reserve storage at Bang Pa-in Depot 5. Vehicle-based fuel reception into oil depot at Bang Pa-in Depot 6. Lease of sales office at Bang Pa-in Depot 	Mr. Trintr Subakarn, BAFS' director, is the controlling person of Chevron (Thailand) Ltd.
2. The Shell Company of Thailand Ltd.	<ol style="list-style-type: none"> 1. Service Charge for aviation fuel transport through pipeline system and oil depot to Suvarnabhumi Depot 2. Service Charge for aviation fuel transport through pipeline system and oil depot to Don Mueang Depot 3. Service Charge for on-ground fuel transport through pipeline system and Bang Pa-in Depot 4. Fuel reserve storage at Don Mueang Depot 5. Fuel reserve storage at Bang Pa-in Depot 6. Lease of office building at Bang Pa-in Depot 	Mr. Ath Hemvijitraphan, BAFS' director, is the controlling person of The Shell Company of Thailand Ltd.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 50.93 Million	Baht 5.53 Million	Continue
	-	Baht 0.09 Million	-	Continue
	-	Baht 43.19 Million	Baht 4.11 Million	Continue
	-	Baht 8.16 Million	Baht 0.68 Million	Continue
	-	Baht 0.69 Million	-	-
	-	Baht 0.78 Million	Baht 0.10 Million	Continue
	-	Baht 27.94 Million	Baht 3.22 Million	Continue
	-	Baht 19.02 Million	Baht 1.18 Million	Continue
	-	Baht 2.20 Million	-	Continue
	-	Baht 12.58 Million	Baht 1.05 Million	Continue
	-	Baht 9.31 Million	Baht 0.78 Million	Continue
	-	Baht 0.30 Million	Baht 0.02 Million	Continue



Name	Type of Transaction	Relationship
3. Bangchak Petroleum Plc.	<ol style="list-style-type: none"> 1. Service Charge for aviation fuel transport through pipeline system and oil depot to Suvarnabhumi Depot 2. Service Charge for aviation fuel transport through pipeline system and oil depot to Don Mueang Depot 3. Service Charge for on-ground fuel transport through pipeline system and Bang Pa-in Depot 4. Service Charge for on-ground fuel transport through pipeline system and Bang Pa-in Depot of Bangchak Petroleum Plc. 5. Service Charge for issuing on-ground fuel transport documents at Bang Pa-in Depot 6. Land and infrastructure lease 	<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.
4. PTT Plc.	<ol style="list-style-type: none"> 1. Service Charge for aviation fuel transport through pipeline system and oil depot to Suvarnabhumi Depot 2. Service Charge for aviation fuel transport through pipeline system and oil depot to Don Mueang Depot 3. Service Charge for on-ground fuel transport through pipeline system and Bang Pa-in Depot 4. Land lease at Bang Pa-in Depot 5. Lease of office building at Bang Pa-in Depot 6. Sublease of land and the use of land 	<ol style="list-style-type: none"> 1. Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT Plc. 2. Mr. Kris Imsang, the Company's director, is the controlling person of PTT Plc.

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 98.09 Million	Baht 7.64 Million	Continue
	-	Baht 0.42 Million	Baht 0.07 Million	Continue
	-	Baht 45.65 Million	Baht 9.47 Million	Continue
	-	Baht 185.74 Million	Baht 14.92 Million	Continue
	-	-	-	-
	-	Baht 3.81 Million	Baht 0.32 Million	Continue
	-	-	-	Continue
	-	Baht 1.19 Million	Baht 0.10 Million	Continue
	-	Baht 53.87 Million	Baht 3.77 Million	Continue
	-	Baht 0.14 Million	-	-
	-	Baht 0.23 Million	Baht 0.02 Million	Continue
	-	Baht 14.37 Million	Baht 1.25 Million	Continue



Name	Type of Transaction	Relationship
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. Airports of Thailand Plc. (AOT)	Land lease outside airport ground within Suvarnabhumi Airport	1. The Ministry of Finance is indirect major shareholder of BAFS and major shareholder of AOT 2. The Company's directors - Mr. Pongsak Semsan (ended 12 May 2014) - Mr. Makin Petplai (from 7 Aug 2014 to 16 Sep 2014) - Mr. Nirandra Theeranartsin (from 17 Dec 2014) are the directors and executives of AOT
7. Dhipaya Insurance Plc.	1. All Risks Insurance, Aviation Third Party Legal Liability Insurance, Terrorism Insurance, Political Violence Insurance, Category 3 Licensed Business Liability Insurance in accordance with fuel control laws. 2. Auto Insurance and Coverage for Victims of Motor Vehicle Accidents, Property All Risks Insurance and Mobile Phone All Risks Insurance	The Ministry of Finance is indirect major shareholder of BAFS and Dhipaya

	Unit Price	Amount (exclude VAT)	Outstanding Balance as of 31 December 2014 (exclude VAT)	Continuation of Transaction
	-	Baht 0.66 Million	Baht 0.06 Million	-
	-	Baht 1.46 Million	-	Continue
	-	Baht 9.46 Million	-	Continue
	-	Baht 0.23 Million	-	Continue



Opinion on Related Party Transactions for the Year 2014



The Company's Board of Directors 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 2014, the Company has the transactions engaged with persons who may have conflict of interest on normal business conditions. The pricing policy of related transactions was disclosed in the section Related Party Transactions in the notes to financial statements for year ended December 31, 2014.

Moreover, in the Board of Directors' meeting held on February 19, 2015, attended by the Audit Committee, the Board of Directors agreed with the opinions of Audit Committee that the related transactions were reasonable and beneficial to business operation 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

Rationale and Necessity

The Company provides the aviation fuel storage, refueling and defueling services at Don Mueang and Suvarnabhumi Airports. The Company and the users have settled the agreements on the terms and service rate for which equal to the rate charged on external parties, except for new oil companies that are not the Company's shareholders will be charged at specified terms, according to the policy approved by the Board of Directors.

The Company charges the service fees from refueling service at Don Mueang Airport from the users in order to repay to the Airports of Thailand Public Company Limited (AOT) according to pre-specified contract without other benefits involved.

Moreover, in the aviation fuel transportation via Hydrant pipeline network at Suvarnabhumi Airport, the Company, the users and Thai Aviation Refueling Company Limited, all of whom was

granted concession to operate Hydrant pipeline network, had settled the agreement on the terms and service rate of aviation fuel transportation that are equal to external parties. The Company, representing the Thai Aviation Refueling Company Limited, shall charge the representative service fee to the users basing on pre-specified contracts.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is supporting the Company's business operation. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Don Mueang and Suvarnabhumi Airports.

Furthermore, the Company provided free custom clearance service for the users who has a full-service contract. The Audit Committee has the opinion that such transaction is considered related party transaction, but benefits the Company's business operation. General business terms are stipulated to facilitate the users requiring the service of aviation refueling at Don Mueang and Suvarnabhumi Airports.

1.4 PTT Plc.

Rationale and Necessity

The Company provides the aviation fuel storage, refueling and defueling services, as well as collection of service fee for Hydrant pipeline, at Don Mueang Airport, to PTT Public Company Limited (PTT) as same as to Thai Airways International Public Company Limited, Chevron (Thailand) Limited and The Shell Company of Thailand Limited.

The Audit Committee has the opinion that such transaction are considered 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 provided aviation fuel storage, refueling and defueling at Samui and Sukhothai Airports whereby PTT Plc has been the sole supplier of aviation fuel and aviation refueling related products through aviation refueling system. PTT has agreed on the aviation fuel service charge to the Company in accordance with the pre-specified service rate and terms. The Audit Committee has the opinion that such transaction is considered related party transaction, but is beneficial to the Company's business operation.

The Company purchased fuel from PTT gas stations for the Company's vehicles. PTT charges the Company according to the market price basing on general business conditions. The Audit Committee has the opinion that such transaction is considered related party transaction, but is beneficial to the Company's business operation.

1.5 Airports of Thailand Plc. (AOT)

Rationale and Necessity

• Don Mueang Airport

The Company has entered into the Hydrant Pipeline Lease Agreement with the AOT for this is part of normal business operations of aviation refueling service in transporting aviation fuel through Hydrant System at Don Mueang Airport. The Company has to compensate the AOT at the rate



stipulated in the agreement and the rate shall be adjusted annually according to the Consumer Price Index. From October 1, 2012, the Government launched the policy to fully utilize Don Mueang Airport to serve low-cost airlines that have continued to expand their fleet. The Company therefore requested for the permission of AOT to lease the Hydrant pipeline for business operation.

The Company charges the service fees from refueling service at Don Mueang Airport from the users in order to repay to the Airports of Thailand Public Company Limited (AOT) according to pre-specified contract without other benefits involved.

Furthermore, the Company has the lease contract for offices and the areas inside and outside parking apron at Don Mueang Airport for the operation of aviation refueling service and for the parking of the Company's staff who work inside parking apron of Don Mueang Airport at the same rental rate as the external parties.

The Audit Committee has the opinion that such transactions are considered 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 refueling service at Don Mueang Airport.

- **Suvarnabhumi Airport**

The Company has entered the Into-plane Service contract with the AOT in the provision of aviation refueling and defueling services at Suvarnabhumi Airport for 20 years, starting from the date of official opening on September 28, 2006. The Company has to compensate the AOT at the rate stipulated in the agreement, which is equal to the rate for external parties and must also comply with regulations.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary and the most beneficial to the Company's business operation. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Suvarnabhumi Airport.

The Company has entered into the lease agreement outside the parking apron at Suvarnabhumi Airport for the construction of buildings and amenities for aviation refueling service for 20 years, starting from the date of official opening on September 28, 2006. The Company has to compensate the AOT at the rate stipulated in the agreement, which is equal to the rate for external parties.

Additionally, the Company has entered into the lease agreement inside the passenger building and certain areas inside parking apron of Suvarnabhumi Airport for necessary uses as the parking for dispensers and refuelers for Into-plane operation. The compensation fee is equal to the rate set for external parties.

The Audit Committee has the opinion that such transaction are considered related party transactions, but are necessary and the most beneficial to the Company's business operation. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Suvarnabhumi Airport.

The Company uses other infrastructure and facilities of the AOT in various airports. These are considered services that the AOT provides to facilitate the Company's operation in the refueling of aircrafts within the airports. The Company must settle service fee and comply with the AOT's conditions for which are at the same standard as made with external parties. The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary and the most beneficial to the Company's business operation. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at airports.

1.6 Ministry of Finance

Rationale and Necessity

The Company has entered into the lease agreement with the Ministry of Finance for the rental of building and adjacent space to facilitate the Company's operation in the refueling of aircrafts. The agreement also circumvents the lease of space to Fuel Pipeline Transportation Limited and JP-One Asset Company Limited. The rented buildings and land are for the use of aviation refueling operation of the Company and subsidiaries. The Company agreed to pay the rent and comply with the terms specified in the agreement.

However, Ministry of Finance permitted the Company to dismiss the circumvention of building to JP-One Asset Company Limited from March 1, 2014 onwards since JP-One Asset Company Limited merged with Fuel Pipeline Transportation Limited.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary and the most beneficial to the Company's business operation. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Don Mueang Airport.

1.7 Thai Petroleum Pipeline Company Limited (THAPPLINE)

Rationale and Necessity

● Don Mueang Airport

The Company, as the lessor of land, has entered into land leasing and utility services contract with the Thai Petroleum Pipeline Company Limited (THAPPLINE) at Don Mueang depot for the construction of a building and equipment required to support the receiving and distributing of aviation fuel through THAPPLINE's pipeline network. According to the contract, THAPPLINE has to settle rental service fee and comply with the contract conditions. However, THAPPLINE requested for the extension of contract for three years further, from July 1, 2013 to 30 June 2016, at fixed rental and service rates because THAPPLINE had just resumed its commercial operations at Don Mueang Airport on November 1, 2012 to support the Government's policy to use Don Mueang Airport as the hub of low-cost airlines, domestic flight service and point-to-point international service.



The Audit Committee has the opinion that such transaction is considered related party transaction, but the rental is aimed to enable THAPPLINE to construct building and equipment necessary for the receiving and distributing of aviation fuel through Hydrant pipeline network. The service, considered necessity and the most beneficial to the Company's operation general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Don Mueang Airport.

- **Suvarnabhumi Airport**

The Company has entered the contracts of land and building leasing and services with the Thai Petroleum Pipeline Company Limited (THAPPLINE) at Suvarnabhumi Airport for the construction of a building and fuel transportation equipment of THAPPLINE. According to the contract, THAPPLINE has to settle rental service fee and comply with the contract conditions, including the adjustment of rate as stipulated in the agreement and in accordance with the Consumer Price Index. However, the infrastructure excludes the volume of water used in the fire protection system, water supply system and actual electricity utilization by which the service provider will charge according to actual use.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the rental is aimed to enable THAPPLINE to construct building and equipment necessary for fuel transportation system. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation refueling at Suvarnabhumi Airport.

1.8 Dhipaya Insurance Plc.

Rationale and Necessity

The Company has had the All Risks Insurance, Aviation Third Party Legal Liability Insurance, Terrorism, and Car Insurance Casualty Coverage, Employee Integrity Insurance and Financial Keeping Insurance with Dhipaya Insurance Plc (Dhipaya Insurance). The Company has to pay insurance premium and comply with the conditions that Dhipaya Insurance stated in insurance policies. The insurance premium is being charged at the market rate. The Audit Committee has the opinion that such transaction is considered related party transaction, but the transactions are necessary and beneficial to business operation of the Company because the insurance policies cover risks and reduce the impact that might have caused by the Company's aviation refueling services delivered at airports.

1.9 IRPC Plc.

Rationale and Necessity

The Company commissioned IRPC Public Company Limited (IRPC) to arrange the training course featuring "Advanced Fire Fighting" and "On-scene Commander" since IRPC is an organization that is well renowned and widely accepted for its capabilities in handling crisis or disaster. The fee is charged at the same rate as external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the transactions mainly contain general business conditions and are beneficial to the Company's operation because the Company well realized a wide array of crisis that may pose impact on the



Company's operation. These preparation and knowledge will enable the Company to operate efficiently during crisis and in the timeliest possible manner.

1.10 NPC Safety and Environmental Service Company Limited

Rationale and Necessity

The Company commissioned the NPC Safety and Environmental Service Company Limited (NPC S&E) to organize the "Advanced Fire Fighting" since the NPC S&E is the organization that is well renowned and widely accepted for its capabilities in handling risks from crisis or disaster. The fee is charged at the same rate as external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the transactions mainly contain general business conditions and beneficial to the Company's operation because the Company well realized a wide array of crisis that may pose impact on the Company's operation. These preparation and knowledge will enable us to operate efficiently during crisis and in the timeliest possible manner.

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 Refueling Company Limited (TARCO) was authorized by the AOT in the operation of fuel transport system via underground Hydrant pipeline network at Suvarnabhumi Airport for 30 years, starting from the first day of operation on September 28, 2006. According to the terms of Permission for Operation of the Hydrant Pipeline Network Contract at Suvarnabhumi Airport, TARCO will pay 2% of the total income before deducting expenses per year in exchange for the operating rights.

Afterwards, the AOT launched the Suvarnabhumi Airport expansion plan phase 2. Having studied and drafted the concept, TARCO submitted the plan to the AOT for permission to invest and provide Hydrant pipeline service system phase 2 on September 16, 2010. The Board of Directors of the AOT had come to realize the Hydrant pipeline network system phase 2 is part of the overall expansion project on



June 10, 2013. Therefore, in order to support the Suvarnabhumi Airport expansion plan phase 2 to complete as scheduled according to the resolution of the Cabinet, the AOT's Board of Directors has granted the right to enable TARCO to construct the Hydrant pipeline network before the amendment of agreement will be finished.

TARCO and the AOT prepared a memorandum of agreement on the operational cooperation, dated September 23, 2013. In case that any events cause the project to be terminated, suspended or delayed or significantly changed that cause both parties not to be able to sign the agreement amendment, TARCO will be compensated for the investment and actual expenses. In such case, TARCO will also transfer the construction and assets incurred to the AOT or the Ministry of Finance or other organization authorized by the AOT.

TARCO has entered into the lease agreement of land at Suvarnabhumi Airport for the storage of equipment and Hydrant pipes for maintenance, parking for vehicles and other facilities, room inside passenger building to use as offices for service staff, as well as area inside parking apron for parking service vehicles and storing ground support equipment to add convenience for service staff. Rental fees are equal to the rate that the AOT offered to external parties.

Moreover, TARCO has used infrastructure and other facilities of the AOT within Suvarnabhumi Airport for which are considered extra service that the AOT provides to facilitate the operation of TARCO in the aviation fuel transport services at the airport. TARCO has to pay service fees and comply with the AOT's conditions, which are of similar standards the AOT offered to external parties.

The Audit Committee has the opinion that such transactions are considered related party transactions, but are the most beneficial to the business operation of TARCO. The service, considered general business conditions, is provided to facilitate the users requiring the service of aviation fuel transport services at Suvarnabhumi Airport.

2.2 The Shell Company of Thailand Limited

2.3 PTT Plc.

Rationale and Necessity

TARCO purchased fuel from gas stations of PTT Plc. and The Shell Company of Thailand Ltd. (Shell) for the refueling of TARCO's vehicles. PTT and Shell charged TARCO with the market price under normal business conditions.

The Audit Committee has the opinion that such transactions are considered related party transactions, but are considered general business conditions and beneficial to the business operation of TARCO.

2.4 Dhipaya Insurance Plc.

Rationale and Necessity

TARCO has had the All Risks Insurance and Aviation Third Party Legal Liability Insurance with Dhipaya Insurance Plc (Dhipaya Insurance). TARCO has to pay insurance premium and comply with the conditions that Dhipaya Insurance stated in insurance policies, while the insurance premium is being charged according to the insurance market rate.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the transactions are necessary and beneficial to protect against damages, which may pose impact to the assets and operation of TARCO.

3. The transaction 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.

3.3 The Bangchak Petroleum Plc.

Rationale and Necessity

JP-One has entered into the agreements of memorandums on aviation fuel pipeline system service from Chong Nonsi fuel depot for Chevron (Thailand) Ltd. and The Shell Company of Thailand Ltd, as well as from Bangchak Refinery to The Bangchak Petroleum Plc through pipeline system of Fuel Pipeline Transportation Limited (FPT) and JP-One to fuel depot and Suvarnabhumi depot. The service rate is being charged at the same rate as offered to external parties. JP-One had made entire business transfer to FPT on February 1, 2014 and registered the company's liquidation with the Department of Business Development, Ministry of Commerce, on February 3, 2014.

The Audit Committee has the opinion that such transactions are considered related party transactions, but are considered normal business conditions, necessity and the most beneficial to the business operation of JP-One.

3.4 PTT Plc.

Rationale and Necessity

JP-One entered into an agreement in the provision of aviation fuel transportation through pipeline and charge PTT Plc. as same as JP-One did with Bangchak Petroleum Plc.

In addition, JP-One settled a contract with PTT Plc. for the leasing of land and amended the memorandum of understanding on land use to build natural gas pipeline construction. JP-One charged the subleasing fees at the similar rate paid to the State Railways of Thailand, plus 5.5% of operation fee. However, JP-One had made entire business transfer to FPT.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is considered the leasing that enables PTT Plc. to operate NGV pipeline project, which is an essential infrastructure for natural gas transportation to use as alternative energy. The transaction is beneficial to JP-One and does not cause benefit transfer.

3.5 Airports of Thailand Plc. (AOT)

Rationale and Necessity

JP-One signed the land lease contract with the AOT for the use of outside area of airport ground but within the operating area of Suvarnabhumi Airport to lay aviation fuel pipeline from the refinery to the Company's fuel depot. The rental fee is being charged at the same rate as offered to external parties. However, JP-One had made entire business transfer to FPT on February 1, 2014.



The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary and the most beneficial to the business operation of JP-One because it is a general business for the laying of underground pipeline system that enables the receiving and distributing of fuel to and from the Company's aviation fuel depot 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 to 3 stations, including Bangchak fuel refinery, The Shell Company of Thailand's oil depot and Chevron (Thailand) Limited's depot in Chong Nonsi area. Aviation fuel will be transported to Don Mueang depot and Suvarnabhumi depot for delivery to BAFS. In addition, FPT transports fuel on ground to FPT depot in Bang Pa-in, Ayutthaya. FPT also agreed with Chevron in the provision of aviation fuel transport service and ground services. The service fee is being charged at the same rate as offered to external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary and the most beneficial to the business operation of FPT because it is a general business since FPT is the service provider of aviation fuel transportation and on ground via pipeline network to such depot.

FPT signed an agreement with Chevron in the provision of fuel reserve service at Bang Pa-in depot as required by law. The transaction supports FPT's core business. The service terms and fees are charged at the market rate.

The Audit Committee has the opinion that such transaction is considered related party transaction, but supports the Government policy and beneficial to FPT.

FPT provides the receiving of 95-octane petrol for vehicle for reserve and distribution to Chevron's customers for Chevron does not have the 95-octane petrol reserve at Chong Nonsi depot which is the reception point of fuel transmission to FPT's pipeline system. Service terms and fees are charged basing on the cost structure and comparison between transport cost by truck and pipeline.

In addition, FPT provides office management service for Chevron at Bang Pa-in depot, which is the sales office responsible for selling on-ground fuel to gas stations and the industrial customers. FPT provides aforementioned service since Chevron has no policy in hiring sales officers at regional sales offices. Service terms and fees are charged according to the volume of oil dispatched from the Bang Pa-in depot.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary to facilitate Chevron and is beneficial to FPT's business operating in the area of Bang Pa-in depot.

4.2 The Shell Company of Thailand Limited

Rationale and Necessity

FPT provides aviation fuel transportation and ground service through underground pipeline network and charge the service fee to Shell Company of Thailand Limited (Shell) in the manner similar with FPT's service for Chevron.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is a general business that is necessary and the most beneficial to FPT since FPT is the service provider of aviation fuel transportation and on-ground via pipeline network to such depot.

FPT made an agreement with Shell in the provision of fuel reserve storage at Don Mueang depot and Bang Pa-in depot to maintain fuel reserve as required by law. The transaction supports core business of FPT. The service terms and fees are charged at the market rate.

The Audit Committee has the opinion that such transaction is considered related party transaction, but supports the Government policy and beneficial to FPT.

In addition, FPT has entered into an agreement with Shell to lease building at Bang Pa-in depot to use as sales document issuing office. FPT specified the leasing conditions and rates similar with the standard offered to external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is necessary to facilitate Shell and is beneficial to FPT's business operating in the area of Bang Pa-in depot.

4.3 Bangchak Petroleum Plc.

Rationale and Necessity

FPT provides aviation fuel transport services through underground pipeline network to Bangchak Petroleum Plc. (Bangchak) in a similar manner it did to Chevron and Shell. FPT transports fuel on ground network to the depot of FPT and Bangchak residing in Bang Pa-in area. The terms and service fee are as same as the standard offered to external parties.

The Audit Committee has the opinion that such transaction is considered necessary and is done under general business conditions and is the most beneficial to the business operation of FPT because FPT is the service provider of aviation fuel transportation and on ground via pipeline network to such depot.

FPT entered into an agreement on the issuing of sales documents for customers filling their trucks with Bangchak's fuel at Bang Pa-in depot. Service terms and fees are charged according to the volume of oil dispatched from on ground system at the Bang Pa-in depot.

The Audit Committee has the opinion that such transaction is considered related party transaction, but to facilitate Bangchak and is beneficial to FPT's business operation.

In addition, FPT entered into a contract on the leasing of land and the use public utilities with Bangchak for 30 years from April 1, 1993 for the construction of the depot to support petroleum products being transported through FPT's pipeline network. FPT must pay the leasing fee and comply with the conditions stated in the contract.



The Audit Committee has the opinion that such transaction is considered related party transaction, but the leasing is determined for the construction of depot, office and other facilities necessary for business operation of FPT and is a general business that is necessary and is the most beneficial to FPT since FPT is the service provider of aviation fuel transportation and on-ground via pipeline network.

4.4 PTT Plc.

Rationale and Necessity

FPT provides aviation fuel and ground services through underground fuel pipeline system. The company stipulated terms and service fee, which are being charged with PTT Plc. (PTT) in the same manner as Chevron and Shell.

The Audit Committee has the opinion that such transactions are considered necessary and the most beneficial to the business operation of FPT because FPT is the service provider of aviation fuel transportation and on ground via pipeline network to such depot.

FPT settled an agreement with PTT for the leasing of land at Bang Pa-in depot as the site for the receiving, storing and distributing of aviation fuel for Aviation Gasoline (AVGAS) customers. Service terms and rates are fixed in the form of monthly fee by which the calculation is based on the operation costs, including office building lease agreement for PTT to use as sales document issuing office. Leasing terms and rate are as same as the standard offered to external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the leasing is to facilitate PTT in terms of the points for AVGAS fuel reception, storage and refueling, as well as to use as the sales document issuing office at Bang Pa-in depot for which benefits the business operation of FPT.

In addition, FPT made a contract with PTT Plc. for the leasing of land with PTT Plc. for natural gas pipeline construction. FPT charged the subleasing fees at the similar rate paid to the State Railways of Thailand, plus 5.5% of operation fee.

The Audit Committee has the opinion that such transaction is considered related party transaction, but is considered the leasing that enables PTT to construct natural gas transportation pipeline as alternative energy. The transaction is beneficial to FPT and does not cause benefit transfer.

4.5 PTT NGD Company Limited

Rationale and Necessity

FPT made an agreement with PTT NGD Company Limited (PTT NGD) in the provision of natural gas pipeline network service from Liab Klong Premprachakorn Road to Bangchak Biofuel Company Limited. The pipeline is no longer in use by FPT. Service terms and fees are being calculated basing on the residual assets and the actual volume of natural gas being transported for which benefits in terms of creating value to unused assets.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the service that facilitates PTT NGD and is the most beneficial solution to optimize the use of FPT's assets.

4.6 Airports of Thailand Plc. (AOT)

Rationale and Necessity

FPT has entered into the lease agreement outside of the airport's fence line within the area of Suvarnabhumi Airport with AOT for the construction of aviation fuel pipeline network from the refinery to the depot of BAFS. FPT has to pay the rental fee to the AOT by which is equal to the rate that AOT made with external parties.

The Audit Committee has the opinion that such transaction is considered related party transaction, but the transaction is necessary and the most beneficial to the business operation of FPT because it is a general business to construct underground fuel pipeline network for the reception of aviation fuel from the users and for the distribution of fuel to aviation depot of the BAFS at Suvarnabhumi Airport.

4.7 Dhipaya Insurance Plc.

Rationale and Necessity

The Company has had the All Risks Insurance, Aviation Third Party Legal Liability Insurance, Political-violence Insurance, Category 3 Licensed Business Liability Insurance for Gasoline Station, Car Insurance Casualty Coverage, Property Insurance, and Mobile Phone All Risk Insurance with Dhipaya Insurance Plc. The insurance premium is being charged at the market rate.

The Audit Committee has the opinion that such transactions are considered related party transactions, but the transactions are necessary and beneficial to protect against damages that may pose impact on the company's assets and business operation.



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, which will provide benefits to the Company's normal business operations.



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

Suvarnabhumi Branch

99 Moo 10, Soi Lad Krabang 54, Srisa Jorakhanoi, Bang Saothong, Samut Prakarn 10540

Tel : 0-2326-3800

Fax : 0-2326-3888

www.bafsthai.com