

Management's Discussion and Analysis (MD&A)

Thai Oil Public Company Limited and Subsidiaries

For the First Quarter of 2014

1. Company and its Subsidiaries' Operating Results

Table 1: Summary of Consolidated Financial Results

(Million Baht)	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Integrated Intake (kbd)	301	289	12	287	14
Gross Integrated Margin ⁽¹⁾ (US\$/bbl)					
: <u>excluding</u> stock gain/(loss)	6.1	4.9	1.2	8.8	(2.7)
: <u>including</u> stock gain/(loss)	4.5	6.4	(1.9)	7.7	(3.2)

(Million Baht)	Q1/14	Q4/13 ⁽²⁾ (Restated)	+/(-)	Q1/13 ⁽²⁾ (Restated)	+/(-)
Sales Revenue	112,228	107,952	4,276	104,890	7,338
EBITDA	3,500	4,257	(757)	4,373	(873)
Finance Costs	959	968	(9)	867	92
Foreign Exchange Gain/(Loss)	692	(1,815)	2,507	1,717	(1,025)
Income Tax Expense	208	217	(9)	270	(62)
Net Profit	2,534	10	2,524	3,227	(693)
Basic Earnings per Share (Baht)	1.24	0.00	1.24	1.58	(0.34)

Exchange Rate (Baht: 1 US\$)	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Average FX	32.81	31.83	0.98	29.95	2.86
Ending FX	32.58	32.95	(0.37)	29.45	3.13

Remark (1) Gross integrated margin is the integrated gross margin among TOP, TPX and TLB.

(2) Restated because, from 1 January 2014, Thaioil Group adopted Thai Financial Reporting Interpretations Committee 4 (TFRIC4) on determining whether an arrangement contains a lease.

In Q1/14, Thaioil Group had sales revenue of Baht 112,228 million, up by 4% from previous quarter. This was mainly attributable to more petroleum and petrochemical product sales volume which resulted in higher integrated intake. A decrease in crude oil prices in this quarter was resulted from concerns over Chinese economic growth, but the unrests in Ukraine and Libya still helped support crude oil prices. Overall crack spreads, especially gasoline spread, improved from prior quarter and then led to stronger market GRM. However, PX oversupply substantially pressured PX spread, and resulted in GIM including stock gain/(loss) dropped by 1.9 US\$/bbl to 4.5 US\$/bbl. Therefore, Thaioil Group posted EBITDA declined from prior quarter to Baht 3,500 million. Due to 0.37 Baht/US\$ appreciation of Thai Baht from the end of previous quarter, Thaioil Group had a foreign exchange gain of Baht 692 million. Offsetting with income tax expense of Baht 208 million, Thaioil Group recorded net profit increased to Baht 2,534 million, or 1.24 Baht earnings per share.

Compared Q1/14 with Q1/13, Thaioil Group had sales revenue increased by Baht 7,338 million resulted from higher integrated intake. However, GIM including stock gain/(loss) declined by 3.2 US\$/bbl from Q1/13 because of softened crack spreads and considerably decreased PX spread. As a consequence, EBITDA dipped by Baht 873 million and net profit fell by Baht 693 million.

Referring to the completion of the amalgamation on 10 January 2013 between IPT and PTT Utility Company Limited ("PTTUT") and named a new company: Global Power Synergy Company Limited ("GPSC"), for the consolidated financial statements, Thaioil Group recorded the initial value of the investment in GPSC, which is accounted for using the equity method, at the fair value of GPSC shares received at the amalgamation date and consequently recognized the difference between the fair value of GPSC shares received at the amalgamation date and the Group's interest in IPT on that date as gain on investment disposal which is included in Q1/13 and 2013 consolidated statements of income.

However, since 1 January 2014, Thaioil Group has adopted Thai Financial Reporting Interpretations Committee 4 (TFRIC4) on determining whether an arrangement contains a lease and recognized the effect of the change retrospectively in the financial statements. As a result, on 1 January 2013, the statement of financial position reported unappropriated retained earnings increased by Baht 1,194 million and Thaioil Group had unappropriated retained earnings up by Baht 117 million at the end of 2013. Furthermore, the gain from investment disposal previously reported as mentioned above, excluding the ownership by non-controlling interest, of Baht 450 million, was adjusted to the loss from investment disposal of Baht 749 million, excluding the ownership by non-controlling interest.

2. Summary of Financial Result by Business

Table 2: Financial Result by Business

(Million Baht)

Sales Revenue	Q1/14	Q4/13 (Restated)	+/(−)	Q1/13 (Restated)	+/(−)
Consolidated	112,228	107,952	4,276	104,890	7,338
Refinery	112,364	106,943	5,421	101,740	10,624
Aromatics ⁽¹⁾	17,344	16,599	745	16,222	1,122
Lube Base Oil	7,092	6,409	683	6,603	489
Power Generation					
- IPT ⁽²⁾	-	-	-	284	(284)
- TP	1,318	1,334	(16)	1,248	70
- TOP SPP ⁽³⁾	-	-	-	-	-
Solvent ⁽⁴⁾	2,420	2,510	(90)	2,462	(42)
Marine Transportation ⁽⁵⁾	292	307	(15)	299	(6)
Ethanol ⁽⁶⁾	485	471	14	304	181
Others	106	192	(86)	104	2

EBITDA	Q1/14	Q4/13 (Restated)	+/(−)	Q1/13 (Restated)	+/(−)
Consolidated	3,500	4,257	(757)	4,373	(873)
Refinery	1,929	(2,168)	4,097	2,583	(654)
Aromatics	249	1,603	(1,354)	1,404	(1,155)
Lube Base Oil	626	654	(28)	295	331
Power Generation					
- IPT	-	-	-	(7)	7
- TP	180	155	25	164	16
- TOP SPP	(2)	-	(2)	-	(2)
Solvent	101	133	(32)	123	(22)
Marine Transportation	95	131	(36)	97	(2)
Ethanol	112	155	(43)	48	64
Others	11	3	8	7	4

Net Profit/(Loss)	Q1/14	Q4/13 (Restated)	+/(−)	Q1/13 (Restated)	+/(−)
Consolidated	2,534	10	2,524	3,227	(693)
Refinery ⁽⁷⁾	1,921	(2,168)	4,089	2,583	(662)
Aromatics	(161)	1,359	(1,520)	886	(1,047)
Lube Base Oil	437	493	(56)	176	261
Power Generation					
- IPT	-	-	-	12	(12)
- TP ⁽⁸⁾	163	169	(6)	122	41
- TOP SPP	1	-	1	-	1
Solvent	43	71	(28)	49	(6)
Marine Transportation	39	(35)	74	45	(6)
Ethanol	64	67	(3)	42	22
Others	9	3	6	5	4

Remark (1) On 11 July 2013, TPX, which operates an aromatics manufacturing business, invested 75% of total investment in LABIX Company Limited which produces and distributes an intermediate in the production of surfactants. It is expected to start the commercial operation within 2015.

(2) Representing only IPT's performance for the period of 1-9 January 2013 due to the fact that on 10 January 2013, the amalgamation between IPT and PTT Utility Company Limited ("PTTUT") was completed. The new company was named Global Power Synergy Company Limited ("GPSC"). With such amalgamation, TOP holds both direct and indirect ownerships totaling 32.39% shares, excluding the ownership by non-controlling interest.

(3) On 26 December 2013, TOP SPP, a wholly owned subsidiary of TOP, was set up to operate two small power plants (SPPs).

(4) Including Thaioil Solvent Co., Ltd., having respective interests in TOP Solvent Co., Ltd., Sak Chaisidhi Co., Ltd. and TOP Solvent (Vietnam) LLC.

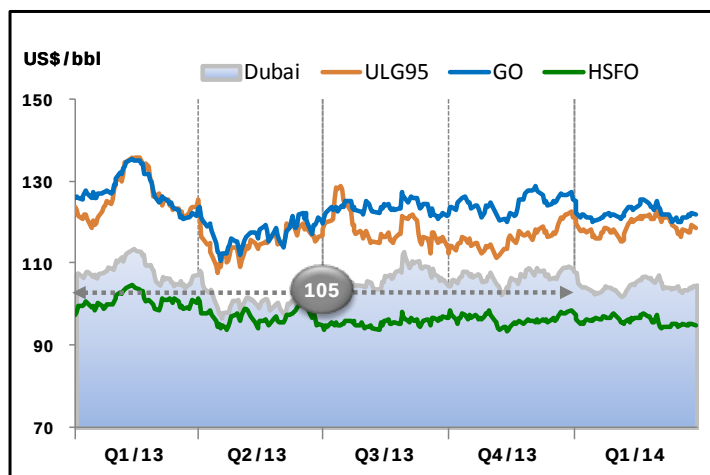
(5) Including Thaioil Marine Co., Ltd. (TM), having respective interests in Thaioil Marine International Pte. Ltd., TOP-NYK MarineOne Pte. Ltd., TOP Maritime Service Co., Ltd., Thome Ship Management (Thailand) Co., Ltd., TOP-NTL Private Limited and TOP Nautical Star Co., Ltd.

(6) Including Thaioil Ethanol Co., Ltd. (TET), having respective interests in Maesod Clean Energy Co., Ltd., Sapthip Co., Ltd. and Ubon Bio Ethanol Co., Ltd.

(7) In Q1/14, stock loss before tax was reported at Baht 1,421 million; while, in Q4/13, stock gain before tax was reported at Baht 1,247 million. In Q1/13, stock loss before tax was reported at Baht 861 million.

(8) Including shares of profit from the investment in GPSC which TP holds 27.71% shares; however, figures in Q1/13 excluded a loss from the investment disposal (the amalgamation between IPT and PTTUT to GPSC).

2.1 Market Condition and Financial Result of Refinery Business (TOP)



Remark Average Dubai crude prices for March 2014, December 2013, and March 2013 were 104.3 US\$/bbl, 107.9 US\$/bbl, and 122.5 US\$/bbl, respectively.

Table 3: Average Crude Oil Price and Crack Spreads

US\$/bbl	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Dubai Crude Oil	104.5	106.8	(2.3)	108.2	(3.7)
Unleaded Gasoline (ULG95)	119.0	116.0	3.0	126.6	(7.6)
Jet/Kero	121.5	124.1	(2.6)	128.5	(7.0)
Gas Oil (GO)	122.3	124.5	(2.2)	127.8	(5.5)
Fuel Oil (HSFO)	96.0	96.4	(0.4)	100.9	(4.9)
Dubai Spread	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Unleaded Gasoline (ULG95)	14.6	9.2	5.4	18.4	(3.9)
Jet/Kero	17.0	17.3	(0.3)	20.3	(3.3)
Gas Oil (GO)	17.8	17.7	0.1	19.6	(1.8)
Fuel Oil (HSFO)	(8.5)	(10.4)	1.9	(7.3)	(6.8)

Dubai crude oil price in Q1/14 decreased from Q1/13 and continually dropped from Q4/13. This was resulted from the following factors: (1) concerns over Chinese economic slowdown as can be seen that, in Q1/14, China's GDP grew at its slowest pace in 18 months with 7.4% growth, (2) US FED's decision to taper its QE policy by reducing its monthly asset purchases of \$85,000 million to \$55,000 million, and (3) an agreement reached 6-month temporary sanction relief (starting from January 2014) on Iran's nuclear program. However, the secession situation in Ukraine and the closure of crude oil export terminals in Libya, decreasing crude oil exports, were factors supporting a slight decrease in crude oil price.

Gasoline spread over Dubai in Q1/14 considerably declined from Q1/13 in which the spread was supported by unplanned maintenance shutdown of refineries in the US. Compared with Q4/13, the spread was stronger due to demands from Indonesia; however, higher exports from India resulted in excess supply of gasoline over demand in this region. In the mean time, gas oil and jet/kero spreads over Dubai in Q1/14 were lower than Q1/13 because (1) winter in North Asia and Europe last year was not as cold as expected, causing lower demand of heating oil, and (2) lower demand in China led to more exports. Fuel oil spread over Dubai in Q1/14 also dropped compared with Q1/13 in which there was small fuel oil volume exported from West to Asia. In Q1/14, fuel oil demands from Japan and China increased from Q4/13, but still lower than Q1/13.

Table 4: Financial Result of TOP

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Throughput ⁽¹⁾ (%)	105%	101%	4%	100%	5%
Intake (kbd)	289	277	12	276	13
Market GRM ⁽²⁾ (US\$/bbl)	5.1	1.9	3.2	6.6	(1.5)

Remark (1) Throughput (%) calculated based on 275,000 barrels per day

(2) Gross Refining Margin (GRM) excluding stock gain/(loss)

Q1/14 performance improved from previous quarter due to higher throughput and increasing crack spreads. This resulted in stronger market GRM.

In Q1/14, TOP had 105% of throughput and sales revenue of Baht 112,364 million, jumped by Baht 5,421 million from Q4/13. This was mainly attributable to a 7% rise in domestic product sales volume resulted from maintenance shutdown of some local refineries. Market GRM was added by 3.2 US\$/bbl to 5.1 US\$/bbl because gasoline spread over Dubai increased over 5 US\$/bbl. Meanwhile, the fact that other crack spreads remained high resulted in EBITDA risen by Baht 706 million to Baht 2,131 million. In Q1/14, TOP had a foreign exchange gain of Baht 827 million, compared with a foreign exchange loss of Baht 1,982 million in Q4/13 due to 0.37 Baht/US\$ appreciation of Thai Baht at the end of Q1/14 from the end of 2013. Moreover, the results of a finance costs decrease and a hedging gain increase allowed TOP to post net profit of Baht 1,929 million in Q1/14, compared with net loss of Baht 2,168 million in Q4/13.

Compared with Q1/13, performance was weakened owing to oil prices and crack spreads decreases resulted from Chinese economic slowdown.

Compared Q1/14 with Q1/13, TOP recorded sales revenue increased by Baht 10,624 million due to more product sales volume; TOP, therefore, had higher throughput. Nevertheless, softened crack spreads pushed EBITDA down by Baht 113 million. TOP had foreign exchange gain lower by Baht 960 million, finance costs higher by Baht 42 million, and hedging gain higher by Baht 646 million. Consequently, TOP posted net profit declined by Baht 655 million, or 25%, from the same period of a year earlier.

2.2 Market Condition and Financial Result of Aromatics Business (TPX)

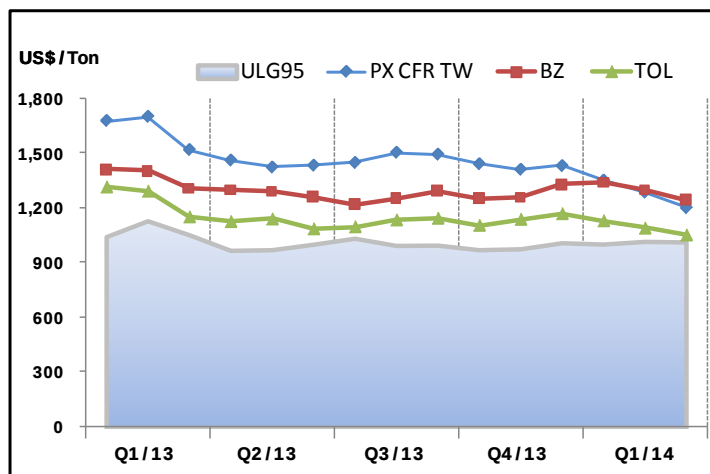


Table 5: Average Prices of Key Aromatics Products

US\$/Ton	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Paraxylene (PX) ⁽¹⁾	1,284	1,432	(148)	1,635	(351)
Benzene (BZ)	1,297	1,283	14	1,379	(82)
Toluene (TOL)	1,092	1,140	(48)	1,256	(164)
Spread with ULG95	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Paraxylene (PX) ⁽¹⁾	273	445	(172)	559	(286)
Benzene (BZ)	285	297	(12)	303	(18)
Toluene (TOL)	80	153	(73)	180	(100)

Remark (1) Based on CFR Taiwan prices

PX price and PX-ULG95 spread in Q1/14 substantially declined from Q4/13 and Q1/13 due to regional PX oversupply which was resulted from the fact that new aromatics plants in China and Saudi Arabia, having total capacity of 1.3 million tons per year, started their operations. Furthermore, Qingdao Lidong (China) and HC Petrochemical (South Korea), having total capacity of 1.5 million tons per year, resumed operations after shutting down abruptly during November through December 2013. Nevertheless, these aromatics plants only ran at 75-80% of total capacity because PX spread over mixed xylene (MX) was below 230-250 US\$/Ton, the reference production cost of general PX plants in Asia-Pacific. Moreover, the facts that (1) PTA spread over PX dipped below a manufacturing cost of 100 US\$/Ton, slowing down PX trading activities, and (2) polyesters demands (used in fabric and textile industries) grew at a declining rate from previous year, resulting in lower PTA demands, caused the operational suspensions of some PTA plants in China and several producers reduced their productions. However, in late Q1/14, a number of PX producers in Asia such as JX Nippon Oil and Energy, ExxonMobil and S-Oil cut runs approximately by 20% of total capacity. This supported PX-ULG95 spread to drop only slightly in late quarter.

BZ price and BZ-ULG95 spread in Q1/14 were still relatively high as BZ price in Asia went up following that in the US. This was because the US had higher BZ demand imported from Asia, resulted from the fact that olefin plants in the US have applied lighter feedstock. BZ, a by-product, was subsequently produced at lower amounts. In addition, ONGC Mangalore Petrochemicals, an aromatics plant whose total capacity was 270,000 tons per year, postponed its operations from Q1/14 to Q2/14. This also boosted BZ price in Asia. Nevertheless, BZ price and BZ-ULG95 spread in Q1/14 were lower than Q1/13 because of the following reasons: (1) some downstream producers in China have suspended their operations for maintenances, lowering BZ demand, and (2) there were new BZ producers, having total capacity of 520,000 tons per year, began their productions in January and February 2014, causing higher BZ supply.

In Q1/14, TL price and TL-ULG95 spread dropped from Q4/13 and Q1/13 because of sluggish TL demand during this early quarter resulted from continuous cold weather. This reduced TL imports by China, main buyers. In mid Q1/14, TL demand to boost gasoline octane in both South Korea and Japan was softened because using TL to boost octane was less profitable than using other substances such as MTBE. Solvent producers who used TL as their primary feedstock did not have additional TL demand after they partly cut their productions. Moreover, softened PX markets, particularly in South Korea, Taiwan, Singapore and Thailand, pushed down TL demands for PX productions. These piled up TL inventories in China to 140,000 tons, a very high level, in late quarter. However, the continuation of Qingdao Lidong aromatics plant built TL demand by 150,000 tons per annum. Also, the fact that travelling season was approaching, which TL would be needed as one of gasoline additives, helped support TL price in late quarter.

Table 6: Financial Result of TPX

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Aromatics Utilization Rate ⁽¹⁾ (%)	95%	94%	1%	82%	13%
Aromatics Production (kTon)	197	197	-	171	26
Product-to-Feed margin ⁽²⁾ (US\$/Ton)	63	165	(102)	155	(92)

Remark (1) Based on a nameplate capacity of 838,000 Tons/year (527,000 tons of paraxylene per year, 259,000 tons of benzene per year and 52,000 tons of mixed xylene per year)

(2) Calculated from gross margin divided by feedstock volume (Ton)

In Q1/14, TPX had higher product sales volume, leading to improved sales revenue compared with Q4/13 and Q1/13. Nonetheless, PX oversupply pressured product-to-feed margin and TPX therefore had operating loss in Q1/14.

Compared Q1/14 with Q4/13, TPX had sales revenue of Baht 17,344 million, risen by 4%. This was attributable to an 8% increase in by-product sales volume in contrast to a 3% decrease in PX sales volume; meanwhile, PX-ULG95 spread squeezed more than 170 US\$/Ton owing to PX oversupply although demand from PTA was softened following Chinese economic slowdown. This pressured product-to-feed margin down to 63 US\$/Ton and EBITDA dropped to Baht 257 million. TPX had a foreign exchange gain of Baht 11 million, an interest income of Baht 20 million and other income of Baht 89 million. Offsetting with operating expenses, TPX recorded net loss of Baht 17 million.

In comparison with Q1/13, TPX had a 7% rise in sales revenue because of more sales volume, especially BZ which was sold 15% higher resulted from the fact that BZ supply was lower in both US and Asia. However, PX oversupply pressured product-to-feed margin by 92 US\$/Ton, EBITDA plunged to Baht 1,147 million and consequently TPX had net loss of Baht 17 million, compared with net profit of Baht 886 million in Q1/13.

For LABIX (TPX holds 75% shares), it was under construction; therefore, posting net loss of Baht 192 million in Q1/14. On a consideration basis, aromatics group had EBITDA of Baht 249 million and net loss of Baht 161 million in Q1/14.

2.3 Market Condition and Financial Result of Lube Base Oil Production Business (TLB)

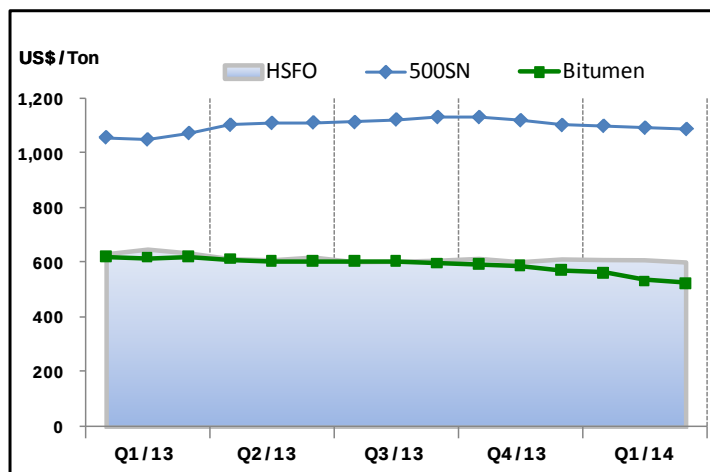


Table 7: Average Prices of Key Lube Base Oil Products

US\$/Ton	Q1/14	Q4/13	+/(−)	Q1/13	+/(−)
500SN ⁽¹⁾	1,096	1,121	(25)	1,060	36
Bitumen	541	585	(44)	622	(81)
Spread with Fuel Oil	Q1/14	Q4/13	+/(−)	Q1/13	+/(−)
500SN ⁽¹⁾	486	509	(23)	419	67
Bitumen	(69)	(27)	(42)	(19)	(50)

Remark (1) Based on EX-tank Singapore prices

In Q1/4, lube base oil price and its spread over fuel oil dipped from Q4/13 because of softened fundamental factors. For instance, regional demand dropped in winter, and trading was slowing down during New Year festival in January 2014 and Lunar New Year in February 2014. However, base oil price and its spread over fuel oil in Q1/14 were better than Q1/13 because of tight regional supply as lube base oil plants in China cut runs and some regional refineries, whose total capacity was 720,000 tons per annum, had maintenance shutdowns in Q1/14, raising concerns over regional lube supply. Lube producers then turned back to stock up lube oil inventories to serve its high demand during engine lubricant replacement season approaching in April 2014. Besides, fuel oil price in Q1/14 was softened by 30 US\$/Ton from Q1/13. This drove lube base oil spread over fuel oil in Q1/14 better than Q1/13.

Bitumen price and its spread over fuel oil in Q1/14 considerably declined from Q4/13 and Q1/13 because of lower demands from China and Indonesia, who were top two bitumen importers in the region. In addition to spending cut imposed by Chinese government for its sluggish economy, cold weather in North China and long Lunar New Year holiday both delayed road constructions. Meanwhile, Indonesia slowed down its bitumen import after completing road construction project in mid January 2014. Indonesian Rupiah depreciation and floods around Jakarta also built stockpiles for bitumen traders who had to later cut prices for more buyers.

Table 8: Financial Result of TLB

	Q1/14	Q4/13	+/(−)	Q1/13	+/(−)
Base Oil Production ⁽¹⁾ (%)	100%	95%	5%	97%	3%
Product-to-Feed Margin ⁽²⁾ (US\$/Ton)	135	165	(30)	118	17

Remark (1) Based on nameplate capacity of 267,015 Tons/year

(2) Calculated from gross margin divided by feedstock volume (Ton)

In Q1/14, TLB increased its lube base oil sales volume from prior quarter, but with softened product selling price, resulting in weaker performance.

Compared Q1/14 with Q4/13, TLB had sales revenue of Baht 7,092 million, added by Baht 683 million, or 11%. This was attributable to higher lube base oil demand, resulting in higher base oil production and sales volume increased by 6%. However, product selling price dropped resulted in softened product-to-feed margin and EBITDA down by Baht 28 million to Baht 626 million. Offsetting with income tax expense of Baht 102 million, TLB posted net profit of Baht 437 million, declined by Baht 56 million.

Compared with Q1/13, the rises in lube base oil price and its spread over fuel oil led to TLB's net profit increase.

Compared Q1/14 with Q/13, TLB had a Baht 489 million or 7% jump in sales revenue. This was because of the increases in total product sales volume, lube base oil price and its spread over fuel oil in Q1/14 resulted from tightened supply and weakened fuel oil (used as feedstock) price. Hence, TLB had product-to-feed margin added by 17 US\$/Ton, EBITDA up by Baht 331 million and net profit improved by Baht 261 million.

2.4 Financial Result of Power Generation Business

Table 9: Financial Result of TP

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Utilization Rate: TP (%)	91%	91%	-	88%	3%

In Q1/14, TP had higher Ft but lower natural gas cost. Moreover, there was a planned maintenance in prior quarter. Therefore, TP had higher net profit than previous quarter.

In Q1/14, TP had total sales revenue of Baht 1,318 million, lower than Q4/13 by Baht 16 million. This was mainly attributable to lower steam demand from previous quarter. However, cost of sales in this quarter decreased from dropping natural gas cost while Ft was rising. Consequently, TP reported EBITDA of Baht 180 million in Q1/14, up by Baht 25 million from Q4/13. Aggregating with finance costs from borrowings for additional investment in GPSC and income tax expense, in Q1/14, TP posted net profit, excluding shares of profit from the investment in GPSC, of Baht 96 million, improved by Baht 15 million from Q4/13. For Q1/14, Thaioil Group recognized, without non-controlling interest, shares of profit from the investment in GPSC of Baht 79 million, decreased by Baht 46 million resulted from the maintenance shutdown of Sriracha plant (IPT).

Thaioil Group recognized shares of profit from the investment in GPSC of Baht 79 million in Q1/14.

Compared with Q1/13, TP had sales revenue up by Baht 70 million because of higher utilization rate and rising Ft. In addition, TP's GT-5017 was under maintenance in Q1/13 for 3 days, bringing about lower utilization rate. As a result, TP reported EBITDA in Q1/14 higher by Baht 16 million which was in line with stronger sales revenue. However, TP's net profit in Q1/14 was lower than Q1/13 by Baht 2 million due to finance costs of Baht 13 million incurred and recorded in Q1/14.

Referring to the completion of the amalgamation on 10 January 2013 between IPT and PTT Utility Company Limited ("PTTUT"), and named a new company: Global Power Synergy Company Limited ("GPSC"), for the consolidated financial statements, Thaioil Group recorded the initial value of the investment in GPSC, which is accounted for using the equity method, at the fair value of GPSC shares received at the amalgamation date and consequently recognized the difference between the fair value of GPSC shares received at the amalgamation date and the Group's interest in IPT on that date as gain on investment disposal which is included in Q1/13 and 2013 consolidated statements of income.

However, since 1 January 2014, Thaioil Group has adopted Thai Financial Reporting Interpretations Committee 4 (TFRIC 4) on determining whether an arrangement contains a lease and recognized the effect of the change retrospectively in the financial statements. As a result, the gain from investment disposal, recognized by Thaioil Group, of Baht 450 million Baht, excluding the ownership by non-controlling interest, which had been previously reported, was adjusted to the loss from investment disposal of Baht 749 million, excluding the ownership by non-controlling interest.

2.5 Financial Result of Solvent Manufacturing and Distribution Business (Thaioil Solvent)

Table 10: Financial Result of Thaioil Solvent

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Solvent Utilization Rate (%)	133%	136%	(3%)	127%	6%
Solvent Production (kTon)	25	26	(1)	24	1
Solvent Sales Volume (kTon)	59	64	(5)	63	(4)

Despite the increase in average unit selling price, in Q1/14, Thaioil Solvent reported weaker sales revenue than previous quarter due to the impact from buyers delaying their orders which pressured solvent sales volume down.

In Q1/14, Thaioil Solvent (Solvent Manufacturing and Distribution Business) had 133% solvent utilization rate, decreased by 3% from Q4/13. This was attributable to domestic solvent demand contraction. Despite an increase in solvent average unit selling price in Q1/14, Thaioil Solvent had sales revenue of Baht 2,420 million, dropped by Baht 90 million from previous quarter in consistent with approximately 5,000 tons decrease in solvent sales volume because buyers still delayed their orders. Moreover, falling gross profit margin in Q1/14 resulted in EBITDA of Baht 101 million, softened by Baht 32 million from Q4/13. Foreign exchange gain was recorded at Baht 5 million, down by Baht 7 million from prior quarter due to Thai Baht appreciation. Offsetting with finance costs of Baht 27 million and income tax expense of Baht 12 million which was down by Baht 9 million, Thaioil Solvent reported net profit of Baht 43 million, decreased by Baht 28 million from previous quarter.

In comparison with Q1/13, even though solvent sales volume fell by approximately 4,000 tons owing to domestic demand contraction, the increase in average unit selling price in Q1/14 helped offset the sales volume drop, resulting in only Baht 43 million, or 2%, decline in sales revenue. With the same level of gross profit margin as in Q1/13 and having foreign exchange gain of Baht 5 million as a result of Thai Baht appreciation, compared with foreign exchange loss of Baht 7 million in Q1/13, Thaioil Solvent had a Baht 6 million decrease in net profit in Q1/14.

2.6 Financial Result of Crude, Petroleum and Petrochemical Marine Transportation and Storage, Ship Management Service and Crew & Utility Boat Service Business (TM)

Table 11: Financial Result of TM

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Petroleum & Petrochemical Product Vessel					
Utilization Rate: TM (%)	98%	98%	-	85%	13%
Crude Vessel Utilization Rate: TOP-NYK (%)	100%	100%	-	100%	-
Crew and Utility Boat Utilization Rate: TMS (%)	88%	98%	(10%)	90%	(2%)

In Q1/14, TM performance improved significantly from Q4/13 because there was an impairment loss reported in Q4/13 resulted from Phubai Amara 2 disposal. TM also had higher profit sharings from associates by Baht 4 million in Q1/14.

In Q1/14, TM had a utilization rate of 98%, the same rate as in previous quarter, because all vessels were fully utilized (no major overhaul). Nevertheless, TMS utilization rate was lower than prior quarter because a newly delivered vessel was waiting for scheduling. Thus, TM reported services revenue, including revenues from TMS (a subsidiary which TM holds 55% shares), of Baht 293 million, a Baht 15 million lower from Q4/13 due to less service vessels in this quarter. TM posted EBITDA of Baht 95 million, decreased by Baht 36 million. In addition, finance costs of Baht 24 million and a tax adjustment of Baht 1 million were reported in the period. In Q1/14, profit sharings from the investment in TOP-NYK was Baht 23 million, increased by Baht 7 million from last quarter. Moreover, TM recorded profit sharings from the investment in Thome-Thailand of Baht 3 million, but shares of losses from the investments in TOP-NTL/ TOP-NTL Shipping Trust and TOP-Nautical Star of Baht 2 million and Baht 8 million, respectively, because a vessel was under maintenance. Therefore, TM had consolidated net profit of Baht 39 million in Q1/14 whereas it had consolidated net loss of Baht 35 million in Q4/13.

In comparison with Q1/13, TM had services revenue declined by Baht 6 million and EBITDA down by Baht 2 million. Profit sharings from the investment in TOP-NYK increased to Baht 23 million from Baht 17 million for the same period of a year earlier. Aggregating with finance costs and income tax expense, in Q1/14, TM had consolidated net profit reduced by Baht 6 million from Q1/13 .

2.7 Financial Result of Ethanol Business (TET)

Table 12: Financial Result of TET

	Q1/14	Q4/13	+/(-)	Q1/13	+/(-)
Ethanol Utilization Rate (%)					
- Sapthip	91%	95%	(4%)	72%	19%
- Maesod Clean Energy ⁽¹⁾	110%	97%	13%	106%	4%
- Ubon Bio Ethanol ⁽²⁾	80%	50%	30%	50%	30%

Remark (1) Retrospective adjustment for ethanol utilization rates (%) of Maesod Clean Energy Co., Ltd. for 2013 performance due to a change of its production plan in using molasses as its main raw materials.

(2) Ubon Bio Ethanol Co., Ltd. has started its commercial operation since January 2013.

In Q1/14, TET had slightly lower net profit from previous quarter and narrowed spread between ethanol price and feedstock cost; even though, TET had stronger sales revenue from increasing ethanol sales volume and higher total shares of profit from the investments in both associated companies.

In Q1/14, TET had consolidated sales revenue from Sapthip Co., Ltd. (TET holds 50% shares) of Baht 485 million, up by Baht 14 million from Q4/13. This was mainly attributable to higher ethanol sales volume following a continual increase in domestic gasohol demand; even though, cassava-based ethanol selling price decreased from previous quarter because oil traders increased their purchasing volumes of molasses-based ethanol which had lower manufacturing costs. Due to narrowed spread between ethanol selling price and feedstock price per unit, EBITDA was reported at Baht 112 million, dropped by Baht 43 million from Q4/13. However, in Q1/14, TET had shares of profit of Baht 14 million and Baht 10 million from the investments in Maesod Clean Energy Co., Ltd., and Ubon Bio Ethanol Co., Ltd., up by Baht 4 million and Baht 6 million from Q4/13, respectively. Moreover, TET had consolidated other income from Sapthip Co., Ltd., receiving an insurance indemnity of Baht 16 million. Offsetting with finance costs of Baht 17 million, TET posted net profit of Baht 64 million in Q1/14, decreased by Baht 3 million from Q4/13.

In comparison with Q1/13, TET had consolidated sales revenue from Sapthip Co., Ltd., jumped by Baht 180 million in consistent with a 19% rise in ethanol utilization rate as a consequence of higher ethanol sales volume resulted from stronger domestic gasohol demand. Nonetheless, in Q1/14, total shares of profit from the investments in both associated companies declined by Baht 17 million from Q1/13, but TET recorded higher other income of Baht 12 million. Hence, TET posted a Baht 22 million higher net profit than Q1/13.

3. Analysis of Consolidated Financial Position

3.1 Statements of Financial Position

The financial position of the Company and subsidiaries as of 31 March 2014 compared with 31 December 2013 was summarized as follows:

Table 13: Condensed Consolidated Statements of Financial Position

(Million Baht)	31 Mar 2014	31 Dec 2013 (Restated)	+ / (-)	% + / (-)
Assets				
Cash and cash equivalents and Current investment	50,039	43,815	6,224	14.2%
Other current assets	81,502	83,334	(1,832)	(2.2%)
Non-current assets	86,025	81,513	4,512	5.5%
Total assets	217,566	208,662	8,904	4.3%
Liabilities				
Current liabilities	40,620	36,761	3,859	10.5%
Long-term borrowings and debentures (including current portion)	76,526	74,199	2,327	3.1%
Other non-current liabilities	2,854	2,721	133	4.9%
Total liabilities	120,000	113,681	6,319	5.6%
Equity				
Equity attributable to owners of the company	93,454	90,927	2,527	2.8%
Non-controlling interests	4,112	4,054	57	1.4%
Total equity	97,566	94,981	2,585	2.7%
Total liabilities and equity	217,566	208,662	8,904	4.3%

Total Assets

As of 31 March 2014, the Company and subsidiaries had total assets of Baht 217,566 million, surged by Baht 8,904 million or 4.3% from 31 December 2013 due mainly to the following reasons:

- Cash and cash equivalents increased by Baht 6,224 million because of cash receipts from debentures issuance.
- Non-current assets rose by Baht 4,511 million primarily due to additions of property, plant, and equipment by Baht 4,302 million.

Total Liabilities

As of 31 March 2014, the Company and subsidiaries had total liabilities of Baht 120,000 million, increased by Baht 6,319 million or 5.6% from 31 December 2013 due to the major reasons as follows:

- Current liabilities jumped by Baht 3,859 million as a consequence of trade accounts payable increased by Baht 3,126 million.
- Long-term borrowings and debentures (including current portions) gained by Baht 2,327 million mainly because of:
 - : The Company issued Baht-denominated debentures of Baht 15,000 million, consisted of 3-year debenture of Baht 2,000 million, 5-year debenture of Baht 3,000 million, 7-year debenture of Baht 3,000 million, and 10-year debenture of Baht 7,000 million, as a liquidity enhancement for capital expenditure and/or working capital.
 - : The Company repaid its Baht-denominated debentures of Baht 12,000 million in February 2014.

Table 14: Consolidated Long-term Loans

(Million Baht)	TOP	TS	TP	TM	TET	Total
Debentures : US\$-denominated	46,055	-	-	-	-	46,055
: Baht-denominated	25,500	-	-	-	-	25,500
Borrowings : Baht-denominated	-	1,000	1,200	2,458	313	4,971
As of 31 March 2014	71,555	1,000	1,200	2,458	313	76,526
As of 31 December 2013	69,400	950	1,200	2,324	325	74,199
+ / (-)	2,155	50	-	134	(12)	2,327

Total Equity

As of 31 March 2014, the Company and subsidiaries had total equity of Baht 97,566 million, increased by Baht 2,585 million or 2.7% from 31 December 2013. This was mainly resulted from net profit for the period ended 31 March 2014 of Baht 2,534 million.

3.2 Statements of Cash Flows

As of 31 March 2014, the Company and subsidiaries had cash and cash equivalents of Baht 30,527 million. The Company had cash and cash equivalents of Baht 24,966 million. Cash flows by each activity are detailed as presented below:

Table 15: Cash Flows for Q1/14

(Million Baht)	Consolidated	Separated
Net cash provided by operating activities	9,318	7,835
Net cash provided by investing activities	4,196	5,103
Net cash provided by financing activities	1,911	3,130
Net increase in cash and cash equivalents	15,425	16,068
Effect of exchange rate changes on balance held in foreign currencies at the end of period	(201)	(177)
Cash and cash equivalents at the beginning of period	15,303	9,075
Cash and cash equivalents at the end of period	30,527	24,966

For Q1/14, cash flows provided by operating activities was Baht 9,318 million.

Cash flows provided by investing activities was Baht 4,196 million. This was mainly resulted from a disposal of current investment of Baht 9,000 million for debentures repayment. A Baht 5,020 million was also spent on fixed assets investment.

Cash flows provided by financing activities was Baht 1,911 million. This was mainly attributable to cash receipts from a Baht 15,000 million debentures issuance; meanwhile, the Company and subsidiaries repaid its Baht-denominated debenture (with maturity date in 2014) of Baht 12,000 million.

According to the mentioned cash flows activities, the Company and subsidiaries recorded an effect of exchange rate changes on balance held in foreign currencies at the end of period of Baht 201 million. Hence, the Company and subsidiaries had cash and cash equivalents of Baht 30,527 million as of 31 March 2014.

3.3 Financial Ratios

Table 16: Financial Ratios (Consolidated) for Q1/14

Profitability Ratios	Q1/14	Q4/13 (Restated)	+ / (-)	Q1/13 (Restated)	+ / (-)
Quality of earnings ratio (%)	3%	4%	(1%)	4%	(1%)
Gross profit margin ratio (%)	3%	4%	(1%)	5%	2%
Net profit margin ratio (%)	2%	0%	2%	3%	(1%)

Liquidity Ratios	Q1/14	Q4/13 (Restated)	+ / (-)	Q1/13 (Restated)	+ / (-)
Current ratio (times)	3.2	2.6	0.6	2.5	0.7
Quick ratio (times)	1.8	1.5	0.4	1.7	0.1

Financial Policy Ratios	Q1/14	Q4/13 (Restated)	+ / (-)	Q1/13 (Restated)	+ / (-)
Total liability/ Total equity (times)	1.2	1.2	0.0	1.2	0.0
Long-term loan/ Total equity (times)	0.8	0.8	0.0	0.8	0.0
Interest coverage ratio (times)	3.6	4.4	(0.8)	5.1	(1.5)
Long-term loan/ Total capitalization (%)	44%	44%	0%	44%	0%
Net debt to equity ratio (times)	0.3	0.3	0.0	0.1	0.2

Financial Ratios Calculation

Quality of Earnings ratio (%)	=	EBITDA / Sales Revenue
Gross Profit Margin ratio (%)	=	Gross Profit / Sales Revenue
Net Profit Margin ratio (%)	=	Net Profit / Total Revenue
Current ratio (times)	=	Current Assets / Current Liabilities
Quick ratio (times)	=	(Cash and Cash equivalent + Current investments + Accounts Receivable) / Current Liabilities
Total Liabilities / Total Equity (times)	=	Total Liabilities / Total Equity
Long term loan/ Total Equity (times)	=	Long Term Loan / Total Equity
Long term loan	=	Long-term borrowings from financial institutions + Debentures (includes current portion)
Interest Coverage ratio (times)	=	EBITDA/ Interest Expenses (Finance costs)
Long term loan/ Total Capitalization (%)	=	Long Term Loan / Total Capitalization
Total Capitalization	=	Long Term Loan + Total Equity
Net Debt to Equity ratio (times)	=	Net Debt / Total Equity
Net Debt	=	Interest bearing debt - Cash and cash equivalent - Current investments

**Thai Oil Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2014

and

Independent auditor's report on
review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Thai Oil Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited, respectively, as at 31 March 2014; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 (revised 2012), "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 (revised 2012), “Interim Financial Reporting”.

Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 3 to the interim financial information describing the effect of the Company and its subsidiaries’ adoption from 1 January 2014 of certain new accounting policies. The consolidated and separate statements of financial position as at 31 December 2013, which are included as comparative information, are components of the audited consolidated and separate financial statements as at and for the year ended 31 December 2013 after making the adjustments described in note 3. Furthermore, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2013, which are included as comparative information, have also been adjusted as described in note 3.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
8 May 2014

Thai Oil Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		(Unaudited)	(Restated)	(Unaudited)	
(in thousand Baht)					
Current assets					
Cash and cash equivalents		30,526,841	15,302,596	24,966,214	9,074,890
Current investments		19,512,183	28,512,000	19,500,000	28,500,000
Trade accounts receivable	5, 6	24,665,417	28,746,178	25,488,123	28,289,142
Other receivable	5	3,833,714	1,322,847	3,944,450	1,282,403
Short-term loans to related parties	5	90,000	90,000	2,917,000	2,923,000
Inventories	5	48,030,125	48,508,808	41,453,671	42,361,363
Prepaid corporate income tax		12,388	9,015	-	-
Value added tax receivable		3,206,808	3,088,565	2,056,450	2,075,108
Receivable from Oil Fuel Fund		1,663,524	1,318,658	1,663,524	1,318,658
Non-current asset held for sale		-	250,281	-	-
Total current assets		131,541,000	127,148,948	121,989,432	115,824,564
Non-current assets					
Investments in subsidiaries	7	-	-	11,920,419	11,920,419
Investments in associates	8	11,417,621	11,299,350	1,260,605	1,260,605
Investments in jointly-controlled entities	8	431,903	422,154	-	-
Other long-term investments		942,421	940,260	942,421	940,260
Investment properties		82,383	82,383	777,697	777,697
Property, plant and equipment		69,769,809	65,467,629	39,427,206	36,558,279
Intangible assets		1,954,768	1,970,634	427,945	432,424
Deferred tax assets		240,016	174,316	206,538	142,536
Other non-current assets		1,185,765	1,156,606	1,107,023	1,106,778
Total non-current assets		86,024,686	81,513,332	56,069,854	53,138,998
Total assets		217,565,686	208,662,280	178,059,286	168,963,562

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2014	2013	2014	2013
		(Unaudited)	(Restated)	(Unaudited)	
(in thousand Baht)					
Current liabilities					
Short-term borrowings		1,052,724	663,559	-	-
Trade accounts payable	5, 11	34,680,024	31,554,321	35,821,895	32,138,993
Other payable	5	3,463,224	3,298,065	2,347,440	2,853,632
Short-term borrowings from related parties	5	-	-	7,560,492	5,836,251
Current portion of long-term borrowings from financial institutions		492,146	484,646	-	-
Current portion of debentures		-	12,329,717	-	12,329,717
Excise duty payable		436,400	496,948	436,400	496,948
Income tax payable		987,929	748,349	292,017	182,445
Total current liabilities		41,112,447	49,575,605	46,458,244	53,837,986
Non-current liabilities					
Long-term borrowings from financial institutions		4,478,816	4,314,379	-	-
Debentures	10	71,555,357	57,070,452	71,555,357	57,070,452
Employee benefit obligations	12	2,690,131	2,635,001	2,510,343	2,454,851
Other non-current liabilities		163,075	85,553	255,265	263,592
Total non-current liabilities		78,887,379	64,105,385	74,320,965	59,788,895
Total liabilities		119,999,826	113,680,990	120,779,209	113,626,881

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
	(Unaudited)	(Restated)	(Unaudited)	
	(in thousand Baht)			
Equity				
Share capital				
Authorised share capital	20,400,279	20,400,279	20,400,279	20,400,279
Issued and paid-up share capital	20,400,279	20,400,279	20,400,279	20,400,279
Additional paid-in capital				
Premium on ordinary shares	2,456,261	2,456,261	2,456,261	2,456,261
Retained earnings				
Appropriated				
Legal reserve	2,040,028	2,040,028	2,040,028	2,040,028
Other	244,500	244,500	244,500	244,500
Unappropriated	68,626,629	66,088,839	32,227,911	30,286,676
Other components of equity	(313,391)	(302,952)	(88,902)	(91,063)
Equity attributable to owners				
of the Company	93,454,306	90,926,955	57,280,077	55,336,681
Non-controlling interests	4,111,554	4,054,335	-	-
Total equity	97,565,860	94,981,290	57,280,077	55,336,681
Total liabilities and equity	217,565,686	208,662,280	178,059,286	168,963,562

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three month period ended 31 March		Three month period ended 31 March	
	Note	2014	2013	2014	2013
			(Restated)		
		(in thousand Baht)			
Revenue from sale of goods and rendering of services	5	112,227,949	104,889,950	112,364,239	101,740,486
Cost of sale of goods and rendering of services	5	<u>(109,828,345)</u>	<u>(101,441,042)</u>	<u>(111,135,360)</u>	<u>(100,178,232)</u>
Gross profit		2,399,604	3,448,908	1,228,879	1,562,254
Dividend income	5, 8	-	-	12,000	15,000
Net derivative gain (loss) on hedging		602,258	(44,743)	602,258	(44,743)
Net foreign exchange gain		692,358	1,716,638	827,391	1,787,307
Other income	5	416,545	463,871	682,916	705,393
Selling expenses		(132,589)	(125,276)	(89,979)	(103,793)
Administrative expenses	5	(366,978)	(453,890)	(345,704)	(417,029)
Loss on disposal of investment	4	-	(898,287)	-	-
Share of profit of associates and jointly-controlled entities	8	<u>144,031</u>	<u>173,306</u>	<u>-</u>	<u>-</u>
Profit before finance costs and income tax expense		3,755,229	4,280,527	2,917,761	3,504,389
Finance costs	5	<u>(958,898)</u>	<u>(866,643)</u>	<u>(902,372)</u>	<u>(859,839)</u>
Profit before income tax expense		2,796,331	3,413,884	2,015,389	2,644,550
Income tax expense		<u>(208,096)</u>	<u>(271,977)</u>	<u>(74,154)</u>	<u>(46,070)</u>
Profit for the period		<u>2,588,235</u>	<u>3,141,907</u>	<u>1,941,235</u>	<u>2,598,480</u>
Profit for the period attributable to:					
Owners of the Company		2,534,412	3,226,807	1,941,235	2,598,480
Non-controlling interests		<u>53,823</u>	<u>(84,900)</u>	<u>-</u>	<u>-</u>
Profit for the period		<u>2,588,235</u>	<u>3,141,907</u>	<u>1,941,235</u>	<u>2,598,480</u>
Basic earnings per share (Baht)	14	1.24	1.58	0.95	1.27

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three month period ended 31 March		Three month period ended 31 March	
<i>Note</i>	2014	2013	2014	2013
	(Restated)			
	<i>(in thousand Baht)</i>			
Profit for the period	2,588,235	3,141,907	1,941,235	2,598,480
Other comprehensive income (loss)				
Net change in fair value of available-for-sale investments	2,161	15,388	2,161	15,126
Foreign currency translation differences	(12,665)	(46,240)	-	-
Defined benefit plan actuarial gain	6,773	-	-	-
Share of other comprehensive income of associate	65	34	-	-
Other comprehensive income (loss) for the period, net of income tax	(3,666)	(30,818)	2,161	15,126
Total comprehensive income for the period	2,584,569	3,111,089	1,943,396	2,613,606
Total comprehensive income attributable to:				
Owners of the Company	2,527,351	3,195,858	1,943,396	2,613,606
Non-controlling interests	57,218	(84,769)	-	-
Total comprehensive income for the period	2,584,569	3,111,089	1,943,396	2,613,606

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

Statement of changes in equity (Unaudited)

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

Total equity
90,723,823
<u>1,824,985</u>
92,548,808
 (3,255,645)
 1,217,459
 3,141,907
<u>(30,818)</u>
3,111,089
<u>93,621,711</u>

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

Thai Oil Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements												
Retained earnings						Other components of equity						
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other	Unappropriated	Other comprehensive income (loss)			Deficit from the change in the ownership interests in subsidiary	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Fair value changes in available-for-sale investments	Currency translation differences	Share of other comprehensive income of associate				
(in thousand Baht)												
Three month period ended 31 March 2014												
Balance at 1 January 2014 - as reported	20,400,279	2,456,261	2,040,028	244,500	65,971,964	(91,063)	(84,211)	117	(127,795)	90,810,080	4,028,323	94,838,403
Impact of change in accounting policy	3	-	-	-	116,875	-	-	-	-	116,875	26,013	142,888
Balance at 1 January 2014 - restated	20,400,279	2,456,261	2,040,028	244,500	66,088,839	(91,063)	(84,211)	117	(127,795)	90,926,955	4,054,336	94,981,291
Comprehensive income (loss) for the period												
Profit for the period	-	-	-	-	2,534,412	-	-	-	-	2,534,412	53,823	2,588,235
Other comprehensive income (loss)	-	-	-	-	3,378	2,161	(12,665)	65	-	(7,061)	3,395	(3,666)
Total comprehensive income (loss) for the period	-	-	-	-	2,537,790	2,161	(12,665)	65	-	2,527,351	57,218	2,584,569
Balance at 31 March 2014	20,400,279	2,456,261	2,040,028	244,500	68,626,629	(88,902)	(96,876)	182	(127,795)	93,454,306	4,111,554	97,565,860

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements						
	Retained earnings					Other components of equity	
	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Other	Unappropriated	Fair value changes in available-for-sale investments	Total equity
	(in thousand Baht)						
Three month period ended 31 March 2013							
Balance at 1 January 2013	20,400,279	2,456,261	2,040,028	244,500	30,352,205	(30,018)	55,463,255
Comprehensive income for the period							
Profit for the period	-	-	-	-	2,598,480	-	2,598,480
Other comprehensive income	-	-	-	-	-	15,126	15,126
Total comprehensive income for the period	-	-	-	-	2,598,480	15,126	2,613,606
Balance at 31 March 2013	20,400,279	2,456,261	2,040,028	244,500	32,950,685	(14,892)	58,076,861
Three month period ended 31 March 2014							
Balance at 1 January 2014	20,400,279	2,456,261	2,040,028	244,500	30,286,676	(91,063)	55,336,681
Comprehensive income for the period							
Profit for the period	-	-	-	-	1,941,235	-	1,941,235
Other comprehensive income	-	-	-	-	-	2,161	2,161
Total comprehensive income for the period	-	-	-	-	1,941,235	2,161	1,943,396
Balance at 31 March 2014	20,400,279	2,456,261	2,040,028	244,500	32,227,911	(88,902)	57,280,077

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate		
	financial statements		financial statements		
	Three month period ended 31 March		Three month period ended 31 March		
	Note	2014	2013	2014	2013
		(Restated)			
	(in thousand Baht)				
Cash flows from operating activities					
Profit for the period		2,588,235	3,141,907	1,941,235	2,598,480
<i>Adjustments for</i>					
Allowance for decline in value of					
inventories adjusted to net realisable value		131,408	602,419	11,517	599,111
Depreciation and amortisation		1,495,585	1,471,575	953,831	929,664
Finance costs		958,898	866,643	902,372	859,839
Unrealised gain on foreign exchange		-39,432	(1,293,548)	(195,783)	(1,305,300)
Share of profit of associates and					
jointly-controlled entities	8	(144,031)	-173,306	-	-
Dividend income	8	-	-	(12,000)	(15,000)
Loss on disposal of property, plant					
and equipment		48	5	-	19
Loss on disposal of investment		-	898,287	-	-
Realisation of deferred land lease and					
other income		-6,604	-3,084	(33,471)	(30,127)
Income tax expense		208,096	271,977	74,154	46,070
		5,192,203	5,782,875	3,641,855	3,682,756
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		4,081,654	(2,720,567)	2,801,219	(1,754,162)
Other receivable		(4,217,769)	(1,537,157)	(3,762,091)	(1,101,374)
Inventories		347,275	633,108	896,174	77,904
Other non-current assets		(29,400)	(21,352)	(118)	(77)
Trade accounts payable		3,040,798	7,778,642	3,596,169	7,108,824
Other payable		(440,614)	(19,847)	(167,314)	(5,063)
Excise duty payable		(60,547)	(111,823)	(60,547)	(111,823)
Other non-current liabilities		135,497	40,880	65,657	55,326
Income tax paid		(38,024)	(33,312)	(28,585)	(28,946)
Income tax and value added tax received		1,306,853	1,403,529	852,752	951,522
Net cash from operating activities		9,317,926	11,194,976	7,835,171	8,874,887

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

Thai Oil Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three month period ended 31 March		Three month period ended 31 March	
		2014	2013	2014	2013
		(Restated) (in thousand Baht)			
Cash flows from investing activities					
Purchase of current investments		(182)	(30,381,788)	-	(30,300,000)
Sale of current investments		9,000,000	-	9,000,000	-
Cash outflow on short-term loans to related parties	5	-	-	(4,000)	(65,000)
Cash inflow on short-term loans to related parties	5	-	-	10,000	342,500
Cash outflow on long-term loans to saving co-operative of employees		(13,805)	(25,211)	-13,805	-25,211
Purchase of investment property		(3,760)	-	-	-
Purchase of property, plant and equipment		(5,020,002)	(2,375,130)	(3,883,561)	(1,939,873)
Sale of property, plant and equipment		-	100	-	-
Sale of asset held for sale		250,849	-	-	-
Purchase of intangible assets		(2,468)	(11,709)	(5,547)	(11,696)
Currency translation differences		(14,140)	1,228	-	-
Net cash from (used in) investing activities		4,196,492	(32,792,510)	5,103,087	(31,999,280)
Cash flows from financing activities					
Finance costs paid		(1,320,606)	(467,371)	(1,264,080)	(461,545)
Proceeds from short-term borrowings		389,165	111,039	-	-
Proceeds from short-term borrowings from related parties	5	-	-	1,724,242	788,492
Repayment of long-term borrowings from financial institutions		(108,200)	(4,540,950)	-	(4,445,250)
Proceeds from long-term borrowings from financial institutions		280,138	4,923,500	-	4,402,500
Repayment of debentures		(12,329,717)	-	(12,329,717)	-
Proceeds from issue of debentures		15,000,000	29,356,029	15,000,000	29,356,029
Net cash from financing activities		1,910,780	29,382,247	3,130,445	29,640,226
Net increase in cash and cash equivalents		15,425,198	7,784,713	16,068,703	6,515,833
Effect of exchange rate change on balance held in foreign currencies at end of period		-200,954	-	(177,379)	-
Decrease in cash and cash equivalents of a subsidiary is disposed during the period		-	(1,878,724)	-	-
Cash and cash equivalents at beginning of period		15,302,597	10,459,746	9,074,890	6,738,889
Cash and cash equivalents at end of period		30,526,841	16,365,735	24,966,214	13,254,722
Non-cash transaction					
Payables on purchase of property, plant and equipment		1,584,004	936,109	679,500	629,701

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

Thai Oil Public Company Limited and its Subsidiaries
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Thai Oil Public Company Limited and its Subsidiaries
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For the three-month period ended 31 March 2014 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 8 May 2014.

1 General information

Thai Oil Public Company Limited, the “Company”, is incorporated in Thailand and has its registered offices and refinery plant as follows:

Head office	:	555/1 Energy Complex Building A, 11 th Floor, Vibhavadi Rangsit Road, Kwang Chatuchak, Khet Chatuchak, Bangkok 10900, Thailand
Sriracha office and refinery plant	:	42/1 Moo 1, Sukhumvit Road Km. 124, Tambol Tungsukla, Amphur Sriracha, Choburi 20230, Thailand

The Company was listed on the Stock Exchange of Thailand on 26 October 2004.

The Company is an entity in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company and owned 49.1% of the Company’s issued and paid-up share capital as at 31 March 2014 (31 December 2013: 49.1%).

The principal businesses of the Company are oil refining and distributions. Details of the Company’s direct and indirect subsidiaries as at 31 March 2014 and 31 December 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2014	31 December 2013
Direct subsidiaries				
Thai Paraxylene Co., Ltd.	Paraxylene manufacturing	Thailand	99.99	99.99
Thai Lube Base Public Company Limited	Lube base oil refining and distribution	Thailand	99.99	99.99
Thaioil Marine Co., Ltd.	Providing marine transportation services for petroleum and liquid chemical products	Thailand	99.99	99.99
Thaioil Energy Services Co., Ltd.	Providing of management and general services	Thailand	99.99	99.99
Thaioil Solvent Co., Ltd.	Investment in solvent and chemical businesses	Thailand	99.99	99.99
Thaioil Ethanol Co., Ltd.	Investment in ethanol business and alternative energy products	Thailand	99.99	99.99

Thai Oil Public Company Limited and its Subsidiaries
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2014	31 December 2013
Thaioil Power Co., Ltd.	Power and steam generation	Thailand	73.99	73.99
TOP SPP Co., Ltd.	Power and steam generation	Thailand	99.99	99.99
Indirect subsidiaries				
TOP Solvent Co., Ltd.	Distribution of solvent and chemical products	Thailand	99.99	99.99
Sak Chaisidhi Co., Ltd.	Solvent and chemical products manufacturing and distribution	Thailand	80.52	80.52
TOP Solvent (Vietnam) LLC.	Distribution of solvent and chemical products	Vietnam	100.00	100.00
Sapthip Co., Ltd.	Ethanol products manufacturing and distribution	Thailand	50.00	50.00
Thaioil Marine International Pte. Ltd.	Investment in marine transportation for crude oil and petroleum product business	Singapore	100.00	100.00
TOP Maritime Service Co., Ltd.	Providing marine transportation service for crew and utilities in Gulf of Thailand	Thailand	55.00	55.00
LABIX Co., Ltd.	Linear Alkyl Benzene manufacturing and distribution	Thailand	75.00	75.00

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (revised 2012) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

Thai Oil Public Company Limited and its Subsidiaries
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The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2013.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group except as disclosed in note 3.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013 and are included in the following note to the financial statements:

Note 12 Discount rate, salary increase rate, employee turnover rate and mortality rate

3 Changes in accounting policies

The Group has adopted the accounting policies and calculation method in the interim financial statements for the three-month period ended 31 March 2014 same as preparing the financial statement as of 31 December 2013 except as below:

(a) Presentation

From 1 January 2014, the Group has started to present all items of income and expense recognized in a period in two statements: statement of income and statement of comprehensive income as to align with the major shareholder's accounting policies. Comparative information has been re-presented so that it also is in conformity with the change. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(b) Accounting for employee benefits

Effective from 1 January 2014, the Group will change to immediately recognised an actuarial gains and losses in other comprehensive income, and no longer recording to profit and loss. This change in policy is not material impact on the Group.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

(c) Accounting for arrangements containing a lease

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

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

Management has reviewed the Group's arrangements and has determined the impact of TFRIC 4 adoption on assets, liabilities, and retained earnings of the Group as an associate (Global Power Synergy Company Limited) has a power purchase agreement with an entity which determined to be an agreement containing a finance lease. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements as at 1 January	
	2014	2013
	<i>(in million Baht)</i>	
Statement of financial position		
Increase in finance lease receivable	-	8,304
Increase in investment in associates	143	-
Decrease in property, plant and equipment	-	(6,023)
Increase in deferred tax liabilities	-	456
Increase in unappropriated retained earning	117	1,194
Increase in non-controlling interests	26	631
	Consolidated financial statements	
	For the three-month period ended 31 March 2013	
	<i>(in million Baht)</i>	
Statements of income		
Decrease in revenue from sale of goods and rendering of services		(24)
Decrease in cost of sales of goods and rendering of services		(14)
Increase in other income		19
Increase in loss on disposal of investment		1,466
Increase in share of profit of associates and jointly-controlled entities		71
Increase in income tax expense		2
Decrease in profit for the period		<u><u>(1,388)</u></u>
Decrease in basic earnings per share (Baht)		<u><u>(0.56)</u></u>

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

4 Acquisition of associate

Associate

GPSC

On 10 January 2013, Independent Power (Thailand) Company Limited (“IPT”) and PTT Utility Company Limited (“PTTUT”) formed the new amalgamated company and registered the new company namely Global Power Synergy Company Limited (“GPSC”) with The Ministry of Commerce.

Pursuant to the amalgamation, the Group as shareholders of IPT swapped all existing ordinary shares held in IPT for new ordinary shares issued by GPSC, resulting in the Group obtaining ownership interests of (a) directly owned by the Company (11.88%) and (b) indirectly owned via Thailoil Power Co., Ltd. (27.71%). Upon the completion of the share swap, the Group derecognised its investment in IPT and recognised the investment in GPSC as an investment in associate accounted for on an equity basis in the consolidated financial statements.

In the separate financial statements, the Group recorded the initial value of investment in GPSC, which is accounted for using the cost method, at the book value of IPT at the amalgamation date.

In the consolidated financial statements, the Group recorded the initial value of the investment in GPSC, which is accounted for using the equity method, at the fair value of GPSC shares received at the amalgamation date and consequently recognised the difference between the fair value of GPSC shares received at the amalgamation date and the Group’s interest in IPT on that date as gain on investment disposal in the consolidated statement of income. From 1 January 2014, the Group has adopted TFRIC 4 - Determining whether an Arrangement contains a Lease. The effect of the change are recognised retrospectively in the financial statements as disclosed in note 3(c). The impact of the change on the financial statements as at 31 March 2013 is as follows:

	Consolidated financial statements		
	As previously reported	Impact of change in accounting policy (in million Baht)	As restated
Statement of income for the three-month period ended 31 March 2013			
Profit (loss) on disposal of investment	568	(1,466)*	(898)**

*Attribute to the Group and the non-controlling interest amount to Baht 1,199 million and 267 million, respectively.

**Attribute to the Group and the non-controlling interest amount to Baht 749 million and 149 million, respectively.

5 Related parties

Related parties are those parties linked to the Group as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Thai Oil Public Company Limited and its Subsidiaries
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Relationships with related parties that control or jointly control the Group or are being controlled or jointly controlled by the Group or have transactions with the Group are as follows:

Name of entities	Country of incorporation	Nature of relationships
PTT Public Company Limited	Thailand	Major shareholder
Thai Paraxylene Co., Ltd.	Thailand	Subsidiary and/or common directors
Thai Lube Base Public Company Limited	Thailand	Subsidiary and/or common directors
Thaioil Marine Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Energy Services Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Solvent Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Ethanol Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Power Co., Ltd.	Thailand	Subsidiary and/or common directors
TOP SPP Co., Ltd.	Thailand	Subsidiary and/or common directors
TOP Solvent Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
Sak Chaisidhi Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
TOP Solvent (Vietnam) LLC.	Vietnam	Indirect subsidiary and/or the Company's management as a director
Sapthip Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
Thaioil Marine International Pte. Ltd.	Singapore	Indirect subsidiary and/or common directors
TOP Maritime Service Co., Ltd.	Thailand	Indirect subsidiary and/or the Company's management as a director
LABIX Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
TOP-NTL Pte. Ltd.	Singapore	Jointly-controlled entity of subsidiary
TOP- NTL Shipping Trust	Singapore	Jointly-controlled entity of subsidiary
TOP Nautical Star Co., Ltd.	Thailand	Jointly-controlled entity of subsidiary and/or the Company's management as a director
TOP-NYK MarineOne Pte. Ltd.	Singapore	Jointly-controlled entity of indirect subsidiary and/or the Company's management as a director
PTT ICT Solutions Co., Ltd.	Thailand	Associate and/or the Company's management as a director
PTT Energy Solutions Co., Ltd.	Thailand	Associate and/or the Company's management as a director
Global Power Synergy Co., Ltd.*	Thailand	Indirect associate and/or common directors
Maesod Clean Energy Co., Ltd.	Thailand	Indirect associate and/or the Company's management as a director
Ubon Bio Ethanol Co., Ltd.	Thailand	Indirect associate and/or common directors
Thome Ship Management (Thailand) Co., Ltd.	Thailand	Indirect associate and/or the Company's management as a director
PTT International Trading Pte. Ltd.	Singapore	Subsidiary of major shareholder
PTT Exploration and Production Public Company Limited	Thailand	Subsidiary of major shareholder
PTTEP International Limited	Thailand	Subsidiary of major shareholder
Energy Complex Co., Ltd.	Thailand	Subsidiary of major shareholder
Star Petroleum Refining Co., Ltd.	Thailand	Associate of major shareholder
IRPC Public Company Limited	Thailand	Associate of major shareholder
Bangchak Petroleum Public Company Limited	Thailand	Associate of major shareholder
PTT Global Chemical Public Company Limited	Thailand	Associate of major shareholder

Thai Oil Public Company Limited and its Subsidiaries
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Name of entities	Country of incorporation	Nature of relationships
PTT Maintenance and Engineering Co., Ltd.	Thailand	Associate of major shareholder
PTT Phenol Co., Ltd.	Thailand	Associate of major shareholder
Thai Petroleum Pipeline Co., Ltd.	Thailand	Related company and/or the Company's management as a director

* On 10 January 2013, Global Power Synergy Company Limited, the amalgamated company resulting from the amalgamation of Independent Power (Thailand) Company Limited and PTT Utility Company Limited.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services, lease income, purchase of goods and assets	Market prices or, where no market price exists, at contractually agreed prices
Interest income and expense	Agreed rates stipulated in the agreements
Dividend income	Right to receive dividends
Other income and expenses	Contractually agreed prices
Directors' remuneration	Amounts approved by the Group's shareholders

Significant transactions for the three-month periods ended 31 March 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Major shareholder				
Revenue from sale of goods and rendering of services	53,299	49,959	51,615	48,235
Purchase of crude oil and feedstock	45,809	40,116	44,491	38,603
Other income	19	1	19	1
Other expenses	15	12	12	9
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	18,933	14,115
Purchase of crude oil and feedstock	-	-	11,345	9,554
Purchase-sale of crude oil and feedstock for legal reserve*	-	-	-	3,209
Interest income	-	-	29	32
Land lease income	-	-	14	12
Other income	-	-	269	234
Interest expenses	-	-	37	33
Other expenses	-	-	165	181
Purchase of assets	-	-	-	3

Thai Oil Public Company Limited and its Subsidiaries
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For the three-month period ended 31 March 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Jointly-controlled entities				
Other income	5	-	-	-
Other expenses	351	166	292	163
Associates				
Revenue from sale of goods and rendering of services	4	6	3	3
Purchase of crude oil and feedstock	351	114	343	104
Interest income	1	1	-	-
Dividend income	12	15	12	15
Land lease income	2	2	2	2
Other income	9	10	9	10
Other expenses	45	41	39	34
Purchase of assets	11	37	11	37
Other related parties				
Revenue from sale of goods and rendering of services	4,376	4,303	2,919	3,301
Purchase of crude oil and feedstock	2,526	2,155	881	-
Purchase-sale of crude oil and feedstock for legal reserve*	-	677	-	677
Other income	6	-	6	-
Other expenses	54	33	54	33
Directors' remuneration	6	7	4	4

* Purchase-sale of crude oil and feedstock transactions entered for the purpose of maintaining the legal minimum reserve levels of crude oil inventory are transacted with related parties and have already been reversed in the interim financial statements for the three-month periods ended 31 March 2014 and 2013.

Balances as at 31 March 2014 and 31 December 2013 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Major shareholder				
PTT Public Company Limited	11,035	12,436	10,666	11,566
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	6,137	5,709
Thai Lube Base Public Company Limited	-	-	113	573
Thaioil Power Co., Ltd.	-	-	51	53

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Jointly-controlled entities				
TOP Nautical Star Co., Ltd.	4	-	-	-
Associates				
Global Power Synergy Co., Ltd.	3	-	3	-
Other related parties				
IRPC Public Company Limited	14	66	-	-
Bangchak Petroleum Public Company Limited	412	370	297	310
PTT Exploration and Production Public Company Limited	19	19	-	-
PTT International Trading Pte. Ltd	107	134	-	-
PTT Global Chemical Public Company Limited	22	20	-	-
	11,616	13,045	17,267	18,211
Less allowance for doubtful accounts	-	-	-	-
Total	11,616	13,045	17,267	18,211

Other accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Major shareholder				
PTT Public Company Limited	12	9	12	9
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	106	39
Thai Lube Base Public Company Limited	-	-	117	43
Thaioil Marine Co., Ltd.	-	-	1	1
Thaioil Energy Services Co., Ltd.	-	-	16	4
Thaioil Solvent Co., Ltd.	-	-	17	17
Thaioil Ethanol Co., Ltd.	-	-	11	4
Thaioil Power Co., Ltd.	-	-	38	38
TOP SPP Co., Ltd.	-	-	9	-
TOP Solvent Co., Ltd.	-	-	8	2
Sak Chaisidhi Co., Ltd.	-	-	1	-
LABIX Co., Ltd.	-	-	13	24
Associates				
PTT ICT Solutions Co., Ltd.	14	4	14	4
PTT Energy Solutions Co., Ltd.	1	-	1	-
Maesod Clean Energy Co., Ltd.	2	1	-	-
Global Power Synergy Co., Ltd.	7	2	7	2
Thome Ship Management (Thailand) Co., Ltd.	1	1	-	-

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Other related parties				
Bangchak Petroleum Public Company Limited	2	-	2	-
PTT Maintenance and Engineering Co., Ltd.	3	2	3	2
Total	42	19	376	189

Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries				
Thaioil Solvent Co., Ltd.	-	-	2,476	2,486
Thaioil Ethanol Co., Ltd.	-	-	441	437
Associate				
Maesod Clean Energy Co., Ltd.	90	90	-	-
Total	90	90	2,917	2,923

Interest rates during the three-month periods ended 31 March 2014 and 2013 were charged at money market rate (MMR) but not exceeding the average minimum loan rates (MLR) of 5 financial institutions less margin.

Movements of short-term loans to related parties during the three-month periods ended 31 March 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	90	90	2,923	3,184
Increases	-	-	4	65
Decreases	-	-	(10)	(342)
At 31 March	90	90	2,917	2,907

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Major shareholder				
PTT Public Company Limited	14,341	15,873	13,968	14,918
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	3,145	3,157

Thai Oil Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Lube Base Public Company Limited	-	-	310	583
Thaioil Marine Co., Ltd.	-	-	22	57
Thaioil Power Co., Ltd.	-	-	180	193
Sak Chaisidhi Co., Ltd.	-	-	2	2
Sapthip Co., Ltd.	-	-	12	10
Jointly-controlled entity				
TOP Nautical Star Co., Ltd.	18	-	-	-
Associates				
Maesod Clean Energy Co., Ltd.	72	49	72	49
PTT ICT Solutions Co., Ltd.	-	6	-	-
Ubon Bio Ethanal Co., Ltd.	58	54	58	54
Global Power Synergy Co., Ltd.	5	5	-	-
Other related parties				
IRPC Public Company Limited	333	411	-	-
PTT Global Chemical Public Company Limited	230	243	-	-
PTT Phenol Co., Ltd.	10	12	-	-
Total	15,067	16,653	17,769	19,023

Other accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
Major shareholder				
PTT Public Company Limited	6	4	5	3
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	-	2
Thai Lube Base Public Company Limited	-	-	4	3
Thaioil Marine Co., Ltd.	-	-	3	5
Thaioil Energy Services Co., Ltd.	-	-	46	107
Associates				
PTT ICT Solutions Co., Ltd.	18	63	18	60
PTT Energy Solutions Co., Ltd.	26	-	26	-
Other related parties				
Energy Complex Co., Ltd.	-	1	-	1
IRPC Public Company Limited	8	16	8	16
Thai Petroleum Pipeline Co., Ltd.	6	3	6	3
Total	64	87	116	200

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Short-term borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	<i>(in million Baht)</i>			
<i>Subsidiaries</i>				
Thai Paraxylene Co., Ltd.	-	-	3,261	2,171
Thai Lube Base Public Company Limited	-	-	4,137	3,481
Thaioil Marine Co., Ltd.	-	-	162	184
Total	-	-	7,560	5,836

Interest rates during the three-month periods ended 31 March 2014 and 2013 were charged at money market rate (MMR) but not exceeding the average minimum loan rates (MLR) of 5 financial institutions less margin.

Movements of short-term borrowings from related parties during the three-month periods ended 31 March 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	-	-	5,836	5,020
Increases	-	-	1,724	788
At 31 March	-	-	7,560	5,808

Significant agreements with related parties

As at 31 March 2014 the Group had the following significant agreements with related parties.

Raw Materials and Oil-Products Purchases and Sales Agreements

The Company has raw materials and oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices of raw materials and oil products are specified in the agreements. These agreements are effective on the agreement date and shall be terminated by either party giving at least 6 months notice in writing to the other party.

Oil-Products Sale and Purchase Agreements

The Company has oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices are specified in the agreements. These agreements are effective on the agreement date and shall be terminated if either party does not comply with the terms stipulated in the agreements.

By-Product Sale and Purchase Agreement

The Company has a by-product purchase and sale agreement with a subsidiary, whereby the purchase and sale volumes and prices of the by-product are specified in the agreement. The agreement is for a period of 10 years expiring in September 2014, or until the termination by mutual consent.

Thai Oil Public Company Limited and its Subsidiaries
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Technology and Communication Service Agreement

The Company has a technology and communication service agreement with an associate, whereby the service fees are specified in the agreement. The agreement is for a period of 4 years 6 months expiring in December 2015 and is renewable for additional periods of 5 years.

Crack Spread Swap Agreements

The Company has crack spread swap agreements with a related company ("counterparty"). The Company or the counterparty has commitments to make payments for the differences between the fixed price and floating price for each period.

As at 31 March 2014, the Company had oil volume under the agreements with the related company of 0.7 million barrels (31 December 2013: 0.3 million barrels).

Commodity Option Agreements

The Company has commodity option agreements with a related company ("counterparty"). The Company or the counterparty has commitments to make payments for the differences between the strike price and floating price of the crude oil price at maturity date.

As at 31 March 2014, the Company had crude oil volume under the agreements with the related company of 0.7 million barrels (2013: nil).

Product Offtake and Crude Oil Supply Agreement

The Company has a product off take and crude oil supply agreement with a related company, whereby (a) the Company will sell and the related company will purchase refined petroleum products produced by the refinery for 49.99% of 270,000 barrels per day; and (b) the related party will supply and the Company will purchase crude oil and/or feedstock for the refinery required to produce 49.99% of 270,000 barrels per day. The credit term for crude oil shall be mutually agreed.

Feedstock Throughput Agreement

The Company has an agreement with a related company to use the Company's single buoy mooring facility for receiving its feedstock. The agreement is for a period of 15 years expiring in 2023 and the throughput fee is stipulated in the agreement.

Throughput Agreement

The Company has a throughput agreement with a related company, whereby the tariff fee is specified in the agreement. The agreement is for a period of 20 years expiring in 2014 and is renewable.

Natural Gas Supply Agreements

The Company and two subsidiaries have natural gas supply agreements with a related company, whereby the related company agrees to supply the natural gas to the Company and the subsidiaries at quantities and prices as stipulated in the agreements. These agreements are effective for periods of 5 to 25 years expiring during 2016 and 2023.

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Cost Reimbursement Agreements

A subsidiary and an associate have cost reimbursement agreements with the Company covering the reimbursement of construction costs of natural gas pipeline facilities and the use of the pipeline facilities, raw water pipeline and the use of land for the construction of a transmission line connecting the subsidiaries and the associate to the Electricity Generating Authority of Thailand (EGAT). Under the terms of the agreements, the subsidiary and the associate agree to share the cost of investments with the Company on the basis and conditions stipulated in the agreement. This agreement is effective for a period of 25 years, or until the termination of the power purchase agreements entered into by the subsidiary and the associate with EGAT, whichever is sooner.

Power and Steam Purchase Agreements

Certain subsidiaries (“sellers”) have power and steam purchase agreements with the Company and two subsidiaries for periods of 20 and 25 years expiring in 2023 and 2027, whereby the sellers will sell power and steam energy to the Company and the subsidiaries at the agreed quantities and prices as stipulated in the agreements.

Services and Supplies Agreements

Certain subsidiaries and an associate have services and supplies agreements with the Company, whereby the Company provides the subsidiaries and the associate for the operating, repair and maintenance, management, controlling and administration, procurement, fuel transmission, waste water treatment and utilities, information technology, financial, accounting and human resource services. The subsidiaries and the associate agree to pay certain fees as stipulated in the agreements. These agreements are for periods of 3 year to 24 years or until the termination of the land lease agreement entered into by a subsidiary with the Company, whichever is sooner or until the termination of the power purchase agreement entered into by the associate with EGAT.

A subsidiary has services and supplies agreement with the Company, whereby the subsidiary provides the Company for human resource services, whereby the service fees are specified in the agreement. This agreement is for a period of 2 year expiring in December 2015.

Land Lease Agreements

Certain subsidiaries and an associate have land lease agreements with the Company to lease/sublease certain parcels of land ending in September 2022 and August 2043 with total annual rental for the year 2014 of Baht 62 million, and the rate will be adjusted every 5 years.

The Company has a land lease agreement with a related company to lease certain parcels of land ending in August 2026 with total annual rental for the year 2014 of Baht 2.7 million. If the company does not giving a cancelable notice with in a months before contract end date, the contract shall be renewed for additional 15 years.

Raw Materials and Petrochemical Products Purchase and Sale Agreements

A subsidiary has raw materials and petrochemical products purchase and sale agreements with related companies, whereby the purchase and sale volumes and prices of raw materials and petrochemical products are specified in the agreements. These agreements are for periods of 1 year to 15 years expiring during 2014 and 2017.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Technical Service Agreements

A subsidiary has technical service agreements with the Company and three subsidiaries to provide a consultancy technical solutions service for energy-related and petrochemical businesses, whereby the service fees are specified in the agreements. These agreements are for a period of at least 3 years and shall be terminated by either party giving at least 30 days notice in writing to the other party.

An associate has a technical service agreement with the Company to provide a consultancy technical solutions service for energy-related and petrochemical businesses, whereby the service fees are specified in the agreements. This agreement is for a period of 5 years expiring in August 2016 and shall be automatically renewed for another a period of 5 years until either party giving at least 6 months notice in writing to the other party.

Time Charter and Affreightment Agreements

A subsidiary has time charter and affreightment agreements with the Company and another subsidiary, whereby the freight rate is specified in the agreement. The agreements are for periods of 1 year expiring during 2014.

Two jointly-controlled entities have time charter agreements with the Company, whereby the freight rate is specified in the agreement. The agreements are for periods of 10 years expiring in 2021 and 2022.

Charter of Crew Boat Agreements

An indirect subsidiary has charter of crew boat agreements with a related company, whereby the service fees are specified in the agreements. The agreements are for period of 3 and 5 years expiring in 2016 and 2017 and shall be renewed for period of 2 years by either party giving at least 3 days before contract end date notice in writing to the other party.

Office Rental Agreements

A subsidiary has office rental agreements with a related company, whereby the rental fees are specified in the agreements. These agreements have no specified expiry date so the compliance with conditions specified in the agreements is ongoing until either party giving at least 30 days written notice of termination to the other party.

The Company has office rental and service agreements with a related party, whereby the rental and service fees are specified in the agreements. The agreements are for the periods of 3 years expiring in November 2015 and are renewable for additional periods of 3 years.

Ethanol Products Purchase and Sale Agreements

A subsidiary and an associate have ethanol products purchase and sale agreements with the Company, whereby the purchase and sale volumes and prices of the ethanol products are specified in the agreement. The agreement expired in December 2010 and the other one expired in December 2013. These agreements shall be automatically renewed for additional period of 1 year until either party giving at least 30 days notice in writing to the other party.

A subsidiary has an ethanol products purchase and sale agreement with a related company, whereby the purchase and sale volumes and prices of the ethanol products are specified in the agreement. The agreement is for a period of 10 years expiring in June 2021 and shall be renewed by either party giving at least 6 months before contract end date notice in writing to the other party.

Thai Oil Public Company Limited and its Subsidiaries
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Service Agreement

A subsidiary has a service agreement with the Company, whereby the service fees are specified in the agreement. This agreement is for a period of 2 year expiring in December 2014.

The Company has a service agreement with a subsidiary, whereby the service fees are specified in the agreement. This agreement is for a period of 2 years and 6 months expiring in December 2015.

The Company has a service agreement with a subsidiary, whereby the Company provides the subsidiary for the management, controlling and administration services at the service fee as specified in the agreement. This agreement is for a period of not exceeding 27 months or until the termination of the land lease agreement entered into by the subsidiary with the Company, whichever is sooner.

Ship Management Agreements

An indirect associate has ship management agreements with a subsidiary, whereby the service fees are specified in the agreements. These agreements are for a period of at least 1 year and shall be terminated by either party giving 3 months notice in writing to the other party.

Crude Oil Storage Tank Service Agreement

A related company has a crude oil storage tank service agreement with the Company, whereby the service fees are specified in the agreement. This agreement is for a period of 3 years expiring in September 2016.

The Company has a crude oil storage tank service agreement with a related company, whereby the service fees are specified in the agreement. This agreement is for a period of 1 year and 1 month expiring in December 2014.

Loan Agreement

The Company has uncommitted unsecured short term inter-company borrowing and lending agreements with a related company to manage liquidity. Each of the borrowing credit line and lending credit line is not exceeding Baht 2,000 million, bearing the interest rate reference by BIBOR or LIBOR, plus interest rate margin by taking into account on the short term borrowing interest rate, the return on short term investment and credit rating of the Company and the counterparty. These agreements are for a period of 1 year expiring in December 2014.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<i>Note</i>	2014	2013	2014	2013
		<i>(in million Baht)</i>			
Related parties	5	11,616	13,045	17,267	18,211
Other parties		13,050	15,702	8,221	10,078
		24,666	28,747	25,488	28,289
Less allowance for doubtful accounts		1	1	-	-
Total		24,665	28,746	25,488	28,289

Thai Oil Public Company Limited and its Subsidiaries
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For the three-month period ended 31 March 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable are as follows:

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2014	31 December 2013	31 March 2014	31 December 2013
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		11,614	13,040	17,267	18,211
Overdue:					
Less than 3 months		<u>2</u>	<u>5</u>	<u>-</u>	<u>-</u>
		11,616	13,045	17,267	18,211
Less allowance for doubtful accounts		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	5	<u>11,616</u>	<u>13,045</u>	<u>17,267</u>	<u>18,211</u>
Other parties					
Within credit terms		13,004	15,682	8,221	10,078
Overdue:					
Less than 3 months		43	13	-	-
3 - 6 months		-	2	-	-
6 - 12 months		1	2	-	-
Over 12 months		<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>
		13,050	15,702	8,221	10,078
Less allowance for doubtful accounts		<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net		<u>13,049</u>	<u>15,701</u>	<u>8,221</u>	<u>10,078</u>
Total		<u>24,665</u>	<u>28,746</u>	<u>25,488</u>	<u>28,289</u>

The normal credit term granted by the Group ranges from 15 days to 90 days.

7 Investments in subsidiaries

	Note	Separate financial statements	
		2014	2013
		<i>(in million Baht)</i>	
At 1 January		11,920	11,533
Disposal	4, 8	<u>-</u>	<u>(488)</u>
At 31 March		<u>11,920</u>	<u>11,045</u>
At 31 December			<u>11,920</u>

Thai Oil Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 31 March 2014 and 31 December 2013, and dividend income for the three-month periods ended 31 March 2014 and 2013 were as follows:

	Separate financial statements						Dividend income	
	Ownership interest		Paid-up capital		Cost method		for three-month period ended	
	31 March 2014	31 December 2013 (%)	31 March 2014	31 December 2013	31 March 2014 (in million Baht)	31 December 2013	31 March 2014	31 March 2013
Subsidiaries								
Thai Paraxylene Co., Ltd.	99.99	99.99	2,572	2,572	2,161	2,161	-	-
Thai Lube Base Public Company Limited	99.99	99.99	1,758	1,758	1,979	1,979	-	-
Thaioil Marine Co., Ltd.	99.99	99.99	970	970	970	970	-	-
Thaioil Energy Services Co., Ltd.	99.99	99.99	40	40	40	40	-	-
Thaioil Solvent Co., Ltd.	99.99	99.99	1,250	1,250	1,250	1,250	-	-
Thaioil Ethanol Co., Ltd.	99.99	99.99	1,450	1,450	1,450	1,450	-	-
Thaioil Power Co., Ltd.	73.99	73.99	2,810	2,810	3,195	3,195	-	-
TOP SPP Co., Ltd.	99.99	99.99	875	875	875	875	-	-
Total			11,725	11,725	11,920	11,920	-	-

None of the Company's investment in subsidiaries are publicly listed and consequently do not have published price quotations.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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8 Investments in associates and jointly-controlled entities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013 (Restated)	2014	2013
		<i>(in million Baht)</i>			
At 1 January - as reported		11,579	1,286	1,261	60
Impact of change in accounting policy	3	143	-	-	-
At 1 January - restated		11,722	1,286	1,261	60
Share of net gain of investments - equity method		144	174	-	-
Acquisition of associate	4,7	-	7,335	-	488
Dividend income		(12)	(15)	-	-
Currency transaction differences		(5)	(16)	-	-
At 31 March		11,849	8,764	1,261	548
At 31 December			11,722		1,261

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Investments in associates and jointly-controlled entities as at 31 March 2014 and 31 December 2013, and dividend income for the three-month periods ended 31 March 2014 and 2013 were as follows:

	Consolidated financial statements								Dividend income for	
	Ownership interest		Paid-up capital		Cost method		Equity method		three-month period ended	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013 (Restated)	31 March 2014	31 March 2013
	(%)		(in million Baht)							
Associates										
PTT ICT Solutions Co., Ltd.	20.00	20.00	150	150	30	30	146	152	12	15
PTT Energy Solutions Co., Ltd.	20.00	20.00	150	150	30	30	38	37	-	-
Global Power Synergy Co., Ltd.	39.59*	39.59*	11,237	11,237	3,855	3,855	10,379	10,283	-	-
Maesod Clean Energy Co., Ltd.	30.00	30.00	675	675	203	203	71	58	-	-
Ubon Bio Ethanol Co., Ltd.	21.28	21.28	2,740	2,740	769	769	773	763	-	-
Thome Ship Management (Thailand) Co., Ltd.	33.33	33.33	3	3	1	1	10	7	-	-
			14,955	14,955	4,888	4,888	11,417	11,300	12	15
Jointly-controlled entities										
TOP-NTL Pte. Ltd.	50.00	50.00	1	1	-	-	4	3	-	-
TOP-NTL Shipping Trust	50.00	50.00	26	26	13	13	9	11	-	-
TOP Nautical Star Co., Ltd.	35.00	35.00	75	75	26	26	9	16	-	-
TOP-NYK MarineOne Pte. Ltd.	50.00	50.00	548	548	274	274	410	392	-	-
			650	650	313	313	432	422	-	-
Total			15,605	15,605	5,201	5,201	11,849	11,722	12	15

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	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	31 March 2014	31 December 2013 (%)	31 March 2014	31 December 2013	31 March 2014	31 December 2013 (in million Baht)	for three-month period ended 31 March 2014	31 March 2013
PTT ICT Solutions Co., Ltd.	20.00	20.00	150	150	30	30	12	15
PTT Energy Solutions Co., Ltd.	20.00	20.00	150	150	30	30	-	-
Global Power Synergy Co., Ltd.	11.88*	11.88*	11,237	11,237	1,201	1,201	-	-
Total			11,537	11,537	1,261	1,261	12	15

* The Company and a subsidiary (Thaioil Power Co., Ltd.) hold a 11.88% and 27.71% interest in Global Power Synergy Co., Ltd. respectively.

None of the group's investment in associates and jointly-controlled entries are publicly listed and consequently do not have published price quotations.

Thai Oil Public Company Limited and its Subsidiaries
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9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2014 and 2013 were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements	
	2014	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>	
Land	2,156	-
Refinery plant and equipment	39	-
Machinery, equipment and plant equipment	13	-
Oil and liquid chemical tanker and crew boats	144	-
Furniture, fixtures, office equipment and others	29	-
Construction in progress	3,692	417
Total	6,073	417

<i>Three-month period ended 31 March</i>	Consolidated financial statements		
	2013		
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Transfers out from disposal of subsidiary - net book value (Restated)
	<i>(in million Baht)</i>		
Buildings	-	-	4
Leasehold improvement	-	-	3
Refinery plant and equipment	203	-	-
Machinery, equipment and plant equipment	8	-	135
Oil and liquid chemical tanker and crew boats	91	-	-
Furniture, fixtures, office equipment and others	7	-	2
Vehicles	-	-	1
Construction in progress	2,656	2	2
Total	2,965	2	147

<i>Three-month period ended 31 March</i>	Separate financial statements			
	2014		2013	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in million Baht)</i>			
Land	2,152	-	-	-
Refinery plant and equipment	34	-	203	-
Machinery, equipment and plant equipment	1	-	4	-
Furniture, fixtures, office equipment and others	7	-	4	-
Construction in progress	1,728	225	2,143	-
Total	3,922	225	2,354	-

Thai Oil Public Company Limited and its Subsidiaries
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10 Debentures

On 12 March 2014, the Company issued debentures to institutional investors and/or high net worth investors totaling Baht 15,000 million as detail below :

Tranche No. 1: the 3-year principal amount of Baht 2,000 million, maturing on 12 March 2017 at a coupon rate of 3.41% per annum

Tranche No. 2: the 5-year principal amount of Baht 3,000 million, maturing on 12 March 2019 at a coupon rate of 4.13% per annum

Tranche No. 3: the 7-year principal amount of Baht 3,000 million, maturing on 12 March 2021 at a coupon rate of 4.61% per annum

Tranche No. 4: the 10-year principal amount of Baht 7,000 million, maturing on 12 March 2024 at a coupon rate of 4.84% per annum

11 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	31 March 2014	31 December 2013	31 March 2014	31 December 2013
		<i>(in million Baht)</i>			
Related parties	5	15,067	16,653	17,769	19,023
Other parties		19,613	14,901	18,053	13,116
Total		34,680	31,554	35,822	32,139

12 Employee benefit obligations

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	2,635	2,473	2,455	2,305
Actuarial gain	(7)	-	-	-
Benefits paid	(7)	(7)	(7)	(7)
Current service costs and interest	69	67	62	61
Decrease from disposal of subsidiary	-	(10)	-	-
Defined benefit obligations at 31 March	2,690	2,523	2,510	2,359

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

	Consolidated financial statements		Separate financial statements	
<i>Three-month period ended 31 March</i>	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cost of sale of goods and rendering of services	49	48	44	43
Administrative expenses	20	19	18	18
Total	69	67	62	61

Principal actuarial assumptions at 31 March 2014 and 31 December 2013:

	Consolidated financial statements and Separate financial statements <i>(% per annum)</i>
Discount rate	Interest rate of long-term Thai Government Bond
Salary increases rate	4.0-10.0
Employee turnover	0.0-1.5
Mortality rate	Based on Thailand Mortality Ordinary 2008 (TMO08)

13 Segment information

Segment information is presented in respect of the Group's operating segments. The primary format, business segments, is based on the Group's management and the internal reporting structure provided to the chief operating decision maker.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reportable segments

The Group comprises the following main business segments:

Segment 1:	Oil refinery
Segment 2:	Lube base oil refinery
Segment 3:	Petrochemical
Segment 4:	Power generation
Segment 5:	Oil and chemical products transportation services
Segment 6:	Solvent
Segment 7:	Ethanol
Segment 8:	Other

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Notes to the interim financial statements
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Total asset, revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2014 and 2013 were as follows:

	Oil Refinery	Lube base oil refinery	Petro- chemical	Power generation	2014 Oil and chemical product transportation services (in million Baht)	Solvent	Ethanol	Other	Elimi- nations	Total
Revenue from sale of goods and rendering of services										
- External	95,208	5,443	8,354	257	133	2,410	423	-	-	112,228
- Inter-segment	17,156	1,649	8,990	1,061	159	10	62	106	(29,193)	-
Total	112,364	7,092	17,344	1,318	292	2,420	485	106	(29,193)	112,228
Segment profit (loss) before income tax	2,015	539	(209)	212	48	60	109	11	11	2,796
Segment total assets										
At 31 March 2014	178,059	13,072	31,908	11,797	4,187	6,778	3,359	322	(31,916)	217,566
At 31 December 2013 (Restated)	168,963	13,115	31,152	11,539	4,081	6,849	2,998	312	(30,347)	208,662

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	Oil Refinery	Lube base oil refinery	Petro- chemical	Power generation	2013 (Restated) Oil and chemical product transportation services (in million Baht)	Solvent	Ethanol	Other	Elimi- nations	Total
Revenue from sale of goods and rendering of services										
- External	87,625	5,351	8,527	527	133	2,460	263	3	-	104,889
- Inter-segment	14,115	1,252	7,695	1,005	166	2	41	101	(24,377)	-
Total	101,740	6,603	16,222	1,532	299	2,462	304	104	(24,377)	104,889
Segment profit (loss) before income tax	2,645	208	1,042	(655)	49	71	46	7	1	3,414
Segment total assets										
At 31 March 2013	174,783	13,238	27,452	9,356	3,821	6,095	2,828	227	(28,779)	209,021
At 31 December 2012	135,550	12,699	25,778	17,849	3,681	5,626	2,590	200	(30,883)	173,090

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14 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2014 and 2013 were based on the profit for the periods attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the three-month periods ended 31 March 2014 and 2013 as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(Restated)			
	(in million Baht/million shares)			
Profit attributable to owners of the Company	2,534	3,227	1,941	2,598
Weighted average number of ordinary shares outstanding during the period	2,040	2,040	2,040	2,040
Basic earnings per share (Baht)	1.24	1.58	0.95	1.27

15 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	(in million Baht)			
Capital commitments				
Projects construction agreements	11,316	22,955	4,144	15,035
License agreement	1,112	1,113	-	-
Other agreement	784	750	-	-
Total	13,212	24,818	4,144	15,035
Non-cancellable operating lease commitments				
Within one year	208	208	201	201
After one year but within five years	856	851	849	842
After five years	795	852	795	852
Total	1,859	1,911	1,845	1,895
Other commitments				
Inventory management services agreements	121	134	-	-
Forward exchange contracts	13,903	599	6,501	-
Letters of guarantee issued by financial institutions	1,413	584	1,270	404
Crude oil purchase agreements	59,009	45,617	59,009	45,617
Total	74,446	46,934	66,780	46,021

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Power Purchase Agreement

A subsidiary has a power purchase agreement for a period of 25 years with the Electricity Generating Authority of Thailand (“EGAT”) expiring in 2023 whereby the subsidiary will supply the electric energy to EGAT at the agreed quantity and price. As the contracted party with EGAT, the subsidiary must comply with conditions and restrictions provided for in the agreement.

16 Contingent liabilities and contingent assets

As at 31 March 2014 the Group had the following contingent liabilities and contingent assets:

- a) The Company has crack spread swap and time spread swap with foreign companies (“counterparties”). The Company has or the counterparties have commitments to make payments for the differences between the fixed price and floating price for each period.

As at 31 March 2014 the Company had oil volume under the agreements totalling 25.2 million barrels (*31 December 2013: 20.7 million barrels*).

- b) The Company has commodity option agreements with foreign companies (“counterparties”). The Company has or the counterparties have commitments to make payments for the differences between the strike price and floating price of the crude oil price at maturity date.

As at 31 March 2014 the Company had crude oil volume under the agreements totalling 3.8 million barrels (*31 December 2013: 0.3 million barrels*).

17 Event after the reporting period

As at 31 March 2014 the Group had the following event after the reporting period:

- a) At the annual general meeting of the shareholders of the Company held on 2 April 2014, the Company’s shareholders approved the appropriation of 2013 annual dividends at Baht 2.30 per share, totalling Baht 4,692 million. After a deduction of the interim dividends of Baht 0.80 per share which were already paid to the Company’s shareholders in September 2013, the remaining dividends of Baht 1.50 per share, totalling Baht 3,060 million, were already paid to the Company’s shareholders in April 2014.
- b) On 10 March 2014, the Board of Directors of a subsidiary approved call up remaining 75% of the registered capital or totalling call up Baht 2,625 million from the Company by 8 April 2014.