

**Bangchak Corporation Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and six-month periods ended
30 June 2018
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 Bangchak Corporation Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Bangchak Corporation Public Company Limited and its subsidiaries, and of Bangchak Corporation Public Company Limited, respectively, as at 30 June 2018; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2018, changes in equity and cash flows for the six-month period ended 30 June 2018; and condensed notes (“interim financial information”). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard 34, “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, “Interim Financial Reporting”.

Emphasis of Matter

I draw attention to note 3 to the interim financial statements. The finalization of the valuation of net assets of an entity in Indonesia acquired on 26 July 2017 was completed in July 2018. The corresponding figures presented are based on the audited financial statements as at 31 December 2017 after making the adjustments described in notes 3 to the interim financial statements. My conclusion is not modified in respect of this matter.

(Waiyawat Kosamarnchaiyakij)
Certified Public Accountant
Registration No. 6333

KPMG Phoomchai Audit Ltd.
Bangkok
9 August 2018

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Assets	<i>Note</i>	2018	2017	2018	2017
		(Unaudited)	(Restated)	(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		6,532,850	10,105,883	2,504,931	6,377,502
Current investments	5	219,789	219,583	200,000	200,000
Trade accounts receivable	4, 6	7,191,525	7,511,391	6,443,927	7,269,062
Other receivables	4	2,145,982	1,340,258	1,542,323	574,033
Inventories	7	21,657,701	15,720,387	19,804,568	13,572,776
Current tax assets		47,153	52,123	-	-
Oil fuel fund subsidies receivable		1,386,762	1,341,318	1,386,762	1,341,319
Total current assets		39,181,762	36,290,943	31,882,511	29,334,692
<i>Non-current assets</i>					
Investments in subsidiaries	8	-	-	12,338,708	12,610,481
Investments in associates and joint ventures	3, 9	14,355,093	14,158,228	73,000	73,000
Other long-term investments	5	2,743,497	4,346,730	237,036	237,045
Long-term loans to related parties	4	-	-	2,445,423	2,203,449
Investment properties		343,440	343,440	343,440	343,440
Property, plant and equipment	10	49,069,541	48,049,136	28,686,716	27,963,104
Goodwills		1,602,325	1,602,325	-	-
Leasehold rights		2,562,558	2,311,349	2,562,558	2,311,349
Intangible assets		3,791,274	3,731,498	366,638	376,362
Deferred tax assets		926,313	1,000,016	860,557	899,820
Other non-current assets	4	2,456,744	2,034,881	1,826,744	1,569,485
Total non-current assets		77,850,785	77,577,603	49,740,820	48,587,535
Total assets		117,032,547	113,868,546	81,623,331	77,922,227

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2018 (Unaudited)	31 December 2017 (Restated)	30 June 2018 (Unaudited)	31 December 2017
<i>(in thousand Baht)</i>					
Liabilities and equity					
Current liabilities					
Short-term loan from					
financial institutions	13	7,859,568	4,046,182	6,830,587	3,280,298
Trade accounts payable	4, 11	10,767,357	10,016,081	9,452,861	8,233,686
Other payables	4, 12	3,106,495	3,018,368	2,126,232	2,064,153
Current portion of long-term loans					
from financial institutions	13	2,280,987	2,218,009	350,154	325,154
Current portion of debentures	13	4,000,000	-	4,000,000	-
Excise tax and oil fuel fund payable		1,762,210	3,036,550	1,762,210	3,036,550
Income tax payable		430,719	690,260	355,394	673,475
Other current liabilities	4	819,790	843,909	792,562	843,085
Total current liabilities		31,027,126	23,869,359	25,670,000	18,456,401
Non-current liabilities					
Long-term loans from					
financial institutions	13	21,370,643	20,649,010	2,901,000	3,076,077
Debentures	13	9,990,840	13,990,269	9,990,840	13,990,269
Deferred tax liabilities		558,979	589,586	-	-
Liabilities on long-term lease		30,663	34,211	30,663	34,211
Non-current provisions for					
employee benefits		1,994,700	1,949,430	1,905,130	1,867,377
Provision for the decommissioning cost		782,538	810,724	-	-
Other non-current liabilities	4	156,034	85,914	72,329	14,864
Total non-current liabilities		34,884,397	38,109,144	14,899,962	18,982,798
Total liabilities		65,911,523	61,978,503	40,569,962	37,439,199

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
Liabilities and equity	2018	2017	2018	2017
	(Unaudited)	(Restated)	(Unaudited)	
	<i>(in thousand Baht)</i>			
Equity				
Share capital:				
Authorised share capital	1,376,923	1,376,923	1,376,923	1,376,923
Issued and paid-up share capital	1,376,923	1,376,923	1,376,923	1,376,923
Share premium on ordinary shares	11,157,460	11,157,460	11,157,460	11,157,460
Capital surplus on registered and paid-up share reduction	189,618	189,618	189,618	189,618
Other surpluses	1,367,502	1,340,485	-	-
Surplus from business combination	1,170,411	1,170,411	-	-
Warrants	8,287	19,147	-	-
Retained earnings				
Appropriated				
Legal reserve	153,164	153,164	153,164	153,164
Unappropriated	28,306,554	27,661,241	28,176,204	27,605,863
Other components of equity	771,355	2,411,095	-	-
Equity attributable to owners				
of the parent	44,501,274	45,479,544	41,053,369	40,483,028
Non-controlling interests	6,619,750	6,410,499	-	-
Total equity	51,121,024	51,890,043	41,053,369	40,483,028
Total liabilities and equity	117,032,547	113,868,546	81,623,331	77,922,227

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 30 June		Three-month period ended 30 June	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenue from sale of goods and rendering of services	4	45,557,582	42,828,094	40,547,008	40,250,604
Cost of sale of goods and rendering of services	4	(41,699,278)	(40,464,670)	(37,990,058)	(38,828,639)
Gross Profit		3,858,304	2,363,424	2,556,950	1,421,965
Interest income and dividend income	4	11,826	43,923	481,463	566,994
Other income	4	181,064	236,269	86,840	328,774
Selling expenses	4	(1,066,435)	(950,780)	(748,466)	(683,965)
Administrative expenses	4	(718,909)	(681,533)	(461,882)	(358,451)
Exploration and evaluation expense		(13,282)	(15,523)	-	-
Gain (loss) from crude and product oil price hedging contract		(135,931)	233,081	(75,106)	224,844
Gain (loss) from foreign currency forward contracts		94,998	(19,008)	94,998	5,721
Gain (loss) on foreign exchange		(38,548)	92,248	34,751	155,761
Reversal of allowance for loss (loss) from impairment of assets	8	(411,575)	18,661	(271,773)	17,366
Share of profit of investments in associates and joint ventures		22,513	53,985	-	-
Profit before finance costs and income tax expense		1,784,025	1,374,747	1,697,775	1,679,009
Finance costs		(374,035)	(338,622)	(218,062)	(223,639)
Profit before income tax expense		1,409,990	1,036,125	1,479,713	1,455,370
Income tax revenue (expense)		(253,027)	109,217	(178,747)	72,048
Profit for the period		1,156,963	1,145,342	1,300,966	1,527,418
Profit attributable to					
Owners of the parent		1,006,783	992,577	1,300,966	1,527,418
Non-controlling interests		150,180	152,765	-	-
Profit for the period		1,156,963	1,145,342	1,300,966	1,527,418
Basic earnings per share	16	0.73	0.72	0.94	1.11

(Pichai Chunhavajira)

Chairman

(Chaiwat Kovavisarach)

Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit for the period	1,156,963	1,145,342	1,300,966	1,527,418
Other comprehensive income				
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss</i>				
Exchange differences on translating financial statements	193,414	(39,381)	-	-
Loss on remeasurements of available-for-sale investment	(58,363)	(58,683)	-	-
Total items that will be reclassified subsequently to profit or loss	135,051	(98,064)	-	-
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss</i>				
Gains on remeasurements of defined benefit plans	6,795	1	-	-
Share of other comprehensive income of associates	8,864	-	-	-
Total items that will not be reclassified subsequently to profit or loss	15,659	1	-	-
Other comprehensive income (loss) for the period, net of tax	150,710	(98,063)	-	-
Total comprehensive income for the period	1,307,673	1,047,279	1,300,966	1,527,418
Total comprehensive income attributable to:				
Owners of the parent	1,124,534	877,524	1,300,966	1,527,418
Non-controlling interests	183,139	169,755	-	-
Total comprehensive income for the period	1,307,673	1,047,279	1,300,966	1,527,418

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Revenue from sale of goods and rendering of services	4	89,783,172	86,822,975	81,474,365	81,418,803
Cost of sale of goods and rendering of services	4	(82,596,751)	(80,433,928)	(76,840,924)	(77,025,769)
Gross profit		7,186,421	6,389,047	4,633,441	4,393,034
Interest income and dividend income	4	28,124	98,784	499,392	752,630
Other income	4	240,365	406,331	143,723	439,159
Selling expenses	4	(2,039,042)	(1,777,516)	(1,420,961)	(1,261,769)
Administrative expenses	4	(1,406,737)	(1,286,644)	(876,173)	(710,074)
Exploration and evaluation expense		(22,064)	(24,762)	-	-
Gain (loss) from crude and product oil price hedging contract		(208,679)	234,034	(112,322)	234,776
Gain from foreign currency forward contracts		94,998	17,518	94,998	42,249
Gain on foreign exchange		133,093	363,222	219,987	425,858
Reversal of allowance for loss (loss) from impairment of assets	8	(411,575)	(82,262)	(271,773)	29,271
Share of profit of investments in associates and joint ventures	9	114,679	71,647	-	-
Profit before finance costs and income tax expense		3,709,583	4,409,399	2,910,312	4,345,134
Finance costs		(739,022)	(693,423)	(433,063)	(462,807)
Profit before income tax expense		2,970,561	3,715,976	2,477,249	3,882,327
Income tax expense	15	(476,186)	(372,440)	(392,351)	(410,832)
Profit for the period		2,494,375	3,343,536	2,084,898	3,471,495
Profit attributable to:					
Owners of the parent		2,152,987	3,076,386	2,084,898	3,471,495
Non-controlling interests		341,388	267,150	-	-
Profit for the period		2,494,375	3,343,536	2,084,898	3,471,495
Basic earnings per share	16	1.56	2.23	1.51	2.52

(Pichai Chunhavajira)
Chaiman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit for the period	2,494,375	3,343,536	2,084,898	3,471,495
Other comprehensive income				
<i>Items that will be reclassified</i>				
<i>subsequently to profit or loss</i>				
Exchange differences on translating financial statements	(35,482)	(143,559)	-	-
Gains (losses) on remeasurements of available-for-sale investment	(1,592,819)	52,409	-	-
Total items that will be reclassified subsequently to profit or loss	(1,628,301)	(91,150)	-	-
<i>Items that will not be reclassified</i>				
<i>subsequently to profit or loss</i>				
Gains (losses) on remeasurements of defined benefit plans	6,468	(1,353)	-	-
Share of other comprehensive income of associate	8,864	-	-	-
Total items that will not be reclassified subsequently to profit or loss	15,332	(1,353)	-	-
Other comprehensive income (loss) for the period, net of tax	(1,612,969)	(92,503)	-	-
Total comprehensive income for the period	881,406	3,251,033	2,084,898	3,471,495
Total comprehensive income attributable to:				
Owners of the parent	520,130	2,975,443	2,084,898	3,471,495
Non-controlling interests	361,276	275,590	-	-
Total comprehensive income for the period	881,406	3,251,033	2,084,898	3,471,495

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements												
	Issued and paid-up share capital	Share premium on ordinary shares	Capital surplus on registered and paid share reduction	Other surpluses	Warrants	Retained earnings		Other components of shareholders' equity					
						Legal reserve	Unappropriated	Translation financial statements	Available- for-sale investment	Total other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
<i>Note</i>													
	<i>(in thousand Baht)</i>												
Six-month period ended 30 June 2017													
Balance at 1 January 2017	1,376,923	11,157,460	189,618	1,612,670	-	153,164	24,931,576	(128,188)	249,513	121,325	39,542,736	4,365,799	43,908,535
Transactions with owners, recorded directly in equity													
Share options exercised	-	-	-	-	-	-	-	-	-	-	-	14,486	14,486
Share-based payment transactions	-	-	-	-	19,976	-	529	-	-	-	20,505	8,439	28,944
Dividends to owners of the company	17	-	-	-	-	-	(1,376,857)	-	-	-	(1,376,857)	(222,253)	(1,599,110)
Total	-	-	-	-	19,976	-	(1,376,328)	-	-	-	(1,356,352)	(199,328)	(1,555,680)
Changes in ownership interests in subsidiaries													
Increase in shareholding in subsidiaries without a change in control	-	-	-	12,379	-	-	-	-	-	-	12,379	(46,902)	(34,523)
Total	-	-	-	12,379	-	-	-	-	-	-	12,379	(46,902)	(34,523)
Total transactions with owners, recorded directly in equity	-	-	-	12,379	19,976	-	(1,376,328)	-	-	-	(1,343,973)	(246,230)	(1,590,203)
Comprehensive income for the period													
Profit	-	-	-	-	-	-	3,076,386	-	-	-	3,076,386	267,150	3,343,536
Other comprehensive income (loss)	-	-	-	-	-	-	(952)	(152,400)	52,409	(99,991)	(100,943)	8,440	(92,503)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	3,075,434	(152,400)	52,409	(99,991)	2,975,443	275,590	3,251,033
Balance at 30 June 2017	1,376,923	11,157,460	189,618	1,625,049	19,976	153,164	26,630,682	(280,588)	301,922	21,334	41,174,206	4,395,159	45,569,365

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Consolidated financial statements															
							Retained earnings		Other components of shareholders' equity						
							Total		Equity					Total	
Note	Issued and paid-up share capital	Share premium on ordinary shares	Capital surplus on registered and paid share reduction	Other surpluses	Surplus from business combination	Warrants	Legal reserve	Unappropriated	Translation financial statements	Available-for-sale investment	Share of other comprehensive income (expense) of associates	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)															
Six-month period ended 30 June 2018															
Balance at 1 January 2018 - As previously reported															
	1,376,923	11,157,460	189,618	1,340,485	1,170,411	19,147	153,164	27,831,346	(546,284)	2,971,445	(14,066)	2,411,095	45,649,649	6,482,326	52,131,975
	Effect of the fair value assessment of acquisition of investment														
3	-	-	-	-	-	-	-	(170,105)	-	-	-	-	(170,105)	(71,827)	(241,932)
Balance at 1 January 2018 - As restated															
	1,376,923	11,157,460	189,618	1,340,485	1,170,411	19,147	153,164	27,661,241	(546,284)	2,971,445	(14,066)	2,411,095	45,479,544	6,410,499	51,890,043
Transactions with owners, recorded directly in equity															
	Share options exercised														
	-	-	-	20,128	-	-	-	-	-	-	-	-	20,128	29,677	49,805
	Share-based payment transactions														
	-	-	-	14,284	-	(10,860)	-	-	-	-	-	-	3,424	1,453	4,877
	Dividends to owners of the Company														
17	-	-	-	-	-	-	-	(1,514,557)	-	-	-	-	(1,514,557)	(190,550)	(1,705,107)
Total															
	-	-	-	34,412	-	(10,860)	-	(1,514,557)	-	-	-	-	(1,491,005)	(159,420)	(1,650,425)
Changes in ownership interests in subsidiaries															
	Changes in an ownership interests in subsidiaries without a change in control														
	-	-	-	(7,395)	-	-	-	-	-	-	-	-	(7,395)	7,395	-
Total															
	-	-	-	(7,395)	-	-	-	-	-	-	-	-	(7,395)	7,395	-
Total transactions with owners, recorded directly in equity															
	-	-	-	27,017	-	(10,860)	-	(1,514,557)	-	-	-	-	(1,498,400)	(152,025)	(1,650,425)
Comprehensive income (loss) for the period															
	Profit														
	-	-	-	-	-	-	-	2,152,987	-	-	-	-	2,152,987	341,388	2,494,375
	Other comprehensive income (loss)														
	-	-	-	-	-	-	-	6,883	(53,144)	(1,592,819)	6,223	(1,639,740)	(1,632,857)	19,888	(1,612,969)
Total comprehensive income (loss) for the period															
	-	-	-	-	-	-	-	2,159,870	(53,144)	(1,592,819)	6,223	(1,639,740)	520,130	361,276	881,406
Balance at 30 June 2018															
	1,376,923	11,157,460	189,618	1,367,502	1,170,411	8,287	153,164	28,306,554	(599,428)	1,378,626	(7,843)	771,355	44,501,274	6,619,750	51,121,024

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium	Capital surplus on registered and paid share reduction	Retained earnings Legal reserve Unappropriated	
<i>(in thousand Baht)</i>						
Six-month period ended 30 June 2017						
Balance at 1 January 2017		1,376,923	11,157,460	189,618	153,164 24,335,242	37,212,407
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends to owners of the Company	17	-	-	-	- (1,376,857)	(1,376,857)
Total		-	-	-	- (1,376,857)	(1,376,857)
Comprehensive income for the period						
Profit		-	-	-	- 3,471,495	3,471,495
Other comprehensive income		-	-	-	- -	-
Total comprehensive income for the period		-	-	-	- 3,471,495	3,471,495
Balance at 30 June 2017		1,376,923	11,157,460	189,618	153,164 26,429,880	39,307,045

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Capital surplus on registered and paid share reduction	Retained earnings		
					Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>							
Six-month period ended 30 June 2018							
Balance at 1 January 2018		1,376,923	11,157,460	189,618	153,164	27,605,863	40,483,028
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	17	-	-	-	-	(1,514,557)	(1,514,557)
Total		-	-	-	-	(1,514,557)	(1,514,557)
Comprehensive income for the period							
Profit		-	-	-	-	2,084,898	2,084,898
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	2,084,898	2,084,898
Balance at 30 June 2018		1,376,923	11,157,460	189,618	153,164	28,176,204	41,053,369

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	2,494,375	3,343,536	2,084,898	3,471,495
<i>Adjustments for</i>				
Income tax expense	476,186	372,440	392,351	410,832
Finance costs	739,022	693,423	433,063	462,807
Depreciation	2,174,213	2,304,285	1,528,716	1,527,133
Amortisation	195,743	156,328	161,925	132,010
(Reversal of) allowance for bad and doubtful debts expense	183	664	639	(86)
Unrealised (gain) loss on foreign exchange	17,433	(266,085)	(79,277)	(194,823)
Losses on inventories devaluation	3,555	34,907	-	7,460
(Reversal of) allowance for loss from impairment of assets	411,575	82,262	271,773	(29,271)
(Gain) loss on sale of property, plant and equipment	31,123	(61,887)	25,562	(1,447)
Loss on disposal of other investments	-	25,493	-	27,287
Gain on sale of investment in subsidiaries to a related party	-	-	-	(247,669)
Interest income and dividend income	(28,124)	(98,784)	(499,392)	(752,630)
Provision for employee benefit	96,441	95,483	78,599	83,068
Provision for customer loyalty programmes	35,992	9,687	35,992	9,686
Deferred revenue	(3,567)	(3,567)	(3,567)	(3,567)
Share-based payment transactions	4,877	28,944	-	-
Share of profit of associates and joint ventures, net of tax	(114,679)	(71,647)	-	-
Reversal of provisions	-	(139,945)	-	-
	<u>6,534,348</u>	<u>6,505,537</u>	<u>4,431,282</u>	<u>4,902,285</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	476,080	(923,388)	919,409	(471,397)
Other receivables	(674,253)	(606,484)	(910,678)	(477,465)
Inventories	(5,960,952)	2,215,137	(6,231,792)	2,323,910
Other non-current assets	(396,234)	(250,295)	(269,541)	(65,032)
Trade accounts payable	606,468	(2,152,686)	1,119,180	(2,439,960)
Other payables	(383)	(612,254)	64,718	(528,418)
Other current liabilities	(1,333,827)	(89,326)	(1,359,889)	(183,355)
Non-current provisions for employee benefit	(41,841)	(79,162)	(40,846)	(77,734)
Other non-current liabilities	64,803	(3,751)	54,980	(23,721)
Net cash generated from (used in) operating	<u>(725,791)</u>	<u>4,003,328</u>	<u>(2,223,177)</u>	<u>2,959,113</u>
Income tax paid, net	<u>(695,213)</u>	<u>(225,657)</u>	<u>(671,170)</u>	<u>(187,524)</u>
Net cash from (used in) operating activities	<u>(1,421,004)</u>	<u>3,777,671</u>	<u>(2,894,347)</u>	<u>2,771,589</u>

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

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	30,025	113,471	18,569	66,443
Dividend received	42,555	22,003	468,090	753,503
Increase in current investments	(206)	(500,203)	-	(1,200,000)
Net cash outflow from issue of joint venture's share capital	-	(28,680)	-	(28,680)
Net cash outflow from acquisition of subsidiaries, joint ventures and associates	(204,086)	(1,412,932)	-	(1,737,480)
Proceeds from sale of investment in subsidiaries	-	-	-	869,713
Proceeds from sale of investment in associate	-	-	-	763,234
Proceeds from disposal of other investments	-	58,022	-	55,202
Acquisition of property, plant and equipment	(3,331,694)	(2,299,815)	(2,258,412)	(1,499,227)
Payment for machinery deposit	(34,772)	-	-	-
Proceeds from sale of property, plant and equipment	11,539	498,739	11,242	5,163
Loan to related party	-	-	(210,000)	-
Proceeds from loan to related party	-	-	-	431,904
Payment for leasehold right	(348,791)	(275,345)	(348,791)	(275,344)
Acquisition of intangible assets	(51,470)	(525,451)	(32,213)	(9,818)
Net cash used in investing activities	<u>(3,886,900)</u>	<u>(4,350,191)</u>	<u>(2,351,515)</u>	<u>(1,805,387)</u>
<i>Cash flows from financing activities</i>				
Finance costs paid	(828,937)	(747,669)	(462,075)	(515,192)
Dividend paid	(1,705,107)	(1,687,599)	(1,514,557)	(1,376,857)
Increase (decrease) in short-term loan from financial institutions	3,760,000	(45,031)	3,500,000	-
Payment of change in ownership interest in subsidiary without a change in control	-	(34,523)	-	-
Proceeds from exercise of share options	49,805	14,485	-	-
Redemption of debenture	-	(2,000,000)	-	(2,000,000)
Proceeds from long-term loans from financial institutions	1,535,646	323,298	-	-
Repayment of long-term loans from financial institutions	(1,103,648)	(961,696)	(150,077)	(150,076)
Net cash from (used in) financing activities	<u>1,707,759</u>	<u>(5,138,735)</u>	<u>1,373,291</u>	<u>(4,042,125)</u>
Net decrease in cash and cash equivalents before effect of exchange rates	(3,600,145)	(5,711,255)	(3,872,571)	(3,075,923)
Effect of exchange rate changes on cash and cash equivalents	27,112	12,167	-	-
Net decrease in cash and cash equivalents	<u>(3,573,033)</u>	<u>(5,699,088)</u>	<u>(3,872,571)</u>	<u>(3,075,923)</u>
Cash and cash equivalents at beginning of period	10,105,883	19,286,650	6,377,502	8,872,401
Cash and cash equivalents at ending of period	<u>6,532,850</u>	<u>13,587,562</u>	<u>2,504,931</u>	<u>5,796,478</u>

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

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statement
3	Acquisition of investment and restatement
4	Related parties
5	Investments
6	Trade accounts receivable
7	Inventories
8	Investments in subsidiaries
9	Investments in associates and joint ventures
10	Property, plant and equipment
11	Trade accounts payable
12	Other payables
13	Interest-bearing liabilities
14	Segment information
15	Income tax expense
16	Basic earnings per share
17	Dividends
18	Commitments with non-related parties
19	Contingent liability
20	Events after the reporting period

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 9 August 2018.

1 General information

Bangchak Corporation Public Company Limited, the “Company” was incorporated in Thailand and listed on the Stock Exchange of Thailand which has its registered office as follows:

Head office : 2098 M Tower Building, 8th Floor, Sukhumvit Road, Phra Kanong Tai, Phra Kanong, Bangkok.

Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Phra Kanong Tai, Phra Kanong, Bangkok.

As at 30 June 2018, major shareholders of the Company were Vayupak Fund 1 and Social Security Office holding 14.46% and 13.52% of issued and paid-up capital, respectively (*31 December 2017: 14.46% and 13.60%, respectively*).

The principal businesses of the Group are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Group’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial, agriculture and sale of oil is also made through the major and the minor oil traders, production and distribution of electricity from solar cell and investment in alternative energy business, manufacturing and distributing of biofuel product and relating products and exploration and production of petroleum.

Details of the Company’s subsidiaries were disclosed in note 4 and 8 to the interim financial statements.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. 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 of the Company and its subsidiaries for the year ended 31 December 2017.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

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 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. 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.

In addition to the above new and revised TFRS, the FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) Functional and presentation currency

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency.

(c) Use of judgements and estimates

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 2017.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

3 Acquisition of investment and restatement

Acquisition of investment

Star Energy Group Holdings Pte. Ltd.

On 26 April 2017, BCPG Public Company Limited, a subsidiary of the Company, signed the Share Purchase Agreement with Star Energy Investments Ltd. (“Seller”) to acquire 280,000 shares of Star Energy Group Holdings Pte. Ltd. or approximately 33.33% of the total issued and paid-up shares to invest in geothermal power plant projects which owns operating 158 MW power plant projects and a development of 24 MW, located in Indonesia. On 26 July 2017, the subsidiary and the Seller completed the conditions precedent in accordance with Share Purchase Agreement, such subsidiary settled the payment of USD 356 million (approximately Baht 11,956 million) for the shares and received the share transfer of Star Energy Group Holdings Pte. Ltd. Management believes that by acquired this investment will enable the group to expand their investment in other renewable energy business in South-East Asia.

TFRS required Management to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of investment was completed in July 2018.

The following summarises the major classes of consideration transferred, and the fair value of net assets acquired (liabilities) assumed at the acquisition date:

	Recognized value	Adjustments <i>(in million Baht)</i>	Fair value
Power purchase agreements and concession right	117,577	(36,596)	80,981
Property, plant and equipment	33,033	3,721	36,754
Finance lease liabilities	21,486	(4,780)	16,706
Deferred tax liabilities	(56,186)	12,259	(43,927)
Other net assets (liabilities) acquired	(49,884)	-	(49,884)
Total identifiable assets (liabilities)	66,026	(25,396)	40,630
<i>Less other shareholders’ interests</i>	<i>(53,774)</i>	<i>20,727</i>	<i>(33,047)</i>
Net identifiable assets (liabilities)	12,252	(4,669)	7,583
Gain on bargain purchase (recognised in share of profit of associates in 2017)	(296)	296	-
Goodwill	-	4,373	4,373
Consideration transferred – cash paid	11,956	-	11,956

The valuation techniques used for measuring the fair value of material assets acquired are as follows.

- The fair value of power purchase agreements and concession right was determined based on income approach using Multi-period Excess Earning Method (MEEM) with operating period under power purchase agreement and related conditions. Key assumptions included forecast revenue and discount rate.
- The fair value of property plant and equipments was determined based on market approach.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

The changes in fair value adjustment of net assets (liabilities) acquired at the acquisition date is mainly from the change in fair value of power purchase agreements and concession right. At the acquisition date in Star Energy Group Holding Pte. Ltd. (SEGHPL), certain SEGHPL's subsidiary has already been granted an approval on electricity price increase since 2016 and others subsidiaries are in process of getting an approval. The management estimated the fair value based on the information received at the time. However, at the end of second quarter of 2018, the subsidiary has received additional information that the increase in electricity price process was delayed. Furthermore, TFRS allow not later than one year period of remeasurement the fair value from the acquisition date. Therefore, it was resulted to recognise the difference between the considerations paid and fair value of net identified assets and liabilities determined by an independent appraiser as the goodwill of Baht 4,373 million, included in investment in associates in the consolidated statement of financial position.

The consolidated financial statements as at 31 December 2017 included in these financial statements have been restated to reflect new information obtained about facts and circumstances that existed as of the acquisition date and the subsequently recognized adjustments as follows;

**The impacts to the consolidated statement of financial position as at
31 December 2017:**

(in million Baht)

Asset

Investment in associate decrease	(242)
Total	(242)

Equity

Retained earnings decrease	(170)
Equity of the Company decrease	(170)
Non-controlling interests decrease	(72)
Total equity decrease	(242)

This restatement had no impact to the Group's profit or loss and the Group's earnings per share for the three-month and six-month periods ended 30 June 2017.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Major shareholders</i>		
Vayupak Fund 1	Thailand	Some common directors
Social Security Office	Thailand	Some common directors
<i>Subsidiaries or indirect subsidiaries</i>		
Bangchak Green Net Co., Ltd.	Thailand	Representative from the Company as director
BCPG Public Company Limited	Thailand	Representative from the Company as director
BBGI Public Company Limited (Former as BBGI Company Limited)	Thailand	Representative from the Company as director
Bangchak Retail Co., Ltd.	Thailand	Representative from the Company as director
BCP Energy International Pte. Ltd.	Singapore	Representative from the Company as director
BCP Innovation Pte. Ltd.	Singapore	Representative from the Company as director
BCP Trading Pte. Ltd.	Singapore	Representative from the Company as director
Subsidiaries of BCPG Public Company Limited Group	Thailand/ Singapore/Japan /Philippines/ Netherland	Representative from the subsidiary as director
Subsidiaries of BBGI Public Company Limited Group	Thailand	Representative from the subsidiary as director
Indirect subsidiaries of Nido Petroleum PTY Limited	Australia/ British Virgin Islands/ Bahrain	Representative from the subsidiary as director
<i>Indirect associates and joint venture</i>		
Bongkot Marine Services Co., Ltd.	Thailand	Representative from the Company as director
Oam Suk Social Enterprise Co., Ltd.	Thailand	Representative from the Company as director
Associates of BCPG Public Company Limited Group	Singapore / Philippines	Representative from the subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Indirect associates and joint venture (Continue)</i>		
Associates of BBGI Public Company Limited Group	Thailand	Representative from the subsidiary as director
<i>Other related parties</i>		
Fuel Pipeline Transportation Ltd.	Thailand	Representative from the Company as director
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions

Sale of goods
 Rendering of service
 Purchase of goods/raw materials
 Receiving of services
 Management service fee
 Royalty expense
 Interest on loans

Pricing policies

Reference to market price/ Contractually agreed prices
 Contractually agreed prices
 Reference to market price/ Contractually agreed prices
 Contractually agreed prices
 Contractually agreed prices
 Contractually agreed prices
 Contractually agreed rate with reference to market rate and contract rate

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Significant transactions for the three-month and six-month periods ended 30 June 2018 and 2017 with related parties were as follows;

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	8,903	8,353
Purchases of goods	-	-	10,368	3,321
Dividend income	-	-	468	469
Other income	-	-	99	25
Interest income	-	-	5	52
Other expenses	-	-	10	12
Associate and indirect associate				
Sales of goods	1	4	1	4
Purchase of goods	351	413	351	413
Dividend income	-	21	-	21
Other expenses	123	15	123	15
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	56	53	23	19
Post-employment benefits and other long-term benefits	2	3	2	2
Share-based payments	-	18	-	-
Total key management personnel compensation	58	74	25	21
Other related parties				
Dividend income	-	1	-	1
Other income	1	1	1	1
Pipeline transportation expenses	118	111	118	111
	Consolidated financial statements		Separate financial statements	
<i>Six-month period ended 30 June</i>	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	17,326	16,236
Purchases of goods	-	-	14,986	7,025
Dividend income	-	-	468	574
Other income	-	-	161	50
Interest income	-	-	9	99
Other expenses	-	-	23	19
Associate and indirect associate				
Sales of goods	6	14	6	14
Purchase of goods	725	746	725	746
Dividend income	-	21	-	21
Other expenses	244	15	244	15

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	168	152	89	75
Post-employment benefits and other long-term benefits	9	5	4	4
Share-based payments	1	18	-	-
Total key management personnel compensation	178	175	93	79
Other related parties				
Dividend income	-	1	-	1
Other income	2	3	2	3
Pipeline transportation expenses	243	227	243	227

Balances as at 30 June 2018 and 31 December 2017 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Baht)</i>			
Trade accounts receivable - related parties				
Subsidiaries and indirect subsidiaries	-	-	1,052	1,704
Associate and indirect associate	-	2	-	2
Total	-	2	1,052	1,706
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	-	2	1,052	1,706
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for three-month period ended 30 June	-	-	-	-
six-month period ended 30 June	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Baht)</i>			
Other receivables - related parties				
Subsidiary and indirect subsidiary	-	-	195	15
Associate and indirect associate	-	43	-	-
Total	-	43	195	15

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

<i>Loans to related parties</i>	Rate		Consolidated financial statements		Separate financial statements	
	2018	2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
Long-term loans						
Subsidiary						
Bangchak Retail Co., Ltd	4.2	4.2	-	-	300	90
Indirect subsidiary						
Nido Petroleum Limited	0.5	0.5 - 7.5	-	-	2,145	2,113
			-	-	2,445	2,203
<i>Less current portion due within one year</i>			-	-	-	-
Total loans to related parties			-	-	2,445	2,203

Movements during the six-month periods ended 30 June 2018 and 2017 of loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Long-term loans				
Subsidiary and indirect subsidiary				
At 1 January	-	-	2,203	2,789
Increase	-	-	210	-
Decrease	-	-	-	(432)
Effect of change in exchange rates	-	-	32	(159)
<i>Less current portion due within one year</i>	-	-	-	-
At 30 June	-	-	2,445	2,198

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Baht)</i>			
Other non-current assets				
Indirect subsidiary	-	-	323	313
Other related party	12	14	12	14
Total	12	14	335	327

Trade accounts payable - related parties

Subsidiaries and indirect subsidiaries	-	-	1,795	646
Indirect associate	123	129	123	129
Total	123	129	1,918	775

Other payable - related parties

Subsidiaries and indirect subsidiary	-	-	7	13
Associates and joint ventures	13	13	13	13
Other related parties	48	43	48	43
Total	61	56	68	69

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Other current liabilities</i>				
Subsidiaries	-	-	3	6
Total	-	-	3	6
<i>Other non-current liabilities</i>				
Other related party	3	3	3	3
Total	3	3	3	3

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

The Company entered into a Fuel Pipeline Transportation Agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

Oil Terminal Rental Agreement

The Company has entered into an Oil Terminal Rental Agreement with a joint venture. The rental fee is stipulated in the agreement which will be expired in 2022.

Bio-diesel Sales and Purchase Agreement

The Company entered into a Bio-diesel Sales and Purchase Agreement with an indirect subsidiary. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the price reference to market as stipulated in the agreement.

Denature Ethanol Sales and Purchase Agreement

The Company entered into a Denatured Ethanol Sales and Purchase Agreement with a subsidiary. The Company will purchase denatured ethanol at yearly average volumes not less than 50% of maximum denatured ethanol production capacity of the subsidiary within the same Group at the price reference to market as stipulated in the agreement.

Fuel Product Sale and Purchase Agreement

The Company entered into a fuel product sale and purchase agreement with a subsidiary. The Company will purchase fuel product at quantity and price in accordance with obligation under the agreement.

Service Station Operating Right Agreement

The Company entered into Service Station Operating Right Agreement which include the right to operate related business within service station, selling and purchasing of fuel products with a subsidiary for a period of 5 years. Operating right fee and sale and purchase price are as stipulated in the agreement.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Store Operation Right Agreement

The Company entered into Store Operation Right Agreement with a subsidiary to operate retail stores within service stations under the Company's brand for a period of 5 years. Fee is as stipulated in the agreement.

Information Technology Service Agreement

The Company has entered into information technology service agreements with subsidiaries and indirect subsidiaries. The agreement term commence in August 2017 and is effective for 1 year and 5 months and will be reviewed annually. The Company is responsible for management information system, system structure, maintenance system and advisory in accordance with subsidiaries' direction. Service fees is as stipulated in the agreement.

Management Service Agreement

The Company entered into management service agreement with subsidiaries and indirect subsidiaries for general management service for a period of 1 to 3 years. The agreement term contained different period for the subsidiaries and indirect subsidiaries. The Company agreed to provide human resources to manage operation process in accordance with subsidiaries' direction. Service fees is as stipulated in the agreement.

Land Rental Agreement

The Company has entered into land rental agreement with BCPG Public Company Limited, a subsidiary for the purpose of 38 MW solar farm project at Bang Pa-In establishment and related objectives. The agreement term is for a period of 22 years effective from 1 December 2015 to 30 November 2037. The rental fee is stipulated in the same agreement.

The Company has entered into additional land rental agreement with BCPG Public Company Limited, a subsidiary for the purpose of related objectives of solar farm project. The agreement term is for a period of 21 years 2 months effective from 1 October 2016 to 30 November 2037. The rental fee is stipulated in the same agreement.

Building Space and Control Room Rental Agreement

The Company has entered into building space, control room and electricity system room rental agreement related to 38 MW solar farm project at Bang Pa-In with BCPG Public Company Limited, a subsidiary of the company. The agreement term is for a period of 3 years effective from 1 December 2015 to 30 November 2018. The rental fee is stipulated in the agreement.

Joint Development Area Agreement

The Company has entered into operating rights agreement with a subsidiary to operate a service and product distribution in service station under its subsidiary's operation for a period of not exceeding 20 years. The subsidiary agree to pay operating right fee as stipulated in the agreement.

Lending Agreement

The Company has an unsecured lending agreement with Nido Petroleum Limited, an indirect subsidiary of the Company for the credit facility of USD 120 million. The loan bears interest and repayment schedule as stipulated in the agreement. Subsequently, the Company has restructured a loan with the subsidiary by revision of interest rate and repayment conditions.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

BCP Innovation Pte. Ltd. “BCPI”, a subsidiary of the Company has entered into Amended and Restated Credit and Guarantee Agreement with Lithium Americas Corp. “LAC” to grant LAC a credit facility of USD 80 million for investment in Project Cauchari-Olaroz (Phase I). Such loan bears interest and repayment schedule as stipulated in the agreement. As of 30 June 2018, LAC has not yet drawdown the loan.

The Company has an unsecured lending agreement with Bangchak Retail Company Limited, a subsidiary of the Company for the credit facility of Baht 350 million. The loan bears interest and repayment schedule as stipulated in the agreement.

Crude Oil Forward Contract

The Company has entered into a crude oil forward contract with a certain indirect subsidiary. The Company will purchase crude oil at quantity and price in accordance with obligation under the agreement.

Guarantee Agreement

BCPG Public Company Limited, a subsidiary of the Company has entered into guarantee agreement with BCPG Engineering Company, an indirect subsidiary of the Company, in accordance with solar power system operation and maintenance of power system from solar energy contract which BCPG Engineering Company has with Tarumizu Solar Solution Godo Kaisha and Nagi PV Godo Kaisha in the event that BCPG Engineering Company causes damage to the assets within the power plant of Tarumizu Solar Solution Godo Kaisha and Nagi PV Godo Kaisha and is not able to compensate. The guarantee agreement is JPY 28 million and JPY 42 million per annum respectively, with a guarantee facility totalling JPY 280 million and JPY 504 million respectively, covering the period of solar power system operation and maintenance of power system from solar energy contract. Under the conditions within the loan agreement between Tarumizu Solar Solutions Godo Kaisha and Nagi PV Godo Kaisha and certain financial institution, it is specified that BCPG Public Company Limited is responsible for the guarantee of possible damage loss.

BCPG Public Company Limited, a subsidiary of the Company has signed the Amendment and Restatement and Novation Agreement (Sponsor Support Agreement) for the purpose of changing the sponsor for Bangchak Solar Energy Company Limited, an indirect subsidiary of the Company under Sponsor Support Agreement from Bangchak Corporation Public Company Limited to BCPG Public Company Limited, with a facility of Baht 700 million. Through the Sponsor Support Agreement, BCPG Public Company Limited guarantees the facility.

Lithium Purchase Agreement

BCP Innovation Pte. Ltd. “BCPI”, a subsidiary of the Company and Lithium Americas Corp. “LAC” have entered into Lithium Purchase Agreement. Such agreement grants BCPI the right to purchase 20 percent of all LAC’s right from Project Cauchari-Olaroz (Phase I) for 20 years from the commencement operation date. However, the Company has an obligations according to the agreement in case of BCPI is unable to pay the lithium purchase.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

5 Investments

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<i>(in million Baht)</i>				
<i>Current investments</i>				
Short-term deposits at financial institutions	220	220	200	200
	220	220	200	200
<i>Other long-term investments</i>				
Available-for-sale equity security				
Lithium Americas Corp.	2,457	4,061	-	-
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	234	234	234	234
Others	49	48	-	-
Non-marketable equity securities - net	2,740	4,343	234	234
Debt securities held to maturity				
Government bonds	3	3	3	3
<i>Add: Premium on investments</i>	-	-	-	-
Debt securities held to maturity - net	3	3	3	3
Other long-term investments	2,743	4,346	237	237
Total	2,963	4,566	437	437

Movements during the six-month periods ended 30 June 2018 and 2017 of marketable equity securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>(in million Baht)</i>				
<i>Other long-term investments</i>				
Available-for-sale security				
At 1 January	4,061	429	-	-
Disposal	-	(1)	-	-
Valuation adjustment	(1,593)	52	-	-
Effect of change in exchange rate	(11)	(23)	-	-
At 30 June	2,457	457	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

6 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in million Baht)</i>			
Related parties	4	-	2	1,052	1,706
Other parties		7,212	7,529	5,412	5,583
Total		7,212	7,531	6,464	7,289
<i>Less:</i> allowance for doubtful accounts		(20)	(20)	(20)	(20)
Net		7,192	7,511	6,444	7,269
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Reversal of bad and doubtful debts expense for the three-month period ended 30 June		-	-	-	-
for the six-month period ended 30 June		-	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	-	2	1,052	1,706
<i>Less:</i> allowance for doubtful accounts	-	-	-	-
	-	2	1,052	1,706
Other parties				
Within credit terms	7,005	7,215	5,265	5,314
Overdue:				
Less than 3 months	162	282	116	246
3-6 months	12	5	8	-
6-12 months	10	7	1	3
Over 12 months	24	20	23	20
	7,213	7,529	5,413	5,583
<i>Less:</i> allowance for doubtful accounts	(21)	(20)	(21)	(20)
	7,192	7,509	5,392	5,563
Total	7,192	7,511	6,444	7,269

The normal credit term granted by the Group ranges from 1 days to 90 days.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

7 Inventories

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	<i>(in million Baht)</i>			
Crude oil and other raw materials	12,478	8,609	11,762	7,464
Finished oil products	7,998	5,932	7,213	5,255
Materials and supplies	1,042	1,060	955	979
Consumer products	98	103	-	-
Semi-finished products	186	156	-	-
	21,802	15,860	19,930	13,698
<i>Less: allowance for obsolete and slow moving</i>	(125)	(125)	(125)	(125)
<i>allowance for decline in value</i>	(19)	(15)	-	-
Net	21,658	15,720	19,805	13,573

As at 30 June 2018 and 31 December 2017, the Company's inventories included petroleum legal reserve of 365 million liters with approximated value of Baht 5,849 million and 408 million liters with approximated value of Baht 5,602 million, respectively.

8 Investments in subsidiaries

<i>Six-month period ended 30 June</i>	Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
At 1 January	12,610	11,639
Acquisitions	-	1,737
Disposals	-	(622)
Loss from impairment	(271)	-
At 30 June	12,339	12,754

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Investments in subsidiaries as at 30 June 2018 and 31 December 2017, and dividend income from the investment for six-month period ended 30 June 2018 and 2017 were as follows:

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the six-month periods ended	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	30 June 2017
	(%)						(in million Baht)					
Subsidiaries												
Bangchak Green Net Co., Ltd.	49.00	49.00	1	1	-	-	-	-	-	-	20	49
BCPG Public Co., Ltd.	70.12	70.27	9,983	9,962	7,000	7,000	-	-	7,000	7,000	448	420
Bangchak Retail Co., Ltd.	100.00	100.00	800	800	800	800	-	-	800	800	-	-
BCP Energy International Pte. Ltd.	100.00	100.00	3,673	3,673	3,673	3,673	(2,203)	(1,932)	1,470	1,741	-	-
BCP Innovation Pte. Ltd.	100.00	100.00	1,334	1,334	1,334	1,334	-	-	1,334	1,334	-	-
BCP Trading Pte. Ltd.	100.00	100.00	35	35	35	35	-	-	35	35	-	-
BBGI Public Company Limited	60.00	60.00	2,532	2,532	1,700	1,700	-	-	1,700	1,700	-	-
					14,542	14,542	(2,203)	(1,932)	12,339	12,610	468	469
Direct subsidiary until 31 May 2017												
Bangchak Biofuel Co., Ltd.											-	105
Total											468	574

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

As the meeting of the Board of Directors of the Company held on 14 June 2018 has resolved to approve the investment plan to establish a subsidiary, which will be incorporated in Thailand, BCPR Co., Ltd., to which BCPR Co., Ltd. will then establish another subsidiary, which will be incorporated in Singapore ("BCPR Pte. Ltd.") in order to jointly invest with Seacrest Capital Group through the investment by means of subscribing new shares of OKEA AS, a company established under Norwegian law, which has developed and produced petroleum in Norway. Both companies were established on 12 July 2018.

Impairment of oil exploration & production assets and investment in subsidiary

During the second quarter of 2018, the Company recognized an impairment loss in investment in BCP Energy International Pte. Ltd. due to the fact that recoverable amount of investment of BCP Energy International Pte. Ltd. in NIDO Petroleum PTY Limited was lower than its carrying amount.

In addition, the Group has recognized an impairment loss in oil exploration and production and investment in subsidiary due to the fact that the recoverable amount which calculated from the fair value less cost of disposal was lower than its carrying amount. In July 2018, the Group has enter into share purchase agreement of Nido Production (Galoc) Pty. Ltd., an indirect subsidiary of the Group, which owns 55.8% interest in of the Galoc Oil Field, with Tamarind Galoc Pte. Ltd. with a total consideration approximately USD 20 million.

The Group recognized impairment loss in statement of income for the six-month periods ended 30 June 2018 and 2017 were as follows:

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2018	2017	2018	2017
<i>Impairment losses</i>					
Investment in subsidiary (BCP Energy International Pte. Ltd.)		-	-	272	-
Property, plant and equipment	10	412	-	-	-
Total		412	-	272	-

(in million Baht)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

9 Investments in associates and joint ventures

<i>Six-month period ended</i> 30 June	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Associates					
At 1 January - as previously reported		14,323	796	-	763
Adjustment	3	(242)	-	-	-
At 1 January - as restated		14,081	796	-	763
Increase		-	925	-	-
Decrease		-	-	-	(763)
Share of net profit of associates		94	72	-	-
Share of other comprehensive income of associate		9	-	-	-
Dividend income		-	(21)	-	-
Effect of change in exchange rate		73	-	-	-
At 30 June		14,257	1,772	-	-
Joint ventures					
At 1 January		77	44	73	44
Increase		-	29	-	29
Share of net profit (loss) of joint ventures		21	(1)	-	-
At 30 June		98	72	73	73
Total					
At 1 January - as previously reported		14,400	840	73	807
Adjustment	3	(242)	-	-	-
At 1 January - as restated		14,158	840	73	807
Increase		-	954	-	29
Decrease		-	-	-	(763)
Share of net profit of associates and joint ventures		115	71	-	-
Share of other comprehensive income of associate		9	-	-	-
Dividend income		-	(21)	-	-
Effect of change in exchange rate		73	-	-	-
At 30 June		14,355	1,844	73	73

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Investments in associates and joint ventures as at 30 June 2018 and 31 December 2017, and dividend income for the six-month periods ended 30 June 2018 and 2017 were as follows:

Consolidated financial statements														Dividend income for the six-month periods ended	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		30	30	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	June 2018	June 2017	
	(%)		(in million Baht)												
Indirect associates															
Ubon Bio Ethanol PLC. (Former as: Ubon Bio Ethanol Co., Ltd.)															
	21.28	21.28	2,740	2,740	763	763	799	794	-	-	799	794	-	21	
PetroWind Energy Inc.	40.00	40.00	895	895	922	922	1,267	1,185	-	-	1,267	1,185	-	-	
Star Energy Group Holding Pte. Ltd.	33.33	33.33	28,237	28,237	11,956	11,956	12,191	12,102	-	-	12,182	12,102	-	-	
					<u>13,641</u>	<u>13,641</u>	<u>14,257</u>	<u>14,081</u>	<u>-</u>	<u>-</u>	<u>14,248</u>	<u>14,081</u>	<u>-</u>	<u>21</u>	
Joint ventures															
Bongkot Marine Services Co., Ltd.															
	30.00	30.00	240	240	72	72	97	76	-	-	97	76	-	-	
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	1	1	-	-	1	1	-	-	
					<u>73</u>	<u>73</u>	<u>98</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>77</u>	<u>-</u>	<u>-</u>	
Total					<u><u>13,714</u></u>	<u><u>13,714</u></u>	<u><u>14,355</u></u>	<u><u>14,158</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14,346</u></u>	<u><u>14,158</u></u>	<u><u>-</u></u>	<u><u>21</u></u>	

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(%)								(in million Baht)	
Joint ventures										
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	-	-	72	72
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	-	-	1	1
					<u>73</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>73</u>
Total					<u>73</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>73</u>

The Company has no dividend income received during the six-month periods ended 30 June 2018 and 2017 and none of the Company's associates and joint ventures are publicly listed and consequently do not have published price quotations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

10 Property, plant and equipment

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets <i>(in million Baht)</i>	Marketing and office equipment	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
Cost											
At 1 January 2018	3,236	3,578	47,636	12,757	7,713	7,681	239	394	28	2,365	85,627
Additions	84	11	35	-	1	26	-	1	-	3,401	3,559
Transfers	61	101	1,535	263	(42)	289	-	-	-	(2,264)	(57)
Disposals	-	(9)	(995)	(3)	-	(237)	-	(2)	-	(8)	(1,254)
Effect of movement in exchange rate	12	4	-	113	113	-	-	-	-	35	277
At 30 June 2018	3,393	3,685	48,211	13,130	7,785	7,759	239	393	28	3,529	88,152
Depreciation and impairment losses											
At 1 January 2018	(12)	(1,044)	(23,893)	(1,613)	(6,498)	(4,283)	-	(231)	(4)	-	(37,578)
Depreciation charge for the period	-	(85)	(1,396)	(288)	(110)	(272)	-	(22)	(1)	-	(2,174)
Impairment losses (<i>Note 8</i>)	-	-	-	-	(412)	-	-	-	-	-	(412)
Disposals	-	5	971	-	-	226	-	2	-	-	1,204
Effect of movement in exchange rate	-	(2)	-	(10)	(110)	-	-	-	-	-	(122)
At 30 June 2018	(12)	(1,126)	(24,318)	(1,911)	(7,130)	(4,329)	-	(251)	(5)	-	(39,082)
Net book value											
At 1 January 2018	3,224	2,534	23,743	11,144	1,215	3,398	239	163	24	2,365	48,049
At 30 June 2018	3,381	2,559	23,893	11,219	655	3,430	239	142	23	3,529	49,070

As at 30 June 2018, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling net book value Baht 15,607 million (*31 December 2017: Baht 15,600 million*).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

	Separate financial statements								
	Land	Buildings	Machinery, equipment refinery plants and terminal	Marketing and office equipment	Platinum catalyst <i>(in million Baht)</i>	Vehicles	Other assets	Construction work in progress	Total
Cost									
At 1 January 2018	2,284	744	43,462	7,154	239	338	28	1,369	55,618
Additions	-	-	9	-	-	-	-	2,300	2,309
Transfers	61	-	1,493	251	-	-	-	(1,817)	(12)
Disposals	-	(8)	(992)	(237)	-	(1)	-	(8)	(1,246)
At 30 June 2018	2,345	736	43,972	7,168	239	337	28	1,844	56,669
Depreciation and impairment losses									
At 1 January 2018	(12)	(561)	(22,855)	(4,018)	-	(205)	(4)	-	(27,655)
Depreciation charge for the period	-	(12)	(1,266)	(233)	-	(17)	(1)	-	(1,529)
Disposals	-	5	970	226	-	1	-	-	1,202
At 30 June 2018	(12)	(568)	(23,151)	(4,025)	-	(221)	(5)	-	(27,982)
Net book value									
At 1 January 2018	2,272	183	20,607	3,136	239	133	24	1,369	27,963
At 30 June 2018	2,333	168	20,821	3,143	239	116	23	1,844	28,687

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

11 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in million Baht)</i>			
Related parties	4	123	129	1,918	775
Other parties		10,644	9,887	7,535	7,459
Total		10,767	10,016	9,453	8,234

12 Other payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		<i>(in million Baht)</i>			
Related parties	4	61	56	68	69
Other parties					
Accrued expenses		1,151	1,174	957	882
Liabilities from forward contract		22	9	22	9
Other accounts payable		1,872	1,779	1,079	1,104
Total		3,106	3,018	2,126	2,064

13 Interest-bearing liabilities

<i>Six-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Loans from financial institutions and debentures				
At 1 January	40,903	39,587	20,672	26,879
Increase	5,431	413	3,500	-
Decrease	(1,238)	(3,097)	(150)	(2,150)
Loan transaction cost	(8)	(8)	-	-
Amortisation of transaction costs capitalised	20	20	2	5
Amortisation of deferred expenses on debentures	1	1	1	1
Effect of change in exchange rates	393	(394)	48	(371)
Total	45,502	36,522	24,073	24,364
<i>Less</i> Current portion due within one year - long term loans	(2,281)	(1,545)	(350)	(300)
Current portion due within one year - debentures	(4,000)	-	(4,000)	-
Short - term loans	(7,860)	(7,034)	(6,831)	(6,824)
At 30 June	31,361	27,943	12,892	17,240

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Debentures

The Company issued long-term debentures which are named-registered, unsubordinated, unsecured and no bond holder representative with a face value of Baht 1,000 each with interest payment dates on 30 June and 30 December. The details are as follows:

Issued date	Amount (in million Baht)	Interest rate (per annum)	Term (Years)	Maturity Date
30 April 2012	2,000	4.92	7	30 April 2019
30 April 2012	1,000	5.35	10	30 April 2022
11 April 2014	2,000	4.35	5	11 April 2019
11 April 2014	2,500	4.81	7	11 April 2021
11 April 2014	3,500	5.18	10	11 April 2024
3 March 2015	2,000	4.72	12	3 March 2027
3 March 2015	1,000	5.05	15	3 March 2030

In connection with the terms of the rights and responsibilities of the debentures issuer, the Company, as the issuer, has to comply with certain restrictions and conditions as stipulated therein, such as maintaining certain financial ratios etc.

14 Segment information

The Group has six reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

<i>Segment 1</i>	<i>Refinery and oil trading</i>
<i>Segment 2</i>	<i>Marketing</i>
<i>Segment 3</i>	<i>Power plant</i>
<i>Segment 4</i>	<i>Bio-based product</i>
<i>Segment 5</i>	<i>Natural resources</i>
<i>Segment 6</i>	<i>Others</i>

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, finance costs, depreciation and amortisation, gain on foreign exchange and loss from impairment of assets (profit (loss) from operating segment), as included in the internal management reports that are reviewed by the Group's CODM. Profit (loss) from operating segment is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

Information about reportable segments for the six-month periods ended 30 June 2018 and 2017 were as follow:

	2018							
	Refinery and oil trading	Marketing	Power plant	Bio-based product	Natural resources	Others	Eliminations	Total
	<i>(in million Baht)</i>							
External revenue	16,485	68,667	1,675	2,026	930	-	-	89,783
Inter-segment revenue	64,041	4	-	3,001	-	-	(67,046)	-
Total revenue	80,526	68,671	1,675	5,027	930	-	(67,046)	89,783
Profit (loss) from operating segment	3,208	1,244	1,457	473	104	(120)	(8)	6,358
Depreciation and amortisation								(2,370)
Gain on foreign exchange								133
Loss from impairment of assets								(412)
Finance costs								(739)
Income tax expense								(476)
Profit for the period								2,494

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

	2017							
	Refinery and oil trading	Marketing	Power plant	Bio-based product	Natural resources	Others	Eliminations	Total
	<i>(in million Baht)</i>							
External revenue	17,932	65,555	1,688	862	786	-	-	86,823
Inter-segment revenue	61,044	4	-	2,914	-	-	(63,962)	-
Total revenue	78,976	65,559	1,688	3,776	786	-	(63,962)	86,823
Profit (loss) from operating segment	3,142	1,525	1,494	238	226	(36)	-	6,589
Depreciation and amortisation								(2,461)
Gain on foreign exchange								363
Loss from impairment of assets								(82)
Finance costs								(693)
Income tax expense								(372)
Profit for the period								3,344

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

15 Income tax

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group's consolidated effective tax rate in respect of continuing operations for the six-month ended 30 June 2018 was 16.03% (30 June 2017 : 10.02%). The difference between the effective tax rate and the amount determined by applying the Thai corporation tax rate to the accounting profit for the period principally was caused mainly by a significant portion of the Group's profit was derived from promoted activities for which concessionary tax rates apply which are not subject to tax.

16 Basic earnings per share

The calculation of basic earnings per share for the three-month and the six-month periods ended 30 June 2018 and 2017 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Three-month period ended 30 June				
Profit for the period attributable to ordinary shareholders of the Company (million Baht)	1,007	993	1,301	1,527
Number of ordinary shares outstanding (million shares)	1,377	1,377	1,377	1,377
Earnings per share (basic) (in Baht)	0.73	0.72	0.94	1.11
Six-month period ended 30 June				
Profit for the period attributable to ordinary shareholders of the Company (million Baht)	2,153	3,076	2,085	3,471
Number of ordinary shares outstanding (million shares)	1,377	1,377	1,377	1,377
Earnings per share (basic) (in Baht)	1.56	2.23	1.51	2.52

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

17 Dividend

At the Annual General Meeting of the Shareholders, held on 25 April 2018, the shareholders approved a full year performance of 2017 dividend payment at the rate of Baht 2.15 per share, totalling Baht 2,960 million, of which Baht 1.05 per share, totalling Baht 1,445 million was paid as an interim dividend for the first half year of 2017 on 26 September 2017. The remaining dividend was paid for the second half year of 2017 at the rate of Baht 1.10 per share, totalling Baht 1,515 million. The dividend was paid to the shareholders on 7 May 2018.

At the Annual General Meeting of the Shareholders, held on 5 April 2017, the shareholders approved a full year performance of 2016 dividend payment at the rate of Baht 1.80 per share, totalling Baht 2,478 million, of which Baht 0.80 per share, totalling Baht 1,102 million was paid as an interim dividend for the first half year of 2016 on 20 September 2016. The remaining dividend was paid for the second half year of 2016 at the rate of Baht 1.00 per share, totalling Baht 1,377 million. The dividend was paid to the shareholders on 21 April 2017.

18 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Capital commitment				
Construction projects	2,791	600	1,070	24
Total	2,791	600	1,070	24
Future minimum lease payments under non-cancellable operating leases				
Within one year	1,634	891	976	496
After one year but within five years	3,528	2,082	3,280	1,988
After five years	2,879	2,889	2,793	2,782
Total	8,041	5,862	7,049	5,266
Other commitment				
Bank guarantees	1,643	164	1,539	33
Total	1,643	164	1,539	33

The Company entered into 10 million barrels oil price hedging contracts with foreign oil traders for the periods between July 2018 and December 2019.

The Company entered into foreign currency buying forward contracts cover the period to December 2020 amounting to USD 61 million equivalents to Baht 1,930 million.

The Company entered into an interest rate swap contract for the loan agreements amounting to Baht 1,000 million by swap from float rate to fixed rate as stipulated in the agreements. The contract will be expired on 30 December 2018.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2018 (Unaudited)

19 Contingent liability

During the second quarter of 2016, the Company (the first defendant) was co-accused with another company (the second defendant) for alleged breach of a lubricant product distribution contract for a claim totalling Baht 46 million. Subsequently, the plaintiff filed additional claim against the Company for alleged breach of a contract as a result of ceasing lubricant product distribution for a claim totalling Baht 688 million. During the first quarter of 2017, the civil court ordered a dismiss on both cases. The plaintiff was re-appealed to the Appeal Court. Subsequently, during the second quarter of 2018, the Appeal Court had ordered the Company to pay the plaintiff for two claims totaling Baht 1 million. Currently, such lawsuit is in process of filing the petitions.

20 Events after the reporting period

- a) On 12 July 2018, Nido Production (Holding) Pty. Ltd., an indirect subsidiary of the Nido Petroleum PTY Limited's group has executed the share purchase agreement with Tamarind Galoc Pte. Ltd. with a total consideration approximately USD 20 million (or approximately Baht 660 million). The execution was referred to the Board of Directors of the Company held on 18 May 2018 which had resolved to approve a subsidiary of the Company, to dispose all shares holds in Nido Production (Galoc) Pty. Ltd. ("NPG"), who owns 55.8% of the Galoc Oil Field.
- b) On 16 July 2018, at the Extraordinary General Meeting of the shareholders No.1/2561 of BBGI Public Company Limited ("BBGI"), a subsidiary of the Company, approved a change to the allocation of shares of the such subsidiary as follows:
 - Issuance and offering of BBGI's new ordinary shares to the shareholders of Bangchak Corporation Public Company Limited and Khon Kaen Sugar Industry Public Company Limited (Pre-emptive Offering) in the amount of not exceeding 54 million shares, par value of Baht 5.
 - Issuance and offering of BBGI's new ordinary shares to the BBGI's directors, managements and employees of BBGI and its subsidiaries under BBGI ESOP scheme in the amount of not exceeding 3 million shares, par value of Baht 5.
 - Issuance and offering of BBGI's new ordinary shares for Initial Public Offering (IPO), including individuals who have relationship or sponsors, in accordance with relevant rules and cornerstone investors in the amount of not exceeding 159 million shares, par value of Baht 5, comprises those remaining from the pre-emptive offering and BBGI ESOP scheme.
- c) On 8 August 2018, the Company issued named-registered, unsubordinated, unsecured, debenture holders' representative and no early redemption amounting to Baht 4,000 million to investors in accordance with the announcement of the Securities and Exchange Commission. These debentures have a par value of Baht 1,000 and interest is payable semi-annually. The details are as follows;

Issued date	Amount (in million Baht)	Interest rate (per annum)	Term (Years)	Maturity Date
10 August 2018	3,000	2.13	2	9 August 2020
10 August 2018	400	2.96	5	9 August 2023
10 August 2018	600	3.42	7	9 August 2025